

India must aim to become a global aviation hub

The present war opens up an opportunity for India to model its airports and airlines along the lines of Dubai and Singapore

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India, as the world's third-largest domestic aviation market and projected to become the third largest globally by 2030, the potential for growth is immense.

Yet much of the value generated by Indian passenger traffic bypasses the national economy, flowing instead into the sophisticated ecosystems of Dubai (DXB), Singapore (SIN), and Doha (DOH). Every year, millions of Indian travellers detour through these cities, enriching their airlines, MRO facilities, fuelling stations, and retail sectors.

Given the current geopolitical trends in the Middle East, the time is ripe for Indian aviation firms to swiftly occupy this space and transform India into a global aviation hub.

The highly successful models of Emirates Airlines/DXB and Singapore Airlines/SIN represent a holistic strategy that "integrates the airport with a strong anchor airline", driven by competitive policies, world-class infrastructure, and government-backed economics. In both Dubai and Singapore, aviation is seen as a strategic growth lever.

It begins with these hubs boasting infrastructure designed for seamless, high-volume transit. DXB and SIN are engineered for minimal connection times, with immigration (typically a

bottleneck in most airports) being mostly automated, smooth in-transit security checks, and baggage handling that enables quick international-to-international transfers, all of which are cornerstones of the "hub-and-spoke" model.

A dominant "home/anchor carrier" is crucial for feeding any hub-and-spoke system. Singapore Airlines and Emirates Airlines operate extensive wide-body fleets, linking global cities to their "hubs" and then distributing passengers to smaller "spoke" destinations. They also invest heavily in MRO facilities and aircraft financing onshore, keeping the value within their respective ecosystems.

TAX INCENTIVES

In terms of costs, Dubai treats aviation turbine fuel (ATF) as a zero-tax export input, while Singapore exempts it from value-added tax (VAT), thereby directly linking prices to international benchmarks and significantly reducing operating costs. Another example is DXB that benefits from not having any "night-flying" restrictions, allowing Emirates Airlines to achieve industry-leading aircraft utilization rates.

To facilitate transfers from flights across the globe, Singapore has signed over 80 "open sky" agreements, allowing unlimited flights and fifth-freedom



AVIATION. Flying high

rights, thereby increasing connectivity dominated by Singapore Airlines. This aviation strategy is also seamlessly integrated with national tourism and trade goals. Changi Airport's "Jewel" complex and Dubai's transit tours exemplify this market model.

The combinations of Singapore Airlines (controlling stake owned by Temasek Holdings) and Changi Airport Group (wholly controlled by the Singapore Government) as well as Emirates Airlines and Dubai Airport (owned entirely by the Investment Corporation of Dubai) are essentially state-owned entities. However, with India adopting the public-private partnership (PPP) model for its large metropolitan airports, a state-owned entity mechanism is not viable and therefore this hub airport-anchor airline combination can only be implemented

by a private operator who owns either an airport or an airline.

The largest private firms operating in the aviation space in India are Adani Airports Holding Ltd (which controls eight airports in India, with the largest being Mumbai airport), GMR Group (which controls six airports in India and two internationally, with the largest being New Delhi airport), InterGlobe Aviation that owns IndiGo airlines (65 per cent domestic market share) and the Tata Sons that controls Air India (25 per cent domestic market share). If India aspires to be a global transit hub in the near future, the mantle of execution rests on one of these four companies.

Adopting this hub airport - full-service carrier airline synergistic model through a consortium of private firms is a strategic imperative, a path to transforming India from a major origin-destination (O-D) market into a global transit destination via a hub-and-spoke model, capturing significant economic dividends and strengthening global connectivity. A strong aviation hub along with an anchor carrier also strengthens India's geopolitical influence and "soft power", providing resilient connectivity and reliable cargo services crucial for trade and supply chains.

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