

PETITION TO REOPEN BALTI INTERNATIONAL AIRPORT (BZY) MOLDOVA FOR REGULAR PASSENGER FLIGHTS



© Dmitry Negret, June 2011 (Project Reconstruction of BZY)



© Alexandr Baikarov, August 2013 (unmarked Yak-42 parked at BZY)



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CONTENTS

1. Preamble.....	3
2. Disclaimer.....	4
3. Available technical specifications of BZY.....	4
4. Available description of existent infrastructure of BZY.....	8
5. Four conclusions on possibilities of operation of BZY.....	12
5.1 Expertise of the current condition of BZY.....	12
5.2 Resumption of BZY operation in its current condition with minor investments	12
5.3 Total reconstruction of BZY.....	13
5.4 Carefully analyzed competitive pricing policy at BZY.....	13
6. Regulatory framework of BZY.....	13
6.1 Agreements entered into by Moldova and unchanged exorbitant prices from KIV monopolising the passenger air traffic in Moldova.....	13
6.2 Moldaeroservice.....	16
6.3 MoldATSA.....	16
6.4 Free visa travel to and from Moldova.....	17
7. Geography of BZY.....	19
8. History of aviation in Balti.....	20
8.1 First civil and military airports in Balti.....	20
8.2 Balti International Airport (BZY/LUBL).....	26
9. Perspectives of BZY.....	29
9.1 Balti.....	29
9.1.1 Population of Balti.....	29
9.1.2 Intermodal transportation network of Balti.....	30
9.1.3 Economy of Balti.....	33
9.2 Northern Moldova.....	34
9.2.1 Economy.....	34
9.2.2 Tourism development.....	37
9.3 Regular passenger flights in Moldova.....	39
9.3.1 Balti International Airport.....	39
9.3.2 Chisinau International Airport.....	46
9.4 Developing the long-term economic potential of location of BZY as an intermodal transportation hub.....	49
9.5 Brief potential cost benefit analysis of investment in and operation of BZY.....	51
9.6 Runway reconstruction possibilities at BZY.....	52
9.6.1 Operation of the existing runway at BZY.....	52
9.6.2 PCN refurbishment of the existing at BZY runway with its extension in the northwest direction.....	52
9.6.3 PCN refurbishment of the existing at BZY runway with its extension in both northwest and southeast directions.....	52

9.6.4	Construction of an entirely new runway at BZY next to the existing runway 53	
9.7	Operation and management possibilities of BZY.....	53
9.7.1	Delocalization of casinos from Balti to the terrains of BZY	53
9.7.2	Inclusion of BZY in the Balti Free Economic Zone	53
9.7.3	International collaboration.....	54
10.	Comparison case studies	55
10.1	International airports in Romania: focus on Iasi airport	56
10.2	International airports in Lithuania: focus on Kaunas airport	61
10.3	International airports in Georgia: focus on Kutaisi airport.....	65
10.4	International airports in Ukraine.....	67
11.	Business models for airlines operating from BZY.....	69
12.	Competent Moldovan authorities	69
13.	Conclusion	69
14.	List of Schedules.....	70

1. PREAMBLE

I, Alexandr Baikalov, in my quality of a passenger and frequent flyer to and from Balti, Moldova (through different other airports), created on 13 December 2015 a petition to reopen Balti International Airport for regular passenger flights on the website www.ipetitions.com in order to attract attention of the public and private authorities in Moldova and abroad to the existing demand for flights to and from Balti International Airport which remained forgotten since early 90's of the last century. The text of the petition follows below:

"Balti International Airport [IATA code: BZY, ICAO code: LUBL, hereinafter referred to as "BZY"], closed for regular flights since early '90s (approximately 20 air routes operated from BZY until then) with only charter flights being operated until now, has to be reopened for regular flights again. With the ever growing numbers of passengers (around 1.5 million¹ per year and growing in a country with total population of 3.5 million) flying to and from Moldova, ever growing numbers of taxis and buses from Balti to the overcrowded and very expensive Chisinau airport (even Air Moldova sells since May 2015 flight tickets from BZY to Paris, London, Rome, Moscow, Kiev, Istanbul, Frankfurt, etc. with a "transfer flight" on... bus from BZY to KIV), the time has come to reopen Balti International Airport for the entire northern part of Moldova, but also neighboring regions in Romania and Ukraine, as well as simply for a wider air traffic offering in the entire Moldova - regular and low-cost flights are welcome."

- to sign the ongoing petition (more than 1,200 signatures at the moment), please visit: <http://www.ipetitions.com/petition/petition-to-reopen-balti-international-airport-for/> ;
- to exchange in respect of the petition, please visit: <https://www.facebook.com/Balti-International-Airport-BZY-1012797452116140/> or contact me at alexandr.baikalov@gmail.com or +33 (0) 6 87 15 71 88 ;
- to see the results of an ongoing poll allowing passengers to select their preferred destination from BZY, please visit: <http://www.poll-maker.com/results52051ux639077EA-22#tab-2> ;

¹ This number increased since the start of petition to 2,226,441 transported passengers in 2015.

The fifteen most popular destinations from BZY are so far: Bucharest, Moscow, Paris, Rome, London, Frankfurt, Milan, Istanbul, Madrid, Munich, Vienna, Saint-Petersburg, Antalya, Amsterdam and Budapest.



2. DISCLAIMER

2.1 The data provided in the present document is not official and this document is not an official expert/engineer/technical/business report. Consequently, this document cannot be considered as an official presentation regarding description and current technical situation of BZY. Following requests which I filed with the Moldovan Civil Aviation Authority and the Moldovan State Enterprise "Moldaeroservice" – current operator of BZY, to clarify whether any official public information in this respect is available, I have received copies of certain documents which are all attached in the schedules hereinafter. With no financial support of any kind, I have personally invested in promotion of this petition more than €3,000, which amount notably includes Facebook advertisement, international communications and research. I have written this document in my free time from work since December 2015.

2.2 Hence, all information provided in the present document is a mere compilation of facts, statements, opinions and data (i) publicly available on different internet sites, (ii) some aforementioned official documents provided by Moldovan authorities, (iii) resulting from interviews or simple discussions. This document does not represent official view of any governmental authority, public entity, private company or any political party.

3. AVAILABLE TECHNICAL SPECIFICATIONS OF BZY

3.1 The table below represents a synthesis of current technical specifications of BZY, including its runway and equipment.

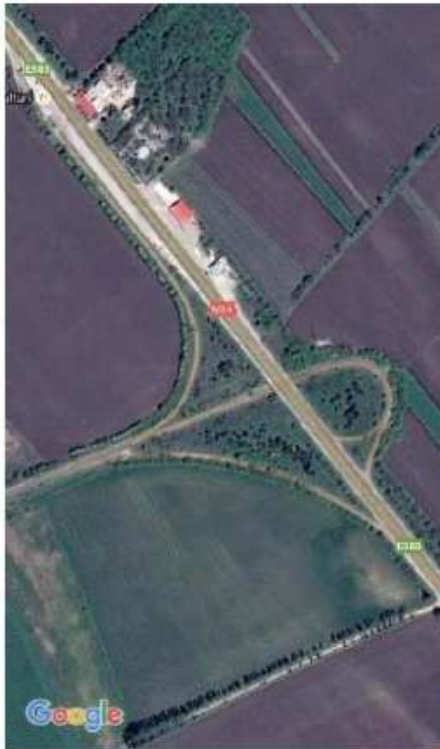
3.1 Runway length:	2,240 meters / 7,349.08 feet
3.2 Runway width:	42 meters / 137.80 feet
3.3 Runway direction:	15/33
3.4 Runway surface:	concrete: 24 centimeters / 9.45 inches
3.5 Runway PCN:	16 R/A/W/T
1. calculated in accordance with the Soviet methodology, as referred to in the <i>Schedule 1</i>	
2. operation of TU-154 (one plane per day) and IL-76T (50 planes per year with weight:160 tons / 352,739.6 pounds) are allowed as well, as referred to in the <i>Schedule 2</i>	

3. a list of some selected airplanes whose ACN is compatible with PCN of BZY runway is attached in the <i>Schedule 3</i>	
3.6 Elevation AMSL:	231 meters / 757.87 feet
3.7 Land plot area of BZY:	144,556.7 ha ²
3.8 Soviet classification of BZY: 4. as referred to in the <i>Schedule 6</i>	B
3.9 Magnetic heading: 5. as referred to in the <i>Schedule 4</i>	149
3.10 Lighting: 6. as referred to in the <i>Schedule 4</i>	Low intensity runway lights (2 directions), system category: <i>M – 2</i> , corresponds to requirements of Soviet standards <i>ИТЭА СССР-80</i>
3.11 Landing facilities: 7. as referred to in the <i>Schedule 6</i>	static radar landing system <i>RSP</i>
3.12 Operation:	day and night all year around / no limitations
3.13 Radio navigation equipment outside BZY (Balti branch of MoldATSA):	1. non-directional beacon <i>ПАР-7</i>, marker beacon <i>МРМ-В</i> (distant homing beacon - 147) 2. non-directional beacon <i>ПАР-8</i>, marker beacon <i>МРМ-В</i> (distant homing beacon - 327) 3. non-directional beacon <i>ПАР-8</i>, marker beacon <i>МРМ-В</i> (inner marker beacon - 327)
3.14 Radio navigation equipment inside BZY (Balti branch of MoldATSA):	1. non-directional beacon <i>ПАР-10</i>, marker beacon <i>МРМ-В</i> (inner marker beacon - 147); 2. instrument landing system <i>СП-80</i> (phase localizer beacon <i>КРМ</i> and glide path beacon <i>ГРМ</i>) 3. meteorological equipment: • complex radio technical meteorological station <i>КРАМС-4</i> with sensors VAISALA with <i>МК15</i> and <i>МК33</i>; • anemorumbometers <i>М-63М1</i> with <i>МК15</i> and <i>МК33</i>; • cloudiness indicator: registrar of height of the lower border of clouds <i>РБО-2М</i>; 4. Doppler automatic direction finder <i>АПД-80</i> 5. Radio communication equipment of the control tower: • radio stations <i>РАЕ</i>; • radio stations <i>Баклан-РН</i>; • remote receiving radio communication center: receivers <i>Полёт</i> and <i>Р870</i>.

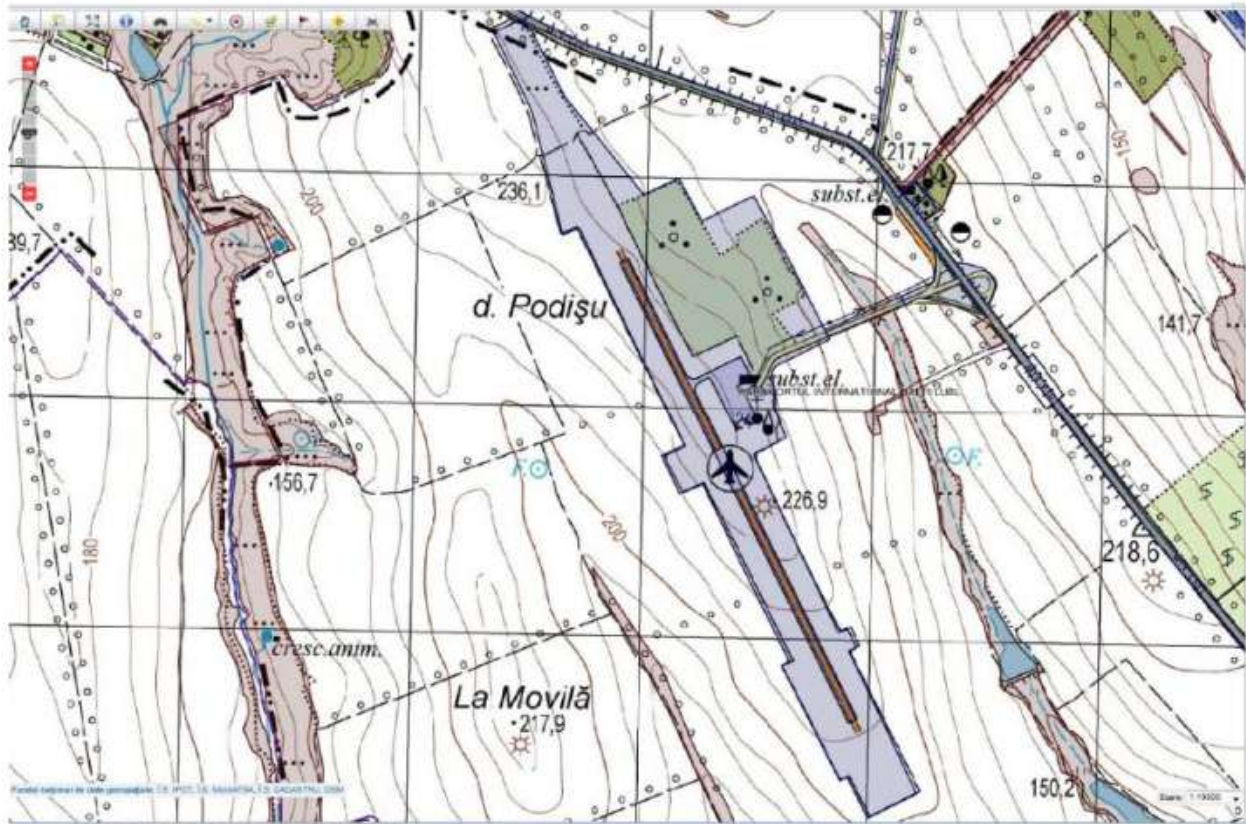
3.2 Below you will find screenshots of BZY consultation on www.geoprtal.md, Google Maps and personal photos clearly revealing:

² <http://tribuna.md/2016/01/06/ministrul-chirinciuc-despre-aeroportul-din-balti-timpul-pierdut-ne-costa-bani/>

- 3.2.1 the existing interchange road junction (one of the few in Moldova) from the European route E583/M14 9B class road), allowing thus an easy and convenient car/coach/eventually trolleybus access to BZY; contrary to the airport located in Chisinau, there is no road intersection from Balti to BZY and the existing elevated overpass at BZY allows for uninterrupted transport flow to and from BZY;



3.2.2 the current location of the runway and different existing facilities at BZY including geographical relief map, according to which it appears that with minor engineering earthworks there are obvious possibilities for quick extension of the current length and/or width of the existing runway, including for acquisition/expropriation of additional land surface if necessary.



3.2.3 the current location of the runway and different existing facilities at BZY including geographical relief map, according to which it appears that with minor engineering earthworks there are obvious possibilities for quick extension of the current length and/or width of the existing runway, including for acquisition/expropriation of additional land surface if necessary.

3.3 Taking into consideration the official (certified back according to USSR standards) runway PCN classification of BZY – 16 RWAT – for operation of A320/B737 and even larger airplanes, an investment shall be required in improvement of the existing runway and eventually in its extension.

3.4 However, it appears that as of now such planes as Saab and Fokker (Carpatair/former Moldavian Airlines), ATR (TAROM), Embraer (Air Moldova), may be smaller planes of Lufthansa (CityLine), Alitalia (CityLiner), Air France (HOP) and Austrian can be operated at BZY. A small investment in refreshment of the currently existing facilities for operation of such aircraft shall be required.

3.5 Furthermore, as the currently existing runway with a length of 2,240 meters and a width of 42 meters was built in 1987, the necessary earthmoving and ground works were also already performed back in 1987 on the remaining ground strip immediately following the existing concrete limits of the runway. Therefore, extension of the existing length of runway for yet another additional 1,000 meters in the north-west direction and 400 meters in the south-east direction appears as a relatively straightforward and easy task. This additional runway length surface, with already performed ground works, is currently covered with grass.

3.6 Consequently, among eventual reconstruction possibilities of BZY, there are three main possibilities: (i) extension of the existing runway, (ii) construction of a new runway, probably in the similar north-west and south-east directions, somewhat parallel to the existing runway, benefiting from the elevated landscape of the general available landscape and unique wind directions allowing for absence of stable fog conditions, (iii) using the existing runway as a taxiway next to the new runway or using two runways and building yet a new taxiway. The existing apron surface should be eventually extended and reinforced in any retained reconstruction scenario. More reconstruction alternatives are discussed hereinafter in the article 9.6 (*Runway reconstruction possibilities at BZY*).



4. AVAILABLE DESCRIPTION OF EXISTENT INFRASTRUCTURE OF BZY

On 23 December 2015, 10 days after I launched the petition to reopen BZY for regular passenger flights, Moldovan Ministry of Transports and Infrastructure of Roads published³ the following information:

“BZY is located on the territory of the Riscani region with a surface of 144,556.7 ha and includes an aerodrome, a passenger terminal, a baggage handling facility, buildings and constructions ensuring technological process (a metallic hangar, a diesel electric generator for autonomous reserve energy, a square in front of the passenger terminal, parking lots for special purposes ground vehicles and others) as well as a land surface which may be used for infrastructure development of BZY.

In accordance with the statistical data for the period of 2013-2015, BZY registered a small number of flights, most of which were operated by small airplanes and helicopters.

Currently BZY is in an unsatisfactory condition, airport infrastructure being used and degraded. The reduced number of flights generates unjustified costs for the two state run companies: «Moldaeroservice», which manages BZY, and Balti branch of «MoldATSA», which is responsible for providing air traffic services on the aerodrome of BZY.

At the same time, total costs for payment of employees' salaries of Balti branch of the state run company

³ <http://www.mtid.gov.md/ro/content/cu-privire-la-situatia-aeroportului-international-balti-leadoveni-rectificat>

MoldATSA, as well as costs related to stocks, materials, spare parts, security, work health and other costs represented only for 11 months of 2015 approximately MDL 3,824,000 [€ 172,475.20⁴].

According to the data provided by the state run company "Moldaeroservice", the current maintenance costs and land tax cost to the State Budget approximately MDL 240,000 per year [€10,824.80].

Currently the activity of BZY was ceased as of 14 September 2015 in connection with withdrawal of the operation certificate following request of Mr. Mircea Maleca, director of the Moldovan Authority for Civil Aeronautics.

Taking into consideration this complicated situation, the Moldovan Ministry of Transports and Infrastructure of Roads expresses its availability to discuss proposals and initiatives whose goal is modernization of BZY, basing on the idea of supremacy of the State interests and those of the citizens."

As of 1 March 2013, in the framework of an inspection carried out by the Moldovan Civil Aviation Authority, the following services at BZY were verified: Passenger and Baggage - General, Ticketing and airport services, Departing passengers processing, Arriving passengers processing, Baggage⁵.



⁴ Any conversion in Euros is simply given at today's nominal exchange rate, for information purposes only, and does not take into account the real economic value of MDL at the precise moment of constitution of the respective receivable.

⁵ http://www.caa.md/modules/filemanager/files/documentum/Plan_de_activitate_2013.pdf





5. FOUR CONCLUSIONS ON POSSIBILITIES OF OPERATION OF BZY

Four major points have to be underlined after presentation of the current available technical description of BZY and the existent infrastructure in light of potential (pessimistic scenario) 300,000 to 400,000 passengers who may be transported through BZY per year (optimistic scenario in short-term perspective: 645,750 passengers and in mid-term perspective: BZY: 756,990 passengers), as projected by application of development coefficient of the Moldovan air traffic, in accordance with provisions of the article 9.3.1(*Balti International Airport*) herein.

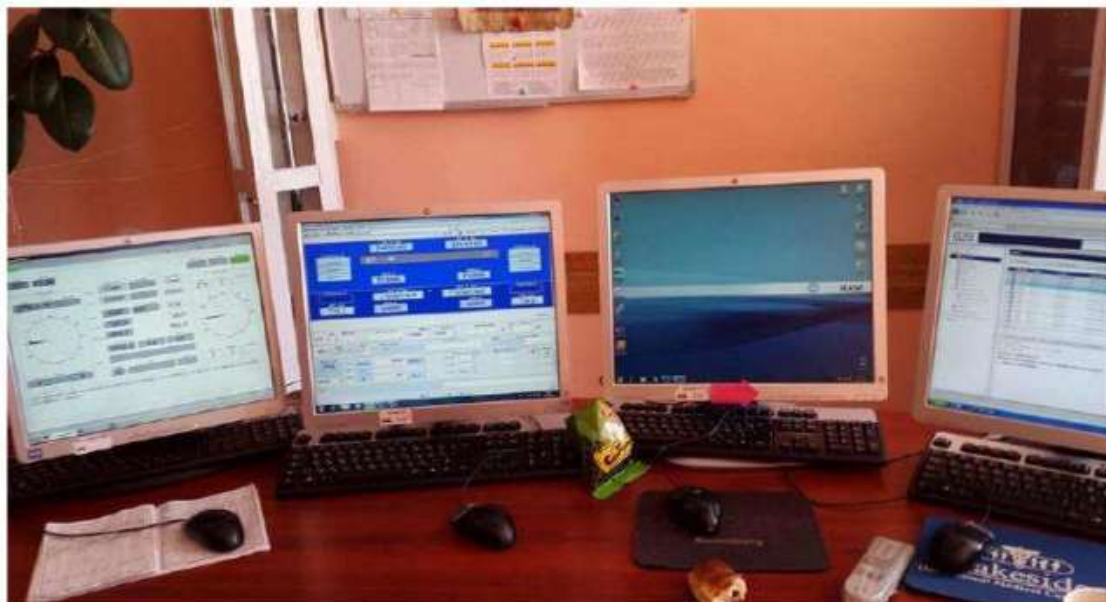
5.1 EXPERTISE OF THE CURRENT CONDITION OF BZY

Since the available description of technical characteristics of BZY, its runway and infrastructure date back to the USSR standards, one could reasonably presume that there is a need for a new updated assessment – expertise of BZY corresponding to ICAO/IATA standards and classification.

Following such an updated assessment, one could conclude on whether operation of regular passenger flights may be resumed from BZY in its current condition as it is, and if not, which minimal investment is required to make sure BZY is ICAO/IATA standards compliant and operational for resumption of regular passenger flights without major reconstruction. Indeed, before major reconstruction and development, it would be reasonable to fully consume the existing potential of BZY, which was not used since independence of Moldova.

5.2 RESUMPTION OF BZY OPERATION IN ITS CURRENT CONDITION WITH MINOR INVESTMENTS

The aforementioned minor investment could eventually be partially borne by an airline which could select BZY as its hub, for example, the extinct Moldavian Airlines could have had the perfect fleet for operating from BZY (Embraer, Fokker and Saab planes). Among other airlines having the required fleet to operate from BZY in its current condition is definitively TAROM with its ATR planes, which is all the more necessary in the framework of the EU collaboration and integration as well as taking into consideration strategic partnership with Romania. One could reasonably foresee Russian airlines as Aeroflot, S7, Pobeda, etc. eventually also operate from BZY, insofar they have suitable airplanes. Odessa destination could be also of importance, especially in the warm period of the year, when many Moldovans from the northern Moldova travel to the Black Sea coast next to Odessa. Certain airplanes of such airlines as Lufthansa Cityline and Alitalia Cityliner could land at BZY as well. One could also certainly see as a profitable destination from BZY regular flights to Istanbul, especially taking into consideration the previous operation of this destination on charter flights from BZY which were so often scheduled that almost became regular. In any case, strategical development of connecting flights from and to BZY from and to major European and Russian airports would be certainly efficient, similar to the business model of the now extinct Moldavian Airlines with connecting flights in Budapest.



It appears that BZY has all of the required radar and ILS functioning equipment, including modern automatic weather observation system KRAMS. However, it seems that the existing illumination system has to be repaired or replaced and refreshment works within the passenger terminal could be sufficient.

5.3 TOTAL RECONSTRUCTION OF BZY

A farther step could be a total reconstruction of BZY, including its runway (in order to be able to operate at BZY all kinds of airplanes), all of the existing infrastructure, facilities and terminals, as notably suggested in the reconstruction project of BZY, accomplished in 2011 by Dmitry Negrei, Moldavian architect (according to photos of the reconstruction project in the *Schedule 8*). However, such a reconstruction shall require some major investments, at least on the Moldovan scale, which most likely could be only borne by a foreign investor, including direct investment by an operating company (concession, PPP) and/or financing from European and international institutions.

5.4 CAREFULLY ANALYZED COMPETITIVE PRICING POLICY AT BZY

As far as the present and future development and operational costs of BZY and their repercussion on airport taxes are concerned, one should take into consideration the existence of the currently only one operational international airport in Moldova in Chisinau (KIV) with exorbitant airport taxes, which often constitute more than a half of a ticket price. Therefore, it is difficult to imagine BZY having airport taxes higher than those applied by the airport located in Chisinau. Even though BZY would have to go through a long road to become a full-fledged competitor to KIV, these two Moldovan international airports could function in a complementary manner, as, for example,⁶ the recently revived Romanian Suceava and Ukrainian Chernivtsi airports.

6. REGULATORY FRAMEWORK OF BZY

6.1 AGREEMENTS ENTERED INTO BY MOLDOVA AND UNCHANGED EXORBITANT PRICES FROM KIV MONOPOLISING THE PASSENGER AIR TRAFFIC IN MOLDOVA

6.1 The extensive list of legally binding agreements within the applicable regulatory framework to civil aviation in Moldova can be found on the website of the Moldovan Civil Aviation Authority⁷. Among different international well known agreements, one should highlight the Common Aviation Area

⁶ <http://www.crainou.ro/2015/11/21/aeroporturile-suceava-si-cernauti-vor-actiona-complementar-si-nu-concurential/>

⁷ <http://www.caa.md/eng/documents/>

Agreement signed between the European Union and its Member States and the Republic of Moldova on 26 June 2012 and the Protocol of Meeting between Aviation Delegations of the Republic of Moldova and the Russian Federation signed on 14 November 2012. Pursuant to the aforementioned protocol, the parties agreed to progressively liberalize the air traffic between the two countries except the route Chisinau-Moscow until the period IATA « Winter 2014/2015 ». This exception is understandable, as there are approximately 6 routes to MOW from KIV and from MOW to KIV per day, the share of MOW in the entire air traffic of KIV is approximately 40 %, whereas the share of number of operated flights by companies flying to Russia (mostly Moscow) from KIV is more than 65 %.

