

Aeroflot Prices Inflated by 'Ineffective Spending,' Audit Chamber Says

By [The Moscow Times](#)

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The Audit Chamber has published a report explaining why Aeroflot flights are more expensive than those of competing Russian airlines, citing "ineffective spending" among the main causes of the national flag carrier's inflated prices.

The chamber's report, which was published on its official [website](#) on Monday, lists convenient departure and arrival times, new airplanes and ineffective spending as the three main factors driving Aeroflot prices up. The report covered the period from January 2010 to September 2012.

More than half of an Aeroflot ticket covers the cost of running its air fleet, of which 31.9 percent covers fuel and 21.2 percent airport taxes and air navigation services.

A further 26.6 percent goes on aircraft maintenance costs, 10.8 percent on passenger and cargo handling, and 9.5 percent on sales, advertising and other administrative costs,

the Audit Chamber said.

In its inspection of the carrier, auditors found that decisions made by the airline's board of directors concerning managing subsidiaries was ineffective and that "contracts worth more than 10 billion rubles (\$316 million) were signed without an auction," the report said.

The chamber's report will be submitted to the Transportation Ministry, the Federal Air Transportation Agency and Aeroflot, as well as the Federal Property Management Agency, the Federal Security Service and Interior Ministry.

Aeroflot is one of the oldest airlines in the world and was established in 1923. Formerly the Soviet national airline, it operates flights to 122 destinations in 52 countries through its hub at Moscow's Sheremetyevo Airport.

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