

# China Eastern Airlines to acquire 10% of Air France-KLM

BEIJING, China: China Eastern Airlines said on Friday it is set to acquire a 10% stake in Air France-KLM, as it moves to expand its network in Europe.



© rawpixel via [123RF](#)

The state-owned company will pay about 375 million euros (\$438.5m) for its share in the French-Dutch airline, it said in a filing to the Hong Kong stock exchange.

American carrier Delta will also acquire a ten percent stake in Air France-KLM, the statement said.

## "A global network of airlines"

The "three companies will build a global network of airlines and will provide more convenient, efficient and high-quality travel services for passengers around the world", the statement said, adding that the deal will also allow China Eastern "to extend and expand its route network", develop new markets and improve its brand image.

China's Civil Aviation Administration has encouraged Chinese airlines to build up their presence abroad and become internationally recognised brands.

Beijing has traditionally encouraged companies to invest overseas to find new markets, access technology and increase

China Inc's influence, although authorities have recently taken a tougher stance as concerns grow over capital flight and unsound acquisitions.

The deal will "give Air France-KLM a European leadership position on Shanghai, the main business market in China," the European carrier said.



### Emirates, Flydubai collaborate to accelerate growth

19 Jul 2017



---

On Thursday, Air France-KLM said it would also acquire a 31% stake in Virgin Atlantic for around 220 million pounds (\$287m, €246m).

"The operation is expected to take place in 2018 after approval by the appropriate regulatory authorities," Air France-KLM said in a statement.

The deal will make the airline Virgin Atlantic's second biggest shareholder after Delta Airlines, which holds 49%.

*Source: AFP*

For more, visit: <https://www.bizcommunity.com>