

# AVIATION CHRONICLE

A Magazine of Pawan Hans



Vol. 01 | Issue 02 | Dec'17-Feb'18



## REGIONAL CONNECTIVITY SCHEME

Giving the much needed  
UDAN to India



Bharat Petroleum

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# EDITORIAL

## AVIATION INDUSTRY GROWS WINGS

Dear Readers,

Pawan Hans is proud to announce its participation in “Wings India 2018” to be held from March 8th to 11th in Hyderabad. It is one of the biggest international exhibition and conference on the Aviation sector, providing a congenial forum catering to the rapidly changing dynamics of the sector, focusing on new business acquisition, investments, policy formation B2B MoUs and promoting regional connectivity. The event is jointly, inter – alia, supported by Pawan Hans.

Pawan Hans – A Mini Ratna” CPSE of Government of India under Ministry of Civil Aviation is a leader in providing helicopter services in India focusing on Off-shore, On-shore, Corporate helicopter services and providing services for promoting Heli Tourism, smart business solutions such as helicopter emergency services, disaster management, hot line washing of transmission lines, surveillance of law & order and the regional air connectivity. Pawan Hans has been instrumental in developing world class infrastructure for helicopter industry and has developed Nation’s First Integrated heliport in Delhi last year as one-point-solution for helicopter services, skill development and MRO services. Continue with the Vision of “New Look, New Horizon”, Pawan Hans is committed to provide its best in class helicopter services and expanding its horizons towards complementary services of providing better infrastructure, skill development, MRO, and consultancy services for overall growth of Helicopter Industry in India.

This 2nd edition of our flagship publication “Aviation Chronicle” (formerly Aviation Today) will provide you with in-depth view of the general aviation sector in the country and outside country. This issue provides a detailed knowledge base and analysis on Adventure Tourism in India and special coverage of the UDAN-II Regional Connectivity Scheme. This issue also covers industry viewpoints on the budget focusing on aviation sector.

I convey my best wishes to Pawan Hans and RJ Associates team who have been instrumental in conceptualizing and presenting before you this Wings India special issue of Aviation Chronicle.

Happy Landing... Safe Flying..

**Dr. BP Sharma**

▼ **Dr. BP Sharma**  
Chairman and MD, PHL



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▶ **TEAM PH**

**GM (WR)**

*Sanjay Kumar*

**HEAD (CORPORATE AFFAIR)**

*Ram Krishan*

**AGM (FLIGHT OPERATIONS)**

*Capt. R K Singh*

**MANAGER (OFFICIAL LANGUAGE)**

*Rajneesh Sinha*

▶ **TEAM RJ**

**EDITOR & PUBLISHER**

*Richa Jain*

**CONSULTING EDITOR**

*Rajeev Suman*

**MARKETING & BUSINESS**

**DEVELOPMENT**

*Vivek jain*

*Richa Jain*

**ART DIRECTOR**

*Krishna Mohan*

**CIRCULATION**

*Neha Rastogi*

**IT SUPPORT**

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DESIGN, CONTENT  
AND MARKETING BY:  
**RJ ASSOCIATES**

**REGISTERD OFFICE**



**RJ Associates**

#39, Ankur Apartments,  
7 IP Extension

Patparganj, New Delhi- 110092

Telefax: +91 (11) 42440759

Email: richa.rjassociates@gmail.com

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## New norms to set up VIP helipads

Rattled by a series of helicopter mishaps faced by chief minister Devendra Fadnavis, the state administration has decided to set up helipads only at select places, like MIDC estates, open playgrounds or police parade grounds in and around towns or villages. The helipads' radius should be about 500 metres without any cable, wire or high-rise building intercepting gliding paths, policy guidelines finalised by the state have suggested. The guidelines were issued by Mantralaya to local administrative offices across the state.

The basic certification of the site will have to be done by the collector, on whose recommendation the director of the state's civil aviation wing will inspect and approve it for landings and take-offs, the amended policy suggested.

Civil aviation secretary Valsa Nair Singh confirmed that the policy had been finalised. The guidelines, said sources, have been simplified so that local administrations can follow them easily. A review of the policy was sought after the Latur mishap, when the CM and his officials escaped with minor injuries. Operators of the helicopters carrying VIPs will also be able to scrutinise the helipad



sites before scheduling operations.

"While amending the policy, the state has followed guidelines which exist in Europe and the US. All our regulations can suit conditions needed to operate helicopters weighing around 5,700kg," senior protocol officers said. The guidelines set by directorate general of civil aviation (DGCA) have been incorporated to ensure maximum safety during landings and take-offs.

The biggest roadblock in creating safe helipads was local administrations, especially officials in infrastructure agencies, who have to act in accordance with guidelines while creating helipads. "Delays in budget provisions for helipads is another hurdle in achieving targets,"

## Aviation industry reports its slowest start in four years

Airline passenger traffic in the world's fastest-growing market rose at 20% in January as 11 million Indians flew in domestic carriers. Yet, that was the slowest pace of growth in the first month since 2014, according to data compiled by Bloomberg Quint. The passenger growth for Interglobe Aviation Ltd., the parent of IndiGo, rebounded after six subdued months. For the second half of 2017, IndiGo reported below-industry growth due to a delay in capacity addition.

The company continued to lose market share, albeit at a slower rate in January, for the seventh straight month. Its share

was still the highest at 39.7%, while the passenger load factor or capacity utilisation stood at 89.7% for the month. While passenger traffic for other bigger carriers like Air India, Jet Airways Ltd. and Spicejet rose below the industry average, it was higher for smaller airlines like GoAir, Air Asia, and Vistara.

Passenger load factor, a measure of capacity utilisation, grew for only four carrier among the top seven: Air India, Jet Group, SpiceJet and Vistara. It fell for IndiGo, GoAir and Air Asia over a year ago. SpiceJet has clocked a 90% plus passenger load since May 2015.

## Industry ordered over 900 aircrafts in last one year, Aviation poised to take off

Last one year saw an order of over 900 aircrafts by various airlines. It shows that the aviation sector in the country is poised for huge growth. Currently, there are around 450 aircraft operating in the country, but that will more than triple, once the new planes are brought in over the next few years.

Though India led global markets in a domestic air traffic growth in 2017, clogged airports and rising fuel prices could slow it down in the coming years despite several policy decisions, analysts say. A report by the research arm of rating agency Crisil in December said the growth could decelerate to "13-15% annually in the five fiscals through 2022, compared with a blistering 22% seen in FY16 and FY17." In the current financial year, the growth would be 17-19% lower than that in the last two years.

Aviation sector worldwide is moving very fast... we cannot afford to lag. For 70 years, there was no aviation policy in India.



## Airports Authority of India to bring in computed tomography technology, to boost security

Smiths Detection, a company specializing in threat detection and screening technologies for aviation, ports and borders, urban security and military markets, announced that the Airports Authority of India (AAI) has placed an order for multiple CTX 9800 DSi systems at a combined value of over \$50 million.

Through a global competitive tender process conducted by AAI, Smiths Detection won the bid to install and integrate high-speed explosives detection systems (EDS) for hold-baggage screening at 11 sites across nine airports in India, including Chennai International Airport and Netaji Subhas Chandra Bose International Airport in Kolkata. The Indian market is forecast to be the third-largest aviation market in the world by 2026, so security is a mission-critical factor in enabling India's airports to be future-ready. AAI manages a total of 125 airports in India and is responsible for creating, upgrading, maintaining and managing civil aviation infrastructure both on the ground and in the air. The organization is also responsible for building new terminals for the many new small airports under development by the Government of India. Working in partnership with Smiths Detection, AAI will implement ECAC Standard 3 screening of hold baggage at Level 1 for inline systems across the country. This complies with regulations set by the Bureau of Civil Aviation Security (BCAS), the regulatory authority for civil aviation security in India.

## Chhattisgarh to get four new airports under UDAN

Union Minister of State for Civil Aviation Jayant Sinha confirmed that four cities in Chhattisgarh would get airports as part of the UDAN scheme." Work on airports (airstrips) in Ambikapur, Bilaspur, Jagdalpur and Raigarh is currently on under the UDAN scheme and is expected to get completed in the next 6-8 months possibly, said Jayant Sinha. He informed that, as soon as the work was completed, Air Deccan and Air Odisha had consented to deploy 19-seater aircrafts on these routes.

"These cities will be connected to Raipur, Ranchi (Jharkhand), Jharsuguda and Rourkela (Odisha) and will ensure better air connectivity in the eastern zone with Jharkhand, Odisha and Raipur getting connected by small planes," the minister said.

Stating that the aviation scenario was set to change in the next 15-20 years, he



said that passenger trips, currently at 20 crore, would rise to 100 crores during this period.

"Right now airlines fly 500 airplanes, which will increase to 1500-2000 planes as airlines operators have already placed firm orders for 950 planes. Presently there are 200 helicopters in the country which is expected increase to 400-500," Sinha said.

## Air connectivity set for a big UDAN in Bihar

Regional air connectivity in Bihar is set to take off in a big way as work for starting civilian flights from the Indian Air Force's Darbhanga airstrip, 150 km off Patna, is progressing swiftly and plans are afoot for expansion of two more airstrips in the state. Budget airline SpiceJet will fly ATRs or other smaller aircraft from Darbhanga to New Delhi, Mumbai and Bengaluru within six months.

"Commercial flights from Darbhanga will be a major boon for the people of northern Bihar. Besides, it will boost the economy of the region," said Deputy Chief Minister Sushil Kumar Modi. Flight operations from Darbhanga, under the UDAN scheme, are expected to be successful as the fares have been capped at ₹2,500 for one-hour flights. Airlines operating under UDAN scheme will get Central and state government subsidy in

80:20 ratio to ensure financial viability. The government will develop a terminal building complete with an Air Traffic Control tower, a parking apron and cargo handling facilities before commercial operations start from Darbhanga. "Airports Authority of India (AAI) has asked for 50 acres to develop these facilities, but since the land will cost ₹455 crore, the state government has urged AAI to reduce the size of the plot required," said a senior official.

In Purnea, the IAF-controlled airstrip will see commercial flights by the year-end. The state government will acquire 50 acres near the airbase, where a civil enclave and other facilities will be developed at a cost of ₹21 crore. Besides, the Bihar government will soon hand over to AAI 108 acres of land acquired for the expansion of the IAF-owned airstrip in Bihta near Patna.

## Manipur to start chopper service for hills



**M**anipur will soon start helicopter services, after Arunachal Pradesh and Nagaland, in its hill districts to facilitate transportation of people residing in far-flung areas. "Officials of the transport department and civil aviation ministry will finalise the details for introduction of a helicopter service for the hill districts. Two government officials will visit Delhi for the purpose in a couple of days," said chief minister N. Biren Singh

Manipur government has put its demand to the home and civil aviation ministries is to provide a helicopter service for Manipur. "Our proposal is the service will be introduced first between Imphal and Moreh (border town) and on the Imphal-Tamenglong-Jiribam route (bordering Assam's Cachar district). In the second phase, services will be operated on the routes of Imphal-Tipaimukh, Imphal-Henglep, Imphal-Thanlon and Imphal-Parbung (in Pherzawl and

Churachandpur districts). The Centre has agreed in-principle to our proposal," Biren Singh said. Stating that the approval of the Centre was awaited, the chief minister said he has been pressing Delhi on the need to introduce helicopter services in the state in view of the poor road communication network.

Mobile air dispensaries would also be introduced in the Northeast with Shillong and Imphal as the Airports proposed bases.

The services will be on the line of Royal Flying Doctor Service of Australia, popularly known as "flying doctors", which is meant to provide aid and primary healthcare services in rural and remote areas. Everything is almost finalised barring some technicalities. Two Pawan Hans helicopters will be used for the service. One chopper has been proposed to be stationed at Imphal and the other at Shillong.

The state also had requested the civil aviation ministry for the services, with a one-time financial assistance of ₹120 crore for the services. "The finance ministry wrote to Pawan Hans Ltd in October last year with the proposal for using two choppers of the company in the service. The Centre has also been requested to introduce the scheme on a 90:10 funding," the chief minister said.

## 8 helipads planned in Bengaluru to airlift patients, ferry VVIPs

**E**ight helipads for as many BBMP zones in the city. That's the grand plan of the Mayor, R Sampath Raj, to rescue all those patients trapped in ambulances stuck in the city's notorious traffic jams. If he has his way, these pillar-top helipads on 40X60 sites will finally help air ambulances take off in the city. And yes, help ease VIP movements.

The helipad project could be implemented once it is approved by the BBMP Council at its monthly meeting. "I have already directed the BBMP commissioner to prepare a detailed project report (DPR) and discuss it with the Directorate General of Civil Aviation (DGCA).

"The eight helipads will be named after former mayors who served the city," Raj explained.

