



Monthly Newsletter

June 2013

Members:



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Disclaimer: The information contained in this newsletter has been collected from news/articles appeared in various newspapers and other publications and also collected from respective airport operators. APAO makes no warranties as to the accuracy or authenticity or completeness of the information.

ABBREVIATIONS

AAI	Airports Authority of India
AERA	Airports Economic Regulatory Authority of India
ATC	Air Traffic Control
ATF	Aviation Turbine Fuel
BIAL	Bangalore International Airport Limited
CCI	Competition Commission of India
CIAL	Cochin International Airport Limited
CSIA	Chhatrapati Shivaji International Airport, Mumbai
DGCA	Directorate General of Civil Aviation
DIAL	Delhi International Airport Limited
EU	European Union
FIPB	Foreign Investment Promotion Board
GHAL	GMR Hyderabad International Airport Limited
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
IGIA	Indira Gandhi International Airport, New Delhi
MIAL	Mumbai International Airport Limited
MoCA	Ministry of Civil Aviation
MRO	Maintenance Repair Overhaul
OMC's	Oil-Marketing Companies
PPP	Public-Private Partnership
RGIA	Rajiv Gandhi International Airport, Hyderabad
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
UN	United Nation

1. AVIATION SECTOR¹

1. MoCA has decided to examine the issue of bringing parity in the compensation provided to passengers of national and international flights in the event of a death or injury. On May 22, MoCA wrote to DGCA and various ministries seeking their views.

According to the existing guideline, “the carrier shall be liable to pay not more than one lakh Special Drawing Rights (Rs 83.96 lakh) for each passenger during international travel for damages sustained in case of death or bodily injury of a passenger upon condition only that the accident which caused the death or injury took place on board the aircraft or in the course of any of the operations of embarking and disembarking. On the other hand, the compensation for domestic passengers is Rs 7.5 lakh in the event of death or an injury which results in a permanent disability for those above the age of 12 years and Rs 3.75 lak for those below the age of 12 years. In case of other injuries, the domestic airlines are liable to pay Rs 1.5 lakh or Rs 750 daily while the passenger undergoes treatment, whichever is less.

2. MoCA has asked the Delhi Mumbai Industrial Corridor Development Corporation to establish that the Rs 4,000 crore Alwar Aerotropolis project won't affect traffic at the Delhi Airport. The Alwar Airport is 140 odd kms by road and 100 km aerially from Delhi International Airport. MoCA has cited its contractual obligations to the Delhi International Airport Limited for its reluctance.
3. AAI is planning to provide air connectivity to major tourist destinations in Rajasthan. AAI has a plan to open an airport at Sawai Madhopur. The airport at Jaisalmer will be ready by August and flight overtones will start from October. AAI has given a suggestion to the government to offer tax benefits by making fuel cheaper for the airlines which are coming to India if they touch two places in Rajasthan.
4. DGCA has ordered that “there will not be more than 5 departure slots in 10 minutes and a total of 30 (departure slots) per hour in order to tackle the problem of flight delays and streamline the process of flight departures. DGCA has also made it clear that only the flight plan with the approved slot should be accepted by the ATC. The ATC is to allocate alternate slots, if required, only based on availability of vacant slots. DGCA has also ordered that at least 4 slots per hour ‘may be kept’ for “non-scheduled / VIP / military operations”. The contact made by the aircraft for ATC clearance should be done at least 15 minutes prior to the scheduled time of departure.
5. AAI is exploring the possibility of upgrading the Agartala and Imphal airports in the north eastern region after Guwahati to facilitate travel for high-level international business delegations from bordering countries like Bangladesh, Myanmar and Bhutan. A high level meeting of the AAI would be held in Agartala on June 6 for upgradation of the Agartala airport. Approx. Rs 160 crore would be spent to build up infrastructure like air traffic control towers, runway etc. to gradually develop Imphal and Agartala airports to international standards.
6. AAI has mooted setting up a special purpose vehicle along with airlines and state-owned OMCs to develop common infrastructure for importing ATF. AAI and OMCs would hold 76% stake in the proposed special purpose vehicle, while the remaining equity would be with

¹ Newspaper Clippings

participating airlines. The proposed special purpose vehicle would have the mandate to set up fuel farms to be operated on lines of an open access model across major airports in the country. The open access model - a one-of-its-kind initiative in India - is currently under implementation at the Delhi and Hyderabad international airports. Under this arrangement, common storage facilities are set up for utilisation by any OMC in lieu of a pre-determined fee. Any oil company can supply fuel to airlines according to a mutually decided agreement, resulting in increased competition and thereby enhanced service and competitive pricing. The airlines, in turn, have a choice of fuel suppliers to source from. The Union government had allowed airlines to directly import fuel in February 2012. However, lack of infrastructure has prevented them from beginning imports. Fuel costs currently account for as much as 50 per cent of the operational expenses of an airline in India. The value added tax on ATF ranges from 4% to 30%, depending on sales tax levied by a state.

7. Navi Mumbai airport has got a conditional wildlife clearance from the standing committee of the National Board of Wildlife on 6th June. The airport project received environmental clearance in November 2010. The Supreme Court has said that any project within a 10-km radius of a protected area requires a clearance from the board. The airport site is located 9.5 km from the Karnala Bird Sanctuary. The conditions for clearance include setting up a mangrove sanctuary in the area and paying the wildlife department for conservation efforts in the area.
8. AAI is planning to build trauma centres at all major airports in the country in order to facilitate early emergency medical intervention for critical patients coming into these cities for specialized treatment. According to AAI, most airports in the country have land in excess of their operational need and trauma centres are being planned on such land. These plots are usually located on the city side of airports and are identified as “commercial land” in AAI terminology. The trauma centres will be set up through PPP mode. At the initial stage, AAI plans to set up trauma centres at airports in metro cities and state capitals, which see a large number of critical patients and accident victims being brought in for emergency treatment.
9. After stopping airlines from charging passengers extra for choosing window and aisle seats, MoCA has decided that it will also define the seats for which airlines can charge more as part of the unbundled service system. The ministry has decided that a flight cannot have more than 12 such preferential seats in a single-aisle aircraft such as Airbus 320 or Boeing 737. It has also decided that even a middle row seat can be among the 12.
10. MoCA has re-established the Key Infrastructure Development cell in a move to fast-track the modernisation of Chennai and Kolkata airports through the PPP route. The cell comprising of 5 AAI members will function as the nodal point to bring in the PPP mode and will also perform groundwork for the Ministry.
11. The Environment Ministry is taking a tough stance against EU emission norms for airlines and has indicated that it would approach the UN Framework Convention on Climate Change and ICAO to resolve the issue. Under the Emission Trading Scheme, the EU has threatened to fine Air India and Jet Airways for not sharing their emission data. The two Indian airlines are to be fined approx. Rs 22.60 lakh after the Emission Trading Scheme.
12. Myanmar has granted traffic rights to India-based carriers paving the way for air connectivity between the nations.

13. Maharashtra Chief Minister Prithviraj Chavan on 7th June said that they are looking at alternative sites for the proposed Pune International Airport after the protests by villagers to shift Chakan airport. Two options are being discussed and both options are in Pune – Nashik SEZ.
14. AAI has begun to set up a common information base across multiple airports, to provide accurate real-time data to airlines, airport operators, Passengers and others. Being implemented with NIIT Technologies and SITA, it envisages an Airport Operations Control Centre (AOCC) to consolidate multiple sets of information. The AOCC will consolidate all the information and create a common information base for all involved in managing operations at an airport. It will improve utilisation of airport infrastructure and allow collaborative decision making in day-to-day operations.

Initially, AAI will integrate information centres in 10 airports — Jaipur, Ahmedabad, Kolkata, Guwahati, Pune, Mangalore, Calicut, Thiruvananthapuram, Chennai and Trichy — over the next 15 months. There is a provision to extend this to 25 more in the second phase. The first phase is being implemented on a contract of Rs 344 crore. NIIT and SITA would have to maintain operations at these airports for seven years. NIIT is in the process of setting up a Primary Data Centre in Chennai and a Disaster Recovery Data Centre in Kolkata.
15. Boeing on 11th June upgraded its 20-year forecast for airplane demand. It said that airlines, lessors and freight firms would need 35,280 new jets worth USD 4.8 trillion as the world's fleet doubles over the next two decades -- raising by 3.8% the company's previous 20-year outlook. The new forecast anticipates a surge in Asia-Pacific travel that will keep production rates at jet factories rising, but includes a downward revision of forecasts for Europe and North America where prospects for recovery are uncertain. **"By 2032, Asia-Pacific will be by far the world's largest travel market. There is no doubt the industry's centre of gravity is moving from the U.S. to Asia. Right now, 37% of all traffic touches Asia -- by 2032 it will approach 50%."** Boeing said passenger and cargo traffic, both indicators of economic activity, are expected to grow 5% annually. According to the latest forecast, worldwide airlines will need 24,670 of these single-aisle jets worth \$2.29 trillion at list prices, up from 23,240 forecast last year.
16. CCI is examining a complaint of cartelisation against Jet Airways, SpiceJet, Air India, GoAir and IndiGo. The alleged cartelisation was aimed at levying a uniform fuel surcharge on air cargo. According to official data, last financial year, air cargo traffic in India stood at 2.19 million tonnes. Of this, about 33% was international cargo with foreign carriers with a market share of about 80%. The remaining international cargo was accounted for by the five Indian carriers. Domestic cargo traffic stood at 0.78 million tonnes.
17. AAI has issued a tender for opening a medical tourism counter – a first of its kind - at the Sardar Vallabhbhai Patel International Airport, Ahmedabad to facilitate the international tourists get the best medical care in the city. AAI will provide 10 sq m of space at the arrival area of the international terminal to the highest bidder. The counter is aimed at providing the necessary information regarding the procedures, monetary transaction and international code of treatment.
18. MoCA has asked DGCA to study the model of unbundling followed by various airlines across the globe and may decide on services airlines will be allowed to charge under the new unbundling norms.

