

Seat capacity on services to, from and within the Eastern Europe and CIS region has more than doubled since 2004. RJs are the fastest growing aircraft type. Airline, route and aircraft trends in the region are examined here.

Development of the Eastern Europe & CIS market

Seat capacity on all flights to, from and within the Eastern Europe and Commonwealth of Independent States (CIS) region has more than doubled over the past decade.

Capacity data for services to, from and within the region are analysed here. The largest and fastest growing markets and routes are identified. Trends in the type and size of aircraft deployed are also examined to show which aircraft may be most in demand in the Eastern Europe and CIS region over the next few years.

Market definition

The countries within the Eastern Europe and CIS region in this analysis are identified (see table, page 10).

Capacity data from 2004 and 2014 have been used. These cover direct, non-stop flights only.

For the purposes of this analysis new routes are airport-pairs that operated with a minimum of 10 annual two-way flights in 2014, but which were not operated in 2004.

Extra-regional destinations are defined as any outside the Eastern Europe and CIS region. In this analysis, those European countries not considered to be part of Eastern Europe are classified as being in Western Europe.

Changing borders

The collapse of socialism in the Eastern Europe and CIS region in the early 1990s led to significant change and the creation of new democratic states.

The Union of Soviet Socialist Republics (USSR) split into 15 separate independent states (see table, page 10). Of these, 11 are now part of the CIS; Georgia has since withdrawn from the CIS, and is classified as an Eastern European country in this analysis.

There is a dispute between Russia and Ukraine over territorial possession of the Crimea, which is considered to be part of

Ukraine in this analysis.

Czechoslovakia and Yugoslavia also split into a number of separate states. In 2008 Kosovo declared independence from Serbia.

The capacity data used in this analysis does not separate Kosovo from Serbia.

A number of Eastern European countries have joined the European Union since 2004 (see table, page 10).

Airlines

A number of carriers in the Eastern Europe and CIS region have ceased trading in the past few years, including Malev, the national airline of Hungary, and the Ukrainian operators Aerosvit and Donbassero Airlines.

Political changes in the region have influenced the airline landscape.

CIS Airlines

During the Soviet era Aeroflot dominated commercial air transport in the USSR and had the largest airline fleet in the world. The different states of the USSR were catered for by Aeroflot's different regional divisions.

When the Soviet Union collapsed, the Aeroflot services were replaced in many of the 15 new states by newly-formed carriers. Some were state-backed; others were independent private operators.

The current incarnation of Aeroflot is based in Moscow.

Its mainline fleet consists of 145 active aircraft, including SSJ 100 regional jets (RJs), A320 and 737 narrowbodies, and A330 and 777 widebodies.

Aeroflot serves domestic, regional and long-haul international destinations via its hub at Moscow Sheremetyevo (SVO).

It operated the most seats to, from and within the Eastern Europe and CIS region in 2014.

The Aeroflot Group also includes a number of airline subsidiaries: Rossiya Airlines; Donavia; ORENAIR; Aurora;

and the new start-up, low-cost carrier (LCC) Pobeda.

Following Aeroflot, the largest CIS-based airlines in 2014, measured on operated capacity, were Transaero Airlines, S7 Airlines, UTair, Rossiya Airlines, Air Astana, Ukraine International Airlines and Ural Airlines.

These are all Russian operators, with the exception of Air Astana and Ukraine International Airlines

Air Astana is the largest airline in Kazakhstan. It operates domestic and regional services via its main hubs at Almaty (ALA) and Astana (TSE). It also serves destinations in the Asia Pacific and Western Europe.

Ukraine International Airlines operates routes to domestic, regional and long-haul international destinations. Its main base is Kiev (KBP).

Eastern European airlines

The largest Eastern European airline by operated capacity in 2014 was the LCC Wizz Air. It offered more than three times as many bi-directional seats than any other carrier in Eastern Europe.

The Wizz Air Group includes two operating airlines.

The main carrier is Wizz Air Hungary, with an active fleet of 50 A320s. As the main carrier in the group it will be referred to as Wizz Air in this analysis. It began operations in 2004. Wizz Air Ukraine operates a further two A320s.

The Wizz Air Group has bases in Hungary, Poland, Romania, Lithuania, Latvia, Ukraine, Serbia, the Czech Republic, FYR Macedonia, and Bosnia and Herzegovina.

