



BIZAV GROUP WORRIES ABOUT GROUND HANDLING MONOPOLY AT DELHI AIRPORT

News / Business aviation



An award to two consortia to design, construct, finance, develop, operate and maintain FBOs at **Delhi** Indira Gandhi International **Airport** for 20 years and upgrade the present facility in phases is being called a monopolistic move by the general aviation industry. Airport management company Delhi International Airport Ltd. (DIAL) would not comment about the award.

Following two earlier canceled tenders, DIAL and bid advisor InterVistas released the request for proposal (RFP) last year that mandated a partnership of Indian companies with foreign providers. Concessionaires Bird Group with ExecuJet and Indamer Co. with Mjets of Thailand won the bid. Others bidders were Air Works with Turkey's Celebi and Shaurya Aviation with U.S.-Aurora Aviation.

However, the very tenets of the bid are being questioned by India's Business Aviation Operators Association (BAOA). R.K. Bali, BAOA's managing director, believes this is an attempt at creating

cartels.

“Dial is evicting some 15 companies with hangars/ground handling under the guise of not renewing their licenses, the last of which will expire by year-end. Without a security clearance license, one cannot the airport’s secure premises. This has resulted in a lot of uncertainty among charter operators who have entered into handling deals for next year with foreign operators,” one airport tenant told AIN.

“All our options are open. We will fight tooth and nail,” Bali said, hinting that a legal battle is ahead if Dial will not permit the present companies to function. “Companies with Civil Aviation Requirement 145 should be permitted to carry out maintenance on their own aircraft,” Bali added, noting that many clients needed exclusivity and the “comfort “of their present providers. He suggested that smaller operators could share a hangar.

Another bone of contention is the appointment of Indamer, which according to the RFP should have been disqualified since “the bidder does not comply with criteria including pending legal cases against Dial or Airports Authority of India (AAI).” Presently, Indamer has long-standing debts of \$6 million to AAI at Mumbai Juhu Airport for hangar lease rentals. “The fortunes of the general aviation business [in India] have been put in the hands of a concessionaire that is unable to set up infrastructure worth \$25 million mandated to each concessionaire,” Bali told AIN.

“General aviation in Delhi is headed for disaster,” an operator at the airport said. “With just 14,000 landings and takeoffs a year, how does Dial expect two FBOs to make money? They have to set up infrastructure by way of parking bays and a taxiway, are not allowed fuel retailing and not allowed to collect parking fees for the structure they built.” He added that, while rates had been frozen for the first two years, he could see an escalation starting from the third year “as costs of investment have to be recovered.”

Meanwhile a recent announcement on 100-percent foreign direct investment in general aviation ground handling in India could also lead to more widespread consolidation. “Indian companies are not as yet experienced and this could bring in quality. Business jet owners are not averse to spending money as far as service commensurate with price,” said Vinay Garg, United Aviation Services’ business development manager for India.

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