The service will be extended to VIPs. "More often, when traffic is blocked for VIP movements, normal traffic is affected. Each helipad can be built on four pillars raised on a 40X60 plot of land. These landing sites will be equipped with elevators and other facilities to help seamlessly shift patients to the nearest hospital. However, these structures will have to be approved by the DGCA for their structural strength and safety.



## Budget allocation for Civil Aviation sees a jump of ₹3,900 cr

**T**he Union Budget 2018-19 proposed an increased estimated budget allocation for the Ministry of Civil Aviation from ₹2,702 cr to ₹6,602 cr. A scheme to promote Seaplane both for tourism as well as to handle emergency situation was proposed. On the aviation infrastructure in the country, Jaitley said that the government will enhance the

airport capacity to handle one billion trips a year. He said that 56 unserved airports and 31 unserved helipads have been already activated under the Regional Connectivity Scheme of the government and operations have been started on 16 such places. He stated that Airport Authority of India has 124 airports under its jurisdiction.



## Singapore aviation co announces JV with MRO in Mihaan

Singapore-based AAR Corp has announced a joint venture with Indamer Aviation which is coming up with an aircraft maintenance repair and overhaul (MRO) depot, at Mihaan-SEZ. Indamer has been allotted 30 acres of land in the SEZ and construction is under way at the site, said sources in Maharashtra Aviation Development Company (MADC).

Agencies have reported that AAR has announced the joint venture with Indamer Aviation for a new airframe MRO facility at Nagpur. AAR has posted in its website that the facility being built in India is scheduled to be open in fall 2018 with certification from the Directorate General of Civil Aviation (DGCA). This means that the company hopes to start the project by mid 2018.

The world class facility is designed to conduct heavy maintenance on all narrow body platforms including new generation aircraft.

## IATA calls for addressing infrastructure crisis to secure aviation's future



The International Air Transport Association (IATA) is calling for urgent attention to address infrastructure challenges in order to secure the industry's future. "Having the infrastructure to grow is vital to our industry's future. But in many key places, it is not being built fast enough to meet growing demand. And there are worrying trends which are increasing costs. One of these is airport privatizations. We have not found the correct regulatory framework to balance the interests of the investors to turn a profit, with the public interest for the airport to be a catalyst for economic growth. All the optimism supporting strong aircraft orders will mean nothing if we don't have the capability to manage traffic in the air and

at airports," said Alexandre de Juniac in his keynote address to the Singapore Airshow Aviation Leadership Summit (SAALS).

De Juniac highlighted the lack of airport capacity in Jakarta, Bangkok and Manila as his top concerns in the Asia-Pacific region. "At the other end of the spectrum, we have Seoul's Incheon Airport. They recently added runway and terminal capacity without raising charges for airlines and passengers. And, Incheon has extended an airport charges discount introduced two years ago. This sets a very positive example for other airports to follow. It also demonstrates great understanding of the role aviation plays in linking the Korean economy to economic opportunities globally," said de Juniac.

## U.N. body to conduct security audit at Chennai airport

From policies in place to equipment with regard to security, a four-member team from ICAO will look at every single facility in the airport. "They will see if internationally prescribed norms are being followed, including regulatory framework, passenger and baggage security, training of security personnel, the entire airport operations and security aspects of aircrafts as well," an official said.

The Airports Authority of India(AAI) and airline officials started preparing for this audit nearly one month ago and to assess

if they could resolve any existing issues. Officials said about 300 CCTV cameras were placed at the cargo area recently; now, they also plan to cover the city side (area outside the terminals of the airport) with another 400 cameras over the next three months. "Some areas inside the terminals have not been covered now, but we will install them in those places as well," another official said. In November last year, the ICAO had said it was satisfied with the air safety system put in place by the Director General of Civil Aviation satisfactory after a preliminary audit.

The Chennai airport, the fourth busiest airport in the country, is all set to face a major security audit by the U.N. body — The International Civil Aviation Organisation (ICAO) in March.

In case, the ICAO makes adverse remarks, International Airlines may tighten security checks at the transit airports.

# UP TAKES THE SKYWAY FOR GROWTH: FOCUS ON AVIATION INFRASTRUCTURE DEVELOPMENT



*The Central Government and the State Government are committed towards improving civil aviation sector in Uttar Pradesh, the Hon'ble UP Civil Aviation minister, Shri Nand Gopal Gupta, told Aviation Chronicle in an interview. The minister further explained that the 'Civil Aviation Promotion Policy of Uttar Pradesh 2017' has outlined a plan to promote overall development of the civil aviation sector in UP and generate greater business and employment opportunities in the state.*

**Tell us about the current state of aviation and aviation support infrastructure in the state.**

There is an immense potential in the air transport sector, which needs to be tapped. To make it a reality, UP Aviation Department is majorly focused on the developing an overall ecosystem for growth and sustenance. Uttar Pradesh Government, in its 'Civil Aviation Promotion Policy of Uttar Pradesh 2017', has outlined the key areas of focus which include infrastructure enhancement, regional connectivity and tourism. In the recent, "Make in UP" Summit, the Hon'ble

Nand Gopal Gupta, UP Civil Aviation Minister

Union Civil Aviation Minister, Shri Ashok Gajapathi Raju praised the Uttar Pradesh Government for its initiatives for civil aviation and increased number of passengers from the State.

The passenger traffic in UP grew by 30% to 6.1 million passengers in the year 2016-17 on a year over year basis and air cargo traffic was 5.89 MMT (million metric tons) during 2016-17. The cargo is going up by 32%. In the near future, the aviation in the state would witness robust growth. UP is likely to get nine more airports in next 15 months. The current state of affairs is conducive to growth, keeping in mind the overall development of the state.

### **How has the state benefited from UDAN 2.0 (2nd round of RCS licenses being awarded)?**

The Central government has extended its full support to make UDAN 2.0 a success in UP. A MoU was signed by the Central government, the State government and the Airports Authority of India (AAI) to provide better regional connectivity. As per the MoU, the State and Centre will work on airports and airstrips in tier II cities which will be connected with each other. For Uttar Pradesh, UDAN 2.0, Allahabad will be the prime focus apart from the other and will be connected to 13 more cities. In the second phase, eight more operational airports will come up in Aligarh, Azamgarh, Bareilly, Chitrakoot, Jhansi, Moradabad, Myrupur (Sonbhadra) and Shravasti in 15 months. UP will see benefits in terms of better connectivity with rest of the country, better road and airport connectivity, and boost in tourism.

Uttar Pradesh is amongst the states with maximum number of airports and helipads which will kick off under the second phase of the flagship scheme. Aviation is the key to the states development and over progress, this has been kept in mind.

### **What are the focus areas of development in the aviation sector in UP?**

Under the leadership of the Hon'ble Chief Minister, Shri Yogi Adityanath, Uttar Pradesh as a state is witnessing transformation vis-à-vis urban and rural reforms. The aviation sector is the key to the brand Uttar Pradesh. Like mentioned earlier, the aviation sector is charging

ahead with 9 new airports and 22 new routes out of which 13 of them are from Allahabad. In terms of Investment, we are aiming to create a favourable business environment in the field of civil aviation.

UP is a tourist destination, one focus is to tap that potential, it has 212 million domestic tourists and the 3 million foreign travels, these are the numbers from 2016. Human Resources is another key area of focus for us, the state is working to promote aviation-related courses in top universities of UP. Our aim is to generate skilled workforce, the state will provide scholarships and assistance for training the aviation personnel in different sectors. The idea is to generate employment vis-à-vis civil aviation. To boost passenger traffic we are working towards overall ecosystem. The 2017 policy focuses medical tourism as well. Another key area of improvement is road connectivity to the airports.

### **What about the development of Cargo and MRO facilities?**

There exists a potential for development of an MRO hub near proposed Jewar Airport in Gautam Buddha Nagar District. Concessions and incentives on investment will be admissible for the investment made for building hangar and other such necessary facilities. Fiscal incentives for MRO establishment in the stated will be 100% reimbursement of S-GST levied on MRO job contracts from domestic or international airlines. 50% of S-GST levied will be reimbursed on the purchase of aircraft parts or other accessories used for aircraft

maintenance. These incentives will be provided for ten years.

Common User Domestic Cargo Terminal (CUDCT) at the Lucknow airport has already been operationalized. Also, a process of establishing special facilitation centers with single window clearance facility for the promotion of air cargo and logistics businesses are being done.

### **What is your view on Heli tourism and how is the state government promoting Heli tourism?**

With the immense potential and lots of tourism destination in the state of Uttar Pradesh, Heli tourism will offer an attractive and unique option for various tourists visiting the state.

The State, under the leadership of Hon'ble Chief Minister, Shri Yogi Adityanath, is also seeking investments to connect all tourist destinations with Helicopter service, including Lucknow, Ayodhya, Varanasi, Prayag, Naimisharanya, Chitrakoot, Kushinagar, Mathura and Vrindavan. The UP State Government will provide all necessary support to expand the existing network of helicopter service and will continue its cooperation on enhancing heli tourism in the state of Uttar Pradesh.

With nine more airports, 22 new routes, and robust growth opportunities, civil aviation is carving a success story in UP. The schemes have acknowledged the areas with scope of improvement, and the leadership is keep a close eye on their implementation.

**THE PASSENGER TRAFFIC IN UP GREW BY 30% TO 6.1 MILLION PASSENGERS IN THE YEAR 2016-17 ON A YEAR OVER YEAR BASIS AND AIR CARGO TRAFFIC WAS 5.89 MMT (MILLION METRIC TONS) DURING 2016-17. THE CARGO IS GOING UP BY 32%. IN THE NEAR FUTURE, THE AVIATION IN THE STATE WOULD WITNESS ROBUST GROWTH. UP IS LIKELY TO GET NINE MORE AIRPORTS IN NEXT 15 MONTHS.**

# REGIONAL CONNECTIVITY SCHEME

## GIVING THE MUCH NEEDED UDAN TO INDIA

By Rajeev Suman

*The National Civil Aviation Policy (NCAP) was released on 15th 2016 with a view to making travel by air more accessible, and the related infrastructure more efficient. This is the first time an integrated aviation policy has ever been released, and it was long overdue. Regional connectivity Scheme was launched as a part of this policy. It is a good long-term vision to provide air connectivity to all corners of India. However, the scheme is not without its turbulences. Aviation Chronicle takes an analytical view of the scheme*



It has been forecast that India has the potential to be among the top three nations in terms of domestic and international passenger traffic. It has an ideal geographical location between the eastern and western hemisphere, a strong middle class of about 30 crore Indians and a rapidly growing economy. However, it is currently languishing at the 10th position in terms of total traffic, and the domestic market has become volatile. Many regional airlines have failed in the last decade. These include Paramount Airways, Air Mantra, Air Costa and MDLR Airlines.

In such a scenario, it has become extremely important to address some long-existing concerns in the industry – entry-barriers and outdated

## 24 AIRPORTS IN THE WESTERN REGION, 17 AIRPORTS IN THE NORTHERN REGION, 11 IN THE SOUTHERN REGION, 12 IN EAST AND 6 IN NORTH-EASTERN PARTS OF THE COUNTRY ARE PROPOSED TO BE CONNECTED UNDER UDAN.

pricing or financial strategies. The government has introduced some key changes in this regard, first, by allowing 100% foreign direct investment (FDI) in scheduled commercial airlines under the automatic route, and second, through policies set in the NCAP.

NDA government under prime minister Modi introduced some policy changes which have impacted majorly impacted three distinct categories of stakeholders.

1. The Regional Connectivity Scheme, which affects the consumers
2. The partial scrapping of the 5/20 rule, which affects the airlines
3. The establishment of the 'hybrid till model' for affixing the revenues earned by private airport operators

We are covering the first policy change – Regional connectivity scheme, also known as UDAN. Keep reading us for analysis on the other policy changes.

## THE REGIONAL AIR CONNECTIVITY SCHEME

One of the most ambitious and imperative goals of the policy is to ensure better domestic connectivity by air at affordable rates. The Regional Air Connectivity Scheme, or UDAN ("Ude Desh Ka Aam Naagrik") attempts to reduce the financial burden on operators by:



The scheme has been launched to provide connectivity to un-served and underserved airports of the country through revival of existing air-strips and airports. This is the first of its kind scheme and will be implemented for a period of 10 years. UDAN scheme will make flying easier and affordable for the common man. It aims to stimulate regional connectivity through a market-based mechanism. UDAN network will cover the whole country. Accordingly, 24 airports in the western region, 17 airports in the northern region, 11 in the southern region, 12 in east and 6 in north-eastern parts of the country are proposed to be connected under UDAN. The scheme is expected to have positive effects on the economy in terms of employment and investment. The scheme will also promote tourism and balanced regional growth.

