

Airports need up to \$45 bn investment by 2030: CAPA

As most Indian airports head towards saturation in passenger-handling capacity, the Centre for Asia Pacific Aviation (CAPA) said India needs up to \$45 billion investment in 55 airports to boost capacity by 2030.

“India will need to construct an additional 500 to 600 million of capacity by 2030. This will require \$36-45 billion of investment, including \$12 to 15 billion of equity capital,” CAPA said in a report.

It said with almost all Indian infrastructure companies significantly over-leveraged, they would be constrained to raise the necessary capital for airport development. “Combined with the economic regulatory environment, availability of capital could be a very significant, structural problem,” the think tank said, adding the 55 new airports would require about 150,000 to 200,000 acres of land for their development.

CAPA said Indian airlines would induct close to 350 to 400 aircraft over the next five years and that they had already been facing challenges securing overnight parking bays.

‘Slot constraints’

“This will become increasingly difficult with so many aircraft scheduled for induction over the next five years. These aircraft will also have to fly somewhere. As metro airports become saturated, airlines will have to deploy more capacity [at] tier-2 cities over the next three years due to slot constraints,” the aviation centre said.

After maximising capacity at the current sites, Delhi and Chennai would reach capacity within 4-6 years while Mumbai had very limited spare capacity and was close to saturation, it said.

Currently, India’s airports have a capacity to handle 317 million passengers a year.

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