



ASSOCIATION OF PRIVATE AIRPORT
OPERATORS

Newsletter

April, 2012

AVIATION SECTOR

1. Bureau of Civil Aviation Security completed 25 years on 1st April 2012 making India 100% compliant with International Civil Aviation Organisation (ICAO)'s Standards and Recommended Practices.
2. A study conducted by Oxford Economics for the International Air Transport Association stated that Indian Aviation Industry contributes Rs. 33,000 Crore or 0.5% to the GDP and supports 1.7 million jobs in the country
3. The proposal to allow foreign airlines to acquire 49% in Indian carriers has been delayed pending complete political consensus.
4. The ECB would have a maximum ceiling of USD 1 billion for the entire Civil Aviation sector. The limit for individual airline companies would be US\$ 300 million. This limit can be availed either in a lump sum or in tranches depending upon the utilization of the limit during the 1 year when the facility is available. Proposals of individual companies would be considered by RBI under the approval route based on the parameters such as cash flows and the capacity of individual companies to repay these loans from their foreign exchange earnings. In order to increase access to ECBs, RBI would consider relaxation in the average maturity period for ECBs above USD million from five to three years. This policy decision will provide an additional source of capital low cost to the Airline Industry and help them tide over their present financial crunch. RBI is expected to issue relevant circular/notification giving effect to the aforesaid Budget announcement soon.
5. The Civil Aviation Authority is contemplating to revert to the public-private partnership (PPP) model to modernise 35 non-metro airports and a few large ones in cities.
6. Minister of Civil Aviation, Shri Ajit Singh has taken up the issue of rationalization of Value Added Tax (VAT) on Aviation Turbine Fuel (ATF) with various State Governments.
7. Government-owned oil companies reduced Jet fuel prices by a marginal Rs. 312 per kilolitre (kl) with effect from midnight 30th April, 2012.
8. In March 2012, the crude oil and natural gas growth rates were in the negative zone at -2.9% and -10.1% respectively. It had grown by 12.1% and -10.6% respectively in March, 2011.

AIRPORT

1. Government plans to invest USD 30 billion in the next 10 years in the airport sector, with more existing airports being opened up for modernization. Airports developed under PPP model currently handle 60% of passenger traffic in the country. In the first phase, connectivity to metros has been established while in the second phase, focus would be on connecting metros to tier-II and tier-III cities.

2. Rajasthan is likely to get 2 new airports, at Neemrana and Jodhpur, while the international airport at Jaipur is likely to be upgraded. The new airports shall boost exports from Rajasthan and serve two national investment and manufacturing zone (NIMZ) projects notified by the union cabinet at Khushkhera-Bhiwadi zone and Jodhpur-Pali zone.
3. Bangalore International Airport Ltd (BIAL) has commenced work to upgrade and expand the current Terminal 1 Building. The shell and core work are in progress with scheduled target of completion in the first quarter of 2013.
4. Bangalore International Airport Ltd (BIAL) hosted the Karnataka Civil Defence meet at the airport. The primary purpose of the meeting was to develop a vision document for Karnataka Civil Defence till 2020 with specific emphasize on Civil Defence Organization, code of conduct, leadership criteria, annual program framework, financial support plan, reward and recognitions, operational guidelines, media management plan, staff welfare plan and so forth.
5. Bangalore International Airport has been adjudged 2nd best Airport, 2012 by airline customers at the SKYTRAX World Airport Awards held at Passenger Terminal EXPO in Vienna
6. On March 23rd 2012, Bangalore International Airport Ltd (BIAL) has been certified by the GBC of CII as a Green Company in adherence to GreenCo Rating System. BIAL becomes the first company to be certified as 'Green' by CII's Green Building Council (GBC).
7. The proposal to rename Bengaluru International Airport to Kempegowda International Airport has been accepted by Ministry of Civil Aviation.
8. Cochin International Airport Ltd (CIAL) launched the Airport Hub Infrastructure (APHI) to simplify and speed up check-in formalities. The APHI will enable operating airlines to maintain undisrupted and continuous connectivity with their main server, leading to more quick and efficient processing of passenger data.
9. Cochin International Airport Ltd (CIAL) constructed the 110 KV hybrid substation in front of the approach road to the domestic terminal is ready for commissioning.
10. Delhi Airport is expected to have an Ombudsman by June 2012. This will slowly be extended to other metros as well.
11. 'Economic Impact of Delhi Airport' – a study conducted by the National Council of Applied Economic Research was released by Former President APJ Abdul Kalam at the 3rd International Aviation Economics Conference on 10th April 2012. The study assesses the impact of the Delhi Airport on the regional and the national economy.
12. Delhi Airport has signed a MoU with Sydney Airport which is aimed at collaborating with each other to strengthen aviation services between India and Australia.