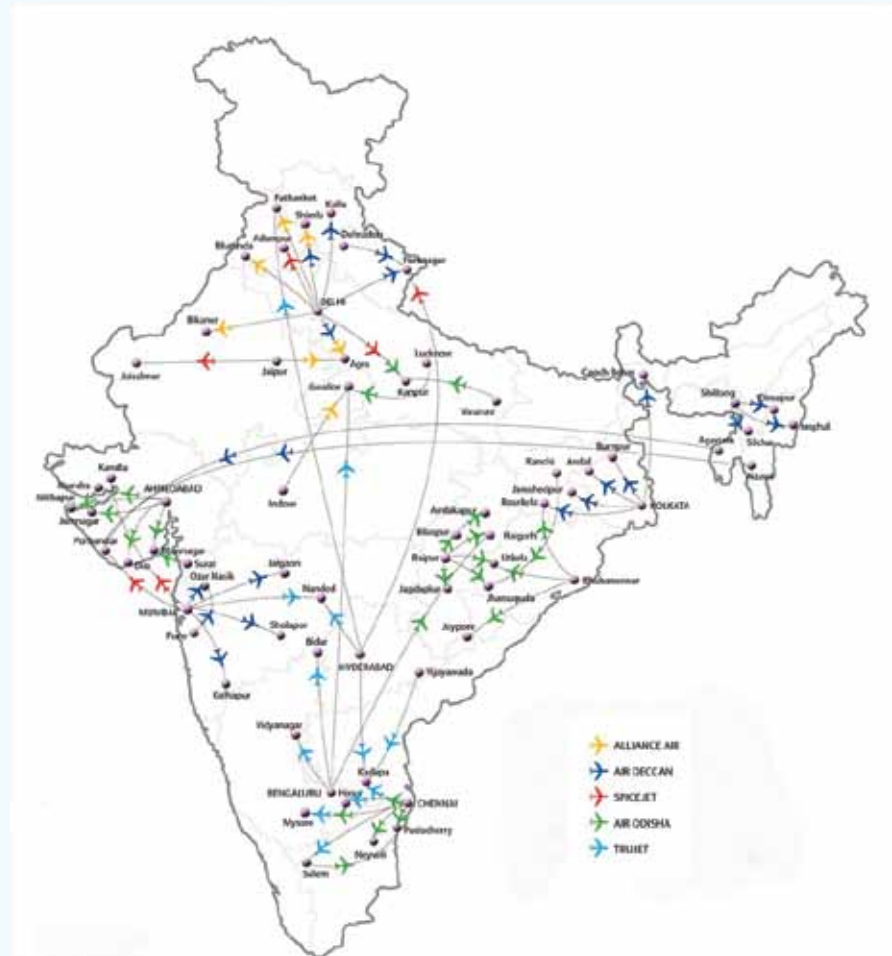
## MAJOR COMPONENTS

The scheme has two main components:

- The First component is to develop new and enhance the existing regional airports to increase the number of operational airports for the scheduled civilian flights from 70 (in May 2016, total 98 operational including army airports) to at least 150 airports (by December 2018) with regular scheduled flights
  - » Initially more than 100 underserved (no more than 7 scheduled flights per week) and unserved regional airports will be developed by December 2018, for which the initial funding of ₹45,000 million (\$700 million) for the enhancement of 50 regional airports was approved in May 2017
  - » Out of total 70 airports included in round-I, 43 are regional airports to be newly operationalised, RCS-UDAN operations have commenced from 13 regional airports and additional 12 regional airports are ready to receive flights, 18 regional airports still require significant upgrade (November 2017)
- The Second component is to add several hundred financially-viable capped-airfare new regional flight routes to connect more than 100 underserved and unserved airports in smaller towns with each other as well as with well served airports in bigger cities by using "Viability Gap Funding" (VGF) where needed
  - » Initially, three separate rounds of bidding for the award of routes will be concluded by the end of 2018
  - » Union government share of "Viability Gap Funding" is from the cess applied to flights to popular routes to main cities and respective state governments have also offered additional benefits to the flight operators to make UDAN-RCS viable

## SCHEME MODALITIES

- Under this scheme, half of the seats on the plane will be capped at ₹2,500 per hour's flight. Government will subsidise the losses incurred by airlines flying to dormant airports by charging ₹2,500 per hour's flight



**AS OF NOW, 128 ROUTES HAVE BEEN IDENTIFIED AND DECLARED IN THE RCS MAP OF INDIA. THESE 128 ROUTES WILL CONNECT 70 AIRPORTS THROUGH 19-78 SEATER AIRCRAFTS.**

- 80% of the subsidy will be collected by charging a levy of up to ₹8,500 on each departing flight of domestic airlines and the rest 20% will come from the respective State governments
- Government will provide subsidy to airlines for first three years of operations when they will have exclusive flying rights on the selected routes
- Once the market in these routes gets jump started, it will operate on a commercial basis as per market forces of supply and demand

As of now, 128 routes have been identified and declared in the RCS map of India. These 128 routes will connect 70 airports through 19-78 seater aircrafts. The operators are Air India subsidiary Airline Allied Services, Air Deccan, Air Odisha, Turbo Megha, and Spice Jet.

A list of 398 'under-served' cities and towns has been drawn up in the scheme, the routes between which would be allotted to operators on a demand-driven, reverse-bidding process. The concessions that would be provided include a complete waiver of costs for police and fire services. Utilities would be provided at highly subsidized rates, while no airport charges would be levied for operations in any of the aforementioned airports. However, the most attractive segment of the policy for operators seeking an entry into the market is the VGF scheme, whereby State Governments would be required to reimburse an applicable portion of costs to the operators. The tenure for the VGF scheme remains capped at 3 years from the date of commencement of operations, while the overall RCS would be applicable for 10 years, subject to periodic review.



भारतीय विमानपत्तन प्राधिकरण  
AIRPORTS AUTHORITY OF INDIA

**अत्याधुनिक तकनीक एवं  
अंतरराष्ट्रीय मापदंड के साथ  
भा.वि.प्रा. का सुरक्षित हाथ**

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International benchmarks  
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**129** स्थान जहाँ पर  
भा.वि.प्रा. के  
संग उड़ान  
**Destinations  
to FLY with AAI**



**AAI** अपने वर्क में  
विश्व का सर्वोत्कृष्ट  
सेवा प्रदाता  
**amongst World's  
Best Service Provider  
in its respective category**



**23**

अंतरराष्ट्रीय हवाई अड्डे  
(4 विमान प्रकल्प एवं  
9 विमान प्रकल्प अड्डे)  
**International Airports**  
11 Civil Enclaves &  
2 Other Enclaves Airports

+

**08**

कस्टम हवाई अड्डे  
(4 विमान प्रकल्प)  
**Custom Airports**  
5 Civil Enclaves

+

**78**

अन्तर्राष्ट्रीय  
हवाई अड्डे  
**Domestic  
Airports**

+

**20**

अन्य  
विमान प्रकल्प  
**Other  
Civil Enclaves**

=

**129**

हवाई अड्डे  
**Airports**



## BIDDING ROUNDS

Airports Authority of India aims to operationalise, hundreds of routes in several rounds of UDAN-RCS, from at least 100 regional airports by the end of 2018-2019. AAI will periodically publish the updated list of participating airports and helipads, with collaboration from their owners, such as central govt, state govt, commercial and private parties, and in addition any entity can list their airport or helipad with the government for this scheme. Three rounds of bidding for operationalisation of new routes will be conducted in 2016-2017 and 2017-2018, more rounds of bidding will follow till the end of 2018-2019. Airlines (including sea plane) and helicopter service providers will bid for the routes with at least nine seats and a maximum of 40 seats for the fixed wing aircraft and a minimum of 5 seats and a maximum of 13 seats for the helicopters. To ensure the sustainability of the routes by lowering the commercial risk, these "specific" routes will be awarded on an exclusive basis to the winning parties. Preference is given to the bidder who bid for zero-VGF (operators who rely on no government subsidised VGF to sustain their operation), for example, in phase-I SpiceJet bid was zero-VGF, and in Phase-II SpiceJet and IndiGo bids were zero-VGF.

### Round 1, April 2017

128 new regional fixed-wing routes from 70 airports, including 27 currently well served metro airports and 43 regional airports (31 unserved and 12 underserved, 36 out of 43 are newly made operational including 2 civilian enclaves within army airports), were awarded to 5 fixed-wing airlines on 27 April 2017. Five airlines are Air Odisha (50 routes, new airline), Air Deccan (34 routes, relaunched airline), Turbo Megha Airways (18 routes), Alliance Air (15 routes, Air India subsidiary) and SpiceJet (11 routes).

Several routes became operational on in December 2017. SpiceJet was the only bidder with zero-VGF.

### Round 2, December 2017

UDAN-RCS Round-II: 502 new regional fixed-wing and helicopter routes were bid in 196 proposals (55 counter proposals from 10 airlines, and 141 initial proposals from 17 airlines including 108 for the fixed-wing and 33 for helicopters) to connect 126 airports and heliports (49 unserved, 15 underserved, 38 well served and 24 helipads).







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Awards for the 2nd round were announced on 24th January 2018. Airports Authority of India (AAI), the implementing agency, has issued Letter of Awards for 90 proposals received under RCS-UDAN after completion of the Second round of bidding. Key features of the proposals awarded by AAI include:

- Airports to be connected: Total 78 airports i.e., 36 currently served airports, 13 currently Underserved Airports and 29 currently Unserved Airports (25 distinct airports after removing the 4 overlapping airports from UDAN-1) will be connected. In addition, 31 helipads/ heliports will be connected through Helicopters in the Priority areas.
- Viability Gap Funding (VGF) Outflow: These proposals will require VGF estimated at ₹487 crores per annum for Fixed wing operations and ₹130 crores per annum for Helicopter operations in the Priority areas.

Region	NR	SR	ER	WR	NER	Total
<b>Estimated Annual VGF*</b>	150	113	36	165	23	487

(Figures in Rupees/crores)

\*Excluding the VGF for Helicopters which is ₹130 crores per annum in the priority areas.

- Region wise allocation of Annual VGF outflow in respect of Fixed wing aircrafts operation in UDAN 2.0 is expected to be as follows:
- It is expected that the Fixed wing aircrafts proposals will provide around 26.5 lakh RCS seats per annum of which will be covered by airfare cap of ₹2500 for approximately one hour of flying. In addition, around 2 lakhs RCS seats per annum are expected to be provided through Helicopter operations.

### PROVIDING IMPETUS TO HELICOPTER SERVICES

- Helicopter operations under the Scheme are allowed in Priority Areas (intra).
- VGF Caps for helicopter operations enhanced: Up to 10% of the estimated annual inflows in the RCF shall be earmarked for operations through helicopters.
- Methodology for computing the Flight duration revised as per Recommendation of Expert Committee.
- 100% RCS seats for Helicopters with RCS Flight capacity of 13 seats or less. For more than 13 seats, number of RCS Seats in an RCS Flight shall be capped at 13 passenger seats.

Subsequent phases with inclusion of seaplanes will boost the number of potential landing sites from nearly 500 airports to over 500,000 waterbodies as well as more locations along India's 7,000 coastline. SpiceJet has placed a \$400 million order for 100 of these 12-seater amphibian seaplanes (December 2017).

UDAN-RCS is both enabler and beneficiary of other key Government of India schemes, such as Bharatmala, Sagarmala, Dedicated Freight Corridors, Industrial corridor, BharatNet, Digital India, and Make in India.

## ROLE OF VARIOUS STAKEHOLDERS

### Central government

Following concessions from the Government of India:

- Value Gap Funding (VGF) to subsidise the airfare
- Concession on service tax on tickets
- Code-sharing of UDAN-RCS flights permitted with other operators

### State governments

Following concessions from the participating state governments at their respective UDAN-RCS airports:

- Reduction of VAT (or GST after GST came in operation) to 1% or less for 10 years
- Coordinate with oil companies to create fuelling infrastructure on airports
- Provide free land for the development of airport, with multimodal (rail, road, metro, waterways, etc) hinterland connectivity
- Provide free trained security
- Provision of water, electricity and other utilities at reduced rate
- Provide 20% share of Value Gap Funding, North-Eastern states and Union territories to provide 10% share only

- State governments are encouraged to provide additional concessions

### **Airport operators**

Airport operators (commercial or private companies, central and state governments or their entities such as AAI and Defence Ministry must agree to provide the following concessions to participate in UDAN-RCS scheme:

- No landing, parking or other charges
- No Terminal Navigation Landing Charges (TNLC)
- Allow selected airline to manage the ground handling of flights
- Route Navigation and Facilitation Charges (RNFC) will be applied on UDAN-RCS flights by AAI on a discounted rate of 42.5% of Normal Rates

### **VALUE GAP FUNDING (VGF)**

The scheme entails making the routes financially viable, without insisting on the

financial viability of the regional airports, by lowering the cost of flight operations and through VGF. VGF will be available to flight operators on specific routes for the first 3 years of their operation. Various concessions for the airport operations, such as state tax concessions, free land and security, etc. would be provided by centre and state governments. Participating states, Northeast states and Union Territories are required to sign the MoU with the union governments to share the 20% and 10% burden of VGF respectively.