6.2 Consequently, and at least theoretically, the civil air transportation in Moldova is liberalized, although:

- (1) no other airport is being operated in Moldova and notably the second largest international airport in Moldova – BZY is not operated (i) at all since the September - October 2015 and (ii) for regular passenger flights since the beginning of the 90's; and
- (2) the prices to KIV still consist of exorbitant airport taxes which often represent more than a half of the ticket price. Generally speaking, the prices from/to KIV, which *de facto* monopolized the entire passenger air traffic in Moldova, remain inexplicably high compare to air ticket prices in the rest of the world, Europe, Romania and Ukraine. These prices are all the more exaggerated in economic terms. Indeed, Moldova is currently the poorest country in Europe with labor force costs respectively low.

6.3 This results in large numbers of Moldovans flying to the neighboring airports around Moldova such as Bucharest, Timisoara, Iasi, Bacau and Suceava in Romania and Kiev, Odessa in Ukraine, as well as probably from July⁸ 2016 from Chernivtsi in Ukraine.

6.4 The aforementioned passengers then arrive in/from different localities of Moldova via terrestrial transportation means. Such an additional trip from Romania or Ukraine may last quite a long time because of the customs and poor roads both in Moldova and the neighboring countries. For example, a route of about 85 km from Balti in Moldova to Iasi in Romania may take a 5-hour drive and a cab from Iasi to Balti costs approximately € 55 in one direction. Consequently, for a flight at 10 o'clock in the morning from Iasi one has to leave Balti at 03 o'clock in the middle of the night. This is how a low cost ticket from Iasi becomes at the end of the trip a high cost ticket.

6.5 A train ride to/from Romania and Ukraine is very inconvenient and long. For example, a train ride from Chisinau to Bucharest lasts for 13 hours and 19 minutes⁹ and costs about € 35 in one direction.

6.6 Passengers avoiding exorbitant prices at KIV also take international coaches where a trip to Paris from Balti costs at least € 100 in one way and lasts for two days and one night without long pauses.

6.7 But even if after all, a traveler from Moldova buys a ticket from KIV for a morning flight, in case this traveler is for example from Briceni (north of Moldova), he/she should leave at midnight to drive through half of Moldova for a cab price, which, yet again, shall probably be equivalent to the whole or part of the price of a one-way air ticket.

⁸ <http://odesa.depo.ua/rus/chemovtsy/chernivetskiy-aeroport-gotoviy-do-zapusku-vnutrishnih-reysiv-01062016155800>

⁹ <http://www.railway.md/ro/schedule>

6.8 Below you will find a comparative table of flight costs for similar bookings in Iasi and Chisinau airports with departure from the same low-cost airport in Beauvais (Paris) allowing you to imagine how much could cost a flight ticket to a low-cost BZY.

Comparison between flight ticket prices of Air Moldova and Blue Air

- search made on Saturday, 19 December 2015, on official web sites of both companies between 11:00 and 11:35 CET
- flexible dates indicated: flight from Paris on 1 February 2016, flight back to Paris on 19 February 2016
- distance to Paris (CDG) from Balti (BZY): 1,158.13 (MI) / 1,863.44 (KM) / from Paris (BVA) to Balti (BZY) - 1,175.09 (MI) / 1,890.71 (KM)
- flight time to Paris (CDG) from Balti (BZY) is 2:26 / from Paris (BVA) to Balti (BZY) - 2:28

flight distances and flight times are indicated approximately and the latter include 15 minute bias and air speed at 460Kts (flightmanager.com)

€ 94.80 Blue Air: Paris (BVA) – Iasi (IAS)

Distance: 1,180.46 (MI) / **1,899.36** (KM)

Flight time : **2:29**



€ 268 Air Moldova: Paris (BVA) - Chisinau (KIV)

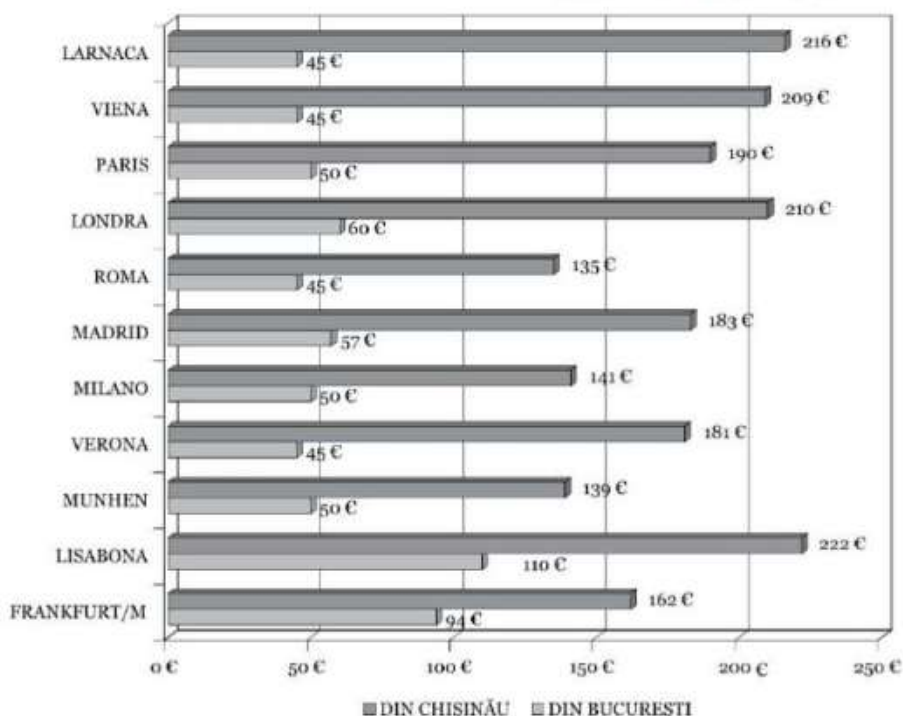
Flight distance: 1,244.71 (MI) / **2,002.74** (KM)

Flight time : **2:36**



6.9 Here you will find another comparative table of flights from Bucharest and Chisinau airports dated of 2010, extracted from a report¹⁰ prepared before conclusion by the Republic of Moldova of the Association Agreement which includes the Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Republic of Moldova¹¹. One can reasonably conclude that not much changed in the pricing policy from and to KIV today in 2016 as per my previous comparative table above. As a matter of

Diagrama 16: Top diferențe dintre TRIFE OW disponibile din aeroporturile Chișinău și București. Situație la 15.08 pentru zboruri cu plecare pe 30.10.2010



Sursa: sistemele de rezervări ale companiilor Air Moldova, Blue Air, Wizz Air, Vueling, EasyJet, German Wings, Air Berlin

¹⁰ <http://www.soros.md/files/publications/documents/Raport%20Servicii%20Transport%20Aerian.pdf>

¹¹ http://eeas.europa.eu/delegations/moldova/eu_moldova/trade_relation/index_en.htm

fact, in my precise example with a booking for a flight to Paris, the prices became higher, although Air Moldova flies now to a low cost airport Beauvais next to Paris, whereas it used to fly before to a regular Charles de Gaulle (Roissy) airport.

6.2 MOLDAEROSERVICE

6.2.1 On 12 September 1994, the Moldovan Civil Aviation Authority, pursuant to its order No 79¹² and following decision of the Moldovan Government No 497 dated 9 August 1993, created the State Aviation Enterprise "Moldaeroservice". Moldaeroservice was created on the basis of the Balti Aviation Enterprise and Balti branch of the State Airline Air Moldova. Mr. Ivan Tomac was appointed as the first director of Moldaeroservice. The Moldovan Civil Aviation Authority had further instructed Mr. Boris Salov, director of Air Moldova at that time, to decide until 15 October 1994 the question of resumption of operation of flights on TU-134 and AN-24 from BZY on profitable conditions. Moldaeroservice is a legal person of Moldovan law and is subordinated to the Moldovan Civil Aviation Authority.

6.2.2 It is not clear what was done since then by Air Moldova and Moldaeroservice exactly. I have filed requests with Moldovan authorities for copies of publicly available statistics (if any) of all operated flights from and to BZY since its opening and a brief description of prior history of Balti Aviation Enterprise (including differentiation of operation of Bălți City Airport and Bălți-Leadoveni International Airport (BZY)) and further description of existence of Moldaeroservice.

6.2.3 Currently, the heavily indebted Moldaeroservice remains official operator of BZY, even though no flights are being operated and the operational certificate was withdrawn by Moldovan authorities, purportedly for the lack of financing of Moldaeroservice. As I contacted Moldaeroservice, just as previously did the Moldovan Ministry of Transports and Infrastructure of Roads, both reconfirmed their eagerness and openness to any proposal for resumption of regular passenger flights from BZY as well as to proposals for modernization of BZY.

6.3 MOLDATSA

6.3.1 The State Enterprise "MoldATSA"¹³ - (Moldavian Air Traffic Services Authority) - is the air navigation services provider in the Republic of Moldova, created in accordance with the Government Resolution No 3 dated 12 January 1994. MoldATSA is a State Enterprise, just as the State Enterprise for the Aviation Meteorological Service which provides meteorological aeronautical services.

6.3.2 Pursuant to requirements set up by EUROCONTROL, MoldATSA created at the beginning of 2003 the Safety and Quality Management Service.

6.3.3 MoldATSA is subordinated directly to the Moldovan Ministry of Transports and Infrastructure of Roads and in a number of issues to the Moldovan Civil Aviation Authority. The mission of MoldATSA is to provide to customers a flexible and efficient use of the airspace in full compliance with safety requirements set up by ICAO, EUROCONTROL and national safety regulations.

¹²copy of the aforementioned order is in the *Schedule 7*

¹³ http://www.moldatsa.md/ro/sub_detail/Noutati/219/20_de_ani_de_la_fondarea_Intreprinderii_de_Stat_„MoldATSA”

6.4 FREE VISA TRAVEL TO AND FROM MOLDOVA

6.4.1 According to the Ministry of Foreign Affairs and European Integration of the Republic of Moldova, as of 30 May 2016¹⁴ Moldovan citizens may travel to the following 74 countries without visas: and citizens of 69 countries¹⁵ may travel without visas to Moldova. Citizens of 109 countries need invitations to apply for a Moldovan visa. There is a type “A” airport transfer visa for citizens requiring visa to enter Moldova and having a connecting flight at BZY.

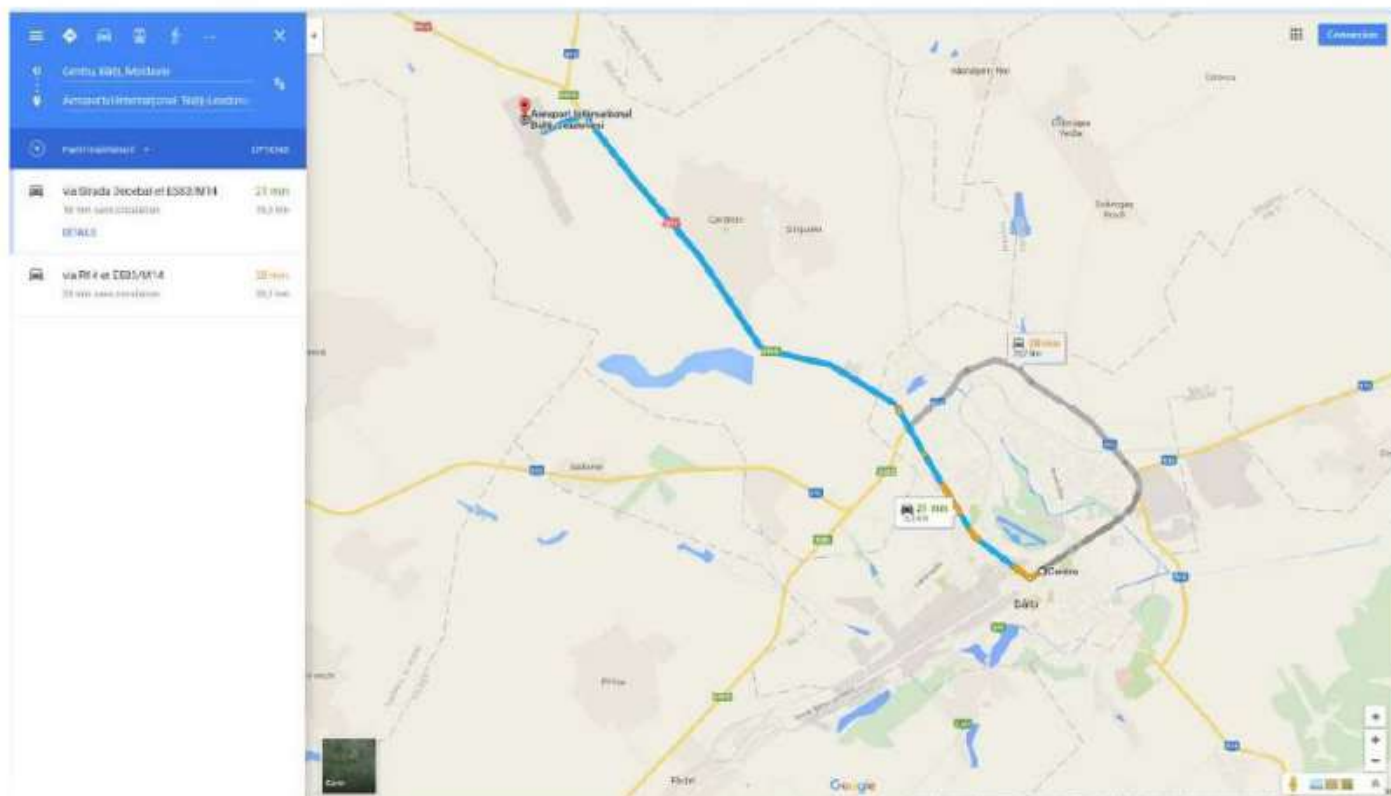
No	Country	Moldovan nationals travelling visa-free to :	Foreign national travelling visa-free to Moldova :
1.	Albania	✗	✗
2.	Andorra	✗	✗
3.	Antigua and Barbuda	✗	✗
4.	Armenia	✗	✗
5.	Australia	✗	✗
6.	Austria (biometric Moldovan passport)	✗	✗
7.	Azerbaijan	✗	✗
8.	Bahamas	✗	✗
9.	Barbados	✗	✗
10.	Belarus	✗	✗
11.	Belgium (biometric Moldovan passport)	✗	✗
12.	Bulgaria (biometric Moldovan passport)	✗	✗
13.	Bosnia and Herzegovina	✗	✗
14.	Canada	✗	✗
15.	Chile	✗	✗
16.	Cook Islands	✗	?
17.	Croatia (biometric Moldovan passport)	✗	✗
18.	Cyprus (biometric Moldovan passport)	✗	✗
19.	Czechia (biometric Moldovan passport)	✗	✗
20.	Denmark (biometric)	✗	✗
21.	Dominica (tourism/21 days in Domenica)	✗	✗
22.	Ecuador	✗	✗
23.	Estonia (biometric Moldovan passport)	✗	✗
24.	Fiji	✗	
25.	Finland (biometric Moldovan passport)	✗	✗
26.	France, including French Polynesia (biometric Moldovan passport)	✗	✗
27.	Georgia	✗	✗
28.	Germany (biometric Moldovan passport)	✗	✗
29.	Greece (biometric Moldovan passport)	✗	✗
30.	Grenada (tourism for Moldovans)	✗	✗
31.	Haiti	✗	✗
32.	Hong Kong	✗	✗
33.	Hungary (biometric Moldovan passport)	✗	✗
34.	Iceland (biometric Moldovan passport)	✗	✗
35.	Indonesia (30 days in Indonesia)	✗	✗
36.	Ireland	✗	✗
37.	Israel (biometric Moldovan passport)	✗	✗
38.	Italy (biometric Moldovan passport)	✗	✗
39.	Japan	✗	✗
40.	Kazakhstan	✗	✗
41.	Korea (Republic of)	✗	✗
42.	Kyrgyzstan	✗	✗
43.	Latvia (biometric Moldovan passport)	✗	✗
44.	Liechtenstein (biometric Moldovan passport)	✗	✗
45.	Lithuania (biometric Moldovan passport)	✗	✗
46.	Luxembourg (biometric Moldovan passport)	✗	✗
47.	Macedonia	✗	✗
48.	Malaysia	✗	✗
49.	Malta (biometric)	✗	✗
50.	Micronesia	✗	✗
51.	Monaco (biometric)	✗	✗
52.	Montenegro	✗	✗
53.	Namibia	✗	✗
54.	Netherlands (biometric Moldovan passport)	✗	✗

¹⁴ <http://www.mfa.gov.md/visa-free-regime-ro/>

¹⁵ <http://www.mfa.gov.md/vize-intrare-rm/cetatenii-straini-nevoie/#link>

55.	New Zealand	✗	✗
56.	Niue	✗	?
57.	Norway (biometric Moldovan passport)	✗	✗
58.	Panama	✗	✗
59.	Palestine	✗	✗
60.	Peru	✗	✗
61.	Poland (biometric Moldovan passport)	✗	✗
62.	Portugal (biometric Moldovan passport)	✗	✗
63.	Macao	✗	✗
64.	Romania (biometric Moldovan passport)	✗	✗
65.	Russia	✗	✗
66.	Saint Vincent and the Grenadines	✗	✗
67.	Samoa	✗	✗
68.	San Marino (biometric Moldovan passport)	✗	✗
69.	Serbia (biometric Moldovan passport)	✗	✗
70.	Seychelles	✗	✗
71.	Slovakia (biometric Moldovan passport)	✗	✗
72.	Slovenia (biometric Moldovan passport)	✗	✗
73.	Spain (biometric Moldovan passport)	✗	✗
74.	Sweden (biometric Moldovan passport)	✗	✗
75.	Switzerland (biometric)		✗
76.	Tajikistan	✗	✗
77.	Tunisia	✗	✗
78.	Turkey	✗	✗
79.	Ukraine	✗	✗
80.	United Kingdom of Great Britain and Northern Ireland	✗	✗
81.	United States of America	✗	✗
82.	Uzbekistan	✗	✗
83.	Vatican (biometric Moldovan passport)	✗	✗

6.4.2 Currently, the permanent customs office at BZY proper does not seem to function, although three customs offices are functioning in Balti.¹⁶



¹⁶ <http://www.customs.gov.md/ro/content/biroul-vamal-balti>

6.4.3 The State Enterprise “MoldATSA”¹⁷ - (Moldavian Air Traffic Services Authority) - is the air navigation services provider in the Republic of Moldova, created in accordance with the Government Resolution No 3 dated 12 January 1994. MoldATSA is a State Enterprise, just as the State Enterprise for the Aviation Meteorological Service which provides meteorological aeronautical services.

7. GEOGRAPHY OF BZY

7.1 BZY, one of the two airports in Balti, Moldova, is located approximately 15 km north of the center of city of Balti (20 min. drive) and about 9 km from the northern part of Balti. It appears to be the second largest civil airport in Moldova, servicing no regular routes, but only occasional charter cargo and passenger flights until 2015. It has one BIT runway.

7.2 Another airport in the area, Bălți City Airport, located within the western city limits of Balti, used to be primarily operated for emergency interventions of regional importance as well as for helicopters.¹⁸ It seems that originally the aforementioned Bălți City Airport was located on a different site: next to the northern part of the central lake of Balti, where a residential dwelling is being currently developed. Pursuant to the Moldovan Government Decision *Hotărîrea Guvernului nr.983 din 19 octombrie 2010 „Cu privire la transmiterea unor bunuri imobile”*, the land plot (totally or partially) of the current Bălți City Airport was ‘transferred in management’ of the Moldovan Ministry of Economy for use in light of extension of activities of the Free Economic Zone in Balti. On the aforementioned land plot shall be created an Industrial Park and a Business Incubator.^{19,20} No works seem to have started on the aforementioned land plot. The Bălți City Airport appears to have one GRE or GRS runway. No information is available whether the Bălți City Airport is still operational, although there were helicopters taking off from Bălți City Airport since then.²¹

7.3 The choice of the BZY runway was carefully made taking into consideration the advanced technical and engineer means and notably the direction of winds and absence of stable fog on location of BZY. Consequently, one could reasonably consider that, contrary to other airports in Moldova, notably contrary to Chisinau airport built in 1960 with available means at that time (Chisinau airport regularly redirects flights to and from Chisinau because of fog to farther airports in Bucharest (also experiencing permanent fog conditions), Kiev or Odessa - another neighboring Iasi airport experiences often itself permanent fog condition), BZY can be operated in any weather conditions.

7.4 Indeed, the runway of BZY is located at the highest altitude of 231 meters among neighboring airports in Iasi, Chisinau, Marculesti, Bucharest, Kiev and Odessa, on a top of a hill, with surrounding valleys as low as down to 100 meters. Chisinau airport is located in a valley at an altitude of 122 meters with surrounding hills up to 200 meters high.

¹⁷ http://www.moldova.md/ro/sub_detali/Noutati/219/20_de_ani_de_la_fondarea_intreprinderii_de_stat_MoldATSA

¹⁸ <https://www.youtube.com/watch?v=MR2w47fCjVA>

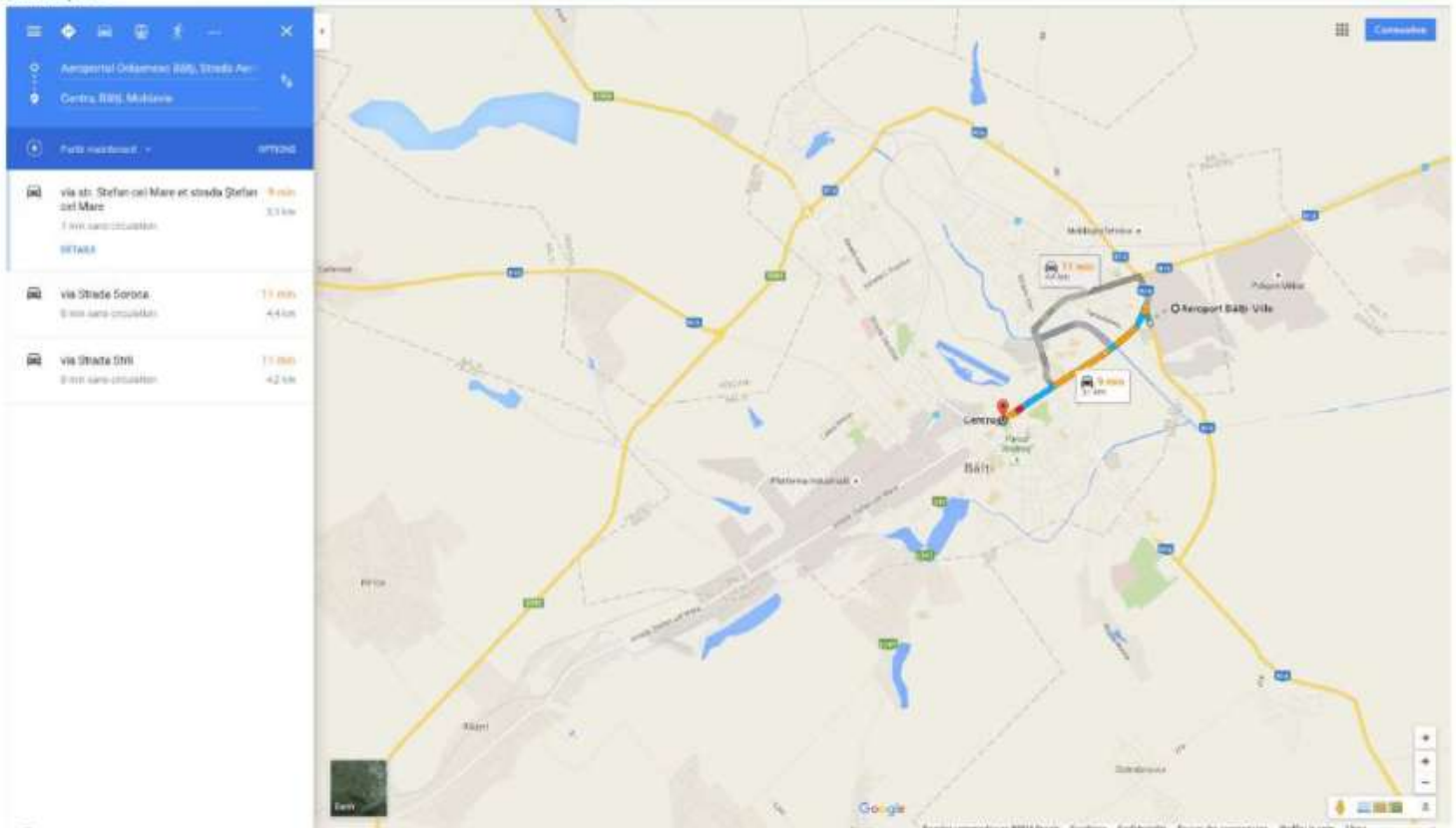
¹⁹ <http://www.timpul.md/articol/zona-economica-libera-balti-va-fi-extinsa-15902.html>

²⁰ *Studiu de fezabilitate privind crearea Parcului Industrial în cadrul Zonei Economice Libere “Bălți” mun. Bălți*. Ministerul Economiei al Republicii Moldova, Direcția dezvoltarea tehnologică și competitivitate (Chișinău), 2011. - 87 p. Accesat 11 iulie 2011. [the link is no longer functional]

²¹ <https://www.youtube.com/watch?v=MR2w47fCjVA>

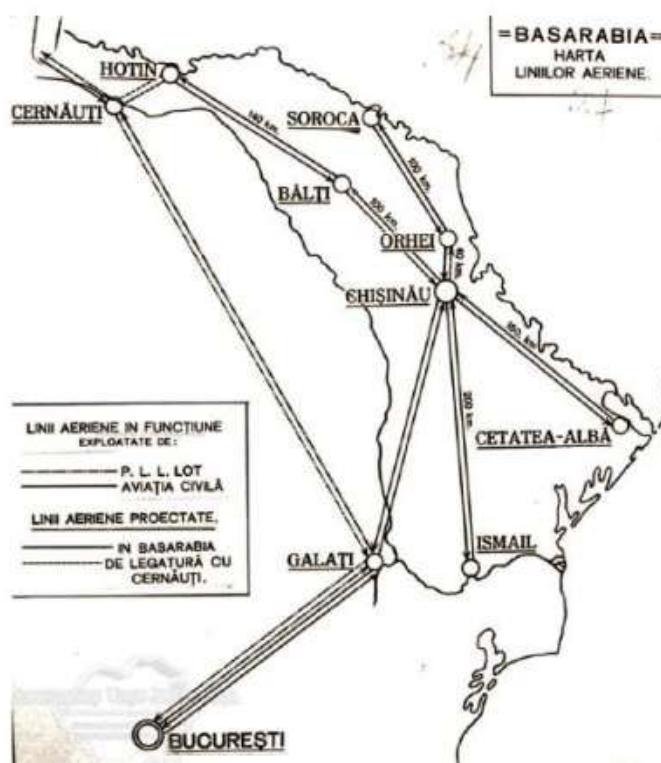


Balti Airport



8. HISTORY OF AVIATION IN BALTI

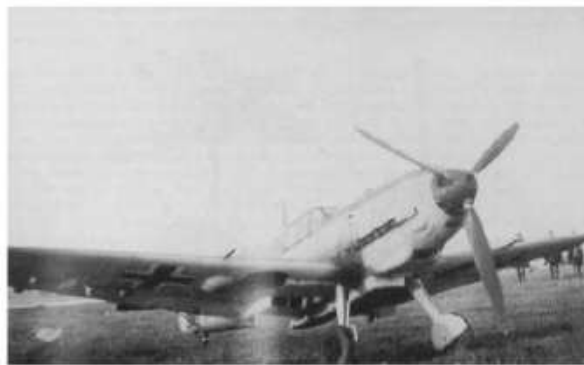
8.1 FIRST CIVIL AND MILITARY AIRPORTS IN BALTI



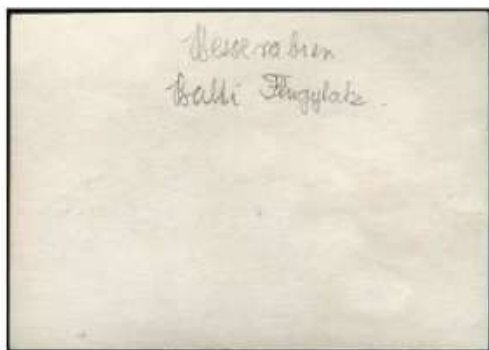
8.1.1 First commercial passenger flights were to be operated from Balti to Hotin and Chisinau by CFRNA – (Compania Franco-Română de Navigați Aeriană) and later LARES during the period between First and Second World Wars. One of the first flights operated to Bălți was the special flight on 28 October (or 28 November) 1930 organized by the Romanian Civil Aviation Authority in order to select the suitable terrains for aerodromes and to market civil aviation to large classes of population.²²

²² <https://romaniaimaginideierisiasi.wordpress.com/2014/10/30/transportului-aerian-in-bucovina-si-basarabia-interbelica/>

8.1.2 Since arrival of the Soviet air forces in Bessarabia after 1940, Balti City Airport (with its numerous airfields) served as a military airport. The following pictures²³ were mostly taken in June - July 1941 after the German air forces attacked and occupied Balti City Airport or rather different airfields in Balti and its surroundings.

