

The Draft Civil Aviation Policy will help the domestic industry grow : Aditya Ghosh



The general public opinion has been ranging from 'disappointing' to 'fairly comprehensive'. The draft civil aviation policy released by the Ministry of Civil Aviation has its share of detractors and those who feel that its implementation can change the business environment in the sector.



Aditya Ghosh, President IndiGo, feels that if all the major proposals are accepted then it could change the business environment in which airlines operate in India.

Lower fares

In first comments to the proposed cess in the draft policy, Ghosh said that it will be difficult to say by how much IndiGo fares will move if the 2 per cent cess is levied.

The taxes that they are planning to reduce on the MRO side will ultimately reduce the input costs of running an airline. Ultimately if it actually turns out to be right then there could be a lowering of fares. It is felt.



Mittu Chandilya, AirAsia's India MD and CEO, felt the draft aviation policy lacks clarity on the 5/20 rule.

“This is one significant, archaic and regressive policy. If this policy had been scrapped, it would have unbridled the entire sector and shown optimism not only to current incumbents but also to potential future investors in the sector.”

Chandilya said it was disappointing that the draft is still where we were on this issue several months ago, adding that measures regarding MRO facilities as well as low cost carrier infrastructure, ground handling initiatives, tax measures and affordable tariff balancing would boost air travel and encourage sustainable growth of the industry.

Business Aviation

Draft Civil Aviation Policy Aims To Boost Regional Connectivity.

Terming the draft policy as “disappointing”, Jayant Nadkarni, President, Business Aircraft Operators Association, said it completely ignored the interests of business and general

aviation in India.

Support for the draft policy came from Phee Teik Yeoh, Chief Executive Officer, Vistara, who felt that it was a fairly comprehensive approach that will help unleash the potential of the aviation sector in India. Vistara is the brand name of the domestic airline which is a joint venture between Singapore Airlines and Tata Sons and one of the newest entrants in the domestic aviation sector.



Will the MRO Industry pass on the benefits ?

A Didar Singh, Secretary General, Federation of Indian Chambers of Commerce and Industry, felt the draft policy gives a clear signal to the industry for “taking air travel to the masses and promoting regional connectivity.”