

Airports

❖ **Commercial operations at Mopa International Airport project are likely to commence on January 5, 2023.** The Union government is likely to inaugurate the project soon. The project, being developed by GMR Infrastructure Limited, involves development of an air-side, terminal and land-side infrastructure at Mopa Airport in Goa on design, build, finance, operate and transfer (DBFOT) basis under public-private partnership (PPP) mode for a concession period of 40 years.

❖ The **construction of runway under Hisar Airport upgradation project phase II is likely to complete by March 2023.** The trial run on the runway will be conducted on December 12, 2022. The project involves construction of integrated terminal building, cargo terminal, air traffic control tower cum technical block, fire station building with fire control tower including ancillary buildings and other associated works for development of an integrated aviation hub at Hisar Airport in the state of Haryana under engineering, procurement and construction (EPC) mode at an estimated cost of Rs 4.65 billion.

❖ Reportedly, the **government of Tamil Nadu has urged the Airport Authority of India (AAI) to prepare a revised proposal on acquiring land for the expansion of Chennai Airport, on the other side of the Adyar river.** Earlier, the AAI had submitted a proposal to acquire 306 acres. The six land parcels for further expansion of Chennai Airport lie in and around the Cowl Bazaar area. The government of Tamil Nadu had conducted a survey and found the cost to be too high for acquiring the land. Further, the airport is planning to modify the existing cargo infrastructure and expand the apron bays. It requires additional apron bays for aircraft to handle a projected 55 million passengers.

❖ As per reports, the **central government has decided to invest Rs 20 billion to expand and modernise Coimbatore International Airport.** AAI has come to an agreement with 90 percent of land owners to procure the land for the expansion of the airport. In this acquisition only 90 percent of the land owners have agreed and about 10 percent of people are still fighting against the acquisition. The overall requirement for the expansion will be of 627.89 acres which also includes 137 acres of defence land and 28 acres of common land, that will have to be acquired as well.

❖ **GMR Visakhapatnam International Airport Limited has extended the invitation for expression of interest for pre-qualification of the EPC contractor for implementation of phase I of the Bhogapuram Greenfield International Airport project (Vizianagaram) from December 5, 2022 to December 26, 2022.** Bids for the same were invited in May 2022. The scope of work involves development, construction, testing and commissioning of terminal building, airport traffic control tower block, airside infrastructure, city side and/or land side development and other associated works. The project involves design, build, finance, construction, development, upgradation, modernisation, operation and maintenance of the airport under PPP mode in Vizianagaram district of Andhra Pradesh with an investment of Rs 42,091 million. The annual capacity for the airport in three phases will be: 6 million passengers per annum (mppa) in Phase I, to be upgraded subsequently to 12 mppa in Phase II and 18 mppa in Phase III.

❖ The **AAI has extended the bid due date for supply, installation, testing and successfully commissioning of various air navigation services (ANS) facilities for communication, navigation and surveillance (CNS)/air traffic management (ATM) system under the Kolkata Airport upgradation project from December 5, 2022 to December 12, 2022.** Bids for the same were invited in July 2022. The systems will be installed in the new air traffic services (ATS) building and tower at the airport. The ATS building has two blocks, each comprising of five floors and the air traffic controller tower is an annex to the new ATS building. The work is likely to be completed at an estimated cost of Rs 3,692.5 million. The project involves upgradation of Netaji Subhas Chandra Bose International Airport, Kolkata in West Bengal and is being implemented by AAI. It includes relocation of an air traffic control tower, construction of a technical office block, a parallel taxi track and a control tower etc.

Airlines

❖ **Air India** has **recently announced** that it will **lease** an **additional six Boeing 777-300ERs** as part of its **expansion plan**. The expansion will also see a ramp-up in flights to European and North American cities. The aircraft with four class configurations will join the fleet by first half of 2023. The airline had earlier announced to take 30 aircraft on short-term lease. Also, the airline has returned to service 19 long-grounded aircraft with nine more to follow and has stepped up lease of narrow and wide-body aircraft. Further, the airline had reported that the A320neos will be deployed on domestic, as well as short-to-medium-haul international routes, while the 777s to be configured in four classes will operate from large Indian cities to long-haul international destinations.

❖ **Air India** is **planning to spend over USD 400 million** to **refurbish** the **cabin interiors**. It will refurbish its entire legacy wide body fleet, comprising 27 Boeing B787-8 and 13 B777 aircraft. The first-class cabin will also be retained on the 777s. The airline has engaged London-based product design companies, JPA Design and Trendworks, to assist with the cabin interior design elements of this refurbishment programme. The works are expected to be completed by mid-2024.

Finance

❖ In a notable development, **GMR Airports Limited** and **National Investment and Infrastructure Fund (NIIF)** have **announced a financial partnership** for **NIIF to invest** in the **equity capital of three airport projects**. These include the greenfield international airports at Mopa, Goa and Bhogapuram, Andhra Pradesh. The primary investment of Rs 6.31 billion will be in the form of compulsory convertible debenture in GMR Goa International Airport Limited.

❖ According to **India Ratings and Research**, **GMR Hyderabad International Airport Limited (GHIAL)** is **planning to raise Rs 12.5 billion** through **non-convertible debentures** to be used for **prepaying the dollar bonds maturing in April 2024 or February 2026**. As on September 30, 2022, GHIAL (excluding subsidiaries) had a debt of Rs 70.5 billion which consisted of bonds of USD950 million. The dollar bonds have bullet maturities in April 2024, February 2026 and October 2027.

Miscellaneous

❖ As on November 29, 2022, after **four rounds of bidding** under **Ude Desh ka Aam Nagrik (UDAN)**, reportedly, **453 routes** have **commenced, operationalising 70 airports** including **2 water aerodrome** and **9 heliports**. More than 0.2 million UDAN flights have operated and over 11 million passengers have availed the benefits in UDAN flights so far. The scheme has been able to provide air connectivity to tier-2 and tier-3 cities at affordable airfares and has transformed the way people travel. Regional Connectivity Scheme-UDAN was launched in 2016 to stimulate regional air connectivity and making air travel affordable to the masses.

❖ The **Ministry of Civil Aviation** has **reported** that the **civil aviation sector** has **witnessed a V-shaped recovery post-Covid** with **domestic daily passenger demand registering a record high of 0.41 million passengers (and 2,739 departures) on November 27, 2022**. Over the last few days, the daily air passenger traffic has been hovering well above the 0.4 million mark. Reportedly, daily passenger departures on December 6 were 403,302 while departing flights were 2,798 and the airlines (across brands) had an average passenger load factor of 82.6 per cent to 93.1 per cent.

❖ As per **International Air Transport Association**, the **global airline industry** is **projected to report a lower loss at USD 6.9 billion in 2022**. This loss will be mainly due to stronger passenger yields and cost control by carriers amid rising fuel prices. However, the global airline industry is expected to return to profitability in 2023 and post a small net profit of USD 4.7 billion. In 2022, airline net loss is expected to be USD 6.9 billion. This is significantly improvement as compared to the loss of USD 42 billion and USD 137.7 billion in 2021 and 2020. Now, the airline industry is on recovery path.