

“Ensure economic viability of the airport sector”



Growth of the airports sector is being constricted more due to Regulatory issues than funding constraints. **Satyan Nayar, Secretary General, Association of Private Airport Operators (APAO)**, feels the government is not giving enough priority to the sector. In an exclusive interview to *Construction Business Today*, he identifies the issues and discusses how to resolve them.

Do you think the Turnaround has occurred for the Indian economy? Will the airport sector finally takeoff?

Indian economy is showing positive signs of turnaround and has gained momentum and structural maturity in many directions. There is evidence of strong capital inflow due to progressive fiscal and monetary policies. Consumer price inflation has been brought under control. Many structural reforms have been initiated by the government and is showing positive results. It is expected that the new Foreign Trade policy implemented recently will help to strengthen India's export capabilities. Many reports suggest that in the next couple of years, India will overtake China as the most attractive investment destination.

Having said this, there are also serious shortcomings witnessed in the infrastructure development, particularly in the airport sector. Airport sector has not been given its due priority in the government's agenda. There is no clear long term view/policy for the airport development. Even the process of privatisation of few AAI airports which had initiated a year back is still not finalised. There are uncertainty on regulation and sectoral policies which has not provided the

investor confidence, especially in regulatory areas including the tariff regime. We are of the view that the airport sector can take off provided we have specific long term targets with a clear road map and action plans to be implemented.

What kind of MCA and govt policy will foster growth of the sector?

In order to foster growth of the airport sector in India, the first step the government should take is to notify a well structured National Civil Aviation Policy which will provide a blueprint and a roadmap with a clear vision and action plans to all stakeholders including government in understanding their respective roles in ensuring the growth of the sector. The policy should set targets for improving regional connectivity, developing all the major PPP airports as global hubs, policy on developing more airports in PPP model, policy on development of MRO business and policy to improve air cargo operations in the country. Government should also address the issues of funding constraints, high tax regime for the airport business, and regulatory uncertainty prevailing in the sector. Most importantly, the government policy should ensure that the regulatory framework for the airport sector reflects best international practices and thereby the policy should be forward looking, progressive and investor-friendly and must ensure the economic viability of the airport sector. ■