To make the routes viable for commercial airlines, the union government offers flexible code sharing arrangements, reduced excise on value-added tax on fuel and service tax. Airports, some owned by the Airports Authority of India and others by the respective state governments, will not charge the landing and parking charges and terminal navigation landing charges.

### **UDAN-RCS LEVY**

RCS subsidy will be raised by levying a cess, which will be revised periodically,

**SPICEJET HAS PLACED AN ORDER FOR 100 OF THESE 12-SEATER JAPANESE QUEST KODIAK AMPHIBIAN SEAPLANES FOR \$400 MILLION, INCLUDING LONG-TERM PARTS AND MAINTENANCE (DECEMBER 2017), WITH THE VIEW TO OPERATIONALISE THE PLANES WITHIN A YEAR.**



## PARTICIPATING STATES, NORTHEAST STATES AND UNION TERRITORIES ARE REQUIRED TO SIGN THE MOU WITH THE UNION GOVERNMENTS TO SHARE THE 20% AND 10% BURDEN OF VGF RESPECTIVELY.

on the flight between main trunk routes connecting major cities. Starting from 1st June 2017, it is initially at a flat rate of ₹5,000 per flight, translating into ₹30 per passenger.

### IMPACT OF SEAPLANES ON UDAN-RCS

UDAN phase-I had only fixed-wing aircraft. Phase-II included helicopters also. Subsequent phases are likely to include seaplanes, thus opening more destinations by enhancing potential pool of landing sites from nearly 500 airports to over 500,000 waterbodies and thousand more locations along India's 7,000 km long coastline, as these 10-14-seater seaplanes costing ₹12-13 crore (\$2.0 million) can land in even 1-foot deep water. On 9 December 2017, a successful trail run was completed from Girgaum Chowpatty. On 12 December 2017, Prime Minister Modi also rode a seaplane from Sabarmati River to Dharoi Dam. Civil Aviation Ministry and Water and River Resources Ministry will come out with rules for the seaplanes, within 3 to 6 months, along the lines of United States, Canada and Japan. SpiceJet has placed an

order for 100 of these 12-seater Japanese Quest Kodiak amphibian seaplanes for \$400 million, including long-term parts and maintenance (December 2017), with the view to operationalise the planes within a year.



### FOCUS ON NORTH EAST

The government has initiated a process to build airports and upgrade existing facilities including airstrips used by the air force in the Northeast to improve connectivity in a region which is represented poorly on the aviation map. The first phase of this has already started with the state-run Airports Authority of India currently carrying out work under a ₹2,500-crores project. The government is also discussing a plan to invest another ₹8,000 crores in upgrading more airports. A part of the ₹8,000 crore funds required for the second phase might come from the Ministry of Development of North Eastern Region. (DONER).



## A WORK IN PROGRESS

The Union Civil Aviation Ministry has eased several norms of UDAN to attract more airlines and helicopter operators to participate in regional connectivity scheme (RCS). The new norms were announced when the process for second round of bidding for the RCS were announced. The relaxations of the norms include dilution of the exclusivity clause mandating that only one airline may fly on one route in the initial years. It will allow selected airline operator of a route may issue no-objection certificate (NOC) to other airlines who want to operate on the selected RCS route. The norms restricting two airports in close proximity from participating in the bidding also has been relaxed. It will allow routes with a stage length less than 150 km for operations through fixed wing aircraft.



**THESE EFFORTS ARE PART OF THE NARENDRA MODI GOVERNMENT'S ACT EAST POLICY TO ACCELERATE DEVELOPMENT IN THE NORTHEAST, WHICH ACTS AS A GATEWAY TO SOUTHEAST ASIA AND HAS HUGE TOURISM POTENTIAL. THE PRIME MINISTER RECENTLY ANNOUNCED ₹90,000 CRORES FOR IMPROVING ROADS AND NATIONAL HIGHWAYS IN NORTH-EASTERN STATES IN THE NEXT 2-3 YEARS.**

These efforts are part of the Narendra Modi government's Act East policy to accelerate development in the Northeast, which acts as a gateway to Southeast Asia and has huge tourism potential. The Prime Minister recently announced ₹90,000 crores for improving roads and national highways in north-eastern states in the next 2-3 years.

A new airport is set to come up at Holangi in Arunachal Pradesh in the first phase. The airports being upgraded include Teju, Shillong and Agartala. Advanced landing grounds being used by the Indian Air Force will be upgraded and used also

for civilian activities under the project. The government is working to improve connectivity in the region through the RCS-UDAN. For its effective rollout, the region requires more airports and other facilities.

While the government does not fund airport upgrade by AAI in other regions, a substantial share of the funding for projects in the Northeast come from it through budgetary resources. The government also partially funds construction of airports in the hilly areas and Jammu & Kashmir. Under Phase I of UDAN, announced in March 2017, six airports in the NE — Shillong, Dimapur, Imphal, Silchar, Aizawl and Agartala — were connected.

*Narendra Modi, Prime Minister of India*

# IMPECCABLE

## Chhattisgarh : Well -



**Dr. Raman Singh**  
Chief Minister, Chhattisgarh

**G**overnment of Chhattisgarh, since its formation, has been continuously striving to add dimension of aviation in its effort to improve connectivity in the state. "Sabka Saath Sab ka Vikas" has been the prime mover behind this effort. It has been the endeavour of the Govt to facilitate...



Govt had prepared a Perspective Civil Aviation Plan for next 10 years for the state in 2011-12. Based on this, the government has been constantly improving aviation infrastructure by way of development of existing airstrip in the state in form of full-fledged airport. One new airstrip in northern fringes of state at Balrampur has been recently constructed and operationalised. Development of Bijapur and Dantewada airstrips in LWE affected region of Bastar is in progress. Presently, work has almost completed in three airstrips to develop them as airports, namely Ambikapur, Bilaspur and Jagdalpur. Development of Raigarh (Kondatarai) airport is on cards and MoU has been signed in 2013 with Airport Authority of India for this purpose. To improve hinterland connectivity 72 helipads have been

prepared for helicopter operations. This is with the aim to facilitate connectivity of remote locations for both ease of administrative purposes as also to support security forces in maintaining law and order situation in certain parts of the state. In due course of time this will also help in developing tourism activities as well.

Chhattisgarh state government has been among the first one to reduce VAT on ATF from 25 to 4% (in 2010) to boost Aviation activity. Raipur has witnessed increase in number of aircraft landing / taking off here from 6 in 2002-03 to 45 at present. ATF uplift has gone up from 400 KL in 2002-03 to 36,500 KL at present. Naya Raipur has recorded passenger traffic growth from 4.1 lac in 2008-09 to 16 lac at present.

Chhattisgarh has embraced regional connectivity scheme proposal



Jagdalpur Airport



Darima Airport Ambikapur



Bilaspur Airport

# CONNECTIVITY

## Connected all over India



....the business to reach its population at its doorsteps. This would enable the locals to remain in their habitat while being able to have an access to employment opportunities. It is known that every rupee spent on aviation sector leads to 3.5 times growth factor in terms of economic development. This rapid growth emphasis is an important part of holistic strategy against left wing extremism in parts of the state.



in its entirety. The government is providing all concessions stipulated in the scheme to all air operators participating in the same. VAT on ATF has been reduced to 1% and free landing parking is being offered. Government is even willing to go extra mile by providing additional benefits to the operators who are willing to start night parking in the state airports. RCS operations in the state are on the cusp of commencement.

State Govt. has provided 470 acres of land, worth 113 crore, free of cost to Airport Authority of India for expansion of Swami Vivekanand airport at Naya Raipur. This is to facilitate expansion of runway length and associated infrastructure that would ensure optimal utilisation of all aircrafts capacities under all weather conditions at Naya Raipur. Old terminal at SV airport Naya Raipur has

been approved for utilisation as cargo terminal. With extension of runway and therefore elimination of temperature related load penalties on the aircrafts, dedicated cargo traffic would also start increasing, adding to growth and economic development.

In addition to the above, state government has in principle approved proposal for development of SV airport into a major hub in this part of the country and facilitate construction of second runway with associated infrastructure required. This would enable future development of aviation related manufacturing activities and MRO facilities in this region. Efforts to develop SV airport as international airport would be strengthened resulting in associated business and economic growth in the region.



Swami Vivekanand Airport, Naya Raipur



# डेस्टिनेशन एडवेंचर टूरिज्म... इंडियन माइलस्टोन्स



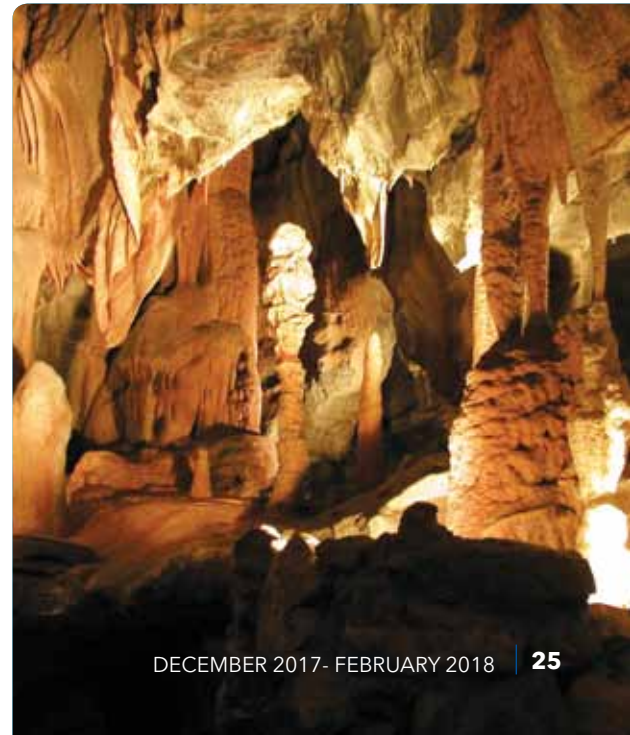




**क**ई खूबसूरत स्थानों और अद्भुत भौगोलिक परिवेशों के दर्शन के लिए और उनका आनंद उठाने के लिए हर पहलू से भारत एक पूर्ण पर्यटन इकाई है। चाहे वह तीर्थयात्रा से जुड़ा पर्यटन हो, विरासत से जुड़ा पर्यटन हो, वन्यजीव के दर्शन से जुड़ा पर्यटन हो या भिन्न-भिन्न प्रकार की रोमांचपूर्ण साहसिक गतिविधियों से जुड़ा पर्यटन हो संभवतः भारत दुनिया के उन चुनिंदा देशों की सूची में आगे है जहाँ पर्यटन स्थलों और विकल्पों की कोई कमी नहीं है।

भारत अपनी विविध स्थलाकृतिक विशेषताओं के कारण साहसिक पर्यटन के अलग अलग आयामों को एक साथ दिखाता है। हिमालय के विशाल पर्वतखंड से शुरुआत करने के साथ देश के मध्य भूभाग में फैले विभिन्न राष्ट्रीय उद्यानों व वन्य अभ्यारण्यों के साथ सुदूर दक्षिणी समुद्री परिस्थितिकीतंत्र के माध्यम से साहसिक पर्यटन के अलग अलग रूपों को हम एक ही देश के अलग-अलग भूक्षेत्रों में प्रचुरता से पाते हैं और उनका भरपूर आनंद उठाते हैं। देश के राष्ट्रीय उद्यानों में 'रॉयल बंगाल टाइगर' का साक्षात्कार करने के साथ विशाल समुद्र के किनारों से जुड़ी हुई कई गुफाओं से पानी के जुड़े हुए खेलों का रोमांचक दृंग से लुत्फ उठाते हैं।

भारत में साहसिक पर्यटन गतिविधियों के लिए सर्वश्रेष्ठ स्थानों की कोई कमी नहीं है। अपने विभिन्न भौगोलिक परिदृश्यों, जलवायु परिवेशों और समृद्ध जैव विविधता से भरपूर इस देश में हर रोमांचकर्ता को यह एहसास होता है कि यही है उसके सपनों का गंतव्य। भारत में साहसिक पर्यटन की योजना बनाने के साथ व्यतीत किए जाने वाले स्वप्निल गंतव्यों में कुछ सुदूर ग्रामीण परिवेश से रुबरू करते हैं वहीं कुछ महानगरीय चकाचौंध के बीच एक अलग सी आभा का एहसास कराते हैं। इस प्रकार के गंतव्यों पर आपको भारत के कामकाजी पर्यटकों की झलक दिखती है जो सोमवार से शुक्रवार की कामकाजी आपाधापी के बाद सप्ताहांत के दौरान पुनः उर्जा से स्वयं को भरने के लिए एक साहसिक पर्यटन यात्रा के हमसफर बनते हैं।



