

Business

## Jeju Air's Takeover of Rival Eastar Jet Delayed

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The takeover of rival budget carrier Eastar Jet has been delayed by the coronavirus crisis in the aviation industry.

Jeju Air said Tuesday that the acquisition has been delayed from April 29 to "a date both sides agree on when all preconditions are met."

Jeju Air signed a deal early last month to acquire Eastar Jet for W54.5 billion and hoped to finalize it by April 29 (US\$1=W1,223).



A Jeju Air spokesman said the Fair Trade Commission authorized the acquisition on April 23, but scheduled due diligence was delayed by the governments of Vietnam and Thailand because of the coronavirus epidemic.

The spokesman added, "There is no possibility of the deal falling through."

But staff layoffs at Eastar Jet could hamper the plans further.

Eastar has halted operations due to a liquidity crunch and is in the process of laying off 300 workers. One industry source said, "Eastar Jet has not completed restructuring, so the takeover could take longer."