

Rail Users Shift to Air Travel

Travelers shift from Rail to Air.

The recent data presented by Directorate General of Civil Aviation (DGCA) shows that February is the fifth consecutive month where domestic passenger traffic grew over 20% on a year-on-year basis.

In February, Indian airlines flew 7.4 million passengers as against 6 million passengers in the corresponding month of the last year, indicating a jump of 24.7%. The firm trend in traffic and lower fuel prices are expected to support valuation of aviation stocks in the short and medium term.

The few factors which have contributed to the growth in air passenger traffic are –

- Airlines pass on the benefit of lower ATF prices to travelers.



- More number of flights are now available
- More regional air connectivity coming up
- Air fares are now affordable for the middle class
- Rail fares have increased. The difference in fares of rail and airlines has now reduced for key routes like Mumbai-Delhi, Mumbai-Bengaluru, and Mumbai-Chennai.

It has been observed that the difference between the fares of rail (AC 2-tier) and air is in the range of Rs 700-800 on

these key routes. Due to this, there has been a meaningful migration of travelers from rail to air.

National air carrier Air India said that it will introduce new flights on three sectors under its 'Connect India' program from April 1.

According to the airline, to push regional connectivity, its wholly-owned subsidiary – Alliance Air will introduce the new flights on the

- Delhi-Jammu,
- Bengaluru-Vijayawada and
- Kolkata-Agartala sectors .

The flights on the Bengaluru-Vijayawada and Kolkata-Agartala sectors will operate five days a week, starting from April 1.

Besides, it will operate an additional frequency on its existing route of Delhi-Jammu-Delhi three days a week, starting from April 7.

SpiceJet has been the country's favourite low-cost carrier. As per the statistics released by DGCAIt continues to top the Passenger Load Factor (PLF) charts beating all Indian carriers with 92.3% PLF for the month of February 2016 leaving IndiGo a distant second. SpiceJet has achieved above 90% PLF for 10 successive months.



The airline has also bettered its On-time Performance (OTP) for the month of February 2016 with 77.7% as compared with

74.7% during January 2016. OTP has been computed for its operations across the four metro airports of Bangalore, Delhi, Hyderabad and Mumbai. SpiceJet operated 293 daily flights and carried 9.76 lakh passengers during the month thereby registering a market share of 13.1%. Shilpa Bhatia, Sr. VP, Commercial, SpiceJet, said, "This achievement is recognition of the faith and confidence our customers have reposed on us and at the same time reflects the commitment and persistent effort of entire SpiceJet staff." Flight cancellations have also declined steadily over the past few months for the airline, with the cancellation rate for February 2016 being just 0.35%

Starting April 1, passengers flying IndiGo airlines on domestic routes will be forced to pay a charge of ₹2,250 for making any changes to their ticket or for cancelling it.



So far, the airline had a cancellation fee of ₹1,250 per ticket on domestic routes in case the changes or cancellation of the ticket is made at least a month before the travel. Within a month of travel, passengers were charged ₹2,250.

However, now irrespective of the time before travel, passengers will have to pay a fixed amount of ₹2,250 per ticket. International passengers will continue to pay ₹2,500 per ticket for cancellations.

This also makes cancellation more expensive than the ticket cost itself on many small routes. Airlines typically charge higher cancellation fee to discourage any changes made to travel plans, which allows them to plan their flights better and ensure better profitability.