

Far East Authorities Complain of Ticket Price Hike After Transaero Exit

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Officials in Russia's Far Eastern Federal District have raised the alarm about rising airline ticket prices after the country's debt-laden airline Transaero stopped servicing the region, the Kommersant newspaper reported Monday.

In a meeting with Presidential Envoy to the Far East Yury Trutnev, representatives of the Transportation Ministry and rival carriers on Friday, local authorities said the void left behind by the departure of Transaero, Russia's second-largest airline, had not been filled and complained of high ticket prices and fewer flights.

The government is considering expanding subsidies for far eastern flights to compensate for the loss, the report said, citing a statement by Trutnev.

Russia's Federal Air Transport Agency, Rosaviatsia, earlier suspended all Transaero ticket sales.

The troubled private carrier has been hit by reduced travel demand and an increase in the cost of airplane leasing agreements since the sharp devaluation of the ruble.

Two takeover deals by rivals S7 Airlines and Aeroflot have fallen through, leaving the airline teetering on the brink of bankruptcy.

Until recently Transaero operated flights to 260 Russian and international destinations, and accounted for 14 percent of the domestic aviation market.

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