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Government to Subsidize Regional Airlines

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From next year, authorities will subsidize 100 routes for which there is no alternative method of transportation, resulting in a drop in fare prices of between 35 and 50 percent, the deputy transportation minister said. **Sergei Porter**

The Transportation Ministry has announced plans to subsidize regional airlines that will result in savings of up to 50 percent on some domestic routes.

The subsidies will cost the federal budget 750 million rubles ($24 million) a year for the next four years, 450 million rubles of which will be invested in the Northwestern, Urals, Siberian and Far Eastern federal districts, Vedomosti reported Tuesday, citing Deputy Transportation Minister Valery Okulov.

In addition, from next year federal and regional authorities will subsidize 100 routes for which there is no alternative method of transportation, resulting in a drop in fare prices of between 35 and 50 percent, Okulov said, adding that the subsidies would run until 2020.

Aeroflot, which covers about 32.5 percent of all internal routes, and UTair, which flies 16.6

percent, told Vedomosti that they would claim the subsidies for existing routes.

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