



Photo: Eryl Crump

Carpatair – the Romanian regional with a twist of Crossair

Step aboard a Carpatair Saab 340 from Munich to Timisoara, the airline's main hub in Romania, and it is hard not to spot the similarities. The distinct leather smell from the seat upholstery, hot meal service, an attentive flight attendant, and chocolates—all very reminiscent of Europe's once largest regional airline, Crossair.

Much like Crossair founder Moritz Suter, Carpatair and Moldavian Airlines President and CEO Nicolae Petrov went through many trials and tribulations beginning in 1993. "For the first three months of operations every single flight was a struggle," Petrov recalls. "This was because the former Air Moldova was everything—airline, airport authority, handling agent, and ATC provider. It was a

challenge to get flights into the air where we were competing squarely with Air Moldova."

Starting out with one Yak 42 aircraft, the young airline was eventually able to expand its Chisinau-Moscow Domodedovo flights with services to Budapest in Hungary. The Yak 42 was replaced in 1996, initially with two smaller Yak 40s, which would continue on the Budapest route until 1997.

This was to be a pivotal year for Moldavian Airlines for it marked the arrival of its first Saab 340. Petrov had been studying the new generation regional aircraft market for a year and became very interested in the Saab 340 because of its size, efficiency and route development potential. For the fledgling company, however, it was expensive. While undertaking this study, Petrov met Moritz Suter. They agreed to lease the young company a Saab 340 at favorable rates and also invested a lot of time to lend advice.

For the first three years, one sole aircraft enabled Moldavia Airlines to expand into northern Italy, Bologna and Prague. By 1999, Suter was ready to become an investor and Hans Röllin, Crossair's retired CFO, was seconded to Moldavian Airlines, bringing with him a wealth of business and financial expertise to the young airline.

Both men played an instrumental role in developing the airline's business plan and the original Crossair investors—Georg and Alfred Wiederkehr, Michael Pieper, Robert Briener, Ingvar Kamprad (founder of Swedish furniture company IKEA), and Veg Invest Srl—became board members of the newly created sister airline, Carpatair, in November 1999. They were joined by Lombard Bodier&Cie Bank in Geneva, making the company a true Moldavian-Swiss organization.

Today, Dr. Georg Wiederkehr, the original legal counsel of the European

Regions Airlines Association, is Chairman of Carpatair. Nicolae Petrov is Vice Chairman. An early friend of Nicolae's back at the Ministry of Defense in Moldavia, Ion Caliman, is also on the Board.

Investors have not been disappointed. Carpatair has seen its passenger growth expand from 36,000 in 2000 to 291,000 in 2004, and revenues have increased from \$3.9 million in 1999 to \$51 million in 2004, with the first Carpatair flights between Cluj and Treviso and Cluj-Budapest.

Carpatair's hub in Timisoara in western Romania was established in 2000. Today the Saabs operate in two waves in and out of this hub with high frequency flights to Dusseldorf, Stuttgart and Munich in Germany, and numerous destinations in Italy—Bergamo, Turin, Verona, Treviso, Bologna, Ancona, Florence and Rome. Naples and Constanta were inaugurated on March 21, while Tirgu-Mures started operations on April 11.

Expanding with Saab 2000s

Currently Carpatair operates six 2000s and five Saab 340s; however, the plan is to move to an all 2000 fleet in the next two years, says Petrov. Five 2000s fly with Carpatair and one with Moldavian, enabling the airline's flight crews to enjoy a high degree of operational cooperation and integration that supports Carpatair's growth.

With an eye firmly on Romania joining the EU in 2007 and plans for more international destinations including the UK, Spain, France and Ireland, Carpatair also plans to introduce 100-seat jets, the first starting this summer. Candidates include the Embraer 195, the Boeing 737-500 or secondhand Fokker 100s. With a decision imminent, the airline has stepped up dialogue with both leasing companies and airlines.

Carpatair started its hub operation



Nicolae Petrov

in Timisoara in 2000 with three Saab aircraft. Its former Bucharest base turned out to be unsuccessful "because the market was too big and we were too small as an operator," Petrov explains. Bucharest services were duly replaced by Bacau in eastern Romania. Later in 2001/2002, Carpatair added more domestic spokes Sibiu, Oradea, Iasi and most recently, Constanta and Tirgu, Mures, to complement the international destinations. Petrov believes the potential market for the Timisoara hub is at least 22 million, with a further 4.6 million in Moldova.

With the closure of the airforce base at Timisoara, Carpatair is ready to expand its facilities there and is setting aside 10 million Euros for a new hangar, office and catering facilities. In the meantime, operations personnel have taken over part of the old control tower and a former Romanian Air Force hangar is used to undertake routine maintenance. Carpatair undertakes all its own line maintenance, but base maintenance is handled by Saab Aircraft in Linköping and occasionally by Swiss. Carpatair also participates in Saab's Parts Exchange Program.

In another parallel with the former Crossair, the average age of Carpatair personnel is just 28. The airline currently has 350 staff, complementing the 200 working at Moldavian as Carpatair continues to expand.

Nicolae Petrov draws from his aviation roots

Nicolae was born and educated in the Republic of Moldova. He is qualified as an instructor pilot, graduating on the MiG 21 and Let 29 and was a MiG 21 instructor from 1987 to 1990, close to the break up of the Soviet Union when Moldova was preparing for independence.

The military department he served became 'the core' of a new Ministry of Defense for Moldova, and Nicolae was responsible for a group of 20 pilots, all of whom had to be retrained to fly commercial aircraft.

Moldova already had a sizeable fleet of aircraft and in 1991 some one million passengers were flying from Chisinau, a significant base for Aeroflot. The fleet was comprised of eight 160-seat Tu-154s, 11 80-seat Tu-134s and 11 Antonov An-24s, all ex-Aeroflot. The organization became Air Moldova in 1993, and Nicolae was one of 10 pilots from Bucharest who were being prepared for its move into BAC 1-11 operations. He undertook training on Britten Norman Islanders in preparation to be hired by Air Moldova. It was the intention that the Tu 134s were to be replaced with Romanian-built BAC 1-11s (Rombac), but that program failed to materialize, mainly due to political reasons.

In late 1993, Petrov proposed the creation of a regional airline subsidiary to Tarom that would be based in Chisinau, along the lines of some start ups which were taking shape in Bucharest, but the carrier was not interested. Instead, Petrov started a travel agency selling interline tickets that enabled travellers to fly beyond Moscow. He subsequently teamed with a big travel agency in Moscow who worked with all the new independent Eastern European carriers. He and his team ran it for six months and made a profit.

On the back of this successful venture, Petrov leased a 100-seat Yak 42 aircraft from Ukraine. Thus Moldavian Airlines was born, the first private passenger airline in the country.