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Chief minister promotes country's first greenfield airport but questions on viability remain

Mamata takes first Andal flight to Delhi

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New Delhi, Dec. 7. Chief minister Mamata Banerjee today arrived in Delhi in the first commercial flight to take off for the capital from Bhubaneswar's Andal airport, the decision to take the inaugural flight capturing her desperation to promote the country's first greenfield private airport.

The project, conceived in 2006 by the Left Front government, had faced several hurdles ranging from problems over land acquisition to the viability of an airport just 22km from the one in Calcutta.

"With this air service from Durgam to Delhi, we are increasing connectivity of south Bengal with the rest of the

country... People from neighbouring states like Chhatisgarh can also take flights from Andal," Mamata said before leaving the plane this afternoon.

Air India will operate flights twice a week in the Calcutta-Andal-Delhi route from December 21. Singapore's Changi Airports International has a stake in the Andal facility.

Almost all 144 seats in the Airbus 320 were full today. Bengal Aeropropolis Projects Ltd (BAPL), the promoter of the Andal airport city project, had termed the passengers. The journey took around three-and-a-half hours, including the break in Andal. Flight time between Calcutta and Delhi is usually a little over two hours.

Aviation analysts said

BAPL would face a challenge filling up flights on the route. Only if operations are viable will private airlines be attracted to use the Andal airport. The response of private players has been lukewarm so far.

Mamata has done her best to promote the airport by waving the 30 per cent surcharge on sales tax on aviation turbine fuel so that airlines use Andal for refuelling. She has also

reached out to Changi authorities to ensure that they remain involved in the project. When Prime Minister Narendra Modi visited Bengal earlier this year, he left for Delhi by boarding the air force flight from Andal on Mamata's request.

BAPL has worked out an arrangement with Air India through which it is providing



The inaugural flight at Andal airport before taking off for Delhi on Monday. Picture by Anup Kumar

viability gap funding to the airline to ensure that it doesn't incur losses on its operating costs on the Calcutta-Andal route. Passenger response to the 30-minute journey has been far less so far than what

the promoters had expected.

"Steps from the government and the promise of recovery of operating costs will not be enough to lure other airlines. The market has to grow," an aviation analyst said.

Partha Ghosh, the managing director of BAPL, however, said the Calcutta-Andal-Delhi route would not require viability gap funding.

"Around 90 per cent of the seats are booked for the flight on December 21. Airlines need around 60 to 75 per cent occupancy to recover operating costs," Ghosh said. According to him, BAPL was planning flights to Mumbai and south India in a phased manner.

An official of a private airline said the plans seemed "ambitious" as the viability of airlines and airports depended on the volume of business travellers. "Given the state of industry in Bengal, getting a steady flow of business travellers might not be easy," he said.

Several European airlines have conducted surveys on the feasibility of operating flights from Calcutta but the city has stayed off their radar because of the lack of corporate travellers in the business and first-class categories.

But some businessmen in the Durgam-Ananduli belt, the steel hub of the state, think that the airport in Andal will become viable in the next few years.

"We have got feedback from business travellers that direct air connectivity to the region will help business grow and the volume of passengers will also grow. We are bullish about the airport," said Kabi Datta, the managing director of the CIP Residenc Group of Hotels.