

Until the civil aviation scene in India becomes more certain, the private airlines will continue to rely on leased aircraft; only Archana Airways has purchased aircraft. In fact, the private airlines are likely to put off any major expansion plans until amendments are made to the Air Corporations Act to legalize their operations. The private airlines are also likely to wait until after the peak tourist season this winter to determine how they are fairing, before making expansion or purchase plans.

To date, the aircraft of choice of India's private airlines has been the 737-200. The current recession in the world airline business, coupled with the fact that the Boeing 737-200 no longer meets noise restrictions in North America and Europe, has made it quite easy for Indian private airlines to lease these aircraft at low rates. As the Indian fleet expands and the world aviation industry begins to slowly climb out of recession, availability of these aircraft is going to diminish, and leasing costs will rise. In addition, the private airlines will no longer have ready access to the supply of trained pilots, from Indian Airlines.

With the Government's new regulation of one route under 700 kms for every one over 700 kms, the private airlines will be forced to look at acquiring smaller regional aircraft, as the larger B-737s are very uneconomical on these shorter routes. An aircraft manufacturer which enters into a co-production agreement with Hindustan Aeronautics Limited, and has its aircraft selected by Vayudoot, will be in the best position to sell to the private airlines as the cost of an aircraft co-produced in India would be less and the commonality of aircraft would allow for joint maintenance.

If the anticipated growth in airline passenger traffic is realised, the indigenous airline fleet, both private and national, will certainly grow. This will require an increase in the number of trained pilots and engineers, some of whom will come from the military and some from the increased output from the training establishments.

Along with this growth will be the need for simulator training establishments for the more common aircraft types, such as the Boeing 737, as well as for newly-inducted aircraft types. There will also be a need for contracting simulator time outside the country, as well as training on new aircraft that the private operators lease. In addition to the major training facilities of Air-India and Indian Airlines, East West Airlines and The Raymond Mills have proposed to establish B-737 simulator training facilities. These developments present good opportunities for Canadian simulator companies.

For a long time now, the Indian corporate world has been used to having to fly India's national carriers, but now, with private airlines and corporate aircraft available for charter, executives are becoming used to a higher level of service and the time and cost advantages of flexible schedules. At the same time, there is a slow changing of the attitude toward the acceptance of corporate aircraft as a business tool and not simply as a luxury.

Another impetus for corporate aircraft is the international business empires being created by Indian companies which are increasing their investments overseas. To encourage this general change in corporate attitudes further there is a new generation of young managers who are no longer as willing to accept the status quo, and who are often western trained. These new managers better understand the importance of a corporate aircraft as a business tool. Currently one-third of the 100 largest business houses in India use corporate aircraft, most of which are aging. While it still remains difficult to import these aircraft into India, there is good potential.

As a result of the suppression of private airlines and corporate aircraft activity in India for 30 years or more, there are very few maintenance/service/overhaul facilities catering to the civil market, other than those of the national carriers. Air India and Indian Airlines have large and adequate maintenance facilities. They require upgrading with high-tech equipment to reduce the dependence on maintenance facilities abroad for unserviceable aircraft assemblies and parts. Although they have excess capacity, they have not, and show no signs of wanting, to take in maintenance for India's private airlines. In fact, the government has placed restrictions on "air taxi" operators use of Indian Airlines' maintenance and training facilities.

While there are a small number of maintenance companies supporting the limited number of private and corporate owners, the private airlines generally have the size of aircraft (Boeing 737) that these established maintenance companies are unaccustomed to handling. As the private airlines are not sufficiently established to set up their own maintenance facilities, the majority of the them have been forced to go abroad for their major servicing requirements, particularly C and D checks, while carrying out line maintenance on the airport terminal ramps. One exception is Jet Airways, which has contracted Air Works in Bombay to service its Boeing 737-300s.