ORIGINAL PAPER

From a state-owned giant to a market enterprise? The evolution of selected enterprises in the aviation industry in Romania and Poland after 1989

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Abstract
Year 1989 was an important turning point, not only in the political history of Poland and Romania, but also for the transport sector of both countries. Political events allowed for a thorough reconstruction of the air transport sector in both countries. Both airfleets entered the new political reality as state-owned enterprises, though with different traditions. Both countries have begun transforming their own aviation market in a similar place, with a rather outdated air fleet, with some few modern aircraft. Nevertheless, the further development of respective aviation markets took place in different ways, as long as no native competitor for LOT appeared in Poland for various reasons, the situation is somewhat different in Romania and TAROM now experiences serious competition from the low-cost carrier BlueAir. Both state-owned enterprises had to take advantage of public aid, LOT in 2012, while TAROM in 2020.Time will show whether the Romanian national carrier will be able to repeat the success of the Polish one, which after a period of recession is now able to expand on the European market.The aim of the article is to show and compare the development of the Polish and Roumanian air markets and to try to find common points of the situation created after 1989. There will be used various sources, including monographs, analysis and articles of this specific topic.

Keywords: *Poland; Romania; air transport; PLL LOT; TAROM.*

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Year 1989 is an important turning point, not only in the political history of Poland and Romania, but also for the transport sector of both countries. Political events allowed for a thorough reconstruction of the air transport sector in both countries.

Both air fleets entered the new political reality as state-owned enterprises, though with different traditions. LOT was founded in 1928, but continued the traditions of previous airlines, including Aero, providing connections between Polish cities and abroad since 1921. After the suspension of the airline's operations during World War II, which was related, among others, also with the internment of Polish aircraft in Romania, PLL LOT resumed operations in 1945 as a state-owned enterprise. From the beginning of its activity, it was based primarily on foreign provenance aircraft; before the warthere were used: Junkers, Fokker, Douglas DC-2 as well as Lockheed *Electra* and *SuperElectra* planes, which were planned to start flying across the Atlantic in 1940, albeit with a slightly different route than used today. That time, due to the limited range of aircraft, the proposed route led, among others through Senegal and Brazil, which meant flying over the Atlantic in its narrowest place. Interestingly, Polish built planes were also tested - among others, PWS-24. A similar situation took place after the war with testing Polish built MD12 plane. None of the machines used by the line before the war returned to service at LOT Polish Airlines.

After the end of World War II, LOT resumed international flights relatively quickly, using DC3 aircraft and its Li-2 variant built in the USSR. French SNCASE SN-161*Languedoc* aircraft were also used for a short time. Unfortunately, for unknown reasons, when buying them, the advice of French pilots was not taken into account and there was purchased version using French engines, while even Air France used American ones. After several incidents and forced landings, the planes were scrapped, while the originators of their purchase were accused of sabotage and imprisoned (Ziółkowski, 1989: 98-99).

Initially, Berlin (May 1946), Paris and Stockholm (July 1946) and Prague (August 1947) were served. However, due to specific restrictions imposed as a result of entering the Eastern Bloc, it was mainly in this period that Budapest, Belgrade, Bucharest and Sofia were flown. As far as possible, the connections with the West were also inaugurated [1948 - Copenhagen, 1949 - Brussels and 1955 Vienna]. After the turn of 1956 and the acquisition of newer aircraft - Il-14, the network was also developed to the south - in 1956: Athens and Tirana appeared in the offer, in 1958 with the acquisition of *Convair*, London and Zurich, Amsterdam in 1959 and Rome in 1960.

