

India should lift travel curbs, price caps: IATA

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Dhaka: The International Air Transport Association (IATA) urged the government of India to lift capacity curbs and price caps imposed during the coronavirus pandemic. IATA argued that such regulations restrict competition, market access, and growth of the aviation industry.

Willie Walsh, Director General of IATA, earnestly asked the Indian government to make decisions based on data and science, while removing the restrictions that are coming in the way of the recovery of the airline industry of the country.

"Politicians are quick to impose measures but slow to remove them," Walsh said, adding, travel bubbles were not intended for long-term use but for the return of stranded citizens in other countries. The current global situation is different from last year, he mentioned.

International flights were suspended in India following the second wave of the coronavirus. However, India has established air travel bubbles with over 25 countries. Yet, the restrictions on capacity and airfares were put in place by the Ministry of Civil Aviation over a year ago in May, when flight services first resumed following the countrywide lockdown.

Walsh expressed his surprised to see the Indian government adhere to restrictive measures as Indian aviation, especially on domestic routes, has registered big growth during the past

decade.

"Recovery [of the aviation sector] is highly impacted by regulations," Walsh said. Passenger demand will recover when the government-imposed restrictions are relaxed, he claimed.

The trade body, which includes Indian carriers such as Air India, IndiGo, Vistara and SpiceJet, expects airlines operating in the Asia-Pacific region, including India, to witness combined losses of USD 7.5 billion during 2021, down from USD 31.7 billion during 2020.

Walsh said India's domestic market is expected to return to 2019 capacity only by 2023-24.

Currently, India is allowing airlines to operate up to 65 per cent of their pre-pandemic capacity. Such restrictions are expected to ease in the coming months with a decline in new Covid-19 cases and an uptick in the vaccination rollout.