

AVI-NEWS

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A QUARTERLY NEWSLETTER

Editorial



Dear Friends,

The exponentially rising civil aviation industry, presents a strong case for the development of the MRO industry in India. Although at a nascent stage – the size of the industry being USD 1.7 billion as of 2021 – it is expected to reach USD 4.0 billion by 2031, registering a CAGR of 8.9% as compared to the global average of 5.6%.

As India's skies bloats with an expanding fleet, MRO capabilities are becoming most imperative. Ensuring aircraft safety and reliability demands significant investments in MRO infrastructure and expertise as this not only enhances safety but also fosters job creation and technological advancement.

The primary challenge lies in component and engine MRO, where most spending occurs. Efforts to bolster India's MRO capabilities, especially in components and engines, are essential to

support the growing aviation sector, create jobs, and enhance technological prowess.

As per Niti Ayog report Government has already initiated systemic developments in the ecosystem, policy initiatives such as the MRO Policy 2021, National Civil Aviation Policy 2016, rationalisation of GST, removal of Gross Turnover Tax (GTO), etc. reflect the vision of the government to develop India as a global MRO hub. However, the growth of the MRO sector will also depend on how efficiently and collaboratively India can address some of the key challenges faced by MRO players in India. For instance, Indian MROs face considerable barriers to break into the existing value chains, involving OEMs, internationally established MROs and airline operators. Impediments are also faced with respect to implementation of offset clauses, credit accessibility, availability of infrastructure, licensing and certification, taxes/duties and land lease rentals to name a few. Though the Government of India has initiated an array of reforms, incremental steps such as joint ventures with established global MRO players, focus on MRO segments with lower IP control and a gradual shift towards the higher end of the MRO value chain is required in order to establish a robust MRO industry in the country.

Happy travels!

Sanjiv Aggarwal

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WE HAVE REAL TIME ACCESS TO COMPLETE INVENTORY FOR ALL SERIES OF KING AIR, BEECH CRAFT, HAWKER AND CESSNA AIRCRAFT.



Shri Jyotiraditya M. Scindia Flags off The Inaugural Flight of The New Airline Fly91



Union Minister for Civil Aviation and Steel, Shri Jyotiraditya M. Scindia inaugurated Fly91, a regional airline and flagged off its maiden flight between Manohar International Airport (MOPA), Goa and Agatti Islands, Lakshadweep.

In his inaugural address, Shri Jyotiraditya M Scindia said that earlier in our country, airlines' closure and bankruptcy used to be the news. In the past 10 years, the leadership of Prime Minister Shri Narendra Modi brought a new dawn to this industry which resulted in the birth of six new regional airlines. Shri Scindia also highlighted the multidimensional growth of civil aviation in the country. He reiterated the government's commitment to connect tier 2 and tier 3 cities through the UDAN scheme and said that the aviation industry is expecting to raise its domestic traffic to 300 Million by 2030 which was just 60 Million in 2014.

The airlines informed that Schedule flights will commence between Manohar International Airport, Goa and Bengaluru, Hyderabad, Jalgaon, Agatti, Pune, Nanded and from

Bengaluru, Hyderabad, and Pune to Sindhudurg, Jalgaon, Nanded and Goa, in a phased manner.

These new connections will fulfil the demand for enhanced connectivity across the nation and increase accessibility of different regions. This will not only enhance tourism but also promote trade and commerce and give strength to the government's commitment to offering an affordable, on-time, safe, and hassle-free travel experience to the passengers.



India Emphasizes On Aligning With Global International Travel Norms To Ensure Faster Travel



Union Minister of Civil Aviation and Steel, Shri Jyotiraditya M. Scindia chaired an advisory committee group meeting with airport operators, CISF and Bureau of Immigration officials today to discuss possible changes in airport interior design, as well as new technologies to expedite immigration and security check processes for international travelers. This is being seen as a major step in building international aviation hubs in India.

The meeting delved into solutions derived from studying international airport models such as those of Singapore and Canada. Key highlights of the discussions include:

Cross-Utilization of XBIS Machines:

Exploring the possibility of cross-utilizing domestic and international XBIS machines at Delhi airport to ensure greater availability of machines, and hence, lesser wait time.

Deployment of New Technologies:

Proof of concept trials for use of e-gates and e-biometrics for immigration are already underway. These are set to redefine the standards of efficiency and security in air travel.

