

Iceland's WOW Air to resume flights with new owners

September 6 2019



Another chance for WOW Air

An American aviation firm said on Friday it had taken over Iceland's bankrupt airline WOW Air together with local investors and said flights would resume in October.

USAerospace Associates CEO Michele Ballarin told a news conference that the company would relaunch carrying the same name, and that its first flight would be between Dulles airport in Washington DC and Keflavik in Iceland next month.

She gave no financial details of the buyout, but USAerospace said that it had earmarked \$85 million to help with WOW's [cash flow](#).

The bankruptcy of the low-cost carrier March caused a big stir in Iceland where it was expected to have a [negative impact](#) on tourism numbers, as well as on the wider economy which is headed for recession.

Until its insolvency, WOW Air carried more than a third of all visitors to Iceland.

Some 51 percent of the airline's capital will be held by Icelandic investors, allowing it to operate in Europe, with the rest taken up by USAerospace.

WOW's headquarters will be at Dulles airport.

WOW Air will resume operations with two aircraft, Ballarin said, but plans to operate 10 to 12 planes by the summer of 2020.

Until the US company stepped in, the airline had run out of potential investors after its local competitor, Icelandair, pulled the plug on takeover talks.

The relaunch of WOW Air comes at a difficult time for Icelandic tourism.

Visitor numbers to the island fell by 20 percent in the second quarter of 2019 compared to the same period last year as tourists balked at the high

cost of holidaying there.

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