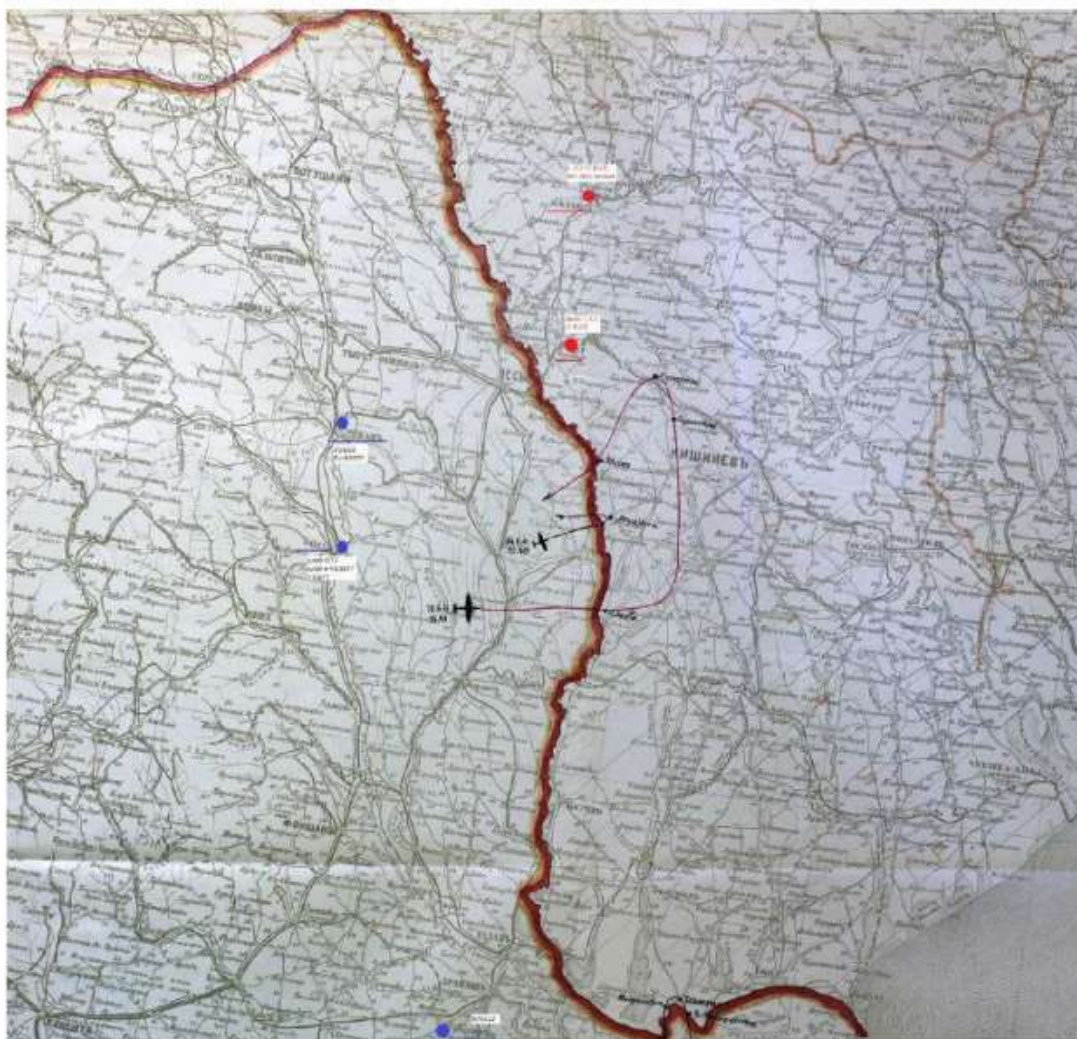


²³ <http://forum.aviaskins.com/showthread.php?t=3677>



A MiG-3 from 55th IAP takes off displaying a non-standard striped camouflage scheme. Pokryshkin mentioned such colour schemes in his memoirs





8.1.3 The military history of Balti City Airport apparently starts as aerodromes located in approximately five different locations in Balti and its suburbs, including locations of alternate airfields in Semenovka in Singureni and in Parlita (next to Ungheni Moldo-Romanian border), served as the initial



home bases for the Soviet 55th Fighter Aviation Regiment (28.08.1940 - 07.03.1942)/16th Guards Fighter Aviation Regiment (07.03.1942 - 10.04.1942), which were part of the Soviet 20th Mixed Aviation Division during the Second World War. The aviation regiment moved to Balti after 1940 from Kirovograd (Ukraine). Triple Hero of the Soviet Union Alexander Prokryshkin, Double Heros of the Soviet Union Grigoriy Rechkalov and Alexander Klubov started their

war path in this regiment as well as 17 pilots who became Heroes of the Soviet Union.²⁴

8.1.4 From the German side, German fighters from Kampfgeschwader 27 took part in attacks on Balti in June 1941²⁵ and Kampfgeschwader 51, formed in Landsberg/Lech from Kampfgeschwader 255, which

²⁴ <http://forum.aviaskins.com/showthread.php?t=3677>

²⁵ <http://www.lexikon-der-wehrmacht.de/Gliederungen/Kampfgeschwader/KG27.htm>

stationed on different Balti airfields between July 1941 and October 1941 before being disbanded in 1945.

8.1.5 Localities Singureni together with Corlateni formed during the Soviet times the locality called



One of the best-known Soviet aces, Snr Lt A I Pokryshkin began his combat career flying the MiG-3. Serving with 55th IAP, he claimed five victories with the fighter in 1941-42

'In the air the MiG-3 felt light and obedient, and with a single manipulation of the controls you could easily send it wherever you wanted, adjust its position or barrel roll it. But on the ground, my

Leadoveni. BZY was built in late 80's next to Corlateni, but kept initially the name of Leadoveni. Construction of concrete slabs on the runway in Singureni was in process as the Second World War begun, however the construction works were not finished as the war started. In May-June 1941 the training base of the based in Balti Soviet aviation regiments became Mayaki in Krasnooknyanski region of Odessa oblast in Ukraine. Before the Second World War I-153 and I-16 were operated from Balti City Airport. By 22 June 1941, Balti City Airport operated 54 airplanes I-153 and I-16, as well as 62 MIG-3, which could

be flown by 22 pilots from 70 available.

8.1.6 Most of 1941 the aviation regiment fought using I-153 and I-16 and until November 1942 – MIG-3 and I-16. From April to September 1942 the regiment had one squadron equipped with YAK-1. Since November 1942 the regiment started using Bell P-39 Airacobra until the end of the Second World War. Since March 1942 the regiment was part of the Soviet Air Forces of the 18th Army of the Southern Front, notably within the 216th Fighter Aviation Regiment and 9th Guards Fighter Aviation Regiment.

8.1.7 As German air forces stationed on Balti airfields, such planes as Messerschmitt Bf.109, Junkers Ju 88 were operated from Balti airports. One of the most resultative German pilots from Jagdgeschwader 77 (JG 77) Oberfeldwebel Rudolf Schmidt was injured during Balti attacks and air fights around and in Balti.²⁶

8.1.8 Different sources refer to different five locations of aerodromes in Balti and surroundings. Below you will find three of them, the first one is where the official Balti City Airport was situated before it was recently closed, the second one is next to the central lake in Balti and the third one is "Semenovka" aerodrome, located in Singureni village (on the other side of the road to actual BZY in Corlateni):



²⁶ <http://moldovamap.ru/forum/archive/index.php/t-1745.html>

8.2 BALTI INTERNATIONAL AIRPORT (BZY/LUBL)²⁷

8.2.1 The construction of the runway of BZY started in 80's following an order of the USSR Marshal Sergey Akhromeyev and pursuant to the plan prepared by the Soviet Ukrainian branch of the State Design and Prospecting Research Institute for Civil Aviation «Aeroproject» in Kiev, whereas construction of the airport infrastructure (including passenger and cargo terminals, hotel, air traffic control tower, extension of the trolleybus line from Balti to BZY) was left to the local Soviet Moldovan authorities.



8.2.2 The choice of the BZY runway was carefully made taking into consideration the advanced technical and engineer means and notably the direction of winds and absence of stable fog on location of BZY. Consequently, one could reasonably consider that, contrary to other airports in Moldova, notably contrary to Chisinau airport built in 1960 with available means at that time (Chisinau airport regularly redirects flights to and from Chisinau because of fog to farther airports in Bucharest (also experiencing permanent fog conditions), Kiev or Odessa - another neighboring Iasi airport experiences often itself permanent fog condition), BZY can be operated in any weather conditions.

8.2.3 Indeed, the runway of BZY is located at the highest altitude of 231 meters among neighboring airports in Iasi, Chisinau, Marculesti, Bucharest, Kiev and Odessa, on a top of a hill, with surrounding valleys as low as down to 100 meters. Chisinau airport is located in a valley at an altitude of 122 meters with surrounding hills up to 200 meters high.

8.2.4 It appears that the first technical flight on the new Balti aerodrome was performed on 28 December 1987 on an AN-24 by representatives of a test commission of the Soviet Moldavian Civil Aviation Authority.

8.2.5 On 31 October 1989 the Soviet Moldavian Civil Aviation Authority established the conformity of the aviation light signals installed at BZY.

8.2.6 On 22 February 1990 the Ministry of Civil Aviation of the USSR and notably the State Design and Prospecting Research Institute for Civil Aviation «Aeroproject» in Moscow confirmed the pavement classification number and indicated the airplanes which may be operated at BZY with no restrictions: IL-18, AN-12, YAK-42, TU-134.

8.2.7 On 8 June 1990 the Ministry of the Civil Aviation of the USSR delivered to BZY the registration certificate No 190, confirming that airplanes of type TU-134, AN-24, YAK-40 and other types of airplanes of the IIIrd and IVth categories may be freely operated at BZY, as well as any kinds of helicopters.

8.2.8 On 31 may 1994 the State Design and Prospecting Research Institute for Civil Aviation «Aeroproject» in Moscow also confirmed capacity of BZY for operation of TU-154 (one plane per day) and IL-76T (50 planes per year with weight: 160 tons / 352,739.6 pounds).

8.2.9 After the official opening in late 1980s, BZY appears to have been operated by airplanes from Chisinau of the former Moldavian branch of the Soviet company Aeroflot. At that time, the airport was called Bălți-Leadoveni International Airport. It seems that in BZY was created a separate civil air

²⁷ From an interview dated 5 January 2016 with Mikhail Mester, renown Moldovan journalist in Balti as well as from discussions with inhabitants of Balti.

transport division. The name Leadoveni comes from the family name of a Soviet pilot Leadovii, who redirected a crashing airplane from the neighboring (to Balti) village called Corlateni during the Second World War. Corlateni was then renamed to Leadoveni, and renamed again after independence of Moldova back to Corlateni.

8.2.10 It appears that since 1980s, BZY became the most important airport in the north of Moldova and the second international airport in Moldova and was mostly used by a number of TU-134 for regular passenger flights from and to BZY by the Balti Aviation Enterprise. Before the break-up of the USSR, the airport was apparently connected, through direct flights, to almost 20 destinations in the former Soviet Union, including Moscow, Kiev, Simferopol and Sochi.

8.2.11 After independence of Moldova in 1991, the airport seems to have been briefly used by the remaining airplanes of Air Moldova, notably TU-134, the state run company successor of the Moldavian branch of Aeroflot.

8.2.12 As a matter of fact, since 90's and until 2015 BZY was mainly used by irregular charter passenger, and more often by cargo flights, including for servicing different companies established in Balti, notably within the Balti Free Economic Zone²⁸ which hosts 41 companies/residents.

8.2.13 According to some statements, it appears that a former director of BZY Mr. Povonski tried to organize regular flights to Moscow from BZY with the Tretyakovo airline (founded in 1997 and closed in 2004,²⁹ used to be based at Domodedovo airport in Moscow). Unfortunately, no confirmation was found in respect of existence of any advertisement of such an initiative in Balti or Moldova generally.

8.2.14 According to a press article dated 24 December 2001³⁰, Mr. Povonski explained, at that time, that no regular passenger flights were temporarily operated from BZY as there were no available customs officers. According to Mr. Povonski, indeed until October 2001 BZY worked with customs officers from Ungheni (western city in Moldova on the train-border with Romania) for the purposes of the passenger security and customs control. Since October Ungheni customs officers decided that a simple agreement between their division and BZY was not sufficient and they required a Government decision for these purposes. The Government promised then to provide a decision for the beginning of 2002 in respect of opening a separate border customs control division at BZY. According to the aforementioned article, before October 2001, two international flights to Istanbul were operated from BZY per week. The number of transported passengers was about 580 persons per month. Resumption of operation of flights to Moscow was planned for spring 2002. The Moldovan press agency "Infotag" refers in the article to the State Enterprise "Balti Airport" which was inaugurated in 2000 after a 10-year of inactivity and after a capital reconstruction. The State Enterprise "Balti Airport" possessed at that time 30 helicopters Mi-2, two airplanes AN-2 and one AN-26.

8.2.15 In 2012 Carpatair (related to former Moldavian Airlines) was spotted operating a charter passenger flight on one of its Fokker-70 or Fokker-100 airplanes transporting a Romanian delegation³¹ for an economic forum³² organized by the Northern Moldovan Agency for Regional Development.³³ There are videos available on YouTube showing that BZY seems to have kept the entire minimal strictly necessary infrastructure for operating passenger flights, including security control, baggage handling, delivery of passengers and baggage from the terminal building to the airplane and fuel supply.

²⁸ <http://www.zelb.md/rezidenti/>

²⁹ <http://russianplanes.net/airline/425>

³⁰ <http://press.trv.md/item.php?id=11417>

³¹ http://www.timisoaraexpress.ro/agentia-de-presa/oameni-de-afaceri-din-regiunea-vest-participa-la-forumul-economic-interregional-moldo-roman_3313

³² http://admord.md/public/files/forum_economic_2012/AGENDA_Forumul_Economic_Interregional_Moldo-Roman_ADR_Nord_Balti_28-29_martie_2012.pdf

³³ <http://admord.md>

Furthermore, it clearly appears from the video that the existing runway at BZY allows for landing and taking-off of such airplanes as Fokker-100 or Fokker-70. Consequently, and in the absence of any publicly accessible official updated report on the current status of BZY, and subject to the preceding **Article 5 (Four conclusions on possibilities of operation of BZY)**, one could reasonably conclude that all conditions for operating BZY, at least as a low cost airport, seem to be united and the only authorizations remaining could be, presumably, authorizations from the respective Moldovan authorities to let companies like Blue Air, easyJet, Wizz Air, Pobeda, start operating from BZY. Therefore, and subject to the preceding **Article 5 (Four conclusions on possibilities of operation of BZY)**, for operation of BZY as a low cost airport with the existing strict minimum of ground infrastructure, one could reasonably consider that no major investments seem to be required, except the required investment for improvement of the runway PCN at BZY to ensure such planes as A320 and B737 may be freely operated at BZY.

- https://www.youtube.com/watch?v=Jx3c-_xtgw4

8.2.16 There are no regular passenger flights to/from BZY today. In between rare flights, the runway used to serve for Moldavian rallies, drag races and open-air concerts, but also some tourist passenger flights like on an Ilyushin 18.³⁴

8.2.17 As of 22 December 2015, it appears that the operation certificate of BZY was withdrawn by the Moldovan Authority for Civil Aeronautics upon request of operator of the aerodrome.

Știri și evenimente

Despre noi +

Pentru pasageri +

Operațiuni de zbor +

Licențiere și training +

Medicina aeronautică +

Siguranța zborurilor +

Aeroporturi și deservire la sol -

Certificare aeroporturi / aerodromuri

Autorizare agenți deservire la sol

Autorizații pentru obiective aflate în zonele aeroporturilor civile

Agenti aeronautici certificați pentru operarea în domeniu aeroportuar

Lista operatorilor de aerodrom certificați de AAC RM, în conformitate cu RAC-CAO:

Denumirea întreprinderii	Adresa	Serviciile prestate	Certificat		
			Număr	Emis	Valabil
S.R.L. "Avia Invest"	MD-2026, Republica Moldova, mun. Chișinău, Aeroport, bd. Dacia 90/3	Operarea Aeroportului Internațional Chișinău	05	31.10.2013	28.02.2017
I.S. "Moldaeroservice"	MD-3100 Republica Moldova, Balti str. Aerodromului 12	Operarea Aeroportului Internațional Balti	02	05.10.2012	14.10.2015 CAO suspendat temporar în baza solușării Operatorului de Aerodrom

8.2.18 According to information published by the politician, businessman³⁵ and Moldovan Minister of Economy³⁶ Mr. Iurie Chirinciuc on his blog,³⁷ "pursuant to the data of the state run company Moldaeroservice, maintenance of BZY and land taxes represented for 2013-2015 about MDL 720.000 (€ 32,400). At the same time, total costs for payment of employees' salaries of the Balti branch of the state run company MoldATSA, as well as costs related to stocks, materials, spare parts, security, work health and other costs represented for 2013-2015 approximately MDL 16.7 mln [€ 751,500]. The two state run companies disbursed together during 2013-2015 approximately MDL 17.4 mln [€ 783,000]".

8.2.19 According to the aforementioned blog,³⁸ "current infrastructure of BZY consists of: an aerodrome, a passenger terminal, a baggage handling facility, buildings and constructions ensuring technological process (a metallic hangar, a diesel electric generator for autonomous reserve energy, a square in front of the passenger terminal, parking lots for special purposes ground vehicles and others) as well as a land surface which may be used for infrastructure development of BZY. Currently the activity of

³⁴ <https://www.youtube.com/watch?v=ToVW1UjVQOE>

³⁵ https://ro.wikipedia.org/wiki/Iurie_Chirinciuc

³⁶ <http://www.gov.md/ro/ministru-al-transporturilor-si-infrastructurii-drumurilor>

³⁷ <http://www.chirinciuc.md/2015/12/despre-cheltuieli-nejustificate-timp-si.html#more>

³⁸ <http://www.chirinciuc.md/2015/12/despre-cheltuieli-nejustificate-timp-si.html#more>

BZY was ceased as of 14 September 2015 in connection with withdrawal of the operation certificate following request of Mr. Mircea Maleca, director of the Moldovan Authority for Civil Aeronautics". Mr. Iurie Chirinciuc further indicates on his blog that "currently BZY is in an unsatisfactory condition, airport infrastructure being used and degraded." According to the aforesaid blog, "the reduced number of flights generates unjustified costs for two state run companies: Moldaeroservice, to which company belongs BZY, and Balti branch of MoldATSA, which is responsible for providing air traffic services on the aerodrome of BZY."

9. PERSPECTIVES OF BZY

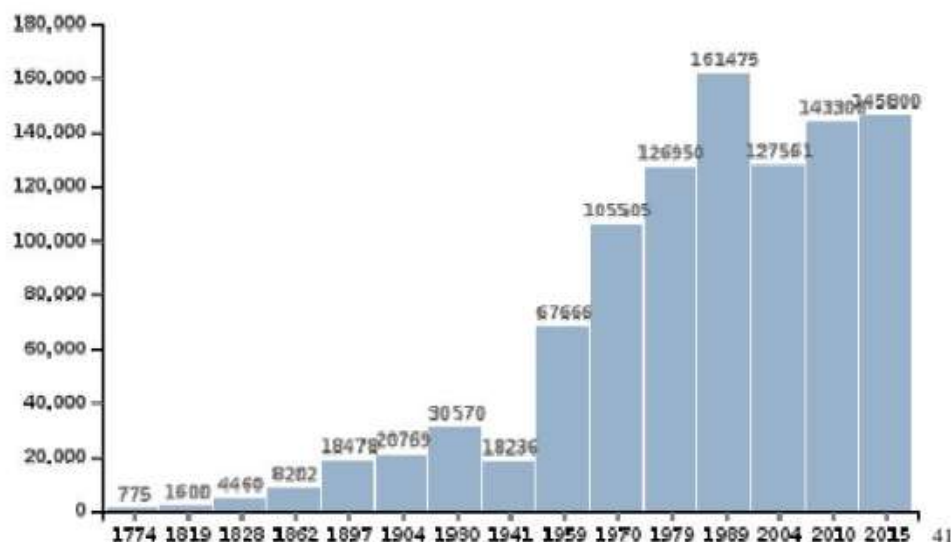
9.1 BALTI

The city of Balti (Romanian Bălți: [ˈbəlʲtsɨ], Russian: Бельцы, *Bel'tsy*, Polish: *Bielce*, Ukrainian: Бельці, *Byel'tsi*, Yiddish: בעלז *Belts*) is a city in Moldova. It is the second largest in terms of area and economic importance after Chisinau, and the third largest in terms of population after Chisinau and Tiraspol. The city is one of the five Moldovan municipalities. The municipality of Balti includes communes Sadovoe and Elizaveta. Sometimes also called "the northern capital", Balti is a major industrial, cultural and commercial center and transportation hub in the north of the country with a developed transportation infrastructure which ensures terrestrial, train and air transportation on internal and international routes. It is located 130 kilometers (81 mi) north of Chisinau (the capital city of Moldova), and is located on the river Raut, a tributary of the Dniester, on a hilly landscape in the Balti steppe. The entire length of Balti roads is 220.70 kilometers with a surface of 1,478.5 square meters.

9.1.1 Population of Balti

The Balti population³⁹ as of 2015 is as follows:

1. Municipality population: 145,800 inhabitants with the highest birth rate in Moldova (11 new born for a 1,000 of inhabitants)⁴⁰
2. Density: 3,519 inhabitants per square kilometer
3. Metropolitan population: 150,700 inhabitants



³⁹ <http://www.statistica.md/newsview.php?l=ro&idc=168&id=5065&parent=0>

⁴⁰ <http://esp.md/sobytiya/2016/03/14/v-belcah-samyy-vysokiy-prirost-naseleniya-v-strane>

⁴¹ <https://ro.wikipedia.org/wiki/B%C4%83l%C8%9Bi#Demografie>

9.1.2 Intermodal transportation network of Balti

9.1.2.1 Balti is an important transportation hub in Moldova and the only city in Moldova which had two functioning airports, still has two functioning railroad stations, one national and international bus station.

9.1.2.2 As far as the railroad connections are concerned, Balti is the only city in Moldova which has two passenger railroad stations and three railroad routes from the heart of the city to the (1) north, (2) east and (3) south-west. No other city in Moldova including Chisinau enjoys the luxury of having three railroad connections, except Bender.



