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FAS Pushes Against Airline Cartels

By The Moscow Times

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The Federal Anti-Monopoly Service asked the Transportation Ministry to cancel intergovernmental rules that oblige airlines to exchange information about the prices for tickets, in an effort to prevent the formation of cartels.

The agreements regulating minimal prices for airline tickets were made between Russia and other countries in 1991, and were necessary at that time due to soaring hyperinflation. "Today they are an anachronism. These rules go against the constitution and the law on competition," said anti-monopoly service chief Igor Artmyev, Vedomosti reported on Thursday.

The latest example of this agreement in action, he said, was a request from Transaero to agree pricing with new market entrant easyJet, as it was entering the market.

While most airlines refused to comment on the anti-monopoly service initiative, a source in Aeroflot told Vedomosti that the proposed measure would give foreign carriers a competitive advantage over domestic airlines. He said Russian air transportation laws did

not apply to foreign airlines, as they were not required to sell refundable tickets, take on board luggage of up to 10 kilograms free of charge or pay customs duties on their aircraft.

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