Wizz Air's largest bases in 2014 were Budapest (BUD), Bucharest (OTP), Gdansk (GDN) and Warsaw (WAW).

The majority of Wizz Air's capacity is flown on point-to-point services between Eastern and Western Europe.

The next largest Eastern European carriers are the national airlines of their

THE EASTERN EUROPE & CIS REGION

Country	EU member	Former USSR
Eastern Europe		
Albania		
Bosnia & Herzegovina		
Bulgaria	YES	
Croatia	YES	
Czech Republic	YES	
Estonia	YES	YES
Georgia		YES
Hungary	YES	
Latvia	YES	YES
Lithuania	YES	YES
FYR Macedonia		
Montenegro		
Poland	YES	
Romania	YES	
Serbia		
Slovakia	YES	
Slovenia	YES	
CIS		
Armenia		YES
Azerbaijan		YES
Belarus		YES
Kazakhstan		YES
Kyrgyz Republic		YES
Moldova		YES
Russia		YES
Tajikistan		YES
Turkmenistan		YES
Ukraine		YES
Uzbekistan		YES

respective home countries. These are LOT Polish, Air Baltic, Tarom, Czech Airlines, Air Serbia, and Croatia Airlines.

Their hubs are WAW, Riga (RIX), OTP, Prague (PRG), Belgrade (BEG) and Zagreb (ZAG).

Routes & capacity

More than 245 million bi-directional seats were operated on services to, from and within the Eastern Europe and CIS region in 2014 (see table, page 12). This is a 129% increase compared to 2004.

The average capacity on these services has increased by 29 seats since 2004.

More detailed trends can be identified by considering intra- and extra-regional markets separately.

Intra-regional

In 2014 nearly 97.5 million bi-directional seats were available on services within the Eastern Europe and CIS region (see table, page 12). This is an increase of 135% compared to 2004.

There were more than 550 new routes in the intra-Eastern Europe and CIS market. The 10 largest new routes all originated from, or terminated in Moscow. Intra-Eastern Europe and CIS routes can be split into three sub-markets.

Intra-CIS

Services within the CIS countries accounted for more than 80% of all the

capacity available in the intra-Eastern Europe and CIS region in 2014.

There were more than 79 million seats available between airports in the CIS, which is an increase of 159% since 2004 (see table, page 12). The average aircraft size on these services rose from 111 seats in 2004 to 129 seats in 2014.

Intra-CIS traffic is dominated by the Russian domestic market which had a capacity of more than 50 million seats in 2014. The next largest traffic flows are between Russia and Ukraine, and the domestic market in Kazakhstan.

In total, eight of the 10 largest traffic flows involve travel to or from Russia.

It is not surprising that Russia and Kazakhstan have high capacity on domestic services, since they are two of the largest countries in the world in terms of landmass. The distances between some population centres means that air travel is the only viable transport link.

Seven of the top 10 origin points for intra-CIS services were in Russia. The three Moscow airports SVO, Domodedovo (DME), and Vnukovo (VKO) are followed by St Petersburg (LED) as the largest departure points. ALA, TSE and KBP were the only non-Russian origin airports in the top 10.

Eight of the 10 largest routes in 2014 were domestic Russian services; the routes with the most capacity linked Moscow to St Petersburg.

The largest route that did not originate or terminate in Russia was the domestic service between ALA and TSE

in Kazakhstan. Aeroflot operated the most intra-CIS seats in 2014. The next largest intra-CIS capacity providers were S7 Airlines, UTair, Transaero, Rossiya Airlines, Air Astana and Ural Airlines.

Intra-Eastern Europe

The number of seats available on services within Eastern Europe has grown by 20% since 2004 (see table, page 10). The average aircraft size increased from 70 to 83 seats during this period.

LOT Polish and EuroLot operated the most capacity on intra-Eastern Europe services in 2014. The next largest operators were Tarom, Croatia Airlines, Air Baltic and Air Serbia.

In 2014 the Polish domestic market represented the largest traffic flow in intra-Eastern Europe. The next highest traffic flows were the domestic markets in Romania and Croatia, followed by services between Serbia and Montenegro, and Latvia and Lithuania.

WAW had more than twice as many departing seats on intra-Eastern Europe services than any other airport. The next largest origin points were OTP, BEG, ZAG and PRG.

