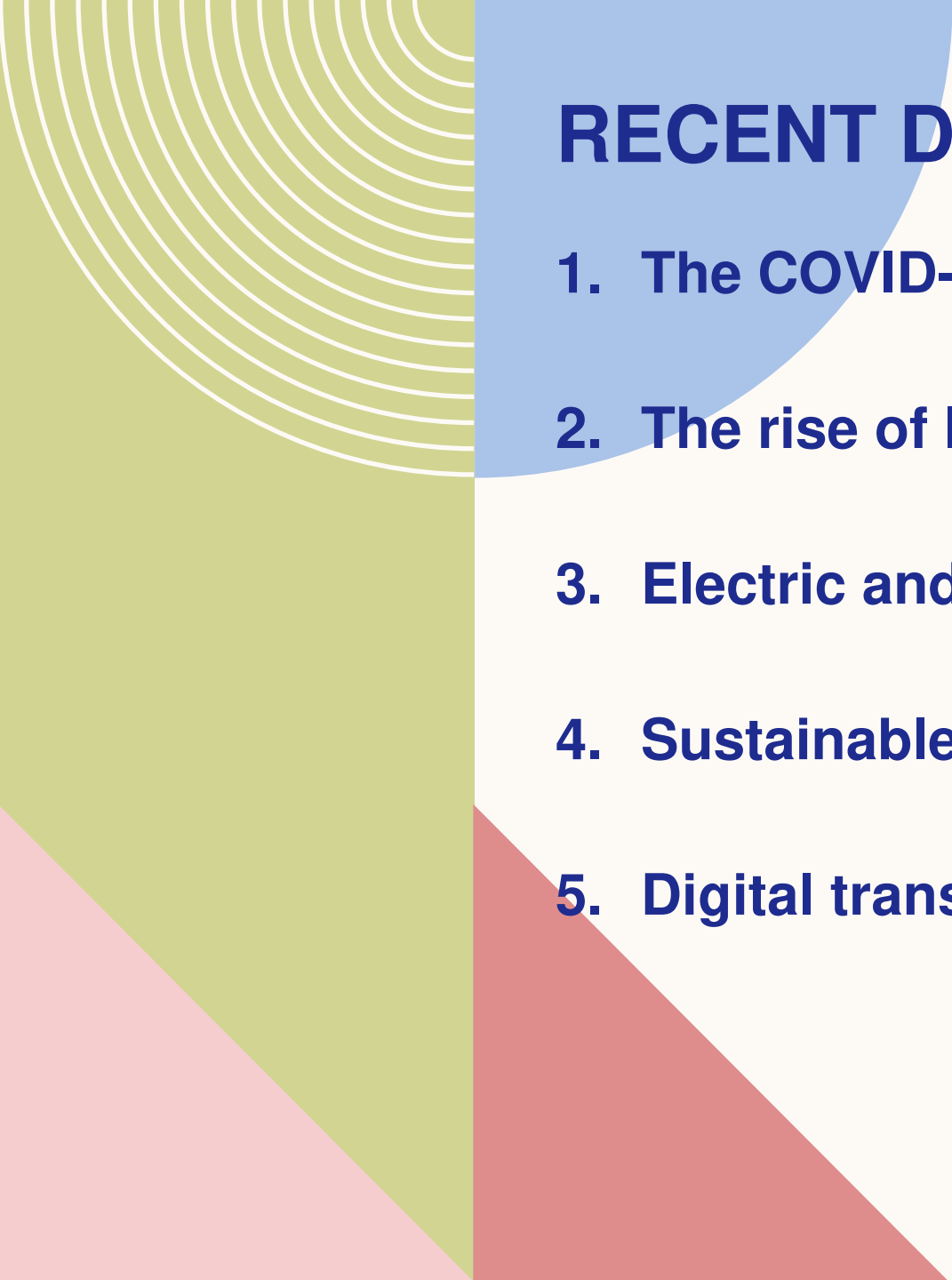


GLOBAL TRENDS IN AIRLINE MANAGEMENT

Wg Cdr G Srinivasu (retd.)

INDIA AVIATION : A OVERVIEW

- 4.56 lakh domestic passengers in a day- India and expected to have more than 140 million passengers in FY 2024 alone
- domestic passengers more than doubled from 120 million to about 275 million at a CAGR of 14.5 %
- third largest domestic market in the world in terms of seat capacity
- international seat capacity we are still ranked at the 18th position
- steps to create capacities, remove bottlenecks and simplify processes for creating the requisite aviation infrastructure
- to ensure that in 2047 when the nation celebrates 100 years of its independence, an aviation system that can support USD 20 Trillion economy
- doubled the number of Airports in the last 8.5 years increasing from 74 in 2014 to 148 now
- to augment Pilot training capacity in the long run, the government has liberalized the FTO policy
- MRO-focussing on ensuring India becomes an integral part of Global Supply Chains, such as in the Aviation Industry
- With Indian carriers expected to order about 1500 to 1700 aircraft in near future, we should work towards making India an Aerospace Manufacturing base
- Drone Industry in the country the Minister said that the size of the Drone market is projected to increase from Rs 2900 Crore in 2020 to about Rs 77,300 Crore in 2025 at a CAGR of 80% and is further expected to reach up to Rs 2,95,000 Crore by 2030.



