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VISION 2050: SHAPING INDIAN AVIATION'S FUTURE

As India plans to be a global aviation hub and one of the top three aviation markets worldwide by 2020, experts give us an overview of the this industry

According to the French National Institute of Demographic Studies (INED), by the year 2050, India may be the most populous nation with a population of 1.6 billion far ahead of China's 1.3 billion. A report by Knight Frank and Citigroup predicts that, by 2050, the Indian economy may be the world's largest on purchasing power parity basis around \$86 trillion with China at \$80 trillion and USA at \$39 trillion. Given the close relation between the economy and aviation, India is expected to be the third largest aviation market by 2020 and perhaps the largest by 2030.

India is one the fastest growing aviation markets and currently the ninth largest civil aviation market in the world. More than 85 international airlines operate to India and five Indian carriers connect over 40 countries. India is one of the least penetrated air markets in the world with 0.04 trips per capita per annum as compared to 0.3 of China and more than two in the USA.

India is poised to experience a rapid upswing in the business aviation sector owing to its geographic location, favourable demographics and robust economic growth. Located strategically between the Middle East and Europe on one side and the East Asian economies on the other, India's geography offers a lucrative opportunity for the growth of general and nonscheduled aviation due to the rising demand from the evergrowing numbers of high net worth

individuals and business houses in the country.

BUSINESS JETS A LODESTONE FOR COMPANIES

Business jets are not just a status symbol anymore. People are realising the efficiency of private aircraft. Business jets provide you with absolute control over travel plans. Owning a jet or using one by charter provides you the ability to travel at your own schedule. You are able to visit multiple cities in one day; avoid queues at the airport; able to conduct meeting in privacy on board the aircraft. Moreover, you can travel to airports that don't have commercial airline services. The one thing that people who have made it big can't buy is time. Flying by business jets allows them to get back time; time that they can spend doing more business or spending more time with family and friends.

BUSINESS AVIATION THE WAY FORWARD Until a few years ago, a corporate board meeting at 35,000 feet above sea level was far from reality in India. Today, top executives can fly private jets and talk business, while in transit. Corporate aviation, or owning private and business jets, enables executives to conduct business more efficiently and have greater control over their time.

"Business aviation is among the fastest growing sectors in India. I strongly feel that if the synergy between defence and civil aviation were to happen and add to that the number of people traveling by air, it could boost this sector. Overall, there is a lot of potential for this sector in India," notes Lt Gen Subrata Saha. Business jets are not just



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GROWTH POTENTIAL: India has experienced one of the fastest growth rates in private aircraft fleet strength anywhere in the world. India's business aircraft fleet grew from 171 in 2001 to 511 in 2009. Until 2005, there were less than 40 private jets in India. This segment grew from 26 to 127 between 2005 and 2010. India's current fleet strength, including helicopters and small aircraft, is 750. According to 2011 statistics, India's fast-growing private jets market in India represents 12% of the global market. This is a bigger share than those of China and Japan.

With a healthy economic growth envisioned for India, the country currently can boast of only around 100 business jets and over 500 other aircraft. This number would easily double in next five years. With one-fifth the economy of the US India has only one-hundredth of its number of jets. Growth of general aviation generally follows periods of economic growth and wealth creation. India is poised to see a greater influx of business aircraft over the next few years.

FLY A JET YOU DON'T OWN: If owning a business jet seems tough, the other business

mode that has worked in the west is fractional jet ownership. A company or individual buys, or leases, a fractional interest in one aircraft just as they might acquire a partial interest in one condo unit. The concept is still new in India. The future of business aviation in India lies in product innovation. With the growth of wealth, wealth generators and HNIs in India customized solutions that create access for more customers to a fleet of aircraft with a good value proposition is a huge opportunity. There is a growth of professionals, sports stars, celebrities and entrepreneurs who need access to business aircraft and may not necessarily want to own one or be able to own one. Corporate aviation, whether by complete or fractional ownership, is a piece that the industry and the government cannot ignore it could be the next big pull for the economy, bringing in revenues from both foreign travellers and increased domestic business efficiency.

India plans to be a global aviation hub and one of the top three aviation markets worldwide by 2020. By 2020, passenger traffic at India Airport is expected to increase to 450 million from 159.3 million in 2012-2013. The aviation sector is likely to see investments totalling USD 12.1 billion during 12th Five Year Plan, out of which USD 9.3 billion is expected to come from the private sector. 200 low-cost airports are planned to be built in the next 20 years to connect tier-II and tier-III cities. USD 1.3 billion is planned to be spent on non-metro projects during 2013-17 mainly focusing on the modernisation and up gradation of airports.