19. Faced with persistent complaints of flight delays, DGCA has come up with a series of measures to ensure that airlines stick to their allotted take-off time, including a threat of not granting them the time-slots they miss in the next schedule. In a new set of rules, DGCA has asked airlines to get their flight schedules approved by it at least 30 days in advance and ensure that they strictly comply with them. A total of 30 flights would be scheduled per hour, with five departures every ten minutes, they said, adding that at least four slots per hour would be kept to allow VIP, non- scheduled and military air operations. DGCA also warned that the airlines not adhering to the approved time-slots would lose their claim on these slots in the next schedule. The regulator has also made it clear that the air traffic control would accept and operate only as per the accepted flight schedules of the carriers. The DGCA also set time limits for the entire flight plans, including the push-back and taxi time for a departing aircraft. In case an aircraft does not adhere to the push-back clearance time, it would go back in the sequence of departures and allotted a flying slot only when a slot is available. The sequence of departures would be decided by the air traffic control "based on the position and readiness of aircraft approaching the entry point of the runway," the new rules said.
20. MoCA has decided to put on hold the grant of additional seats under bilateral air services agreements with West Asian states.
21. In a bid to encourage air connectivity to small towns, MoCA is considering doing away with airport and navigation charges which is nine per cent of the total cost of any airliner --for airlines operating to such destinations while imposing a cess of about Rs 50 on all domestic flyers to realise the cost. There are around 90 such Tier-II and Tier-III towns which have airports but have no air connectivity or very low air operations. MoCA will require an annual fund of Rs 400 crore for giving such subsidy to the airlines for flying to these otherwise commercially-unviable destinations.
22. According to estimates of Bombardier, India is the single-largest turboprop market outside Europe and would see a demand for about 640 aircraft in the 60-140-seater category over the next twenty years. "India is one of the largest individual markets in the world. As a single-country market, India has the highest demand for turboprops for Bombardier. China has become less of a turboprop market and is more a market for jets."
23. DGCA has turned down the state government's proposal to establish a no-fly zone above Tirumala. DGCA said it is not feasible to establish no fly zones over pilgrim places. The reason for demanding a no fly zone above the abode of Lord Venkateswara is that nothing should be above God.
24. Civil Aviation Minister Ajit Singh has cleared a civil aviation terminal at the Kheria Air Force Base in Taj city Agra, raising hopes of increased tourist traffic. The development comes as the Uttar Pradesh government on 17th June cleared a proposal for an international airport at Agra. Once the terminal is functional, passengers will not have to pass through the air base to board their aircraft. The Defence Ministry has agreed to offer 50-70 acres of land to the Civil Aviation Ministry to construct the new terminal building in the Agra airport. The Agra airport is under the control of the Defence Ministry and is one of the largest airbases of the Indian Air Force. MoCA is also contemplating to redevelop nine airstrips in Allahabad, Meerut, Bareilly etc. in Uttar Pradesh to facilitate air connectivity to these places.

25. FIPB on 14th June deferred its decision on the Rs 2,000 crore stake sale deal between Jet Airways and Eithad Airways, saying it needs more details on ownership and effective control of the entity. Additionally, the SEBI and CCI have also sought for more clarity on the deal.

MoCA has raised two key concerns regarding the proposals accompanying the Rs 2,060 crore Jet-Etihad deal. A plan cited by the carriers to shift some of the operational departments of Jet Airways to Abu Dhabi, which in effect would mean moving the 'place of business' for Jet out of India, has been specifically objected to by the ministry. The objections raised by the ministry are over and above the issue flagged by the corporate affairs ministry and the Securities and Exchange Board of India pertaining to the effective control of the airline by the Abu Dhabi-based carrier with just a minority stake. The other issue flagged by the civil aviation ministry was on differences between the proposal and the final agreement on the deal.

26. The government is going to make it mandatory for airlines to allow visually impaired people to board aircraft with their guide dogs. DGCA is coming out with new rules for both airlines and airport operators. The regulator will also make it imperative for carriers to have emergency procedure brochures in braille script as backup. Passengers carrying guide dogs shall be required to produce a written proof to the airlines that their guide dog has been trained from appropriate institution, vaccinated and medicated. Passengers with disability will also have to inform the airline of special needs at least 48 hours prior to the scheduled departure time. DGCA plans to make it mandatory for airlines to have provisions on their websites so passengers with disability can select the required facilities at the time of booking itself. The regulator may also cap the number of persons with special needs on a single flight corresponding to the number of cabin crew.

27. DGCA is planning to establish an aviation climate change task force to assess trends in carbon emissions, monitor data collection from airlines and airports and chart out measures to deal with climate change. The circular dated June 13 seeks to streamline collection, analyze information and take action. The task force will comprise various stakeholders, including officials from the DGCA, airlines, airports and engineers. Its primary objective will be to create policies and rules for improvement in fuel efficiency, reduction of emissions from airport functions and ground operations. The circular makes it mandatory for airlines to furnish data on the fuel consumed by an aircraft's main engine and ancillary power units. With growing concern over climate change, ICAO has made it mandatory for every country to monitor emissions from the aviation sector and take measures to curb them.

28. According the Annual IT Trends Survey of SITA, the IT spends of airlines for 2013 are expected to grow to \$10.8 billion in 2013, up from \$9.9 billion spent in 2012. According to the survey, all airlines plan to invest in business intelligence solutions, which are expected to help them have better information for decision making in their operations. This is a huge jump from last year, when one in five airlines, had no plans at all. The need for investment in business intelligence is evident as the survey showed that only 9% of airlines currently rate data quality as meeting all their requirements, while just 7% have achieved the necessary integration of different data sources from across their company. Over next three years, about 97% of the airlines also plan investments in mobile passenger services and personalisation. These investments could help boost their ticket sales through direct channels to about 67% from the present 54% and change how airlines deliver services to passengers. The airlines expect ticket sales through mobiles to exceed more than \$70 billion by 2016 or 10% of their

total sales, up from below 3% today. Mobile functionality is emerging as a new battleground as airlines try to differentiate passenger services.

The survey said Check-in apps are already available from 61% of airlines and flight search from about 65%. The focus of these airlines will now shift over the next three years to add new services such as missing bag reporting, re-booking and customer feedback. At present, 53% of airlines provide mobile boarding passes through their own airline application and this is set to rise to over 80% by 2016.

29. AAI is planning to seek hourly updates on weather from the Meteorological department in a move aimed at preventing flight delays and saving on fuel charges. The move will also help save on fuel costs, amounting to crores, since flights will not have to hover for too long or be diverted as frequently.
30. DGCA in a circular sent to all airports recently has asked for noise monitoring systems to be set up to figure out if Indian planes are making the right amount of noise or are a whole lot louder.
31. AAI has sought the state government's help for changes in the development control rule to lift the reservation of a general park on the plot to be utilised for the development of Juhu airport. AAI requested the government to amend clause 37(a) of MRTP Act 1960 for the same. It also proposed two underpasses to facilitate vehicular movement which is likely to be affected due to the runway expansion. The development of the airport would help in easing traffic congestion at the Mumbai airport as smaller airplanes could be operated from Juhu.
32. A government appointed Arvind Mayaram Panel has recommended 100% FDI in existing airport projects without the need for any approval. The Mayaram panel has also suggested that foreigners should be allowed to run a non-scheduled airline even if it has just one aircraft operating on domestic routes. A scheduled airline is one operating with a minimum of five aircraft on the basis of its schedule and fares filed with the aviation regulator.
33. DGCA on 27th June signed the order allowing the airlines to charge a fixed flat rate for pre-booked seats which comes into immediate effect. Domestic airlines have been allowed to charge a premium for 25% of the seats that are booked in advance by passengers. DGCA has not stipulated the rate which airlines can charge for these premium seats, but has told the airlines that the charge cannot vary from sector to sector. The order says that the airlines cannot sell the middle seat at a premium rate except for those in the front rows and near the emergency exits of the aircraft.
34. The Union Cabinet on 28th June gave its approval to the proposal for continuation of helicopter services by Pawan Hans Limited for inter-island connectivity in the Lakshadweep Islands for a further period of five years with effect from 01.04.2012 to 31.03.2017. The Union Cabinet also gave its approval to the proposal for meeting the cost of hiring/chartering helicopters from Pawan Hans Limited by provision of Central Government subsidy of the order of Rs. 1,900.64 lakh approximately per annum. Charges towards Service Tax and foreign exchange fluctuation will be met by the administration of the Union Territory of Lakshadweep/Ministry of Home Affairs for this purpose.