9.1.2.3 The Train Station Bălți-Slobozia or North Train Station represents the most important railroad network in the north of Moldova. 314,061 tickets were sold in 2012 for the suburban trips.⁴² The construction works of railroad Slobozia-Râbnîța-Bălți-Ocnița-Noua Suliță started in 1892. On 12 November 1893 the first drive operated to Ocnița from a train station built in Slobozia-Bălților, located on outskirts of Balti. In 1970 the new building of passenger terminal of Train Station Bălți-Slobozia was opened.

9.1.2.4 The second railway station in Balti is located in next to the center of the city as well as to the industrial park "Raut" with ramifications to the western industrial zone of Balti.

⁴² <http://tracer.railway.md/newspaper/ro/paper-ro-2013-6.pdf>



9.1.2.5 Apart two airports: BZY and former “Balti City Airport” within the eastern city limits, Balti enjoys following routes, including routes of European importance:

- **E583** north-west / south direction around BZY with junction right after BZY to R12 (north-east): E583 is a European route of B category which starts in Romania (from a European route 85 in Săbăoani locality next to the city of Roman) coincides with DN28 next to Iasi, from Iasi to Moldo-Romanian border coincides with DN24 until Sculeni customs, crosses Moldova starting in from Sculeni customs, Ungheni, following national roads R16 until Balti, M14 until Edinet, M8 until Otaci (towards Moghilău customs) and further continues in Ukraine following regional road R10 through Vinnitsa until Zhitomir where it flows into European route 40.



- **M14** is a road in Moldova with a length of 370 km. The road passes through such important cities as Tiraspol, Chisinau, Balti and Edinet until the Ukrainian border at Criva customs (north-west). The southern part of the road continues by the Ukrainian road M16 until Odessa while the northern part of the road continues by the Ukrainian road N10 until Chernivtsi. Part of the road is located under control of the separatist Republic of Transnistria and is not managed by the Moldovan government. Between the southern border with Ukraine and Chisinau M14 is part of European roads E58 and E581. Between Balti and Edinet M14 makes part of the European route E583. During the Soviet times, M14 was an important road network which connected Odessa (Ukraine) to Brest (Belarus).



9.1.2.6 The following roads connect Balti:

- R14, A253 south direction to Chisinau,
- R13 east direction to Ukraine and
- R15 and R53 west direction to Romania.

9.1.3 Economy of Balti

9.1.3.1 The Chamber of Commerce of Balti collaborates with 27 Chambers of Commerce, as well as with 10 representations of international institutions and foundations, such as: SES (Germany), OWZ Bayern (Germany), GTZ (Germany), NMCP (Netherlands), WIFI (Austria), Moldo-German Business Partnership Project, USAID | BIZPRO, USAID | BIZTAR.⁴³

9.1.3.2 As of apparently 2012⁴⁴ (the year is not specified), 9,098 units with different forms of ownership were active (private: 6507, public: 157, mixed (public, private) without foreign participation: 33, mixed with foreign participation: 120, with foreign participation: 53, with other foreign property (collective, civic): 2,223).

9.1.3.3 From year to year the industrial output increases. For example, in 2001 industrial production in current prices was MDL 1,039 million, in 2004: MDL 1,824.2 million, in 2005: MDL 2,050.0 million, in 2006: MDL 2,301.4 million, in 2007: MDL 2,921.6 million, in 2008: MDL 3,556.1 million.

9.1.3.4 Simultaneously with the production of building materials, articles of light industry, production of electricity and heat, machinery and equipment, primary role in the industrial sector hold enterprises in the fields of food industry and processing industry, the share of goods produced by them totals to 41.7 %.

9.1.3.5 Activity indicators of real economic sector of the municipality Balti demonstrate an increase in the average wage. For example, the monthly average nominal salary in December 2013 increased by 5.5 % compared with December 2012 and amounted to MDL 4,313.7.

9.1.3.6 The basic source of economic growth is increase of investment in fixed capital, which is significant for stable development of the municipality and which also increases in volume, due to different financing sources. If in 2006 investments in fixed capital amounted to MDL 822.2 million, then in 2008 it increased up to MDL 938.9 million.

9.1.3.7 2277 small and medium businesses operate in Balti⁴⁵, employing 14,800 persons. The volume of net sales as a result of their production for 2012 was over MDL 3.4 billion, which constitutes about 30 % of the entire volume.

9.1.3.8 Goods produced in Balti, along with traditional markets, are being successfully sold in the UK, Switzerland, Germany, Italy, the Baltic countries. Among foreign companies in Balti and its surroundings in the north of Moldova are Knauf-Gips SRL, METRO (Balti), Lafarge (Rezina), Südzucker (Drochia) and other important international companies.

9.1.3.9 Balti is the siege of two specific economic zones-parks:

- 1) Balti Free Economic Zone (**BFEZ**) with a total of € 60 million⁴⁶ investment planned in BFEZ in 2016. Extension of BFEZ to other cities in Moldova was adopted⁴⁷ on 20 November 2015: to Orhei in the center of Moldova and Cahul in the south of Moldova. Currently BFEZ hosts 41 companies-residents⁴⁸ whose number is growing and among which are: Dräxelmaier, STRABAG, G. Klampfer, UNGER, CECCATO, Gebauer & Grillern CAAN Industrial Park in Straseni (15 km from Chisinau). Its operation, extension and development promise significant financial, economic and social benefits for the region and all of Moldova.

⁴³ <http://balti-chamber.md/cci>

⁴⁴ <http://balti-chamber.md/despre-regiune/municipiul-balti>

⁴⁵ The year is not specified on the website of the Chamber of Commerce of Balti.

⁴⁶ <http://www.zelb.md/media-centru/stiri-recente/articol/investitii-de-60-milioane-euro-in-zona-economica-libera-balti-pentru-2016/>

⁴⁷ <http://www.zelb.md/media-centru/stiri-recente/articol/o-noua-extindere-a-zonei-economice-libere-balti/>

⁴⁸ <http://www.zelb.md/rezidenti/companii-rezidente/>

- 2) Raut Industrial Park⁴⁹ located within the center of Balti with 70 years of history and formerly all Soviet important factories. The managing enterprise of the Raut Industrial Park, Raut SA, was founded in 1944 (a mammoth Soviet-type conglomerate 8,000-worker factory), specialized in the manufacture of machinery and metal products. In 1951, the company was transferred to the direct subordination of the Soviet Government and specialized in the development and production of equipment for the Soviet Navy. In particular, were produced here hydro acoustic equipment, navigation equipment and household products. Nowadays, Raut SA is a manufacturer of sonars, navigation, gas and energy equipment.

9.1.3.10 In early 2016 the Mayor of Balti, Mr. Renato Usatii, signed a memorandum whose goal is to attract together with representatives of the Moldovan civil society a potential total of € 300 million investments in Balti within the EU Program for Research and Innovation Horizon 2020, Project Smart City. The main objective of the aforesaid project is implementation of energy efficiency initiatives and respective town planning regulations.

9.1.3.11 The economy of Balti is also supported by the extensive network of innovative social sphere, including such NGO's as Second Breath Moldova, which was the first in Moldova to introduce hospice services for older persons.

9.2 NORTHERN MOLDOVA

9.2.1 Economy

9.2.1.1 Balti is the residence of the Regional North Development Zone (hereinafter referred to as the "NDZ") in Moldova. The NDZ was created, among other goals,⁵⁰ to strengthen financial, institutional and human opportunities aimed at socio-economic development of the regions. The NDZ is a development region which comprises the municipality of Balti and 11 regions: Briceni, Edineti, Donduseni, Drochia, Falesti, Floresti, Glodeni, Ocnita, Rezina, Singerei and Soroca with a total surface of approximately 10,014 square kilometers (approximately 29.6 % of total surface of Moldova): the population is 1,013.7 thousand people (28.6% of the total population) and corresponds to NUTS II European Statistical System. Urban population (357,000 persons) represents approximately 34.8 % of the total regional population. The NDZ includes 571 localities: 20 cities and 551 rural localities of total of 1,679 Moldovan localities.^{51 52}

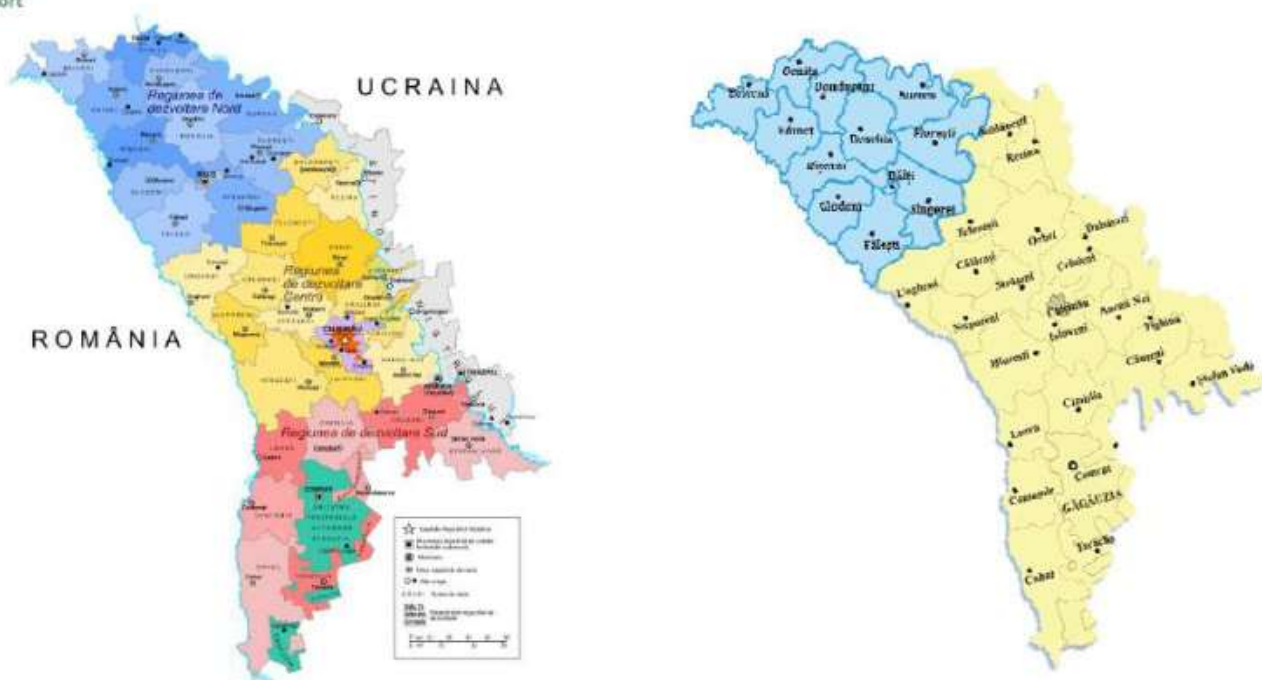
9.2.1.2 Taking into consideration the example of development of Iasi Airport in Romania as rationalized and applied taking into consideration Moldavian criteria, one could reasonably conclude that in case of Balti, 300,000 to 400,000 persons per year could be transported to and from BZY in the short and mid-term perspectives respectively (pessimistic scenario) or 645,750 to 756,990 passengers in the short and mid-term perspectives respectively (optimistic scenario), as projected by application of development coefficient of the Moldovan air traffic, in accordance with provisions of the article 9.3.1(*Balti International Airport*) herein.

⁴⁹ <http://www.industrialpark.md/about/>

⁵⁰ <http://admord.md/category.php?l=en&idc=346&>

⁵¹ <http://admord.md/pageview.php?l=en&idc=228>

⁵² https://ro.wikipedia.org/wiki/Organizarea_administrativ-teritorial%C4%83_a_Republicii_Moldova



9.2.1.3 After Chisinau, the NDZ appears to hold the most important share of investment in fixed capital and retail sales. This economic importance of the NDZ is due for more than a half to the city of Balti.⁵³ Balti value in the national Moldovan share of value of produced goods is 11.3 % (MDL 4,399,100,000). Balti value of the exported goods is MDL 1,809,600,000, which is 40,8 % of the total value of Balti produced goods (MDL 4,434,600,000).

9.2.1.4 The following tables and figures concerning industry and agriculture are aimed to illustrate the current economic situation of the NDZ with particular attention to Balti city. The statistic s is adapted according to the database of National Bureau of Statistics of the Republic of Moldova from 2015.⁵⁴

9.2.1.5 Industrial production: main manufactured products bricks and other calcareous stones, pebbles, gravel and similar, food industry etc.

Development Region	Value of Production in %	Value of Delivered Production in MDL (Mio)	Delivered Production to foreign market in %
Total	100	38,906.1	33.7
Chisinau	58.6	22,494.4	26.5
NDZ	19.7	8,124.2	37.1
The biggest NDZ city: Balti	11.3	4,434.6	40.8
Central	15.6	5,914.9	44.8
Southern	3.4	1,358.3	59.5

According to the data summed up in the aforementioned table, the NDZ is the biggest industrial actor in the Republic of Moldova giving up the first place only to the capital, Chisinau.

9.2.1.6 Food industry: regarding precisely the food industry in Moldova, the National Bureau of Statistic provides the following figures:

⁵³ http://www.statistica.md/public/files/publicatii_electronice/Principalii_ind_soc_econ/Buletin_raioane_ian_dec_2015.pdf

⁵⁴ http://www.statistica.md/public/files/publicatii_electronice/Principalii_ind_soc_econ/Buletin_raioane_ian_dec_2015.pdf

Development Region	Meat Products in % relation to 2014	Conserved Fruits in % relation to 2014	Milk Products in % relation to 2014
Total	105.5	106.0	101.9
Chisinau	102.8	91.0	98.4
NDZ	112.5	106.7	103.3
The biggest NDZ city Balti	114.0	102.3	100.2
Central	109.3	--	100.0
Southern	97.9	29.0	98.3

As for the production of meat, processed and preserved fruits, milk and cream products the northern area of Moldova shows the highest profitability.

Similar situation can be observed while analyzing the manufacturing of basic milk products.

As far as the **fermented milk products** are concerned, the following figures appear:

Development Region	Butter in Tons	Different Sorts of Cheese in Tons	Yoghurt and Other Fermented Products in Tons
Total	4,785.0	2,425.9	32,657.0
Chisinau	436.0	27.2	10,627.2
NDZ	4,264.3	2,278.3	21,217.0
The biggest NDZ city Balti	3,100.1	50.4	8,470.2
Central	0.4	51.8	17.3
Southern	43.3	68.6	264.5

As far as **bread production, confectionery** etc. are concerned, the table from below underlines once more the important role of the NDZ in food industry of Moldova:

Development Region	Cereal, Meal Products etc. in Tons	Bread and Bakery in Tons	Confectionery in Tons
Total	3,495.4	105,417.1	43,868.1
Chisinau	1,502.2	53,261.5	39,697.0
NDZ	1,323.3	16,252.8	1,391.1
The biggest NDZ city Balti	1,303.2	5,744.6	491.5
Central	655.6	19,279.5	1,200.4
Southern	--	16,623.3	1,579.6

9.2.1.7 The NDZ is the leader in the **agricultural sector** according to the last statistics prepared by the National Bureau of Moldova regarding cultivation and production of grains, maize, sunflower etc. as the following statistic data illustrate:

Development Region	Grain and Legumes in Tons	Wheat in Tons	Sunflower in Tons
Total	940,672	785,645	403,187
Chisinau	3,048	2,164	864
NDZ	362,776	310,472	159,407
The biggest NDZ city			
Balti	943	742	394
Central	178,842	158,503	71,386
Southern	293,879	236,890	130,483

The figures which reflect the current situation of zootechnics underline the key role of the NDZ also in the Moldovan agriculture:

Development Region	Bovine (Heads)	Swine (Heads)	Sheep and Goats (Heads)
Total	189,304	466,307	893,755
Chisinau	2,066	3,245	7,271
NDZ	87,649	124,676	217,775
The biggest NDZ city			
Balti	680	1,546	3,511
Central	63,326	243,439	221,661
Southern	29,477	20,504	320,388

9.2.1.8 As for road transports, the transported goods (tons-km), the transportation of the passengers the statistical data of 2015 based on regional differences confirm again: the NDZ remains one active region with the fastest development index.⁵⁵

9.2.1.9 The NDZ is a neighboring region to Ukraine (to the north and to the east), Romania (to the west), Transnistrian Development Zone in Moldova and Central Development Zone in Moldova. The natural relief of NDZ represents the northern Moldavian Plain, Dniester Hills (also known as Northern Moldavian Plateau), Ciuluc-Soloneț Plateau and Dniester Plateau. The highest altitudes are: 259 meters in Lipnic, 348 meters in Văsoca, 349 meters in Băxani in the north-eastern part. The hydrologic network includes notably Dniester and Prut. Moldova, including NDZ, is targeted by the European Union Strategy for the Danube Region.



9.2.2 Tourism development

9.2.2.1 The Republic of Moldova, as a tourist destination, has a great potential represented first of all thanks to the geomorphologic aspect of its territory – an unusual diversity of landscape reservations or scenery and unique geological monuments of European and world value. Over the last decade the priority forms of tourism in the Republic of Moldova have been: rural, wine, cultural tourism, health and beauty tourism.



9.2.2.2 Moldova's picturesque countryside proposes various services for tourists wishing to stay in the

⁵⁵ http://www.statistica.md/public/files/publicatii_electronice/Principalii_ind_soc_econ/Buletin_raioane_ian_dec_2015.pdf, p. 38-40

middle of the nature:

- offering the tourists traditional, rural-style accommodation;
- providing them the opportunity to enjoy country pursuits and activities;
- making them acquainted with the local folklore, entertainment and traditions;
- displaying handicrafts to the tourists and giving them the opportunity to participate in their production.

9.2.2.3 Vineyards also constitute attractions of the countryside. Over centuries Mol dova has gained rich traditions of growing grapes and wine production. There are 142 wineries in the Republic of Moldova, of which 23 have experience and facilities to receive visitors. Here tourists can experience and learn about the complex production processes, see bottling and, of course, sample the final product. The Republic of Moldova's wine enjoys a good reputation internationally for its quality.



9.2.2.4 The Republic of Moldova has a rich cultural heritage which may be of great interest to tourists. More than 140 cultural heritage sites may be included in the tourist circuits. The earliest visible remains of the built heritage are Geto-Dacian sites and Roman fortifications.

9.2.2.5 The northern part of Moldova offers tremendous possibilities for tourism development.⁵⁶ The remains of medieval fortresses such as famous Soroca fortress located on the Dniester to the north-east from Balti, archaeological complexes, cave monasteries and cave tourism as in Lipcani to the north-west from Balti, nobles' mansions and peasant houses with adjacent parks and natural reservations, as Taul Park and Pommer Manor next to Donduseni to the north of Balti, offer a diversity of visitor attractions. Balti, the "northern capital" of Moldova, features a good number of cultural heritage monuments, fine examples of domestic architecture from the 19th and 20th centuries, which might be considered as tourist attractions as well.



The Republic of Moldova has more than 87 museums with rich collections of art, among which Museum of History and Ethnography of Balti. Additionally, museums are mostly housed in buildings of a special architectural importance.

The existing balneo-climateric health resorts in the Republic of Moldova could become a substantial balneo-therapeutic and tourist product internationally, provided that a proper infrastructure would be created.

One of the best premises in this regard have the **health resorts** in Camenca, Hirjauca (village next to Calarasi, just south of Balti) and Costesti lake, numerous pensions on Dniester and in the natural reservation Padurea Domneasca.

The northern Moldova is home for such tourist spots as:

- **natural monuments:** Coral reefs of Prut river "Prut Toltres"⁵⁷, Natural unity "The Hundred Knolls", "Emil Racovita" Cave,⁵⁸ (the 13th longest in Europa and 25th in the world (2nd gypsum cave in the world), the biggest park in Moldova "Taul Park" with its Pommer mansion;



⁵⁶ <http://www.informator.md/en/tourist-attractions/moldova/>

⁵⁷ <http://travel2moldova.com/post/134730271972/prut-toltres>

⁵⁸ http://www.informator.md/en/tourist-attractions/moldova/all/all/19-emil_racovita_cave/?regions=10

- **natural reservations:** "Padurea din Domneasca", "Codrii", "Iagorlic", "Prutul de Jos", "Plaiul Fagului", "Tetcani", "Lopatnic River", "Fetesti",
- **rare historic villages:** Cosauti village,⁵⁹ Japca village;⁶⁰
- **famous monasteries and churches:** Capriana Monastery, Hincu Monastery, Rudi Monastery, Saharna Monastery, Tipova Monastery, Curchi Monastery, Frumoasa Monastery, Cosauti Monastery, Japca Monastery, the Assumption of the Virgin Mary Church. One could also mention former Moldovan and now located just on the border in Ukraine, Hotin Fortress.



9.3 REGULAR PASSENGER FLIGHTS IN MOLDOVA

9.3.1 Balti International Airport

9.3.1.1 The critical analysis of regular passenger traffic in Moldova is a difficult and, at the same time, an easy exercise to make. On the one hand, it is a difficult exercise, if almost not impossible, because there is no publicly accessible statistics covering all of the airports in Moldova. On the other hand, it is an easy exercise, as all of the available statistics exclusively and only resumes to one airport in Moldova, which is located in Chisinau. The reasons of absence of publicly available statistics since 1987 in respect of passenger and cargo traffic from BZY, second international airport in Moldova, are unknown. However, before one starts analyzing the growth of general passenger air traffic numbers in Moldova, one should recall from the start that initially airport in Chisinau was capable of handling 1,000,000 passengers per year with simultaneously functioning airport in Balti operating about 20 flights/destinations from the northern capital of Moldova.

9.3.1.2 Some reports and press articles without due research mentioned BZY as a nonfunctional airport, whereas it was functioning at that time. One report presented suggestions/projections of passenger numbers to be transported through BZY, even though no justification, statistics or explanation of calculation formula/method were given.

9.3.1.3 A report (hereinafter referred to as the "**2010 Report**") dated 2010⁶¹ "Reform Perspectives of the Air Transport Services Sector of the Republic of Moldova in the framework of Negotiation of the Future Agreement on Deep and Comprehensive Free Trade Area between the Republic of Moldova and the European Union", prepared with support of the Soros Foundation Moldova by Mr. Radu Bezniuc, former advisor in charge of airspace liberalization to the Prime Minister of Moldova Mr. Vlad Filat and actual Deputy Director of the Moldovan Civil Aviation Authority, suggested that:

- BZY can reach a number of 30,000 passengers a year in the second year of its operation.



⁵⁹ http://www.informator.md/en/tourist-attractions/moldova/all/all/13-cosauti_village/?regions=10

⁶⁰ http://www.informator.md/en/tourist-attractions/moldova/all/all/14-japca_village/?regions=10

⁶¹ <http://www.soros.md/files/publications/documents/Raport%20Servicii%20Transport%20Aerian.pdf>

However⁶², no explanation, justification of this number, statistics or the calculation method/formula of projected passenger numbers at BZY were provided.

9.3.1.4 The English version of the 2010 Report also mentioned that:

- *“the process of air transport market liberalization will require the adoption of air transport sector, which will provide the free movement of transport services, the elimination of obstacles of freedom of establishment, and will foster harmonization of national regulations with common rules set out in the Multilateral Agreement on the Establishment of a European Common Aviation Area (ECAA)”;*
- *“the central constituent of “on the ground” reform will be the modernization of airport infrastructure”;* and
- *“Balti modernization shall be requested, being the most prepared airport at the moment for operation of commercial flights”.*

9.3.1.5 Notwithstanding the preceding, the Romanian version of the 2010 Report mentioned that BZY is currently not functional from the viewpoint of commercial flights, because no national or foreign airline did not manifest its interest in operation from BZY. The Romanian version of the 2010 Report further mentioned that:

- *there were some attempts to reanimate BZY through insistent “recommendations” addressed to Air Moldova to operate flights from BZY and that post-Soviet infrastructure and precarious runway, as well as limited character of the market in the Republic of Moldova, represent in continuation impediments for reanimation of BZY.*

It is not clear what was exactly meant under “insistent recommendations addressed to Air Moldova” in the 2010 Report. In this respect, one has to mention the order No 79⁶³ dated 17 (or 12) September 1994 of the Moldovan Civil Aviation Authority, pursuant to which order the aforementioned authority had further instructed Mr. Boris Salov, director of Air Moldova at that time, to decide until 15 October 1994 the question of resumption of operation of flights on TU-134 and AN-24 from BZY on profitable conditions.

9.3.1.6 According to the Romanian version of the 2010 Report:

- *the pessimistic scenario would suggest that in a probable situation of attention concentration of a low-cost operator on BZY, BZY could register an interesting evolution, stimulating development of business environment in the north of Moldova.*
- *after market liberalization, BZY could generate (three flights per week frequency with a 185 seat-airplane, loading factor 80%) a traffic of 23,000 passengers (diagram 8 below extracted from the 2010 Report) in 2011, whereas in 2012, with an increase of 29% (resulting from maintaining by BZY of a share of 2% in the national air traffic market), BZY could transport 30,000 passengers (diagram 9 extracted from the 2010 Report).*

No justification for calculation method of this numbers was given. Furthermore, no mention was found how an airplane with 185 shall be operated at BZY without prior modernization of its runway, currently capable only to operate airplanes with a maximum payload of 100 passengers.

⁶² In the article 9.3.1 the font may be partially changed into Arial Narrow from Times New Roman in order to clearly separate provisions of this document and quotes from different reports, notably where the same paragraph refers to both.

