

Airports

❖ The **Ministry of Civil Aviation (MoCA)** has **granted in-principle approval** for the **development of Jewar greenfield airport** in **Uttar Pradesh (UP)**. The airport will be located 72 km from existing Delhi airport and will be developed in phases on public-private partnership mode with Yamuna Expressway Industrial Development Authority (YEIDA) being the implementing agency. YEIDA has notified 3,000 hectares of land for the project and has identified nine villages that will have to be acquired at an estimated cost of Rs 60 billion for Phase I. Besides, the development of one runway will be undertaken under Phase I and three more runways will be developed in the subsequent phases. The airport is expected to cater to 30-50 million passengers per annum. The airport entails an investment of around Rs 150-200 billion and is expected to be operational by 2022.

❖ **Airports Authority of India (AAI)** has **amended the bidding parameters** of the **contract for operation and maintenance (O&M) of Jaipur and Ahmedabad airports** in a bid to **attract more bidders**. Accordingly, the contracts will be awarded for 15 years instead of the earlier set 10 year time frame. Further, AAI has introduced a fixed fee structure along with a variable amount for the per passenger revenue for each year of the tenure owed by it to the O&M provider, doing away with the annual incremental fee hike. Besides, the changes also allow for the same firm to be awarded the two projects. With the revisions, the last date for submitting the bids has been extended by nearly three months to September 18, 2017.

❖ The **UP government** has **sanctioned funds** to the tune of **Rs 649.4 million** for the **construction of a new terminal building** at the **Agra airport**. Of the 23.32 hectares of land required for the project, the district administration has already acquired 14.07 hectares of land at an estimated cost of Rs 847.1 million. These additional funds will be utilised for acquiring the remaining 9.25 hectares of land. With this, the work for the project is expected to commence in early-July 2017.

❖ **AAI** is **planning to expand the existing runway** at **Gujarat's Vadodara airport**. As per the plan, the runway will be extended from the existing length of 2,600 metres to minimum 3,350 metres required to handle international flights. Currently, AAI has conducted a survey to explore the feasibility of the project. Once the project is approved by the government, the authority will initiate the process of land acquisition.

❖ **AAI** has **accorded its consent** to a **fresh plan for acquiring land** for the **expansion of Uttarakhand's Pantnagar Airport**. The fresh plan was formulated after the protest by locals and politicians on the previously laid land plan. As per the new plan, a total of 571 acres of land will be acquired from GB Pant University, as against the earlier plan to acquire the same in Sanjay Colony.

❖ The **interim report on social impact study** for the **Trivandrum Airport expansion project** has been **submitted** to the **district administration**. The study, being undertaken by Loyola College of Social Sciences, is expected to be complete by September 2017. The rehabilitation and resettlement packages to be offered to the land owners and settlers will be based on the study, post its approval by the expert committee of the government. The project involves expansion of Trivandrum (Thiruvananthapuram) airport in Kerala with an investment of Rs 2.8 billion.

❖ The **Aurangabad Airport expansion project** is reportedly **facing delays** in its **implementation** owing to **land acquisition issues**. The project is currently facing land issues such as delays in giving compensation, resistance of locals, hurdles in acquiring land in urbanised areas etc. The project involves expansion of the existing runway and increasing the length of the airstrip at Aurangabad airport to accommodate bigger aircrafts with an investment of Rs 2 billion.

❖ **NCC Limited** has **secured the contract** worth **Rs 3.39 billion** for the **construction of new integrated terminal building and associated works** under the Agartala Airport Upgradation Project.

Note: Rs 1 crore = Rs 0.01 billion; Rs 1 lakh = Rs 0.1 million; Rs 1,000 million = Rs 1 billion

The scope of work includes construction of new integrated terminal building along with undertaking composite works comprising of civil, internal and external electrical works, fire fighting, and other related works. Meanwhile, AAI has extended the bid submission due date for the construction of hangar for the Agartala Airport Upgradation Project from July 7, 2017 to July 21, 2017.

❖ **Enkebee Infratech India Private Limited** has emerged as the **lowest bidder** for the **construction of new air traffic control tower and technical block** for the **Varanasi Airport**. The company has quoted a value of Rs 171.63 million.

❖ **Prime Constructions** has emerged as **lowest bidder** for **construction of boundary wall to segregate Indian Air Force area** for the **Pune (Lohegaon) Airport Expansion Project**. The company has quoted a value of Rs 4.79 million.

❖ **Creative Studio** has emerged as **lowest bidder** for **conducting soil investigation for parallel taxi track, link taxi, exit taxi, apron for eight parking bays and expansion of terminal (T-2)** under the **Bhubaneswar Airport upgradation project**. The project involves upgradation of Biju Patnaik International Airport at Bhubaneswar in the state of Odisha with an investment of Rs 2 billion.

❖ **Bhogapuram International Airport Corporation Limited** has **extended the request for proposal bid submission due date** for the **selection of project management consultant for construction of Orvakal (Kurnool) greenfield airport project** from **June 27, 2017 to July 3, 2017**. The scope of work includes providing project management services consisting of site supervision, quality assistance and certification of contractors' bills etc. for Package I and Package II works of the project.

❖ **AAI** has **invited bids for conducting environmental impact assessment study** for the **Jaipur Airport new terminal building project**. The last date for the submission of bids is July 12, 2017. The project involves development of a new terminal building at Jaipur airport in the state of Rajasthan with an investment of Rs 11,777.4 million.

❖ **AAI** has **invited bids for conducting soil investigation** for the **extension of apron** under the **Patna Airport upgradation project**. The last date for the submission of bids is July 10, 2017. The period of completion of work is 30 days.

Airlines

❖ The **Union Cabinet** has **granted in-principle approval** for the **divestment of loss-making national carrier, Air India**. Subsequently, a committee headed by the Finance Ministry will be established to decide the extent of divestment, the modalities on debt, assets such as hotel companies and all other assets of the airline. Niti Aayog has recommended divestment of up to 100 per cent, suggesting three possible stake-sale options of 24 per cent, 49 per cent and 74 per cent. Meanwhile in a separate development, IndiGo has expressed interest in buying a stake in the airline.

❖ **GoAir** has **expressed willingness to partner with regional carriers to fly under the regional connectivity scheme**. However, the airline plans to utilise its A320 fleet for the regional operations instead of placing any new orders. Meanwhile, GoAir's delays in the delivery of Airbus A320Neo aircraft have affected its plans of starting overseas operations and getting listed in the bourses.

Finance

❖ **Air India Express** has reported an **18 per cent decline** in its **net profit** from **3.62 billion** in **2015-16** to **Rs 2.97 billion** in **2016-17**. However, the carrier's revenue has increased by 14 per cent to reach Rs 33.35 billion in 2016-17. Prudent commercial and management interventions including better utilisation of its assets leading to a reduction in its unit costs by around 5-7 per cent have contributed to its positive financial outcome. Further, the airline has also reported an increase in its average daily aircraft utilisation from 11.3 hours to 12.2 hours.