## प्रमुख गन्तव्य



### बीर और बिलिंग, हिमाचल प्रदेश

साहसिक पर्यटन के कुछ प्रमुख गंतव्यों की हमारी सूची प्रारंभ होती है बीर और बिलिंग से। बीर और बिलिंग के गांवों को घेरने वाले रोलिंग पहाड़ियों और घास का मैदान पूरी तरह से ग्रामीण अनगढ़ सुंदरता और भोलेपन से भरा पूरा एक अलग रंगरूप चित्रित करता है लेकिन जो चीज आपका ध्यान आकर्षित करती है वह है अनगिनत पैराग्लाइडर जो थर्मल पर उड़ते हैं। हिमाचल प्रदेश के इस क्षेत्र को दुनिया में बेहतरीन पैराग्लाइडिंग स्थलों में से एक माना जाता है जहाँ आकर पैराग्लाइडिंग के जुनूनी सेलरों की उड़ान को नए पंख मिलते हैं।



### राजस्थान

साहसिक पर्यटन की सूची के दूसरे पायदान पर राजस्थान के कुछ गंतव्य हैं जिनके संबंध में चर्चा के पूर्व यह कहना बिल्कुल सही है कि गर्म हवा के गुब्बारे की सवारी भारतीय साहसिक पर्यटन के लिए नई है, लेकिन फिर भी यह पर्यटकों, विशेष रूप से हनीमून पर आने वाले जोड़ों और परिवार के साथ छुट्टियों को व्यतीत करने वाले आम पर्यटकों के बीच एक सनक के रूप में विस्तार पा रही है। रेत के टिब्बा, छोटे गांवों, और बड़े पैमाने पर किले और राजस्थान के महलों के बीच गर्म हवा के गुब्बारे उड़ानों के द्वारा चिड़िया के नजारे जैसे दृश्यावलोकन के आनंद की प्राप्ति होती है। जैसलमेर, जोधपुर, पुष्कर, जयपुर और रणथंबोर राष्ट्रीय उद्यान इन हॉट एयर बैलूनों के द्वारा हवाई सवारी का आनंद लेने के लिए प्रमुख बिंदु हैं।



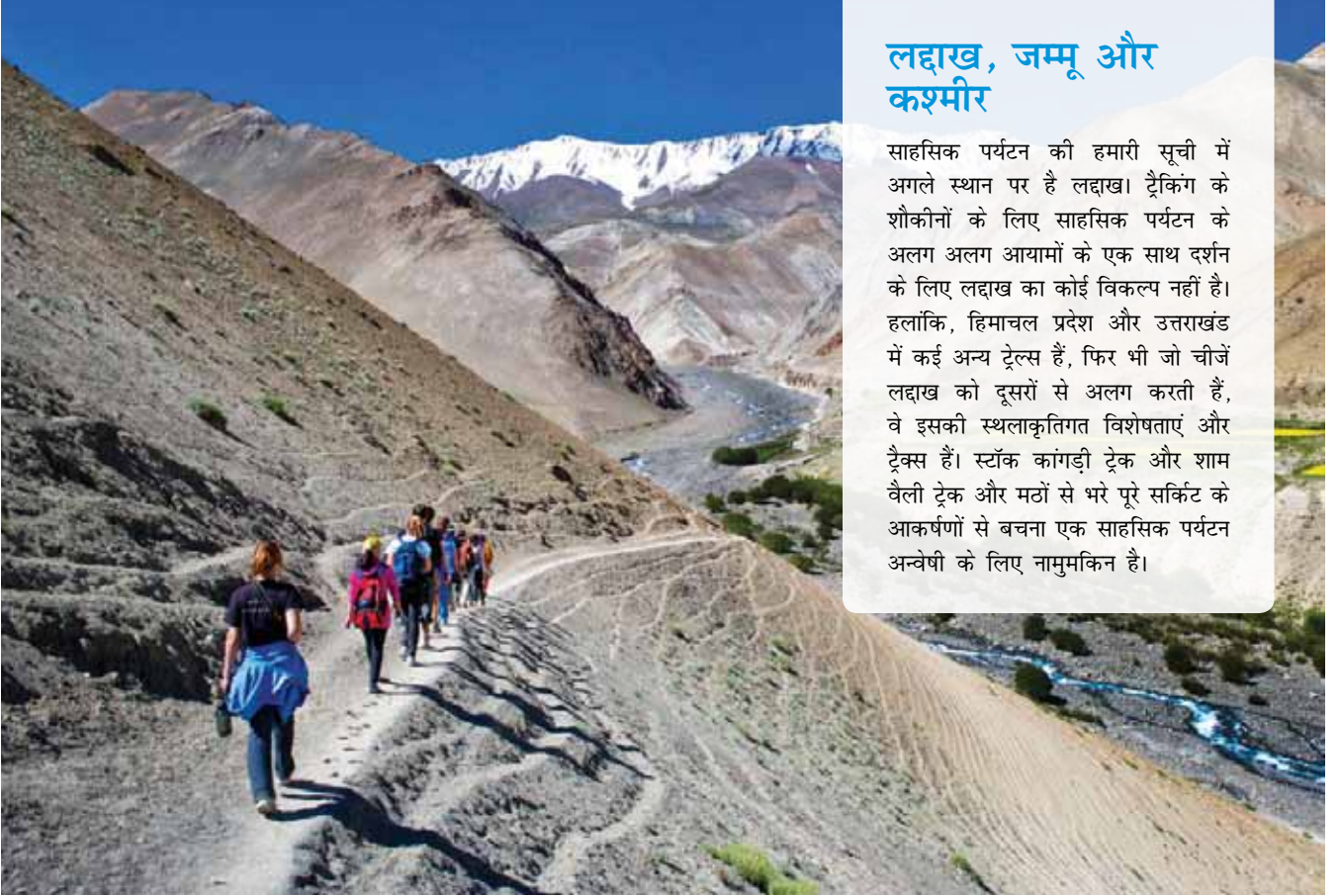
## ऋषिकेश, उत्तराखंड

साहसिक पर्यटन की हमारी सूची में तीसरे स्थान पर एक बहुत ही आम नाम है लेकिन है बहुत ही खास। जी हाँ, ऋषिकेश ने हर पहलू में भारत के शीर्ष साहसिक स्थलों में से एक होने का गौरव हासिल किया है। राफ्टिंग, रॉक जंपिंग, रॉक क्लाइम्बिंग, रपेलिंग, कैम्पिंग और इसके साथ कई और गतिविधियों के साथ, यह भारत में एकमात्र ऐसा गंतव्य है जहां साहसिक पर्यटन के प्रशंसकों के रूप में बंगी जंपिंग की भारी भीड़ होती है।



## बांधवगढ़ नेशनल पार्क, मध्य प्रदेश

साहसिक पर्यटन की हमारी सूची में चौथे स्थान पर है बांधवगढ़ राष्ट्रीय उद्यान। चाहे आप एक हाथी की सवारी पसंद करते हैं या भारत में वन्यजीव सफारी के विकल्पों के रूप में एक बड़ी जंगली बिल्ली को ढूँढना चाहते हैं, मध्य प्रदेश के उमरिया जिले का बांधवगढ़ नेशनल पार्क पूरे दिल से विश्वभर के वन्यजीव उत्साही पर्यटकों का स्वागत करता है। पर्यटक चाहे वह किसी भी उम्र का हो के बावजूद, बांधवगढ़ राष्ट्रीय उद्यान हर किसी को अपने सम्मोहनों से आकर्षित करता है और पर्यटक बांधवगढ़ के आकर्षणों से बंध जाता है।



## लद्दाख, जम्मू और कश्मीर

साहसिक पर्यटन की हमारी सूची में अगले स्थान पर है लद्दाख। ट्रेकिंग के शौकीनों के लिए साहसिक पर्यटन के अलग अलग आयामों के एक साथ दर्शन के लिए लद्दाख का कोई विकल्प नहीं है। हालांकि, हिमाचल प्रदेश और उत्तराखंड में कई अन्य ट्रेल्स हैं, फिर भी जो चीजें लद्दाख को दूसरों से अलग करती हैं, वे इसकी स्थलाकृतिक विशेषताएं और ट्रेक्स हैं। स्टॉक कांगड़ी ट्रेक और शाम वैली ट्रेक और मठों से भरे पूरे सर्किट के आकर्षणों से बचना एक साहसिक पर्यटन अन्वेषी के लिए नामुमकिन है।



## थत्तेकड़ पक्षी अभ्यारण्य, केरल

रोमांचपूर्ण साहसिक पर्यटकों के लिए अगला पड़ाव है थत्तेकड़ पक्षी अभ्यारण्य। घने पर्णपाती और उष्णकटिबंधीय सदाबहार वनों के साथ प्रस्तुत इस छोटे से सुंदर पक्षी अभ्यारण्य की यात्रा पक्षियों पर नजर रखने वालों के लिए एक स्वर्ग के समान है। केरल के एरनाकुलम जिले के कोठमंगलम में स्थित यह अभ्यारण्य क्रिमसन बैकड सनबर्ड, रूफस बब्बलर, मालाबार ग्रे हॉर्नबिल, सिलोन बे उल्लू और मलय नाइट हेरोन सहित दुर्लभ स्थानिक एवियन प्रजातियों के पक्षियों को देखने के लिए एक उपयुक्त स्थान है।



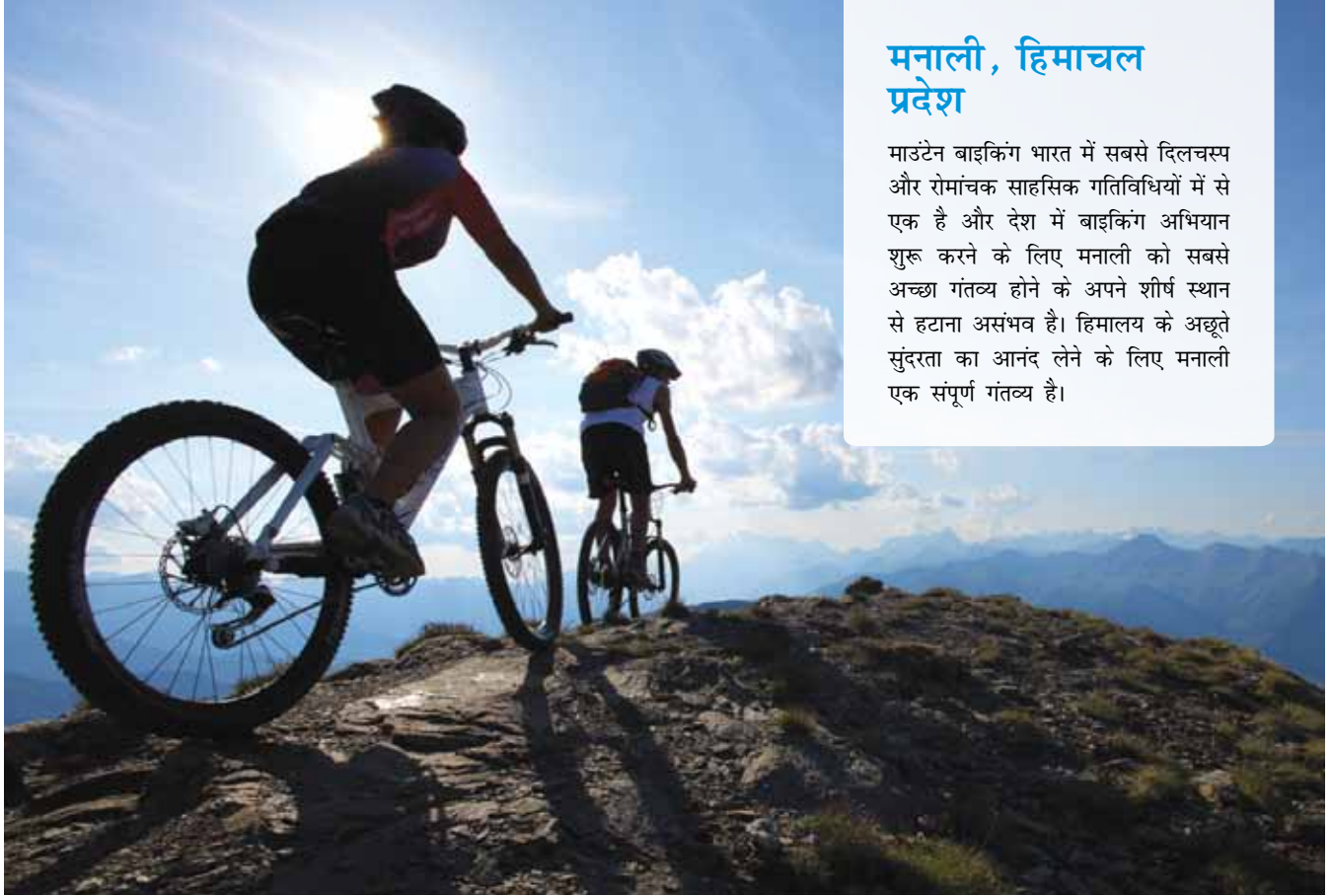
## सिक्किम

साहसिक पर्यटन के एक ऐसे गंतव्य जो भुलाए से भी न भूले तो ऐसे अविस्मरणीय गंतव्य के रूप में जिस स्थान की बात होगी वह सिक्किम ही हो सकता है। जब पर्वतारोहण जैसे हार्ड कोर एडवेंचर की बात आती है, तो 'लेप्चाओं की भूमि' को अनदेखा करना नामुमकिन है। पर्वतारोहण का जुनून इस भूभाग की मिट्टी में इस तरह रचा बसा है कि शायद ही दुनिया के किसी भी कोने का कोई पर्वतारोही होगा जो इस स्थान से अनजाना होगा। अपने पहाड़ी परिदृश्य के साथ, सिक्किम दुनिया भर से चोटी के विजेता के मन को नियंत्रित करता रहा है। माउंट पैनिथन, माउंट थिंगचिन्हंग, माउंट जोप्पुन और निश्चित रूप से विश्वप्रसिद्ध कंचनजंगा ऐसी चोटियाँ हैं जो हमारे दिलों की धड़कन को बढ़ा देती हैं।