The intra-Eastern Europe routes with the most capacity were Polish domestic services linking WAW with Krakow (KRK), GDN and Wroclaw (WRO).

Routes linking RIX with Vilnius (VNO) in Lithuania, and Tallinn (TLL) in Estonia, have seen some of the strongest capacity growth since 2004. This is a result of expansion by Air Baltic.

CIS-Eastern Europe

The capacity available on services between the CIS and Eastern Europe grew by about 187% from 2004 to 2014 (see table, page 12). The average aircraft size has risen from 96 to 121 seats.

In 2014 the largest traffic flow was between Russia and the Czech Republic. The next largest traffic flows linked Russia to Bulgaria, Latvia, Montenegro, Hungary and Poland.

The airport with the most departing capacity on services between the CIS and Eastern Europe was SVO, followed by PRG, DME, and RIX.

Nine of the 10 largest routes by capacity departed from, or arrived at, one of the three Moscow airports. The airport-pair with the most capacity in 2014 was SVO-PRG.

Aeroflot operated the most capacity on services between the CIS region and Eastern Europe in 2014. This is not surprising given the prominence of Russia as a departure or arrival point. The next largest carriers between the CIS and Eastern Europe were Czech Airlines, Air Baltic, S7 Airlines, Ukraine International Airlines and LOT Polish Airlines.

TWO-WAY CAPACITY ON SCHEDULED NON-STOP FLIGHTS

Market	2004			2014			Change 2004-2014		
	Seats	Flights	Av Seats	Seats	Flights	Av Seats	Seats	Flights	Av Seats
Intra-Eastern Europe & CIS									
Intra-CIS	30,585,713	275,517	111	79,367,846	616,358	129	159%	124%	18
Intra-Eastern Europe	7,741,486	110,234	70	9,260,616	111,466	83	20%	1%	13
CIS-Eastern Europe	3,078,431	31,978	96	8,831,750	72,918	121	187%	128%	25
Total	41,405,630	417,729	99	97,460,212	800,742	122	135%	92%	23
Eastern Europe & CIS - Extra-regional									
Eastern Europe - Rest of World	44,512,537	424,819	105	92,775,815	652,083	142	108%	53%	37
CIS - Rest of World	21,085,589	138,418	152	55,148,006	323,347	171	162%	134%	19
Total	65,598,126	563,237	116	147,923,821	975,430	152	126%	73%	36
Total - all flights	107,003,756	980,966	109	245,384,033	1,776,172	138	129%	81%	29

Extra-regional

In 2014 nearly 148 million bi-directional seats were available between Eastern Europe and the CIS, and extra-regional destinations. This is an increase of 126% compared to 2004 (*see table, this page*).

There were more than 1,250 new routes operating to extra-regional destinations in 2014. The three largest of these, VKO to Istanbul (IST), DME to Vienna (VIE) and DME to Barcelona (BCN), all departed from Moscow.

CIS-Extra regional

In 2014 more than 55 million seats were operated between the CIS countries and extra-regional destinations, a 162% increase since 2004 (*see table, this page*).

The average aircraft size used on these services increased from 152 to 171 seats during the same period.

In 2014, Russia accounted for more than two-thirds of the departing seats available from CIS countries to extra-regional destinations. The next largest origin markets were Ukraine, Kazakhstan and Azerbaijan.

About two-thirds of seats available to extra-regional locations were operated on services to Western Europe. The Middle East and Asia Pacific were the next largest destination markets. The largest extra-regional country markets from the CIS were Turkey, Germany and the United Arab Emirates (UAE).

The largest traffic flow in 2014 was between Russia and Germany. The next largest were between Russia and Turkey, Italy, Spain and the UAE. Nine of the 10 largest traffic flows involved Russia.

In 2014 SVO had the most capacity for services from the CIS to extra-regional locations. The next largest origin points were DME, LED, KBP and VKO.

The arrival airports with the most capacity were IST, Dubai (DXB), Frankfurt (FRA) and VIE.

In 2014 SVO to Paris CDG (CDG)

was the largest route between the CIS and an extra-regional location.

Nine of the top 10 routes arrived at or departed from Moscow.

Aeroflot operated the most seats between the CIS countries and extra-regional locations in 2014. The airline has more than doubled its capacity on these services since 2004.

Transaero Airlines has also increased its capacity and is the second largest carrier in this market ahead of Turkish Airlines, Ukraine International Airlines and Lufthansa.