These aircraft formed the basis of the fleet until the early 1960s, when attempts were made to put into service western built: Vickers *Viscount* and Convair 240. They were purchased due to the certain opening of Poland to the world and opening of LOT's service for connections to Western Europe. The problem was the reluctance of Western authorities to accept products of the Soviet aviation industry, including Il-14, at their airports. In addition, the restrictions of the aforementioned type (only 14-26 passengers) questioned the profitability of using this structure on medium-haul flights. For this reason, the Convair 240 was purchased, which could be used by 40 passengers, what was important, the aircraft offered a much higher cruising speed compared to Il-14 (450 km/h versus 300 km/h), so flights could be quite attractive. Later faster Vickers *Viscount* were purchased, allowing 75 passengers to fly. Despite a certain period of use of these constructions, it was finally decided to purchase more Soviet built Il-14 and Il-18, which offered setsto 90-100 passengers in the standard version. The situation was certainly not improved by two catastrophes suffered by British planes. The situation was worsened by the fact that LOT purchased second hand machines and with limited equipment (Ziółkowski, 1989: 249). It is worth mentioning that neither LOT nor TAROM were given the opportunity to use the first Soviet jet passenger aircraft - Tu -104, and their Tu-124 derivative.From Eastern Bloc countries, only Czechoslovakian ČSA operated these aircraft. From 1968, after the withdrawal of the last Convairs (at that time quite obsolete, because typemade its maiden flight in 1948), LOT operated only planes of Soviet origin, which were already accepted at Western airports, and Il-18 received even an award at an exhibition in Brussels.It certainly helped to obtain permission for this type landing in the West (Opriş, 2014: 82). With the withdrawal of the Convair, the first jet aircraft - Tu-134 were introduced in their place. Later new types of aircraft were gradually purchased, in the early 70s the long-distance Il-62, which finally allowed to open routes to Canada (1972) and then to the USA (1973), and a network of Far East connections was also developed.

In 1977, about 33% of international traffic served by PLL LOT was carried on transatlantic routes. Even larger percentage of travelers (40%) used Western European destinations, while the service in the Eastern Bloc was relatively poor due to unfavorable tariff regulations (quite low prices, shaped according to the EAPT tariff) (Gilas, 1975: 20), which resulted in the lack of profitability of transport in this direction due to this, network served only the necessary minimum here (Filipczyk, Fuchs, 1998: 9).

Unfortunately, along with the fatal accidents of Soviet aircrafts, the search for alternative suppliers began. It is known that McDonnell Douglas was consideredas the supplier of DC-9 and DC-10 at the end of the 1970s, but ultimately the purchase was not finalized for various reasons. According to the testimony of the Polish super spy operating at the end of the 70s in the USA, Marian Zacharski, Poland did not buy those planesbecause of accidents which this aircraft suffered in 1978-1979 (Zacharski, 2009: 202). The purchase of American aircraft has to be a bundled transaction. The Americans were to buy Polish machine tools, also copper and coal, in addition, they were to accept PLL LOT to land at the Chicago airport, which actually determined the profitability of connections due to the large Polish community in this American city.

Simultaneously with the McDonnell Douglas'es, the possibility of purchasing aircraft from the competitors, i.e. Boeing, was considered - models 707 and 727 were taken into account, which clearly indicates the search for successors/additions for Soviet jet planes - Il-62 and Tu-134. The potential choice of the 707 model would be quite rational because, for example, Romanian airlines TAROM had this model and probably LOT could get additional know-how about the operation of this model.It was already an aged construction, 20 years old, actually coming out of civil production (the last civil aircraft was delivered in 1983). Ultimately, PLL LOT bought the Soviet Il-62M and Tu-154 aircraft in the early 1980s, which were the backbone of the passenger fleet until the political breakthrough. It was not until the next crash of the Il-62M aircraft in 1988 in Kabaty near Warsaw and the subsequent temporary grounding of this type that gave the right reason and excuse to purchase in the West. The decision to buy outside the USSR was taken despite Soviet pressure offering further constructions of Iliuszyn (albeit with changed technical specifications) to Il-86 and Il-96, which, unlike its predecessor, Il-62, enjoyed rather good reputation. As LOT needed machines with a fast delivery time, only Soviet Il-86 could be considered in the case of Soviet machines, as its successor was still in the testing phase. As in the long term it was expected to acquire the aforementioned Il-96 (Gołęgiowski, 2008:https://www.altair.com.pl/magazines/article?article_id=1955), it can be assumed that it was planned to copy Romanian solutions with American built planes used at transatlantic routes, and Soviet constructions on Far-eastern routes. The choice of the Soviet plane would be justified because parts for this aircraft were still made in Poland at the PZL plant (about 20% of the airframe). Despite this, was not decided on this purchase and it was suggested to look for a potential partner in the West. Initially, the possibility of buying new or second handed aircraft.Boeing 707, 747, 767; McDonnell Douglas DC 8 and DC 10, Airbus A310were considered. Finally, it was decided to obtain the 767 model. The first one arrived in Poland before the elections in 1989 - April 21, 1989. This opened a new era in Polish civil aviation.

