

# Air connectivity: Status and potential

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# Importance of air connectivity

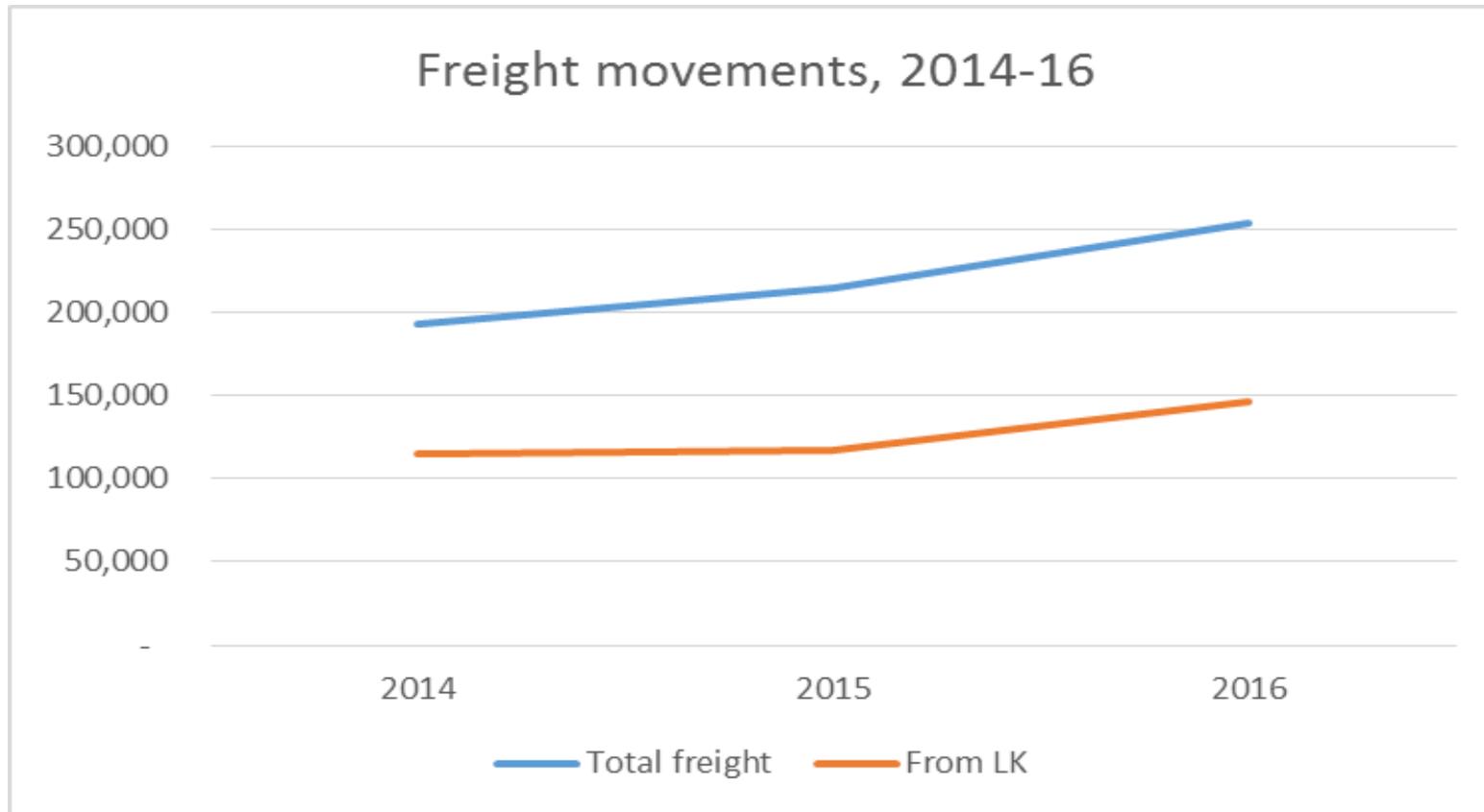
- Citizens' travel, including
  - Labor exports (Mode 4 services trade)
  - Family visits and tourism (Mode 2 services trade--imports)
- Tourist industry (Mode 2 services trade—exports)
- Enabling participation in Global Production Networks (imports + exports)
- Air freight services (complementary with air passenger services)
- Air cargo hub services

# Travel times between South Indian and Sri Lankan airports

<b>Airport</b>	<b>Colombo</b>	<b>Mumbai</b>	<b>Delhi</b>	<b>Chennai</b>	<b>Bangalore</b>
Chennai	00.57	01.10	0140	-	00.22
Trivandrum	00.42	01.40	Via Chennai	00.50	00.50
Bangalore	01.06	01.10	Via Mumbai	00.22	-
Tiruchi	00.49	01.25	Via Chennai	00.35	00.35
Kochi	00.59	01.00	Via Mumbai	1.00	00.45

