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Media Briefing

India

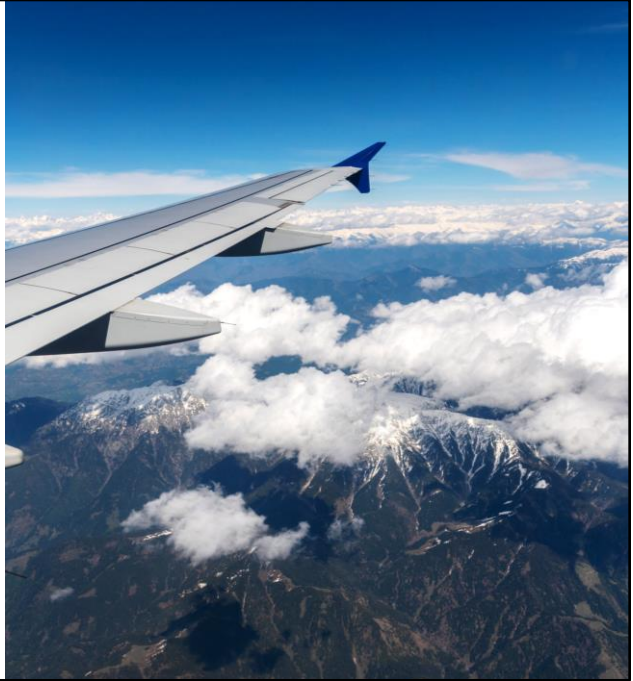
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#IATAAGM



The Potential of Indian Aviation

- 3rd largest global aviation market
- 6th largest air cargo market
- An exciting aviation market

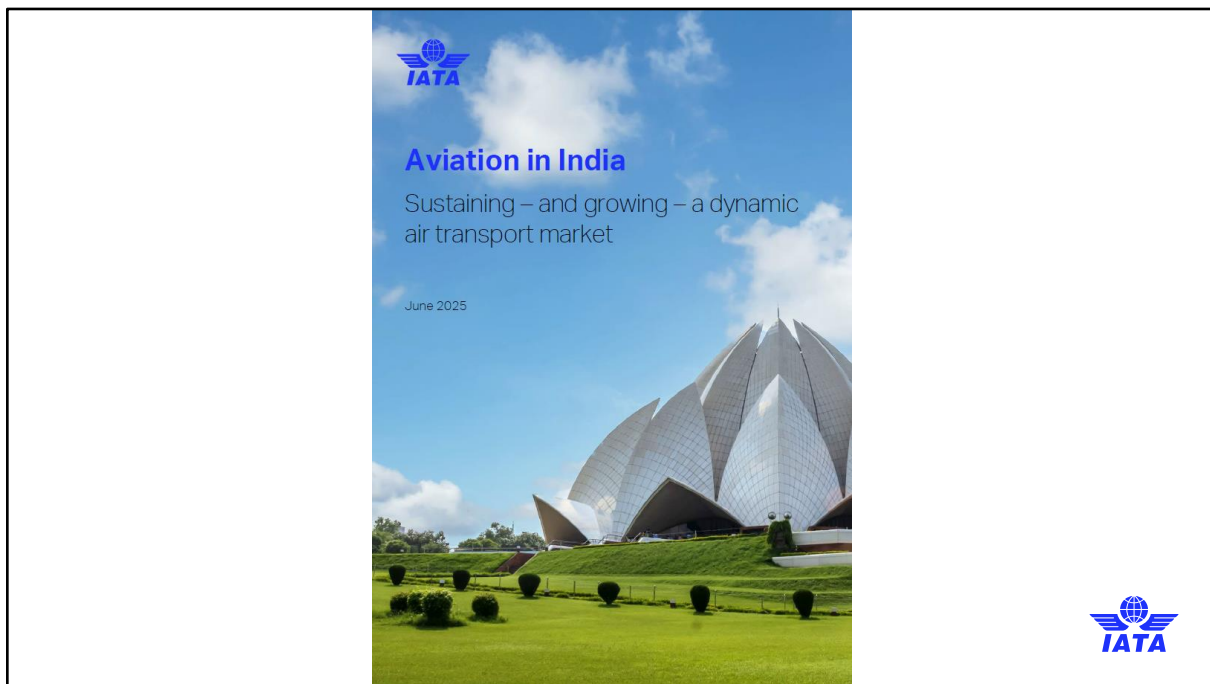


India has long been acknowledged as an aviation market holding high potential.