⁶³ copy of the aforementioned order is in the *Schedule 7*

Diagrama 8: Trafic de pasageri prezentați, aeroportul BZJ, 2011, varianta pasageri varianta pessimistică

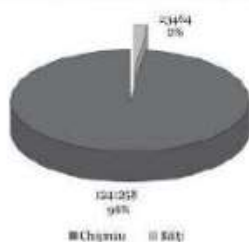


Diagrama 9: Trafic de pasageri prezentați, aeroportul BZJ, 2012, varianta pasageri varianta pessimistică

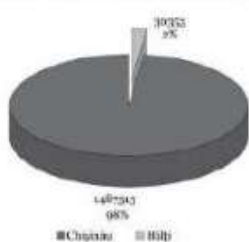


Diagrama 10: Trafic de pasageri prezentați, aeroportul BZJ, 2011, varianta pasageri varianta optimistica

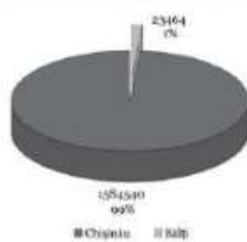
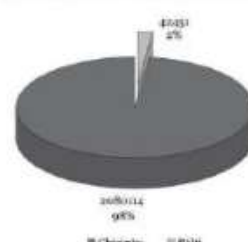


Diagrama 11: Trafic de pasageri prezentați, aeroportul BZJ, 2012, varianta pasageri varianta optimistica



9.3.1.7 In the optimistic scenario, according to the Romanian version of the 2010 Report,

- with an important growth of the passenger flow in the Republic of Moldova, apparently in accordance with the trends registered in other states which went through the liberalization process, the share of BZY in the national air transport market could be 1% in 2011 (diagram 10 extracted from the 2010 Report). Estimated growth for BZY in 2012 as compared to 2011 could be up to 94%, in conditions of 1% share in the Moldovan air transport market (diagram 11 extracted from the 2010 Report).

9.3.1.8 However, according to the Romanian version of the 2010 Report, representatives of Air Moldova indicated that:

- in their opinion there are no existing perspectives in near future for reanimation of BZY after liberalization of the air transport services in the Republic of Moldova.

One can certainly respond to this paragraph of the 2010 Report that since May 2015 Air Moldova sells tickets with destination BZY and organized from May 2015 one free bus from Balti to Chisinau airport (and from Chisinau airport to Balti) per day, whereas there are now three buses per day to and from Balti to Chisinau airport for the flights of Air Moldova. Are these freely offered buses and their growing number (and this is only for flights of Air Moldova which has approximately 50% share of all flights to and from Moldova) a sign of 1% share of BZY in the national air transport market? The obvious answer is no, the share of BZY could be $\frac{1}{3}$ or $\frac{1}{4}$ in the pessimistic scenario and $\frac{1}{2}$ in the optimistic scenario of all air transport in Moldova, and all the more if the pricing policy at BZY shall take into consideration lower airport taxes than at Chisinau airport.



9.3.1.9 The 2010 Report has a merit of approaching hypothetical projections of passenger numbers from and to BZY, but also has a major drawback: no methodology is disclosed indicating what exactly was taken into consideration to present the above mentioned numbers and what exactly were the retained basis criteria/benchmarks. Indeed, not only there are no available statistics of transported passengers through BZY since 1987, there also seems to be no available statistics regarding origin of passengers depending on their geographical location in Moldova. Even if after May 2015 Air Moldova sells flight tickets indicating BZY as final destination and supposedly keeps track of such commercial statistics, probably internally within Air Moldova, such statistics might not represent the real "big picture", since numerous passengers, including myself, may very well buy tickets directly at a travel agency anywhere in Moldova (not necessarily in Balti or in the north of Moldova) including



from internet and would simply prefer buying an online ticket to Chisinau and then figure out their own ground transport possibilities from Chisinau airport to Balti and other localities in the north of Moldova, taking into consideration the extremely long total flight hours to BZY with a connecting “flight” (on a bus) from Chisinau to Balti.

9.3.1.10 Nevertheless, the positive conclusion of the 2010 Report is inspiring:

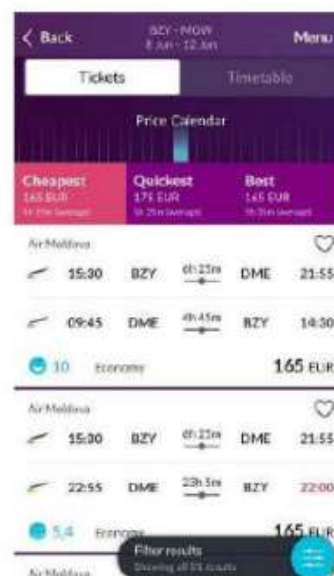
- *the biggest winners of air traffic liberalization shall be passengers and airports in Moldova, for which liberalization shall give a new chance.*

9.3.1.11 Among recommendations of the 2010 Report are:

- *preparation of Chisinau airport for extension of its capacity for 2.5 and 3 million passengers per year and initiation of preparation for probable beginning⁶⁴ of flights’ operation from BZY after liberalization of the air traffic market in Moldova.*

9.3.1.12 For example, the city of Iasi with a population of 321,606 inhabitants as of 2014 transported 273,074⁶⁵ passengers in 2014 and 381,000⁶⁶ passengers in 2015.⁶⁷ One could argue that Iasi Metropolitan Area slightly adds a number of population to be taken into consideration. This should be relativized by the fact that there are two more airports in the area and therefore the catchment area of Iasi airport is not much larger than the announced numbers. Indeed, Bacau airport (364,727⁶⁹ passengers in 2015 and 313,376⁷⁰ passengers in 2014) is approximately at 128 km from Iasi, and Suceava airport is 145 km from Iasi.

9.3.1.13 The catchment area of BZY is naturally Balti itself with the entire North Development Zone of Moldova, which approximately represents 1,025,000 inhabitants (28.6 % of the Moldova’s population), of which 357,000 inhabitants of urban localities, and in case of flight tickets at lower prices than at the Chisinau airport the catchment area for BZY would naturally be the entire Moldova with its more than 3.5 million inhabitants.



9.3.1.14 Based on the approximate comparative analysis explained above, BZY could register at a short to mid-term development stage 172,715 passengers based only on the population of Balti of 145,800 (Iasi airport most recent coefficient being 118% with four airlines and approximately 16 destinations). If one considers the North Development Zone of Moldova, blindly applying the same coefficient one could consider that BZY could register 1,214,215 transported passengers taking into account the population of the North Development Zone of Moldova, which includes population of Balti. Surely making such a direct comparison would be misleading taking into consideration notably the revenue difference in Romania and Moldova, but also other factors.

9.3.1.15 Consequently, these theoretical numbers have to be relativized by applying them to the Moldovan reality and statistics, which represent today 2,226,441 passengers for a country with total

⁶⁴ a more appropriate term would be resumption as operation of passenger flights in Balti began in the first half of the 19th century and from BZY precisely in 1987

⁶⁵ <http://www.newsair.ro/tag/statistici>

⁶⁶ <http://www.newsair.ro/tag/statistici>

⁶⁷ <http://www.aeroport.ro/comunicat-20-08-2015/>

⁶⁸ <http://www.newsair.ro/aeroportul-iasi-doboara-un-nou-record-propriu-pestre-350000-de-pasageri-in-2015.html>

⁶⁹ <http://www.newsair.ro/tag/statistici>

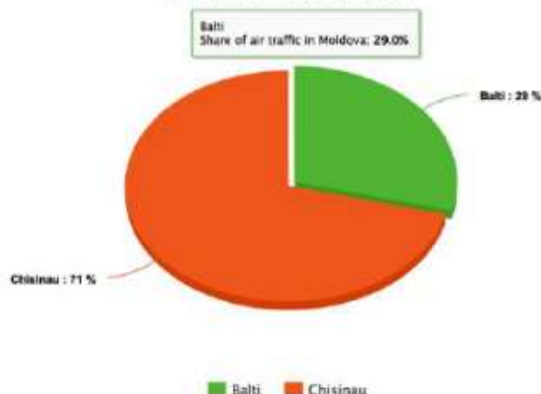
⁷⁰ <http://www.newsair.ro/tag/statistici>

3,553,100 inhabitants. The Moldovan coefficient is 63%, which would represent in the optimistic scenario (diagram 1 below) 91,854 passengers at BZY for Balti solely, and 645,750 passengers at BZY from the entire North Development Zone of Moldova including Balti.

9.3.1.16 The numbers in the last paragraph have yet to be relativized with the revenue difference between inhabitants of Balti, the North Development Zone of Moldova and the rest of Moldova including Chisinau. This additional delta may yet diminish the projected numbers in the paragraph above and even cutting them by two (the extremely worst case scenario), one would arrive to 300,000 – 400,000 passengers. In any case the catchment area of BZY seems to perfectly correspond to the criteria of a Communication from the European Commission “Guidelines on State aid to airports and airlines” 2014.C 99.03, published in the Official Journal of the European Union on 4 April 2014.⁷¹ These numbers suppose fully functioning respective infrastructure of BZY.



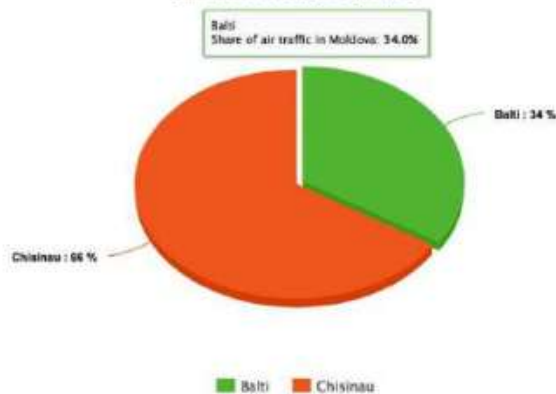
Distribution of air traffic in Moldova short term perspective - Optimistic scenario for BZY - Diagram 1
Petition for resumption of regular flights from BZY



BZY: 645,750 passengers

KIV: 1,580,691 passengers

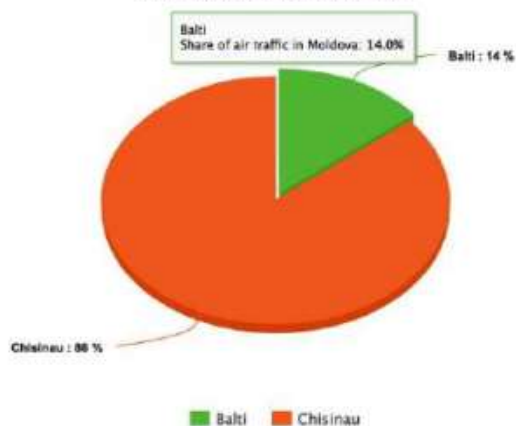
Distribution of air traffic in Moldova mid term perspective - Optimistic scenario for BZY - Diagram 2
Petition for resumption of regular flights from BZY



BZY: 756,990 passengers

KIV: 1,469,451 passengers

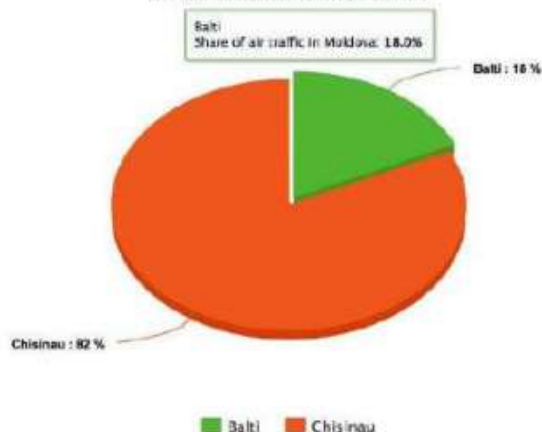
Distribution of air traffic in Moldova short term perspective - Pessimistic scenario for BZY - Diagram 3
Petition for resumption of regular flights from BZY



BZY: 300,000 passengers

KIV: 1,926,441 passengers

Distribution of air traffic in Moldova mid term perspective - Pessimistic scenario for BZY - Diagram 4
Petition for resumption of regular flights from BZY



BZY: 400,000 passengers

KIV: 1,826,441 passengers

9.3.1.17 Additionally, one should add to these numbers of potential passengers at BZY of Moldovan origin foreign passengers and eventually passengers using BZY for connecting flights, as well as simply all Moldovan passengers looking for a better offer of air traffic, especially taking into consideration the important potential of BZY of keeping lower airport taxes than Chisinau airport.

⁷¹ [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014XC0404\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014XC0404(01))

9.3.1.18 Yet in another report⁷² (hereinafter referred to as the “**2011 Report**”) “*Study – Market Reserves of Services in the field of Passenger Air Transport in the Republic of Moldova from Perspective of Reduction of Flight Tickets*”, published in 2011 also with support of the Soros Foundation and prepared likewise by Mr. Radu Bezniuc, indicated that:

- no flights are operated at BZY, regular or charter.

However, it is of common knowledge that charter flights, both passenger and cargo, were operated⁷³ at BZY until withdrawal of its operational certificate in late 2015 as described herein (i) in the article 8.2.17: “upon solicitation of operator⁷⁴ of BZY” and (ii) in the article 8.2.19: “following request of Mr. Mircea Maleca, director of the Moldovan Civil Aviation Authority”.

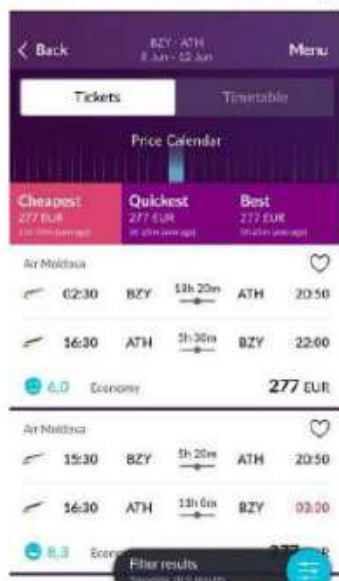
9.3.1.19 The 2011 Report also indicated that:

- another airport located next to the village of Marculesti in the north of Moldova was originally built with military destination for MIG-29 fighter aircrafts.

However, according to the 2011 Report:

- even after modification of its destination this airport does not have the necessary infrastructure for development of the passenger transport.

9.3.1.20 Indeed, the airport located in Marculesti, which used to be merely an air force base, has only one advantage over BZY, a better PCN of the runway and an addition in length compare to BZY with only 272 meters longer runway. It has to be also specified that the airport or rather the aerodrome in Marculesti is located at about 35-40 km in the north-eastern direction from Balti, difficult to access, with apparently no proper road, on a much lower altitude than BZY, no necessary radar and meteorological equipment for passenger air traffic. Most importantly, even in absence of internal necessary passenger airport infrastructure, the village of Marculesti does not provide the necessary external infrastructure, both in terms of economy and ground transportation, capable of absorbing an international airport with regular passenger flights.



9.3.1.21 Moreover, contrary to the long history of regular passenger air traffic in Balti in general and at BZY and former Balti City Airport in particular, the airport in Marculesti was never used as a passenger airport. As indicated in the article 3.6 herein, the geographical position of runway at BZY, and notably its surrounding relief, allows for a relatively easy extension and/or enlargement of the existing runway at BZY for operation of conventional commercial planes such as B737 and/or A320 and even larger planes.



⁷² http://www.soros.md/files/publications/documents/Studiu_rezerve.pdf

⁷³ <https://www.youtube.com/watch?v=Jx3c-xtgw4>

⁷⁴ operator of BZY is the State Enterprise “Moldaeroservice”

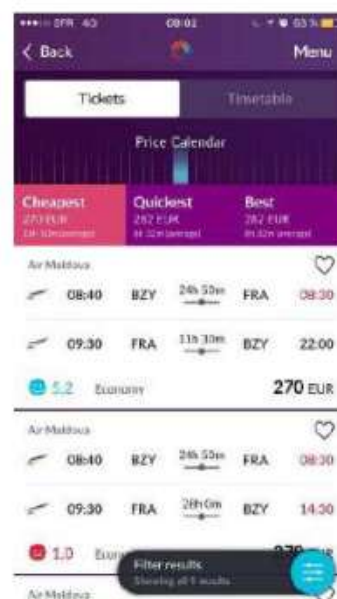
9.3.1.22 Notwithstanding the aforesaid, provided minor investments in lighting equipment of the runway and terminal refreshment, BZY can be operated already now by airplanes with a maximum payload of 100 passengers. Investing in BZY shall certainly cost less than investing in Marculesti, as not only one should build the roads, airport infrastructure, but also the whole economy and an entire city instead of a simple village next to the airport and even more, one would have to manage to persuade at least some passengers to fly to and from the village of Marculesti. Envisaging the airport in Marculesti could only be an option if next to Balti there were no other airports and notably BZY with its long history of civil air traffic, located at just 9km from Balti.

9.3.1.23 The 2011 Report also mentioned that:

- *the absence of operation of regular or charter flights from BZY is dictated by concertation of the passenger flow at the airport located in Chisinau and respectively absence of interest of any airline to operate flights from BZY.*

This suggestion, which was not backed by any supporting argument, should be criticized as the passenger flow is concentrated in Chisinau airport for only one explainable reason: the airport in Chisinau monopolized the entire civil air traffic in Moldova since Moldova's independence and no other airport in Moldova had as much support and financing (if any at all) in development as had the airport in Chisinau.

9.3.1.24 Another critical point of the 2011 Report is that no explanation is provided why BZY was not developed since Moldova's independence, including apparently having existed protectionist State regulations impeding development of any other airport at about 150 kilometers around Chisinau.



The 2011 Report simply limits to state the fact that the passenger flow in Moldova is concentrated at Chisinau airport without explaining the underlying fundamental reasons.

9.3.1.25 Moreover, not all the passenger flow to and from Moldova is concentrated in the airport located in Chisinau. Many Moldovans and foreign tourists preferred already in 2011 and, as a matter of fact, many years before instead of paying exorbitant airport taxes, exceeding often half of the flight ticket price, at the airport in Chisinau, to fly to and from airports located in Bucharest, Odessa, Kiev as well as more recently from Iasi, Bacau, Suceava and will do so probably also from Chernivtsi which shall resume regular passenger flights from 1 July 2016. As a matter of fact, an entire official and unofficial bussing (coaches, minibuses, taxis) industry exists from numerous Moldovan localities to airports in the neighboring countries, Romania and Ukraine.

9.3.1.26 The 2011 Report had further mentioned that:

- among different conditions necessary for

reduction of flight ticket prices, as exposed by representatives of airlines Air Moldova and Moldavian Airlines, was notably reanimation of BZY in light of creation "low cost" options for local and foreign airlines.

However, the 2011 Report did not provide any justification why finally no regular flights were considered from BZY (along with low-cost flights) as well in order to reduce flight ticket prices in Moldova within a natural framework of healthy competition and what was clearly done in this respect.

9.3.2 Chisinau International Airport

9.3.2.1 Before one starts analyzing the growth of passenger air traffic numbers in Moldova (which boils down to basically analyzing passenger air traffic numbers at Chisinau airport), one should recall from the start that initially airport in Chisinau was capable of handling 1,000,000 passengers per year with simultaneously functioning airport in Balti operating about 20 destinations per week from the northern capital of Moldova – Balti.

9.3.2.2 With a population of 3.5 million in Moldova⁷⁵, Chisinau airport transported 2,226,441 passengers in 2015 (which is 20% more than in 2014), 1,781,469 passengers in 2014 (which is 34.28% more than in 2013,⁷⁶ whereas the average European growth rate of airports from the same category is only 5.4%). Recently, the modernization plans of the already modernized couple of times Chisinau airport revealed that towards 2030 the annual passenger traffic capacity shall be of 3.73 million⁷⁷ passengers per year. Indeed, Chisinau airport, which monopolized the entire regular passenger air traffic from Moldova since independence of Moldova, registered a steady growth which was remarked by Airport Council International Europe (AIC), according to which Chisinau airport is the leader in Europe in the category of airports with annual capacity under 5 million passengers⁷⁸. Chisinau airport was also designate by AIC as the airport with the most dynamic development among CIS airports⁷⁹.

9.3.2.3 As another example, in a more detailed analysis, during month of June 2015, the passenger air traffic in European countries rose only with 3.2%, whereas cargo transport with 3%. Again, in the category of European airports with passenger traffic under 5 million, Chisinau airport entered in the top 5 according to the data provided by the Airports Council International Europe. Indeed, Chisinau airport gained the second place with a growth of 38.8%, the first place being taken by the airport of Chambéry in France with an impressive score of



⁷⁵ https://www.google.fr/publicdata/explore?ds=d5bncppjof8f9_&met_v=sp_pop_totl&idim=country:MDA&hl=fr&dl=fr

⁷⁶ <http://www.airport.md/airport-history-ro/>

⁷⁷ <http://diez.md/2013/12/05/foto-cum-va-arata-aeroportul-chisinau-pana-in-2030/>

⁷⁸ <http://oficial.md/economie/lucrarile-de-extindere-la-aeroportul-chisinau-au-ajuns-la-final-foto>

⁷⁹ <http://oficial.md/economie/lucrarile-de-extindere-la-aeroportul-chisinau-au-ajuns-la-final-foto>

316.7%.⁸⁰

9.3.2.4 No official information was found confirming the numbers of passengers transported through BZY, or generally speaking the number of flights (passenger and cargo) operated since its opening within the USSR, nor since independence of Moldova. Air Moldova having roughly half of the share of all flights from Chisinau airport, set up three buses circulating every day from Balti to Chisinau airport only for flights of Air Moldova. Indeed, Air Moldova now sells air tickets indicating in the ticket BZY as the departure airport, although the connecting “flight” to Chisinau is being carried out on a bus. Although no official statistics in this regard seem to be available, one could reasonably suppose that at least a third of all passengers travelling through Chisinau airport are from the north of Moldova.

9.3.2.5 According to SeeNews, passenger traffic at Chisinau airport rose by an annual 35% to 1.254 million in the first seven months of 2015. Aircraft movements increased by 24.6% on the year to 13,086 through July 2015. The number of passengers flying from Russia to Europe via Chisinau airport surged 160% to about 60,000 in the first half of 2015 with a total of 19 airlines flying to 33 international destinations from KIV.

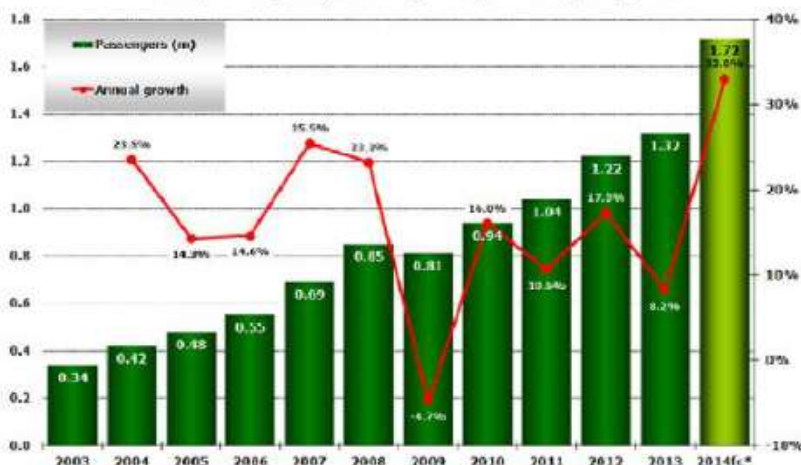
9.3.2.6 Indeed, there are no publicly available statistics for air traffic at BZY or the other old Balti City Airport or any other airport in Moldova except the airport located in Chisinau. Notwithstanding the aforesaid, according to the Moldovan Civil Aviation Authority, the following steady air traffic growth evolution was registered during last 9 years:⁸¹

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015
Airplane take-off	11,848	12,935	12,355	13,751	15,022	16,113	16,858	19,756	22,468
Passenger transport	688,782	847,881	808,096	937,030	1,046,086	1,220,506	1,321,236	1,781,166	2,226,441
Cargo transport	1,856	1,931	1,630.7	1,815.5	2,068.5	2,022.4	2,309.75	2,243.1	2,230.9
Mail transport	468.3	537.8	402.5	583.7	597.7	743.0	642.1	680.4	660.9

9.3.2.7 These numbers refer exclusively to the airport located in Chisinau, through which all regular passenger flights to and from Moldova are operated. More statistics from Moldovan Civil Aviation Authority are available on its official web site.⁸² For example, in 2014 the growth of the air traffic from KIV constituted 29.8% as compared to the previous year.⁸³

Examination of data provided by Chisinau airport reveals that passenger traffic at Chisinau has grown impressively between 2003 and 2013, with an average annual growth rate (CAGR) of 13% over this timeframe.⁸⁴ According to Airport Analysis, Chisinau airport reported 30% traffic growth in 2014.⁸⁵ KIV recorded a 34.3% jump in passenger traffic in 2014, to 1.78 million.⁸⁶

Chisinau Airport's traffic 2003-2014
Annual passengers (millions) and year-on-year growth



⁸⁰ <http://agora.md/stiri/11702/aeroportul-chisinau--pe-locul-doi-in-europa-la-cresterea-trafficului-aerian>

⁸¹ <http://www.caa.md/rom/statistics/>

⁸² http://www.caa.md/modules/filemanager/files/documentum/Statistica_site-5-2015_EN.pdf

⁸³ http://www.moodiereport.com/document.php?doc_id=44987

⁸⁴ <http://www.anna.aero/2015/01/12/chisinau-airport-reports-30-traffic-growth-so-far-in-2014/>

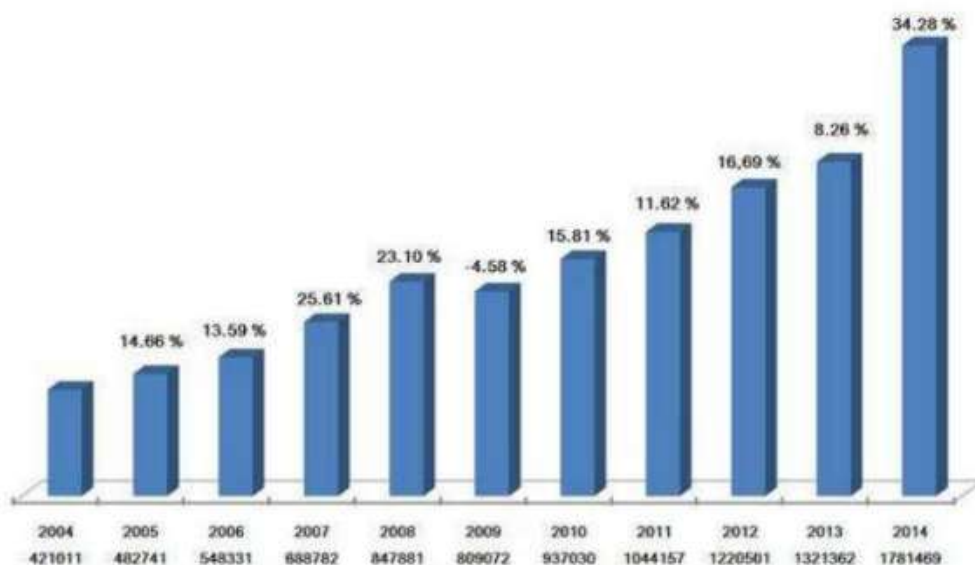
⁸⁵ <http://www.anna.aero/2015/01/12/chisinau-airport-reports-30-traffic-growth-so-far-in-2014/>

⁸⁶ <http://www.anna.aero/2015/01/12/chisinau-airport-reports-30-traffic-growth-so-far-in-2014/>

9.3.2.8 Generally speaking, the available reports on air traffic in Moldova are plenty of optimism and regularly refer to new positive records. For example, in 2011 Chisinau airport carried 1,045,975 passengers, which is a record number in airport's history.⁸⁸ All of these reports mention exclusively Chisinau airport as all these years no regular passenger flights were operated from BZY.