35. At a meeting held by Prime Minister Manmohan Singh on 28th June to finalise infrastructure project targets for 2013-14, the target set for Civil Aviation are :

- a. Two new international airports at Bhubaneswar and Imphal
- b. 50 new low cost small airports will be taken up by Airports Authority of India
- c. 8 Greenfield Airports are to be awarded this year in PPP mode: Navi Mumbai, Juhu (Mumbai), Goa, Kannur, Pune (Rajguru Nagar Chakan), Sriperumbudur, Bellary and Raigarh
- d. Airport operations and maintenance through PPP contracts will be introduced in AAI airports. Airports being considered are Chennai, Kolkata, Lucknow, Guwahati, Jaipur and Ahmedabad

New Low Cost Airports by AAI	
Andhra Pradesh	Vijayawada, Nellore, Kurnool, Kadapa, Nizamabad, Tirupati, Anantapur & Karimnagar
Jharkhand	Dhanbad, Bokaro & Hazaribagh
Bihar	Muzaffarpur, Chapra & Sasaram
Punjab	Ludhiana, Jalandhar & Ferozpur
Uttar Pradesh	Agra, Allahabad, Moradabad, Saharanpur, Meerut, Aligarh, Muzaffarnagar, Bijnor & Azamgarh
Arunachal Pradesh	Tezu, Momdila & Along
Assam	Silchar, Jorhat & Tezpur
Madhya Pradesh	Gwalior, Singrauli, Burhanpur, Khandwa, Jabalpur, Sidhi & Shahdol
Odisha	Brahmpur, Raurkela & Kendujhar
Rajasthan	Ajmer, Kota, Bhilwada & Alwar
Maharashtra	Kolhapur, Nasik, Jalgaon, Solapur & Amarawati

36. In addition to the targets, the Prime Minister highlighted the need to ramp up investment in infrastructure to revive investor sentiment. For this purpose, a target of rolling out PPP projects of at least Rs 1 lakh crores in the next six months was set. A steering group is being formed to monitor the award and implementation of projects from among the following on priority:

1) Mumbai Elevated Rail Corridor	Rs. 30,000 crore
2) Two Locomotive projects	Rs. 5,000 crore
3) Accelerating E-DFC	Rs. 10,000 crore
4) One of the two port projects	Rs. 10,000 crore
5) Two airport projects	Rs. 20,000 crore
6) Power & Transmission projects	Rs. 40,000 crore
Total	Rs. 1,15,000 crore

ATF PRICES

1. Jet fuel prices were hiked on 1st July by a steep 5.8% as rupee depreciation made imports costlier. ATF price in Delhi was hiked by Rs 3,617.84 per kilolitre or 5.8% to Rs 66,034 per kilolitre.

2. AIRPORTS

2.1 Bangalore International Airport Pvt. Ltd.¹

1. Francis Rajan, VP ICT (Information Communication and Technology) was awarded CISO 2013 at the annual Top 100 CISO award function in Mumbai. This incidentally is the third consecutive year he received this award (previous CISO awards in 2012 & 2011). Francis was recognized for the efforts in deploying WIPS (Wireless intrusion & protection systems) and WIDS (wireless intrusion detection system), making the first Airport in India to have a secured WiFi at the air-side as well for business requirements.
2. The BIAL ICT (Information Communication and Technology) is a recipient of the “Top Green IT Enterprise Award 2013” awarded by Schneider Electric and CIO Magazine for this year. BIAL was recognized for the efforts in embracing green in all IT systems across spectrum and thereby reducing energy consumption in the IT equipment and using technology to conserve energy and lower carbon emissions.

2.2 Cochin International Airport Pvt. Ltd.²

1. CIAL on 5th June, the World Environment Day, announced the commissioning of a modern waste treatment plant at the airport. An airport notification stated that the plant would help to make the airport pollution-free as per the United Nations Environment Project-2013. The plant has been set up at the cost of Rs 3 crore and is part of the airport’s responsibility to society. The plant is capable of treating 7.5 lakh litre of waste per day, but will process only 4 lakh litre now. The plant has two underground collection tanks, screen chamber, grid chamber, oil trap, equalisation tank and aeration tank. Screen chamber, grid chamber and oil trap are used for separating plastics, grease and oil from the waste. The separated water stored in the aeration tank will be processed to control bacteria and passed through secondary clarifier, flash mixer, flocculator, tertiary clarifier, carbon filter, sand filter and feed pump to make it free of all pollutants. The water thus collected in the aeration tank will be drained out from the plant and channeled for various purposes, including watering the golf course and plants. This water will be used for watering the plants at the airport. The use of the pipe water will be minimum or almost nil. Similarly, waste accumulated in the filter press will be dried and used as manure. The plant, which would operate round the clock, emits no waste or smell.

CIAL has bagged the 2012 Award for Excellence from the Kerala State Pollution Control Board for the plant.

2. A meeting of the CIAL’s board of directors on 29th June has decided to issue additional shares worth Rs.1.48 crore to small shareholders. The special benefit will be subject to Central government clearance. The small shareholders had raised the demand at the annual general body meeting last year. The shares will be issued at a ratio of 1:1, subject to a maximum of 2,000 shares. The move, if implemented, would reduce the government’s share in the company from 32.50% to 30.75%. At the meeting, the board observed that CIAL’s total revenue rose to Rs.307 crore from Rs.275 crore in 2011-12. The company’s net profit had also increased by Rs.10 crore touching Rs.112 crore. The board has decided to enhance the dividend to shareholders to 17% from last fiscal’s 16%.

¹ Information provided by BIAL

² Newspaper Clippings

- 3 CIAL on 29th June inaugurated a 100 KW Solar Power Plant at the airport as part of its initiative to promote utilization of non-conventional renewable energy.

2.3 Delhi International Airport Pvt. Ltd.¹

1. IGI has become the first airport in the country to introduce Airport Collaborative Decision Making (A-CDM). The initiative has been jointly taken up by the Air Traffic Control, DIAL and the airlines operating from the airport. The system is named as DA-CDM (Delhi Airport-Collaborative Decision Making). This is a concept focusing on improving Air Traffic Flow and Capacity Management at airports by reducing delays, improving the predictability of events and optimizing the utilisation of resources. It involves airport operators, airlines, ground handlers and ATC collaborating and sharing data to increase overall airport efficiency. This move will allow DIAL to achieve annual savings at IGI Airport of 2500 tons ATF and also lead to 7850 tons of saved CO₂ emission by reduced taxiway time of aircrafts by even a minuscule one minute per airplane. The project aims to improve the overall efficiency of operations at an airport, with a particular focus on the aircraft turn-round and pre-departure sequencing process.

In the A-CDM approach, milestones for the incoming aircraft, the turnaround time and the departure of the flight are defined to make the operation precise and predictable. Two of the most important milestones are the Target Off Block Time (TOBT) fixed by the airline or the ground handler between 45 mins and 20 mins before the estimated departure and Target Start-up Approval Time (TSAT). Based on the TOBT timings the air traffic controller knows the demand of the runway and accordingly plans the optimal departure sequence and determines the Target Take Off Time (TTOT) for each departing flight. Deducting the variable taxi time between the runway and the aircraft bay gives the so called TSAT, the time for the aircraft to push-back.

2. IGI Airport which was recently adjudged as the 2nd Best in 25-40 Million Passengers Per Annum category in the World, received the ACI ASQ Award at an award ceremony in Istanbul, Turkey on 13th June, 2013. The airport scored 4.83 on the ASQ scale out of 5 points and has been recognized as the 4th Best Airport in the World amongst 199 participating airports across all categories and 2nd Best Airport in its Category in 2012 which is a remarkable progress from its ASQ score of 3.02 in 2007, ranking last in a universe of 101 airports.

