

Tender for Navi Mumbai airport by July end

City and Industrial Development Corporation (Cidco) of Maharashtra will float global tenders for the Navi Mumbai International Airport project by the end of this month. CIDCO, which invited international developers for the tendering process, will scrutinise [page 4](#)

Uphill task ahead for airlines in connecting smaller towns

Government is reworking capacity distribution norms for airlines to ensure better connectivity for smaller cities and towns, but the move could spell problems for carriers not geared for small airports. Experts say that while the new route dispersal guidelines.... [page 2](#)

Mumbai heliport yet to take off even after 2 yrs

It has been over two years since the state government planned the ambitious heliport project for the Mumbai Metropolitan Region (MMR). With not a single brick moving for over two years, the project seems to be in troubled waters. As per the plan, the Urban.... [page 4](#)

AirAsia extends Airbus deal to 300 planes

Taking its record-breaking order to 300 planes, AirAsia will buy an extra 100 Airbus A320neo jets, a deal that would make the Malaysia-based [page 2](#)

Boeing expects \$150 bn market from India

Boeing expects India's commercial airplane market to reach USD 150 billion over the next 20 years driven by double digit growth and economic.... [page 3](#)

After fake pilots, now fake flying school

After fake pilots, now a fake pilot training institute has been detected in Palam Extension, Dwarka of Delhi, last week. An institute promising [page 3](#)

HC to take action against DGCA

The Kerala high court will start contempt proceedings against aviation regulator, the Directorate General of Civil Aviation (DGCA), and India's [page 4](#)

Airbus Sold 777 aircraft in first 6 mths

In the first half, Airbus has sold 777 aircraft including record-breaking orders at the Paris Air Show, the European plane maker said on Thursday, July 7. The net total of orders after [page 2](#)

Civil aviation is focus of Indo-US tech collaboration

To harness opportunities in aviation sector, Indian and US companies will be increasingly looking at innovative models. This will include aircraft and aircraft components, air traffic management, maintenance, repairs and overhaul, aviation safety, security and capacity building.

This was stated by Foreign Secretary Nirupama Rao at the eighth meeting of the India-US High Technology Co-operation Group (HTCG). The last meeting of the group was held in Washington in March 2010.

Speaking on the occasion, US Under-Secretary of Industry, Department of Commerce, Eric Hirschhorn, said that there was a lot of interest on the issue of dual use technology even though a miniscule percentage of US exports came under that category—less than 1 per cent. Even in that, 99 per cent of the applications of US companies for licences to export dual use items to India had been cleared, he said. This year many Indian entities have also been removed from the Entity List which is set to spur high-technology trade between the two countries.

Deputy Chairman of Planning Commission Montek Singh Ahluwalia gave a broad overview of the role of advanced technology and innovation in the country's development plans. Foreign direct investment (FDI), he said, was the most stable form of long-term capital inflow and we needed more of that especially in high-technology areas. Development of infrastructure will be a high priority for the government in the next five years, he stressed.



Foreign pilots to be phased out: DGC

Foreign pilots, are expected to be phased out by 2013, according to a top aviation official on Monday, July 11. Foreign pilots account for around... [page 2](#)

127 killed in DR Congo plane

An airliner crashed into dense forest as it tried to land during a rainstorm in the Democratic Republic of Congo on Friday, July 8, killing [page 2](#)

Unions to help revive Air India: Minister

Civil Aviation Minister Vayalar Ravi has said that talks between his Ministry and the unions of Air India were successful and the employees have [page 3](#)

Delhi to have India's tallest ATC tower

After the biggest terminal and the longest runway, Delhi airport is all set to have the tallest Air Traffic Control (ATC) tower in the country. At 100 metres,.... [page 4](#)

Airbus has \$35 bn orders from India

European plane maker Airbus has orders worth \$35 billion from India, a senior company executive said on Friday, July 8, with recent record order wins in the fast growing market.... [page 3](#)

Delhi, Mumbai airport developers face tax liability

The Union government has decided to impose service tax on the development fee the Mumbai and Delhi airports collected before the levy was banned, dealing a further blow to the operators facing a funding gap. [page 3](#)