9.3.2.9 According to SeeNews, passenger numbers at KIV rose by 15.9% on the year to 338,012 in the first five months of 2011. In May 2011 alone, passenger numbers at KIV rose 15.2% on the year to 95,338. The highest annual rise in passenger traffic in May 2011 was registered on the Chisinau-Kiev and Chisinau-Munich routes, up by 136.6% and 110.1%, respectively. The most popular foreign destinations in the first five months of the year were Moscow, Istanbul and Antalya. Four Moldovan and 13 foreign air carriers operated at the Chisinau airport.^{89,90}

Chisinau Airport's top 12 airlines
Weekly departing seats (weekly departing flights)



91

⁸⁷ <https://seenews.com/news/moldovas-chisinau-airport-7-mo-passenger-traffic-jumps-35-489796>

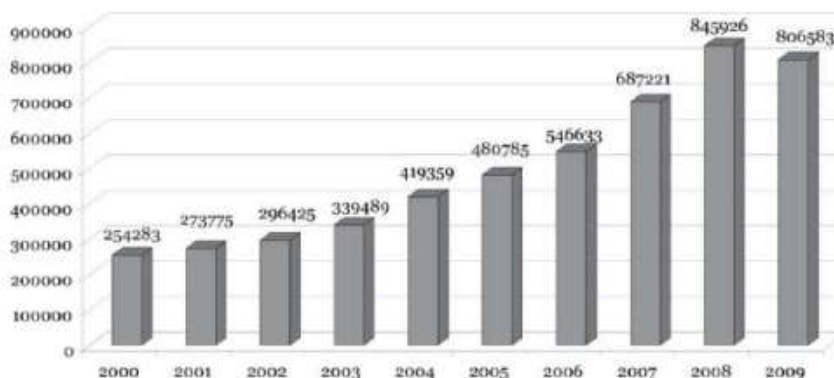
⁸⁸ <http://www.travel.md/3364/chisinau-international-airport-over-1-million-passengers-in-2011/>

⁸⁹ <https://seenews.com/news/moldovas-chisinau-airport-jan-may-passenger-traffic-rises-159-188247>

⁹⁰ <http://www.anna.aero/2015/01/12/chisinau-airport-reports-30-traffic-growth-so-far-in-2014/>

⁹¹ <http://www.airport.md/passenger-ro/>

Diagrama 1: Traficul prin aeroportul internațional Chișinău, perioada 2000-2009, număr pasageri



Sursa: date statistice furnizate de ASAC

9293

9.3.2.10 One should note that travelling to Chisinau airport from Balti implies a taxi fare of MDL 500-600 (approximately € 25) in one direction and sleepless nights for those taking morning flights. One should increase the amount of the spent money and time for those travelling from even farther north of Moldova. As far as the airport taxes in Chisinau airport are concerned, they often represent more than a half of the ticket price. It would be interesting to obtain also statistics in respect of large numbers of persons travelling to Moldova who, because of the exaggerated prices in Chisinau airport, prefer buying their tickets to the neighboring airports of Bucharest, Iasi, Odessa and Kiev. Another figure to take into consideration is the large number of persons travelling by buses to and from Moldova with fares exceeding some airline ticket prices.

9.3.2.11 2,226,441 passengers were transported in 2015 through the airport located in Chisinau (KIV), which monopolized the entire regular passenger air traffic in Moldova (total population as per last statistics about 3,5 million). Isn't there a possibility for about 400,000 passengers to be transported through Balti International Airport (BZY)?

9.3.2.12 As indicated earlier, one could reasonably conclude that the necessary minimum conditions for operating BZY, at least as a low cost airport, seem to be united and, presumably, the only authorizations remaining seem to be authorizations from the Moldovan authorities to let companies like Blue Air, easyJet, Wizz Air, Pobeda, start operating from BZY. Consequently, and in the absence of any available official public report on the current status of BZY, one could reasonably suppose that no major investments (aside those required for the lighting navigation system) seem to be required for operation of BZY as a low cost airport with the existing strict minimum of ground infrastructure; at least it seems that there is no publicly available official information indicating the contrary.

9.4 DEVELOPING THE LONG-TERM ECONOMIC POTENTIAL OF LOCATION OF BZY AS AN INTERMODAL TRANSPORTATION HUB

9.4.1 Taking into consideration the importance of (i) Balti in economic terms and its developed transportation infrastructure and (ii) NDZ, one could reasonably foresee that strategically-located Balti seeks to become an international logistics passenger and cargo transit center, which ambitions could only be supported by the city's municipal authorities, but also the heads of the country's and most important transportation institutions. Consequently, Moldovan authorities seem to welcome any initiative to reanimate BZY.

9.4.2 Furthermore, one could reasonably consider the existent Balti intermodal connections and important economic activity for the entire Moldova.

⁹² http://www.soros.md/files/publications/documents/Studiu_rezerve.pdf

⁹³ <http://www.soros.md/files/publications/documents/Raport%20Servicii%20Transport%20Aerian.pdf>

9.4.3 Transportation is one of the most important branches of the economy, and remains profitable even during crisis periods. One could reasonably assume that a branch that contributes more than 10 per cent⁹⁴ of GDP will be strengthened even more upon reopening of BZY for regular flights which shall certainly contribute to implementation of an idea of the Balti Public Logistics Centre project, which would be even more realizable if the European-gauge from the Romanian border shall be built, thus connecting the Western and Eastern European railway networks. One of the revenues for the public authorities in this framework could be also maintenance services and not only transit services.

9.4.4 The strategically-convenient geographic location of Balti, different routes connecting Balti to the major roads, such as the European Road, as well as the unique in Moldova intermodal transport system in Balti and the functioning airport together could open opportunities for attracting even larger investments and shall benefit to the entire transport infrastructure and economy of Moldova. A second functioning international airport in Balti could also be used by planes scheduled to land at Chisinau international airport, but which due to often stable fog in KIV are rerouted to Bucharest, Iasi, Kiev and Odessa.

9.4.5 Benefiting to the entire country's transport system by expanding intermodal transport, BZY could be useful not only for logistics companies, businesses, new opportunities for companies in Moldova generally, but will also benefit the city of Balti, the northern region of Moldova and the whole Moldova, including by creating numbers of direct and indirect jobs in Moldova and that is really the most important thing which lies behind the idea of the petition.



9.4.6 In accordance with the transportation policy of the European Union, by 2030, 30 per cent of all cargo moved more than 300 km should be transported by means of environmentally-friendly transport, what would allow to reduce the negative impact of transport on the environment, just as the load on roads and damage to the surface of roads.

9.4.7 In recent years, transport has changed very much: closer connections and modern means of communication have brought the world and people closer to each other. Passenger air transportation is not a luxury reserved to the rich ones anymore. There has been a dramatic growth of civil aviation industry around the globe, including Eastern Europe. Civil aviation is probably one of the rare industries which knew 100 % growth since its appearance in the beginning of the last century.

9.4.8 The existing companies in Balti and in the northern region, the share which the northern part of Moldova represents in the Moldovan GDP, large numbers of Moldovans travelling abroad for seasonal work and low labor costs in Moldova – these are the elements which will be attractive both to passenger and cargo carriers as well as to potential investors. As the Moldovan Minister of Transports and Infrastructure of Roads had justly mentioned, the operation and eventual modernization of BZY must be implemented in timely fashion, otherwise the State public money is wasted.

⁹⁴ [http://www.timpul.md/articol/\(analiza-economica\)-republica-moldova---un-cocktail-exploziv-la-frontiera--romaniei-69254.html?action=print](http://www.timpul.md/articol/(analiza-economica)-republica-moldova---un-cocktail-exploziv-la-frontiera--romaniei-69254.html?action=print)

9.4.9 One can certainly question the existence of economic, social, and financial challenges, which will have to be closely analyzed by the competent public authorities of Moldova and the interested investors in BZY. After all, among other opportunities for a potential investor, why not to include, at least temporarily a potential foreign company investing and operating BZY into the Balti Free Economic Zone?⁹⁵

9.4.10 Yet another important consideration for BZY development could be delocalization of all casinos from the inner Balti to its outskirts to the neighboring to BZY terrains. In fact, delocalization of casinos from inner cities is a project which is being developed and supported by different political parties in Moldova in different localities including Balti. In case of a potential expropriation of the adjacent terrains and their ownership transfer to the company operating the initial terrains of BZY, BZY could increase its rent revenues from the rent recovered from casino playhouses installed on these adjacent neighboring terrains with a view to the taking-off and landing airplanes.

9.5 BRIEF POTENTIAL COST BENEFIT ANALYSIS OF INVESTMENT IN AND OPERATION OF BZY

9.5.1 As far as the financial management strategy to be adopted by any company which is bound to operate BZY, two mostly spread approaches are to be considered⁹⁶:

- 1) the residual cost approach, under which the airlines collectively assume important risk by consenting to settle any operational costs related to BZY, which costs may not be necessarily allocated to other users or covered by nonairline revenues, and
- 2) the compensatory approach, pursuant to which the airport operator assumes the financial risk of running the airport and only charges the airline companies fees and rental rates established in order to recover the actual costs of the facilities and services these companies use.

9.5.2 The advantage of the residual cost approach is that once total annual costs (i.e.: administration, operation, maintenance, operations debt service and debt coverage) are offset for each cost center (i.e.: terminal buildings, airfield, roads, grounds, air freight area) by all nonairline revenues anticipated for the respective cost center, the residual between costs and revenues would be then the basis for calculation of rates charged to the airline companies for their use of the respective cost center. Whereas any surplus shall be credited to the airlines and any deficit shall be charged to the airline companies within calculation process of airlines' landing and other fees for the following year. In other terms, BZY applying the residual approach shall share the financial risk of its development and operation with the airline companies, which in turn will be also interested in the higher growth of BZY operations, allowing them eventually to lower their fees payable to the operator company of BZY.

9.5.3 One could eventually apply a differentiated approach to airline companies selecting BZY as their hub (residual cost approach) and visiting airlines (compensatory cost approach).

9.5.4 BZY being a commercial airport, the financial and operational relationship between the airport operator and the airline companies shall have to be defined pursuant to legally binding airport use agreements. The latter agreements shall specifically provide for the mechanics in accordance with which the risks and responsibilities of running the airport shall be shared. These contractual agreements shall establish the terms and conditions governing the way airlines shall use BZY, specify the methods for calculating rates the airline shall have to pay for use of airport facilities and services. Generally speaking, these agreements shall identify the rights and obligations of airlines and the extent of their interference in the major capital development projects of BZY.

⁹⁵ <http://www.rbgc.eu/media/articles/kauno-plc-feasibility-study-en-2013-08-20.pdf>

<http://www.routesonline.com/news/29/breaking-news/204028/wizz-air-to-launch-low-fare-links-to-moldova/>

⁹⁶ <https://www.princeton.edu/~ota/disk3/1984/8403/840308.PDF>

9.5.5 As a conclusion, one could suggest that a mixture of both approaches could be implemented for short and long term operation of BZY, taking into consideration the growing capacity of BZY operator to assume financial risk in the long term perspective.

9.6 RUNWAY RECONSTRUCTION POSSIBILITIES AT BZY

Four major variants of operation of BZY may be envisaged:

- 1) operation of BZY with the existing runway,
- 2) PCN refurbishment of the existing runway with its extension to the northwest direction,
- 3) extension of the existing runway in both northwest and southeast directions and
- 4) construction of an entirely new runway next to the existing runway.

9.6.1 Operation of the existing runway at BZY

9.6.1.1 The currently existing runway with a PCN 16 RWAT allows for operation of a large number of short and medium range aircraft. As per indicated hereinafter in the *Schedule 3* table, in green color are marked airplanes which may be operated at BZY with the current PCN of the runway, among which are such airplanes as A320-212 (optional 4-wheel bogie), ATR 42, ATR-72, BAE-146-100, BAE-146-200, BAE-146-300, CRJ 100, CRJ 700, CRJ 900, EMB-120, EMB-145, Fokker-50, Fokker-70, Saab-2000, Saab-400, Yak-42, An-24, Tu-134, tu-154, Il-76T (171 tons), Il-18.

9.6.1.2 A relatively minor investment in the lighting marking and signage equipment could be sufficient for immediate resumption of regular passenger flights. The existing lighting equipment is not fully functional and should be either repaired or fully replaced. Indeed, this appears currently as the major drawback of the air navigation infrastructure at BZY.

9.6.1.3 The remaining question shall be of investment in quick refurbishment of the existing terminal and accessory (baggage handling) facilities.

9.6.1.4 Notwithstanding the aforesaid, one should nevertheless consider enlargement of the existing apron as well as refurbishment and enlargement of the existing taxiways.

9.6.2 PCN refurbishment of the existing at BZY runway with its extension in the northwest direction

9.6.2.1 The currently existing runway with a length of 2.240 meters and a width of 42 meters (direction 15/33), was built on a larger terrain which was already prepared for extension from the very beginning. Indeed, there are 1.000 meters remaining in the northwest direction until the M14/E583 road. The required earthmoving works as well as backfilling and embankment works were already performed in 1987. The remaining kilometer is currently simply covered with grass.

9.6.2.2 Along with extension of the runway, one could also consider improvement of the currently existing PCN to a PCN allowing operation of any aircraft with no restriction.

9.6.3 PCN refurbishment of the existing at BZY runway with its extension in both northwest and southeast directions

9.6.3.1 There is also a possibility for extension of the currently existing runway in both directions: northwest direction as explained above and southeast direction as well.

9.6.3.2 The currently available terrain is about 400 meters in the southeast direction. However, contrary to the relatively easy and low-cost possibility of northwest extension, the southeast extension has two difficulties to be resolved: there are only 400 meters of additional length available in the southeast direction, which necessarily triggers 1) expropriation procedures for any farther extension of the runway and 2) respective earthmoving, embankment and backfilling works for any farther extension on the newly acquired terrain after the aforementioned 400 meters.

9.6.3.3 Just as mentioned in the previous variant, along with extension of the runway, one could also consider 1) improvement of the currently existing PCN to a PCN allowing operation of any aircraft with no restriction and 2) enlargement of the current width of the runway.

9.6.4 Construction of an entirely new runway at BZY next to the existing runway

Finally, probably the most expensive option could be also a construction of an entirely new runway (capable to operate any aircraft with no restrictions) next to the existing runway, most likely in the similar directions as the existing runway, on an approximate altitude of 200 meters. This would result in either continuation of usage of the old runway as well, or its transformation in a taxiway.

9.7 OPERATION AND MANAGEMENT POSSIBILITIES OF BZY

9.7.1 Delocalization of casinos from Balti to the terrains of BZY

9.7.1.1 Among different choices the company operator of BZY shall have to make is the management method of financial risk and notably different revenue sources, among which are the nonairline revenue sources, whose important revenue center are rent revenues.

9.7.1.2 In this respect, one could recall here an important actual public debate within Balti, but also generally in Moldova, whose goal is to delocalize numerous casinos from the inner city of Balti to a certain distance from inhabited urban areas on the Balti outskirts. Indeed, one can reasonably suggest delocalization of casinos from the inner Balti to the ground terrains immediately neighboring the actual terrains occupied by BZY. Currently such terrains are property and are cultivated by local farmers.

9.7.1.3 Therefore, in such a hypothesis an expropriation procedure of the neighboring to BZY terrains should be initiated by the Moldovan State, to secure adjunction of these expropriated terrains to the currently used terrains owned by the Moldovan State and used by BZY. This could allow for construction of a casino district on the terrains managed by BZY, having among different attractions the direct view on the landing and taking-off air planes. The rent of casinos on the terrains managed by BZY could be an important source of nonairline rent revenue for the operator of BZY.

9.7.2 Inclusion of BZY in the Balti Free Economic Zone

9.7.2.1 Resumption of operation of BZY shall probably imply important initial investment in capital expenditure (CAPEX) as well as subsequent significant operation expenditure (OPEX) for which the return on investment shall be probably not immediate but rather a long-term return on initial investment.

9.7.2.2 Therefore, it appears that inclusion of BZY in the Balti Free Economic Zone could be of vital importance for BZY airport operator and an important attractive tax incentive⁹⁷ reason for any private investor:

1. *Deduction of 50% from the tax rate established in the Republic of Moldova for income earned from export of goods (services) originating from free economic zone outside the territory of the Republic of Moldova;*
2. *Deduction of 25% from the tax rate established in the Republic of Moldova for income earned from other activities than export of goods (services);*
3. *Total exemption for 3 years from income tax for income earned from export of goods (services) originating from free economic zone outside the territory of the Republic of Moldova, which is the result of investment in free zone of little less than USD 1 million;*
4. *Total exemption for 5 years from income tax for income earned from export of goods (services) originating from free economic zone outside the territory of the Republic of Moldova, which is the result of investment in free zone of little less than USD 5 million;*

⁹⁷ <http://www.zelb.md/en/avantaje/facilitati-fiscale/>

5. *VAT is not applicable for goods (services) delivered in the interior of free zones;*
6. *Zero VAT rate for goods (services) delivered to free zone from outside the Republic of Moldova, goods (services) delivered from a free zone outside the Republic of Moldova, goods (services) delivered to free zone from the rest of the territory of the Republic of Moldova, goods (services) delivered by residents of various free zones of the Republic of Moldova to one another;*
7. *Exemption from payment of excise taxes for goods introduced to the free zone from outside the Republic of Moldova, from other free zones, from the rest of the territory of the Republic of Moldova, as well as goods originating from this zone and exported outside the Republic of Moldova;*
8. *Deliveries of goods carried out in the interior of free zone and deliveries of goods carried out from one free zone to another are not subject to excise taxes.*

9.7.2.3 Such a strategy implies that any public-private partnership and notably concession of BZY could only be long-term agreement.

9.7.3 International collaboration

9.7.3.1 Furthermore, for the stability of such an investment and in order to secure both the private investor and the Moldovan State, taking into consideration the European integration policy of Moldova, an active and direct involvement of different structures of potentially financing banks (i.e. European Investment Bank, European Bank for Reconstruction and Development) and different European Union institutions, such as for example the European Commission, in planning, negotiation and subsequent management and operation of BZY is indispensable.

9.7.3.2 One could also highly advise an establishment of at least a dialogue with the US Department of Transportation and consulting with internationally renowned airport development consulting companies, such as NACO or Intervistas for example, which have a significant modern airport development experience in the countries of the former USSR. Not the last word should be also given to consultation of the project institutes which were in charge of the initial planning and construction of BZY (Aeroproject Institute in Kiev, Ukraine) and certification and compliance verification of BZY (Aeroproject Institute in Moscow, Russia).

9.7.3.3 Additionally, a direct involvement of internationally renowned and experienced airport operation and airport construction companies is of vital importance for operation and reconstruction of BZY, such as for example Vinci Airports, TAV Airports, which already have experience in development and concession of airports in countries of the former USSR.

9.7.3.4 Such collaborations could take different forms: from consulting and training to shareholding and board membership within the company operator of BZY.

10. COMPARISON CASE STUDIES

Countries comparable in size to Moldova like Georgia (population 4.4 million) and Lithuania (population 2.9 million) have respectively – Georgia: 3 functioning international airports⁹⁸ (notably a second international airport in Kutaisi⁹⁹ with a fifth international airport being built in Zugdidi¹⁰⁰) and Lithuania: 3 functioning international airports (notably a second international airport in Kaunas^{101,102}). Among 16 international airports in Romania, four are located in the vicinity of Republic of Moldova: Suceava, Iasi, Bacau and Tulcea,¹⁰³ whereas the first three are located one from another on approximately the same distance as Balti from Chisinau. Lithuanian airports Vilnius and Kaunas are separated by even shorter distance one from another as Balti from Chisinau. In the neighboring Ukraine, international airports in Lviv, Uzhgorod,¹⁰⁴ Ivano-Frankivsk^{105,106} and Chernivtsi¹⁰⁷ are also all four located one from each other at approximately the same distance one from another as Balti from Chisinau. Another Ukrainian airport in immediate vicinity of Moldova is Odessa airport (with Mykolaiv airport¹⁰⁸ located even at a shorter distance from Odessa as Balti from Chisinau).

Generally, because of exorbitant prices of flights tickets at Chisinau airport, monopoly of Chisinau airport for regular passenger flights, absence of reserve airport for regular passenger flights and hence absence of any other cost-effective or geographical alternative, passengers to and from Moldova tend to use not only all of the aforementioned immediately neighboring airports in Romania and Ukraine, but also airports located in capitals Bucharest and Kiev. As previously mentioned, an entire bussing (coaches, minivans) industry exists from different localities in Moldova to the aforementioned airports in Romania and Ukraine.

⁹⁸ https://en.wikipedia.org/wiki/List_of_airports_in_Georgia_%28country%29

⁹⁹ <http://kutaiaairport.ge/index.php?lang=en>

¹⁰⁰ <http://agenda.ge/news/59193/eng>

¹⁰¹ <https://www.kaunas-airport.lt/index.php?lang=en>

¹⁰² https://en.wikipedia.org/wiki/List_of_airports_in_Lithuania

¹⁰³ <http://www.zf.ro/companii/aeroportul-international-din-tulcea-care-nu-are-nicio-cursa-regulata-in-proces-de-modernizare-cu-12-milioane-de-euro-15336022>

¹⁰⁴ <https://www.rbc.ua/rus/news/aviakompanii-gotovy-vozobnovit-perelety-mezhdu-1467441495.html>

¹⁰⁵ <http://delo.ua/business/mau-prodolzhit-letat-iz-ivano-frankovska-v-ispanju-zimoj-320061/>

¹⁰⁶ <http://www.aex.ru/news/2016/7/21/156845/>

¹⁰⁷ <http://www.anna.aero/2016/07/14/ukraine-international-airlines-connects-to-chernivtsi/>

¹⁰⁸ <http://en.interfax.com.ua/news/general/225362.html>

10.1 INTERNATIONAL AIRPORTS IN ROMANIA: FOCUS ON IASI AIRPORT



Iasi Airport



Bacau Airport



Suceava Airport



Bucharest Otopeni Airport

10.1.1 The modern development of regular passenger air traffic in Romania appears to be a successful story of (1) steady growth of total transported passenger numbers, (2) true liberalization of the airline competition with arrival of low-cost airlines offering, contrary to those which tried Chisinau airport, real low-cost tariffs, (3) true liberalization of competition among different 16 international airports' offers within Romania and finally (4) a 14% increase in

domestic passenger traffic as of 2015.¹⁰⁹ Although the last criterion regarding development of domestic flights is not relevant for the Moldovan market, at least as of now.

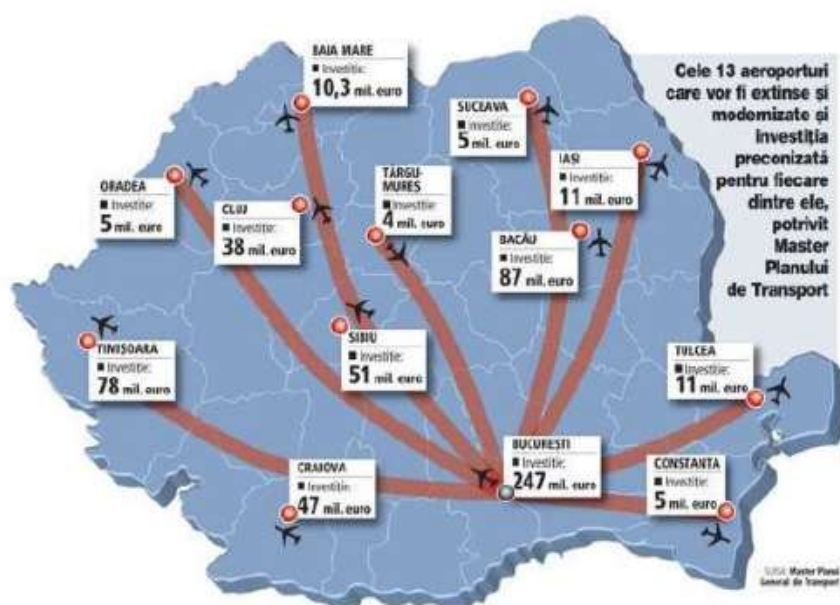
10.1.2 Consequently, one can reasonably conclude that Romania reached two important objectives: (1) satisfaction of passengers' demand, both as far as geographical and flight ticket costs criteria are concerned, (2) satisfaction of airlines' business goals, providing for a necessary legal framework allowing arrival of new players on the market and (3) development of 16 different international airports covering



¹⁰⁹ <https://www.linkedin.com/pulse/romanian-airports-exploring-booming-domestic-market-bogdan-avram>

the entire Romania in its different geographic regions, including immediately neighboring regions.