Eastern Europe-Extra-regional

There were more than 92.5 million seats available between Eastern Europe and extra-regional locations in 2014. This is a capacity increase of about 108% since 2004 (*see table, this page*).

The average aircraft size increased from 105 seats in 2004 to 142 in 2014.

Poland had the most departing capacity to extra-regional locations followed by Romania, the Czech Republic, Hungary and Croatia.

Western Europe was the dominant destination market, and accounted for 95% of the seats available to extra-regional locations from Eastern Europe.

The extra-regional country markets with the most arriving capacity were Germany, the UK, Italy, France and Turkey. Spain and Norway have witnessed some of the strongest capacity growth since 2004.

The expansion of services by LCCs is one factor behind the increase in capacity on flights between Eastern and Western Europe.

In 2014 Wizz Air and Ryanair were the largest operators in this market, while easyJet and Norwegian were also in the top 10.

The growth in LCC capacity between Eastern and Western Europe can be partly attributed to the numbers of countries that have joined the EU in the past 10 years. Since 2004, 11 Eastern European

states have become EU members. They have subsequently been able to benefit from the EU's liberalised approach to air service agreements (ASAs) between member states.

These permit an airline based in the EU to operate services between two member states outside of its home country. Wizz Air is therefore permitted to operate services between Poland and the UK, even though it is based in Hungary.

Airlines are also permitted to operate domestic services in member states outside their home countries.

In 2014 the Eastern European airport with the most departing capacity to extra-regional destinations was PRG, followed by BUD, OTP and WAW.

The largest destination airports were FRA, Munich (MUC) and London Luton (LTN). LTN has witnessed a 600% increase in capacity from Eastern Europe since 2004, mainly as a result of expansion by Wizz Air.

The routes with the most capacity between Eastern Europe and extra-regional destinations in 2014 linked PRG with CDG and FRA. In total, eight of the 10 largest routes departed or arrived from Amsterdam (AMS), CDG, FRA and London-Heathrow (LHR).

Fleet strategies

There has been a trend for larger aircraft to be used on services to, from and within the Eastern Europe and CIS region since 2004.

Superjet International highlights how Soviet-era aircraft have been retired in favour of more modern Western designs. According to Superjet, this process has been most prominent in the CIS countries, having already taken place in Eastern Europe in the previous decade.

A more detailed analysis of the aircraft deployed on services to, from and within Eastern Europe and the CIS region is provided by analysing fleet and capacity data by aircraft category.

RJs and large RJs have seen the strongest growth in Eastern Europe and the CIS region since 2004. Aeroflot operates the SSJ-100 alongside narrowbodies on some routes.

Turboprop

There were more than 11 million seats available on turboprop services to, from and within the Eastern Europe and CIS region in 2014, an increase of 25% compared to 2004 (see table, page 14).

About 75% of this turboprop capacity was operated on services within Eastern Europe, and between Eastern Europe and extra-regional locations.

This is probably due to the shorter distances between population centres in these markets.

Eastern Europe turboprops

The capacity provided by turboprops on intra-Eastern European services increased by 32% from 2004-2014, to just under 4 million seats.

Turboprops provided more capacity than any other aircraft type in this market in 2014.

There has been a shift to the largest and latest generation turboprops in Eastern Europe. The number of seats operated by smaller types such as the EMB-120 Brasilia, Saab 340 and Fokker 50, has declined since 2004. In 2014 the Q400 accounted for more than half of all turboprop capacity on intra-Eastern Europe services. The next most popular type was the ATR72.

EuroLot was the largest operator of turboprop capacity within Eastern Europe. Some of this capacity was operated on behalf of LOT Polish via its WAW hub. EuroLot has actually reduced the number of flights operated by turboprops, but slightly increased capacity, by transitioning its fleet from ATR42s and 72s to Q400s.

Most of the growth in intra-Eastern Europe turboprop capacity has resulted from increased operations by Tarom, Croatia Airlines, Air Baltic and Air Serbia.

Croatia Airlines and Air Serbia reduced the capacity operated by narrowbodies and increased the number of seats provided by turboprops in the intra-Eastern Europe market from 2004 to 2014.

There were examples of turboprops being used on new routes in the intra-Eastern Europe market, including EuroLot's service between WAW and Split (SPU) in Croatia.

