

Air India navigates crisis after fatal Ahmedabad crash

- A Monitor Desk Report

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Area	Current Status
Safety & Investigations	Enhanced inspections on B787/B777 fleet; aircraft cleared; AAIB-led technical probe ongoing
Operational Impact	15pc cut in international wide-body capacity; full refunds/re-bookings available
Financial & Support Moves	INR 25 lac interim payouts and trauma care to families; public messaging from Tata leadership
Bangladesh–India Routes	Flights at half capacity or suspended, visa restrictions hinder passenger demand
Outlook	Recovery on safety and confidence front is gradual; India-route volumes remain subdued until visa normalizes

Dhaka: Air India continues to rebound from the tragedy of Flight AI 171, a Boeing 787-8 that crashed shortly after takeoff from Ahmedabad on June 12, killing around 270 people.

The airline is now focused on restoring operations, rebuilding trust, and managing ripple effects—including on the Bangladesh-India air corridor, where visa policies are compounding travel challenges.

Safety measures, operational pause

In its immediate response, Air India’s CEO Campbell Wilson announced a 15 percent temporary reduction in wide-body international flights through mid-July. This pause enabled thorough inspections: 26 of its 33 Boeing 787s have already passed enhanced safety checks, with Boeing 777s receiving similar scrutiny.

India’s Directorate General of Civil Aviation (DGCA) has endorsed the

procedures and confirmed compliance with safety norms.

Families of victims have begun receiving interim compensation of INR 25 lakh each, along with trauma counseling, as part of the airline's support efforts.

Fleet stability, public assurance

Air India's Chair N Chandrasekaran, stressed that the ill-fated aircraft had a "clean history," with both engines recently overhauled and flown by an experienced crew.



Air India flight bound to London, operated by Boeing 787 Dreamliner, crashed into a medical hostel in Ahmedabad shortly after takeoff on June 12 killing 270 people

Investigations are ongoing, with technical support from AAIB, US, and UK authorities.

Tata's repositioning efforts

Despite the hit to its safety reputation, analysts believe Tata's aggressive transformation plan—comprising a USD 70 billion aircraft order, fleet upgrades, and strategic merger with Vistara—remains on track. The focus is now on balancing swift reassurance with rigorous oversight.

Bangladesh-India route: visa halt worsens recovery

Since the visa suspension for Bangladeshi citizens following political unrest mid-last year, visas have only been issued for medical or student cases—tourist travel remains largely restricted.

While permit issuances resumed partially in late 2024, demand has not recovered: airlines report flights operating at 40–50 percent capacity on key routes between Dhaka and Kolkata, Delhi, Chennai, and Mumbai.

Air India's hold on Bangladesh routes

Air India previously responded to unrest by suspending flights but has since resumed limited services, offering waivers on rescheduling and cancellations.

However, with ongoing visa restrictions, the airline has halted plans to expand or introduce new flights from Dhaka to Kolkata and Chennai, as demand remains weak.

Industry-wide downturn

Bangladeshi carriers—Biman, US-Bangla, Novoair—have drastically cut frequency on India routes. Occupancy rates hover between 40–50 percent; some flights have been suspended entirely, including Novoair's Dhaka-Kolkata service. In some cases, airlines operated flights with as few as a dozen passengers.

What to watch next

1. Crash investigation updates expected in the coming months—critical for restoring credibility.
2. Delhi-Dhaka flight performance: closely tied to visa policy changes.
3. Visa reforms: Any easing by India could significantly jumpstart passenger flow and route viability.

Bottom line

Air India is weathering a dual challenge: managing the aftermath of a fatal crash with decisive safety measures, while also confronting weakened route performance on Bangladesh services aggravated by visa curbs. Long-term growth hinges on the outcome of crash investigations and diplomatic progress on travel access—but for now, uncertainty remains.

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