

## Portugal's national carrier TAP up for sale

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**Dhaka: Portugal's government wants to sell at least 51 per cent of the state-owned airline TAP Air Portugal to develop the national aviation sector, announced Finance Minister Fernando Medina on September 28.**

Medina said bidders must be sector players with relevant scale. Three of Europe's biggest airline groups Lufthansa, Air France-KLM and British Airways as well as Iberia owner IAG have expressed their enthusiasm.

Reports cited a spokesman for the Franco-Dutch airline holding saying that the group had a "strong interest in the privatisation of TAP" and was awaiting details.

In the same vein, reports cited IAG's CEO Luis Gallego saying while attending in the World Aviation Festival held in Lisbon on September 27, "We'll have to study the process carefully, but we feel optimistic and believe that TAP can become another success story within IAG".

Lufthansa also sees an interesting opportunity here. Reports claimed the German company said the two airlines could complement each other "very well, particularly thanks to TAP's network of routes to and from South America," where the market is growing.

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According to global data and market insights platform Statista, revenue in the flights market in South America (which considers all trips booked by users from the region) is expected to reach almost EUR 23 thousand million this year, rising to EUR 26.8 thousand million by 2027.

In fact, the Finance Minister pointed out there was value in TAP's "privileged connections" to the Portuguese-speaking countries, such as Brazil, South America's largest nation.

Throughout its history, the Portuguese airline has alternated interminably between public and private ownership. It was last privatised in 2015 and nationalised in 2020 when the state became the owner of 72.5 per cent of its capital. At the time, TAP was valued at EUR 244.4 million.

In 2022, the carrier, which is being restructured under a Brussels-approved bailout, broke out a four-year streak of losses with a EUR 65.6 million profit.

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The exact stake to be left in state hands is yet to be determined. The government plans to approve the full privatisation dossier with the terms and conditions by the end of the year and complete the process by mid-2024, Medina added.

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