RECENT DEVELOPMENTS IN AVIATION

3

- 1. The COVID-19 pandemic**
- 2. The rise of low-cost carriers**
- 3. Electric and hybrid aircraft**
- 4. Sustainable aviation fuel**
- 5. Digital transformation**

REGULATORY BODIES IN CIVIL AVIATION



- 1. International Civil Aviation Organization (ICAO)**
- 2. Federal Aviation Administration (FAA)**
- 3. European Union Aviation Safety Agency (EASA)**
- 4. Civil Aviation Authority (CAA)**
- 5. International Air Transport Association (IATA)**
- 6. National Transportation Safety Board (NTSB)**
- 7. Airports Council International (ACI)**

TECHNICAL REGULATORY BODIES IN CIVIL AVIATION

5

1. International Civil Aviation Organization (ICAO)
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7. Airports Council International (ACI)

TECHNICAL REGULATORY BODIES IN INDIA

- 1. Directorate General of Civil Aviation (DGCA)**
- 2. Airports Authority of India (AAI)**
- 3. Bureau of Civil Aviation Security (BCAS)**
- 4. Aircraft Accident Investigation Bureau (AAIB)**
- 5. Indian Aviation Academy (IAA)**

INTERNATIONAL AIR TRANSPORT ASSOCIATION

7

*IATA is the trade association for the world's airlines –supports industry -helps formulate policy and standards.

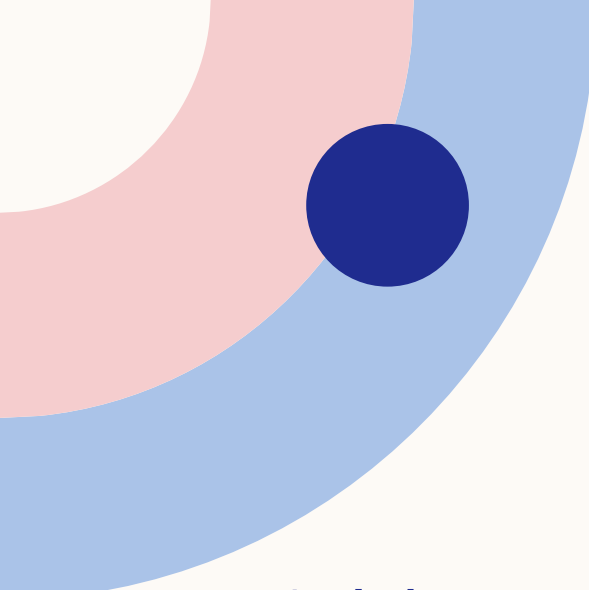
*Around 240 airlines and 80% of total air traffic

*Previously international Air Traffic Association formed in 1919

*Priorities:

- Safety
- Security
- Simplifying Business
- Environment
- Services

The key role is promotion of safe , regular and economic transport mechanism that suits entire global customer pool .



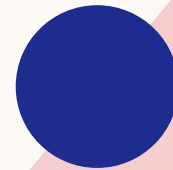
ROLE OF IATA IN GLOBAL AVIATION

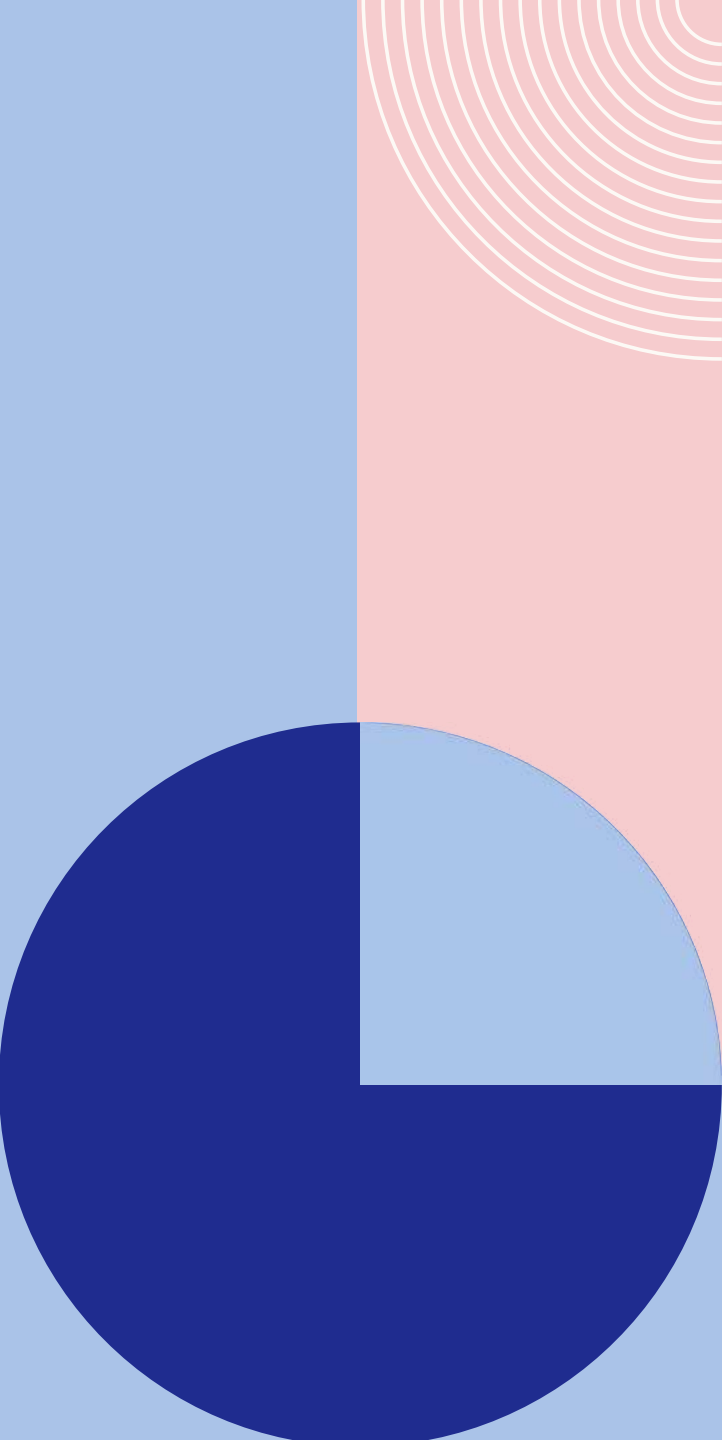
- 1. Industry standards**
 - 2. Advocacy**
 - 3. Training and development**
-
- 4. Industry data and analysis**
 - 5. Industry collaboration**

