

# Slump, Weak Re Ground India Inc's Hi-fliers

Big firms sell pvt jets on rising costs, use services of charter operators

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India's big companies are selling their own jets and chartering flights instead because of rising operational and input costs amid a sluggish economy and a weak rupee.

In the past year, the number of non-scheduled operators in the country has fallen to 125 from 150, with several companies getting rid of their private jets. The slack has been taken up by private jet operators.

"We are currently doing 55 flights a month, up 20% from a year earlier," said Atiesh Mishra, general manager of Taj Air, the Tata Group's charter unit. Taj Air has an alliance with Deccan Charters and Business Jets India for operating business jets in India. Companies are scrapping or delaying plans to buy planes because of the economic environment. "There are a lot of corporates who have postponed their plans of buying planes and are looking to hire services of pri-

vate charter operators. That has led to a rise in passengers for us," said Robin Sharma of Reliance Transport Travels.

The rupee weakened about 20% between January and August, increasing foreign exchange costs for Indian companies. That included costs of buying and leasing planes as well as salaries to expatriate staff.

The rupee has strengthened since hitting a record low in August.

Business plane prices

have risen 25% in the past year because of the currency's weakness, said Rajeev Wadhwa, chairman and managing director of Baron Luxury and Lifestyle. Baron sells business jet flights through annual memberships at rates ranging between ₹25 lakh and ₹2 crore. It has a fleet of nine planes and shares flying hours with other charter operators for 18 more planes in India.

**Landing Charge Increases ►► 19**

## The Jet Set

Operator	Aircraft Type	Base Rates/hr (₹)
Taj Air	Falcon 2000, Piaggio P-180, Avanti II	1,23,500 to 2,85,000
Raymond	Challenger CL604	2,85,000
Jindal Steel	Global Express, BD 700-1A10	5,00,000
EIH	Hawker 850 XP	2,25,000
GMR Aviation	Falcon 2000EX Easy	3,25,000
GVK Aviation	Falcon 2000 DX	2,70,000
L&T Aviation	Hawker 900XP	2,00,000

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# Landing, Parking Charges Up

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Vedanta Resources sold its jets two years back and now charters planes, an executive said. Mishra said landing, parking and ground-handling charges have increased, adding to expenses. Most charter operators have been passing on such increases as additional charges to customers while keeping their base rates intact. But that too is set to change. For instance, Taj Air has been charging ₹2.85 lakh per

hour for its Falcon 2000 but plans to increase it by up to 15% in the next few months.

Another factor that discourages companies from having their own jets is the lack of parking space at Mumbai airport. As the business capital of the country, this is where most of business travel originates.

Mumbai currently has about 30 parking slots for business aircraft, the last one allocated in 2006. But only half of them can be used for permanent parking.

The companies using the rest of the slots can park their planes for only 48 hours. Any operator parking a plane for more than 48 hours has to pay a penalty, said a Mumbai International Airport spokesperson. This ranges from Rs 1,000 to Rs 8,000 an hour.

"So a business jet has to now park in a place like Aurangabad since there are no slots in Mumbai," said Wadhwa. This means an increase in flying time and charges, he said.

An executive at Indiabulls,

which recently lost its parking slot in Mumbai, said that because of the penalties, the charges at the airport are 10 times what had been agreed upon when the company started flying to the airport. Ahmedabad is, therefore, becoming the new hub for business aircraft. "The airport is open 24 hours and has international operations and is preferred by companies as a parking place. The airport currently has about 16 business jets parked in it, from four a year back," said Mishra.