AAI to issue notices to high-rises without NOC

The Airports Authority of India (AAI) will issue notices to the builders of high-rise apartments and flat complexes which had not availed of the No-objection Certificate (NOC) required for constructing the buildings... [page 4](#)

China to invest \$232 bln in aviation: Report

In the next five years, China will invest over CNY1.5 trillion yuan (USD\$232 billion) in the aviation industry and will push consolidation among airlines to hone their international competitiveness. According to Li... [page 2](#)

Insight@firstinfocentre.org

127 killed in DR Congo plane

An airliner crashed into dense forest as it tried to land during a rainstorm in the Democratic Republic of Congo on Friday, July 8, killing 127 people on board, the Congolese Transport Ministry said. There were 51 survivors, a Ministry statement said. The chief executive of the airline involved in the crash, Hewa Bora, said earlier that there had been 110 people on board the plane, of whom 53 had died and 57 survived.

But a spokesman for the Transport Ministry, Gudile Bualya, accused the airline of underestimating the number of passengers. The accident at the international airport of Kisangani, a commercial centre and river port town in the east, is the latest in a string of disasters in the vast central African country which has saddled it with one of the worst air safety records in the world. "The pilot tried to land but apparently they didn't touch the runway," Stavros Papaioannou, Chief Executive of Hewa Bora airline said.

Hewa Bora is on a European Union list of airlines banned due to security concerns, as are all carriers certified in Congo. It is the second fatal accident involving the airline in three years, after a DC-9 airliner crashed into a suburb of the eastern Congolese city of Goma, killing 44, in 2008.

China to invest \$232 bln in aviation: Report



In the next five years, China will invest over CNY1.5 trillion yuan (USD\$232 billion) in the aviation industry and will push consolidation among airlines to hone their international competitiveness. According to Li Jiexiang, head of industry watchdog, the Civil Aviation Administration of China, stated that the country would institute favourable tax policies to help domestic airlines open new international passenger and cargo routes.

Li also said that China's three biggest carriers, Air China, China Southern Airlines and China Eastern Airlines, were still too small in scale compared with global rivals. "Via government guidance and market operations, we must push ahead industry consolidation to form, as soon as possible, two or three airline companies with wide networks that are strongly competitive internationally," Li said.

China would build more regional airports, especially in the less-developed western region. The industry regulator has said that China will add more than 45 airports over the next five years, bringing the total to more than 220. State media has also reported that Chinese

airlines are expected to nearly double the size of their fleet to 5,000 jets by 2015, to meet robust demand for air travel in the world's fastest-growing major aviation market.

AirAsia extends Airbus deal to 300 planes



Taking its record-breaking order to 300 planes, AirAsia will buy an extra 100 Airbus A320neo jets, a deal that would make the Malaysia-based low-cost airline one of the world's largest carriers. AirAsia and Airbus announced an USD\$18.2 billion deal for 200 planes at the Paris Air Show last month, shattering aviation records for the largest ever airline order. The additional order takes the list price of the contract to a staggering USD\$27 billion.

The bumper order highlights Airbus's growing lead over Boeing and throws the spotlight on AirAsia's aggressive growth plans at a time when high oil prices and an uncertain global economy are clouding the outlook for travel demand. Analysts expect the extended order to drive AirAsia's expansion as it competes with short-haul carriers such as India's IndiGo, Singapore's Tiger Airways and Australia's Jetstar in the Asia-Pacific region, the fastest growing in the world.

"AirAsia's last replacement order was in 2007/2008. These new orders are long overdue so it's not an aggressive order," said Kunal Sinha, an aerospace expert with the Frost & Sullivan consultancy. "AirAsia's new fleet is to be used mostly to link Southeast Asia to India and China. By 2015, Southeast Asia will have open skies so you have to have a growth plan."

Boeing on last Wednesday said it expected 33,500 new planes to be delivered by 2030, driven by growth in India and elsewhere in Asia.

AirAsia plans to list its operations in Thailand and Indonesia this year as it expands in those markets and is in talks to open a hub in Singapore, its Chief Executive Tony Fernandes has said.

