

Aeroflot to Set Up Low-Cost Carrier by 2014

By The Moscow Times

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As foreign low cost airlines move into the expanding Russian market, the state airline has decided to compete. **Maxim Stulov**

State-owned airline Aeroflot has decided to set up its own low-cost operator, and the first flights within European Russia could start as early as 2014, a news report said Friday.

The new low-coster is expected to sell tickets at 20 to 40 percent below the price currently charged by traditional carriers. But the current Air Code and aviation regulations need to be changed to make the new service feasible, Aeroflot said. Specifically, airports must offer lower service rates and bring the time between each plane's landing and take off down to 40 minutes.

Aviation authorities must also allow airlines to sell nonrefundable tickets, charge passengers extra money for their luggage, cancel the requirement to provide meals during flights and hire foreign pilots, Kommersant reported.

If all of the required conditions are met, Aeroflot's low-coster will get up and running next year, the airline said.

Transportation Minister Maxim Sokolov said at the end of May that the ministry had proposed all of the necessary amendments to parliament, leaving the final decision in the hands of legislators.

Aeroflot plans for the low-coster to spend its first two years developing European Russia's most lucrative routes, connecting cities with populations of a million or more. After this, the new airline will start flying to destinations further afield in Russia, CIS countries and foreign countries.

The airline will now get to work on a detailed business plan for the new carrier, a source close to the company said.

The new company will be based at one of Moscow's existing airports, the report said.

At a meeting with Kaluga Governor Anatoly Artamonov on Tuesday, Prime Minister Dmitry Medvedev suggested transforming Yermolino airport, a former air force base currently being transformed for civilian use and located 67 kilometers southwest of the Moscow Ring Road, into an international low-cost air hub.

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