

Putin Seeks Crimean Flight Subsidies

By [The Moscow Times](#)

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Travelers to Russia's newest territory can expect cheaper-than-usual plane tickets if the government heeds President Vladimir Putin's call to cut the value added tax on flights to and from Crimea.

Currently, an 18 percent VAT is levied on all internal flights across Russia. Crimea became the latest territory to join Russia, after Putin signed an accession agreement with its leadership back in March.

According to the terms of the order, the government has up until May 20 to prepare the necessary legislation, which will come into effect June 1, RAPS news agency reported.

The government has also been instructed to prepare legislation before May 1 that would provide subsidies for airlines flying to the city of Simferopol. Flights that initiate in Moscow and St. Petersburg would not receive subsidies.

On Monday Aeroflot declared that it would lower the price of economy-class tickets between Moscow and Simferopol. Return tickets now cost 7,500 rubles (\$210), while one-way tickets

cost 4,000 rubles.

“Previously the cost of a flight to Crimea could cost between 15,000 and 20,000 rubles. Aeroflot lowering Crimean ticket prices to 4,000 rubles, alongside the repeal of the VAT on air travel, will lead to a extra inflow of tourists,” said Igor Arnautov, an analyst at InvestCafe.

The orders are part of a raft of measures intended to facilitate and improve Russian access to the Black Sea region. The area is currently only accessible by land through Ukrainian territory.

In December, Prime Minister Dmitry Medvedev announced that state road-building company Avtodor had been selected to build a bridge between Crimea and Russia's Krasnodar region, via the Kerch Strait.

According to an order published on the Kremlin website on Tuesday, Putin instructed the government to determine the cost and sources of funding for the bridge, whose completion is slated for 2018.

Putin also requested that funding be provided to help maintain and develop transportation infrastructure in Crimea, including its railroads and public highways, in advance of the upcoming tourist season.

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