Like the previous order, the additional 100 planes would also use CFM International engines, the source with direct knowledge of the deal said.

The source said AirAsia would receive a discount for the entire order, but did not give further details. AirAsia, which flies to 63 destinations in more than 20 countries, has 90 planes currently, almost all single-aisle Airbus A320s. Besides the 300 Airbus A320neo deal, it has another 75 Airbus aircraft already on order.

According to International Air Transport Association (IATA) data, United Continental had the largest passenger fleet of 737 planes at the end of 2010, followed by Delta Air Lines with 722, American Airlines with 618 and Lufthansa with 427. Non-IATA member Southwest

Airlines, the only low-cost carrier currently in the top five, has around 550 planes.

Airbus Sold 777 aircraft in first 6 months

In the first half, Airbus has sold 777 aircraft including record-breaking orders at the Paris Air Show, the European plane maker said on Thursday, July 7. The net total of orders after cancellations stood at 640 aircraft. The total does not include 88 A320 jets sold to China on June 28 amid tensions with Europe over emissions trading rules.

"Some details still need to be finalised," a spokesman said.

Airbus delivered 258 aircraft including 10 A380 superjumbos between January and June.

Foreign pilots to be phased out: DGC

Foreign pilots, are expected to be phased out by 2013, according to a top aviation official on Monday, July 11. Foreign pilots account for around 20 per cent of pilots employed by Indian air carriers. "We hope by 2013, India can do without foreign pilots," Director General of Civil Aviation E K Bharathbhushan said.

Bhushan said more and more youth are entering the aviation field and backed up by many flying schools there is a good scope to have only Indian flying crew. The number of expat pilots have started going down in the past few years due to pressure from Indian pilots' bodies on DGCA to force airlines to phase them out. Foreign pilots are also paid higher salaries.

According to the DGCA, the Indian civil aviation regulatory authority, there were 686 foreign pilots with airlines in India in 2009. As of March 2011, the number was around 350. There are about 1,300 Indian pilots.

Uphill task ahead for airlines in connecting smaller towns

Government is reworking capacity distribution norms for airlines to ensure better connectivity for smaller cities and towns, but the move could spell problems for carriers not geared for small airports. Experts say that while the new route dispersal guidelines, which require airlines to increase flights to small cities and towns, will boost air transport infrastructure, they can also balloon costs for airlines that don't have smaller aircraft and prefer operating only on profitable metro routes.

"In the new guidelines, we are trying to expand Category I by adding to it small cities from Category III, say Ahmedabad for example, which have good connectivity and demand," a senior Civil Aviation Ministry official said. The new route dispersal guidelines are awaiting the Aviation Minister's approval and could be cleared within a few weeks. Non-compliance could lead to an airline's licence being scrapped. Route dispersal guidelines sort out domestic routes into three categories.

Category I represents the profitable routes, including major cities such as Mumbai, New Delhi, Bangalore, Hyderabad, Kolkata and

Chennai and Trivandrum.

Category II includes the north-eastern region, Jammu and Kashmir, Lakshadweep and the Andamans. Small cities such as Coimbatore, Kochi and Pune fall under category III. Airlines have to deploy at least 10 per cent of their capacity on Category I metro routes on Category II routes, and at least 50 per cent on Category III routes.

Delhi, Mumbai airport developers face tax liability

The Union government has decided to impose service tax on the development fee the Mumbai and Delhi airports collected before the levy was banned, dealing a further blow to the operators facing a funding gap.

The Central Board of Excise and Customs, the apex indirect taxes body, has told the two airports that the fee will attract a 10 per cent service tax. The combined tax liability would come to over Rs 300 crore. "This fee (the development fee) is also collected from passengers in lieu of providing airport services. So, there is no reason as to why it should not be taxed," a Finance Ministry official told a leading business newspaper.

Airport operators have been paying service tax on "user development fee" but not on development fee. Delhi and Mumbai airports collected development fee, and used it to fund development, treating it as a capital receipt. In April, the SC banned the Mumbai airport from collecting this fee, ruling that it had to be first approved by the Airports Economic Regulatory Authority. The Delhi High Court asked the city airport to stop this fee from June. In contrast, Bangalore and Hyderabad airports collect user development fee, which goes to the investor and is taxable as it is considered a revenue receipt.