IATA is updating its reference to the India market. India is currently the 3rd largest Aviation market in the world, in terms of its passenger traffic – both domestic as well as international.

An exciting aviation market:

- Stronger airlines
- Record aircraft orders
- Airport infrastructure is expanding
 - Expansions in Delhi, Mumbai, Bangalore, Hyderabad
 - 2nd city airports for key gateways: Noida International Airport & Navi Mumbai International Airport
- Development of a stronger aviation eco-system
- Government focus on addressing issues / supportive policies



An opportunity for India to play an important leadership role in global policy discussions and initiatives.

- Release of [IATA Economics' report on 'Aviation in India'](#), May 2025
- Interesting snippets of data and facts about India's recent aviation performance



Aviation is a force for good in India

- **Value of Aviation:**
 - 7.7 million jobs
 - USD 53.6 billion contribution to GDP (1.5%)
- **Importance of Air connectivity**
 - Tourism
 - Trade
 - Investment



Aviation is an industry that delivers huge economic benefits – for all economies in general, but also specifically for India.

IATA's Value of Aviation report published last year (based on 2023 figures), quantifies this in terms of the jobs that aviation creates – which is 7.7 million jobs in India (including the secondary and tourism impact of Aviation); and a USD 53.6 bn contribution to GDP (1.5% of GDP).

Air Connectivity also delivers significant intangible benefits to the broader economy.



Priorities for India



Consumer

- Progress made on passenger rights & passenger facilitation
- Affordability of air travel

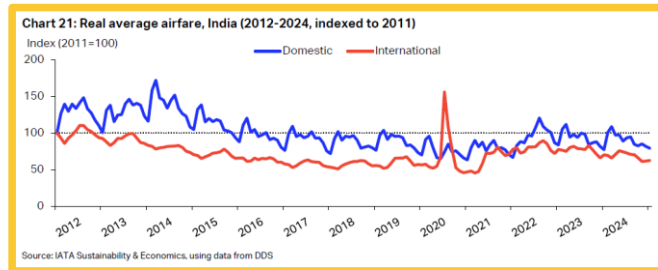


Table 1: Comparison of train versus air travel, selected routes in India

One way route	Duration by train	Train fare*	Duration by air	Flight fare**
Delhi-Bengaluru	33 – 45h	INR 5,550 = USD 65	~2h 50m	INR 7,140 = USD 85
Delhi-Chennai	29 – 37h	INR 7,150 = USD 85	~2h 50m	INR 6,550 = USD 78
Kolkata-Bengaluru	29 – 34h	INR 4,960 = USD 59	~2h 45m	INR 5,460 = USD 65
Mumbai-Kolkata	27 – 37h	INR 6,000 = USD 71	~2h 40m	INR 6,380 = USD 76
Delhi-Hyderabad	21 – 28h	INR 4,460 = USD 53	~2h 15m	INR 4,960 = USD 59
Delhi-Kolkata	17 – 26h	INR 5,210 = USD 62	~2h 10m	INR 5,880 = USD 70
Mumbai-Bengaluru	18 – 25h	INR 3,330 = USD 40	~1h 45m	INR 4,280 = USD 51
Hyderabad-Bengaluru	8 – 13h	INR 2,360 = USD 28	~1h 15m	INR 3,190 = USD 38

Source: IATA Sustainability & Economics using data from various sources (DDS, IRICT)

*Train fare includes an example of a train fare in 1A class, the highest class of travel. **Includes average airfares for all classes of travel in 2024.



On the Consumer side, India has handled proactively issues related to consumer-rights; passenger facilitation, among others.

- DigiYatra – is in line with IATA One ID.

IATA encourages India to join the growing list of countries that have ratified the Montreal Protocol 2014, so that an international deterrence system could be strengthened.

Affordability of air travel has often been mentioned as a consumer issue. There is previous analysis available from IATA Economics with data on India that establishes that the Indian consumer has greatly benefited through competition.

Data from the new IATA Economics report is on the slide. Compared to 2011, domestic and international average airfares in 2024 were 21% and 38% lower respectively, in real terms.



Cost

India is a high-cost environment

- **Taxation**

- High uncertainty for tax planning
- Positions taken by tax authorities / frequent tax notices on untested and new issues
 - 2023-24: Tax notices to international airlines on GST
 - 2024-25: Tax notices to international leasing companies



Cost: Addressing the high-cost environment for aviation in India.

In general, there is a high uncertainty for tax planning that airlines need to keep in mind with regard to operations in India.

