



Development



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Air passenger traffic in India over the next decade is projected to grow by 12.5% domestically and 7% internationally. During the next 20 years, passenger traffic is expected to increase by 400% and cargo traffic by 600% over current levels.

Recent market developments

- India's Ninth Five-Year Plan (1997-2002) focusses on expanding capacity in passenger and cargo terminals at the five international airports. The plan also calls for the modernization of communications and navigational facilities at all airports to improve air traffic management systems.
- The government is planning to build over a dozen airports that meet international standards. As a starting point, it has approved the privatization of the five international airports — Mumbai, New Delhi, Calcutta, Chennai and Bangalore. Each airport requires upgrades worth approximately \$1 billion, for a total investment of about \$5 billion. Once privatized, these airports will function independently of the Airport Authority of India (AAI).



Opportunities

Opportunities for Canadian exporters exist in airport safety and security, navigation and communication engineering and fire prevention. There are opportunities in human resources development and training to ensure that airport management meet international standards.

Other opportunities include upgrading airport traffic control/air traffic systems (ATC/ATS), aviation ground-support facilities and safety equipment. The construction and modernization of terminal buildings and runway facilities is another area presenting opportunities for Canadian companies.

Market-entry considerations

The government has made an effort to facilitate private and foreign investment in the airport development sector, including the establishment of a regulatory body to ensure investor confidence. As well, automatic approval will be granted for foreign direct investment (FDI) in airport development up to 74%.

India is a complex and decentralized market that requires a great deal of time and resources to access. To succeed in this market, exporters are advised to establish a relationship with Indian business partners, legal representation and financial advisors.

See Potential?

To learn more about these market opportunities, please refer to *The Airport Development Market in India*, which is a full report prepared by the Market Research Centre of the Trade Commissioner Service. The report is available on-line at www.infoexport.gc.ca

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The Airport Development Market

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