Boeing expects \$150 bn market from India

Boeing expects India's commercial airplane market to reach USD 150 billion over the next 20 years



driven by double digit growth and economic prosperity amongst a massive Indian population. In its outlook for India's commercial airplane market through 2030, Boeing said India will need 1,320 new passenger airplanes over the next 20 years.

"Robust growth with new economic prosperity amongst a massive Indian population, discretionary incomes, business progress and access to airports will increase airplane demand," Boeing India president Dinesh Keskar said. India had 53.6 million domestic passengers and 13.1 million international passengers during the fiscal year ended on March 31, 2011.

Boeing said passenger traffic in India is expected to grow at 8.1 per cent annually over the long-term, while globally it is expected to grow at 5.1 per cent. "In 2011, the economy continues to do well. Indian air carriers are

becoming profitable and we expect the GDP to maintain its upward trend in the long-term. As a result, both the air travel and air cargo markets will grow," Keskar added.

"The demand for new aircraft is driven by growth in developing and emerging cities, demand from low-cost carriers, and the need to replace an aging fleet," the statement said. High inflation and volatile fuel prices will however, play a pivotal role in determining the future trend of the industry, Boeing said.

Unions to help revive Air India: Minister

Civil Aviation Minister Vayalar Ravi has said that talks between his Ministry and the unions of Air India were successful and the employees have promised full cooperation in reviving the debt-ridden national carrier. "We had a very nice discussion. The unions are ready to cooperate with us to bring back the glory days of Air India," Vayalar Ravi told a news agency.



According to the Minister, cooperation of the unions was essential in reviving the airline. "I understand their issues and have assured them that they will be resolved," he said. The two-day meet between the Ministry officials and the unions comes ahead of crucial Group of Ministers (GoM) meet on Air India's turnaround plan. Civil Aviation Secretary Nasim Zaidi said that the talks were part of the process to involve the unions in the revival plan.

"The talks were held to understand the issues put forth by the unions. We have assured them that top priority will be given to resolve their problems," Zaidi said. The Ministry is understood to have addressed concerns raised by the unions on issues relating to human resource policies, transparency in management decisions and timely payment of salaries.

Currently, there are 11 recognised unions of Air India, which has a work force of around 40,000 employees, including consultants. Even Prime Minister Manmohan Singh, in a media interaction recently, said that he has asked the ministerial group overseeing the turnaround of the debt-ridden national carrier to come out with its recommendations at the earliest.

"I will request (Finance Minister) Pranab Mukherjee to take expeditious decisions in the matter," the Prime Minister told a group of editors from the print media in an interaction last week. Mukherjee heads the GoM which is looking into the company's turnaround plan prepared by global consultancy firm Deloitte and SBI Caps.

The airline, which is laden with a cumulative debt of Rs.40,000 crore it incurred over aircraft acquisition and as short-term loans to maintain its operations, expects a fresh equity infusion of Rs.1,200 crore in July.

Ravi also told the Air India employees that a turnaround plan for the ailing national carrier would be worked out, allaying fears of privatisation. The Minister also assured trade union representatives that there would be no retrenchment and employees' interests would be protected. The airline has been waiting for

the government to clear its turnaround plan, which envisages equity infusion from the government and addition of aircraft for the next four to five years. Air India, which ranks fifth among six domestic airlines in terms of market share, is also struggling to pay salaries on time. In a meeting with trade unions about 10 days ago, Air India's Chairman and Managing Director, Arvind Jadhav, had warned that salary payments would be difficult unless the government moved on the issue soon.

Airbus has \$35 billion orders from India

European plane maker Airbus has orders worth \$35 billion from India, a senior company executive said on Friday, July 8, with recent record order wins in the fast-growing market accounting for more than half of the total orders. Indian carriers are rapidly expanding their operations as the economy growing at nearly 9 per cent spurs business travel and the middle class, long accustomed to traveling by rail, increasingly takes to the air. Airbus has an order backlog of more than 400 planes to be delivered to Indian carriers over the next 15 years, Joost Van Der Heijden, Airbus' head of airline marketing for Africa, India, South East Asia and Japan, told reporters in Mumbai.