10.1.3 For example, in 2013 the 16 Romanian international airports¹¹⁰ registered 10.7 million passengers



(6.6% increase compare to 2010), with the leader being Bucharest Otopeni airport which transported 7.6 million passengers, which is 71% share of total transported passengers in Romania (7% increase compare to 2013 and 55% increase compare to 2010), followed by Cluj-Napoca airport with 1 million passengers transported in 2013 (11% increase compare to 2012) and by Timisoara airport with 757,000 transported passengers in 2013 (27% decrease compare to 2012).¹¹¹ The fourth position was occupied by the airport of Targu-Mures, which increased the number of transported passengers from 74,000 in 2010 to 364,000 in 2013, with an increase of 21% in 2013 as compared to 2012. The growth of passenger traffic in Targu-Mures is largely due to the establishment by Wizz Air of one of its bases in Romania in Targu-Mures in 2011, which before was exclusively operated by TAROM, the national Romanian carrier, just as many other regional international airports in Romania. The fifth place was taken by Bacau airport, which registered largely the same number of transported passengers in 2013 as in 2012: 307,000.

10.1.4 For the 2009-2013 period, investment in reconstruction and modernization of the Romanian airports represented more than € 60 million of a total of € 27.5 billion invested in transportation infrastructure.¹¹² The amount of investment in airports infrastructure across Romania has only grown since then.

10.1.5 The major role of the Romanian authorities in development of the local international airport market was not only implementing the respective Romanian and European regulatory framework, but also bolstering investment in reconstruction of infrastructure of its airports, including via European structural funds and such programs as POS Transport.¹¹³ Among modernization investments in the airports infrastructure in Romania,¹¹⁴ one should particularly note the recent revival of three airports in Iasi, Bacau and Suceava, which originally had lower technical capacities as BZY already in 1987.

10.1.6 The importance of funding from European institutions cannot be underestimated as often it

¹¹⁰ https://ro.wikipedia.org/wiki/List%C4%83_de_aeroporturi_din_Rom%C3%A2nia

¹¹¹ <http://www.zf.ro/zf-24/harta-aeroporturilor-din-romania-doar-trei-au-afaceri-mai-mari-de-10-milioane-de-euro-12426782>

¹¹² <http://www.zf.ro/zf-24/cati-bani-au-fost-directionati-spre-investitii-pentru-piste-de-aeroport-in-ultimii-sase-ani-12612473>

¹¹³ <http://www.fonduri-structurale.ro/Detaliu.aspx?t=transport>

¹¹⁴ <http://www.zf.ro/zf-24/reforma-in-sectorul-aerian-13-aeroporturi-din-cele-16-existente-vor-fi-modernizate-cu-600-mil-euro-pentru-a-face-fata-dublarii-numarului-de-pasageri-13386758>

takes form of grant subventions, often representing a high share among different investment sources. For example, in case of Tulcea airport, the share of European financing via structural funds amounted up to 85% of total investment of € 12 million in modernization and extension of the runway, apron and taxiways. The remaining 13% investment share was provided by the Romanian state and 2% from the local budget.¹¹⁵

10.1.7 Different techniques are used for modernization of airports. For example Suceava airport did not close as its runway was extended from a length of 1,800 to 2,460 meters and a width of 30 to 45 meters, in order to operate such aircraft as Boeing 767-300 with 290-350 passengers or cargo aircraft transporting 100 tons of merchandise.¹¹⁶ The reconstruction project also included replacement of the lighting and ILS as well as new 20 meter high air control tower, electricity station.¹¹⁷ The targeted airlines were Carpatair and Wizz Air. This modernization project amounted to an investment of € 39,5 million, of which € 20,9 million financed by the European Union and € 9 million financed by the national budget and remaining funds invested by the regional council of Suceava and the state operator company of Suceava airport.¹¹⁸ In the framework of this modernization project, the regional council of Suceava acquired numerous land terrains and transferred the management right of these land plots to the airport operating company for the length of existence of the airport. On 25 October 2015 Suceava airport had officially resumed full-fledged operations.¹¹⁹

10.1.8 Craiova airport followed improvement of the runway (concrete slabs dating from 70's were covered with asphalt in 2015, taxiways were extended as well as apron. These modernization works' cost is approximately € 25 million, 85% of which represent EU funds and the remaining amount being funded by the Romanian government. The lighting system of Craiova airport is the one transferred from Constanta airport, which in turn was also renovated.¹²⁰

10.1.9 Below is copied a table detailing passenger growth in different Romanian airports.¹²¹

Rank	Airport	City	Code (IATA/ICAO)	Passengers	Annual change	Passengers	Annual change	Rank change
1.	Henri Coandă International Airport	Bucharest	OTP/LROP	9,274,629	▲ 11.5%	9,274,287		▲
2.	Cluj Avram Iancu International Airport	Cluj-Napoca	CLJ/LRCL	1,485,652	▲ 25.6%	1,485,634		▲
3.	Traian Vuia International Airport	Timișoara	TSR/LRTR	924,459	▲ 25.6%	922,685		▲
4.	Iasi International Airport	Iasi	IAS/LRIA	381,000	▲ 39.5%	381,709		▲
5.	George Enescu International Airport	Bacău	BCM/LRBC	364,492	▲ 16.3%	363,166		▲
6.	Transilvania Airport	Târgu Mureș	TGM/LRTM	336,694	▼ 1.9%	336,125		▼
7.	Sibiu International Airport	Sibiu	SBZ/LRSB	276,533	▲ 28.1%	-		▲
8.	Craiova International Airport	Craiova	CRA/LRCV	116,947	▼ 15.8%	-		▲
9.	Mihail Kogălniceanu International Airport	Constanța	CND/LRCK	63,329	▲ 66.9%	-		▲
10.	Satu Mare International Airport	Satu Mare	SUJ/LRSM	17,212	▲ 36.1%	-		▲
11.	Baia Mare Airport	Baia Mare	BAY/LRBM	17,169	▼ 16.1%	-		▲
12.	Aurel Vlaicu International Airport	Bucharest	BBU/LRBS	12,925	▲ 160.5%	-		▲
13.	Arad International Airport	Arad	ARW/LRAR	8,530	▼ 69.8%	-		▼
14.	Oradea Airport	Oradea	OMR/LROD	8,118	▼ 77.7%	-		▼
15.	Ștefan cel Mare Airport	Suceava	SCV/LRSV	2,359	▲ 977%	-		▲

¹¹⁵ <http://www.zf.ro/companii/aeroportul-international-din-tulcea-care-nu-are-nicio-cursa-regulata-in-proces-de-modernizare-cu-12-milioane-de-euro-15336022>

¹¹⁶ <http://m.romanialibera.ro/actualitate/proiecte-locale/lucrurile-de-modernizare-la-aeroportul-suceava-nu-presupun-inchiderea-acestuia-245878>

¹¹⁷ <https://www.news bucovina.ro/exclusiv/109401/la-aeroportul-suceava-va-incepe-turnarea-asfaltului-pentru-realizarea-pistei-elastice-vezi-cand-se-estimeaza-ca-intreaga-investitie-va-fi-finalizata>

¹¹⁸ <http://www.obiectivdesuceava.ro/local/de-luna-viitoare-pot-ateriza-primele-avioane-pe-noua-pista-a-aeroportului-sucevean/>

¹¹⁹ <https://m.monitorulsv.ro/Local/2015-10-26/Aeroportul-Stefan-cel-Mare-Suceava-a-fost-redeschis-oficial-traficului-aerian-international>

¹²⁰ <http://www.digi24.ro/Stiri/Regional/Digi24+Craiova/Stiri/Investitii+masive+in+Aeroportul+din+Craiova+>

¹²¹ https://en.wikipedia.org/wiki/List_of_the_busiest_airports_in_Romania

16.	Danube Delta Tulcea Airport	Tulcea	TCE/LRTC	394	67.7%	-		
Total				13,290,442	14%	13,272,745	14.5%	

10.1.10 Generally speaking, the passenger growth exploded in Romania and grew quicker than the infrastructure.¹²²



10.1.11 The airport density is quite similar to the one in Moldova, if not denser in Romania, with, for example, an international airport in Suceava (population 92.121) Bacău (population 144.307), Iași (population 290.422), all three airports being located from one another on the same distance as Balti from Chisinau.

10.1.12 Speaking of the airport development in Romania, we shall particularly focus on the recent development of Iasi airport, which from one destination in 2012 attained a number of 14 destinations in 2016. Generally speaking the passenger traffic growth at Iasi airport was so rapid, that the currently existing road to Iasi airport from Iasi city has to be extended now.¹²³

10.1.13 As from 2006 and until 2012, Iasi airport operated only one regular international flight to Vienna, one internal flight to Bucharest and occasional charter summer flights to Rome. The prior investment and reconstruction works dated back to 1969 and the existing until 2014 runway was a usual mosaic of concrete slabs suited for small planes such as ATR. No apron existed and the runway PCN was very low. The € 56.7 million investment resulted in construction of the entirely new flexible runway (one if not the best in Romania), taxiway, apron and a new passenger terminal.¹²⁴ The Iasi airport administration created conditions for entry of a separate handling agent, improved marketing and invested in advertisement and human resources management.

10.1.14 Iasi airport enjoyed also an investment of € 11 million for construction of a new terminal T3 with 3,600 square meters, six check-in stands and processing capacity of 320 passengers per hour (opened in 2015). Together with the already existing terminal T2, Iasi airport could ensure an annual

¹²² <http://www.zf.ro/companii/o-piata-care-creste-mai-repede-decat-infrastructura-explozia-traficului-aerian-in-zece-ani-numarul-de-pasageri-s-a-triplat-15524402>

¹²³ <http://www.ziaruldeiasi.ro/stiri/inca-o-sesizare-pentru-montarea-de-indicatoare-spre-aeroportul-din-iasi--135716.html>

¹²⁴ <http://m.ziarulevenimentul.ro/stiri/dosar/culisele-unei-investitii-de-56-7-milioane-de-euro--217242189.html>

capacity of 2 million passengers per year. According to the General Transport Masterplan, the envisaged total investment in Iasi airport for the next years amounts to € 100 million. One half of this amount shall be used to develop the cargo zone and another half shall be used for construction of a new passenger terminal with 20,000 square meters. The new runway of Iasi airport was opened in 2014 with 2,400 meters, following an investment of RON 139 million excluding VAT (€ 32 million).¹²⁵ The new runway has no operation restrictions and may be operated by aircraft with 250 passengers. BZY, contrary to Iasi, already in 1987 had an operational runway 2,240 meters long. The extension works of the Iasi runway lasted for one year.¹²⁶ This project 1) is part of the general development and modernization program of Iasi airport, which includes, aside runway construction, building of a new passenger terminal and 2) benefits from European funding with a total value of € 56.7 million. Construction works of the new runway were finalized a year ahead of the fixed term, 3 millions of cubic meters were excavated. According to the Romanian authorities, as soon as the local economy shall support cargo business, the runway shall be extended to 3,000 meters.¹²⁷ The newly built runway at Iasi airport became thus the most modern in Romania, whereas the old runway became a taxiway.¹²⁸

10.1.15 As of 1 July 2016, among different airlines flying to and from Iasi airport, Wizz Air established here its sixth Romanian base for one Airbus 320 with the following routes to: Larnaca, Bologna, Tel Aviv, Catania and Rome Ciampino, tickets being sold starting from RON 109 (€ 25).¹²⁹

10.1.16 The airport administration claims a passenger traffic growth of 120% within three years up to 381,000 passengers in 2015 (placing Iasi airport on the podium after secondary international Cluj and Timisoara airports in Romania) and the number of airplane movements up to 16% as compared with 2014.¹³⁰

10.1.17 The Iasi airport further expects 850,000 passengers in 2016 against initial estimate of 700,000 passengers and an outlook for 1 million passengers in 2017.¹³¹ In 2014 273,000 passengers used Iasi airport and even in such a traditionally low traffic month as February 2016, Iasi airport registered an important growth with 13% as compared to February 2015.¹³² The impressive records of Iasi airport passenger traffic growth attract attention of other Romanian secondary international airports, notably in Cluj and Timisoara, which are currently holding first places on the podium.¹³³

10.1.18 Among other recently modernised airports in Romania, one could also mention airports in Targu-Mures,¹³⁴ Brasov,¹³⁵ Baia-Mare,¹³⁶ Bacau,¹³⁷ Timisoara and Constanta¹³⁸ where Blue Air established recently its base for one Boeing 737.¹³⁹ Finally, one has to mention the triangle of Romanian airports in Iasi (population: 290,000), Suceava (population: 90,000) and Bacau (population: 144,000), all

¹²⁵ <http://m.gandul.info/stiri/moment-important-pentru-aeroportul-iasi-a-inceput-proiectul-de-11-milioane-de-euro-13920451>

¹²⁶ <http://www.zf.ro/zf-24/aeroportul-din-iasi-a-investit-32-mil-intr-o-pista-noua-din-care-lipseste-250-de-metri-13133173>

¹²⁷ <http://www.zf.ro/constructii-imobiliare/noua-pista-a-aeroportului-din-iasi-de-2-400-de-metri-a-devenit-operationala-13400072>

¹²⁸ <http://m.romaniailibera.ro/stil-de-viata/timp-liber/foto--aeroportul-iasi-are-cea-mai-moderna-pista-din-tara-347098>

¹²⁹ <http://www.ziaruldeiasi.ro/stiri/wizz-air-a-inaugurat-baza-operationala-de-la-iasi-a-alocat-un-airbus-a320-132276.html>

¹³⁰ <http://www.aeroport.ro/comunicat-de-presa/>

¹³¹ <http://www.aeroport.ro/un-nou-record-de-traffic-la-aeroportul-iasi/>

¹³² <http://airlinestravel.ro/un-nou-record-de-traffic-la-aeroportul-iasi-47-290-de-calatori-in-luna-februarie-2016.html>

¹³³ <http://www.transilvaniabusiness.ro/Record-absolut-la-Aeroportul-Ia-i>

¹³⁴ <http://www.zi-de-zi.ro/2016/02/18/pista-noua-in-pregatire-la-aeroportul-transilvania/>

¹³⁵ <http://m.gandul.info/stiri/milioane-de-euro-cheltuite-pentru-un-aeroport-cu-o-singura-pista-15265546>

¹³⁶ <http://www.voceatransilvaniei.ro/modernizarea-aeroportului-baia-mare-investitie-de-13-milioane-de-euro/>

¹³⁷ <http://www.desteptarea.ro/se-liciteaza-ofertele-pentru-pista-aeroportului-bacau/>

¹³⁸ <http://www.anna.aero/2016/09/05/blue-air-to-open-base-7-at-constantia/>

¹³⁹ <http://www.agerpres.ro/comunicat/2016/07/14/comunicat-de-presa-aeroportul-international-timisoara-15-44-38>

located at the same distance from each other as airports Balti and Chisinau. These three Romanian airports were all modernized largely thanks to the EU funding and are all successfully developing boasting a regular passenger traffic growth, often beyond expectations.



10.2 INTERNATIONAL AIRPORTS IN LITHUANIA: FOCUS ON KAUNAS AIRPORT



Kaunas Airport



Palanga Airport



Vilnius Airport

10.2.1. Although Lithuania (population: 2,866,935) is a country with a smaller population than Moldova (population: 2,913,281 excluding Transnistria with population: 505,103), Lithuania has three functional international airports in Vilnius, Kaunas and Palanga. The most important passenger traffic is in Vilnius (3.3 million passengers in 2015) and Kaunas (0.75 million passengers in 2015), whereas Palanga accounts for 0.15 million transported passengers in 2015. Notwithstanding the shorter distance between Vilnius and Kaunas airports (102 km) as the distance between Chisinau and Balti airports (166 km), the airport located in Kaunas manages an important growing passenger traffic (0.75 million passengers in 2015).

- 10.2.2.** *The three major Lithuanian international airports Vilnius, Kaunas and Palanga are managed by State Enterprise "Lithuanian Airports" (Valstybės įmonė Lietuvos oro uostai), which develops the activities of the three airports in a coordinated manner. The ideology and strategy of operation of Lithuanian Airports are based on the principle 'United but different'¹⁴⁰. Therefore, it appears that the Lithuanian State managed to directly keep control of the three major international airports, although concession procedure of the three Lithuanian airports is underway presently with assistance of InterVISTAS, part of NACO.¹⁴¹ We shall expressly focus on Kaunas International Airport (KUN) as the mirror example for BZY development.*
- 10.2.3.** *Just as BZY started operation in 1987, KUN started operations a year later in 1988. In 1991, after Lithuania's independence, it gained the status of an international airport and in 1996 it became a member of Airports Council International (ACI) and began to take part in the activities of the "Lithuanian Airports" association. In the same manner as BZY, KUN was used by YAK-40, and YAK-42 of the local Aeroflot branch since 1988 for a moderate flight range with some scheduled flights from Kaunas to Kiev, Kharkiv, Moscow, Odessa, Simferopol, and Šiauliai. Regional airline Air Lithuania based in Kaunas operated scheduled and charter flights from Kaunas to Budapest, Billund, Hamburg, Malmö, and Oslo from 1993 till 2004, just as there were scheduled and charter flights from BZY to Istanbul and attempts to organize flights to Moscow.*
- 10.2.4.** *During 2005-2007 FIMA experts reconstructed KUN's runway lighting system to comply with ICAO standards.¹⁴²*
- 10.2.5.** *In 2013 Ryanair invested more than € 3 million in a new aircraft maintenance and repair hangar at KUN, which employs 50 people. The airline is further expanding its aircraft maintenance activity at KUN, with a planned further investment of € 1.6 million, which will allow the servicing of twice as many aircraft. The company intends to employ 40 additional aviation mechanics, and the employment strategy is based on the company's collaboration with the Kaunas School of Mechanics at Kaunas University of Technology in order to prepare necessary specialists and invite students for traineeships.*
- 10.2.6.** *In 2012 KUN accounted 25% of total passenger market in all Lithuanian airports. Ryanair is the main passenger carrier at the airport, and has gradually expanded its network there since 2005 when the airline first landed at the airport. In 2010, Kaunas Airport became the first airline's base in Eastern Europe and this resulted a more than doubled route network expansion at the airport. The airport reported 77% growth in passenger traffic that year and also won the EURO ANNIES 2011 prize awarded by a weekly aviation e-journal anna.aero as being the fastest growing airport in Europe in the category of under one million passengers.*
- 10.2.7.** *As far as the catchment area of KUN is concerned, almost a quarter of all passenger flow at KUN are travelers from the neighboring countries Latvia, Belarus and Poland. The catchment area of KUN which lies within one hour drive is 1.75 million persons. In a two-hour drive, one can practically reach any border of Lithuania, bringing the population in the catchment area up to 3.4 million persons.*
- 10.2.8.** *In 2008 the new three-storey terminal building has been opened for passenger operations. The 7,573 sq.m. (81,520 sq ft) building can handle 800,000 passengers per year and the maximum capacity has been already reached in 2010, three years after the opening. The simple linear terminal design allows further expansions both ways, however as for December 2013, there are no detailed and approved terminal expansion plans.*

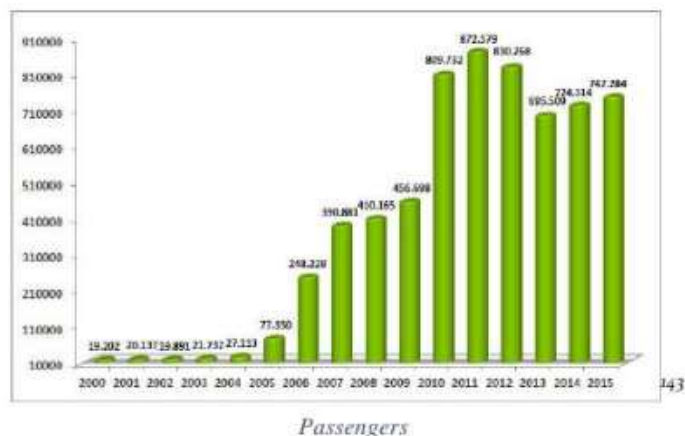
¹⁴⁰ <http://www.ltu.lt/en/lithuanian-airports/about-lithuanian-airports/>

¹⁴¹ <http://www.investlithuania.com/news/intervistas-to-advise-lithuanian-government-on-lithuanian-airport-concession/>

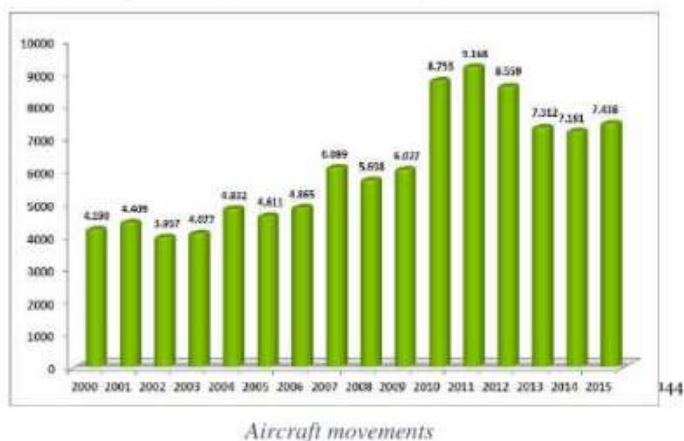
¹⁴² <http://www.fima.lt/en/projects/listing/?project=87>

10.2.9. The runway of KUN is 3,250 meters long and 45 meters wide, and is categorized with a 4E ICAO reference code. This enables to handle aircraft with up to 45 meters wing span and 14 meters main gear wheel span, which includes planes the size of a Boeing 747 or Antonov An-124. The runway is oriented along the dominant direction of western winds; it is also equipped with CAT II ILS equipment which allows KUN receiving aircraft with minimum visibility meteorological conditions.

10.2.10. As far as the maintenance facilities at KUN are concerned, Ryanair operates its own maintenance hangar at Kaunas Airport, which launched operations in January 2013. It can accommodate one aircraft at a time and performs C type maintenance checks. The same year Ryanair has set to double its MRO capabilities at the airport and began construction of the second hangar in Kaunas.



10.2.11. FL Technics has announced its plans to invest almost \$ 4 million into high-tech aircraft maintenance equipment at its newly launched MRO hangar at KUN. The latest equipment will support FL Technics MRO center in servicing both narrow and wide body modern aircraft, including Boeing 747 and Boeing 787 Dreamliner. Following the full implementation, of the investment strategy, the new FL Technics base in Kaunas will create almost 300 new jobs, including over 200 places for aircraft mechanics, engineers and other aviation technical personnel.

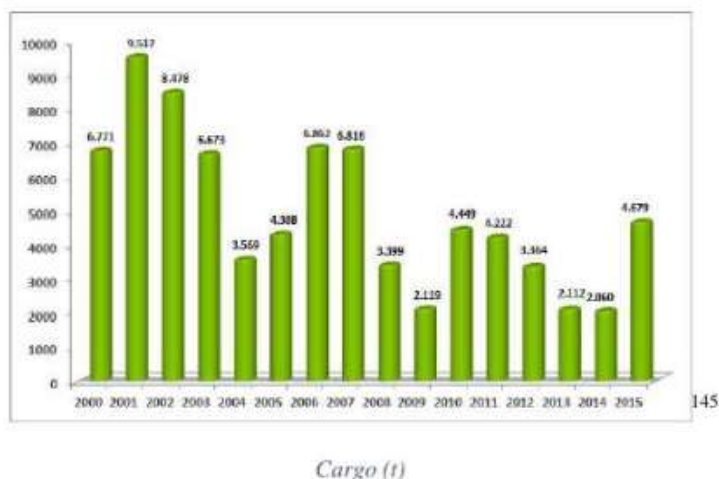


10.2.12. In 2012 the airport handled 830,268 passengers, where 99% of the flow were international passengers travelling on scheduled services. After nine years of continuous growth, when the passenger revenue was increasing with an average of 29% annual growth, 2012 were the first year when the airport recorded decline, which accounted a total of 5% shrink comparing with 2011.

¹⁴³ <https://www.kaunas-airport.lt/index.php?lang=en&page=statistics>

¹⁴⁴ <https://www.kaunas-airport.lt/index.php?lang=en&page=statistics>

Along with the passenger traffic, cargo trend at the airport was going down as well. The airport handled over 3,000 tons in 2012, which was 25% less than in 2011 or 2.5 times less than in 2002, when cargo operations used to be the main revenue stream at the airport.



- 10.2.13. The passenger traffic changes in late 2011 and early 2012 at KUN are associated with the rivalry between Ryanair and Wizzair. As a response to the Wizzair's new base established at Vilnius Airport in Spring 2011, the Irish low cost carrier moved Girona and Milan Bergamo routes from KUN to Vilnius in late 2011. In November 2012, Ryanair further cut route geography from KUN, by transferring Brussels Charleroi, Leeds, Liverpool, London Luton and Oslo Rygge to Vilnius, leaving only four routes available from KUN for the entire winter 2012/13 season. Some of the routes were restored in Summer 2013, including seasonal destinations.
- 10.2.14. During high season in aviation business, from April to October 2013, Kaunas airport handled over 544 thousands passengers, 5% less than in the same period of 2012. The highest number of passengers in 2013 was reached in July accounting a total number of 89.9 thousands, what is 1.4% more than in 2012. Overall for the period of January–November 2013, the airport handled 659 thousands passengers, what is 22% less than in the same period the year before.
- 10.2.15. The Airpark is a territory of Kaunas Free Economic Zone adjacent to KUN (3 km border). This neighborhood of the airport offers exceptional possibilities for investors of the Kaunas Free Economic Zone as the territory integrates air, road and railway facilities. Aviation industry companies as well as logistic businesses find this area attractive due to the accessibility to the runway coupled with the tax and custom incentives offered by the Kaunas Free Economic Zone.
- 10.2.16. The KUN's pricing policy¹⁴⁶ is a openly advertised on the internet site of KUN.

