The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Yermolino Needs $320M to Become Moscow's Low-Coster Aviation Hub

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February 14, 2014



Yermolino Airport in July 2013 **M. Stulov / Vedomosti**

The amount of investment needed to turn Yermolino Airport in the Kaluga region into an international low-cost air hub and Moscow's fourth major airport has reached 11.3 billion rubles ($320 million), nearly double the original estimate.

Despite being 72 kilometers southwest of Moscow and lacking any swift transport links to the capital, government officials think that an upgrade to the facility — used by the military until late 2012 — could ease the burden on the city's three main airports: Domodedovo, Sheremetyevo and Vnukovo.

The airport is expected to be operational by 2017 and capable of coping with 7.5 million passengers a year by 2021.

A number of foreign low-costers, including Ryanair and EasyJet, have already shown

an interest in the project, most likely because Yermolino Airport's service charges for carriers are 25 percent lower than Moscow's other airports, said Salavat Kutushev, general director of Yermolino's management company, Kommersant reported Friday.

Easyjet began flying out of Domodedovo in 2013, and Ryanair plans to begin flights to Russia this year.

UTair, Russia's third-biggest airline and a partner in the Yermolino project along with the Kaluga region, wants to transfer up to 20 of its Airbus 321 and Boeing 737 planes to the airport, but is wary of investing while transport issues remain unresolved.

Yermolino's transport facilities need a drastic overhaul if the airport is to be viable, including the construction of express rail links with Moscow, but Russian law forbids carriers from owning ground infrastructure, UTair president Andrei Martirosov said Thursday.

To get around the problem, the airline is working to attract a pool of investors, most of which are financial institutions, Martirosov said, Itar-Tass reported.

Vnukovo-Invest, which owns 75 percent of Vnukovo Airport, was earlier touted as a possible investor, and Martirosov said Thursday that its is "more likely than not" to be involved. Vitaly Vantsev, Vnukovo-Invest's controlling shareholder, was unavailable for comment, Kommersant reported.

Martirosov also said that negotiations are ongoing with Aeroexpress, which runs direct trains from Moscow to both Sheremetyevo and Domodedovo, about the construction of a railroad between Yermolino and Vnukovo Airport.

Aeroexpress has denied that talks are taking place.

Yermolino is not the only project keen to take advantage of Moscow's rising air traffic flows. Thirty kilometers from the city to the southeast, state technology corporation Rostec is sponsoring a new airport aimed at low-costers on the site of the Ramenskoye aerodrome near Zhukovsky.

Forty-two kilometers closer to the city center, the Ramenskoye airport may find the all-important problem of transport connections easier to overcome.

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