He said India is the seventh-largest market for Airbus but expected it to climb in coming years. "India will move up with traffic growth higher than anywhere in the world," Heijden said. "The Indian fleet will certainly more than double and could even triple in the coming years," he said on the sidelines of an industry conference organised by Euromoney.

Indian budget carriers Indigo and GoAir last month placed plane orders worth nearly \$23 billion in total with Airbus.

After fake pilots, now fake flying school

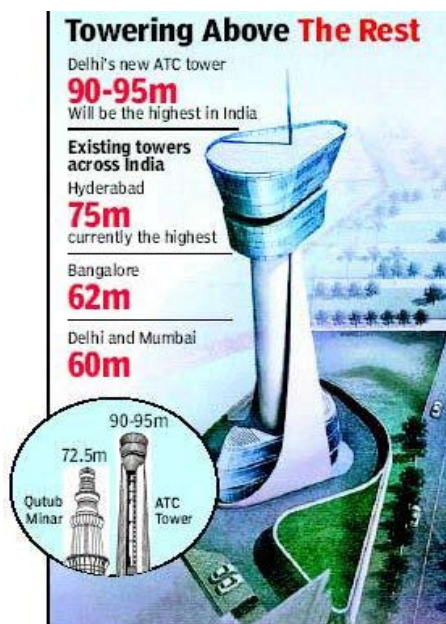
After fake pilots, now a fake pilot training institute has been detected in Palam Extension, Dwarka of Delhi, last week. An institute promising pilot training and issuance of licences at the earliest – on the basis of its self-claimed links in the aviation regulatory agency – for Rs 18-20 lakh was busted when Director General of Civil Aviation (DGCA) Bharat Bhushan received a complaint from a victim last week and investigated the matter. Bhushan asked one of his officers to call up the institute and pose as an aspiring pilot from a speaker-phone in front of him.

"The person running the institute did not open up initially and asked how did we got to

know about him. When told that we were referred to by some DGCA officials, the person opened up and started talking freely. He asked us to download the form from the website and assured us of 100 per cent placement. He asked us to come to his office on any working day between 09:00 am and 05:00 pm to know about the payment schedule," said sources. When asked about any basic requirement for becoming a pilot, the caller was told he should be fluent in English. The institute, whose name was not disclosed as that may affect the probe, claimed to have branches all over India.

Bhushan referred the matter to the police, resulting in a raid on the institute's Dwarka office last Saturday, July 9. A person running the place was arrested, said sources. When contacted, Bhushan said, "I got a complaint and investigated that. The complaint was found to be correct and referred to the police." DGCA is now probing the institute. "It may have been a front for some insiders and we are examining this aspect. We are also trying to find out how many students they helped with their dubious methods," said sources.

Delhi to have India's tallest ATC tower



After the biggest terminal and the longest runway, Delhi airport is all set to have the tallest Air Traffic Control (ATC) tower in the country. At 100 metres, the new ATC tower will be much taller than the Qutab Minar (72.5 m) and almost double the airport's existing ATC tower.

The new ATC tower, initially planned to open by mid-2012, will now be commissioned only by November 2013, private airport developer Delhi International Airport Ltd (DIAL) said. DIAL has invited bids for the construction of the new ATC complex and tower.

Expected to cost R350 crore, the new ATC tower will be built at a more centralised location at the airport, so that air traffic controllers can have a clear view of all the three runways, aprons and taxiways.

The present ATC complex and 60 metre high tower was built in 1999 and is at a considerable distance from the third runway built in 2008.

Tender for Navi Mumbai airport by July end

City and Industrial Development Corporation (CIDCO) of Maharashtra will float global tenders for the Navi Mumbai International Airport project by the end of this month.

CIDCO, which invited international developers for the tendering process, will scrutinise each developer's proposal, including their financial strength, details of previous projects and style of working, and then take a decision. CIDCO will also seek viability gap funding, if necessary.

