

Proposed Note- Marketing of Domestic Airport

A. Background

AAI has been participating in various conferences/exhibitions held at different cities in India and all over the world for exploring business opportunities in the current aviation scenario and showcase its infrastructure to attract prospective airline customers. AAI on its part is also addressing the participants in the conference through well directed marketing strategy to connect new destinations, create long term business association with stake holders.

2. With creation of world class infrastructure by Airports Authority of India, there is a need to market them to prospective airline, create new routes, and create an opening for new airlines to venture into Indian airports. Infrastructure created is under utilized. Filling the airports with passengers is the only way to convert the passive airport into business centers heralding aviation growth. New routes not only enhance aeronautical revenue but bring in non-aeronautical revenue by way of increased space utilization by commercial players.

3. Unlike most international airports, which make 60% of their revenue from non-aeronautical business, Indian airports remain heavily dependent upon flight related activities for earning revenue. Increase operation will result in more non-aeronautical revenue as a result.

4. Further, airlines have to make decision based on the anticipated profitability and are not insulated for the short term losses that may occur until developing its own market share. The airlines look towards the aviation industry to provide right inputs. They also look for better yields and lowering operating cost. Airport operator on the other hand require airline to operate into their airport, meet the operating capacity, treat all airlines operating on the same platform and provide ground support for smooth operations of their flight.

5. Airports being the gateway to any country face lot of competition due to their proximity, services provided, providing lower operating cost, better transport connectivity to city, availability of facilities such as Convention Centres, Hotels nearby airport, tourist packages provided by tourist operator and government support.

6. Decongestion of Metro airport so that more capacity is released at constrained airports.

7. It will ensure at least two operations per aircraft and a good connection to business person to and fro from the city avoiding hotel expenses. It will also help in best utilization of their working hours.

B. Market Plans

Following is the proposal for marketing of AAI managed airports to domestic airlines.

Existing Policy

As per policy, AAI is providing incentives to domestic airlines as appended

- Not charging landing & parking charges to those airlines that are operating aircraft with a maximum certified capacity less than 80 seats anywhere in India.
- By giving discount of 25% of current rates in landing and parking charges to those airlines who are operating in North-Eastern region, Jammu & Kashmir, A&N Island & Lakshadweep.
- Night parking charges between 2200 and 0600 hrs. are at 50% of the existing parking charges at all airports except Chennai & Kolkata airport.

Proposal

- It is proposed to promote AAI airports in the city having places of tourist interest like Bhubaneswar, Varanasi etc. and also other airports as per Annexure-'A' by extending the same incentives as mentioned at Point No.2 i.e. by giving discount of 25% of current rates in landing and parking charges to domestic airlines that are willing to operate additional flights to such destinations. This facility will be available for two years.
- Further, it is proposed that whenever domestic airlines plan to do overnight parking at non-metro airports subject to availability of parking stands, AAI may exempt domestic airlines from paying night parking charges for the first five years in order to build traffic and share the risk.

- It is also suggested that whenever domestic airlines plan to operate during non-peak hours at non-metro airports, AAI may give rebate of 50% on the existing rates of landing & parking charges in the 1st year and 25% in the 2nd year and thereafter normal charges as applicable.
- Increase operation will result in better utilization of newly created assets without increased cost of operation as this is being extended at the airport having 2 or 3 shift watch hours.
- It will also be extended wherever new assets are created and watch hours are increased in normal course.

Annexure-‘A’

Sl. No.	Name of Airport	Aircraft Operating	No. of Parking Stands	Watch Hours (IST)
1.	Ahmedabad	B 747	4 (Code A Type) 5 (B747-34) 8 (ATR) 7 (A320 & B737-9) <u>Int'l Apron</u> 2 (A321) 3 (B747) 1 (A380)	24 hrs.
2.	Amritsar	B 747	1 (767-4) 8 (A340-5) & B744 3 (AB321/B737-9) 2 (B-757-4)	24 hrs.
3.	Aurangabad	A321	4 (A320) 1 (B737-400) 1 (ATR)	0700-1000 1600-2100
4.	Bhopal	A320 A320	4 (old apron) 13 (new apron)	0630 - 2200
5.	Bhubaneswar	B767-400 A321	2 (B767-400) 4 (A321)	0630-2030
6.	Chandigarh	A321	2 (A321) 1 (ATR)	0800-2000
7.	Coimbatore	A320	2 (B737-8/A320) 4 (B737-9/A321) 1 (ATR)	24 hrs.
8.	Guwahati	A300	2 (B737-9 / A321) 3 (A320) 2 (B737-2)	0600-2000 (Daily)
9.	Indore	A320	12	0630 -1245 (except Sat) 0615-2145(Sat)
10.	Jaipur	A300 / B757-200	1 (B737-2) 5 (A320) 4 (B767-4) 3 (B737-9/A321) 1 (A300) 3 (B747-4) 3 (ATR)	24 hrs.
11.	Lucknow	A300	5 (A320) 1 (B767-4)	24 hrs.

12.	Mangalore	A310	8 (A321) 1 (ATR) 1 (Dornier)	0600-2200
13.	Patna	A320	1 (Dornier) 4 (A320) (St.3 occupied St.4 cannot be allotted.)	0630-2030
14.	Ranchi	A321	2 (A321) 1 (ATR)	0630-2010
15.	Surat	A320	4 (A320 & 319).	1300 – 1700 (except Sat) Sat no watch
16.	Trichy	A320	6 (B737 -8/ A320)	0700-1420 2200-0145 (1,2,3,5,7) 0700-1710 2200-0200(4,6)
17.	Trivandrum	B747	6 (B737-8 / A320) 1 (B747-4) 4 (B767-3)	24 hrs.
18.	Varanasi	A320	6 (A320)	0930 – 1730