2.4 GMR Hyderabad International Airport Pvt. Ltd.²

1. GHIAL has launched Asia Pacific Flight Training (APFT) Academy at Hyderabad to impart pilot training and ground training. The institute has been set up in technical collaboration with Asia Pacific Flight Training Sdn Bhd, Malaysia, and located adjacent to the international airport. The first flight training course is planned to commence in July 2013. APFT will offer a wide range of courses including the flagship Commercial Pilot License Programme (one and half years duration), Private Pilot License, Flight Instructors, Instrument Rating and Multi Engine Rating. The training programme conforms to international standards and regulations with pilots' licenses awarded by DGCA. APFT has high-end training facilities including 3 Diamond DA-40 glass cockpit Aircraft, and a comprehensive Theoretical Knowledge and

¹ DIAL Website

² Information provided by GHIAL

Simulator Training Programme. Classrooms and maintenance infrastructure are of World Class standards.

2. GHIAL celebrated the World Environment Day with a weeklong celebration of events and competitions at RGIA from 5th June onwards. The idea was to bind the whole airport community and passengers together to raise global awareness on the need for a green and a healthy environment. On the occasion, RGIA encouraged the use of public transport amongst airport passengers and visitors. The concept not only helps in saving fuel and reduction of air pollution, but also supports in the decongestion of roads. To acknowledge the contribution of passengers making use of public transportation, a ‘thank you card’ was presented along with the ticket issued to each passenger using the Pushpak Airport Liner services provided by APSRTC. The Pushpak bus crews and the support staff also wore a badge with the message - “Promote public transport and support green initiative”. At RGIA, placards with slogans on the importance of public transport and its impact on the environment donned various locations of the airport premises along with the distribution of pamphlets covering a similar message.

To add, the airport also engaged passengers in the celebration in order to sensitise them on environment protection and communicate the company’s pledge towards environment conservation. A series of programmes like environmental quiz, distribution of saplings, requesting comments/views on plantation drive, involving passengers in sapling plantation drive at the airport, displaying the eco-friendly initiatives at the airport etc were organised successfully. During the entire week, several campaigns were planned covering themes such as conservation of electricity, paper and water including rainwater harvesting, discouraging the use of plastic, minimising food waste, all complementing this year’s World Environment Day theme, “Think, Eat and Save”. The objective of the theme is “having food at optimum level and preventing food wastage”. A bunch of activities were arranged for employees as well like essay writing, poster making, photography, and quiz competitions.

2.5 Mumbai International Airport Pvt. Ltd.¹

1. CSIA on 17th June awarded the advertising rights at Terminal 2 to Times Innovative Media Ltd. CSIA awarded the exclusive contract for the sites at the airport, for the purpose of advertising and this involves designing, setting up, development and maintenance of advertising opportunities. The contract is for a period of 11 years from the commencement of Terminal 2 and covers more than 660 display sites ranging from billboards around terminals, static and digital sites within the terminal as well as sponsorship opportunities.
2. MIAL and Air India Ltd jointly conducted a Full Scale Emergency Exercise ‘Operation Vijay’ at CSIA on June 07, 2013. The purpose of this Full Scale Emergency Exercise was to test the adequacy of the Airport Emergency Response Plan to cope with an aircraft emergency.
3. CSIA celebrated World Environment Day 2013 on June 5, 2013 with a wide variety of activities. This year’s theme was –**Think.Eat.Save** – to encourage one to make informed choices that have a positive environment. The World Environment Day functions started with the distribution of ‘Kadipatta’ (curry leaves) saplings among passengers and its staff members. These saplings were distributed to promote a healthier lifestyle. Various other

¹ MIAL Website

activities such as dancing flash mob by the Rotaract Club of Jai Hind College and street play by Ideal Drama Academy on “Energy Conservation” and “Food Waste” was performed to showcase a literal and dramatic representation of World Environment Day theme for the common man and prompted the passengers to **THINK** about the environment in a whole new way. CSIA also hosted a lunch on the occasion at Old Age Home in Bhayander – “Kishan Gopal Rajpuriya Vanprasthashram”, where the aged population was served healthy meal. The focus was to promote healthy **EAT**ing through the use of natural ingredients and efficient cooking practices that reduce wastage. CSIA encouraged people to **SAVE** the environment through a Poster & Slogan / Poem competition on environment related themes for staff and family members. Special Baggage tag & car stickers carrying messaging related to World Environment Day were also distributed to passengers.

3. AIRLINES¹

1. **Jagson Airlines Ltd**, which got a regional airline licence in early 2009 but never took off, on 10th June said it has decided to re-start operations shortly.
2. **Air Costa**, the first ever regional domestic airline based out of India's Southern state Andhra Pradesh, announced starting no-frills air carrier services connecting Southern cities in July. Air Costa will launch the airline with a fleet of three E jets from Embraer suited for the regional short-haul connectivity between tier-II and tier-III cities with the major metros. It will have its maintenance based and headquarters at Vijayawada. The airline is awaiting final approval from the DGCA which is expected in a week. The air carrier plans to operate flights to six stations in the first phase in South connecting Bangalore, Chennai, Hyderabad and Vijayawada and expand operations to secondary cities in the North and North Eastern region in the next phase after reviewing operations for three months.
3. **Kairali Airlines**, a low cost private sector airline from Kerala, will commence operations from November 1. The airline plans to start flight services connecting Thiruvananthapuram, Kochi and Kozhikode airports to Mumbai, Chennai, Bangalore, Mangalore and Lakshadweep with aircraft which would be purchased or leased. The airline is also planning to tie up with an international carrier for operations to Gulf nations. The Rs 350 crore airline project would offer domestic service with fares at least 25% lower than other services. The soft launch of the airlines will be held on 16th June.

3.1 Air India (AI)

1. AI has re-launched commercial flight of Dreamliner between Delhi and London on May 22 and plans to expand its global network using Boeing 787 Dreamliner aircraft. AI expects its total revenue to go up from Rs 16,130 cr in FY13 to Rs 19,393 cr in FY14 and EBITDA to increase from Rs 19.45 cr in FY13 to Rs 1,040 cr in FY14.
2. AI is considering not offering any meal on certain short-haul domestic flights and joining other Indian carriers to take a fee for preferred seat. AI, has already stopped serving hot meals on domestic flights of less than 90 minutes, could decide not to serve any food on its services which are less than one hour.
3. AI in a bid to increase revenue has proposed tying up with an international hotel chain and launch a co-branded credit card with a bank to boost its frequent-flyer programme.
4. AI will soon resume direct services to some East African nations to grab a share of the steadily growing traffic between India and Africa on account of increasing trade, services and medical tourism. No Indian passenger carrier at present flies to Africa, which is fast emerging also as a resource hub for Indian companies.
5. AI is planning to charge for all meals onboard on its domestic flights. In case it does so, it will be the first FSC in the country that will charge for meals, a practice common among low-cost carriers. The measure is part of the 47 recommendations made by the Dholakia committee on

¹ Newspaper Clippings

cost-cutting to enhance revenues and improve the financial health of the ailing national carrier.

6. Air India is planning to lease turbo-prop aircraft to enhance connectivity to tier II and III cities around the country. A group within the airline is close to completing a study on how many turbo-prop aircraft should be taken on lease and on which routes these aircraft should be deployed. The aircraft will be taken on lease for five to seven years.
7. Air India has tied up with India Post for carriage of Logistics Post which is different from regular post office mail. This service is available from a total of 15 airports at present, including the six metros and Agartala, Ahmedabad, Guwahati, Imphal, Lucknow, Nagpur, Patna, Pune, and Thiruvananthapuram.
8. AI will launch Birmingham-Delhi flights from August 1 on its new Boeing 787-800 aircraft. The flights will operate four times a week. AI will also connect Delhi-Sydney-Melbourne from 29 August, Rome and Milan from October and Moscow from early next year with its Boeing 787s.

3.2SpiceJet

1. SpiceJet has announced charges for opting front row seats in its Bombardier and Boeing fleet and also for emergency row seats. The seta selection charges would range from Rs 300 to Rs 750.

3.3Jet Airways

1. Jet Airways has sought MoCA's approval to code-share with Etihad Airways on flights to Africa, Europe and the US. Separately, it has also sought permission to code-share with Virgin Atlantic on its new domestic routes in Britain.
2. Jet Airways have launched a novel sales strategy of allowing customers to buy air tickets through credit cards with payments stretched out over equated monthly instalments (EMIs) of two months. With jet fuel prices shooting through the roof and fierce competition in the aviation market, Jet Airways have tied-up with HDFC, Citibank and ICICI Bank to offer their passengers an option to pay fares in two instalments. The flip-side of the EMI option through credit cards payments is that it carries a hefty amount of 14% additional service tax charged on tickets by banks besides 1% charged as processing fee by the carrier.
3. Jet Airways is planning daily flights between eight Indian cities - Ahmedabad, Mumbai, Delhi, Bangalore, Chennai, Cochin, Hyderabad and Trivandrum - and Abu Dhabi by winter 2013 to cash in on its partnership with Etihad Airways. Jet is also planning to launch Mumbai-Abu Dhabi-Newark, Delhi-Abu Dhabi-New York and Bangalore-Abu Dhabi-Chicago routes by November 2013 via fifth flying rights. Fifth freedom rights of flying give airlines the right to have stopover while connecting the nation of its origin with another country. Jet Airways has already utilised fifth freedom rights to start a Kochi-Abu Dhabi-Kuwait service in April.
4. Jet Airways on 17th June said that the company has entered into code-share agreements with Air France and KLM Royal Dutch Airlines. The code share agreement will allow both the

foreign carriers to sell tickets on Jet's domestic routes. Code-share is a commercial agreement between two or more airlines that share the same flight, with all the partnering airlines able to sell seats on that particular flight. The code share agreement will allow passengers of the European carriers to book tickets on the domestic routes through Jet Airways and also redeem rewards on frequent flier programmes.

