

CIVIL AVIATION

9.77 The Civil Aviation sector had undergone dramatic expansion during the Tenth Five Year Plan period which continued during 2007-08. The volume of air traffic increased sharply during 2004-07, with a near doubling of the number of domestic and international air passengers (combined). However, during 2008, this sector showed signs of slowdown due to steep rise in the cost of ATF (air turbine fuel) and the global economic slowdown. The number of domestic passengers declined by 5 per cent during 2008 as compared to 2007. However, the silver lining is that the domestic cargo showed a growth of 14.55 per cent. Fall in ATF prices augers well for the passenger traffic in 2009.

Fleet size

9.78 There are 11 scheduled passenger operators and one cargo operator in the country with a combined fleet size of 407 aircraft. In 2008, the scheduled operators/ companies were given permission to import 62 aircraft. To promote regional connectivity and to expand air connectivity among smaller cities, a separate category of Scheduled Air Transport (Regional) Services has been introduced. At present, MDLR Airlines operates such services in the Northern Region with two aircraft in its fleet. There are also 99 non-scheduled airline operators who have 241 aircraft in their inventory.

9.79 Subsequent to amalgamation of Air India and India Airlines with National Aviation Company Ltd., the brand name "Air India" has been retained with "Maharaja" as its mascot. The merged entity along with its subsidiary companies, with more than 140 aircraft, would enter the list of top 30 airlines globally in terms of fleet size. As on December 31, 2008, the company has inducted 42 new Boeing/Airbus aircraft to its fleet out of 111 aircraft ordered in December 2005.

Airport development

9.80 The international airports at New Delhi and Mumbai have been restructured and modernization and upgradation works are being carried out through private participation. The construction of first phase development works in Delhi started in early 2007 and is likely to be completed by March 2010. The cost of development works for first phase is about Rs. 8,975 crore. The construction works for Mumbai airport started in January 2007 and is expected to be completed by March 2010. The development works are to cost around Rs. 9,802 crore and are expected to be completed by 2012.

9.81 The plan for modernizing/expanding Kolkata airport at Rs. 1,942.51 crore has been approved. Passenger terminal building would be 1,80,000 sq m. having pile foundations including all civil and superior finishing works at par with highest international standards. The pavement works include extension of secondary runway by 400 m towards southern side, construction of associated taxi tracks, apron/parking bays and two rapid exit taxiways. The integrated passenger terminal building is designed to handle 20 million passengers annually with peak hour capacity of 7,452 passengers. Construction of the building, to be completed in 30 months at the cost of Rs. 1,602.61 crore was awarded on October 6, 2008. The pavement works, to be completed in 12 months at Rs. 95.24 crore, was awarded on August 25, 2008. Both the works are in progress.

9.82 The plan for modernizing and expanding Chennai airport amounting to Rs. 1,808 crore was approved in August 2008. The proposal consists of construction of domestic terminal covering an area of 67,700 sq m, extension of existing Anna International Terminal of 59,300 sq m, extension of secondary runway across the Adiyar River and construction of parallel taxi-track and parking bays. The letter of intent for construction of terminal building amounting to Rs. 1,273 crore was issued in October 2008 and the work for extension of runway, taxi-track and parking bay has been awarded. The entire project is likely to be completed by the end of 2010. On completion, passenger handling capacity at Chennai will be increased from 9 million to 23 million.

Development of non-metro airports

9.83 The Airports Authority of India is upgrading and modernizing 35 non-metro airports in the country in a time bound manner. Development of airports in the North-eastern region is being taken up on priority basis. Architectural design competitions for terminal buildings at Ahmedabad, Thiruvananthapuram, Jaipur, Udaipur, Dibrugarh, Trichy, Lucknow, Mangalore, Bhubaneshwar, Indore, Ranchi, Port Blair, Vadodara, Madurai, Bhopal, Raipur, Tirupati and Coimbatore airports have been held. The terminal buildings will be modular in design for easy expansion. The terminal building at Nagpur and Srinagar airports have been expanded and modified for integrated operations. Terminal building works have been completed in Ahmedabad (domestic), Kullu, Kangra, Porbandar, Udaipur, Gaya, Nagpur, Belgaum, Akola, Calicut, Hubli, Surat, Aurangabad and Trichy airports. The development works on the airside and city side are likely to be completed by March 2010.