Increasing Manpower:

A thorough analysis has been undertaken about manpower requirement of CISF and Immigration officers. This analysis considers the planned expansion of existing, as well as new airports to come across the country, including those in Jewar, Navi Mumbai, and others.

He also emphasized the government's commitment for embracing innovation and leveraging technology to transform India's civil aviation landscape. He reiterated the ministry's dedication for positioning India as a global leader in air travel and industry's common goal to create multiple aviation hubs in the country.

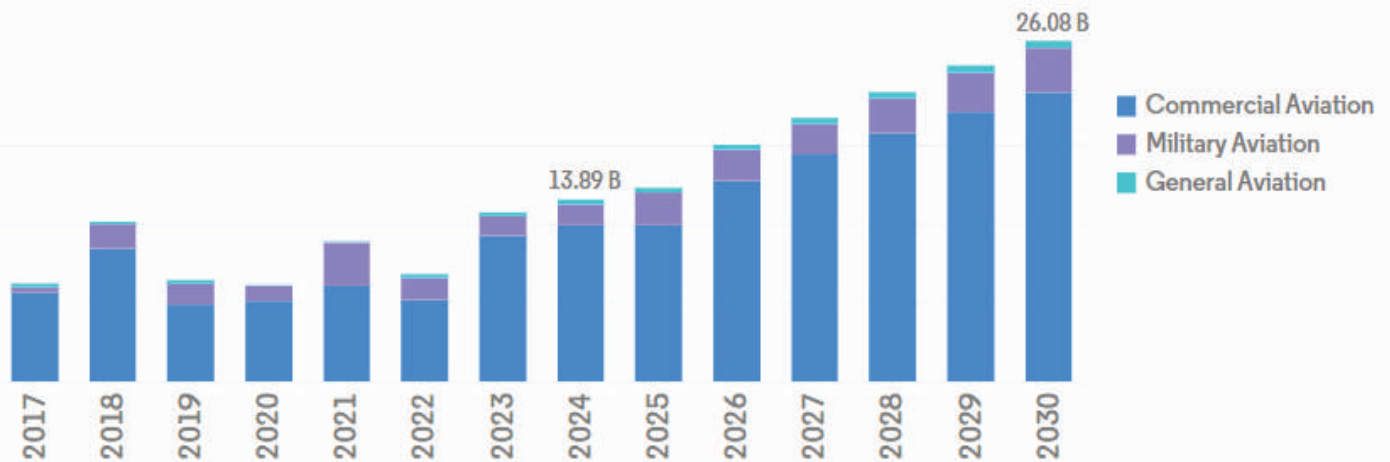


During 2023, Scheduled Airline Operators Inducted 112 Aircraft In Their Fleet






There is an increase in aircraft induction by the airline operators in India. During the year 2023, the Scheduled airline operators inducted 112 aircraft in their fleet. The total number of aircraft endorsed on the Air Operator Certificate (AOC) of Scheduled Airline operator as on 31.12.2023 is 771. The airline operators induct new aircraft in their fleet to cater to the growing demand of air transport. The details of orders placed by major airlines are given below.

NEW AIRCRAFT DELIVERIES BY AIRCRAFT TYPE, USD, INDIA, 2017 - 2030



Aircraft Orders Placed By Major Airlines (As Per Information Received From The Airlines)

NAME OF THE OPERATOR	TYPE OF AIRCRAFT	NO. OF AIRCRAFT ORDERED	YEAR
 AIR INDIA GROUP	A320/A321	210	2023
	A350	20	2023
	B787	40	2023
	B777	10	2023
	B737-8	190	2023
 INTERGLOBE AVIATION LIMITED (INDIGO)	A320 Family	400	2015
	A320 Family	300	2019
	A320 Family	500	2023
	ATR 72-212A (600 Version)	50	2017
SNV AVIATION PVT. LTD. (AKASA AIR) 	B737-8	76	2021
	B737-8	150	2024
SPICEJET LIMITED (SPICEJET)	B737-8	155	2016
TOTAL		2101	

The commercial aviation segment is the largest in terms of aircraft delivered in the country. India has become the third-largest domestic aviation market in the world and is expected to overtake the UK to become the third-largest air passenger market by 2024.

Indian aviation also contributed 5% of the GDP, creating a total of 4 million jobs. In addition, this industry has a USD 72 billion gross value-added contribution to GDP. Air traffic has been growing rapidly in the country as compared to the global average. The air fleet number is expected to rise from the present 600 to 1,200 during 2024.

