

Etihad sells its 40pc share in Air Seychelles

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Dhaka: Etihad Airways has sold its 40 per cent share in Air Seychelles, passing over full ownership of the airline to the Seychelles government. Etihad has also reduced the debt it is owed by 79 per cent, while Air Seychelles will completely restructure after taking full ownership.

After months of negotiations, the Seychelles government will take over full ownership of Air Seychelles, with Etihad Airways giving up its 40 per cent share in the airline. Seychelles will pay just USD 1 to take on the 40 per cent stake and has also negotiated a favourable debt repayment plan with Etihad.

Etihad has been looking to clean its hands of foreign airline investments in the wake of the Covid pandemic. The middle-eastern airline invested in Air Seychelles in 2012 and concurrently provided the carrier with a USD 25 million loan. The venture also received funding from bondholders, with Etihad and Air Seychelles sharing the responsibility of paying off the bonds before their due date in 2021.

In a statement, Etihad said, “This is a time of opportunity for both Air Seychelles and the country, as tourism starts to rebuild following the reopening of its borders. Seychelles is an important destination on Etihad’s global network, with bookings steadily increasing.”

Incumbent executives at Air Seychelles, including Remco Althuis, Chief Executive Officer, and Michael Berlouis, Chief Financial Officer, will remain in position until June 30th, 2021. A new board will come into force on June 30, with Nane Nanty as the chairperson and Alan Mason as its co-chairman.

Seychelles President, Wavel Ramkalawan, visited the United Arab Emirates (UAE) in February. After negotiations, Etihad agreed to suspend all debt payments for 2021. Together with relinquishing its stake, Etihad has also agreed to cut the debt it is owed by a huge 79 per cent. Air Seychelles owes Etihad debts exceeding USD 72 million, which both parties have been negotiating to restructure. After a 79 per cent cut, Air Seychelles will pay USD 11.34 million rather than the full USD 72.3 million.

Additionally, Air Seychelles still owes bondholders USD 71.5 million, which it is seeking to repay at a reduced rate. If successful, the airline hopes to pay out a sum of approximately USD 20 million