QATAR INVESTMENT AUTHORITY TAKES STAKE IN ST PETERSBURG AIRPORT OPERATOR

News / Airports / Routes, Finance



Germany’s Fraport is selling a stake in the operator of the St Petersburg airport, which is ailing from low traveller numbers due to the weakness of the Russian rouble, to the Qatar Investment Authority (QIA).

The deal, from which Fraport expects to generate a gain of €30 million (Dh123.1m) to €40m, will help to offset weakening revenues at hubs such as Frankfurt and Antalya and allow it to confirm its 2016 earnings forecast, the group said on Sunday.

Attacks in Europe and a failed coup in Turkey have hit demand for travel, prompting easyJet, Lufthansa , Air France-KLM and IAG to warn on the impact of political upheaval and security concerns.

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Fraport saw its passenger numbers at its home base Frankfurt drop 1 per cent in the first six months, while it was down 30 per cent at its Turkish outlet Antalya following recent suicide bombings in the country. The French peer Groupe ADP reported lower revenues in the first six months.

The political crisis in Ukraine and Russia, which sparked a fall of the rouble by about half over the past two years, has severely hit passenger numbers and retail spending at the St Petersburg airport, where traffic was down 6.5 per cent in the first half of the year.

"Despite the current difficulties in Russia, we continue to regard this as an attractive market," said the Fraport chief executive Stefan Schulte.

Fraport said it is lowering its stake in Thalita Trading, the parent company of Northern Capital Gateway, which holds the concession to operate the Pulkovo Airport in St Petersburg, to 25 from 35.5 per cent.

Consortium partner Copelouzos Group is also selling shares, taking QIA’s stake to 24.9 per cent in total.

The rouble weakness had thrown the operating company of St Petersburg airport, which had financed new terminal buildings in euros and dollars, into financial difficulties, forcing Fraport to help resolve the situation.

Fraport said that it will also sell some loans provided to Thalita Trading.

31 JULY 2016

SOURCE: THE NATIONAL
ARTICLE LINK:
https://ut.50skyshades.com/news/airports-routes/qatar-investment-authority-takes-stake-in-st-petersburg-airport-operator

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