13. Indira Gandhi International Airport has been adjudged the world's 'Most Improved' airport as well as the 'India's Best Airport' by SKYTRAX-World Airport Awards.
14. Hyderabad's Rajiv Gandhi International Airport (RGIA) has been declared to be India's 3rd Best Airport, 2012 by airline customers at the SKYTRAX World Airport Awards held at Passenger Terminal EXPO in Vienna
15. On 13th March, 2012 GMR Hyderabad International Airport Limited (GHIAL) inaugurated "MAS GMR AERO TECHNIC LIMITED" (MGAT), a 100% wholly owned subsidiary of "MAS GMR AEROSPACE ENGINEERING CO. LTD." (MGAE) is a 50:50 Joint Venture partnership between Malaysian Aerospace Engineering Sdn. Bhd. (MAE) and GHIAL. The Joint Venture was formed to develop an integrated, best in class third party airframe Maintenance, Repair & Overhaul (MRO) facility at the Special Economic Zone within Rajiv Gandhi International Airport (RGIA), Hyderabad.
16. Thai Airways, one of the world's leading airlines commenced its Cargo Freighter service, with a Boeing 747-400F from Rajiv Gandhi International Airport (RGIA), Hyderabad.
17. RGIA is only the Second Airport in India and the Third in Asia to complete the Verification of GHG accounting of the Airport as per ISO 14064-1:2006.
18. Chhatrapati Shivaji International Airport was adjudged India's 4th best Airport, 2012 by airline customers at the SKYTRAX World Airport Awards held at Passenger Terminal EXPO in Vienna.
19. Mumbai International Airport Pvt. Ltd. wins the Routes Airport Marketing Awards (2012) in the Middle East & India category. Mumbai has also been selected as host city & Chhatrapati Shivaji International Airport (CSIA) has been selected as host airport for Routes Asia 2013.
20. The Chhatrapati Shivaji International Airport (CSIA), Mumbai, is the first Indian airport to be accredited the prestigious ISO 14064-1:2006 certification for its Carbon Emissions Accounting by Bureau Veritas, a global leader in carbon certification worldwide. Incidentally CSIA is also the second airport in Asia to receive this certification.
21. Chennai International Airport was adjudged India's 5th best Airport, 2012 by airline customers at the SKYTRAX World Airport Awards held at Passenger Terminal EXPO in Vienna.
22. New Domestic Terminal-2 at Chennai International Airport will start operation by July and the expanded international terminal will be ready by August. The successful trial for arrival passengers was on 30th April 2012.

AIRLINES

1. Jet Airways phased out Jet Lite, the low cost service which was launched after acquiring Air Sahara in 2007. Now Jet Airways provides full-service service and Jet Konnect provides low cost service.
2. The Turnaround Plan (TAP) and Financial Restructuring Plan (FRP) of Air India have been approved by the Government. The airline would get an additional infusion of Rs. 30,000 Crores till 2020 with an upfront equity infusion of Rs. 6,750 Crore in 2012-13 and induction of 27 Boeing 787 Dreamliners.
3. Indigo, biggest low-cost carrier (LCC) and Jet Airways, largest airline has partially or fully withdrawn from the sales platform of travel portal makemytrip (MMT) on arbitrary display of fares and opaque pricing.
4. Spice Jet, Kingfisher and Indigo have been permitted by Director General of Foreign Trade's (DGFT) for directly importing ATF from foreign sources. Spice Jet was the first airline to receive the permission. The airlines would together import almost 13 lakh kilo litres (kl) of the fuel at a cost of about Rs 5,780 crore.
5. Air India posted a healthy 46% revenue growth in March 2012 over the same period last year.