LOT remained a monopolist on the Polish aviation market until the entry into force of the Business Activity Act of December 23, 1988, which enabled other entities to obtain permission to operate in the aviation sector (Filipczyk, Fuchs: 1998: 9). The first voices about the need to privatize the Polish national air carrier appeared in the late 1980s, but the relevant law creating the legal framework for such action appeared only in 1991 (June 16). On November 16, 1992, LOT was transformed into a sole shareholder company of the Treasury - PLL LOT SA. According to the original assumptions, the airline was to be privatized until the end of 1994, but later this period was extended to 1996, which gave the company time to further prepare for the transformation of the ownership structure(Filipczyk, Fuchs: 1998: 10). Ultimately, privatization took place in 1999, and some of the company's shares were sold to a Swiss investor, the SAirGroup holding company. Competitive offers came from Lufthansa and British Airways, but were rejected because the Polish government did not like the role that these companies anticipated for the Polish carrier in its strategy. Simultaneously with the Swiss purchase, LOT entered the The Qualiflyer Group alliance, in which it remained until 2002, i.e. until the collapse of its mother line – Swissair (Gutowski 2011: 164).

After the end of World War II, the Romanian airline LARES, was transformed into a company type Sovrom - TARS, it was re-romanized in 1954 when it adopted the current name: TAROM. Originally managed by civilians, it was slowly militarized from 1965, and finally handed over to the Ministry of Defense in 1972.

The unique position of Romanian airlines at the turn of the 60s and 70s was shaped primarily by the maintenance of flights to Israel, and operations on quite exotic destinations such as: Lebanon, Egypt and Algeria. The air fleet initially included, as in the case of PLL LOT, aircraft of the Soviet provenance Li-2, An-2, An-24, Il-14 or Il-18, but with the apparent opening of Romania to the world after the seizing of power by Nicolae Ceauşescu (1965) negotiations with foreign suppliers were started looking primarily for jet aircraft, which the USSR was just beginning to export to satellite countries.Moreover, the latest design of the Tu-134 did not yet have certificates necessary for landing in Western countries, the first versions of this aircraft also did not have thrust reversals, which increased landing strip length requirements and required relatively frequent reviews, which in a clear manner increased operating costs (Opriş, 2010: 226). Unlike LOT, Romanians also had slightly worse experience with the use of Il-18, because it happened that they were grounded due to technical faults related to refueling with the wrong fuel (Opriş, 2014: 83).

Another bid was also made by the French offering the Sud Aviation *Caravelle* model, but this offer was rejected as less economical for the Romanian carrier. It is known that the possibility of buying the latest Boeing 727 design was also probed (in 1964), but this was not possible, mainly due to the skeptical approach to such a transaction by the American authorities (Opriş, 2014: 87). For this reason, BAC 1-11 was finally purchased, an additional aspect were the favorable financial conditions of the transaction, as the British agreed to offset solutions (Romania a new market: 8). The British manufacturer also received settlement on small Islander BN-2 passenger aircraft assembled in Romania from parts delivered from Great Britain. The Soviet side was still satisfied to some extent by purchasing MiG 21 combat aircraft.

