

NOVOAIR eyes to reach pre-pandemic levels this winter : MD

A Monitor Report

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Dhaka : Private carrier NOVOAIR is expecting to reach its pre-pandemic capacity by the coming winter season that starts from November. By this travel season, the airline not only foresees rebound in the domestic market but also internationally. Hence, by November this year, the airline even hopes to resume scheduled flights to Kolkata, given that no third wave of coronavirus comes in the way.

M Mafizur Rahman, Managing Director of NOVOAIR said this while talking to The Bangladesh Monitor at his office in the capital recently.

From March 2020, flight operations in the country have been on and off, mentioned the managing director. "Whenever we saw the passenger flow picking up, flights were suspended over coronavirus concerns again. As a result, till now the situation is not very promising," he added.

However, from August 6 this year, domestic operations resumed again. And till now the occupancy indicates that travel is finally picking up as vaccination rollouts are taking place while infection rates are also in a declining curve, said Rahman.

"Also, as the travel season is approaching, we are expecting the market to rebound in this winter," hoped the managing director.

Nevertheless, a few challenges remain, sighed Rahman. "We are seeing symptoms

of a third wave of coronavirus in our neighbouring countries. If the region suffers from another wave, we will again fall behind."

Secondly, the middle class travellers of Bangladesh are currently economically hit. There is a large portion of middle class travellers who wish to go on holiday or family trips during the winter season. "Now if they do not have the disposable income for travel currently, then our expectations to reach prepandemic levels in the winter might not be met," feared Rahman.

However, if individuals or corporate recover economically by this winter, then we might have a satisfactory traffic in the domestic market, foresaw the managing director.

Since resumption of domestic services on August 6 till now, NOVOAIR is carrying a mixed traffic. Even though most of the traffic segment currently is led by business travellers, there is a large portion of pent-up travel, explained Rahman.

Many people could not travel amid the flight suspension for essential purposes like business, official work and family visit leading to a pent-up travel demand. These people are now travelling by air, he said.

However, the uptick in air traffic has been low so far. From August 6 till now, the airline has had a load factor of roughly 50 per cent. "This is not sustainable. We at least require a load factor of 75-80 per cent to sustain," claimed NOVOAIR MD.

Among the domestic destinations, Saidpur is showing great promise with the most passenger traffic, then comes Jashore, followed by Cox's Bazar, claimed Rahman.

Saidpur and Jashore has routine traffic while to Cox's Bazar the promotional offers of NOVOAIR is bringing much traction, explained the Managing Director.

Sadly, the other destinations Sylhet, Chattogram, Rajshahi and Barishal are receiving poor traffic as always, sighed Rahman. He believes overcapacity is an issue in case of the routes. There is more supply than demand. He blamed wrong foresight and misaligned capacity injection strategy from the airlines said.

Nevertheless, the airline is currently employed at full capacity as it did during pre-pandemic times, stressed the airline chief, however, the passenger load factor and yield is still yet to reach satisfactory levels.

NOVOAIR is currently earning 30 per cent of the revenue compared to pre-pandemic times, said the head of the company. To recover the losses incurred during the pandemic, it will take another 3-4 years at least, the MD noted.

It is to be mentioned, the airline is not operating its international flights to Kolkata under the ongoing air bubble arrangement between Bangladesh and India even though it previously had scheduled flights to Kolkata before the virus outbreak.

Yet, the airline chief shared his plans to resume flights to Kolkata by November, either under air bubble or scheduled.

The Managing Director of NOVOAIR shared he has no plans to expand the fleet until the market rebounds. "In the next two years, we don't foresee enough growth that we cannot meet with the existing capacity," he claimed.

To facilitate growth of the aviation industry in the post pandemic, the airfare must be kept reasonable to passengers, claimed Rahman, adding, "for this, we need support from the government."

For instance, he explained, 40 per cent of the total operational cost of an airline is occupied by jetfuel. Now the irrational constant price hike of jetfuel in recent times is coming in the way of airlines' efforts to keep the air fare reasonable for passengers, he claimed.

Also, no other transport sector has so high amount of tax imposed as airlines do. 30 per cent of the air fare is occupied by government tax. This is another barrier in the way of aviation growth that must be lowered to a bearable level.

"The airline runs on only 30 per cent revenue. So to revive from the devastating impacts of the coronavirus pandemic, we need the support of government in these aspects," Rahman urged.

Additionally, to make the airline industry stable in the post-pandemic era, there are some pre-conditions to consider, stressed the MD. For instance,

Aeronautical and non-aeronautical charges in Bangladesh are seven times higher than the neighbouring country India. "There is no charge in India below 80 seat aircraft while we pay astronomical sum. The authorities must rationalize the charges to help the airlines sustain," said Rahman.

Also, the taxes on the import of aircraft spare parts are unreasonably high, from 15-150 per cent, while the process of sending an aircraft spare part for repairing or overhaul is so stressful that it requires 3-4 months. If these continue, it will not be possible for the airline to survive, claimed the NOVOAIR MD.

The establishment sees the aviation industry as the transport for elites, said Rahman, addressing, this mentality is leading them to charge us unfairly. Hence, one after another airlines are going down in the country.

"The civil aviation authority must facilitate us by keeping the regulatory framework at par with neighbouring countries as it is currently not aviation friendly. The existing policies are suppressing the growth of the industry and it must be amended," stressed the Managing Director.