OPERATIONS: AI R TRANSPOR T

Soviets face soaring fares
A

n average 80% increase in
Soviet air fares has been
announced by Prime Minister
Valentin Pavlov in a speech to
the country's Supreme Council.
The increase is one of several
government reforms aimed at
stabilising the disintegrating So-
viet economy.
Civil aviation minister Boris
Panyukov has told Soviet news-
paper Izvestiya that the move is
inevitable because of a doubling
in the cost of aircraft delivered
by the Ministry of Aircraft In-
dustry. Fuel costs are increasing
by a factor of 2.7 and spares and
other supplies and services are
becoming more expensive.
In 1990 Aeroflot made "prof-
its" of 10 billion roubles ($18
million) — now it is losing
money at a rate of 8 million
roubles daily.
Price rises will vary in differ-
ent regions. The Far East and
Polar North, heavily dependent
on air transport, will suffer less
than central regions with ade-
quate railway and highway
networks.

A Moscow-Leningrad fare will
rise from 18 to 43 roubles;
Moscow to Yakutsk, deep in
Siberia, from 134 to 184 rou-
bles; Moscow-Simferopol, serv-
ing popular Crimean resorts,
from 28 to 63 roubles.

The policy would not affect
Aeroflot international routes.
Deputy Minister Kurilo has
mentioned a possibility of
cheaper services offered by new
domestic Soviet airlines, totally
independent of Aeroflot. The
latter, still currently enjoying a
monopoly, has been criticised
severely in recent press reports
for poor services.

NEW S I N BRIE F

FRENCH DELIVERY

Air France has taken delivery
of its first Boeing 747-400.
The carrier has 19 of the
aircraft, powered by General
Electric CF6-80C2-B1F, still
to be delivered. Boeing has so
far won 399 orders from 31
customers for the latest vari-
ant of its 747.

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Profits nosedive as cold chill of economic reform hits Aeroflot

•Aeroflot passengers and air-
port police were injured in scuf-
fles at Chelyabinsk, the indus-
trial centre of the Urals region,
on 27 February after the cancel-
lation of all flights when fuel
ran out at the airport.

Aeroflot officials approached
the nearby Soviet Air Force
Navigators School for help and
the military supplied 200t of
fuel — only a fraction of the
requirement. Eventually passen-
gers boarded partially fueled air-

craft which stopped at nearby
airfields to refuel before pro-
ceeding to planned destinations.
Although the Soviet Union is
a leading crude oil exporter, jet
fuel shortages at airports have
recently become common. •

USAir withdraws BAe 146 criticism
BY KIERAN DALY
IN WASHINGTON

U

SAir has admitted that the
closure of most of its Cali-
fornian network was due to
market conditions in the area
and not, as it had alleged, the
"high operating costs" of the
British Aerospace 146 fleet it
was using(Flight International 6-
12 February). The statement fol-
lows angry protests from British
Aerospace (BAe).
USAir is selling its 18 146s
because it has no routes to run
them on, and now says: "It is
not the aircraft's fault. It is the
marketing conditions which are
behind our decision. You have
got-low fare carriers who are
determined to beat each others'
brains out."

The airline says it was "...not
run out of California. Our mar-
ket share was very strong and
load factors were good. Under
normal conditions we would
have been OK. We decided to
cut our losses."

It says the 146s, inherited as
part of its purchase of PSA,
became less economic after seat-

ing capacity was reduced to 81
— partly to give passengers
more room following com-
plaints and partly to introduce
a small first-class section.

BAe says USAir's earlier criti-
cism has already hurt its mar-
keting effort in the fiercely com-
petitive US regional airliner
market. Senior officials in its US
subsidiary have accused fi-
nancially burdened USAir of
making the 146 a "scapegoat"
for the failed Californian opera-
tion.

Figures filed with the US
Department of Transportation
show USAir losing market share

in California, forcing down
fares to an exceptionally low
level. Yields were substantially
lower than the rest of its net-
work and break-even load fac-
tors almost twice as high.
The carrier's engine mainte-
nance costs for its Pratt &
Whitney JT8Ds on Boeing 737s
as well as the Lycoming ALF-
502s in the 146s, are consis-
tently much higher than indus-
try averages —up to four times
the costs of other major US
carriers. USAir engine mainte-
nance is carried out by its
wholly-owned subsidiary PSA
Airmotive. •

ANZ adds Boeing 767300s to fleet A

ir New Zealand has con-
firmed orders forN

an addi-
tional four Boeing 767-300ERs
and a 747-400. Deliveries- are
staggered from 1994 to 1997.
The carrier has options on five
767-300s and two 747-400.S.

Six 737s ordered late last year
will be delivered by the end of
1993 — the carrier has until the
end of this year to decide on

which 737 variant to specify.
Jim Scott, the airline's chief
executive, says a "leaner" Air
New Zealand was ready for con-
tinued expansion following a
fleet capacity increase of about
15% in the last 12 months. He
is forecasting an annual 6-10%
increase for the next ten years
on the back of rising tourism
demands. •

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