

Noida Airport Likely To Invite Expression Of Interest For MRO This Week

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Toronto island airport evacuated in bomb scare PTI

Noida International Airport Ltd (NIAL) is likely to invite this week expression of interest (Eoi) for development of MRO facilities at the upcoming airport in Jewar near Delhi, according to officials.

The Eoi will be open till October this year and NIAL is expecting response for MRO not only from commercial airlines and private operators but also aircraft manufacturers, a senior officer said.

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“The Eoi for developing MRO facilities at Noida International Airport will be floated soon, likely this week. We are expecting a response from private operators, airlines and aircraft manufacturers for the MRO,” NIAL's chief executive officer Arun Vir Singh told PTI.

“The time for response on Eoi will remain open till October this year and based on the inputs, we will decide the future course of action that is whether to form a joint venture or opt for any other method for development of MRO facilities,” Singh said.

An Eoi is a preliminary step in the tendering process where interested parties express their intent to participate in a specific project or contract. It helps the procuring entity assess the suitability of potential bidders before moving forward with the formal bidding process.

Singh said the Uttar Pradesh government intends to develop the Noida airport as a major hub not only for airline operations and cargo transfers but also as a hub for MRO, noting the lack of a major facility elsewhere in the country.

The senior IAS officer said the government has taken initiatives to promote the establishment and growth of MRO facilities in the state. It has offered incentives and subsidies to attract MRO operators, including land allocation and tax benefits.

“The aim is to position Uttar Pradesh as a leading MRO hub in the country,” said Singh, one of the key government officials involved with the airport's development since its beginning.

A 2022 Niti Aayog report noted that with a current fleet size of about 713 aircraft and more than 1,000 aircraft planned to be added in the near future, India is poised to become the third largest buyer of commercial planes after US and China.

As a consequence of rising fleet size and conducive government policies, the Indian aerospace industry has emerged as one of the fastest expanding markets globally.

Buoyed by an annual passenger growth of 15 per cent (pre-COVID), the Indian aviation sector is expected to become the third largest air passenger market by 2024.

“The exponentially rising civil aviation industry, therefore presents a strong case for the development of the MRO industry in India. Although at a nascent stage – the size of the industry being USD 1.7 billion as of 2021 – it is expected to reach USD 4.0 billion by 2031, registering a CAGR of 8.9 per cent as compared to the global average of 5.6 per cent,” the report stated.

Rising consumer demand, increasing fleet size, favourable policy interventions and labour arbitrage are some of the key factors that can potentially fuel growth and development of MRO services in India, it noted.

Currently, work for the first phase development of Noida International Airport is underway at Jewar, some 75 km from Delhi, and expected to be ready for commercial operations by end of 2024.

Yamuna International Airport Private Limited (YIAPL), a special purpose vehicle, was established for the development, construction and operation of the project, which is to be developed over 5,000 hectares in four phases.

YIAPL, a 100 per cent subsidiary of Zurich Airport International AG, will be responsible for the implementation of the public-private partnership project. The concession period for the airport commenced on October 1, 2021 and will run for 40 years.