Turboprops were also used alongside



RJs and narrowbodies to optimise frequency and capacity on some intra-Eastern Europe services.

There were examples of turboprops being used to partly or completely replace larger narrowbodies on some intra-Eastern Europe routes. In some cases this resulted in a reduction in capacity.

In other examples, turboprops have replaced narrowbody capacity to maintain or increase overall capacity while increasing frequencies on a route. Adding frequencies can help to attract corporate passengers who require flexibility in their travel itineraries.

Turboprops provided nearly 4.5 million seats between Eastern Europe and extra-regional destinations in 2014, an increase of about 13% since 2004. This is despite a reduction of 20% in the number of flights operated by turboprops.

Carriers have switched from smaller to larger types, and predominantly the Q400, for their turboprop operations between Eastern Europe and extra-regional destinations.

Air Baltic operated the most turboprop capacity in this market in 2014, followed by Tyrolean Airways and Croatia Airlines. Tyrolean operates all of Austrian Airlines' flights. Its services will be referred to as Austrian Airlines in the remainder of this analysis.

Expanded services by Air Baltic and Croatia Airlines were partly responsible for the growth in turboprop capacity between Eastern Europe and extra-regional destinations.

Turboprops have partially replaced narrowbody and RJ capacity on certain routes between Eastern Europe and extra-regional destinations.

There were also examples of

turboprops being used to operate new routes or complement other aircraft types on existing services.

Other turboprop services

Turboprop capacity has increased by 40% on services within the CIS countries since 2004.

There has been a shift away from Soviet-era turboprops in the past 10 years. The number of seats operated by An-24s has reduced and the ATR72 has become the most popular turboprop in the region.

UTair Express operated the most turboprop capacity on intra-CIS services in 2014. It uses ATR72s, An-24s and Let 410s on a route network that is predominantly based on the Russian domestic market.

There were examples of turboprops being used to operate new routes in the intra-CIS market.

Turboprop capacity between the CIS and Eastern Europe, and on services from the CIS countries to extra-regional destinations has grown since 2004. These markets, however, only accounted for 6% of the turboprop seats available to, from and within the Eastern Europe and CIS region in 2014.

Regional jet

RJs saw the largest percentage growth in capacity on services to, from and within the Eastern Europe and CIS region from 2004 to 2014 (see table, page 14).

RJ capacity has increased by 181% since 2004, to 24.8 million seats. The average capacity of RJs increased from 58-81 seats from 2004-2014.

TWO-WAY CAPACITY ON SCHEDULED NON-STOP FLIGHTS

Market & Aircraft type	2004			2014			Change 2004-2014		
	Seats	Flights	Av Seats	Seats	Flights	Av Seats	Seats	Flights	Av Seats
Intra-Eastern Europe & CIS									
Narrowbody	30,275,817	255,958	118	74,232,207	515,287	144	145%	101%	26
Regional Jet	2,348,005	47,199	50	11,033,649	153,231	72	370%	225%	22
Turboprop	4,893,511	100,776	49	6,567,286	112,676	58	34%	12%	9
Widebody	3,888,297	13,796	282	5,627,070	19,548	288	45%	42%	6
Total	41,405,630	417,729	99	97,460,212	800,742	122	135%	92%	23
Eastern Europe & CIS - Extra regional									
Narrowbody	47,530,980	345,696	137	113,014,741	703,279	161	138%	103%	24
Widebody	7,439,204	31,143	239	16,380,645	54,262	302	120%	74%	63
Regional Jet	6,512,158	104,497	62	13,821,312	152,289	91	112%	46%	29
Turboprop	4,115,784	81,901	50	4,707,123	65,600	72	14%	-20%	22
Total	65,598,126	563,237	116	147,923,821	975,430	152	126%	73%	36
Eastern Europe & CIS - All flights									
Narrowbody	77,806,797	601,654	129	187,246,948	1,218,566	154	141%	103%	25
Regional Jet	8,860,163	151,696	58	24,854,961	305,520	81	181%	101%	23
Widebody	11,327,501	44,939	252	22,007,715	73,810	298	94%	64%	46
Turboprop	9,009,295	182,677	49	11,274,409	178,276	63	25%	-2%	14
Total	107,003,756	980,966	109	245,384,033	1,776,172	138	129%	81%	29

Intra-regional RJs

The strongest growth in RJ capacity has been on intra-Eastern Europe and CIS services (see table, this page).

