

# Emirates and India

Partners in economic growth



**5.5 million** passengers carried on Emirates' flights to/from India\*

**87 percent** average seat factor on Emirates' flights to/from India\*

**253 thousand** tonnes of cargo carried on Emirates' flights to/from India\*

**88 percent** of Emirates' traffic on routes not served directly by Indian airlines

\*In FY2017/18

## Emirates and India

India and Dubai share many economic and cultural ties. India has been an integral part of Emirates' route network since the airline was first launched in 1985. Starting with Mumbai and Delhi, Emirates has progressively grown its Indian network to 172 weekly flights across nine destinations, including the non-hub airports of Ahmedabad, Bengaluru, Chennai, Hyderabad, Kochi, Kolkata and Thiruvananthapuram.

In FY2017/18, Emirates carried 5.5 million passengers on its Indian network, with a total of 47.4 million passengers carried over the past 10 years. During the same period, Emirates transported over 253,000 tonnes of cargo on its India flights. The Emirates Group currently employs over 13,686 Indian nationals globally – making up 21% of its total workforce, most of them in high-skilled employment.

the employment and supply chain, generating demand for Indian goods and services and creating new jobs. A 2015 study by India's National Council of Applied Economic Research (NCAER) found that Emirates' operations contribute US\$848.6 million to the Indian economy each year and support 86,255 jobs. The study concluded that Emirates' operations bring in 673,544 tourists to India annually and the resulting economic activity generates US\$1.7 billion in annual Foreign Exchange Earnings for India. An increase in Emirates' services to India would bring about further economic activity.

In terms of direct spend in 2016/17, Emirates' operations contributed US\$305 million into the Indian economy, including airport operations, ground handling and landing costs, fuel uplift, in-flight catering, crew accommodation and overheads.

## Emirates Airline Foundation

Emirates Airline Foundation, a non-profit charity organisation, which aims to improve the quality of life for children, regardless of geographical, political, or religious boundaries, has supported a number of projects in India over the years. Since the Foundation's establishment in 2005, donations to specific projects in India have constituted a sizeable share of total donations given by the Emirates Airline Foundation.

The Foundation has recently supported projects such as the CHES Home in Chennai which provides quality care to HIV positive orphans in South India; Lifeline Express India which provided a medical clinic on a train in remote Karnataka; IIMPACT, an organisation committed to setting up and supporting community-based learning centres; the Emirates-AIM for SEVA student home, a residential educational facility in India's Tamil Nadu state; and the St John's Residential Bridge Course Camp, a residential school that takes in children from 25 neighbouring villages.

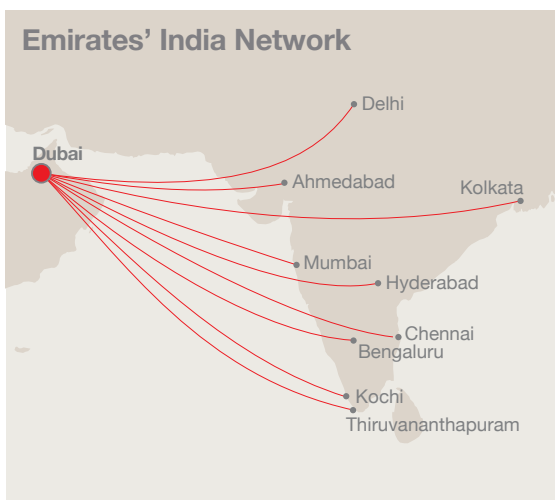
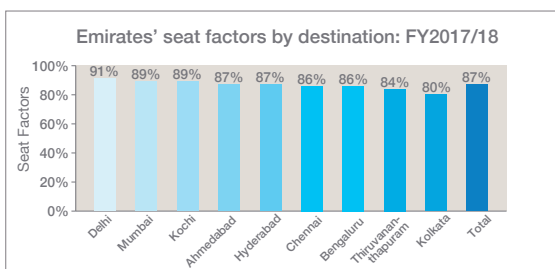
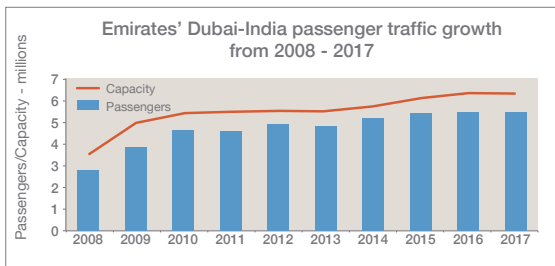
## Partnership with Andhra Pradesh Government

In February 2018, the Emirates Group signed a Memorandum of Understanding (MoU) with the Andhra Pradesh Economic Development Board, Government of Andhra Pradesh, to establish a framework for collaboration in various aviation areas to support and invest in the development of Andhra Pradesh's aviation sector. Under the terms of the MoU, the Emirates Group and the State of Andhra Pradesh will work together to support the development of Andhra Pradesh's aviation infrastructure by sharing industry expertise and identifying development and investment opportunities.