The code-share agreement enables Air France to place its marketing code (AF) on Jet Airways' domestic flights to three major Indian cities beyond Bengaluru, Delhi and Mumbai. Customers travelling from Europe to India on Air France flights will now be able to connect seamlessly with one ticket to Chennai via Bengaluru, Delhi and Mumbai, and to Kolkata, Hyderabad via Mumbai and Bengaluru.

KLM will place its marketing code (KL) on Jet Airways' domestic flights to four major cities in India beyond Delhi, allowing guests travelling from Europe to India to connect seamlessly to Bengaluru, Chennai, Hyderabad and Mumbai via Delhi

5. Jet Airways have started seven flights in a week from Kochi to Kuwait via Abu Dhabi International Airport.

3.4 Indigo

1. IndiGo has received the government's approval to import 28 A320 aircraft. IndiGo will add 16 planes in 2013 and another 12 in 2014.
2. IndiGo on 16th June launched its 3 new weekly non-stop flights between Mumbai and Muscat.
3. IndiGo have launched a novel sales strategy of allowing customers to buy air tickets through credit cards with payments stretched out over equated monthly instalments (EMIs) of two months. With jet fuel prices shooting through the roof and fierce competition in the aviation market, IndiGo have tied-up with HDFC, Citibank and ICICI Bank to offer their passengers an option to pay fares in two instalments. The flip-side of the EMI option through credit cards payments is that it carries a hefty amount of 14% additional service tax charged on tickets by banks besides 1% charged as processing fee by the carrier.
4. IndiGo has won the Best Low Cost Airline in Central Asia and India at the SKYTRAX World Airline Awards at the Paris Air Show 2013. This is the fourth year in a row that IndiGo has been recognized at these Awards.

3.5 GoAir

1. GoAir will induct 4 planes by financial year end and use those to rise frequency o flights between metros and non-metros.

4. CARGO¹

1. Beginning 1st July, 2013, Customs clearance of all export goods will take place on 24x7 basis from four major Air Cargo Complexes/airports i.e., Bangalore, Chennai, Delhi and Mumbai. Thus, all exports including those made under export incentives scheme as well as duty drawback scheme will now be able to be move out of the country on 24x7 basis. Government expects this initiative to greatly facilitate the exporting community and boost the country's export by reducing dwell time and enabling exporters to meet their deadlines.

The expansion of the 24x7 facility at the four major Air Cargo Complexes/Airports follows closely on the heels of similar customs clearance facility for exports made under Free Shipping Bills i.e. without claiming export incentives with effect from (w.e.f.) 1st June, 2013 from all thirteen (13) EDI connected Air Cargo Complexes/Airports in the country. These 13 Air Cargo Complexes/Airports are Ahmedabad, Amritsar, Cochin, Calicut, Coimbatore, Goa, Hyderabad, Indore, Jaipur, Kolkata, Nashik, Vishakhapatnam and Thiruvananthapuram.

The extension of 24x7 customs clearance facility for imports and exports has been under consideration of Government for some time. Last year w.e.f. 1st September 2012, the customs began functioning on 24x7 basis to clear select export consignments under Free Shipping Bills as well as identified import consignments which were facilitated by its Electronic Risk Assessment System. This was begun on pilot basis at four ports i.e. Chennai, JNPT, Kolkata and Kandla and four airports i.e., Bangalore, Chennai, Delhi and Mumbai. The facility was welcomed by the trade and industry which appreciated the fact that the customs had taken this step to facilitate exports despite facing serious staff constraints. The present expansion of the 24x7 customs clearance facility to all exports from identified customs stations addresses the requirement of exporters who export under export incentive schemes and would allow them to exploit their full potential.

2. Madurai Central Excise Commissionerate, which has administrative control of customs operations at Madurai International Airport, has allowed international freight movement from Madurai Airport. The Union Finance Ministry issued a customs notification on May 28, 2013 (notification No. 56/2013-customs) that allows Madurai airport to handle exports and imports of all types of good right from perishable to industrial and textiles with no restriction on quantity. The notification which states 'unloading of imported goods and the loading of export goods or any class of such goods' implies that the airport can now also handle dedicated freighter operations.
3. According to IATA Cargo Market Analysis – Q2 2013, Operating conditions for airline cargo businesses deteriorated in Q2, but the outlook looks a bit more positive. Over recent months airlines saw freight volumes stall, load factors weaken and yields continue to decline. These developments reflect the pause in business confidence improvement and slowing in world trade growth. Nonetheless, current levels of business confidence continue to indicate a modest pick-up in economic growth this year and consumer confidence in Europe and the US has made some progress recently. Both of these factors should provide support to air freight demand in the months ahead. Finally, although current conditions are tough, cargo heads surveyed in April are optimistic. They expect both volumes and yields to improve over the next 12 months.

¹ Press Information Bureau and Newspaper Clippings

4. MIAL on June 7th inaugurated its state-of-the-art temperature controlled storage facility. With the inception of the new Cold Zone the total capacity of import cold storage at the airport has been enhanced from 426 MT to 1,286 MT. The Cold Zone offers a temperature range from +15°C to +25°C and can accommodate cargo received from 8 freighters at a time.

5. INTERNATIONAL NEWS¹

1. IATA on its 69th Annual Conference has asked Governments across the world to consider adopting consumer protection regulations without territorial limitations, to make passengers aware of their rights in case of flight disruption and other problems. IATA unanimously endorsed a set of core principles for Governments to consider when adopting consumer protection rules. The core principles call on Governments to develop consumer protection regulations that are clear, unambiguous and aligned with international conventions, and ensure passenger access to information concerning their rights, fares, including taxes and charges (prior to purchasing a ticket), the actual operator of the flight, and regular situational updates in the case of service disruptions.
2. IATA has endorsed a plan for global adoption of market-based measures (MBMs) to cut aircraft emissions, calling on world governments to agree to the move and so secure an alternative to Europe's controversial emissions trading scheme (ETS). At its Annual General Meeting, IATA "overwhelmingly" adopted a resolution called the Implementation of the Aviation Carbon Neutral (NCG2020) Strategy. The European Commission agreed last year to suspend the imposition of ETS on all international flights in and out of the European Union if ICAO adopts an equivalent global program when it meets in September.
3. IATA on 4th June said that there been a major dip in air accidents and a significant fall in accident rate worldwide, with asking all carriers to become part of its continuous safety monitoring system. There was not a single Western-built jet hull loss in 2012 for carriers on the IATA Operational Safety Audit (IOSA) registry. The total accident rate of all aircraft types for IOSA-registered airlines across the world was 4.3 times better than the rate for non-IOSA carriers. IATA said "For the airline industry nothing can and should be left to chance. The key message is that there is no complacency when it comes to safety".

At present, in India Air India, Jet Airways and its subsidiary JetLite are members of the IOSA and conform to the safety standards set by this audit on a regular basis. With India close to setting up a Civil Aviation Authority (CAA) to replace aviation regulator DGCA, IATA recently said the CAA should take full advantage of the IOSA and the IATA Safety Audit for Ground Operations (ISAGO) to enhance capacity building and skill development.

4. Global airlines have agreed on a proposal for tackling aircraft emissions in a bid to break international deadlock over an issue that has stoked fears of a carbon trade war. Airlines representing 85% of global traffic urged governments to adopt a single market-based system designed to offset growth in their post-2020 emissions against the funding of projects to cut emissions deemed harmful to the environment.
5. ACI Director General Angela Gittens while speaking at the ACI Europe / World Annual Congress and Exhibition in Istanbul said that the absence of an airport hub in India is a big disadvantage for Indian aviation. She said "The fact that India's hubs are all outside of India is not a good thing. You want a hub in Delhi and Mumbai at the very least". Airport infrastructure, she said, has been lacking in India. She added "Air India does not have the strength to be a hub carrier. You might be better off by letting fate take the draw and let some of the other Indian carriers become the hub carriers".