9.84 The city side development of 24 airports will be undertaken with private sector participation under

PPP mode. These airports include Ahmedabad, Amritsar, Guwahati, Jaipur, Udaipur, Thiruvananthapuram, Lucknow, Madurai, Mangalore, Aurangabad, Khajuraho, Rajkot, Vadodara, Bhopal, Indore, Raipur, Vizag, Trichy, Bhubaneswar, Varanasi, Agatti, Dehradun, Ranchi and Dimapur. The scope of city side development, through PPP, would comprise commercial development of property, car park and cargo operation. Request for Qualification (RFQ) for Amritsar and Udaipur has already been issued and five interested parties have been short-listed for each of them. Development works at additional 13 non-metro airports are being undertaken for completion in a similar time frame. These airports are Akola, Belgaum, Calicut, Cooch Behar, Dibrugarh (Mohanbari), Gondia, Hubli, Kullu (Bhuntar), Mysore, Rajahmundry, Surat, Srinagar and Vijayawada airports.

Maintenance, repair and overhaul joint ventures

9.85 A Joint Venture Agreement for creation of maintenance, repair and overhaul centre for Airbus aircraft was signed in October 2008 between the National Aviation Company of India Ltd. (NACIL) and the European Aeronautic Defence and Space Company (EADS), a global leader in aerospace, defence and related services. Both NACIL and EADS will hold 50-50 equity in the joint venture. The total project cost is estimated to be US\$40 million spread over five years. The MRO Centre is expected to start its operations in early 2009 at the Indira Gandhi International Airport, New Delhi. It would also become a member of the Airbus MRO network. To begin with, the joint venture will undertake airframe maintenance and repair of Airbus aircraft of NACIL, which will later be extended to other types of aircraft and other airlines. The facility would also cater to the markets in the South Asia region and neighbouring countries. A MRO facility to undertake major checks of B-777 aircraft of NACIL and B-737 aircraft of Air India Express is being set up as a joint venture between NACIL and Boeing at Nagpur, which will be functional by 2011.

Cargo and ground handling initiatives

9.86 NACIL has entered into joint venture agreements with the Singapore Airport Terminal Services (SATS) for cargo and ground handling activities at Bangalore International Airport Limited and for ground handling at Hyderabad International Airport Limited. The joint venture has become operational at Hyderabad and Bangalore.

Liberalization of air services

9.87 The Government continued its overall liberal

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approach in 2008 in the grant of traffic rights under bilateral agreements with foreign countries. To enable greater connectivity and to provide more commercial opportunities to all operating carriers, traffic rights have been enhanced with countries like Mexico, Saudi Arabia, Oman, Bahrain, UAE, Pakistan, Bangladesh, Thailand, Belgium, Germany, Qatar, Iran, Japan, Bhutan, Azerbaijan and Turkey in 2008. 1,05,298 additional seats/week have been granted to the designated airlines of foreign countries on reciprocal basis to operate to/from India in 2008. Besides, to open new city connections in India for international carriers, 26 new points of call in India have been granted to the designated airlines of 16 countries in 2008.

Airport Economic Regulatory Authority

9.88 As per the Airport Economic Regulatory Authority (AERA) Act, 2008 whose commencement (except Chapters III & VI) has been notified w.e.f 1.1.2009, AERA was required to be established by 1.4.2009. The functions of AERA include; fixing, reviewing and approving tariff structure for the aeronautical services and users' fees which may be levied by the service providers for airport development and monitoring prescribed performance standards relating to quality, continuity and reliability of service.

Training

9.89 A premier pilot training institute named, Rajiv Gandhi National Flying Institute has been established at Gondia, Maharashtra to augment the ongoing efforts of flying training schools. This institute is a joint venture between the Airports Authority of India and CAE Inc of Canada. Ground training courses for the initial batch has already commenced. Further, there are plans to set up a National Institute of Aviation Training and Management (NIATM) for training in aircraft maintenance engineering and other aviation related subjects, The institute is likely to be operational by September 2009.

Promotional activities

9.90 To actively engage states and Union Territories (UTs) in development work and to provide them a platform for placing their concerns directly to the Government of India, a National Conference on Civil Aviation was held in January 2008 at New Delhi with the Ministers/Chief Secretaries/Administrators of States/UTs. Further, to bring the stakeholders of the aviation industry together on an interactive platform, the Ministry of Civil Aviation in collaboration with FICCI organized "India Aviation 2008"—the first international exhibition & conference—from October 15-18, 2008 at Hyderabad. The United States was the partner country for this event.