

# BUSINESS WORLD

## The Curious Case Of Revival Of Aviation And Hospitality Sector In India

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**By Sanat Kaul**

It is most unfortunate that not only COVID-19 has killed the Aviation and Hospitality sector in India but the government policies have successfully managed to stall its revival.

In view of the enormous loss the economy has suffered, it is all the more desirable to quickly revive this industry. It goes without saying a back-on-track aviation industry could be a great catalyst to growth and employment.

International flights were resumed on May 7th but under a special arrangement known as Vande Bharat Mission Flights. These flights were essentially semi charter flights run by Air India only to bring back Indian nationals stranded in some countries abroad. By October there were sixteen countries to which India was operating .

But these flights were one way in which the Aircraft would fly largely empty one way and bring back nationals of India. This arrangement worked well for India and more so for Air India but then other Indian carriers joined in like Vistara and SpiceJet to London only. This one sided arrangement was objected to by the US who realised that in the guise of bringing back Indians abroad, Indian airlines are taking away a large number of passengers from US without any reciprocal offer to US carriers which is the basis of bilateral air service agreements . Immediately, India allowed US carriers to do the same.

Slowly other countries also joined in and the Vande Bharat Mission got converted into 'Bubble' arrangements.

What are Bubble arrangements? Bubble arrangements are bilateral arrangements for point to point travel with conditions. They are not meant for onward flights. .

Further, coming to the issue of revival of Aviation sector , it may be stated that besides the rhetorics and constant tweets of the Minister of Civil Aviation, the Government has done nothing for it. It's was not an issue of direct financial help.

A mere moratorium on payment of taxes would have been the much-needed succour for the airlines.

Even the funds lying with the Airport Authority of India in its non-lapsable fund has been taken away leaving AAI very broke. The high debt of country's airlines have not been given any relief.

The government should have ideally extended concessions/ relief by allowing the aviation industry to get back on its own feet by flying as many flights as they found viable without putting restrictions on capacity but making pre-flight testing with RT-PCR test mandatory at passenger's cost.

However, instead by putting conditions like filling up only 1/3 the capacity in each flight made operating each flight unviable.

Thereafter, the states government were allowed to put their own restrictions like quarantine for 10 days on landing. Now, for the winter schedule , according to the DGCA , Indian Airlines will operate 44% fewer flights compared to the previous year . Why this restriction? Again, no requirement for testing. However, domestic flights will operate from 95 airports which covers practically all airports of India.

To top all this, the Passenger confidence has plummeted to new lows with spread of COVID. No attempt was made to build confidence of the passengers either by government or by the industry . As a result only those who have necessary business would fly. By this time digital Conferences and meetings have become the new normal reducing the need for business travel and the leisure and holiday traffic has hit rock bottom. There was an announcement by the Ministry of Tourism regarding development of concept called 'Sathi' for certification of hotels and restaurants and perhaps , airlines and airports in the third week of September but nothing of it has been heard since.

On the international front, while flights are being opened but no visas are to be issued for tourism. Why? Consequently their flow is down to zero. India already has gained a bad name in Covid management but this confirms it. Further, no pre- boarding test of incoming international passengers has been kept as a condition.

What can be the way out : Normalcy regarding fresh waves of Covid-19 as well as the vaccine coming into the Indian may not happen for another six months or more. Even after vaccine comes its availability to general public will take time. The best course of action is now to open the entire domestic and international aviation sector including incoming tourists and let airlines decide on frequency but with one condition that all passengers must carry a Covid-19 RT-PCR negative report taken not longer than 24-48 hours and a self declaration that they have not been in contact with any Covid-19 person within 24hours. Till such time a better and quicker testing which is comparable to RT-PCR quality this should be followed. The cost of RT-PCR test today is down from Rs 4,500 to Rs 2,400/ and will have to borne by the passengers. The cost is likely to come down further. Maharashtra has announced that this test will cost Rs 980 in given in the laboratory, Rs 1400 from Covid Centres and Rs1800 if the swab is collected from home. Lastly, to further encourage and build confidence in air travel there is a need to ensure a Travel Insurance covering Covid is made mandatory for air passengers, specially incoming foreigners as is being done in some other parts of the world.

Lastly, besides passenger confidence in aviation there is a need for building a confidence for tourists and others. This should be done through a concept best described as 'Covid Cold Chain'.

This could be developed by an independent institution private or government which would develop protocols for Aviation, Airports, Taxis/ buses/ Hotels/ Restaurants and provide a certificate to each entity with a hologram based sticker that it is Covid protocol compliant area. The Ministry of Tourirm did announce with the help of CII around 25th September a similar scheme named 'Sathi' but there has been no follow up.

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