¹ Newspaper Clippings

6. IATA Director General and CEO Tony Tyler while speaking at the ACI Europe / World Annual Congress and Exhibition in Istanbul called for a unified agenda between airlines and airports to address the mutual challenges of growth and sustainability. “Airports are airlines’ closest partners. Neither of us could exist without the other”. He noted that major investments in infrastructure will be needed to meet the global demand for air connectivity which is growing at about 5% annually. He said meeting these requirements efficiently will require close cooperation. Over the long term, airline profit margins have been insufficient to cover their cost of capital and this also has been the case for some airports. “Neither partner can afford poorly-thought out and overly expensive infrastructure development. To avoid this, we must work together in a collaborative process based upon the basic principles laid down by ICAO which include consultation with airport users, transparency, non-discrimination, cost-based charges, and strict safeguards on pre-financing of future infrastructure. He also cautioned that “decades of practical experience and long standing and credible economic theory have shown that most airports have substantial market power. Strong independent regulation is required to provide the cost discipline that otherwise would be imposed by the free market. And the ICAO principles offer sufficient flexibility for regulators to apply various levels of economic oversight where market forces do exist.”

Tony Tyler proposed a unified agenda and partnership between airlines and airports based on:

- A mutual understanding that long-term sustainability is an issue for both airlines and airports
- Recognition that the solution to our common challenges is not to take each other in an Anaconda-like grip to squeeze out every last penny from one another
- Working together to help airports find mutually beneficial efficiencies
- Removing capacity constraints, particularly in Europe where 98 airports have insufficient capacity and require slot coordination
- Seeking opportunities for cooperation to enable process improvements and new value added commercial opportunities such as through providing universal access to Wi-Fi
- Scoping out potential for joint business development.

He further said “An agenda of cooperation does not mean that we will agree in every specific instance. But it does mean that we recognise we will achieve far more together than each could on our own”.

7. Malindo Air which started its operation on 23rd March 2013 and is looking to commence its maiden international flights to India and Singapore by August. It plans fly to three destinations in India – New Delhi, Tiruchirappalli and Cochin.
8. Incheon International Airport won best airport for the eighth consecutive year in the annual Airport Service Quality Awards by ACI on 11th June. The airport won the awards in the Asia-Pacific region and in the 25-40 million-passengers-per-year category. ACI carries out interviews with 350,000 users worldwide every year on their satisfaction with services. Incheon scored 4.95 out of five points in an unofficial tally, ahead of Singapore's Changi Airport and Beijing Capital International Airport in the region.
9. HongKong International Airport for the 7th year in a row has been raked the best by 8.2 million passengers worldwide, as per a survey by Skytrax. The airports were judged on

factors like duty-free shopping, dining, staff courtesy, baggage delivery and wait times at security.

10. The UK's Birmingham Airport has unveiled ambitious plans to become a two runway airport with the same capacity as Heathrow by 2026. The plans also include development of a business park for the region's manufacturing sector alongside an expanded airport site.

11. Passenger traffic growth for the month of May 2013 on certain international airports:

May 2013	
London City Airport	Total Passenger Traffic in May 2013 was 315,514 passengers, an increase of almost 20% compared to May 2012.
Edinburgh Airport	The Airport welcomed more than 906,000 passengers, a rise of 7.4% compared to the same time last year. International traffic was up 11.8%, driven by new services from easyJet and Ryanair with domestic traffic also up by 2.7% with strong performances from British Airways and Virgin Atlantic Little Red to Heathrow.
Gatwick Airport	Passenger traffic was up 7.8%. More than 3.2 million passengers passed through London Gatwick in May 2013 – 231,800 passengers more than the prior year.
Glasgow Airport	Passenger growth at Glasgow Airport has continued with almost 665,000 people travelling through the airport in May 2013, representing an increase of just under 1% compared to the same period last year.
Heathrow Airport	Heathrow saw 6.1 million passengers in May, a 4.7% increase on May 2012. The average number of passengers on each flight rose to almost 152, equating to a load factor of 74.7%, up 1.1 percentage points.
Chopin Airport	Chopin Airport has had its busiest May on record handling more than 989,000 – a slight increase on 2012. Aircraft movements totalled 13,000, 1.7% less than in May 2012.
Aéroports de Paris	In May 2013, Aéroports de Paris passenger traffic increased by 4.7% compared to May 2012 with a total of 8.0 million passengers including 5.4 million at Paris-Charles de Gaulle (+2.5%) and 2.6 million at Paris-Orly (+9.7%).
Copenhagen Airport	Passenger numbers at Copenhagen Airport grew by 6.6% year on year in May. The year-to-date number of travelers increased by 1.5%. For the first time ever, passenger numbers for May rounded 2.1 million, reaching a monthly record of 2,149,697 passengers. The previous record was from 2011.
Vienna Airport	The number of passengers handled by Vienna Airport declined 0.8% year-on-year to 1,969,800 in May 2013. Declines were recorded in the number of flight movements with minus 5.1%, maximum take-off weight with minus 3.8% and cargo with minus 7.5%. The number of local passengers rose by 1.1% during this same period. The number of transfer passengers using Vienna Airport in May 2013 was 4.6% lower than in May 2012. Passenger traffic to Eastern Europe was 2.8% lower than in May of the previous year. The number of passengers travelling to Western Europe increased 1.8%, while the Middle East recorded a decline of 10.7% in May 2013.

Frankfurt Airport	Fraport welcomed a record 5.13 million passengers at its Frankfurt Airport (FRA) home base last month, a 0.4% increase on the previous May. Intercontinental traffic increased by 2.2%.
Singapore Changi Airport	The airport handled 4.28 million passengers in May, a rise of 4.7%. Flight movements increased by 5.4% to 28,500, while 147,600 tonnes of cargo were handled, down 3.5% on last year.
Dubai International Airport (DXB)	The airport has racked up another month of double-digit growth with 18.9% increase in passenger numbers recorded in May. Passenger traffic in May reached 5.2 million. The year to date traffic is up 16.8% to 27.1 million.
Hong Kong International Airport	During May, the airport handled 4.7 million passengers and 339,000 tonnes of cargo, showing year-on-year increases of 4.1% and 1.8%, respectively. Flight movements set a new monthly record of 31,040, representing a 6.1% increase compared to the same month last year.

12. Glasgow Airport has become the first airport in the UK to achieve five stars in a rigorous safety audit. The British Safety Council assessed the gateway over four days giving Glasgow the top rating. The outcome of the Occupational Health and Safety Audit was based on interviews with managers and staff, site tours, inspections and a review of the airport’s safety management. In 2012, the airport received a Healthy Working Lives Gold Award, an International Safety Award, and a Gold award from the Royal Society for the Prevention of Accidents.

13. IATA has welcomed European Commission (EC) proposals to strengthen the legislative basis for the Single European Sky (SES). The EC proposals are in response to the failure of European states to make progress towards the SES and its important goals: an improvement in safety by a factor of ten, a 10% reduction in aviation’s environmental impact, a 50% reduction in air traffic management costs and a three-fold increase in capacity. The efficiencies generated will be a catalyst for jobs and growth—critical to Europe as it struggles to revive its stagnating economy. IATA noted three specific concerns with the EC proposals:
 - The new performance review body must have strong powers to enforce targets
 - The clearer role definition and enhanced capabilities of aviation authorities must reduce duplication and not increase costs
 - Changing of the definition of Functional Airspace Block (FAB) to ‘an industrial partnership’ gives rise to concerns that states could avoid prosecution for non-compliance with FAB requirements.

14. SimpliFlying in its 2013 ‘The State of Airport Marketing’ first ever industry report published on airport marketing trends identifies seven key marketing trends from airports around the world. According to Google, 80% of travellers today plan their travels online and half use mobile devices to access travel information. The report said that three-quarters of business travellers and frequent fliers carry smartphones and just as many log on to airport Wi-Fi when it is available for free. The report added given the “techno-social transformation” more airports are investing in innovative products and service initiatives in order to differentiate the airport experience and cater to “connected travellers” who now expect more accessibility in their pockets. Airport marketing today is not only a function of communications. They are increasingly competing to attract passengers from nearby airports as well as simultaneously improve their route network.

The seven trends identified in the State of Airport Marketing report are:

- 1. Advocacy** - Airports invest in creating unique experiences to convert travellers into advocates who are happy to endorse them to their friends online.
 - 2. Social care** - Through social media, airports tackle customer issues real-time, at the time and place where it occurs, thereby building goodwill.
 - 3. Story telling** - Airports attempt to build deeper relationships with travellers by telling stories of their employees, of airport operations and even of travellers.
 - 4. Crowdsourcing** - By drawing power from the masses, airports find a new effective means to a variety of ends such as product innovations, development of communities and improving passenger experience.
 - 5. Red carpet** - To cater to the rise of middle-class travellers in specific international communities, more airports are using local social networks and speaking their 'language'.
 - 6. Virtual shopping** - Airports and retailers can now extend their reach to gate seating areas and sell products through effective signage and technologies such as QR codes.
 - 7. Innovative air service development** - Airports are investing in segmenting and targeting potential passenger markets to become more appealing than their neighbouring competitors.
15. Hong Kong International Airport has reported profits of US\$725 million for the last financial year. Passenger throughput and flight movements set new records, increasing by 4.1% to 57.2 million and 4.7% to 355,000 respectively in 2012/2013 compared with the same period last year. Cargo throughput rebounded as total cargo handled rose 2.9% to 4.04 million tonnes and HKIA was ranked the world's busiest cargo airport for the third consecutive year. The revenue growth was largely driven by strong air traffic and increased passenger spending at retail concessions.

