

**American Airlines, owed US\$750 million, trims flights to Venezuela**  
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American Airlines, owed some US\$750 million (RM2.4 billion) by Venezuela, said it was sharply reducing flights to the South American nation from July after the two sides failed to reach a deal, a spokesman said yesterday.

"Since we are owed a substantial outstanding amount and have been unable to reach resolution on the debt, we will significantly reduce our flights to the country after July 1," said American Airlines spokesman Casey Norton.

Starting July 2, flights will be reduced from 48 a week to 10 from Caracas and Maracaibo, with Miami as the only US destination, eliminating New York, Dallas and San Juan, Puerto Rico, he added.

"We continue to work with the government of Venezuela on this matter," Norton said.

President Nicolas Maduro's socialist government's payment problems – it owes US\$4.2 billion dollars to international airlines – have led many carriers to end or reduce service to Venezuela.

Venezuela requires airlines to sell tickets in bolivars and then trudge through government bureaucracy to eventually get the greenbacks they are owed.

With strict currency controls in place since 2003, Venezuela is only providing US dollars at the official rate of 6.3 bolivars to importers of designated priority goods such as food and medical supplies.

Others who need dollars have to buy them at a higher rate of 10 to 50 bolivars. On the black market, the greenback can cost as much as 60 bolivars.

Venezuela, an OPEC nation that sits atop the world's largest proven oil reserves and imports most of what it consumes, is struggling with shortages of goods as basic as toilet paper.

In addition to soaring inflation and soaring crime, the shortages have fueled at times violent anti-government protests that have killed at least 42 people since February, with opposing sides trading blame for the bloodshed.

Since Maduro took power last year following the death of his mentor, longtime socialist leader Hugo Chavez, Venezuela has seen its economic situation deteriorate.

Late yesterday, Maduro said on his radio program he was replacing longtime planning minister Jorge Giordani, architect of the currency control program in place for 11 years.

His replacement will be Ricardo Menendez, the former education, science and technology minister, the president said.

No reason was given, but analysts said the replacement could be a first step toward changing the currency controls widely blamed for shortages and high inflation.

Domestic economic woes also have mushroomed as Venezuela continues to spend billions of dollars on international support for communist Cuba and on cooperation with other Latin American and Caribbean allies. – AFP, June 18, 2014.

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