## दांदेली, कर्नाटक

साहसपूर्ण यात्रा के अगले गंतव्य के रूप में गोवा से लगभग 125 किमी दूर स्थित दांदेली जो कर्नाटक राज्य का एक हिस्सा है, साहसी पर्यटन चाहने वालों को अपनी विशिष्ट चमक के साथ आकर्षित करता है। प्राचीन मंदिर, पहाड़ियों और प्रसिद्ध काली नदी इस स्थान को सुंदर दृश्यों के साथ एक कभी पुराना न होने वाला स्वरूप प्रदान कर देते हैं। यहाँ रैपलिंग के साथ पर्यटक कायाकिंग, फिशिंग, जीप सफारी और भांति-भांति के पक्षियों को देखने का लुत्फ उठा सकते हैं।



## मनाली, हिमाचल प्रदेश

माउंटेन बाइकिंग भारत में सबसे दिलचस्प और रोमांचक साहसिक गतिविधियों में से एक है और देश में बाइकिंग अभियान शुरू करने के लिए मनाली को सबसे अच्छा गंतव्य होने के अपने शीर्ष स्थान से हटाना असंभव है। हिमालय के अछूते सुंदरता का आनंद लेने के लिए मनाली एक संपूर्ण गंतव्य है।



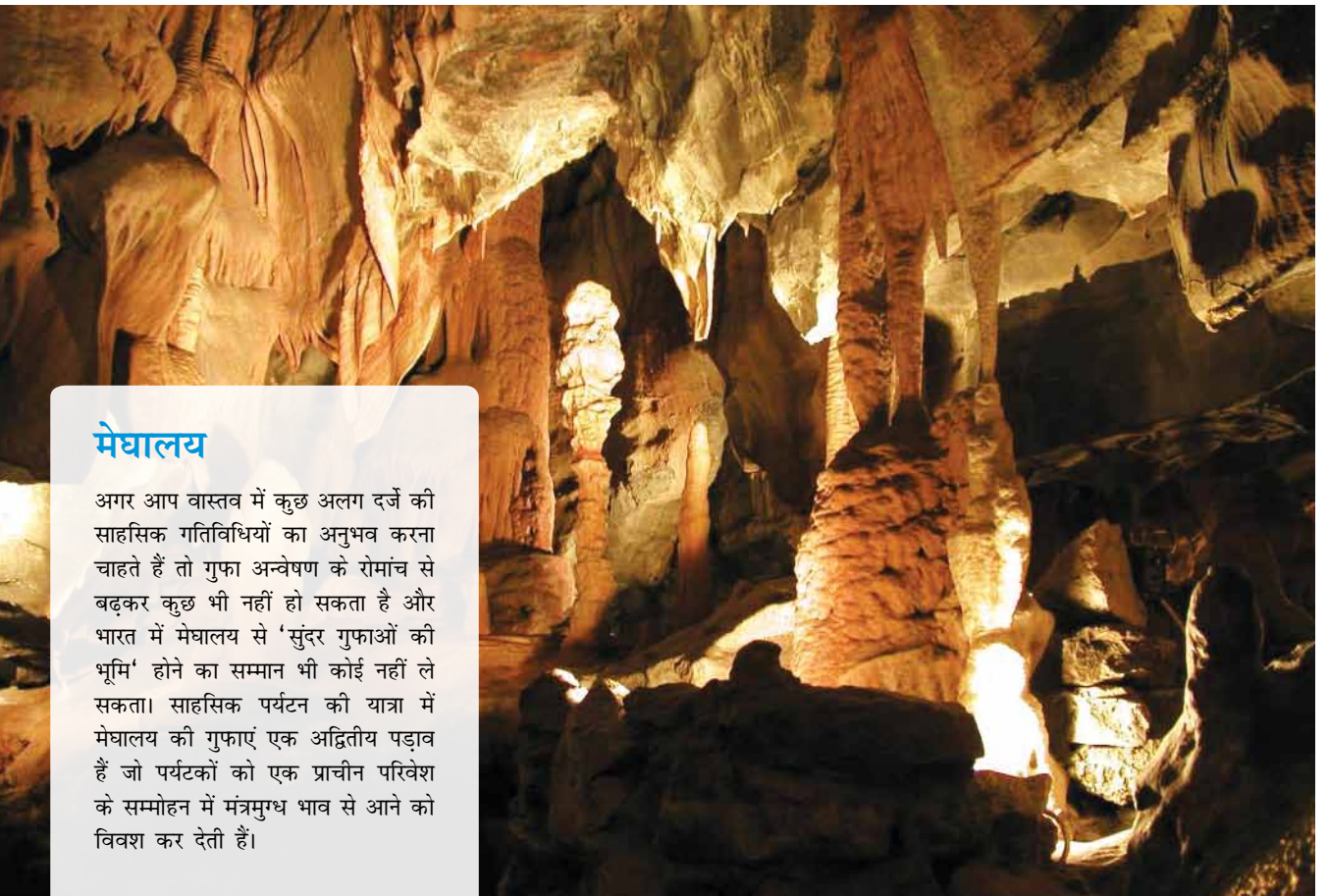
## अंडमान निकोबार एवं लक्षद्वीप

साहसिक पर्यटन के जुनूनी पर्यटकों को नए पंख मिलते हैं भारत के मुख्य भूभाग से कटे हुए द्वीपों पर पहुँच कर जहाँ तक पहुँचने की यात्रा भी किसी रोमांच से किसी भी मामले में कम नहीं है। पूर्वी छोर पर हम अंडमान निकोबार द्वीप समूह को पाते हैं तो पश्चिमी छोर पर लक्षद्वीप समूह को। इन द्वीपों की यात्रा के बिना साहसिक पर्यटन के जुनून को विराम नहीं लगता है। दोनों ही द्वीप समूहों की पर्यटक हितैषी प्रशासनिक व्यवस्था के कारण हमारी यात्रा बिना किसी रोक रुकावट के पूरी होती है और समुद्र के नीचे की हमारी यात्रा हमें पर्यटन की बुलंदियों पर पहुँचाती है।



## कर्नाटक

भारत के विभिन्न पहाड़ी-पठारी भौगोलिक परिदृश्य में कई क्षेत्रों में विशाल रॉक स्थलाकृतियां पाई जा सकती हैं लेकिन रॉक पर्वतारोहियों के साहसी रवैये को आकर्षित करने वाली समृद्धि केवल कर्नाटक में पाई जाती है। इस दक्षिण भारतीय राज्य को कई अद्भुत चट्टानी चढ़ाई वाली जगहों जैसे मधुगिरि, सावनवर्ग, रामनगरम, हम्पी, बादामी, थुरली, कबाल और कई अन्य स्थानों से रॉक क्लाइम्बिंग के लिए प्रसिद्धि प्राप्त है। रॉक क्लाइम्बिंग करने वाले जुनूनी क्लाइम्बर्स के लिए सही में यह चट्टानी इरादों के साथ चढ़ाई के लिए एक जरूरी मंजिल है।



## मेघालय

अगर आप वास्तव में कुछ अलग दर्जे की साहसिक गतिविधियों का अनुभव करना चाहते हैं तो गुफा अन्वेषण के रोमांच से बढ़कर कुछ भी नहीं हो सकता है और भारत में मेघालय से 'सुंदर गुफाओं की भूमि' होने का सम्मान भी कोई नहीं ले सकता। साहसिक पर्यटन की यात्रा में मेघालय की गुफाएं एक अद्वितीय पड़ाव हैं जो पर्यटकों को एक प्राचीन परिवेश के सम्मोहन में मंत्रमुग्ध भाव से आने को विवश कर देती हैं।

# UTTAR PRADESH PIONEERING IN AVIATION INFRASTRUCTURE DEVELOPMENT



**U**ttar Pradesh is on the path of becoming Uttam Pradesh, thanks to the able leadership of Chief Minister Yogi and support of the central government. The state is showing immense development on all fronts – Aviation being one of them. Civil aviation sector is an enabler of economic growth and development of the state and the country. The state has released its Civil Aviation Promotion Policy of Uttar Pradesh 2017 to provide the necessary direction for the growth of this sector in the state.

State government is committed to improve civil aviation related infrastructure and air connectivity in Uttar Pradesh. The state has the highest population in India yet only 1% of the total population travels by air. The state government is taking a number of steps to provide air connectivity and affordability to each of its citizens.





## Present Aviation Scenario

The passenger air traffic in Uttar Pradesh has grown in the year 2016-17 by 30% to 6.1 million passengers. There is a huge untapped potential given that only 1% of the total population travels by air. Six airports provide intra-state and inter-state air connectivity. These are Lucknow, Varanasi, Allahabad, Gorakhpur, Agra and Kanpur. Lucknow airport serving 65% of the passenger air traffic demand in Uttar Pradesh followed by Varanasi 32%, Allahabad 2.4%, Gorakhpur 0.9%, Agra 0.2% and Kanpur 0.1% in 2016-17.

There are 18 divisional headquarters and 75 districts in U.P. The existing status of airports/air connectivity to 18 Divisional headquarters in Uttar Pradesh is as follows:

- Airports at Lucknow, Varanasi, Gorakhpur are fully functional airports
- Airports at Agra, Allahabad, Kanpur are operational defence airports, wherein civil enclave is under construction
- Bareilly has an air force station where civil enclave is being developed by AAI
- Through an MOU with AAI, airstrips at Meerut, Moradabad, and Faizabad



**Nand Gopal Gupta 'Nandi'**,  
UP cabinet minister of stamp,  
registry and civil aviation

**“IN THE INITIAL PHASE, SIX PILGRIMAGE SITES WILL BE CONNECTED WITH HELICOPTER SERVICE. THESE SITES INCLUDE VINDHYACHAL, CHITRAKOOT AND NAIMISHARANYA. HELIPADS ARE BEING CONSTRUCTED AT THESE PLACES. IN THE SECOND PHASE, OTHER PLACES OF RELIGIOUS SIGNIFICANCE WILL BE COVERED.”**

have been handed over to AAI for upgradation.

- Jhansi, Chitrakoot, Azamgarh, Aligarh are having state owned airstrips at Divisional level which can be developed as No-Frills Airports
- Divisions of Sonbhadra (Mirzapur) and Shravasti (Gonda/Devipatan)

have airstrips at a place other than Divisional headquarters, which need to be upgraded to No-Frills Airports

- Saharanpur division has a defence airport, which can be developed as No Frills Airports
- Basti division—does not have any airport related facility.