TRAFFIC

1. In March 2012, Passenger traffic posted strong growth numbers with airports worldwide reporting overall year-over-year growth of 6% (Domestic: +4.3%; International: +8.4%) while air freight was in negative territory at -2.2% (Domestic: -2.5%; International: -1.6%). The traffic highlights were reported by Airports Council International (ACI).
2. According to the ACI Preliminary World Airport Traffic for 2011 released on March 2012, passenger traffic recorded in the Asia-Pacific region was 1.43 billion representing 5.7% increase for Asia-Pacific area and 8.4% increase for the Middle East area when compared to 2010.
3. According to the ACI Passenger and Freight Flash Reports, airports in the Asia-Pacific area recorded a 7.7% increase in passenger traffic in February 2012 comparing to February last year while the Middle East area showed a year-on-year increase of 10.9%.
4. In February 2012, India experienced the second highest domestic air traffic growth in the world at 12.3% after Brazil's 17.9% growth. This lagged behind the 16.3% increase in capacity over previous year levels. The global traffic results were announced by the International Air Transport Association (IATA).
5. Domestic air passenger traffic witnessed a growth with 15.27 million travellers flying in the first quarter of 2012 which indicates a growth of 6.55%.

6. Indira Gandhi International Airport (IGIA) is the busiest airport in the country handling 35.94 million passengers in 2011-12 which is an increase of nearly 6 million passengers compared to the last fiscal.
7. Chhatrapati Shivaji International Airport is the second busiest airport in the country.
8. Cochin International Airport Ltd. has registered a 10% growth in International passenger traffic and 8 % in domestic travel during 2011-12.

CONFERENCE

1. PDA Trade Fairs conducted ‘Aerodrome India 2012’, the 5th International Exhibition forum on Airport Infrastructure, Operations, Security and Connectivity event during 12th to 14th April 2012 at Mumbai. Association of Private Airport Operators (APAO) was the co-organiser of this landmark event of the Airport Industry.

AERA

1. The Airports Economic Regulatory Authority (AERA) has authorised levy of Rs. 100 per domestic flight passenger and Rs. 600 per international flight passenger as development fees at Mumbai Airport from May 01, 2012 up to March 2014.
2. The Airports Economic Regulatory Authority (AERA) has approved a 345.92% hike in airport charges in Delhi International Airport for next two years, which would be effective from May 15.

AERA APPELLATE TRIBUNAL

1. The Appeal No. 5 of 2010 Mumbai vs. AERA against the order dated 4.11.2010 passed by the AERA, the matter came up for hearing on 4th April, 2012 and the Hon’ble tribunal fixed the next date of hearing on 16th May 2012.
2. The Appeal No. 07 of 2011 Bangalore International Airport Ltd. vs. UOI & Ors., Appeal No. 12 of 2011 Bangalore International Airport Ltd. vs. AERA & anr., Appeal No. 08 of 2011 GMR Hyderabad Airport Ltd. vs. AERA & anr., Appeal No. 10 of 2011 GMR Hyderabad Airport Ltd. vs. AERA & anr., Appeal No. 09 of 2011 Cochin International Airport Ltd. vs. AERA and Appeal No. 11 of 2011 Cochin International Airport Ltd. vs. AERA against the order dated 28.02.2012 passed by the AERA, the matter came up for hearing on 11th April, 2012 and the Hon’ble tribunal postponed the hearing for further three weeks.



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