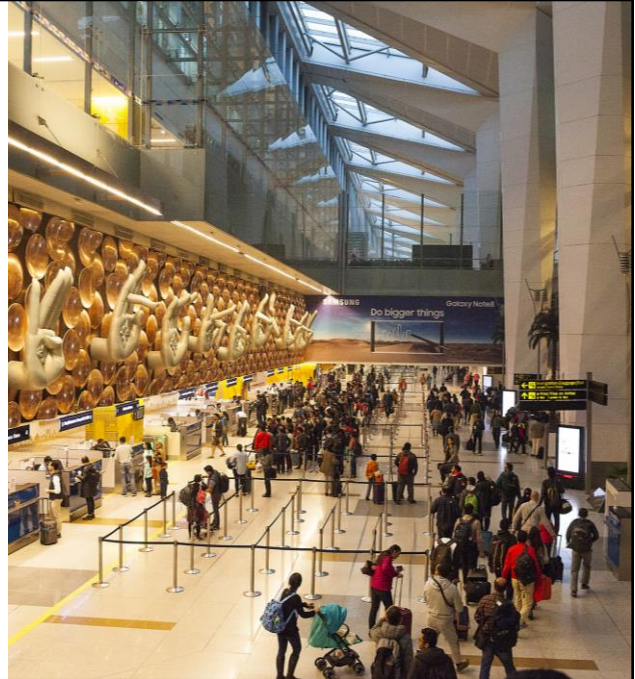
- Various GST issues
- Positions taken by tax authorities / frequent tax notices on untested and new issues:
 - 2023-24: position taken by India's DGCI. Finally exempted the import of services into India between airline HQs and their local branches, respecting international conventions.
 - 2024-25: Tax notices to international leasing companies: Notices had been issued to some aircraft leasing companies; an expected cost impact for the airline industry in India.

Need for stability & predictability in taxation of the Industry.

Airports

- Regulation

- Airports Economic Regulatory Authority of India (AERA) plays a critical role in regulating airport infrastructure providers
- Strengthening of regulatory capacity
- Service level framework



AERA plays an important role in regulating the major airports in India.

AERA also needs to scale up to meet the future demands of the 3rd largest aviation market of the world and to ensure the consumer interest. IATA looks forward to a greater focus on the further strengthening of AERA – to build on the institutional capacity & resources.

AERA has recently undertaken work on the establishment of the service-level framework, which will establish a clearer linkage between the airport user charges paid by the consumers & the service levels that are accorded.

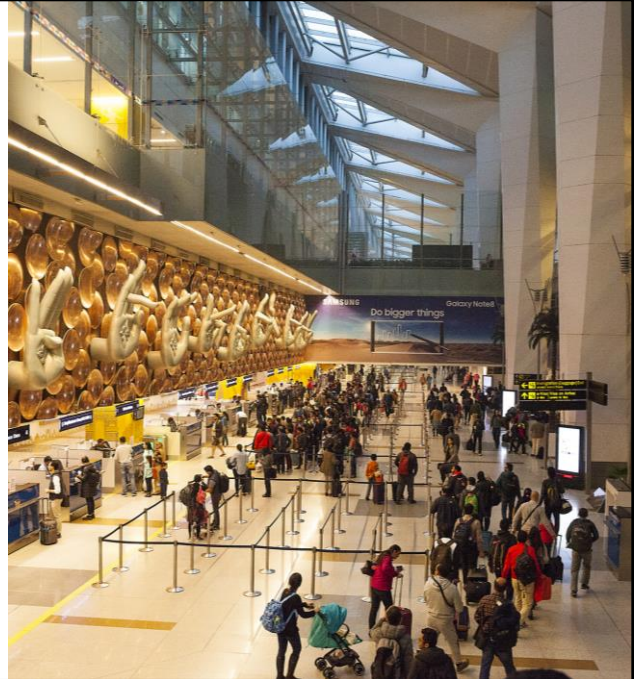
Additionally:

- * Proposal from the airport operator to club the tariff determination exercise of Mumbai and Navi Mumbai airports. IATA does not agree with this approach.

- * Another proposal that is being mooted by the airport operators is the extending of Regulatory control period from 5 years to 10 years. This does not benefit the consumer as well.

Airports

- Slots
 - Adherence to WASG / MoCA Slot guidelines
 - Need for coordination committees
 - Mumbai recent slots historic denial issue addressed



All level 3, slot coordinated airports should set up Coordination Committees (in line with Ministry of Civil Aviation & Worldwide Airport Slots Guidelines), which include all airlines operating at the airport.