The surge of tourist traffic into India and the rising HNWIs have driven the growth of the country's general aviation sector. Despite these driving factors, challenges in ease of doing business, complications with the tax structures, inadequate infrastructure, and complicated processes to obtain operating licenses have resulted in subdued growth of the business aviation market in India. This needs to improve.



DGCA Makes Significant Changes In Fatigue Risk Management System For Flight Crew

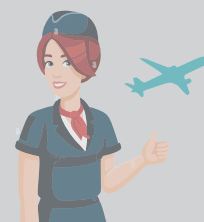
Directorate General of Civil Aviation (DGCA) has made significant changes in the regulations pertaining to Flight Duty Time Limitations (FDTL) for flight crew, in line with the international best practices. These regulations have been instrumental in managing fatigue related aviation safety risks for more than a decade now.

The introduction of these reforms in the civil aviation sector would be a substantial step forward in addressing pilot fatigue, enhancing overall flight safety and balancing it with the projected growth of the aviation sector in India. The revised FDTL regulations are effective forthwith and the airline operators are required to comply with the revised regulations latest by 1st June, 2024. This will ensure sufficient time for the airline operators to adapt to the changes while taking into account the logistics, system changes and consequential arrangements arising out of the amendments in revised FDTL regulations.

With a view to address and mitigate concerns on pilot fatigue through a data driven approach, DGCA collected and analyzed extensive numbers of pilot rosters along with pilot fatigue reports submitted by airline operators.



Based on the study and analysis, some of the key areas inducing fatigue such as maximum Flight Duty Period, Night Duty, Weekly Rest Period, Flight Duty Period Extension etc. were identified. The revised FDTL regulations have been formulated after extensive data analysis and feedback from various stakeholders which includes airline operators, pilot associations and individuals. The world-wide best practices (FAA – USA and EASA – EU) have also been taken into consideration in amending the regulations while keeping in mind the specific operating environment in India.



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Key highlights of the revised FDTL regulations:

Extended Weekly Rest Periods for flight crew:

The revised regulations mandate increased weekly rest periods from 36 hours to 48 hours for flight crew, thus ensuring sufficient time for recovery from cumulative fatigue.

Night Duty:

The definition of night has been amended which now covers the period of 0000-0600 hours in the revised regulations vis-à-vis the period of 0000-0500 hours under the previous regulations. This enhancement of one hour during early morning will ensure adequate rest and also align the night duty period which encompasses Window of Circadian Low (WOCL) from 0200-0600 hours i.e. the time during which the circadian body clock cycle is at its lowest in terms of alertness.

Maximum Flight Time, Maximum Flight Duty Periods and Number of Landings during night:

The revised regulations have taken into consideration different types of operations across time zones. The maximum flight time & maximum flight duty period for flight operations encroaching night have been restricted to 8 hours flight time & 10 hours flight duty period respectively and the number of landings have been limited to only two landings as compared to maximum permissible 6 landings under previous regulations during night operations, thus enhancing flight safety.

In addition, DGCA has mandated that all airline operators shall submit quarterly fatigue reports after analysis, including the Action Taken on such reports. Further, it has been stipulated that the fatigue reports shall follow a non-punitive and confidentiality policy.

DGCA further envisages to the adoption of a new regime of fatigue management i.e. Fatigue Risk Management System (FRMS) going forward.

The revised FDTL regulation is a stepping stone towards FRMS implementation in India. FRMS is a data-driven approach to enhance monitoring and reporting of flight crew fatigue.

The collaboration of various aviation stakeholders such as regulator, airline operators, flight crew etc. will be required to implement stringent monitoring, record keeping and reporting to ensure adherence to a FRMS regime in future once the readiness to transition to the FRMS framework has been diligently demonstrated by all stakeholders.



Airbus Projects Substantial 45% Growth in North American Market By 2042



North America's commercial aircraft services market will grow to \$45 billion by 2042 from \$31 billion today (a 45% increase) according to Airbus' latest [Global Services Forecast \(GSF\)](#).

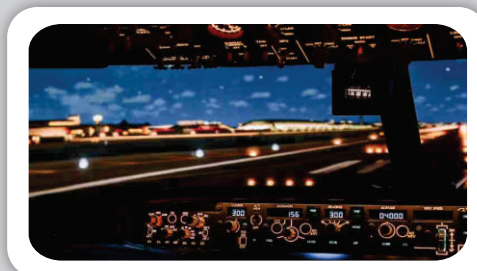
North America was the first and one of the strongest regions to bounce back in the post pandemic period. Last year proved that more people want to fly domestically and internationally, and passenger traffic growth will continue at a steady compound annual growth rate (CAGR) of 2.1% in the region according to Airbus' Global Market Forecast.

