

On January 25, Kyrgyzstan brings into effect the amendments to the Aviation Code - the country has announced the fifth freedom of the air and the open skies policy application. The aircraft of foreign airlines may now land in Kyrgyz airports, take passengers or cargo and continue on.

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The new law gives a right not only for transit flights, but also guarantees the government non-intervention in the pricing, routing and airlines.

The explanatory note to the draft law [declares](#) that the “Open skies” will strengthen the civil aviation of Kyrgyzstan, meet the growing public demand for diversified and affordable air tickets and air freight, as well as ensure high level of flight security due to the fleet rejuvenation.

One of the initiators of the draft law, legislator **Abdyvakhap Nurbaev**, said that the implementation of open skies policy will ensure the expansion of flight network due to the transit between Asia, Europe and Middle East and reduction of airfares.

We have not done any calculations, but we have studied the experience of Armenia, Georgia, Singapore and South Korea, where the fifth freedom of the air allowed reducing airfare by 30 per cent. We have permitted the transit unilaterally and expect a drop in prices by 40 per cent.

Today Kyrgyzstan has air links only with 9 countries, being the least connected country in Central Asia. The average airfare in Kyrgyzstan, compared to Kazakhstan and Uzbekistan, is 39 per cent or 350 US dollars higher in money equivalent.

If we compare airfares of international and domestic airlines in the same destinations, the difference is small.

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According to a representative of one of the tour operators, **Azat Isakov**, Kyrgyzstan has a segment of passengers who don’t care about the airline, but care about low fares. However, there’s another category of people who prefer to use foreign airlines only. They don’t care about the price, but are ready to overpay for comfort.

“The Kyrgyzstanis often prefer Aeroflot, Turkish Airlines and Pegasus Asia among international airlines,” Isakov said.

Old fleet

According to the [Civil Aviation Agency](#) of the ministry of transport and roads, the fleet of Kyrgyzstan has 32 aircraft, including 8 helicopters. Only 10 out of remaining 24 passenger aircraft are airworthy.

The age of every fifth aircraft is above 40 years, and their average age is 28.

According to specialists, the average lifecycle of passenger aircraft varies from 40 to 60 thousand flight hours or 25-30 years.

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In 2009, both landing gears collapsed during the landing of An-24 aircraft at the airport of Osh. Three years later, the national government banned all passenger flights by Soviet aircraft. According to the order, An-24 was not equipped with modern equipment ensuring security, including the ground and airborne collision avoidance system.

Today the fleet of Kyrgyzstan has 6 aircraft of this brand. However, it’s not the oldest non-operational aircraft in the country. There are also a 44-year-old Yak-40, 38-year-old An-26, and 30-year-old SAAB SF-340A.

For comparison, Russian Aeroflot has 253 aircraft, whose average age [is](#) 4 years. The Kazakhstan-based airline Air Astana has 35 aircraft, whose [average age](#) is 10 years.

Growth is not enough

According to statistical data, the air transportation market of Kyrgyzstan has grown in recent years. In 10 years, the number of flights has increased by almost 75 per cent.

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More than 3.5 million passengers passed through the airports of Kyrgyzstan in 2017. The number has almost doubled in five years, from 2013 to 2017.

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However, according to law drafters, Kyrgyzstan is unable to develop its aviation industry dynamically and to increase the number of destinations.

Today domestic and international airlines operate flights within 3000 km. One can make a connecting flight only at three international airline hubs - Moscow, Istanbul and Dubai - and then head towards any place in the world. There are no direct flights to the United States, European Union or Southeast Asia.

For example, one can reach 11 hubs from Almaty and more than 26 international destinations, while the difference in one-way airfare is 100 dollars, on the average. According to surveys held by travel agencies, nearly 100 passengers cross the Kyrgyz-Kazakh border to depart from the Almaty airport every day. Total expenses of the Kyrgyzstanis passing through the airport of the neighbouring country amount annually to 10-20 million dollars.



Farkhod Mirzabaev. Photo: CABAR.asia

Debates about the potential of Manas and Osh airports to become largest hubs in the region

have been held for several years. According to [researcher Farkhod Mirzabaev](#), many low-cost airlines in the countries of Southeast Asia can become interested in Kyrgyzstan for making their flights to European countries and the cities of the European part of Russia.

There’s a large passenger flow from Kyrgyzstan to the cities of Russia and Turkey, and these market segments can be interesting for many Asian airlines that don’t have direct flights to Russia, Turkey and other states of CIS.

See also: [What is an Open Skies Policy and Who Needs It?](#)

Competitors

According to tour operators, the Kyrgyzstanis most often use the services of the three domestic airlines - Air Manas and Avia Traffic that operate international flights, as well as Tez Jet, which operates domestic flights.

Domestic air carriers are not inspired by the amendments in the Aviation Code.

Deputy Head of Avia Traffic Company **Georgy Eremenko** doubted that the “Open Skies” implementation could help reduce airfares. The reason he gives is that new players in the Kyrgyz market, just like old ones, will judge from commercial viability when establishing a pricing policy.

“For example, before Fly Dubai appeared in the market of the Kyrgyz Republic, the Bishkek-Dubai air ticket cost 100 dollars. The airline squeezed out local competitors from the market and afterwards increased the price to 250 dollars,” he explained.

“This is the government’s decision; we’ll see where it goes. The strongest competitor in the market will squeeze out others.”

Air Manas airline is also concerned about the competition. Its chief officer, **Talgat Nurbaev**, thinks the open skies policy will be a challenge for domestic airlines because they will be unequal with foreign airlines.

“Throughout the world, civil aviation is completely supported by the government, which grants tax, customs exemptions and subsidies to domestic airlines. We will be working as usual and hope that the government will support us by creating equal conditions for both domestic and foreign carriers.”

However, the open skies concept implies creation of fair and equal conditions in the air transportation market for all participants, regardless of their countries of origin. Law drafters noted in the regulatory impact assessment:

financial security of domestic airlines makes them resistant to possible external shocks (dumping). [...] The implementation of the open skies policy does not mean automatic influx of major foreign airlines. Domestic airlines have time to adapt to the new conditions.

Experience of Kazakhstan and potential hub

Kazakhstan was the first to implement the open skies policy among Central Asian countries, at the second attempt, though, during the EXPO-2017. [According to](#) the analyst of CABAR.asia, **Askar Mukashev**, the first results have been impressive: the passenger traffic in domestic destinations increased by 88 per cent, and international traffic increased by 30 per cent. At the same time, 10 international airports have been opened.



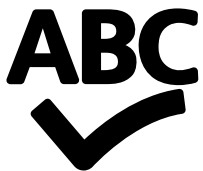
Askar Mukashev. Photo: CABAR.asia

Granting access to foreign airlines to the air transportation market has not affected the operations of domestic players. On the contrary, such airlines as Air Astana and Scat have gained access to the European air transportation markets.

See also: [Implementation of the Open Skies Policy in Central Asian Countries](#)

Moreover, the open skies policy attracts low-cost airlines that are known for their comparatively cheap flights and services. The first domestic low-cost carrier, FlyArystan, will start operating in March 2019 in Kazakhstan and will compete with rail carriers in pricing policy, which means halving of airfares.

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