

Jet Airways Cedes Space to its Rivals; Services on 7 Gulf Routes To End

December 3, 2018.

Pilots' non-cooperation.

Naresh Goyal-controlled Jet Airways had to cancel at least 14 flights to various destinations after some of its pilots reported "sick" over non-payment of wages, arrears, and the indifferent attitude of the National Aviator's Guild (NAG) in taking up the matter with the management. The NAG is a pilots' association of Jet, comprising over 1,000 members. Some of the pilots have also approached the airline chairman Naresh Goyal, stating that they are unwilling to work in this manner. Recently, 18 Jet flights were cancelled in Mumbai. Recently, Ranjan Mithai Jet Airways' Independent Director had resigned. One after another, Jet's people are leaving Jet.



The loss-making private carrier has been defaulting on salary disbursement to its senior management along with pilots and engineers since August due to cash crunch. The airline has partially paid to these staff for September while the full salaries of October and November remain unpaid.

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Brave Face.

Jet Airways, however, tried to put up a brave face. In a statement it clarified, "The flights were cancelled due to an

unforeseen operational circumstance, and not pilot non-cooperation.” Jet Airways said the passengers of the affected flights were duly informed about their flight status via SMS alerts and they have been re-accommodated or compensated.



Given the present scenario at Jet Airways, the airline may withdraw its flight services on as many as seven Gulf routes from December 2018. Jet will then not operate as many as 39 services per week to Doha, Muscat, Abu Dhabi, and Dubai from various domestic cities.

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As always, Jet’s management comes up with the same story. Cost cutting, debt reduction, funding options, infusion of capital and monetisation of assets, etc. Meetings with Tatas, negotiating with Etihad, seeking investors, etc. They all now sound hollow.

Options Left.

Everyday, Jet Airways considers multiple fundraising options in its board meetings to turn around the airline. But every time it is confronted with a hardened operating environment and severe cash crunch. Tatas’ proposals didn’t materialise. Even after building up a substantial position in India’s domestic aviation market during the past 25 years, Jet Airways may have to eventually hand over the management control to its partner, Etihad.

Flight cancellations, non-payment of salaries, defaulting on payments to lessors, asking for fuel on credit, requesting airport charges on credit were precisely the same sequence of events that took place just prior to the fatal collapse of Kingfisher a few years ago. That is history. Will he see history repeating itself? He had said 60 days, but Goyal has stretched his Jet Airways somehow to more than 120 days till date.

Jet's fundraising efforts will be rendered meaningless when its flight cancellations go unabated like this. The slots at Doha, Muscat, Abu Dhabi, and Dubai are simply priceless. They were gained after 25 years of grind. Today, they are slipping out of Jet's grasp. Every cancelled flight pushes Jet further in the red. It is losing business, revenue exponentially and above all it has today started to cede its space to its domestic and foreign competitors. To recover from that position then will become an impossible proposition.