New Airport Initiatives Internationally

1. Manchester Airport is trialling “friendly guides” who will fast track groups of passengers through the airport. Passengers can use the service to be escorted to wherever they wish to be once they are airside. For arriving passengers, the guide will meet the passenger at their arrivals gate, fast-track them through immigration, take them to their baggage reclaim carousel and then guide them to their onward means of transport. Trolleys are also provided for free for anyone using this arriving or departing service.

This service will eliminate the element of worry some people experience in an airport with not being sure where they’re heading to, especially if they’ve not visited before or if English is not their first language. Passengers will be guided through the check-in and security process and will have more time to relax in one of the airside bars and restaurants or have more time for shopping without worrying about missing their flight. Passengers who book into any of the Escape Lounges will be collected direct from the lounge. Many other airports currently offer a similar service.

2. Brisbane Airport has introduced big screen to display passengers' texts in the international departures area of the terminal. The airport has become the first gateway in Australia to allow passengers to publicly share SMS messages on the two large LED digital screens. Since the installation of the 3m x 5m screens, hundreds of visitors to the terminal have taken the opportunity to post a message, be it ‘farewell’, ‘welcome’, ‘we’ll miss you’, ‘come back soon’ or ‘congratulations’.
3. Christchurch Airport has installed a “living wall”, a huge image of Aoraki Mt Cook with the region’s vegetation planted underneath it, in its baggage reclaim. There are more than 2500 plants in the Living Wall, with 22 different varieties of plants across an area of 29 square metres. The feature purifies the air, reduces noise pollution, acts as a carbon sink and is a calming environment for travellers and visitors – plus, of course, it looks amazing.” The wall is another step in Christchurch Airport’s focus on the environment.

Christchurch Airport has introduced Chinese, Japanese and Korean signs – in an attempt to make its Asian passengers feel more welcome. Airport staff are also set to learn basic phrases in different languages to help them to communicate with a wider range of visitors.

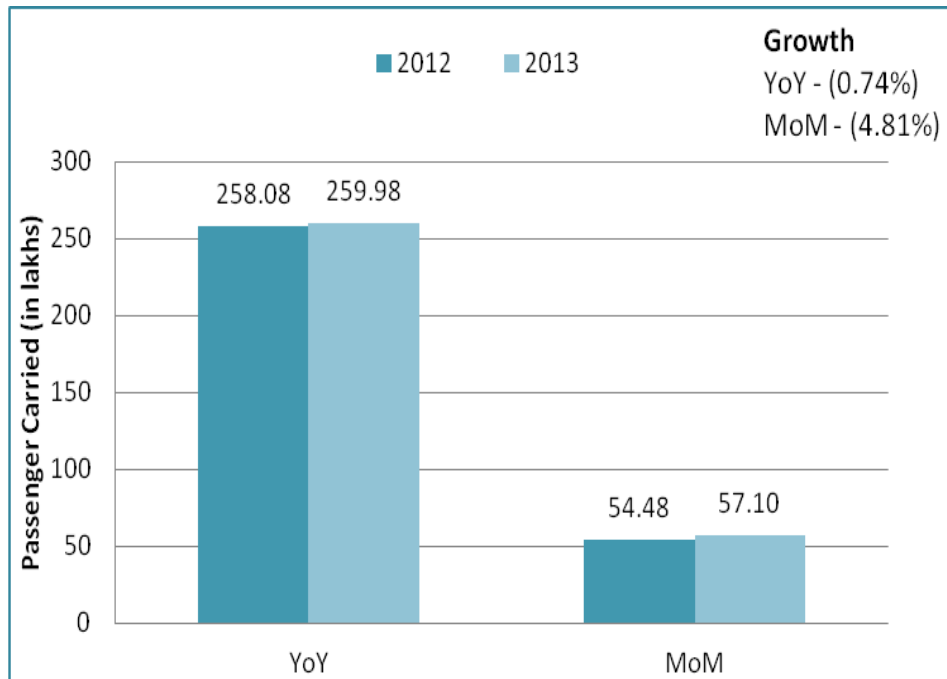
4. London City Airport has installed solar-powered lighting systems at runway entry points. The two runway guard lights, commonly known as Wig-Wags, are an attempt to reduce energy consumption and provide a 24-hour LED warning system. The units can run for 120 days without re-charging. The solar-powered systems will not only save energy and help reduce the airport’s carbon emissions, they will also represent a financial saving in the longer term. The airport is currently exploring other options in terms of installing LEDs for airfield lighting and will continue to look for ways in which we can improve energy and cost efficiency by advances in new technology.”
5. Aberdeen International Airport has launched a partnership with a leading disability charity – so it can support disabled people going on short breaks.
6. Vienna Airport has launched a huge digital advertising wall, which more than 50,000 passengers will walk "through" every day. The giant video wall is 15 metres wide and 9 metres high and is made up of 165 individual screens that provide more than 530 megapixels



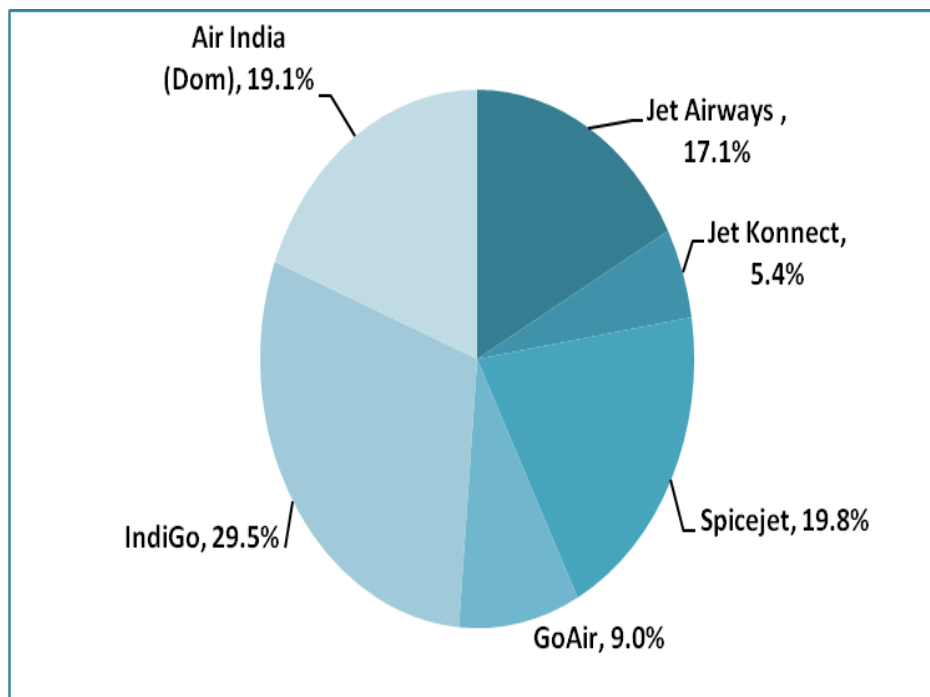
of image area. Currently the wall is showing five photographs of New York in gigapixel resolution. The wall is adjacent to the security inspection area in Check-in 3 at the airport. Each gigapixel picture is composed of up to 240 single shots, and gives the viewer the feeling of almost being on the spot. Sixty servers, a processor performance of 720 gigahertz and specially-developed software are all needed to enable this unique video wall to show the gigapixel pictures. The software splits the high-resolution photographs into minute segments, distributes them among the servers and allows the giant images to be displayed without any loss of clarity. Austrian Airlines is already using the advertising space to get its New York-bound passengers into “a mood of anticipation”.

6. TRAFFIC¹

1. According to DGCA, domestic air passenger traffic rose 4.81% in May from a year ago. India's domestic airlines carried 57.10 lakh passengers compared with the year-ago 54.48 lakh. Domestic air passenger traffic grew by 0.74% in Jan- May 2013 to almost 259.98 lakh as compared to 258.08 lakh in the same period last year.