RECENT ACTIVITIES OF IATA

- 1. COVID-19 response**
- 2. Environmental sustainability**
- 3. Safety**
- 4. Industry advocacy**
- 5. Training and development**

ICAO VERSUS IATA IN REGULATION OF AVIATION





SUSTAINABLE DEVELOPMENT ¹¹ **BY UN**

- Sustainable development, as defined by the United Nations, is "development that meets the needs of the present without compromising the ability of future generations"
- Development that seeks to balance economic, social, and environmental considerations in order to create a more sustainable and equitable world for all.
- United Nations has identified 17 Sustainable Development Goals (SDGs) that aim to address some of the most pressing global challenges
- SDGs are part of the 2030 Agenda for Sustainable Development, which was adopted by all United Nations Member States in 2015
- United Nations has emphasized the importance of partnerships between governments, civil society, the private sector, and other stakeholders.
- Addressing the root causes of poverty, inequality, and environmental degradation, and of promoting sustainable patterns of consumption and production.

ROLE OF ICAO IN SUSTAINABLE DEVELOPMENT

1. Developing global standards and policies
2. Encouraging the adoption of sustainable practices
3. Promoting international cooperation
4. Providing technical assistance and capacity building

ICAO'S ACTIVITIES ON SDG AGENDA

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Social and Economic Pillars

-use of low carbon technology, sustainable energy sources ,env friendly materials

-Network of 1000+ airlines more than 4000 -airports people movement

Fresh fish to diamonds covers every aspect of life supporting 3.5% GDP

Environment Pillar

Addressing the impact on noise , quality of air and climatic changes

Technology and Operations

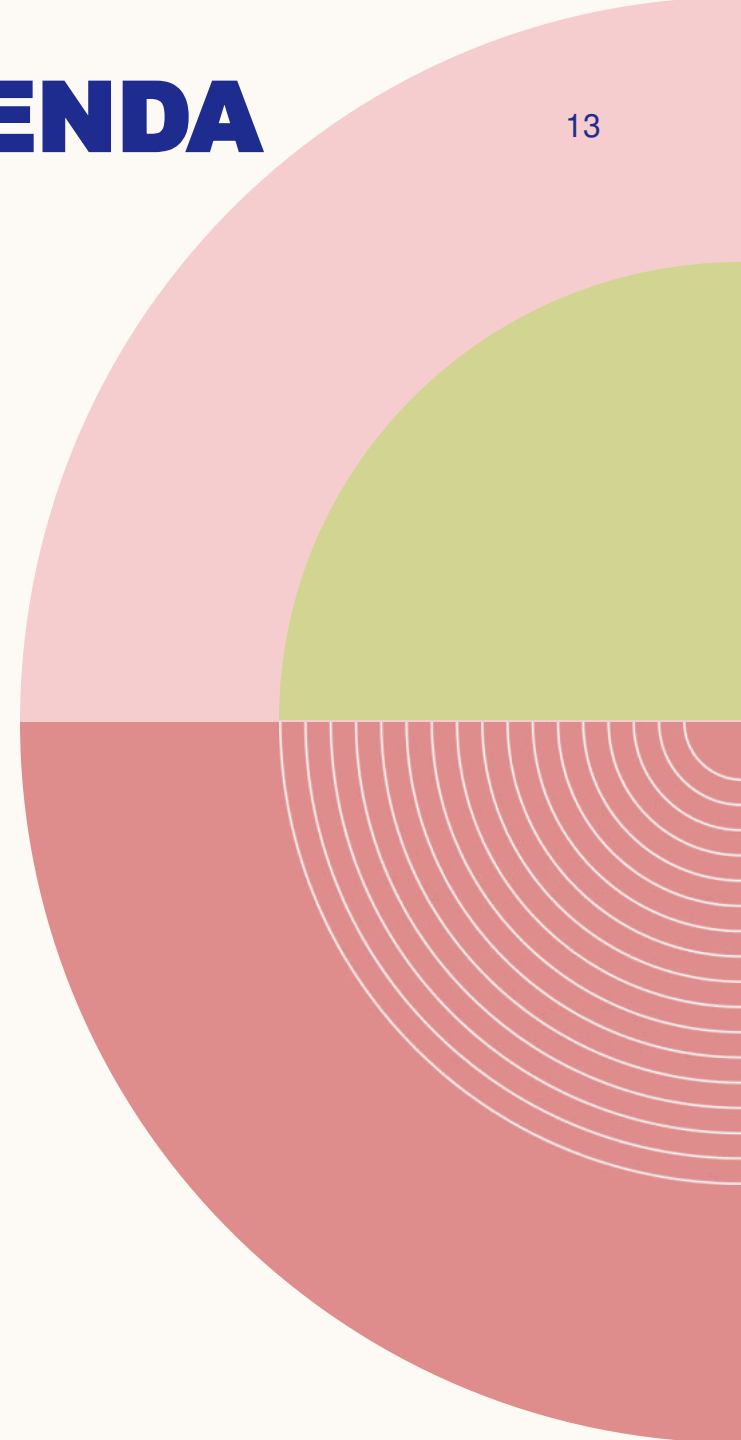
Global standards on noise and air quality, fuel efficient, better performance by design and practices

