

KD Avia orders 25 Airbus 319 units

Kaliningrad aircraft company KD Avia awarded a firm \$1.7 billion contract for 25 regional Airbus 319 airplanes. These will be the first brand-new airliners in the company's fleet.

As a resident of a free economic zone, KD Avia is exempt from import duties and the value added tax. Besides, the investment memorandum states that the company is relieved from the wealth tax and that the income tax is cut to 20%.

Thus, purchasing foreign aircraft benefits KD Avia, unlike other Russian companies. In 2005, the last Russian-made airplanes, Tu-134 and Tu-154, were withdrawn from the Kaliningrad company fleet; and, being granted the said tax relieves, KD Avia will likely buy only foreign aircraft further on.

By Kirill Lebedev