The intra-CIS market saw RJ capacity increase by 715% from 2004-2014. This is due to the introduction of RJ services by more than a dozen airlines including Air Astana, RusLine, Rossiya and AK Bars Aero. It is also the result of increased RJ services by carriers such as Aeroflot, which uses them to complement narrowbodies on certain routes.

Air Astana operated the most RJ capacity in the intra-CIS market in 2014 with E-190s.

There has been a shift away from Soviet-era RJs to larger, more modern types. In 2004 Yak 40s provided 70% of intra-CIS RJ capacity. In 2014 they were no longer operating in this market and CRJ200s and E-190s contributed the most RJ seats. The SSJ-100 and AN-148 have also entered the market.

RJ capacity on intra-Eastern Europe services more than doubled between 2004 and 2014.

LOT Polish increased RJ capacity and reduced the number of seats offered on narrowbody and turboprop aircraft on its marketed intra-Eastern Europe services.

Adria Airways also increased its RJ capacity, and five other airlines introduced RJ services. The Embraer E-Jet family replaced older types including the Fokker 100, Fokker 70 and ERJ-145 as the main RJ types in the intra-Eastern Europe market. The E-175 provided the most RJ seats by a single type in 2014.

LOT Polish operated the most RJ capacity in the intra-Eastern Europe market in 2014.

In the market between Eastern Europe and the CIS, RJ capacity increased by 530% to about 1.34 million seats from 2004 to 2014.

This was mainly due to an increase in services by LOT Polish and Belavia, and the introduction of RJ operations by various airlines including Estonian Air, Montenegro Airlines and Aeroflot.

LOT Polish and Estonian Air both reduced narrowbody capacity and increased the number of seats offered on RJs between Eastern Europe and the CIS.

Older types such as the ERJ-145, Fokker 70, and Avro RJ70 have been replaced by the E-195 and E-175 as the main RJ capacity providers between Eastern Europe and the CIS.

In each of the three intra-regional markets there was evidence of RJs being used to operate new routes.

There were examples of airlines operating RJs alongside narrowbodies and turboprops. There was also evidence of RJs being used to partially replace narrowbody and turboprop capacity.

There were examples of RJs replacing narrowbody aircraft and operating at higher frequencies, resulting in an increase in capacity.

RJs were also used to reduce capacity by replacing narrowbodies.

Extra-regional RJs

RJs provided about 13.8 million seats on services linking Eastern Europe and the CIS with extra-regional destinations in 2014 (see table, this page). This is an increase of 112% since 2004.

Average RJ capacity increased from 62-91 seats on flights to extra-regional locations between 2004-2014.

Since 2004 a number of airlines including Lufthansa CityLine, LOT Polish, Austrian and Estonian Air, have added RJ capacity on services between Eastern Europe and extra-regional destinations. This has contributed to a 92% increase in RJ capacity between Eastern Europe and extra-regional locations since 2004.

LOT Polish and Estonian Air both reduced narrowbody seats and increased RJ capacity on services from Eastern Europe to extra-regional destinations.

Older 50-seat RJs have been replaced by the larger CRJ-900 and E-195 as the main providers of RJ capacity between Eastern Europe and extra-regional destinations.

RJ capacity has also increased between the CIS and extra-regional destinations since 2004.

Austrian Airlines, Ukraine International, Air Moldova and Lufthansa CityLine were the largest RJ operators between the CIS and extra-regional destinations in 2014. Ukraine International and Air Moldova did not operate RJ services in this market in 2004. Air Moldova reduced narrowbody and turboprop capacity and introduced RJs.

In 2004 the CRJ200 and Fokker 100 provided the most RJ seats between the CIS and extra-regional destinations. By 2014 the E-190 was providing the most RJ capacity in this market.

RJs were used to operate new routes, and to partially replace narrowbody and turboprop capacity on some services to extra-regional destinations.

Some airlines replaced narrowbody flights with RJs to reduce capacity on a route. Others used them to increase

There has been a strong growth in narrowbody capacity between Eastern and Western Europe since 2004. Much of the growth is down to the expansion of LCCs in the market. Wizz Air operated the most capacity from Eastern Europe to extra-regional destinations in 2014.

frequency and capacity on a route.