Coordinating International Policy

State action plans ,usage of sustainable alt fuels, market based measures , global aspirational goals

State Action Plan

Plan to suit their circumstances presented , training conducted



LOW-COST STRATEGY

Low-cost carriers (LCCs) are airlines that offer lower fares than traditional airlines.

Business model is designed to keep costs low and maximize revenue from ancillary sources such as baggage fees, seat assignments, and onboard food and beverage sales. Here are some of the key features of the low-cost carrier business model:

1. **Simplified fleet:** LCCs typically operate a single type of aircraft to simplify maintenance and reduces costs.
2. **Point-to-point routes:** LCCs usually operate on point-to-point routes, avoiding the costs of hub-and-spoke operations that require large airports and more complex scheduling.
3. **No-frills service:** LCCs offer a no-frills service with minimal onboard amenities such as free meals or drinks, to reduce operating costs.
4. **Higher density seating:** LCCs often have higher-density seating configurations, allowing them to carry more passengers per flight.
5. **Online sales:** LCCs rely heavily on online sales to reduce distribution costs.
6. **Ancillary revenue:** LCCs generate significant ancillary revenue by charging for things like baggage, seat selection, and in-flight meals.

AIR DECCAN :THE PIONEER IN LOW-COST CARRIER

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It is not the elite that I consider as my customers. It is the humble cleaning women of my office, the auto-rickshaw driver and other such people that we would like to cater to. We want them to dream that they too can fly, and we want to make that dream happen.

— Capt G. R. Gopinath

The airline launched operations on 25 August 2003

- Initial fleet consisted of two ATR 42-320 aircraft then purchased two Airbus A320-200s and leased five in 2004. In December of that year, the airline purchased an additional 30 A320s ordered 30 ATR 72-500s in February 2005.
- underwent rapid growth, witnessing 30% growth in its passenger numbers in 2005–2006. In 2006 it was the third largest airline in India with a 19% market share, flying to 55 destinations with 30 aircraft
- second largest carrier in 2007. with 42% growth in passenger traffic
- targeted middle class travellers with its low fares and extensive route network
- Tickets cost around 30% less than those of full-service airlines and cost about the same as or less than first class rail tickets.
- Connected underserved airports across the country, where competition was low and the airline could acquire a loyal customer base

AIR DECCAN THE PIONEER IN LOW-COST CARRIER¹⁶

The airline operated a single cabin class, economy, allowing it to pack more seats into its aircraft.

-no-frills approach, it charged for all food and beverages served on board. Payment was also required for cancellations, and no refunds

operated a point-to-point route network from seven base airports

- It maintained low turnaround times and often outsourced work to local airport employees, especially at airports that saw few Air Deccan flights

gained advertising revenue by allowing **advertisements both inside and outside its aircraft**

-tickets through travel agents, on the Internet or through call centres. Each of these channels was connected to a fully **web-enabled reservation system, making Air Deccan the first in India to use such a system**

-Kingfisher parent United Breweries Group purchased a controlling 26% stake in Deccan Aviation on 31 May

-Air Deccan was rebranded Simplify Deccan in October 2007 and adopted Kingfisher's livery and flight attendant uniform.

-The airline business of Kingfisher Airlines Ltd was merged into Deccan Aviation Ltd on 1 April 2008
Simplify 29 August 2008, both airlines started using Kingfisher's codes
Deccan also migrated to Kingfisher's reservation system and was renamed Kingfisher Red.

LOW-COST BUSINESS MODEL

17

- **Low-cost carriers (LCCs)** are airlines that offer lower fares than traditional airlines.
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BILATERAL AIR TRANSPORT AGREEMENTS⁸

1. **Ownership and control restrictions:** Some countries impose restrictions on foreign ownership or control of airlines, which can limit the ability of airlines to operate in those countries.
2. **Capacity restrictions:** BATAs often include restrictions on the number of flights or seats that airlines can operate on certain routes, which can limit competition and drive-up prices for consumers.
3. **Tariffs and fees:** BATAs may involve negotiations over tariffs and fees charged by airports and air traffic control authorities, which can impact the cost of air travel.
4. **Safety and security:** BATAs often include provisions related to safety and security standards for airlines, airports, and air traffic control authorities.
5. **Environmental issues:** BATAs may involve negotiations over environmental issues such as noise pollution, emissions, and fuel efficiency standards.
6. **Market access:** BATAs can involve negotiations over market access, which can affect the ability of airlines to operate in certain markets or to form partnerships with other airlines.