AAI to issue notices to high-rises without NOC

The Airports Authority of India (AAI) will issue notices to the builders of high-rise apartments and flat complexes which had not availed of the No-objection Certificate (NOC) required for constructing the buildings in Thiruvananthapuram city. Addressing a 'Meet-the-Press' programme at the Kesari Hall in the city on Monday, July 11, Director General of Civil Aviation (DGCA) EK Bharat Bhushan said that he had taken up the issue with the local government institutions concerned. Thiruvananthapuram Airport Director Chandramouli, who was present at the meet-the-press, said one of the builders who had constructed a high-rise near the airport without obtaining the NOC had already been served with the notice. Bharat Bhushan said a huge amount was being pumped in for upgradation of the Air Traffic Control (ATC). He said the Global Positioning System (GPS) being implemented at a cost of Rs 750 crore will be installed at the Thiruvananthapuram Airport also.

He said the State Government has assured the DGCA that it would make available 87 acres land for the second phase development of the new terminal. But the airport terminal urgently required the acquisition of 39 cents of land to provide a Runway End Safety Area (RESA) to prevent skidding of the aircraft to danger zone and checking Mangalore-model accidents. As per the safety specification, the RESA required a 90 x 90 square metre area.

HC to take action against DGCA

The Kerala high court will start contempt proceedings against aviation regulator, the Directorate General of Civil Aviation (DGCA), and India's Aviation secretary for defying its direction to make foreign airlines pay travel agents commission on tickets sold.

The Iata Agents Association of India (IAAI), a lobby group of 600 travel agents from across the country, approached the court in July 2009 against 16 foreign carriers for failing to pay them a five per cent commission on ticket sales, as was the industry norm, and the court in a March 2010 order had asked DGCA to ensure the payment was made.

In late 2008, Singapore Airlines had stopped paying commission to travel agents as part of a global move by the airline to cut costs. The airline instead wanted travel agents to charge passengers directly. The airline was joined by 15 other foreign carriers including Air Canada,

Air France, Austrian Airlines, British Airways, Japan Airlines, Lufthansa and Qatar Airways.

All the major associations of travel agents then boycotted the carriers that were not paying commission."As the court has initiated contempt of court, the public servants will cease to get support from the government. They will have to appoint private counsels or be present personally in the court to explain the reasons," said Ravindran P., counsel for IAAI.

Bharat Bhushan, the Director General of Civil Aviation, said he is taking necessary steps including filing a counter-affidavit in the high court. While refusing to comment on the specific details of the dispute as it is sub judice, he said all decisions by his department were taken after consulting the law ministry.

About 85 per cent of airline bookings in India are done through travel agents, including online agencies.

Mumbai heliport yet to take off even after 2 yrs



It has been over two years since the state government planned the ambitious heliport project for the Mumbai Metropolitan Region (MMR). With not a single brick moving for over two years, the project seems to be in troubled waters. As per the plan, the Urban Development Department (UDD) through the Mumbai Metropolitan Region Development Authority (MMRDA) was to develop six heliports for ferrying civilian passengers within the MMR. Heliports at Navi Mumbai (Nerul), Nariman point, Cuff Parade and Chhatrapati Shivaji airport were to be operated on a Build Operate and Transfer (BOT) basis.

But the project faced a roadblock when both Nariman Point and Cuff Parade heliports were ruled out after the Defence Ministry raised objections to it. "After Cuff Parade and Nariman Point were rejected, we have been asked to explore Mahalaxmi Race Course as an option. However, there are several impediments in this location. The race course land was on lease with the Royal Western India Turf Club (RWITC). The club charges Rs5,000 for every take-off and landing.

Meanwhile, our project is under the Greenfield airport policy of the Civil Aviation Ministry, which says that there should not be any landing. This has virtually ruled out Mahalaxmi as one of the options," said a senior MMRDA official. Nandkumar Jantre, Secretary, special projects, said that the project was facing some difficulty. But he was confident of getting the required permission. "We are still exploring the possibilities of having a heliport in either Nariman Point or Cuff Parade," Jantre said.