Romanians, for their part, expected a return on investment thanks to the possibility of selling licensed BAC 1-11 (ROMBAC) aircraft, but out of the expected 80 units, only 9 were produced, this was due to ageing of the aircraft construction, which in the late 1980s ceased to meet the standards, especially regarding noise, which made it difficult to find customers for an obsolete structure whose production at the parent plant ended in 1982.

Romanian airlines TAROM bought their three Boeing 707 in 1973, with delivery in 1974 (Simmons, 2017: 301), for a total of $ 45 million (Romania a new market: 8). The purchase of a competitive construction - Lockheed *Tristar* - was also considered, but the contract was eventually won by the company from Seattle. The reason for the purchase was the desire to open the Bucharest-New York connection, which was undoubtedly easier if the airline had American producedplanes. As the financial terms of the purchase were favorable (Romanians had to pay in cash only 10% of the aircraft value, the rest in supplies of various goods), American analysts expected further purchases from TAROM in the following years, even that this time Boeing 727 planes were to be the focus of interest, intended rather for short- and medium-distance traffic, as support for already owned (since 1968) British BAC 1-11. At the same time, it was also expected to conclude offset agreements, assuming the production of parts for the model 727 in Romania. It is known that in the end Romanians did not continue buying overseas, in return obtaining a license for a British plane and producing about 10 copies. TAROM in the mid-70s was quite high reviewed by CIA analysts along the Czechoslovakian CSA and East German Interflug (Romania a new market: 8).

In 1972, Romanian airlines carried over a million passengers. Almost simultaneously with the purchase of the Boeing 707, three Il-62 aircraft were also acquired from the USSR, with the intention of using them primarily to connect to Beijing. Using its long-haul fleet and a good perception of Romania in the western world, TAROM also developed intercontinental connections. In 1975 and 1976, second-hand Boeing 707 planes in the Cargo version were also acquired, which were used for two purposes: mutton exports to Arab countries and car exports to the West. In March 1979, Romanians purchased another 707 aircraft, used as a backup for the presidential plane. It is worth mentioning, however, that Ceauşescu during his visits to the USSR rather did not use American planes, using one of Il-62 belonging to TAROM, however while visiting Poland and other countries of the *bloc*, the Romanian leader used an American plane.

Romania as one of the few countries of the Eastern Bloc had more airline companies active on the communication market. In addition to TAROM, from the mid-70s (September 8, 1975), there was also the company LAR (Linile Aeriene Române), which dealt with charter flights, and also flew to Arab countries, prohibiting flights to the national carrier of Romania due to maintaining routes to Israel (infoazi.ro). In 1991 it was restructured and registered in the register of companies, already as a line independent from TAROM. It was a peculiar phenomenon, because the other Eastern Bloc countries maintained only one state carrier.

In addition to operating on the domestic market of at least two airlines associated with the government to a greater or lesser extent, the situation on the

Romanian aviation market was also distinguished by another situation related to renting part of its own fleet (especially the outdated one, BAC 1-11 or Boeing 707, which in Europe it was more and more difficult due to the noise regulations of the Pakistani carrier *Aero Asia*.

The political breakthrough of 1989 also marked the beginning of major changes for the civil aviation in both countries. First of all, the purchase of Soviet aircraft was discontinued, although the last deliveries of these aircraft arrived to Poland in 1991, these were Tu 154 aircraft, which after a short period of service were sold to the East,but two of them purchased the Polish Army for VIP transport, one of these aircraft crashed April 10, 2010 in Smolensk.

The social and demographic cross-section of people using PLL Lot services in the 1990s was very interesting, i.e. before the release of the aviation market under the open sky principle. At that time, the main group using air connections were travelers: with higher education, over 50, working in the so-called freelancers, from a senior management level and from a broadly understood business, with relatively high income and living in large cities, over 200,000 residents (Filipczyk, Fuchs, 1998: 20).

