SHARES IN AFRICAN BUDGET AIRLINE FASTJET DROP ALMOST 11 PER CENT

News / Finance



Fastjet's share price plunged yesterday, dropping by 10.95 per cent to close at 30.50p.

The stock dipped on the first day of trading since Easy Group owner Sir Stelios Haji-Ioannou sent a letter to the African budget airline, threatening legal action over a series of alleged licence breaches. Easy Group - parent company of EasyJet - owns the Fastjet brand.

Among other grievances, Haji-Ioannou said mystery shoppers found that Fastjet was not accepting credit cards at ticket offices in Dar es Salaam, which "falls below the standard expected". "This also reduces revenue," he added.

EasyGroup has demanded answers from Fastjet by noon on 31 March. If the airline does not meet this deadline, the brand licence will be terminated, meaning the African company will have to cease carrying out business under the Fastjet name. If Fastjet fails to comply with Easy Group's demand, the travel tycoon said, the company will go to the High Court seeking an injunction and damages from the airline.

Fastjet said yesterday that its board is "currently reviewing the letter with its legal advisers and will respond in due course".

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SOURCE: CITYA.M

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