

Aeroflot's No-Frills Carrier to Have Same Comfort Level as Commuter Train

By The Moscow Times

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Aeroflot CEO Vitaly Savelyev discussed plans to create a bare-bones low-cost airline with an "absolutely different mentality" in a meeting with Prime Minister Dmitry Medvedev on Tuesday.

"It will be a stripped-down product, there will be seats like those on commuter trains, they won't recline and will be tightly packed," Savelyev said, a report on the government's website stated.

The airline will also cut costs by imposing strict baggage policies and restricting ticket sales to the Internet, he said.

Should it receive the go-ahead from the government, the new airline could slash 20 to 40 percent off current ticket prices, Savelyev said.

Referring to the example of Ryanair in Europe, Savelyev said European low-cost airlines are experiencing much more significant growth than standard airlines: 38 to 40 percent a year as compared with 3 to 4 percent.

"The low-cost airline will not only compete with Russian airlines, but first of all with the railroad," the CEO said.

Medvedev agreed on the importance of "normal competition between railroads, including high speed lines, and air transportation."

Savelyev and Medvedev also discussed the creation of an airline for the Far East, a project that the prime minister personally instructed Aeroflot to develop.

Aeroflot has "come quite far" with the project, which is expected to compete with Asian carriers as well as Russian ones, Savelyev said, predicting that a more detailed meeting on the subject might take place in late November.

Additionally, the CEO announced Aeroflot's plans to decrease its economy class ticket prices to destinations in the Far East by 20 percent until the end of 2013 in response to the devastating floods that struck the area and its economy this summer.

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