CODE SHARING

- Code sharing is a commercial arrangement between two or more airlines in which one airline places its two-letter identification code on a flight operated by another airline, and markets and sells tickets for that flight as if it were its own
- airlines to sell tickets on flights operated by their partner airlines, using their own flight numbers and branding
- Code sharing agreements can be beneficial for both airlines and customers
- offer more destinations to customers
- Customers can benefit from more travel options

WHAT ARE AIR SERVICE AGREEMENTS

20

1. Traffic rights
2. Capacity
3. Tariffs and fees
4. Safety and security
5. Environmental issues
6. Market access

OPEN SKY POLICY AND SOME CHARACTERISTICS

- 1. Impact on domestic carriers**
- 2. Impact on airport infrastructure**
- 3. Economic impact**
- 4. Safety and security concerns**

ECONOMIC REGULATORY BODIES DEALING AIRLINE INDUSTRY

- 1. Civil Aviation Authority (CAA)**
- 2. Competition and Markets Authority (CMA)**
- 3. European Commission (EC)**
- 4. Department of Transportation (DOT)**
- 5. International Air Transport Association (IATA)**

ECONOMIC REGULATORY BODIES IN INDIAN AIRLINE INDUSTRY

- 1. Ministry of Civil Aviation (MoCA)**
- 2. Airports Economic Regulatory Authority (AERA)**
- 3. Directorate General of Civil Aviation (DGCA)**
- 4. Competition Commission of India (CCI)**
- 5. Ministry of Consumer Affairs, Food and Public Distribution**

RECENT CASE STUDIES IN AVIATION TRADE AGREEMENT DISPUTES

- 1. EU vs. US subsidies dispute: The United States**
- 2. Qatar Airways vs. Saudi Arabia, UAE, Bahrain, and Egypt: In 2017**
- 3. Canada vs. United Arab Emirates: In 2010**

- **The Road Ahead**

THANK YOU

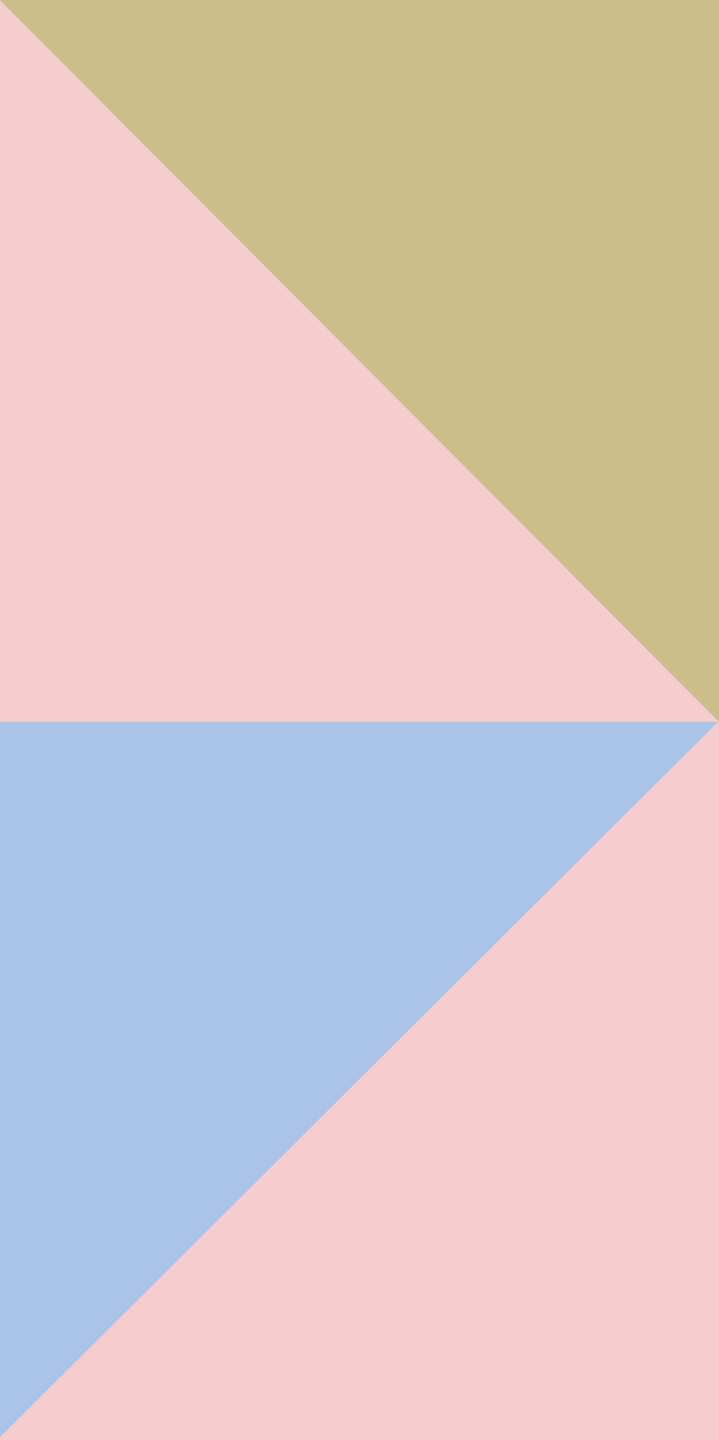
Wg Cdr G Srinivasu (retd)