**Ashok Gajapathi Raju**, Union minister for civil aviation

**“ALLAHABAD WILL BE CONNECTED TO 13 CITIES OF THE COUNTRY. NO ONE WOULD HAVE IMAGINED THIS A FEW YEARS AGO. WHEN THE BJP CAME TO POWER, THERE WERE 476 AIRSTRIPS IN THE COUNTRY AND ONLY 75 OF THEM WERE AIRPORTS. IN THREE YEARS, WE HAVE ADDED 18 AIRPORTS. ONLY 1% POPULATION OF UTTAR PRADESH TRAVELS BY AIR THAT IS WHY THERE IS A HUGE UNTAPPED PASSENGER POTENTIAL. AIR TRAFFIC IS INCREASING IN UP AT A RATE OF 28.8% WHILE CARGO IS GOING UP BY 32%. THIS IS WHEN MOST OF THE POTENTIAL REMAINS UNTAPPED. LUCKNOW AIRPORT WOULD SOON HAVE A UNIT OF MAINTENANCE, REPAIR AND OPERATIONS. IT WILL GIVE SERVICES FOR AIRCRAFTS AT THE LOWEST POSSIBLE RATES NOT ONLY IN INDIA BUT GLOBALLY TOO.”**



### **New No Frills Airports**

Uttar Pradesh is planning to upgrade 10 airstrips to no frills airports in 10 divisions (Merut, Moradabad, Faizabad, Saharanpur, Jhansi, Chitrakoot, Azamgarh, Aligarh, Sonbhadra, and Shravasti). This is being done keeping in mind the huge tourism potential in the state. Uttar Pradesh saw 212 million domestic (2nd highest in India) and 3 million foreign travelers (3rd highest in India) in 2016.

### **New Helipads/Heliports**

The government is planning to connect the tourist destinations like Vrindavan, Mathura, Naimisharanya, Chandra Prabha, Mahoba, Chunar, and Deogarh by developing helipads and heliports. At present there are 68 helipads (4th highest in India).



## Regional Connectivity Scheme (UDAN)

Uttar Pradesh got nine out of 25 routes finalized by the Centre under the regional connectivity scheme. Uttar Pradesh would get nine more airports in next 15 months at Aligarh, Azamgarh, Bareilly, Chitrakoot, Jhansi, Moradabad, Myrupur (Sonbhadra), Allahabad, and Shravasti.

## Avenues of job creation

Aviation sector will provide around 50,000 jobs in Uttar Pradesh in the next five years. Jewar airport would be the biggest airport of the country spread over 5000 hectares and would have four terminals and runways of 1000 hectares each. Jewar airport will see about 1,000 landing and take-offs in a day. The government would invest ₹15,000 crore in Jewar airport and cargo hub and ₹354 crore in Kushinagar airport.



## RESULT OF 2ND RCS BIDDING

Aligarh	Lucknow	Approval Awaited
Allahabad	Bengaluru	Indigo
	Bhopal	Indigo
	Bhubaneshwar	Indigo
	Mumbai	Indigo
	Dehradun	Indigo
	Gorakhpur	Indigo
	Indore	Jet Airways
	Kolkata	Indigo, Zoomair
	Lucknow	Jet Airways, Turbo Aviation
	Nagpur	Jet Airways
	Patna	Jet Airways
	Pune	Indigo
	Raipur	Indigo
Azamgarh	Lucknow	Approval Awaited
Bareilly	Delhi	Jet Airways
	Lucknow	Jet Airways, Approval Awaited
Chitrakoot	Lucknow	Approval Awaited
Jhansi	Lucknow	Approval Awaited
Moradabad	Lucknow	Turbo Aviation
Mayurpur (Korba)	Lucknow	Approval Awaited
Shravasti	Lucknow	Turbo Aviation



# WHAT INDIA CAN LEARN FROM GLOBAL GENERAL AVIATION MARKETS

*General aviation is defined as all aviation other than military and scheduled commercial airlines. Global general aviation market is showing great prospects and poised for higher growth, thanks to the emerging markets. Aviation Chronicle, looks up in the sky towards top general aviation markets in the world and compares it with that of India.*

By Rajeev Suman





The future looks promising for general aviation (GA) market because of the emerging markets across the globe are driving it towards further heights. Business jet segment generated being the highest revenue generator clocked in 75% of the total market share in 2016 and is expected to continue the same dominance in future. Large cabin jets are preferred, due to their fuel efficiency. Despite lower economic status in poor countries, the affluent classes have high purchasing power; thus, most of the sales are of high-value, long-range large-cabin jets.

ranging from two-seat training aircraft and utility helicopters to intercontinental business jets, of which over 210,000 aircraft are based in the United States and over 140,000 aircraft are based in Europe – the two biggest geographies in global general aviation market.

When we look at the general aviation infrastructure across the world, the USA is leading the pack with huge margin. Such infrastructure includes number of airports, heliports, and all types of flying vessels followed by UK, Germany, China and France.

Country	USA	UK	Germany	China	France
Aircrafts	164293	15192	8338	3412	2240
Rotors	10506	1290	733	385	83
Airports	13513	462	541	300+	473
Heliports	5287	9	2	700+	1

Source: General Aviation Statistical Data book, 2017, GAMA

The global general aviation market revenue is expected to increase during 2017-2022 due to the infrastructural development, growth in demand among developing economic countries, like India. The major roadblocks for the Indian general aviation market growth are the stringent regulatory norms, expensive services, and the lack of infrastructures to support such aircraft. However, this situation is changing, for instance, the first heliport built in Delhi, India, is expected to boost the Indian helicopter market and, thus, accelerate the general aviation sector.

The penetration of rotary wing in civil aviation is quite substantial in North America, Europe, and some countries of Latin America, whereas, is negligible in countries like India where the lack of connectivity and airports make helicopters more useful. This is expected to be a major propellant for the helicopter industry in developing economies.

We will deep dive into three GA markets (USA, UK, and China) for better understanding. Individual data on Germany and France is inconsistent and scant. We will try to cover these separately in future publications.

Overall global general aviation includes over 416,000 general aviation aircraft flying today,

- Supports \$219 billion in total economic output and million total jobs in the United States
- In the U.S., flies over 24 million flight hours, of which two-thirds are for business purposes
- Flies to more than 5,000 U.S. public airports, while scheduled airlines serve less than 400 airports. The European general aviation fleet can access over 4,200 airports

Here is a geographic breakup of aircrafts world wide

**Customer Delivery Region (in Percent of Total) for General Aviation Airplane Shipments by Type of Airplane Manufactured Worldwide 2016)**

Type	North America	Europe	Asia Pacific	Latin America	Middle East and Africa
Piston	70%	10%	10%	6%	4%
Turboprop	58%	11%	13%	10%	8%
Business Jet	62%	19%	8%	6%	5%

Source: General Aviation Statistical Data book, 2017, GAMA

# UNITED STATES OF AMERICA

North America is witnessing the majority of sales, among others. The United States accounted for about 50% of the aviation aircraft that was sold, worldwide, in 2016. Countries, like India and China, have potential to be the future leaders in the global general aviation market. In 2016, gradual decline in deliveries of the general aviation industry continued from the previous year. While the business jet deliveries by US manufacturers continued their modest increase by 1.8% compared to the previous year, turboprop deliveries were down by 2.1%, single engine piston deliveries declined by 7.4% and much smaller category of multi-engine piston deliveries declined 23.3%.

US	Total	Piston	Turboprop	Business Jet	Rotors
2016	169675	137080	9420	12635	10540
2017	169120	136095	9310	12870	10845
2018	168650	135150	9235	13125	11140
2019	168240	134220	9195	13395	11430
2020	167875	133295	9190	13680	11710
2021	167520	132345	9215	13975	11985
2022	167220	131405	9270	14285	12260
2023	166935	130440	9350	14610	12535
2024	166705	129470	9465	14965	12805
2025	166525	128505	9600	15340	13080

Source: General Aviation Statistical Data book, 2017, GAMA



# UNITED KINGDOM

Although getting accurate data on UK GA is difficult there are around 27,000 civil aircraft registered in the UK, of which over 90% are involved in GA. GA covers most of aviation that is not Commercial Air Transport, or airlines to most people. It also includes aerial survey work for utility and transport companies as well as

emergency medical services such as organ donation ferry flights, air ambulance and of course the police.

GA is regulated by the Civil Aviation Authority (CAA), although regulatory powers are being increasingly transferred to the European Aviation Safety Agency

(EASA). The main focus is on standards of airworthiness and pilot licensing, and the objective is to promote high standards of safety. At the lighter end of the GA spectrum some regulatory authority is devolved to representative bodies, and gliding is in transition from a self-regulatory model to more formal governance by EASA.



Airspace regulation necessary to protect an increasing number of CAT operations has reduced the area in which GA flights can be freely conducted. The growth in CAT is also making access to larger airports more difficult for the GA sector, and smaller

aerodromes are vulnerable to closure and re-development for more profitable uses. The UK planning system has no remit to consider the national significance of GA public transport operations, and generally does not favour the development of smaller

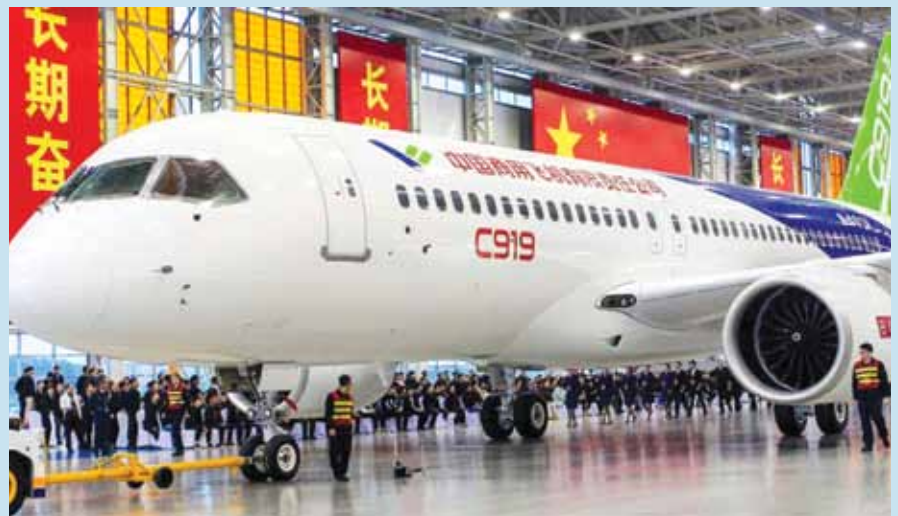
aerodromes catering to the GA market. The planning process has become a mechanism for addressing local aerodrome-related environmental issues which, particularly regarding noise, are the main subjects of public criticism levelled at GA.

## CHINA

Massive changes to China's general aviation infrastructure and policies are ahead after recent initiatives announced by the Chinese State Council. The government plans to construct 300 new general aviation airports by 2020. To facilitate that expansion, it has lowered the approval level for airports from the central government to the provincial governments, and it will encourage private investment in building airports.

By the end of 2016, the number of general aviation aircraft reached 1,472 and China had more than 300 general aviation airports. China currently has a total of 224 general aviation companies, with the total number of general aviation pilots at 2,524. There are currently 20 pilot training schools in China. By 2020, China plans to have 500 general aviation airports and more than 5,000 general aviation aircraft.

Although the total number of GA companies, the size of the fleet, and flight hours are still relatively small, the potential importance of this industry to the Chinese economy in the



long-term has led aircraft OEMs and Chinese government officials to devote significant resources towards capacity-building for general aviation. According to CAAC, Chinese GA OEMs located in Guangdong, Shandong, Hunan, Henan, Hebei, Liaoning, Chongqing, and other provinces have put into operation 17 types of GA aircraft and helicopters that are in line with airworthiness standards. China has initially formed a GA industry structure that includes GA equipment manufacturing, GA operation, maintenance, GA airport construction, air traffic control services, and financial

services. CAAC announced its 13th Five Year Plan on General Aviation Development. By 2020, China plans to have more than 5,000 general aviation aircrafts and 500 general aviation airports.

With the rise of the GA market, China could become the fastest-growing helicopter market in the world. As of 2016, China's fleet of civil helicopters reached more than 700 in total. Over the next ten years, China's civil helicopter needs are expected to rise to about 1,500 helicopters.

# INDIA: A PRESENT UNDERDOG, FUTURE STAR

In comparison to the biggest GA markets globally, India seems to be an underdog. However recently, the GA sector has been growing new wings and is poised to become one of the fastest growing markets in the world.

Indian Aviation sector is growing at a high rate. India has witnessed a significant growth in the number of non-scheduled airline operators. Total number of operators registered with DGCA as of 26 Sep 2017 is 112. This is a 211% rise from 36 operators in 2000.

