

Virgin Atlantic Could Not Grow In India Due to Jet Airways Collapse

New Delhi: The closure of Jet Airways (India) Limited changed the India growth plans of Virgin Atlantic. The British airline, which had a code share partnership with Jet Airways, then started its own services between London and Mumbai, as per the airline's country manager (India) David Hodges.

"We had a code-share partnership with Jet Airways, and we planned to grow that," Hodges said adding, "Unfortunately, the grounding of Jet Airways changed our growth plans."

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One airline books its passengers on its partner carriers and provide seamless travel to destinations, where it has no presence by virtue of Code-sharing.

Virgin Atlantic will now start its own daily flights between London and Mumbai from 27 October to utilize the space vacated by Jet Airways, which operated three daily flights on this high demand sector. Jet Airways also flew a daily flight between Mumbai and Manchester.

"There was a lot of capacity (between Mumbai and London/Manchester). We were looking to increase our presence in the partnership with Jet Airways and probably fly one Virgin Airways flight between England and India (of the flights flown by Jet Airways)," Hodges said. "We need to be quick and nimble (after Jet's grounding). So, we decided to

start our own services between London and New Delhi.



Virgin Atlantic currently also has a daily flight between London and New Delhi.

Jet Airways suspended operations in April because of a severe cash crunch. A consortium of 26 banks led by the State Bank of India (SBI) has approached the National Company Law Tribunal (NMCLT) to recover dues worth more than ₹8,500 crore.

As things stand, Jet Airways has run a loss of more than ₹13,000 crore in the past few years. Its total liabilities amount to more than ₹15,000 crore even as lenders have been trying to sell the beleaguered airline as a going concern, but without much success.

Hodges said Virgin Atlantic was looking at forging new partnerships with Indian airlines, which could help the airline get traffic from smaller Indian cities and town. The airline, which already has an interline partnership with Vistara, is looking to forge more such partnerships or code share agreements with other Indian airlines.

“Now, the plan is how we grow in India. Having a code-share with Vistara is definitely an option for us,” Hodges said. “Interline with Vistara has given us great connections from Mumbai and New Delhi. It’s however not very simple. Lots of commercial considerations and decisions will have to be made for this alliance.”

An interline agreement is typically signed between two or more airlines to handle passengers when their itinerary involves travelling on multiple airlines. Such agreements allow

passengers to change flights to one on another airline without having to check-in again.

Interlining agreements differ from code-share agreements as the latter usually refers to numbering a flight with the airline's code even though the flight is operated by another airline.

Meanwhile, going ahead, Virgin Atlantic could look to operate between cities other than New Delhi and Mumbai, and London as the airline plans to tap the number of passengers traveling to England and Europe from other Indian metros.

"I have spoken to a number of Indian airports, and this is an interesting opportunity. There are also other high growth cities across South and North India," Hodges said. "Bangalore is the next natural city we want to fly from in future, and one that we are currently not flying from."

Virgin Atlantic will operating its Boeing 787-9 (Dreamliner) fleet between London and Mumbai. The airline currently operates Airbus 330 aircraft on its London-Delhi route. The airline hopes to also provide onward connections to destinations in Europe, South America, North America and South Africa from London for its passengers flying from India.

"Ultimately, we want to be able to compete with bigger airlines like British Airways in terms of network and network size," Hodges added.

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