Commend Mumbai International Airport Limited (MIAL) for setting up the Coordination Committee for Mumbai Airport (BOM).

- Particularly important for successfully managing the temporary closure of Mumbai Airport Terminal 1, and minimizing disruption to passengers
- In alignment with WASB's managing temporary reductions of airport capacity.
- Commend MIAL for continuing to respect airline historic at BOM & for continuing to accept cargo operations at BOM beyond mid-August 2025.



Airspace

- AAI effectively **managed air traffic** during the recent surge in volume over the Arabian Sea oceanic airspace.
- **Managing an overnight surge in traffic:**
 - 25% in Mumbai FIR & 60% in oceanic
- **Priority**
 - Airspace restructuring to complement & enhance capacity
 - Closer regional collaboration for seamless South Asian airspace



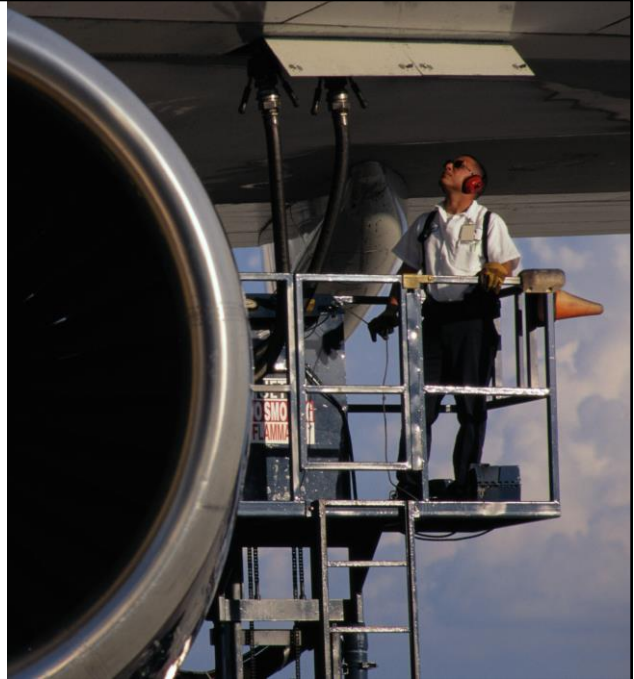
Great work undertaken by AAI for effectively managing air traffic during the recent surge in volume over the Arabian Sea oceanic airspace. The AAI ANS team ably managed an overnight sudden surge in air traffic: a 25% increase in Mumbai FIR & over 60% increase in oceanic.

Given what has already been demonstrated by the ANSP,

- Airspace restructuring to complement & enhance capacity
- Closer regional collaboration with neighbouring FIRs

SAF

- **Potential** for SAF production
- **CADO SAF Registry**: Air India and Indian Oil already onboarded
- **SAF Book & Claim**
- **Certification**:
 - National Accreditation Board for Certification Bodies (NABCB) MoU with the International Sustainability and Carbon Certification (ISCC) a positive step.



SAF production and availability are top priorities for the Industry, as well as the government.

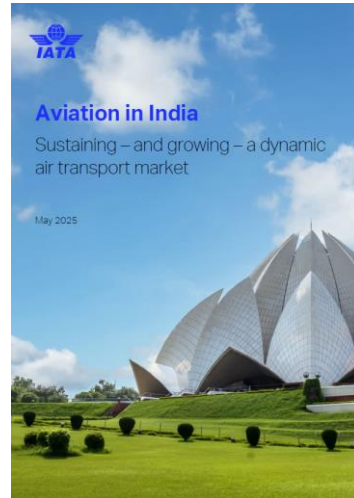
- India is the world's 3rd largest ethanol producer & consumer – so the potential for SAF production is immense.
- Oil marketing companies are keen to produce, and airlines are keen to have access to SAF.
- SAF production in India and its availability has been the missing link till now. According to our information, India will make domestically produced SAF available from 2026.

CADO (Civil Aviation Decarbonization Organisation) SAF Registry: Air India and Indian Oil are both on the CADO SAF registry, which kick-starts Indian representation on the Registry.

SAF Book & Claim: Airlines and Oil Marketing Companies want this to be implemented at the earliest.

Certification: Pleased to note the National Accreditation Board for Certification Bodies (NABCB) signing MoU with the International Sustainability and Carbon Certification (ISCC), in order to accredit Indian SAF Certification Bodies (CB).

Download IATA Economics report on Aviation in India



Passenger growth alone does not guarantee airline profitability. The wider regulatory environment must support air transport growth in India.