- Colombo is currently a regional/secondary aviation hub with 15 percent of its 8.5 passengers (2015) transiting the airport

# Freight movements rising, driven by exports



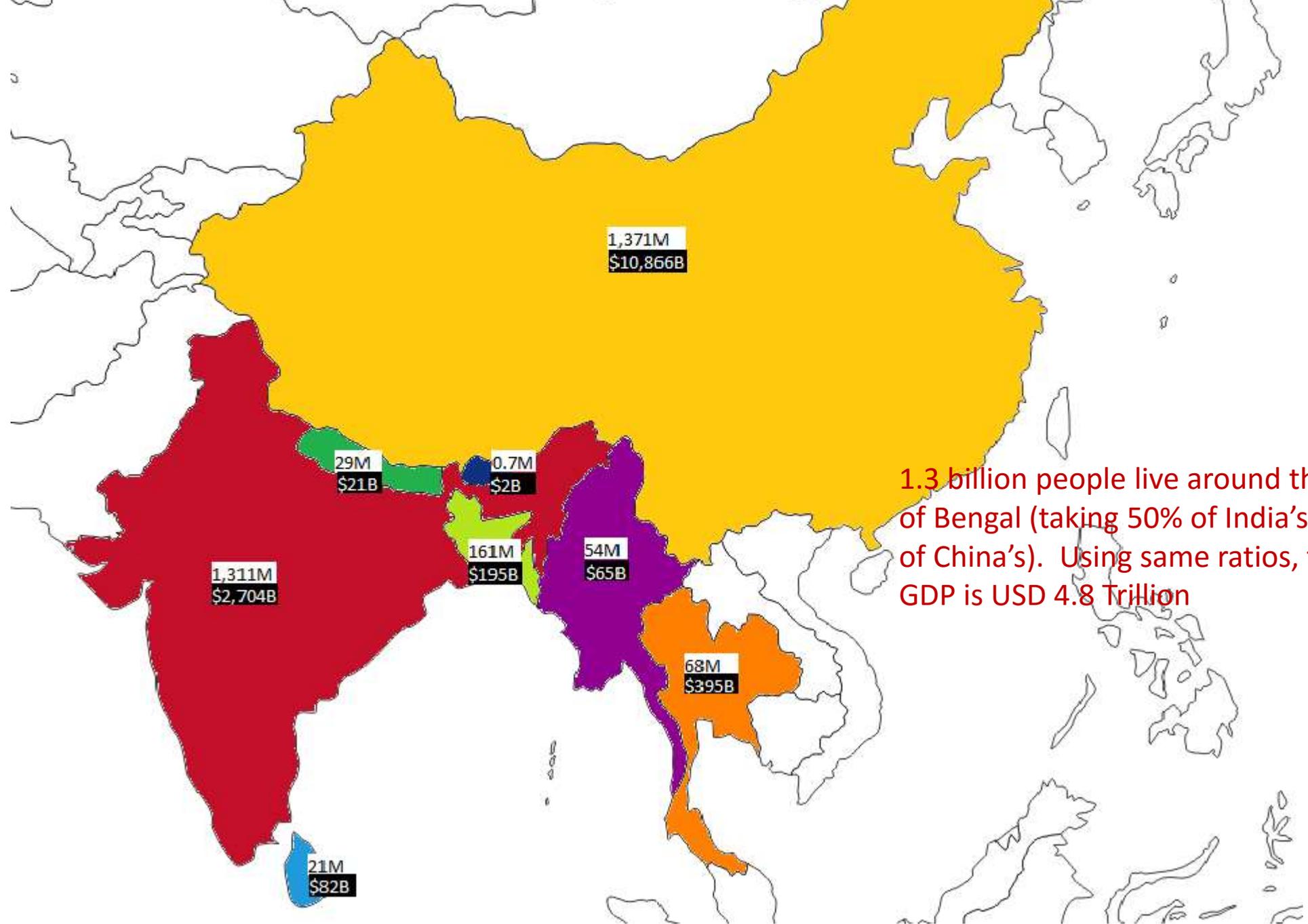
# 2003-2017 progress

- CEPA Joint Study Group Report of 2003
  - Immediate liberalization of IN-LK aviation market → end to constrained capacity leading to overbooking and offloading
  - Visa proposals took long to be implemented
    - Too early to see effects, especially because neither country has launched a major marketing campaign

Potential

# Depends on the frame

- If seen simply in terms of India-Sri Lanka, incremental improvements likely
- If seen the larger context of the Bay of Bengal, qualitative changes possible



1.3 billion people live around the Bay of Bengal (taking 50% of India's and 25% of China's). Using same ratios, the combined GDP is USD 4.8 Trillion

# Ten fastest growing economies in 2016

