Mains Practice Questions

Q. Enumerate the National Civil Aviation policy of India, discuss its potential in promoting inclusive growth.(250) Words

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Approach

- Enumerate the salient features of the policy.
- Discuss its potential in promoting inclusive growth
- List down some challenges in achieving its potential.

Introduction

- India has an ideal geographical location between the eastern and western hemisphere, a strong middle class of about 30 crore Indians and a rapidly growing economy. Despite these advantages, the Indian aviation sector has not achieved the position it should have and at present it is ranked 10th in the world in terms of number of passengers.
- **Vision of the NCAP**: - To create an eco-system to make flying affordable for the masses and to enable 30 crore domestic ticketing by 2022 and 50 crore by 2027, and international ticketing to increase to 20 crore by 2027. Similarly, cargo volumes should increase to 10 million tonnes by 2027.

Body

The policy is very comprehensive, covering 22 areas of the Civil Aviation sector. Its salient features are as follows:

- **Regional Connectivity Scheme:**
    - Airlines will no longer be able to charge more than Rs. 2500 for a 1-hour flight connecting two small cities.
    - The government will provide financial support to fund airlines' losses on such un-served routes.
    - A 2% levy has been proposed on all domestic and international flights on metro routes to boost regional connectivity.
    - 50 No frills Airports, also called low cost airports, will be revived in the next three years.
    - Airlines operating from these airports will get concessions on landing, parking charges and other expenses.
- **Scrapping of the decade-old 5/20 rule:**
    - Replaced with a scheme which provides a level playing field.
    - All airlines can now commence international operations provided that they deploy 20 aircraft or 20% of total capacity (in term of average number of seats on all departures put together), whichever is higher for domestic operations
- **Aviation Security, Immigration and customs:**

- - Encourage use of private security agencies at airports for non- core security functions to be decided in consultation with MHA.
    - Subject to minimum benchmarks being met, security architecture at the different airports will be proportionate to the threat classification and traffic volume.
  - **Open Sky Policy:** India will have this policy for countries beyond the 5000 km radius from Delhi on a reciprocal basis. This means that airlines from European or SAARC countries, will have unlimited access, in terms of number of flights and seats, to Indian airports, leading to increased flight frequencies with these countries.
  - **Growth of helicopters:** This will be supported to provide connectivity to remote and inaccessible areas. Separate regulations for helicopters will be notified by DGCA.

NCAP's potential in promoting inclusive growth

- India has the potential to be among the global top three nations in terms of domestic and international passenger traffic.
- Regional Connectivity Scheme: Potential to revive the existing underserved and unserved airports / airstrips in smaller towns and provide them connectivity so that persons in those towns are able to take affordable flights.
  - According to a recent report, tourist destinations like Hampi in Karnataka, Gangtok in Sikkim, Pithoragarh in Uttarakhand and Shimla in Himachal Pradesh are easily accessible since the Centre launched its flagship regional air connectivity scheme UDAN.
- The tier 2 and tier 3 cities are the one of the main drivers of our economy and the regional connectivity will make growth rate of these cities faster.
- It will give a boost to trade and commerce and also increase employment opportunities in the hinterland.
- Establish an integrated ecosystem which will lead to significant growth of the civil aviation sector to promote tourism, employment and balanced regional growth, enhance regional connectivity through fiscal support and infrastructure development and enhance ease of doing business through deregulation, simplified procedures and e-governance.

Challenges-

- Indian carriers operate with some of the highest fuel costs in the world.
- The Indian domestic air travel market is clearly sensitive to pricing
- Most of the civil air carriers in India are in financial distress

Way forward

Making the first-ever integrated aviation policy was tough. The road ahead will be tougher as we go for its implementation in letter and spirit. If the government, industry and end-users work together keeping India's national interest in mind, India can

achieve its vision of becoming the third largest aviation market by 2020 and the largest by 2030.