

prospects bright: official

By Pratap John

IN a move that could have far reaching effects on India's civil aviation sector, the country's policymakers are working on a draft that may be realised into an 'open skies policy' in the next two months.

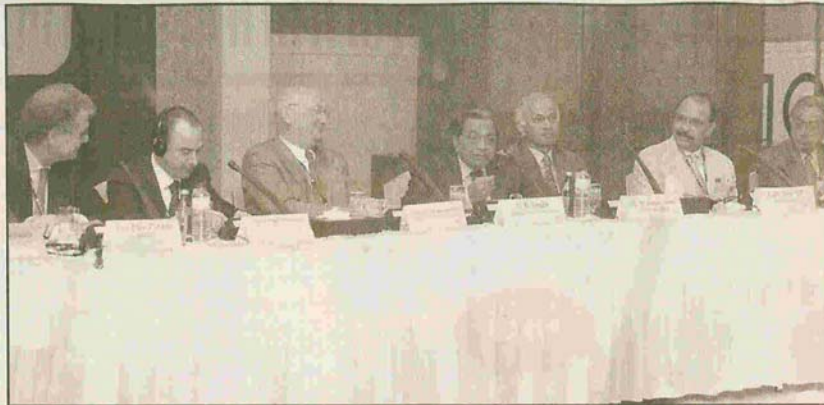
India's Planning Commission member N K Singh said in Doha yesterday that 'prospects are bright' for an open skies policy in his country, which was recently rated among the top five global travel destinations.

Singh said the BJP-led National Democratic Alliance (NDA) had committed itself to an open skies policy, if returned to power.

As a first step, the Indian government had declared an open sky on a trial basis during the latter part of 2003.

"Prime Minister Atal Behari Vajpayee is committed to an open skies policy and encouraging competition in the Indian civil aviation sector."

"The National Democratic Alliance election manifesto does promise an open skies policy," he said at a session titled WTTC India Initiative



N K Singh (fourth left) speaks on Indian initiatives in travel and tourism at the 4th Global Travel and Tourism Summit at the Sheraton yesterday. Also seen are WTTC president Jean-Claude Baumgarten (third left), Indian Ambassador Ranjan Mathai, WTTC Indian Initiative chairman Lalit Suri and secretary-general Yogesh Chandra.

at the Sheraton yesterday.

Singh, a former Indian Administrative Service officer, said there is a lot of reservation among people against two Indian carriers, Air India and Indian Airlines, monopolising Indian skies.

"The NDA government doesn't want anyone to monopolise the Indian skies. By opening up the Indian skies, there will be a lot of healthy competition, which is good for Indian civil aviation," he said.

Singh, who was brought to the Indian Planning Commission by Prime Minister Vajpayee, said the NDA would come out with an open skies

policy within 30 days of returning to power.

"Since the NDA is most likely to return to power, an open sky policy can be expected very soon," he said.

Another major Indian initiative in civil aviation is the privatisation of its major airports. Tenders have been floated for the privatisation of the Delhi and Mumbai airports. The last date for expression of interest is June 3, he said.

Some other airports including Hyderabad and Bangalore will also be privatised in due course, Singh added.

When a senior British Airways manager, a participant

at the discussion, said his airline would make the best use of India's open skies policy, Singh said: "All airlines including British Airways and Qatar Airways can make use of it."

The Indian government now allows 100% foreign direct investment in the travel and tourism sectors. Foreign investment for building hotels, airports and roads is encouraged.

The private sector, Singh pointed out, is now playing a key role in India's infrastructure upgrade and this will do travel and tourism a world of good.

Under the privatisation, construction of some 7,600km of national highways have been taken up.

Travel and tourism that encompasses transport, accommodation, catering, recreation and services for visitors is among India's high priority sectors, he said.

The Indian travel and tourism sector is expected to generate \$38.8bn economic activity in 2004 and \$90.4bn in 2014.

The tourism sector in India is expected to grow by 8.8% a year in real terms in the coming 10 years.

India's travel and tourism industry is expected to contribute two percent to the country's gross domestic product (GDP) in 2004, totalling \$13bn. This may go up to \$25.8bn or 2.1% of GDP in 2014, Singh said.

Employment opportunities in the tourism industry is estimated at 24.5mn jobs in 2004 or 5.6% of the total new employment this year.

The capital investment in the industry this year is pegged at \$10.2bn, or 7.2% of total investments in India.

By 2014 this will reach \$21.4bn or 7.8% of the total GDP, Singh predicted.

● See also the special supplement on the 4th Global Travel and Tourism Summit, issued with today's *Gulf Times*