Sr. Consultant Aviation

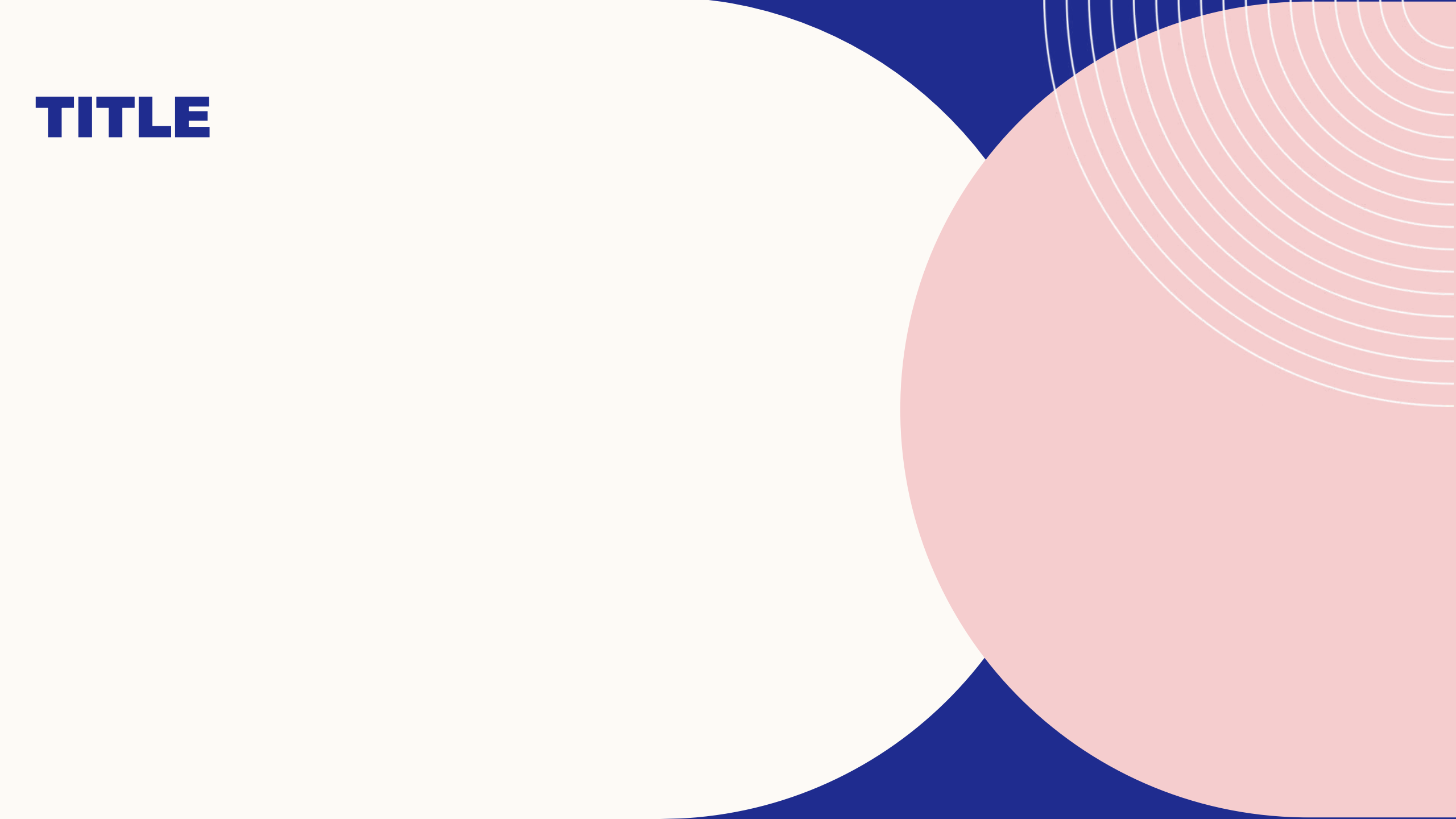
ISAC-GMR Aviation Cyber security program

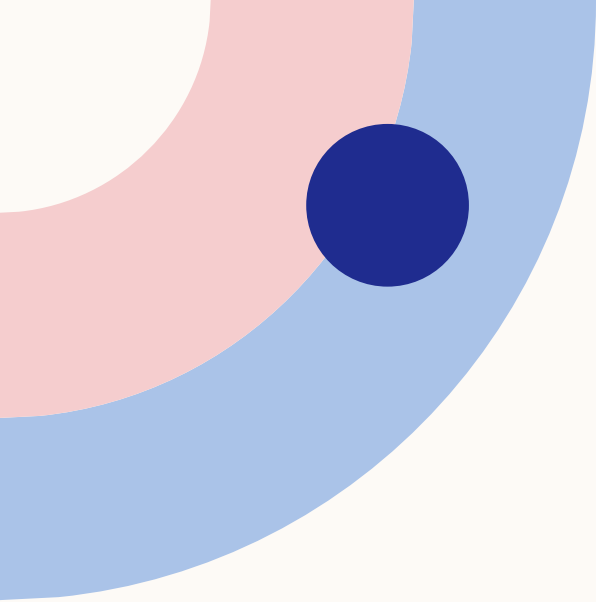
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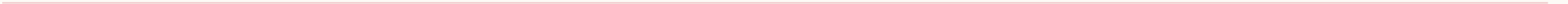


