

EasyJet Still Has No Permit for Flights

By Nikolaus von Twickel

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Exactly one month before the launch of flights between Moscow and London, British no-frills carrier EasyJet has confirmed that it has yet to receive the necessary permit from Russian authorities.

"EasyJet had a very good meeting with [the Federal Air Transportation Agency] in Moscow recently and is working with them to finalize all the necessary arrangements," the company said in an e-mailed statement Monday.

The airline denied that it has been refused permission for the flights. "EasyJet looks forward to launching our first flights between Moscow and London on 18 March," the statement said.

A media report last week claimed that the company's plans are being met with stiff opposition from Russian competitors who dislike its pricing policy. EasyJet might not reach an agreement despite the fact that it has been selling flight tickets to Manchester and London for weeks, Gazeta.ru reported Friday, citing aviation authority sources. The budget airline launched ticket sales for daily flights from Domodedovo to London's Gatwick Airport in mid-January and to Manchester in mid-December. Four flights per week to Manchester will commence March 28.

On Monday, prices on EasyJet's website began at \$150 for round trips to both destinations, well below the average for British Airways and Aeroflot, who had the lion's share of the market so far. <u>An announcement</u> on EasyJet's Facebook page contained a disclaimer "subject to government approval." However, the airline's website offered no such warning.

"EasyJet started [ticket] sales without having presented any documents to the Federal Air Transportation Agency about its pricing policies — in violation of the intergovernmental agreement," an anonymous aviation source told gazeta.ru.

Repeated calls to the Federal Aviation Agency's spokespeople went unanswered Monday.

Under a bilateral agreement between London and Moscow, only four carriers can fly between the two countries.

A space became available last year — for the first time since 1998 — after British Airways bought the other British carrier on the route, BMI. EasyJet was awarded the right to operate the Moscow-London route from Britain's Civil Aviation Authority in October.

The other three carriers flying between the two capitals are British Airways, Transaero and Aeroflot. The agreement also stipulates that EasyJet should reach a commercial deal with Transaero — talks between both carriers are "constructive" according to Transaero and "well advanced," according to EasyJet.

Aeroflot spokespeople did not immediately respond to calls Monday.

Experts said that it was common practice that national carriers are given a say in permit negotiations. "They won't confirm in public but the situation is similar to 2005, when [German budget airline] Germanwings entered the market," said Oleg Panteleyev of the Aviaport.ru portal.

Panteleyev added that aviation officials from both countries have instruments to influence carriers' pricing decisions. But he admitted that the situation with Britain was less satisfactory from a consumer point of view because the bilateral agreement only allows two carriers for each country. By contrast, three airlines from each country (Lufthansa, Air Berlin, Germanwings, Aeroflot, S7 and Transaero) currently fly between Germany and Russia.

Easyjet would be the first big low-cost carrier to enter the Russian market, which is believed to have massive growth potential. The airline's British markets director Paul Simmons told the Moscow Times last year that he expects the new routes to generate profits of up to \$2.4 million flying 300,000 passengers annually.

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