¹⁴⁵ <https://www.kaunas-airport.lt/index.php?lang=en&page=statistics>

¹⁴⁶ https://www.kaunas-airport.lt/index.php?lang=en&page=airport_fees

Airport charges	
Passenger service charge (excluding VAT)	
International flight	EUR 0.50
Local flight	EUR 0.50
Aircraft landing charge for each ton of the aircraft when the MTOM is 2 tons or more (excluding VAT)	
International scheduled flight	EUR 0.90
International non-scheduled flight	EUR 15.00
Local scheduled flight	EUR 0.90
Local non-scheduled flight	EUR 6.95
Aircraft landing charge for each ton of the aircraft when the MTOM is 2 tons or less (excluding VAT)	
International flight	EUR 15.00
Local flight	EUR 0.37
Aircraft parking charge for each ton of the aircraft (excluding VAT)	
International scheduled flight	EUR 0.05
International non-scheduled flight	EUR 1.45
Local scheduled flight	EUR 0.05
Local non-scheduled flight	EUR 0.58
Aircraft safety charge for each ton of MTOW (excluding VAT)	
International scheduled flight	EUR 0.05
International non-scheduled flight	EUR 1.45
Local scheduled flight	EUR 0.05
Local non-scheduled flight	EUR 0.58
Aircraft escort charge (excluding VAT)	
	EUR 17.30

10.2.17. The important role of KUN as a second Lithuanian international airport is also its capacity to replace entirely the main international airport in Vilnius during the reconstruction works at the Vilnius international airport and absorb the respective passenger traffic.^{147 148}

10.2.18. The three Lithuanian airports notably received € 48 million assistance within the EU Investment in 2007-2013 from Cohesion Fund for the purposes of modernisation of Vilnius, Kaunas and Palanga airports:

- construction of passenger terminals, expansion and adaptation to Schengen requirements;
- renovations of airport platforms, runways, glide paths and taxiways.¹⁴⁹

10.3 INTERNATIONAL AIRPORTS IN GEORGIA: FOCUS ON KUTAISI AIRPORT



Kutaisi Airport (a new runway was recently built)



Batumi Airport



Tbilisi Airport

10.3.1. Georgia (population: 3.72 million), another country similar to Moldova in number of population, just as Lithuania, has three functional international airports in Tbilisi, Batumi and Kutaisi, with yet another forth airport planned to be built in Zugdidi, western Georgia, which in the future aims to increase the total number of tourists throughout the country.¹⁵⁰

¹⁴⁷ <http://m.ru.delfi.lt/news/article.php?id=70256280>

¹⁴⁸ <http://www.vilnius-airport.lt/en/news/?id=1308353>

¹⁴⁹ <http://sumin.lrv.lt/en/eu-investment/structural-funds-period-for-2007-2013/about-eu-investment-in-2007-2013/airport-infrastructure>

¹⁵⁰ http://svobodnaya.info/index.php?option=com_content&view=article&id=15094%3A2016-06-05-09-06-59&catid=36%3Anews&Itemid=97#V5U40FdY48Z

10.3.2. All of the three international Georgian airports and one domestic airport in Mestia, are owned by United Airports of Georgia LLC (UAG), which is a 100% state owned enterprise, the airports authority of Georgia. All those airport terminals have been fully rebuilt and all airport infrastructure has been modernized during last 8 years.¹⁵¹ Tbilisi International Airport New Terminal opened in February of 2007. The airport is operated by TAV Airports Holding Co. Batumi International Airport started operation in May of 2007. The airport is also operated by TAV Airports Holding Co. Mestia Airport (Queen Tamar Airport) was officially opened in December 2010 to support mountain regions of Georgia and facilitate tourism development and is operated by UAG. Kutaisi David The Builder International Airport was opened in September, 2012. Kutaisi Airport is first low cost airport in the whole region and is focused to attract low cost carriers and facilitate tourism development in the country. Kutaisi Airport is also operated by UAG.¹⁵²



10.3.3. All of the airports represent passenger traffic growth¹⁵³ where the new Kutaisi airport even outperformed the previously second international Georgian airport in Batumi and according to the Georgian Ministry of Economy and Sustainable Development, only during the first five months of 2016, the number of total passengers transported through Georgian airports was 831,590, which represents 21 percent more than last year.¹⁵⁴ The recently rebuilt Kutaisi international airport is probably one of the most successful stories of civil international airports in Georgia, not only as far as the the reconstruction project *per se* is concerned, but also through the development of low-cost flights to and from Georgia. Kutaisi airport was certified and entered operation after expertise by Vinci Airports.¹⁵⁵

10.3.4. “Fly To Georgia” program aims to dramatically improve air transportation options in Georgia. Furthermore, the recent deal struck by Georgian PM Giorgi Kvirikashvili and Wizz Air CEO Owain Jones led to a decision by the company to start – already in September 2016 – base operations in Kutaisi and launch new twice or thrice-weekly service from Kutaisi to Berlin, Munich, Milan, Dortmund, Larnaca, Sofia and Thessaloniki.¹⁵⁶ To follow up on this breakthrough development, the government has just unveiled plans to further expand the range, and dramatically reduce the cost of, regular direct flights between the TAV-operated Shota Rustaveli Tbilisi airport and destinations in Western Europe, North America, China, India and Japan.¹⁵⁷

¹⁵¹ <http://www.airports.ge/index.php/en/about-us/goals-and-objectives>

¹⁵² <http://www.airports.ge/index.php/en/about-us/goals-and-objectives>

¹⁵³ <http://gcaa.ge/eng/regular.php>

¹⁵⁴ <http://georgiatoday.ge/news/3968/Passenger-Traffic-in-Georgian-Airports-Increases-by-21%25->

¹⁵⁵ <http://www.vinci-airports.com/fr/actualites/mise-en-service-de-l-aeroport-de-koutaissi-en-georgie>

¹⁵⁶ <http://georgiatoday.ge/news/3468/>

¹⁵⁷ <http://georgiatoday.ge/news/3468/>

10.4 INTERNATIONAL AIRPORTS IN UKRAINE



Kyiv Boryspil Airport



Chernivtsi Airport



Odessa Airport

10.4.1 15 international airports are indicated on the website of the Ukrainian Civil Aviation Authority,¹⁵⁸ of which 7 appear to have operated passenger flights in 2015.¹⁵⁹

Rank	Airport	City	Code (IATA/ICAO)	Passengers (2014)	Passengers (2015)	Change
1.	Boryspil International Airport	Kiev	KBP/UKBB	6,890,443	7,277,135	▲5.6%
2.	Odessa International Airport	Odessa	ODS/UKOO	863,900	949,100	▲9.8%
3.	Kiev (Zhulyany) Airport	Kiev	IEV/UKKK	1,090,025	944,305	▼13.4%
4.	Lviv International Airport	Lviv	LWO/UKLL	585,200	570,570	▼2.5%
5.	Kharkiv International Airport	Kharkiv	HRK/UKHH	437,500	373,625	▼14.6%
6.	Dnipropetrovsk International Airport	Dnipropetrovsk	DNK/UKDD	446,798	346,014	▼22.5%
7.	Zaporizhia International Airport	Zaporizhia	OZH/UKDE	75,400	128,104	▲69.9%
8.	Kherson International Airport	Kherson	KHE/UKOH			
9.	Ivano-Frankivsk International Airport	Ivano-Frankivsk	IFO/UKLI	25,200		
10.	Uzhhorod International Airport	Uzhhorod	UDJ/UKLU	12,000		
Total				10,896,500	10,695,200	▼1.8%

10.4.2 Notwithstanding the distant location of airports in Kiev and Odessa, as well as the difficulties and lengthiness encountered during customs controls, large numbers of Moldovans fly to and from Moldova using airports in Odessa and Kiev because of lower prices than at Chisinau airport. As an example could be the recent withdrawal of FlyDubai from Chisinau airport, officially because of “commercial reasons”. Indeed, as FlyDubai arrived at Chisinau airport, many Moldovans never flew in fact from Chisinau, since the prices on flights of the same company from Odessa were lower. One could mention here that Volotea and Wizz Air, flying to and from Chisinau airport, still do not offer real low-cost prices as elsewhere, as for example in Romania.

¹⁵⁸ <http://www.avia.gov.ua/uploads/documents/10886.pdf>

¹⁵⁹ https://en.wikipedia.org/wiki/List_of_the_busiest_airports_in_Ukraine

- 10.4.3** Speaking of Ukrainian airports in the immediate vicinity with Moldova, one should note here the recent revival of Chernivtsi airport and resumption of regular passenger flights from Chernivtsi airport to Kiev as of July 2016. Apparently besides the national Ukrainian airline, two Romanian airlines are negotiating flights to and from Chernivtsi.¹⁶⁰
- 10.4.4** According to Interfax agency, *Ukrainian airlines saw a 25.5% rise in passenger transportation in January-August 2016 year-over-year, to 5.284 million people, according to data from the State Aviation Service of Ukraine. Passenger numbers used international routes grew by 25.4%, to 4.771 million people. Passenger flow via Ukrainian airports rose by 16.2%, reaching 8.288 million. Passenger flow on international flights grew by 14.8%, to 7.244 million people.*
- 10.4.5** Numerous questions arise in respect of future of the Ukrainian civil aviation industry and some Ukrainian analysts criticize the Georgian experience of airport development and notably the role of TAV Airports in concentration of the air traffic to Istanbul Ataturk airport.^{161 162}
- 10.4.6** Furthermore, Ukrainians started using air transportation more often on internal Ukrainian routes (5% more in May 2016).¹⁶³ Below is a map of internal Ukrainian routes as of 2012.¹⁶⁴



¹⁶⁰ <http://cfts.org.ua/news/2016/05/24/dve-rumynskie-aviakompanii-planiruvut-letat-v-chernovtsy-34057>

¹⁶¹ <http://antikor.com.ua/articles/49545-saakashvili-i-gruzinskij-aviatsionnyj-opyt/print>

¹⁶² http://cfts.org.ua/articles/borispol_v_khoroshie_ruki_kakie_plyusy_i_minusy_ot_inostrannykh_investorov_v_aeroportu 634

¹⁶³ <http://e-news.com.ua/show/395352.html>

¹⁶⁴https://uk.wikipedia.org/wiki/%D0%90%D0%B5%D1%80%D0%BE%D0%BF%D0%BE%D1%80%D1%82%D0%B8_%D0%A3%D0%BA%D1%80%D0%B0%D1%97%D0%BD%D0%B8

11. BUSINESS MODELS FOR AIRLINES OPERATING FROM BZY

11.1 Operation of an airline from BZY could imply different choices of business models.

11.2 For a newly created airline having selected BZY as its home base, the initial business model could be the one of the former Moldavian Airlines, which is largely based on the convenient connecting flights to another major international airport in Eastern Europe, such as, for example, numerous daily flights to Budapest Ferenc Liszt International Airport with additional selected destinations as Moscow and Istanbul.

11.3 Another business model approach could be operation of full-fledged flights' offer to commonly popular destinations for passengers flying to and from Moldova generally, taking into consideration the lower airport taxes at BZY as in KIV.

11.4 As far as the BZY airport operator is concerned, the key of a successful development of BZY are the low airport taxes at BZY, probably among the lowest in Europe. Therefore, both airlines operating from BZY as well as the BZY airport operator should take into consideration entire Moldova as the catchment area and not only Balti and the northern part of Moldova.

12. COMPETENT MOLDOVAN AUTHORITIES

12.1 Ministry of Transport and Infrastructure of Roads of the Republic of Moldova

12.2 Moldaeroservice (current operator company of BZY)

12.3 Mayoralty of Balti

12.4 ADR Nord (North Development Zone of Moldova)

12.5 Civil Aviation Authority of the Republic of Moldova

12.6 MoldAtsa Balti branch (Moldovan State air traffic and navigation company)

12.7 Chamber of Commerce of Balti

12.8 ZEL Balti (Free Economic Zone of Balti)

13. CONCLUSION

13.1 The incumbent Moldovan Minister of Economy¹⁶⁵ Mr. Iurie Chirinciuc exposed on his blog¹⁶⁶ three possibilities of reactivation and modernization of BZY: (1) leasing BZY, (2) modernization within the framework of a Public-Private Partnership, (3) concession. Mr. Iurie Chirinciuc concludes that concession of BZY is at the moment a better solution than maintenance¹⁶⁷ of BZY with no benefits. No explanation was found in respect of reasons explaining why BZY generates important debts for the Moldovan State and what was done to make it profitable since it was opened.

13.2 It is needless to mention the benefits of a second functioning international airport in Moldova in Balti, in terms of economy, both macro and micro, not only for Balti and north of Moldova, but also for the entire Moldova, including neighboring regions of Romania and Ukraine.

¹⁶⁵ <http://www.gov.md/ro/ministru-al-transporturilor-si-infrastructurii-drumurilor>

¹⁶⁶ <http://www.chirinciuc.md/2015/12/despre-cheltuieli-nejustificate-timp-si.html#more>

¹⁶⁷ by the Moldovan State

13.3 Moldova's air traffic market has been growing steadily over the past few years. According to official statistics from KIV, air traffic has almost doubled in five years from 688,782 passengers in 2007 to 1,220,496 in 2012¹⁶⁸ and it really almost doubled again between 2012 and 2015 reaching 2,226,441 transported passengers, but only through Chisinau airport. The time has come to invest in Balti International Airport and to bring back in Moldova all the scattered passengers to and from Moldova, who prefer travelling through Bucharest, Iasi, Bacau, Suceava, Odessa and probably from July from Chernivtsi.

13.4 The question is whether 1) we are ready to (i) embrace the free market values including healthy competition finally benefiting to the end-users and (ii) develop the entire Moldova or 2) do we want to (i) keep monopoly of Chisinau airport at the expense of continuously having Moldovan and foreign passengers scattered at all of the neighboring airports in Romania and Ukraine and (ii) develop only one capital city and one region in Moldova?

13.5 To conclude, I would like to refer to the perspectives of development of the passenger air traffic growth around the globe, as indicated in the article of the in-flight magazine of Blue Air, which I read during my recent flight from Iasi to Paris. I hope to see companies like Blue Air and why not Air Moldova, Carpatair and any other low cost or regular airlines one day in BZY and shall gladly buy tickets for flights from and to BZY.



14. LIST OF SCHEDULES

SCHEDULE 1 – Certification of artificial surfaces at BZY

SCHEDULE 2 – Operational certification of BZY for TU-154 and Il-76T

SCHEDULE 3 – PCN/ACN correspondence at BZY indicating airplanes which may be operated at BZY

¹⁶⁸ <http://www.routesonline.com/news/29/breaking-news/204028/wizz-air-to-launch-low-fare-links-to-moldova/>

SCHEDULE 4 – Certificate of signaling equipment at BZY

SCHEDULE 5 – Certificate and observations after the first technical flight at BZY

SCHEDULE 6 – State registration certificate and aerodrome compliance certificate for BZY

SCHEDULE 7 – Order regarding creation of Moldaeroservice and indication to Air Moldova to resume flights from BZY

SCHEDULE 8 – 2011 project of Dmitry Negrei, Moldovan architect – Architect Diploma Work

The version of the present report dated 14 June 2016 was updated on 9 September 2016.

Kind regards,
Alexandr Baikalov



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Special thanks to Irina Baikalova, Ludmila Zaplitnaia and Tatiana Nogailic. Dedicated to Yanina Baikalova (Malbrustkaya-Yanushkevichiute), Daisy and Moldova.

SCHEDULE 1

Министерство гражданской авиации
ГОСУДАРСТВЕННЫЙ ПРОЕКТНО-ИЗЫСКАТЕЛЬСКИЙ И НАУЧНО-
ИССЛЕДОВАТЕЛЬСКИЙ ИНСТИТУТ ГРАЖДАНСКОЙ АВИАЦИИ
АЭРОПРОЕКТ
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В.Т. Галкин

Москва, 1990 г.

Расчетная прочность искусственных покрытий аэродрома определена на основе данных по конструкциям искусственных покрытий, представленных Вельцким ОАО и выражена классификационными числами покрытий РСН (табл. I).

Таблица I

Элементы искусственных покрытий	Конструкция покрытий	Классификационное число покрытия (РСН)
I	2	3
ИВП	- цементобетон $R_{\text{н}} = 50$ - 24 см	РСН 10/R/A/W/T
	- пескоцемент - 20 см	
	- грунтобитум - 5 см	
	Грунт - глина	
РД	- цементобетон $R_{\text{н}} = 50$ - 24 см	РСН 10/R/A/W/T
	- пескоцемент - 20 см	
	- грунтобитум - 5 см	
Перрон	- цементобетон $R_{\text{н}} = 50$ - 24 см	РСН 20/R/A/W/T
	- пескоцемент - 20 см	
	- грунтобитум - 5 см	

Возможность эксплуатации воздушных судов на элементах аэродрома определена по соотношению классификационных чисел покрытий (РСН) и самолетов (АСН) при категории прочности основания "А".

Покрытие может эксплуатироваться воздушными судами без ограничений при соотношении $РСН/АСН \geq 1$.

На покрытиях для воздушных судов, имеющих соотношение $I > РСН/АСН \geq 0,85$ - суммарную интенсивность рекомендуется ог-

раничить 10-ю самолето-вылетами в сутки; при $0,86 > PCN/ACN \geq 0,8$ - 8-мя; при $0,8 > PCN/ACN \geq 0,75$ - 1-м самолето-вылетом в сутки.

Классификационные числа эксплуатируемых на аэродроме воздушных судов при категории прочности основания "А" следующие:

Ил-18	- 16
Ан-12	- 13
Як-42	- 13
Ту-134	- 11
Ан-24	- 9
Ан-26	- 9

Соотношение PCN/ACN для перечисленных типов воздушных судов больше 1. Следовательно, прочность искусственных покрытий аэродрома для регулярной эксплуатации воздушных судов типа Ил-18, Ан-12, Як-42, Ту-134 и классом ниже достаточна.

SCHEDULE 2

УТВЕРЖДАЮ
Зам. начальника ГПИИИ ГА
Аэродром

Черников В.И. Черников
" 31 " 05 1994г

ЗАКЛЮЧЕНИЕ

о возможности эксплуатации самолетов ТУ-154 и ИЛ-76Т
на аэродроме Бельцы

Прочность искусственных покрытий ИПП, РД, перрона допускает эксплуатацию самолета ТУ-154 с максимальной массой при ограничении интенсивности его движения до 1-го самолета-вылета в сутки; самолета ИЛ-76Т – с массой 160 т при ограничении интенсивности его движения до 50-ти самолетов-вылетов в год.

Начальник отдела

Начальник лаборатории
отдела №22



А.П. Виноградов
А.П. Виноградов

Б.Т. Галкин
Б.Т. Галкин

SCHEDULE 3

BC	ACN min	ACN max
A318-100	18	38
A319-100	17-19	31-44
A320-100	20	38
A320-200	20-24	40-46
A320-212 (Optional 4-Wheel Bogie)	11	20
A321-212	25	47
ATR 42 (Aerospatiale)	6	10
ATR 72 (Aerospatiale)	7	13
B737-400	20	43
B737-500	18	38
B737-600	20	39
B737-700	21	43
B737-800	24	51
B737-900	24	51
BAE-146-100	11	21
BAE-146-200	12	24
BAE-146-300	13	27
CRJ 100	8	16
CRJ 700	11	21
CRJ 900	12	23
EMB-120	4	7
EMB-145	6	14
FOKKER-50	6	11
FOKKER-70	12	24
MD-80	19-20	41-44
SAAB-2000	7	13
SAAB-400	4	7
Як-42	6	13
Ан-24	5	9
Ту-134	7	11
Ту-154	8	19
Ил-76Т (171 т)	10	29
Ил-18	7	16

PCN 16 R/A/W/T CONC

SCHEDULE 4



МИНИСТЕРСТВО ГРАЖДАНСКОЙ
АВИАЦИИ

МОЛДАВСКОЕ УПРАВЛЕНИЕ
ГРАЖДАНСКОЙ АВИАЦИИ

31 . 10 1989 г. УДОСТОВЕРЕНИЕ № 2

г. Кишинев годности светосигнального оборудования
эксплуатации

1. Наименование аэродрома Бельцы (Лядовены), Молдавского

2. Магнитный курс Жпос. - 149°

3. Тип установленного оборудования и категория системы
М - 2, ОМ

4. Эксплуатируется с 1989 года

5. Основание для регистрации и выдачи удостоверения
Представление Бельцкого объединенного авиаотряда от 11.09.89

6. Удостоверение подтверждает соответствие светосигнального
оборудования нормам годности к эксплуатации аэродромов
(НГЭА СССР-80).

7. Эксплуатационные ограничения нет

8. Эксплуатация светосигнального оборудования должна производиться
в соответствии с действующими правилами и наставлениями.

9. Удостоверение действительно с "25" октября 1989 года по
"25" октября 1999 года.



Начальник Молдавского управления ГА
А.С. Шербина

SCHEDULE 5

"УТВЕРЖДАЮ"
Начальник Молдавского УГА
А.З.Шербина
"29" *января* 1987 г.

А К Т

О выполнении технического рейса
а/п Бельцы (Лядовены).

Комиссия назначается Указанием начальника Молдавского управления гражданской авиации от 25 декабря 1987 года №157 в составе:

Председатель комиссии Струтинский Н.П. – зам.начальника упр
Члены комиссии: Королев В.М. – и.о.зам.нач.управления
Чугаев Г.Н. – нач.инспекции МУГА
Левин М.И. – нач.службы движения
Крюкелис С.И. – ст.шт.а/п Кишинев
Сегал Л.Д. – ст.инж.инспектор по МО
Лев Б.С. – нач.ОЭНС и КС
Елисоветский П.Т. – нач.ГВ ЭРТОС
Лобода Н.Е. – нач.ОАСР и ОА
Кованцев В.Л. – ст.инженер ОР
Долгий А.Л. – ст инженер ОЭНС
Мирсанова А.А. –представитель УГКС

выполнила технический рейс на самолете АН-24 28.12.87г. в аэропорт Бельцы (Лядовены) и установила следующие замечания.

1. Нет сбфников аэронавигационных данных №11,12 , решить вопрос о их выделении с САИ МУГА.
2. Нет образцов предварительных заявок(НПП) и планов полетов (ППП) на вводимых маршрутах.
3. Отсутствует охранное освещение сторожевого поста и объектов аэропорта.
4. Сторожевая охрана не вооружена.
5. Не установлено КПП.
6. Отсутствует телефонная связь сторожа с городом.
7. На основном пункте наблюдения не установлен резервный датчик ветроизмерительного прибора.
8. На ВПП и МК – I49° не установлен резервный ветроизмерительный прибор, а установленный М-63 М в нерабочем состоянии из-за непригодности линий связи.
9. На ОПН с МКп = 329° не установлены пульта приборов измерителей высоты облаков, располагаемых на БПРМ МКп=329°.

SCHEDULE 6

СССР
Министерство гражданской авиации
подпись

Для служебного пользования
(при наличии)

СВИДЕТЕЛЬСТВО № 190
о государственной регистрации и годности аэродрома к эксплуатации

1. Наименование аэродрома Бельцы (Ахдовень)

2. Местонахождение в 11 км северо-западнее
г. Бельцы

3. Владелец аэродрома Молдавское управление ГА

4. Класс аэродрома "В"

5. Размеры основной ВПП (ТВП) и тип покрытия 2240x42м, цементобетон - 24см

6. В каком объеме судо- и гола аэродром годен к эксплуатации днем и ночью круглый год

7. Аэродром оборудован посадочными системами _____
ОСП, 2 канр. РСП
(или радиотехнических оборудованием)
Омч, 2 канр.

8. Настоящим удостоверяется, что вышеупомянутый аэродром зарегистрирован в государственном реестре гражданских аэродромов СССР за № 190 в соответствии с требованиями Воздушного Кодекса СССР и годовых эксплуатационных воздушных судов Ту-134, Ан-24, Як-40 и др. типич. ВС
и ВУК класса, вместимости всех типов ВС
узнать, так воздушная сфера в подчинении авиационного района

9. Аэродром допущен к приему воздушных судов из местности: _____
и/или _____ с/аэропорт посадки ИКАО _____

10. Основание для государственной регистрации и выдачи свидетельства Технический указ. Направление ГА
от 05.90г. Авиатехн. Ресурс (ТЧ-134)
указ. МГА 29.05.90г. приказ МГА от
29.05.90г. №112

11. Свидетельство действительно до 08. июня 1995г.

М. П.

Зам. начальника
УРАИ МГА

08.06.90г.



SCHEDULE 7

Administrația de stat
a aviației civile
a Republicii Moldova



ORDIN Nr. 79
17 - сентября 1994
or. Chișinău

"Об образовании Государственного
Авиационного предприятия
"МОЛДАВИАСЕРВИС".

В целях совершенствования структуры гражданской авиации
Республики Молдова и создания производственных структур для
осуществления своей деятельности в условиях рыночной экономики
и на основании Постановления Правительства от 9 августа 1993 года
НР 497,-

П Р И К А З И В А Ю:

1. Образовать Государственное Авиационное предприятие
"МОЛДАВИАСЕРВИС" на базе Белцкого авиапредприятия и подразделений
ПАНХ Госавиакомпаний "Эр Молдова" с местом расположения в г.
Белц.
2. Назначить исполняющим обязанностей директора Государственно-
го Авиационного предприятия "МОЛДАВИАСЕРВИС" г-на Томак Ивана
Георгиевича.
3. Директору ГАК "Эр Молдова" г-ну Салову В.Е. в период
до 15.10.94г. решить вопрос об использовании самолетов Ту-134 и
Ан-24 для выполнения полетов с аэропорта Белц на взаимовыгодных
условиях.
4. Государственное Авиационное предприятие "МОЛДАВИАСЕРВИС"
является юридическим лицом, имеет счета в банках в национальной и
иностранной валюте.
Действует на базе хозяйственного расчета и финансовой
самостоятельности, может получать субсидии из Государственного
бюджета и подчиняется Государственной Администрации Гражданской
Авиации Республики Молдова.
5. В срок до 15.09.94г. г-ну Томас И.Г. подготовить и пред-
ставить мне на утверждение структуру, штатное расписание, Устав
Государственного авиапредприятия "МОЛДАВИАСЕРВИС" и другие документ

Tip. Reclama, com. nr. 1733, t. 2000

SCHEDULE 8

2011 project of Dmitry Negrei, Moldovan architect – Architect Diploma Work