There were examples of RJs operating alongside narrowbody and turboprop aircraft as a means of optimising capacity.

Future RJ growth

Superjet International says that demand for new point-to-point routes will be particularly strong between Central and Eastern Europe. It suggests that RJs in the 100-seat category, such as the SSJ100, will be used to open new routes and potentially replace larger narrowbody aircraft on some services.

“A 100-seat aircraft will be the perfect tool to open these new point-to-point routes and explore new market opportunities,” says Nazario Cauceglia, chief executive officer at Superjet International. “The reduction in yield caused by competition from LCCs will force some airlines to ‘rightsize’ their operations, by replacing narrowbodies with aircraft types that have lower operating costs.”

Narrowbody

Narrowbody aircraft provided more than 75% of the capacity available on services to, from and between the Eastern Europe and CIS region in 2014.

There were more than 187 million seats available on narrowbody flights in 2014, an increase of 141% compared to 2004 (see table, page 14). The average size of narrowbody aircraft operating these services increased by 25 seats during the same period.

Extra-regional narrowbodies

More than half of the narrowbody capacity operating from Eastern Europe and the CIS in 2014 was deployed on services to extra-regional destinations (see table, page 14).

There were more than 75 million seats available on narrowbody flights between Eastern Europe and extra-regional destinations in 2014, an increase of 128% compared to 2004. Much of the growth can be attributed to the expansion of LCCs including Wizz Air, Ryanair, easyJet and Norwegian.

There has been a shift from older and smaller narrowbodies to latest-generation aircraft, on services between Eastern Europe and extra-regional destinations.



737 Classics accounted for more than half of the narrowbody seats in this market in 2004. In 2014 the A320 and 737-800 were the main types. This is unsurprising given that Wizz Air and easyJet operate the A320, and Ryanair and Norwegian the 737-800.

The market between the CIS and extra-regional destinations saw narrowbody capacity increase to about 37.8 million seats in 2014.

Aeroflot is the largest narrowbody capacity provider between the CIS and extra-regional locations. Some of the growth in this category can be attributed to Aeroflot and a number of other CIS-based operators expanding their services, including Ukraine International Airlines, Transaero and S7 Airlines.

Aeroflot increased the average size of aircraft and the frequencies operated on many of its narrowbody services.

Airlines based outside of the CIS, including Lufthansa and Turkish Airlines, also increased their narrowbody capacity to the region.

Soviet-era aircraft, including the Tu-154 and Yak 42, have been phased out of the market between the CIS and extra-regional destinations. In 2014 A320 family and 737-800 aircraft were the most common types.

There were examples of narrowbody aircraft being used to operate new routes from Eastern Europe and the CIS to extra-regional destinations. The LCCs alone were responsible for a number of new routes between 2004 and 2014.

Some airlines used narrowbodies to increase capacity on existing services to extra-regional destinations. Others used narrowbodies to complement other aircraft types, such as RJs or widebodies, on a route, possibly to optimise capacity.

In some cases airlines used narrowbodies to partially or completely replace capacity previously provided by widebodies.

Intra-regional narrowbodies

There were more than 74 million seats available on narrowbody services in the Eastern Europe and CIS region in 2014 (see table, page 14). This is a 145% increase compared to 2004.

About 87% of these seats were operated on intra-CIS services.

Narrowbody seats on intra-CIS services grew by 165% between 2004 and 2014, with average capacity increasing from 117 to 144 seats.

Expansion by Aeroflot was the single largest contribution to this growth. Other CIS-based carriers that increased intra-CIS narrowbody capacity included S7, Ural and Transaero Airlines.

Narrowbody capacity in the intra-CIS market was also boosted by the introduction of services by new scheduled operators including UTair, Air Astana and VIM Airlines.

In 2004 the Tu-154, Tu-134, Yak 42 and Il-62 provided about 88% of the narrowbody seats on intra-CIS services.

By 2014 this had fallen to 1.5% in favour of new and larger western-built aircraft, including the A320, A321, 737-800 and 737-500.

The narrowbody seats available between Eastern Europe and the CIS increased by 190% from 2004-2014.

Aeroflot, Czech Airlines and S7 airlines increased their narrowbody capacity between Eastern Europe and the CIS. Further services were introduced by Ukraine International Airlines, Transaero Airlines, Wizz Air and Wizz Air Ukraine.



