Gradual Resumption Of Domestic Air Travel Necessary To Prevent Massive Losses In Aviation

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UPDATED: 25 APR 2020 9:36 AM

The economic crisis created by the Coronavirus pandemic, which has killed over nearly two lakh people globally, has severely impacted the day-to-day operations of key sectors that contribute to a large part of India's GDP. From real estate to aviation, every sector has been hit hard. Thus, coping with the pandemic and finding a sustainable

solution requires concerted efforts of all and major policy support is required to prevent job losses and bankruptcy.

Indian government has announced various fiscal and monetary stimulus packages to maintain market confidence and preserve market stability. But is this sufficient? Currently, Indian economy is entering deep recession. While we don't know the exact number of migrant labourers out of work and unable to get home, the entire transportation sector is in a lock-in. Therefore, the choice before us is either to continue with the lockdown or slowly open various sectors of the economy where potential threat to further spread of COVID-19 is likely to be minimal.

Aviation is among the worst-affected sectors. According to International Air Transport Association (IATA) estimates, the coronavirus pandemic is expected to impact more than 29 lakh jobs in the Indian aviation and dependent industries. Therefore, there is an urgent need that the government takes specific steps to re-open certain sectors, including aviation.

Here are a few issues in the aviation sector that need urgent attention.

• Aviation sector is easiest to open in a gradual manner. This is because aviation sector is the most regulated amongst its peers – Railways and Roadways. Right from purchase of tickets to entry into an airport, embarkation and disembarkation from aircraft to leaving the airport, the control is total. It is proposed that passenger's entry into an airport should be subject to producing a recent negative COVID-19 test report from an authorised laboratory. The normal temperature check, of course, should also be carried out. Compared to Railways and Roadways as well as passenger cars, this is easiest to implement in Aviation. Therefore, it is proposed that domestic air travel be opened immediately between cities unless a particular city has been put completely under quarantine.

- The decision to allow international flights from certain countries should be implemented in the second stage as more than 80 countries have imposed travel bans and the history of travel of an incoming international passenger needs to be studied.

- Besides massive losses to airlines, airports are also bleeding as their revenue depends on passenger numbers which has also adversely impacted both aero and non-aero revenues. Unlike airlines which have grounded their aircraft, the airports are still in full gear as they have to maintain the Air Traffic Management as well as other essential facilities like terminals, runways and other allied services in readiness. They are also in full compliance with government health advisories. However, at the same time, various concessionaires, airlines, and other stakeholders at the airport are invoking force majeure clause under respective concession agreements and relaxation of applicable payments including revenue share and minimum guaranteed clause. All these are affecting the cash flow of the airport operators. It is, therefore, necessary at this stage not only to open domestic aviation in a gradual and controlled manner but help the industry which was the fastest growing and at the same time contributing hugely to government revenues unlike the railways or Roadways.

- Further, there is hardly any government investment in aviation sector. While airlines and private airports raise funds, even Airport Authority of India (AAI) hardly gets any budgetary support. They get huge revenues from Air Traffic Management fees and from share of revenue airports like Delhi and Mumbai. The Government will do well to encourage one of the fastest-growing sectors by looking into their grievances like payment of licence fee to AAI, allowing increase in passenger charges and direct the Airport Economic Regulatory Authority (AERA) to grant a quick alleviating package. Many other countries have already announced award of grant to

Aviation Sector. Government of India will do well to rise to the occasion of ensure that this goose that gives the golden eggs is not allowed to go down under its own weight.

(A former joint secretary in the Ministry of Civil Aviation, Dr Sanat Kaul represented India in the council of International Civil Aviation Organization. He is Chairman, International Foundation for Aviation, Aerospace and Drones. Views expressed are personal.)