Airbus forecasts the maintenance market will grow from \$25.9 billion to \$37.8 billion in the region, with \$17 billion of this from passenger-to-freighter conversion and used serviceable material.

According to Airbus, around 60% of the fleet in North America is connected; this figure will rise to 90% by 2042. This is important, as a well-connected fleet in real-time will enhance communication with airline operations on the ground, in flight, and for maintenance and improve the overall passenger experience.



The North American region will need 366,000 new skilled professionals by 2042. This will translate into an increase from 2.5 billion in 2023 to \$3 billion in 2042 in the market for training and operations. The plane maker projects the need for 104,000 new pilots, 120,000 new technicians, and 142,000 new cabin crew members over the next two decades.





Gulfstream Deliveries Set To Take Off In 2024

Gulfstream will deliver G700s at a rate of around 17 aircraft each quarter for the remainder of 2024, following the long-range business jet's certification last month.

Savannah-based Gulfstream has already started shipping G700s to customers – it announced the handover of two on 23 April – but due to the overrunning certification process has built up a substantial inventory of undelivered jets. Gulfstream will deliver G700s at a rate of around 17 aircraft each quarter for the remainder of 2024, following the long-range business jet's certification last month.

The G700 is a stretched version of Gulfstream's G650. Gulfstream has another G650 variant, called the G800, in development. Targeted for certification around late 2024, the G800 is a longer-range derivative of the G650 and G700. The G800 is intended to replace the G650 and the extended-range G650ER in the Gulfstream product line, but continuing demand for those earlier models will result in some overlap in production before the G650 versions are completely phased out.

The G700 has a range of 7,750 nautical miles at Mach 0.85 with eight passengers.

The G800 features an 8,000-nautical-mile range at Mach 0.85 with eight passengers. If it achieves the target, the airframer will have significantly increased output over 2023, when it shipped 111 aircraft. And, says Novakovic, she expects delivery totals to continue increasing in 2025 and 2026. Shipments of the G280 are likely to fall this year, however, due to the Gaza conflict disrupting production at key supplier Israel Aerospace Industries.





Embraer's Backlog Hits Record High In First Quarter



Embraer's executive jets division saw its highest first-quarter deliveries over the past eight years, according to the Brazilian airframer's first-quarter results released on Friday. In addition, Embraer reported backlog reached \$4.6 billion by the end of March—an increase of \$300 million from the previous quarter.

In the light-jet segment, Embraer's first quarter deliveries saw a year-over-year (YoY) increase of 83 percent, handing over 10 Phenom 300s—the best-selling light jet for more than a decade—and one Phenom 100.

For the midsize class, the manufacturer delivered seven: three Praetor 500s and four Praetor 600s. That more than tripled its first-quarter 2023 output in the category.

Services & Support continues to be one of the main drivers of Embraer's growth through a combination of operational excellence, customer experience, and innovative solutions. The business unit backlog finished the period sequentially flat at US\$ 3.1 billion in 1Q24.

Commercial Aviation posted a US\$11.1 billion backlog, or US\$2.3 billion higher than in 4Q23. The highlight of the quarter was the deal with American Airlines for 90 E175s, with purchase rights for another 43 additional jets, to meet domestic demand in the United States. Also, Embraer delivered one E195-E2 to Azorra, which will fly under the Royal Jordanian flag.

Embraer predicts its private jet division will deliver between 125 and 135 aircraft for the year. It typically starts slowly and reaches a high delivery rate in the year's fourth quarter. Last year, for example, it delivered 49 of its 115 executive jets in the final quarter. The OEM has developed a production leveling plan, which it is currently implementing to maintain a stable production pace throughout the calendar year. Overall, including its commercial, defense, and services divisions, the company posted a \$21.1 billion backlog for the just-ended quarter, the highest point in the past seven years.

Embraer's exceptional performance in Q1 2024 paints a promising picture for the rest of the year. The record-breaking backlog, coupled with surging deliveries and positive momentum across all segments, positions the company for sustained growth. Embraer's commitment to innovation, customer satisfaction, and addressing the evolving needs of the aviation industry positions them as a leader in the commercial and executive jet market. The company's strategic initiatives to mitigate business seasonality and expand its global footprint will further solidify its position in the years to come.

