

EU sanctions put low-cost Russian airline out of business

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USPA News - A low-cost Russian airline, which launched its operations earlier this year with a route between Moscow and Simferopol on the Crimean peninsula, has been forced to suspend its operations after the European Union (EU) sanctioned the airline for Russia's role in the crisis in eastern Ukraine. Dobrolet Airlines said it would suspend all its flights and ticket sales on Sunday night because its European partners have canceled contracts after the EU slapped Russia with new sanctions on Wednesday.

The sanctions specifically targeted Dobrolet because the low-cost airline is one of few airlines flying between Moscow and Simferopol in Crimea. In a statement, Dobrolet Airlines said a lease contract for its Boeing 737-800NG planes was canceled because of the sanctions. "Leasing, repair and maintenance services and airplane insurance agreements were annulled, as well as the provision of aeronautical information," Dobrolet's parent company, Aeroflot, said in a statement. "Due to the unprecedented pressure that has been applied to Dobrolet by its European counterparties, the carrier has no option but to suspend flights and ticket sales." The airline said passengers with Moscow-Simferopol tickets up to September 15 and Moscow-Volgograd tickets up to August 20 will be able to fly with Orenburg Airlines at the same time and date as indicated on their tickets. Passengers with tickets for future flights to Samara, Perm, Ufa, Ekaterinburg, Surgut and Kazan are eligible for full refunds. Dobrolet Airlines was founded in October 2013 and carried out its maiden flight in June, flying from Moscow to Simferopol. A ceremony to mark the first flight was held in Moscow and was attended by Russian Prime Minister Dmitry Medvedev as well as senior executives from Russia's transport industry. But choosing Simferopol as its first destination - with four daily flights - may have turned out to be a poor choice, causing it to be singled out by the European Union. "Since the illegal annexation of Crimea, Dobrolet has so far exclusively operated flights between Moscow and Simferopol," the EU said in a legal document published on Wednesday. "It therefore facilitates the integration of the illegally annexed Autonomous Republic of Crimea into the Russian Federation and undermines the Ukrainian sovereignty and territorial integrity." Aeroflot CEO and Chairman Vitaly Savelyev indicated in June that the Russian government had played a significant role in the launch of the new airline. "Support from the President and Prime Minister played an important role in helping us launch this project by approving regulatory amendments that cleared the way for the development of a competitive low-cost transportation in Russia," he said at the time. Dobrolet Airlines was due to launch regular flights to St Petersburg and Samara this month before expanding to other regions in Russia, and eventually to other parts of Europe. The airline hoped to increase its fleet from 8 aircraft by the end of 2014 to 40 aircraft by 2018, when it aimed to operate 45 routes and carry more than 10 million passengers a year. Relations between the European Union and Russia have significantly deteriorated since Crimea, which is internationally recognized as an autonomous republic in Ukraine, was occupied by Russian forces and then annexed by the Russian Federation after residents voted to join Russia in a disputed referendum. Russia has received intense criticism from much of the international community for its role in the ongoing crisis in Ukraine, which is now focused in Ukraine's east, where pro-Russian separatists have declared independence in an effort to also join Russia. At least 1,129 people have been killed in fighting in eastern Ukraine as of late last month, and the situation further escalated when separatists allegedly shot down a Malaysian airliner on July 17, killing all 298 people on board.

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