

Aeroflot Plans for Capital Expenditures of \$156M in 2013

By [The Moscow Times](#)

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Aeroflot will spend 5 billion rubles (\$156 million) on capital expenditures for itself and its subsidiaries in 2013.

The figure represents a 69 percent jump on expected spending this year. In December 2011, the board of directors approved 3.17 billion rubles of capital investment for 2012.

The investments are likely to go toward new aircraft to help the airline meet ambitious growth targets, said Andrei Rozhkov, an analyst at Metropol.

Aeroflot opened 20 new routes in 2012, including such destinations as Guangzhou, China; Stuttgart, Germany; and Krakow, Poland. The state-owned airline plans to carry 21 million passengers next year, a 19 percent increase over this year's number.

The airline carried 13.3 million passengers in the first 9 months of 2012, compared to 14

million passengers in all of 2011.

Air traffic in Russia has been growing rapidly as the economy recovers from the 2008 global financial crisis and wealth spreads to the regions.

Aeroflot said in a press release Friday that it is also planning to spend an additional 644 million rubles on improving services, especially the quality of its in-flight meals.

Other spending could go toward developing subsidiaries including Rossia, Don Avia and Oren Air and toward the launch of a much-discussed national budget carrier.

To expand access to air travel, the government is pushing for the creation of a budget airline that sells tickets at prices up to two-thirds cheaper than what regular airlines charge.

Aeroflot has said it needs several changes to existing laws — including the right to sell more tickets than seats, offer non-refundable tickets, and cease serving free in-flight food — as pre-conditions for setting up a budget carrier.

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