



Big Change for Small Players

The growth of General Aviation industry is crucial to the survival of the myriad service providers in the aviation sector

OVER THE PAST DECADE THAT I have been associated (rather, obsessed) with the Indian aviation industry, I have seen a marked paradigm shift in all of its major elements. The rapid growth of the commercial aviation industry, concomitant with an upswing in its ecosystem with gravity-defining, double digit growth figures, to the birth of regional airlines finding sturdy support amid the aegis of the new aviation policy.

Sure, the governments of the early 2000s helped – there's no denying that. Rising aspirations, a burgeoning middle class, heightened infrastructure investment were all 'Watsons' to the 'Holmes' of a 13.8 per cent year-on-year growth story over the last eventful decade. July 2016 figures though completely broke barriers, hurtling digits into the stratosphere with an astounding 25 per cent growth rate. This is just the proof of the

argument – with the aviation's wings literally 'cut' pre-liberalisation, the cruel joke was on us! The reversal (thankfully, better sense prevailed!) of such a restrictive and downright daft policy was made evident rather quickly as the skies were opened to all – what followed was something never before witnessed. Expected by millions, yes, but when it actually happened, it was some sight! The government went all out - decided to open its doors to private players, paved the way for new airlines, ushered in low cost carriers, introduced private airlines and made going international a hugely different experience altogether. All this sounds normal to most of today's folk, but ask today's millennials and you'll get a sense of the euphoria, buzz and collective enthusiasm that characterised the skies. Enter, the regional airline – Schedule Commuter Airlines (SCA),

flying short haul distances and to the more obscure airports. Interestingly, today's Indian skies have virtually every VIBGYOR colour dazzling the scene.

The story of Indian aviation in the past decade has been fascinating, with a denouement not too dissimilar from a classical soap opera. Floodgates were opened. Phenomenal employment generation at various levels – from baggage handlers to ticketing folks, air pursers and pilots, the power of this sector in the country's GDP cannot be underestimated. With technology improving by leaps and bounds, smartly clad confident individuals, almost flawlessly solving real time airport and passenger issues was a thing one came to expect. While the growth of airlines has been phenomenal, there were a few related laggards – the MRO ecosystem and General Aviation (GA) or business avia-

EMERGING MARKET Regional and international airlines at Indian Aviation exhibition in Hyderabad





ON DISPLAY Pawan Hans helicopter and Air India's Dreamliner at Begumpet, Hyderabad

tion as it is often referred to, that were more often than not, in line for step brotherly treatment. Though still not at par with comparables, the new civil aviation policy has brought forth many initiatives including a new look towards the fledgling MROs, which now seems to be teeming with enthusiasm and expectations. This alone is not sufficient though. Implementation via human resources and technology adoption will go a large way in deciding its future. Another important facet is expected to be capability enhancement to support aviation. The national civil aviation policy is doing its own bit to prop up the regional airlines. The SCA's fate though, is uncertain at best. Infrastructure constraints, astronomically high asset costs, steep learning curve of new airlines, financing issues, and above all, lack of a well-defined regulatory framework to support the emerging SCAs are all likely to cast a shadow.

The macro levels though, are much in line with the need of the hour. It is the micro levels that are a trifle, restricted. Consider this – dispatch training can only be provided by the operator. Now, having an in-house training programme for a start-up airline such as SCA will only add to its financial burden as the airline has to invest in training infrastructure, technology and instructors. Of course, the first six months are free from this caveat, however, for an SCA to work as a sustainable business plan with considerable longevity, such caveats need to go and more leg-room needs to be given to the SCA to grow and sustain their operations. Perhaps, in light of recent times, it is pertinent to understand how certain activities related to regional airlines can be outsourced to

well established and recognised training service providers that have expertise, certifications and accreditations.

Let's also focus on the two step-children of the Indian aviation – General Aviation and their 'Harley-Boys', the unknown service providers. GA (i.e. business aviation) has seen a slackening in growth over the last five years to a reverse throttle in the past two years. This is worrisome to say the least, as each new business aircraft and general aviation company also creates umpteen employment opportunities much akin to any airline. While seemingly expensive luxuries, several recent studies in the US and Europe have shown that companies employing business aircraft consistently outperform those that do not, due to the increased productivity of their most

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valued executives.

Further, business aircraft ensure security, privacy and the ability to respond quickly to market opportunities. The Indian GA story though, is abysmal at best. It remains as, surprisingly, the most neglected sector amid all the aviation segments. A sector that our global competitors, including China, are exploiting to their benefit and is steeped in the prospect of terrific promise, is stymied by issues such as lack of infrastructure, non-availability of FBOs, insufficient terminals, etc. To be fair, there are some other intrinsic challenges to be overcome here – ultra stringent regimes akin to a rap on the knuckles at every deviation, and larger still, a serious shortage of high calibre trained human resources, have added dual layers of difficulty to this pie. Little wonder then that industry observers are saddened by the fact that the GA story is yet to take off as we know it can, presently trudging along with an ungainly crutch, while its position should be up soaring in the skies.

The 'Harley-Boys', on the other hand, have seen a mushrooming growth with millions of companies teeming with bright talent dotting the Indian GA landscape. Their contribution though, has largely gone unrecognised. Their numbers have been witnessing an encouraging upswing, thanks mainly to the post liberalisation relaxations and ease of licensing. However, their survival is largely seen as strongly correlated to the General Aviation industry. Ironic then, that the government let the 'unknowns' remain just that – 'unknowns' - as they took strides towards publishing the new civil aviation policy. A close glance through the fine print reveals precious little support for this, if at all, in the new policy. This is all the more interesting since the industry provides direct and indirect employment to over 10 lakh people.

There is tonnes of research, some worth its salt, on how the growth of GA can be fast tracked in India. Sure, I have my own views too and I would like to imagine, at least a few will definitely be worthy of the proverbial 'bullseye' – I will politely side step such issues and leave them for another day. The point though is obvious to the naked eye - to have some of the measures instituted to support the survival (at least) and growth (very soon) of GA as an industry, thus supporting the 'Harley-Boys'. ||