

Indian Sky to Witness Three New Airlines in 2015

Air Pegasus, Air One and Premier Airways are all set to take flight and join AirAsia and Vistara among the ranks of India's newest airlines. They will be ready to start flights in mid-2015.

These additions mainly show how aviation professionals and investors are taking bold moves by creating new airlines for national and regional routes. Sadly, the existing airlines continue to fall in revenue and are stuck in debt.



First to launch and take off is Air Pegasus. The airline is being promoted by Bengaluru-based firm Deccor Aviation. Shyson Thomas, Air Pegasus' Managing Director mentions that the airline will begin services this month on regional routes in the southern India. However, industry sources say the company has yet to be given a permit to fly from the Directorate General of the Civil Aviation, and realistically estimates that the airline should be functional and start flying next month.

Air Pegasus was already given a certificate of no-objection from the ministry of civil aviation in 2012 but factors such as getting leases on aircraft in light of the Kingfisher Airlines shutdown made it difficult for them to complete the operation. They presently have a lease on a 70-seater ATR-72 aircraft and two other similar models. Air Pegasus aims to connect Bengaluru with Hubli, Tuticorin, Thiruvananthapuram, Chennai and the surrounding cities in the first stages. Air One is also working round the clock to finalize its aircraft leases and run an air charter service by next month. Flyeasy, a known regional airline based in Bangalore has also started to move by hiring engineers and pilots for its Embraer jet fleet. Media report also cites Premier Airways is slated to begin services come next summer and is being headed by Umapathy Pinaghapani, an NRI Engineer.



Premier Airways and Air One are counted among six companies to have received no-objection certificates earlier this year by the civil aviation ministry. ABC Aviation and Training, promoting Flyeasy, was able to receive its clearance earlier prior to 2014.

Since 2009, a total of 16 companies have already been issued no-objection certificates to start scheduled airlines and only two have actually started, Air Costa and AirAsia, while Vistara is awaiting DGCA clearance before launching services by next month.

Air One promoter Alok Sharm said that they don't have to start from scratch and securing the permit won't be an issue for they have the experience necessary in running non-scheduled operations. He also mentioned that the airline will launch in eight months.

Sharma was the head of Air Shara before being sold to Jet Airways and then he brought several former colleagues into the charter company and insisted that it is an independent firm, that they did not back up Air One. He added that Air One will operate as a dual-class airline with its base as Delhi, and with Airbus A320s or narrow body Boeing 737s and that aircraft leases will be finalized in the next month, hoping to induct 20 planes in a span of three years.

Industry sources point out that lessors didn't have surplus aircraft and viewed India as a risky market, which follows the downfall of Kingfisher Airlines. A source said that with crude oil decline, he sees more demand to lease planes in Europe rather than in India.



Sharma said leasing planes won't be a problem and that they're sorting it out. He answered the question about competition and Indigo's speedy expansion by saying that their eyes are wide open, and that Indigo took five years before reaching number 1.

Thomas said his company is well funded, having assets of an investment of about Rs 100 crore and hence ties up with banks for a working capital, and that Air Pegasus will induct two ATRs and he plans to initiate a third one within a month.

Ashok Gajpathy Raju, civil aviation minister, aims to promote regional flights to tier II and III cities and this is their goal. They have a flight in the morning between Bangalore-Thiruvanthapuram, which is also the only airline that currently flies Bangalore-Hubli. He said they are planning to make use of aircraft for 9-10 hours a day and have a turnaround of 20 minutes. He said that their flights may not have parallel rewards with other airlines but they operate a smaller plane that has 70 seats, meaning even if they only have 40 seats full they are close to occupancy of 60 percent, hence operating costs will be low as well.

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