In the mid-90s (1997), LOT's flight network comprised 42 cities in 30 countries (36 in Europe, 1 in the Middle East, 3 in North America and 2 in Asia). 28 aircraft were used, primarily 5 Boeing 767s, 15 Boeings 737 in different versions and 8 ATR 72 (Filipczyk, Fuchs 1998: 21).

The liberalization of the aviation market in Eastern Europe occurred relatively late, especially when compared with similar processes noticeable in Western Europe. Such processes began in 1956, with the signing by the countries of Western Europe of a multilateral agreement on commercial rights for non-scheduled air transport in Europe. Initially, they freed the charter transport market, then also regular transport. Nevertheless, until 1987, transport liberalization was based on bilateral agreements between the countries concerned, and as such did not fully reflect the principles of competitiveness (Rucińska, 2001: 135). Real liberalization of the aviation market did not start until 1988. Poland had to start adapting its own aviation law to EU requirements together with a declaration of willingness to join the European Union. The actual works began in 1992 with the signing of the Poland-EU Association Agreement. Generally, the preparation of the Polish air services market should be completed by December 31, 2002. In 2003 a transitional model was in force, with limited access for low-cost carriers to the Polish market, while on January 1, 2004, there was full liberalization of transport (Rucińska, 2001: 139).

LOT's share of Polish air traffic, understood as generated by Polish airports, still exceeded 55% in 2000, while major changes in this respect occurred with Poland's accession to the European Union after Poland accepted obligations related to the need to open airspace for other carriers and expansion on the Polish market of low-cost carriers, in particular Ryanair and Wizz Air. By 2015, PLL LOT's share had dropped to 21% on the domestic and international connections market (NIK, 2015: 6).

After the turn of 1989, the process of freeing the aviation market began in both countries. One of the first Polish airlines was the company owned by IreneuszSekuła - PolNippon Cargo, two Il-18D aircraft were obtained for it from former East German Interflug. The range of these planes allowed direct flights to Africa, which greatly facilitated the business. Officially in this version, Il-18 could fly without stopover to Kabul or Mogadishu.

Nevertheless, officially the company never made a profit and did not pay back the loan for its planes, which resulted in bankruptcy and transfer of these aircraft to African and Asian partners. According to the present state of knowledge, this company mainly dealt on weapons market. According to its chairman, planes were to appear in the arena of conflicts in Africa and Central Asia. The specific reception of the situation was not helped by the fact that Sekuła himself soon received the job of the head of the Central Customs Office, and finally committed suicide in quite controversial circumstances (Obczyzna 2004). After the termination of operations by PolNippon Cargo, the company's aircraft were transferred to another airline operating in 1996-1999 - Polonia Airways, which quite often carried out either cargo-type activities or charters ordered by PLL LOT.

Another airline that tried to appear on the Polish airline market was the White Eagle Aviation belonging to Polish businessman Zbigniew Niemczycki, however, this airline focused mainly on flights of charter and freight nature, eventually disappeared from the market in 2010.

Regular transport

The first airline in Poland trying to break through the market after adopting the low-budget carrier model was Air Polonia, operating since 2001, but providing transport since 2003. In a short time, taking advantage of the absence on the Polish market of low-budget foreign carriers, it achieved considerable popularity and a very high level fill their own aircraft, which reached 90%. Interestingly, the line achieved its greatest successes even before Poland's accession to the European Union serving the most popular tourist and business destinations among Poles. The line suddenly collapsed in December 2004, that is when, at least theoretically, after joining the EU the line should develop even more. However, as it turned out later, the collapse of the line was caused by various unclear actions of its owners and disputes among the major investors, which ultimately prevented the company from being recapitalized and, as a result, its further operations. The situation was not improved by the connections of the majority of its shareholders with various political parties, which further complicated the situation (Grochal, Kondzińska, Kuźmicz, 2004). Nevertheless, Air Polonia is worth mentioning because it was actually the precursor of low-budget solutions on the Polish market, it can be said that to some extent its activity has opened and popularized the low-budget model successfully implemented in Poland since 2004 by Wizzair and since 2005 by Ryanair .