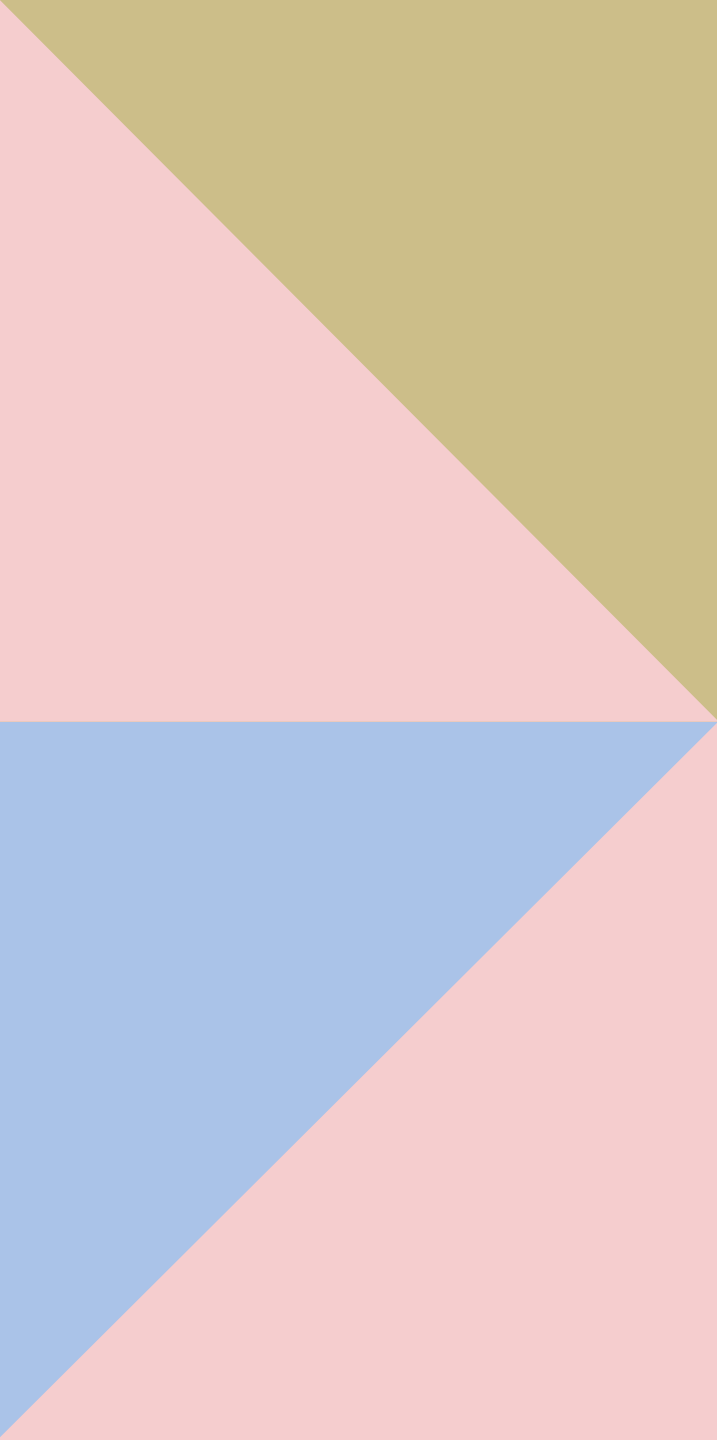
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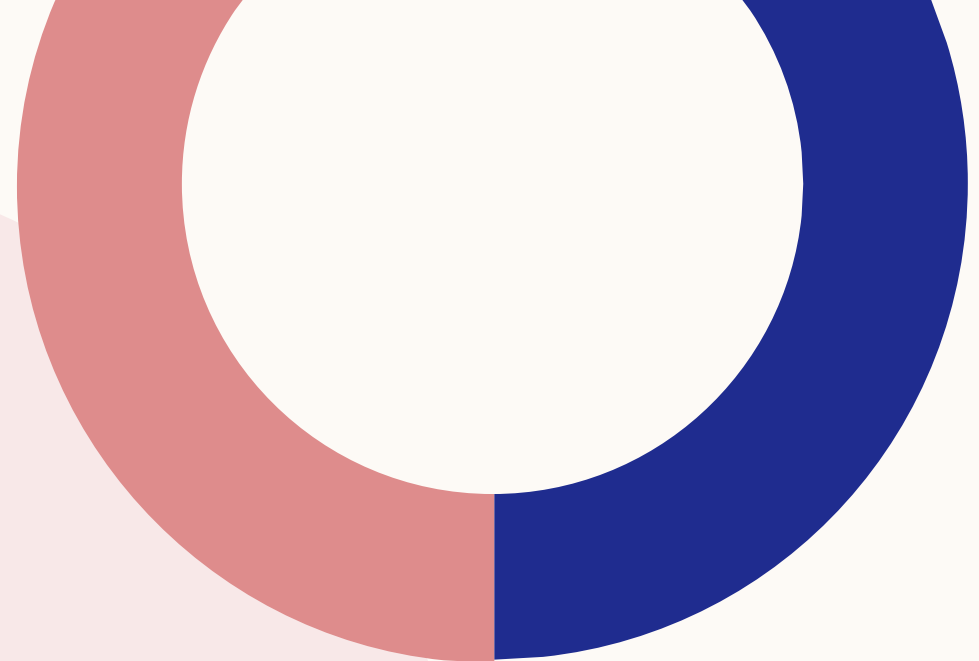
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At Contoso, we empower organizations to foster collaborative thinking to further drive workplace innovation. By closing the loop and leveraging agile frameworks, we help business grow organically and foster a consumer-first mindset.

