BUDGET

With limited budgetary support provided under the Government of India's Eighth Five Year Plan (Fiscal Year 1992-93 to 1997-98), both the NAA and the IAAI must generate their own resources for operations and capital investment. Of a total planned expenditure of Rs. 40 billion for civil aviation under the 8th Five Year Plan, only Rs. 1.07 billion is budgetary support from the Government. The NAA derives 70% of its revenue from route navigational facility charges, which are paid by any aircraft using en route or landing aids over Indian air space. The Defence Forces, Paramilitary Forces, Customs and Coast Guard are major users of NAA facilities, but do not pay for them. The NAA is considering demanding payment from these users. Another 11% of revenue comes from landing and parking fees, and 3% from terminal navigation landing charges.

The NAA made a profit of Rs. 210 million during April-December 1992 against Rs. 80 million in the corresponding period of the previous year. The NAA has estimated capital investment of Rs. 8.35 billion for the Eighth Five Year Plan. It is confident of being able to mobilise Rs. 4.52 billion, leaving a gap of Rs. 3.83 billion.

In May 1993, the Chairman announced that the NAA would spend in excess of Rs. 7.5 billion over the next three years to modernize the Delhi and Bombay airports, as well as the 12 Model Airports.

Under the Eighth Five Year Plan, the IAAI's budgeted investment for international airports is Rs. 7.31 billion, out of which Rs. 3.5 billion is for passenger terminals and Rs. 0.29 billion for cargo terminals. For the Ninth Five Year Plan, the financial outlay is Rs. 8.94 billion (Rs. 6.29 billion for passenger and Rs. 0.37 billion for cargo facilities). After internal revenue generation there is an uncovered gap of Rs. 1.25 billion in the Eighth Plan and Rs. 1.75 billion in the Ninth Plan.

MAJOR PROJECTS

Ground facilities and infrastructure at most of India's airports are inadequate. There is not enough hangars, aircraft parking space or reservation counter space. Facilities have not been improved for years. Most airports do not have basic navigation equipment such as Instrument Landing Systems (only 20% of airports have ILS), Very High Frequency Omni Range, and Distance Measuring Equipment, and runway lights, strobe lights for runway approach and navigation aids are either absent or non-functional. Ground firefighting and safety equipment also need improvement. All airports are supposed to have Uninterrupted Power Supply (UPS), but there have been serious occurrences of power failures blanking out navigation systems. The lack of hangar and parking facilities is particularly acute for air taxis. The air traffic control (ATC) facilities and related equipment are archaic. At Bombay, which has the highest density of international traffic, the saturation point is likely to reached in the next few years.

About a dozen airports which Indian Airlines' pilots refused to land at, have yet to be upgraded. According to the pilots, the worst airports are at Calicut, Cochin, Udaipur, Jaipur, Mangalore and Bhuj. For example, the runway at Cochin is unidirectional, forcing pilots to land and take off in the same direction, even if there is a tailwind. Upgrading of these airports has become critical as private air taxis have increased their operations to these airports.

While resource shortages have been part of the problem, there was also a lack of recognition of the importance of air transport to India's economic prosperity. With economic liberalization, the inadequacies have been highlighted as the Government has recognized that improved facilities are necessary to support increased business and tourist travel. In the last year, two major contracts to improve India's air traffic navigation system have been awarded. Many more projects are in the process of being implemented, or are in the planning stages. The major projects being considered and implemented are outlined below. These projects will need to be speedily implemented if India's airport infrastructure is going to be able to keep up with growing demand.