In 2004, the Tu-154 and 737 Classics provided the most narrowbody capacity between Eastern Europe and the CIS. In 2014 the A320 was the dominant type.

There were examples of narrowbody aircraft being used to operate new routes on intra-regional services.

Some airlines used narrowbodies on existing services to increase capacity or complement other aircraft types, including RJs and widebodies. They were also used to partially or totally replace widebody capacity on some routes.

The only reduction in narrowbody capacity over the past 10 years took place in the intra-Eastern Europe market.

A reduction in narrowbody services by Czech Airlines and the demise of Malev were contributing factors to this.

Croatia Airlines and Air Serbia reduced narrowbody capacity and increased turboprop operations within Eastern Europe. LOT Polish and Adria Airways reduced narrowbody capacity and increased RJ operations.

Widebody

Widebody aircraft provided about 22 million seats on services to, from and within the Eastern Europe and CIS region in 2014 (see table, page 14). Average size increased from 252 to 298 seats.

CIS widebodies

More than 90% of widebody capacity operated in the Eastern Europe and CIS region in 2014 was used on services between the CIS and extra-regional destinations, or in the intra-CIS market.

Widebody capacity in the intra-CIS market grew by 45% from 2004 to 2014

due to expansion by Transaero and Aeroflot, and the introduction of services by Air Astana and UTair. Il-86s and Il-96s were replaced by 767s, A330s and 777-300ERs as the main widebody types.

Growth by Transaero and Aeroflot has also led to an increase in widebody capacity between the CIS and extra-regional destinations since 2004. Emirates also contributed to this growth by increasing the capacity available on services to DXB.

Il-86 and Il-96 aircraft have been practically withdrawn from services between the CIS and extra-regional destinations since 2004. The main widebody types in this market in 2014 were the A330-300, 747-400, 777-300ER and 767-300ERs.

There were examples of Aeroflot and Transaero using widebodies to operate new routes, increase capacity on existing routes and complement narrowbody aircraft on certain airport pairs. This has taken place in the intra-CIS market, and on services between the CIS and extra-regional destinations.

Eastern Europe widebodies

There was a 15% reduction in the number of flights operated by widebodies between Eastern Europe and extra-regional destinations from 2004 to 2014. The overall capacity provided by widebodies increased by 2% however, due to an increase in average aircraft size.

LOT Polish provides the most widebody capacity between Eastern Europe and extra-regional destinations. It uses them to operate services from Poland to Europe, North America, the Middle East and the Asia Pacific. Over the past

CIS-based airlines have replaced Soviet-era aircraft with more modern Western types over the past 10 years. This has been particularly noticeable among narrowbody aircraft. Types such as the Tu-154 have been phased out in favour of A320 the 737 family aircraft.

few years LOT has replaced 767s with larger 787-8s on these services.

Emirates has contributed to the increase in average capacity on widebody services from Eastern Europe by introducing A330s and 777s on services to DXB from WAW, PRG and BUD.

There were few widebody operations in the intra-Eastern Europe market, or between Eastern Europe and the CIS.

Summary

Seat capacity in Eastern Europe and the CIS has increased on intra- and extra-regional markets since 2004.

Intra-regional services are dominated by flights within the CIS countries and particularly the Russian domestic market.

The CIS has seen the strongest percentage growth in seat capacity to intra- and extra-regional destinations.

The market between Eastern Europe and extra-regional destinations has been boosted by the introduction of LCC services since 2004.

LCCs have taken advantage of the EU's liberalised ASAs to launch new point-to-point routes, predominantly between Eastern and Western Europe.

Narrowbody aircraft provided the most capacity to, from and within Eastern Europe and the CIS, but RJs saw the strongest percentage growth.

Narrowbodies have been used to open routes, increase capacity on existing services and replace widebody capacity.

RJs have been used to replace narrowbody and turboprop capacity, open new routes and increase capacity on existing routes.

Turboprops were most prominent on services within Eastern Europe, and between Eastern and Western Europe.

The majority of widebody capacity was operated within the CIS or from the CIS to extra-regional destinations.

There has been a trend towards the use of larger aircraft on both intra- and extra-regional services.

In the CIS there has also been a shift away from ageing Soviet-era aircraft.

The largest growth potential is likely to be for RJ and narrowbody aircraft, particularly on services to, from and within the CIS. **AC**

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