

## Aeroflot Chief Thinks Russians Will Soon Enjoy Much Cheaper Airfares

By The Moscow Times

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Three Aeroflot planes at a terminal of Sheremetyevo Airport.

Laws preventing airlines from charging for food and baggage — the last obstacles standing in the way of significantly cheaper airfares in Russia — will be lifted soon, the country's largest carrier Aeroflot has predicted.

The Russian government has already revoked laws prohibiting the sale of nonrefundable tickets and employment of foreign pilots since the state-carrier announced plans to launch low-cost airline Dobrolet last year, chief executive Vitaly Saveliyev said in an interview ahead of this year's Farnborough International Airshow, or FIA.

But allowing Russia's new budget airline to charge for food and baggage would result in ticket prices up to 40 percent cheaper than Aeroflot's traditional economy class service.

"These are the laws that will allow Russia to have low-cost airlines which will operate under

the same rules as those in Europe and America," said Saveliyev. "Low-cost, it is a very simple service — no food and no free-of-charge luggage."

Saveliyev said a repeal of the obligation to provide food is pending and he believes the Russian parliament will soon reach a decision allowing Dobrolet to charge for baggage, in line with European discount carriers such as Ryanair and easyJet.

"We are looking at Ryanair as a model. For us, Ryanair is maybe one of the best low-cost carriers," he said.

Dobrolet, which roughly translates to mean "Goodflight," made its maiden flight from Moscow to the Crimean capital of Simferopol in June, a politically-motivated decision after Russia drew condemnation from Western governments when it seized control of the Black Sea peninsula from Ukraine in March.

Initial flights on the route have been operating at full capacity and Saveliyev said tickets are now booked up until the end of August.

Dobrolet is Russia's only low-cost carrier but others that have tried and failed were SkyExpress and Avianova, which halted operations in 2011, according to Russian media reports.

Saveliyev said the new carrier would avoid the fate of its predecessors and aimed to produce a profit within two years by targeting Russia's growing middle class.

"In five years we are going to have about ten million passengers each year, and we are going to make a profit in two years," he said.

## Open Up the Expanse of Russia

Aeroflot has previously announced that Dobrolet's first eight planes will be leased Boeing 737-800s and Boeing estimates that over the next 20 years air traffic to and from the CIS region of Russia and ex-Soviet states will grow at a rate of 4.4 percent annually.

Aeroflot said it carried more than 30 million passengers last year and aims to carry more than 70 million passengers, 30 million of whom in the Russian market, by 2025.

Saveliyev believes this target is achievable with Aeroflot now offering the two most successful classes of air travel — premium and low cost. Middle-priced carriers are rapidly beginning to lost market share, he said.

"People now prefer to fly either premium class or with low-cost carriers," he said. "That's why in Russia we are going to be ready, because we now have this low-cost carrier."

Restricted to domestic flights for the first two years, Dobrolet plans to add destinations including the Winter Olympics host city of Sochi on the Black Sea and the Baltic Sea Russian exclave, Kaliningrad, by 2016.

The airline will then be able to operate flights within a 2,000 kilometres radius of Moscow, Saveliyev said, and hopes to fly to international destinations including Kiev and Istanbul.

But the benefits will not only be financial and Saveliyev hopes affordable air travel will open up the expanse of Russia to its largely immobile population of more than 140 million.

"I hope the Russian people will get the possibility to have the same mobility like in Europe, Asia or the U.S.," he said. "It is very necessary, not only for business but for humanitarian reasons, for people to connect with other people."

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