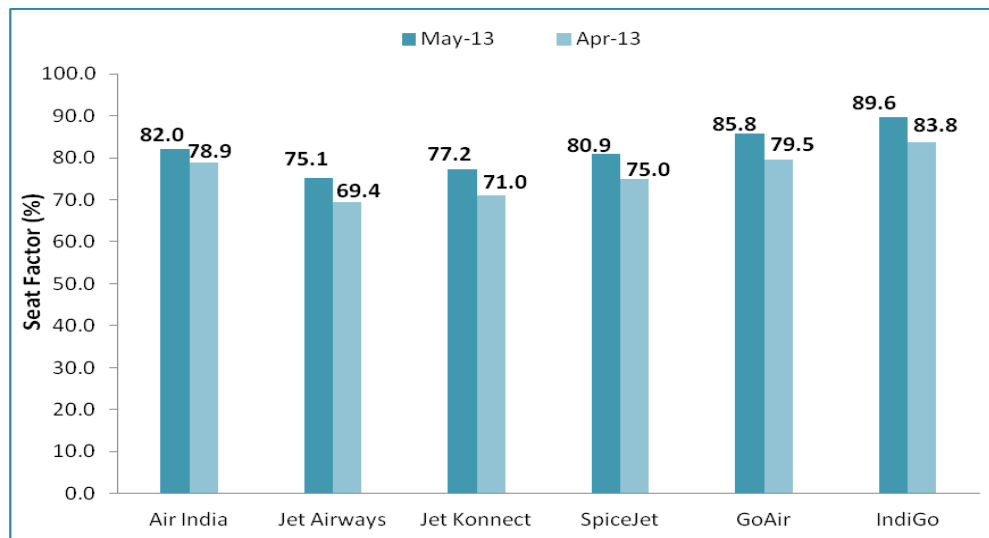


2. The market share of scheduled domestic airlines for the month of May 2013 is:



¹ ACI, IATA, DGCA, Press Information Bureau and Newspaper clippings

3. The passenger load factor of scheduled domestic airlines for the month of May 2013 is:



4. According to IATA Financial Forecast June 2013, IATA has upgraded its global outlook for the airline industry to a \$12.7 billion profit in 2013 on \$711 billion in revenues. This is \$2.1 billion better than the \$10.6 billion project projected in March 2013. The main reason for the upgrade is further evidence that there has been a structural improvement in airline financial performance. Airlines had found new sources of value that have increased the contribution of ancillary revenues from 0.5% in 2007 to over 5% in 2013.

Last year the total industry profit figure stood at just \$7.6 billion. IATA expects this year's profit margins to remain relatively weak, at just 1.8% on total revenues of \$711 billion (compared with margins of 2.95 in 2007 and 3.3% in 2010).

Asia-Pacific airlines continue to generate the highest margins and largest \$ profits, but have seen a deterioration since 2011 and continue to suffer from soft cargo markets. Financial performance is improving due to efficiency initiatives and changes in structure, but the level of profitability is still not sufficient to deliver a 'normal' return to investors.

5. According to ACI, Passenger traffic at airports increased by 1.8% in April 2013. International traffic was up 2.4% and domestic up 1.3% compared to April 2012, this included a 0.4% fall in Europe. However, approximately 50% of the world's top twenty air freight hubs registered declines in air freight during April. Worldwide freight traffic increased by 1% during the month; ACI noted that Hong Kong (HKG) and Memphis (MEM), two of the world's busiest freight airports, recorded "relatively strong gains" of 4.5% and 4.3% respectively.

The passenger traffic in the Asia-Pacific rose 4.6% in April while the Middle East saw a 10.2% rise. Year-to-date passenger traffic showed an increase of 5.8% and 11.6% in the two regions respectively. The top five busiest airports were Beijing (PEK), Dubai (DXB), Tokyo Haneda (HND), Hong Kong (HKG) and Jakarta (CGK). For air cargo traffic, a slight increase of 0.2% was recorded in April 2013 at Asia-Pacific airports while Middle Eastern airports continued to grow steadily at 3.6%. The first four months of 2013 saw a small decline of 0.6% in cargo traffic for airports in Asia-Pacific and a 7.0% increase for airports in the Middle East. The top five airports with the highest cargo in April 2013 were Hong Kong (HKG), Shanghai Pudong (PVG), Dubai (DXB), Seoul Incheon (ICN) and Tokyo Narita (NRT).

6. According to IATA Premium Traffic Monitor April 2013, the number of passengers traveling in premium seats on international markets was 3.8% higher in April compared to a year ago, slightly down on the March growth of 4.4%. Economy class passenger numbers were up just 0.9% in April on a year ago, a sharp fall from the 7.4% growth in March.

7. Visa on Arrival registered a growth of 37.2% during May, 2013 as compared to May, 2012. During the month, a total number of 1,114 Visa on Arrivals were issued as compared to 812 during May, 2012.

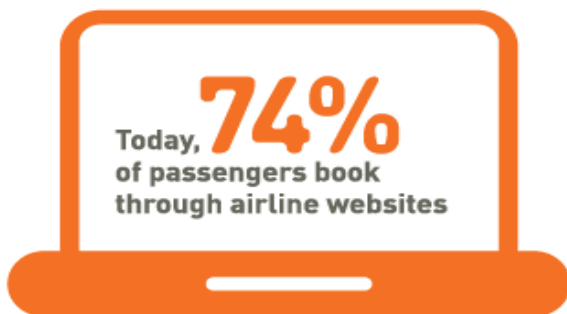
7. REVIEW OF REPORTS

1. SITA 2013 Air Transport Industry Insights Flying into the Future

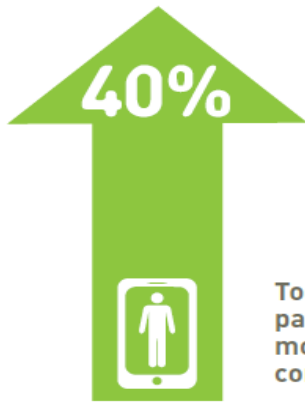
SITA has published a report on ‘Flying into the Future’. The report shows that by 2015 buying behavior will change, self-service will come of age, customer services will be both mobile and social and better business intelligence will be essential. This report draws on the findings of SITA’s technology trends research.

The following are the important highlights of the report:

1. Increasing numbers of people will be travelling by air in the future. Despite the ongoing and immediate global economic pressures, the outlook for air travel is positive, with IATA predicting that airlines will carry some 3.6 billion passengers in 2016 – an increase of around 800 million on 2011 passenger numbers. The industry consensus is that passenger numbers will expand by an average of 5.3% per annum between 2012 and 2016. This period will also see nearly 500 million new passengers traveling on domestic routes and 331 million new passengers on international routes.
2. In 2012, three-quarters of the people interviewed for the Passenger Self-Service Survey had booked their travel online, either directly or via online travel agents. While only 3% of passengers purchased airline tickets via smart phone apps and social media, there is convincing evidence that buying via these emerging channels will increase in importance.



3. 71% of airports plan to sell services to passengers via mobile apps by 2015. Already 44% of airlines enable ticket sales via apps and many more are gearing up, with 89% expecting to offer mobile booking by the end of 2015.
4. 61% of passengers want more ‘personalization’ before engaging more with mobile commerce.
5. American Airlines had a 100% increase year-over-year in booking flights via mobile app. The most popular app functionalities are flight check-in, mobile boarding, flight status and loyalty status.



Today, 40% more passengers are using mobile boarding compared to 2010



By 2015, 90% of airlines will offer mobile check-in

6. Baggage is often identified as the biggest barrier to achieving full self-service check-in, with many of the passenger self-service respondents still not using self-service check-in because they needed to check-in a bag at a counter.



9 out of 10 passengers want flight status info on mobiles, self-boarding and transfer kiosks

+50%



Over 50% of airports/airlines have plans to implement transfer and self-boarding kiosks

7. A major cause of stress for passengers when traveling is unexpected changes or not having the correct information available at the right time and place. Today, 60% use websites to check on flight updates, but SMS/text messaging and dedicated apps are not far behind. The vast majority reveal an appetite to use all these channels, showing no significant preference – what matters is to have the right information at the right time.
8. 62% of passengers are active on social media today.



80% of airports will be sharing data with airlines by 2015



53% of airlines will be sharing data with airports by 2015

9. The ACI founded the ACI Aviation Community Recommended Information services (ACRIS) initiative in 2010 to develop a harmonized framework of recommended information services to facilitate the sharing of information among aviation community shareholders.



2. SITA 2013 Air Transport Industry Insights The Airline IT Trends Survey

The report highlights the investment priorities of airlines in the Business Intelligence solutions.

The following are the important highlights of the report:

1. At the global level, operational IT spending remained stable in 2012 at 1.46% of revenues. On the back of higher industry revenues it meant IT spending in absolute terms stayed at the same level as 2011.
2. Leveraging consumer mobile technology remains the hotspot of IT investment. Offering mobile services to passengers has topped the investment list for the last three years with almost the entire industry now investing, or planning to invest, in this area, of which 66% of airlines will make a significant investment.
3. 100% of airlines are making business intelligence investments in the next 3 years.
4. 75%+ of airlines will deploy crew services on tablets by 2016.
5. Airlines expect mobiles to contribute 9.9% of ancillary revenue by 2016, more than seven times the figure of today. But the ability of airlines to boost non-ticketing revenues through mobile apps depends on multiple developments in many airlines. Today, 58% of airlines can sell tickets through a mobile app but only 30% of airlines can currently sell any kind of ancillary service via this channel.
6. 8% of passengers will use automatic check-in by 2016.