Mentioning various initiatives related to attempts to appear in the Polish sky is impossible not to mention the company/airline associated with one of the largest Polish political scandals of the 21st century with Amber Gold - the airline OLT Express. The operations of this airline were related to the activities of its parent company, the aforementioned Amber Gold, constituting the so-called a financial pyramid with unclear to this day the roots and business connections, especially with prominent representatives of the Civic Platform remaining at the time. In air transport, this company was established in 2011 after taking over shares in the previously operating lines: Yes Airways, Jet Air and Ostfriesische Lufttransport. In the first year of operations, the company focused primarily on servicing charter connections, while with the introduction of the summer timetable, expansion in 2012 began on domestic lines. The assumed plan was quite ambitious and assumed the operation of 127 domestic and foreign routes with the help of 13 aircraft. Unfortunately, after disclosing the problems of the parent company, at the end of July 2012 the company suspended all its air connections and was closed the following year. You can indicate at least two reasons for the fall - direct or links with at least the questionable company Amber Gold and the second - probably too ambitious program for the development of air connections, especially on domestic airlines. Admittedly, according to official declarations, the level of occupancy of planes on domestic lines was 70%, nevertheless it was the result of the use of promotional prices for flights - the cheapest ticket in domestic transport cost PLN 99 one way, but it did not provide adequate revenues to the company that after being deprived of funding from the parent company, the mother had to suspend operations (ŁR, 2012)

Currently, the second carrier on the Polish market is the EnterAir line, which focuses primarily on the charter model, however, enabling the individual tourist to purchase seats on their planes serving popular tourist destinations. Importantly, EnterAir does not focus solely on Polish customer service, trying, so far, to successfully appear also on the European transport market. This airline was established in 2009, based on experience and certificates obtained by the Slovakian airline Seagle Air (FORBES 5/2017). The position of the second airline in Poland was reached relatively quickly, perhaps due to the focus on the charter model, without entering the regular transport model. In 2015, the airline entered the Warsaw Stock Exchange, thereby gaining another capital that was used to purchase more aircraft. Currently, EnterAir is conducting further offensive on the aviation market, trying to create further subsidiaries that can allow for further expansion of the company's business volume. This action was served by taking over a controlling stake in the Swiss Germania line in 2019 and changing its name to Chair (Walków, 2019).

Analyzing recent actions on the aviation market, in this case EnterAir can be considered a precursor of activities related to the takeover of other airlines, similar action though PLL LOT performed on a much larger scale when they took over the German airline Condor in January 2020. The acquisition itself was associated with the collapse of the line and the Thomas Cook travel agency, which owns Condor. The very takeover of the carrier, which is not in a very good financial condition and has quite old aircraft, began to raise questions about the sense of this investment by the Polish carrier. In this case, apart from arguments of extra-territorial nature (national pride, reversal of trends regarding the purchase of Polish national property, etc.) (Bogdanowicz, 2020), first of all attention was paid to Condor having attractive time slots at the most important world airports, which may seriously facilitate further expansion of PLL LOT in the future. Owning a fleet of 120 aircraft will certainly strengthen the company's position vis-à-vis manufacturers of aviation equipment (Domański, 2020). this transaction is in question because of coronavirus outbreak, and significant changes on the aviation market connected with the suspension of nearly all air operations. Finally, as was announced on 13th April 2020, Polish side have renounced this transaction (Derewienko, 2020).

In addition, despite assurances about the continuation of operations of both airlines under the current names in view of the global crisis on the market of medium-haul aircraft (problems with B737 MAX) and long-haul aircraft (problems with B787 Dreamliner engines), the acquisition of a carrier with a fairly large fleet may facilitate LOT's more flexible management of owned aircraft and limiting the need to lease them from external entities. In the context of comparisons of the situation between Polish and Romanian companies, one should also mention the business contacts between LOT and Romanian Blue Air, where the Polish airline relatively often uses the possibility of renting or buying aircraft previously used by the Romanian airline. The aircraft were leased e.g. in 2018, while in 2019 the LOT fleet was powered by Boeing 737-700 previously used by BlueAir (Liwiński, 2020: 19).