TITLE

Annual revenue growth



TITLE

32

- text



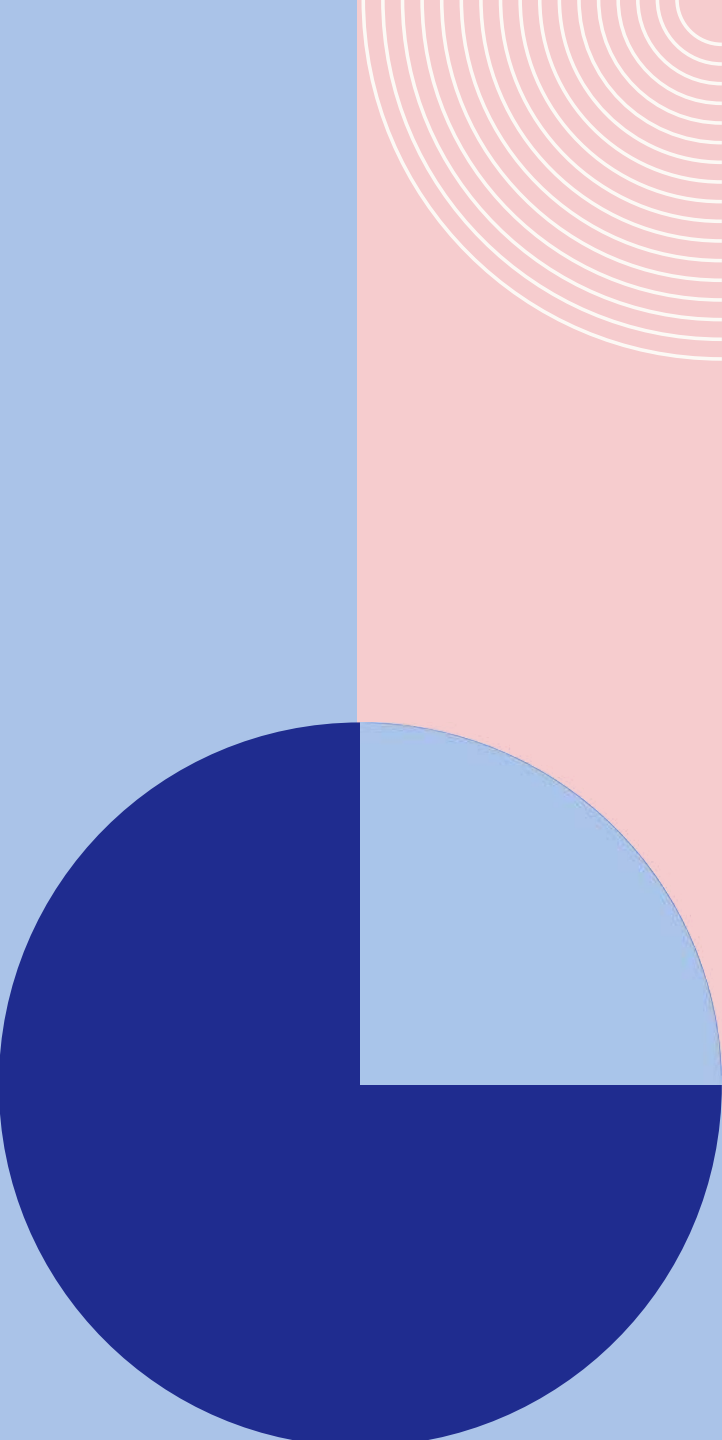
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Richard Branson

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B2B MARKET SCENARIOS

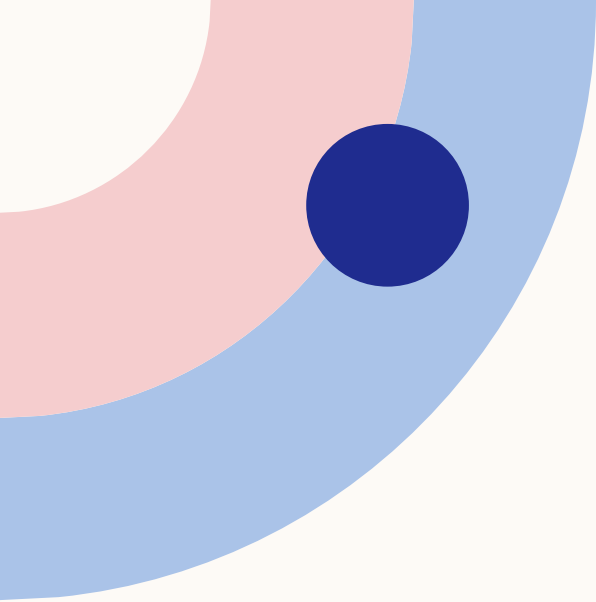
- Develop winning strategies to keep ahead of the competition
- Capitalize on low-hanging fruit to identify a ballpark value
- Visualize customer directed convergence

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Insert text

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Mirjam Nilsson
mirjam@contoso.com
www.contoso.com



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