

India: the emerging aviation hub

25 November 2010

Browse press releases by

Keywords

Find ▶

The Federation of Indian Chambers of Commerce & Industry ("FICCI") International Conference on Civil Aviation

India is one of the fastest growing aviation markets in the world. But rapid growth brings challenges as well as opportunities

Airlines, manufacturers, industry regulators, banks, government bodies and other stakeholders from outside and inside India gathered in New Delhi on 25 November 2010 at the FICCI Conference on Civil Aviation.

At the event, held in exclusive partnership with the world's premier aviation law firm Clyde & Co, Shri Praful Patel, Minister of State for Civil Aviation, said that India's aviation infrastructure needed significant investment to cope with demand: "We have around 100 airports in the country at present, but India will need about 400 in 15 years." Yashwant Bhawe, Chairman of the Airports Economic Regulatory Authority of India, endorsed the requirement and promised support. For the first time, India's domestic aviation traffic has reached 50 million this year. Suddenly, the phenomenal order book for new aircraft delivering to Indian airlines in the next five years does not seem extravagant or unrealistic.

Mr Patel also noted that domestic fare pricing needed to be controlled and kept independent, a view that was echoed by Clyde & Co competition partner Philippe Ruttley in a presentation which rounded off the Conference.

In between, the Conference had opened out into a wide-ranging treatment of topics relevant to the rapid growth of the market and the significant challenges it sets. The team of experts from Clyde & Co were able to provide insight and experience during the lively discussions generated as a result which reflected the deep knowledge and passion of the Conference attendees for turning India into the aviation powerhouse and regional hub it aspires to be.

Aviation finance partner Philip Perrotta chaired a fascinating panel of Indian carriers and overseas investment banks who debated the phenomenal capital requirements for acquiring aircraft, as well as the various sources it may come from. Aviation partner Philip Bass discussed liability risks as relevant to India, a signatory of the Montreal Convention. Although the number of incidents in India has decreased, the cost of claims has increased. However, recent rulings on forum shopping have been favourable to the airline industry.

Ananjan Mitter, a partner at ALMT Legal, Clyde & Co's associate firm in India, spoke about civil aviation regulation in India. Clyde & Co legal director and regulatory specialist Peter Macara provided a comparison with Europe.

Dinesh Keskar, FICCI Civil Aviation Committee Chairman and Boeing India President, joined the

debates at the end of the Conference with the assertion that global aviation's centre of gravity would soon shift to India and China, with low-cost airlines driving growth. The next period in Indian aviation promises to be dynamic and fascinating, and Clyde & Co will be part of its development. Also in attendance at the Conference were Dispute Resolution Partner Patrick Slomski, Commercial Partner Alan Meneghetti and Senior Associate Anita Quy.

Commenting on the FICCI debates at the Conference, Philip Perrotta said: "The Indian aviation industry is growing at a fantastic pace and the opportunities are immense. But infrastructure development in its broadest sense will be absolutely critical as to how successfully those opportunities can be realised. The two go absolutely hand-in-hand."

Press release published on 25 November 2010

Jurisdictions: **Asia**

Areas of expertise: Aviation and aerospace