While the present ownership pattern in Indian General Aviation sector indicates a fragmented sector with majority of the players owning less than 10 helicopters or aircrafts. As per DGCA, the General Aviation (GA) fleet in India comprises around 339 helicopters and small aircrafts combined as of 29 Sep 2017. The Government had announced 100% FDI in general aviation which was welcomed by the industry with caveats. The biggest challenge was inadequate parking and landing slots for general aviation



**Kapil Kaul,**  
CEO, South Asia, Centre for  
Asia Pacific Aviation (CAPA)

**“BRINGING 100% FDI IN NON-SCHEDULED AIR TRANSPORT SERVICES, ESPECIALLY IN THE HELICOPTER SECTOR IS A WELCOME MOVE. WITH THE DRAFT CIVIL AVIATION POLICY PROVIDING A STRUCTURAL LIFT TO THE HELICOPTER OPERATIONS IN INDIA, 100% FDI WILL BRING IN CAPITAL AND EXPERTISE AND SHIFT DYNAMICS COMPLETELY,”**







## AIR AMBULANCES IN INDIA

Medical evacuations (med-evacs) are not just in short supply but even those that offer services can't move patients at night because most airports do not have the facilities to land at night. Arguably India's most advanced med-evac systems, Medanta's Flying Doctors India cannot operate at night from smaller cities.

In Mumbai, air ambulance operators get at least one query a day, but less than half get converted into bookings owing to multiple factors that include shortage or unavailability of aircraft. Among the top 10 populous cities in the world, Mumbai does not have more than three tailor-made aircraft to fly critically ill people.

Currently, chartered aeroplanes are converted into air-ambulances that are fitted with portable life-support, which is not only expensive but also a waste of time. Having a dedicated air ambulance does away with preparation time, we can get permits and take off within an hour of getting a call. However, what we do is hugely insufficient as Delhi-NCR caters to all of north India and neighbouring countries. Current charges are between Rs 65,000 and Rs 70,000 per hour of flying time that can come down by 20% depending on how busy the airport is.

Recently, Bruhat Bangalore Mahanagara Palike (BBMP) announced eight new helipads in Bangalore to transport patients in critical condition in air ambulances. This will also help accident victims reach hospitals faster during the golden hour. At present, the city has over 50 helipads, most of them on private properties. BBMP's plan to develop its own helipads will be the first of its kind in India to be owned by an urban local body. Some private helicopter services ply between Electronics City and the international airport to cater to techies who often fly.

Manipur Chief Minister N. Biren Singh announced that an air dispensary will start functioning soon in Manipur. The Central government plans to introduce a helicopter-based Dispensary/OPD service in far-flung and remote areas where no doctor or medical facility is available and patients also do not have access to any medical care. According to health department officials, the service will also be launched simultaneously in Meghalaya.

in Delhi and Mumbai airports. As per industry estimates, an investment to the tune of \$4 billion is required in General Aviation by 2017.

When it comes to fleet utilization in general aviation segment, 70% of the total is utilized by the corporates and 15% by oil and gas sector. In India 35% of general aviation aircraft capacity is underutilized. Here the maximum utilization per aircraft is 400 hours per year as compared to 800 to 900 hours internationally.

"Bringing 100% FDI in non-scheduled air transport services, especially in the Helicopter sector is a welcome move. With the draft civil aviation policy providing a structural lift to the Helicopter operations in India, 100% FDI will bring in capital and expertise and shift dynamics completely," said Kapil Kaul, CEO, South Asia, Centre for Asia Pacific Aviation (CAPA).

There are 352 airports in India which again account for only 1% of the total number of airports globally. There are only 150 airports in the country capable of handling business aviation aircraft. However, there is significant variation in the level of infrastructure and facilities available at these airports. Aviation infrastructure capable of handling big commercial jets is not readily available in most of Tier II and Tier III cities in our country.



# AVIATION GETS A BUDGET PUSH

## INDUSTRY REJOICES ON INFRASTRUCTURE DEVELOPMENT

₹6,602.86 crores in the current fiscal. However, about 67% of the funds are being provisioned for the purchase of two new aircraft for VVIP flights. A total of ₹4,469.50 crores has been provisioned for “purchase of two new VVIP aircraft for special extra section flight operations.



**Ajay Singh**, Chairman and Managing Director, SpiceJet

**“THIS INITIATIVE HAS THE POTENTIAL TO TRANSFORM THE INDIAN AVIATION SECTOR AND MAKE INDIA A GLOBAL AVIATION SUPERPOWER.”**

**T**he civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India is currently considered the third largest domestic civil aviation market in the world. According to International Air Transport Association IATA, India will displace the UK for the third place in 2025. The Civil Aviation industry has ushered in a new era of expansion, driven by factors such as low-cost carriers (LCCs), modern airports, Foreign Direct Investment (FDI) in domestic airlines, advanced information technology (IT) interventions and growing emphasis on regional connectivity.

Domestic air traffic rose 17.69% year-on-year in December 2017, continuing its

double-digit growth, according to the civil aviation regulator Directorate General of Civil Aviation (DGCA). About 11.24 million passengers flew in December 2017, up from 9.55 million a year earlier. Passengers carried by domestic airlines during 2017 were 117.1 million as against 99.89 million during the corresponding period of previous year, thereby registering a growth of 17.31%, as per the DGCA. As of December 2017, the existing fleet of aircraft stands at 548 aircraft in India, and another 920 aircrafts are expected to be inducted into the fleet by 2025.

In the union budget 2018, the government of India almost upped the budgetary allocation to the ministry of civil aviation by three times. It has been increased to



**DOMESTIC AIR TRAFFIC ROSE 17.69% YEAR-ON-YEAR IN DECEMBER 2017, CONTINUING ITS DOUBLE-DIGIT GROWTH, ACCORDING TO THE CIVIL AVIATION REGULATOR DIRECTORATE GENERAL OF CIVIL AVIATION (DGCA). ABOUT 11.24 MILLION PASSENGERS FLEW IN DECEMBER 2017, UP FROM 9.55 MILLION A YEAR EARLIER.**



**IN THE UNION BUDGET 2018, THE GOVERNMENT OF INDIA ALMOST UPPED THE BUDGETARY ALLOCATION TO THE MINISTRY OF CIVIL AVIATION BY THREE TIMES. IT HAS BEEN INCREASED TO ₹6,602.86 CRORES IN THE CURRENT FISCAL.**

As per the budget document, an amount of ₹506 crores are to come for Air India in the next fiscal by way of IEBR (Internal and Extra Budgetary Resources). IEBR refers to a company raising funds

through internal resources and external borrowings.

In the case of Airports Authority of India (AAI), the budgetary allocation has been

slashed to ₹73.31 crore from ₹149.93 crore in 2017-18. AAI is to mop up ₹4,086 crores by way of IEBR. The document said that Grants-in-Aid is extended to AAI "as reimbursement of expenditure already done by them on the existing projects. The funds are provided for Pakyong airport.

Among others, ₹50 crores have been allocated for Indira Gandhi Rashtriya Udaan Academy and National Aviation University. In 2018-19, both Directorate General of Civil Aviation (DGCA) and Bureau of Civil Aviation Security (BCAS) would receive slightly higher allocation of



₹210 crores and ₹70 crores, respectively. Helicopter services provider Pawan Hans is to raise ₹9 crores through IEBR in next fiscal, according to the document.

### **NABH (NextGen Airports for Bharat) Nirman**

The government announced a new initiative — NABH Nirman, under which it proposes to expand airport capacity in the country by over five times to handle a billion trips a year. In the last three years, domestic air passenger traffic grew at 18% a year and the airline companies placed orders for more than 900 aircraft.

Under the regional connectivity scheme UDAN, 56 unserved airports and 31 unserved helipads across India would be connected. The government has increased



**Amitabh Khosla**, Country Director-India, IATA

**WE WELCOME THE FOCUS ON AIRPORT INFRASTRUCTURE CAPACITY, ANNOUNCED IN THE BUDGET. IN OUR 20-YEAR PASSENGER FORECASTS, IATA ANTICIPATES THAT INDIA WILL BECOME THE THIRD-LARGEST AVIATION MARKET BY 2024. HOWEVER, THIS IS BY NO MEANS GUARANTEED. TO MAKE THIS A REALITY, AIRPORT CAPACITY IN INDIA NEEDS TO BE AUGMENTED AND EXPANDED QUICKLY.**



**Pierre de Bausset**, President and Managing Director, Airbus India

**“THE AVIATION SECTOR APPEARED BUOYED BY THE MEASURES ANNOUNCED IN THE UNION BUDGET 2018., THE BUDGET HAS SOUGHT TO STRIKE A BALANCE BETWEEN INDIA’S NEED FOR ECONOMIC GROWTH AND THE WELLBEING OF ITS CITIZENS. IT ADDRESSES ASPIRATIONS OF A MODERNIZING NATION THROUGH INITIATIVES TO EXPAND AIR CONNECTIVITY UNDER THE UDAN SCHEME. THE GOVERNMENT HAS ALSO ANNOUNCED MEASURES TO PUSH ITS ‘MAKE IN INDIA’ PROGRAM, INCLUDING PLANS FOR TWO DEFENSE INDUSTRIAL CORRIDORS AND A NEW INDUSTRY-FRIENDLY DEFENSE PRODUCTION POLICY IN 2018. WE HOPE SUCH STEPS WILL FOSTER A SUSTAINABLE ECO-SYSTEM THAT WILL PROMOTE INVESTMENT AND HELP EXPEDITE MODERNIZATION OF THE ARMED FORCES IN A CONSTANTLY EVOLVING STRATEGIC ENVIRONMENT.”**

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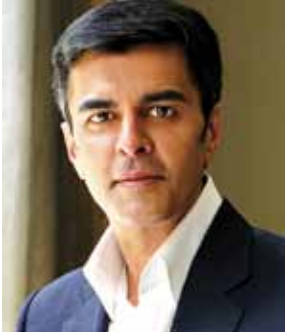
There is no dearth of information about the industry but it is scattered all across. AVIATION CHRONICLE aims to bring to the table a sustained and reliable source of consolidated information that provides free and fair analysis on the real situation on the ground in India and clearly outline the challenges as much as the opportunities.

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**Raaja Kanwar**, Managing Director, Apollo LogiSolutions Limited

**WE WELCOME THE PROPOSAL OF THE NATIONAL LOGISTICS PORTAL AS IT WILL IMPROVE THE TRANSPARENCY AND VISIBILITY OF CARGO MOVEMENT ACROSS THE COUNTRY. THE GOVERNMENT'S PLAN TO EXPAND ITS CURRENT 124 AIRPORTS BY FIVE TIMES SEEMS SKEWED IN FAVOR OF PASSENGER MOVEMENT, HOWEVER THE DEVELOPMENT OF AIRPORTS ACROSS THE BOARD IS A POSITIVE SHIFT IN BUILDING A ROBUST LOGISTICS NETWORK. WE EXPECT THAT FREIGHT MOVEMENT IS GIVEN DUE COGNIZANCE AS WELL."**

the allocation to fund the scheme by five times to ₹1,014 crores. This proposal is for revival of 50 airports and viability gap funding for north-east connectivity. An amount of ₹650 crore is proposed to be invested in Air India, for which disinvestment process is being kicked off during the next financial year. This allocation stood at ₹1,800 crores for 2017-18.

The Economic Survey released in January 2018, noted that India is the third largest and the fastest growing domestic aviation market in the world in terms of number of domestic tickets sold. The growth in the aviation sector has helped in expanding the country's tourism sector. "Outbound tourism has also picked up in recent years, with the number of departures of Indian nationals from India growing by 7.3% to 21.9 million during 2016, from 20.4 million in 2015. This is more than double the foreign tourist arrivals in India. Domestic tourist visits grew by 12.7% to 1,614 million in 2016 from 1,432 million in 2015. In the current fiscal till September, domestic airlines carried 57.5 million passengers, a growth rate of 16% over the year-ago period. During this period, scheduled Indian and foreign carriers ferried 29.2 million passengers to and from India - a growth of 9% compared to the same period a year ago. During this period, the domestic air cargo handled was 0.61 million MT showing a growth of 10.27% over the corresponding previous year time period, and international air cargo handled was 1.07 million MT showing a growth of 19.02%.

There were hopes from the industry that in the budget, the government will notify



**Amar Abrol**, MD and CEO, AirAsia, India

**"WE BELIEVE THAT TOURISM WILL BE THE BIGGEST CONTRIBUTOR TO THE AVIATION INDUSTRY AND THIS YEAR'S BUDGET IS A TESTIMONY TO THAT. WE LOOK FORWARD TO THE 10 ICONIC TOURISM DESTINATIONS THAT THE GOVERNMENT WILL PROMOTE THIS YEAR, AS PART OF THE PROPOSED BUDGET"**

ATF as a declared good. It is much more prudent to generate tax from final goods and services than a raw material (ATF). It should be noted that ATF in India is 55-60% costlier than the Gulf and Asean region. The cascading effect of ATF taxes

have brought ruin to the airline sector. The industry hoped that a uniform levy of 4% across India on ATF will be announced. There was almost a complete silence on ATF in the budget which was a matter of concern for the industry.

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