

Letter No: AIHQ/GRC/2025/1085

Date: 03 March 2025

To,
The Chairman
Airport Economic Regulatory Authority
Safdarjung Airport
New Delhi 110003

Subject: Request for reduction in overall airport charges to support Indian Aviation and Boost Indian Economy

Dear Sir,

I would like to express my thanks to the Airport Economic Regulatory Authority (AERA) for its continued efforts to regulate and improve the aviation sector.

We have studied the proposal for determination of aeronautical tariff for Indira Gandhi International Airport (IGIA), New Delhi for the fourth control period.

At the outset, we would like to state that as per the Investment Information and Credit Rating Agency of India (ICRA), the aviation industry is projected to report a net loss exceeding INR 3,000 crore in FY25. The sector continues to face significant financial headwinds due to factors such as geo-political instability, supply chain disruptions, rising Aviation Turbine Fuel (ATF) price, foreign exchange fluctuations, and limited government financial support.

We commend AERA for its approach in rationalising the originally proposed increase in aeronautical charges, keeping in mind the long-term sustainability of the aviation sector. We request AERA to take a judicious call on tariff proposals including front-loading based on cost, funding considerations and customer impact.

As you are aware, the government has expressed its commitment to promote India as an aviation hub to boost economic activity for both passengers and cargo. In this regard, Delhi and Mumbai would be important hubs for both I2I and D2I passenger flows. The current consultation and determination of tariffs on IGIA would have impact on the creation of Aviation Hub. With that in mind, and for passenger convenience, we would like to propose the following:

1. In order to create aviation hub at Delhi, the Variable Tariff Proposal needs to include incentive for increasing I2I traffic at Delhi airport, which may be introduced by AERA.
2. AERA may Consider reducing the landing charges for long haul and ultra long haul flights by at least 30% on a per MT basis.
3. AERA may consider a waiver of landing charges and reduce the UDF charges by 20% to promote utilisation of wide body on domestic flights.
4. Also, we believe that the additional tariff must be levied as ADF rather than UDF.

The above requests from our side, would ease financial pressure on airlines, boost economy, and provide convenience of travel experience to passengers.

We sincerely hope that the AERA will consider our request and take appropriate steps toward addressing this concern. The positive impact of such a decision would be far-reaching, benefiting not just airlines, but the entire aviation sector and its passengers.

Thank you for your attention to this matter. We look forward to your support and a favourable response.

Best Regards,



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