The opening of the airspace over both Poland and Romania resulted in the appearance of several interesting phenomena. First of all, the structure of air traffic changed in both countries, as airports appeared which were not served for various reasons by the national carrier at all (Łódź, Krajowa).

There have also been attempts to create our own low-cost lines in various business models. In the case of Poland, such initiatives appeared with the accession to the European Union and the opening of the local labour market for Poles. This guaranteed adequate westward movement. The first Polish carrier that attempted to compete on international lines with PLL LOT was Air Polonia, which focused on connections to London and other cities in the British Isles (2003-2004). Also, LOT tried to enter the low-cost transport market, but with a modest result, and the created Centralwings brand (operating in 2004-2009) did not reach the customers' awareness.

The situation on the Romanian market looks a bit different, here it was possible to create real internal competition for TAROM - among several Romanian airlines, Blue Air was successfully placed on the international and domestic routes. Ryanair also offers domestic flights. In this case, this is due to the specific geographical conditions of Romania, in which, for example, travel from Timisoara to Bucharest takes by rail or car over 9 hours, which makes air travel competitive to land transport. Added to this is the TAROM pricing policy, in which local flights are relatively expensive.

It is worth mentioning that in Poland low-cost carriers do not actually operate on internal lines, the exception is Ryanair[2], this structure of air transport is primarily derived from geographical and geopolitical conditions. Due to the development and modernization of rail connections enabling travel, e.g. between Warsaw and Krakow or Gdansk, i.e. centers generating potentially the largest volume of air traffic, air transport is not competitive in less than 3 hours, especially since these routes often had problems with punctuality . Therefore, these connections, except maybe the Warsaw-Szczecin route, are used as an arrival at the LOT hub in Warsaw.

Comparing the current situation of both carriers, which entered the same period of the air market liberation, in the same position, it is necessary to pay attention to the much weaker position of the Romanian carrier, which recorded its last operating profit in 2007. Similarity to the situation of LOT is also noticeable in so far, that the Romanian carrier also referred to the need to obtain public aid from its own government, which is to enable it to maintain liquidity. The results of TAROM are inevitably burdened by a fairly old fleet, generating significant operating costs, another element is the lack of long-distance connections, which were abandoned in the years 2002-2003 due to the lack of interest of passengers. Currently, the Romanian airline does not have the appropriate aircraft to make such connections, the last Airbus A310s were withdrawn in 2016 (ch-aviation, 2016). It is true that in 2017 a technical dialogue was started with potential entities that could lease appropriate aircraft to Romanians, but no final decision has been taken so far (Szymajda, 2017).

Another element quite seriously affecting the results of TAROM is one of the lower aircraft filling rates oscillating around 75%, resulting from unattractive prices for

[2] The Irish carrier's offer currently includes the following routes: Wrocław-Gdańsk (3 times a week); Szczecin-Kraków (twice a week), Gdańsk-Kraków (three times a week); i.e. routes that take over 5 hours to cover), according to the offer of February 2, 2020.

connections to served destinations (Urbaniak, 2019). Analyzing the not-so-good situation of the airline, it is also worth paying attention to the relatively large increase in employment at the airline, which seriously burdens the company's finances and hinders its restructuring.

Both countries began the transformation of their own aviation market in a similar place, with a rather outdated air fleet, with some few modern aircraft. Nevertheless, the further development of both aviation markets took place in different ways, as long as no native competitor for LOT appeared in Poland for various reasons, the situation is somewhat different in Romania and TAROM experiences serious competition from the low-cost carrier BlueAir. Both state-owned enterprises had to take advantage of public aid, LOT in 2012 (PLN 527 million), while TAROM in 2020 (EUR 37 million) (ch-aviation, 2020), time will show whether the Romanian national carrier will be able to repeat the success of the Polish carrier, which after the recession is now able to expand on the European market.

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