"The Emirates Group is committed to future investment and expansion in support of India's 2020 goal to be the world's third largest aviation market. We recognise that airlines have a major role to play as facilitators of economic and industrial growth, and strategic partnerships such as this are very important to achieve that. Through this agreement, Emirates and flydubai will work closely with APEDB to share expertise, discuss opportunities, enhance and support the growth of the aviation sector in the state of Andhra Pradesh," said His Highness Sheikh Ahmed Bin Saeed Al Maktoum.

## The impact of Emirates' flights on the Indian economy

The economic benefits of Emirates' India flights are significant. These flights stimulate economic activity across



**3.3** million  
Indian nationals  
living in UAE

**\$70** billion  
remittances to India from  
the UAE in 2017

**#1** UAE's rank  
remittances to India  
by country

**13,686** Indian nationals  
employed by  
the Emirates Group

## Enhanced global connectivity for India

While Emirates has a widespread presence in India, it does not hold a dominant share of the market for international services - with a market share of 8.3% of total international capacity. This places Emirates behind Jet Airways with a 12.5% and Air India with a 10.9% share of the market. Indian airlines are able to operate direct services to the 24 international destinations for which they compete directly with Emirates (whose services all operate via its Dubai hub). There are seven airlines operating a total of 20 routes between Dubai and India, with Emirates only operating nine of them.

Emirates' global network complements the routes served by Indian airlines by providing one-stop connectivity to the 69 international destinations that are not directly served by any Indian carrier. Indian consumers have a greater level of choice and convenience as a result of this unique connectivity. In fact, 88% of Emirates' total passenger traffic to or from India is carried on routes that are not directly served by any Indian carrier.

## Supporting India's aviation goals

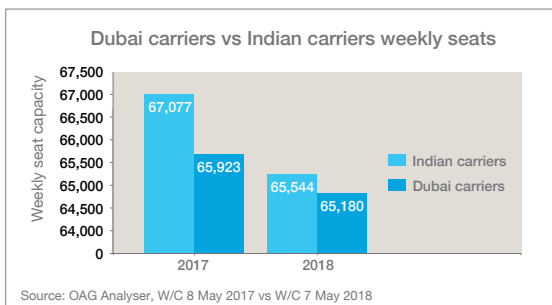
According to the Airports Authority of India, international passenger traffic to or from India for the 12 months to March 2017 was 59.2 million. In order to reach the Indian Government's goal of making India the third largest aviation market with annual international passenger traffic of 85 million by 2020, traffic would need to grow by over 30 million annual visitors in the next few years.

This ambitious target, together with the aim to become the largest aviation market by 2030, cannot be achieved by the organic growth of domestic airlines alone. The Indian Government has also set a goal to increase India's share in global foreign tourist arrivals from 0.68% to 1% by 2020, and to 2% by 2025. With Emirates' unique connectivity, we are able to support these goals by drawing in tourists and business travellers from cities that would otherwise be more difficult to access.

Liberalisation of India's aviation market will drive the necessary growth required to meet these goals. As a long-standing strategic partner for India, Emirates is committed to further investment to support the growth of India's aviation market and the Government's broader policy goals.

## The case for increased international air service entitlements

Despite an increase in seat capacity operated between Dubai and India in the past two years, seat factors on this route are high by industry standards, averaging in excess of 90% for all carriers. Currently, India and Dubai-based airlines are fully utilising their capacity entitlements and all of these airlines, as well as Indian airlines not already operating to Dubai, have expressed interest in deploying more capacity on the India-Dubai route. This indicates that market access on this route is constrained, a problem that can only be solved by increasing capacity entitlements for the airlines of both countries.



Source: OAG Analyser, W/C 8 May 2017 vs W/C 7 May 2018



Source: APAA site; Airports Authority of India, Traffic News



### Myth vs. Fact:

**Myth:** The India-Dubai Air Services Agreement is one-sided and only benefits Dubai's airlines

**Fact:** The India-Dubai Air Services Agreement is a bilateral agreement based on the principles of reciprocity, intended

to meet the capacity requirements for the airlines of both countries. The Agreement allows Indian airlines to operate to Dubai from any point in India, whereas Dubai's airlines are restricted to operate to just 11 points in India from Dubai. Currently, Indian airlines operate 362 weekly flights to Dubai, compared to 202 weekly flights operated by Dubai's airlines.

**Myth:** Emirates' operations in India generate revenue for the airline without contributing to the Indian economy.

**Fact:** Aviation has far more wide-ranging economic benefits than just the revenue generated from the transport of passengers and goods. It facilitates and stimulates the trade of goods and services, foreign investment, jobs and tourism for the economies it serves. The NCAER study quantified this benefit for India at US\$848.6 million in contribution to GDP, supporting 86,255 jobs and bringing 673,544 tourists to India, as well as US\$1.7 billion in Foreign Exchange Earnings on an annual basis. Emirates' annual expenditure in India includes aviation services, staff salaries, overflying fees, landing fees, handling fees, airport taxes, inflight catering, fuel uplift, office rent, sponsorship and advertising.

**Myth:** Emirates takes advantage of India as its largest market and steals traffic from Indian airlines.

**Fact:** Although important to Emirates, India is not the largest market for Emirates in terms of revenue, passenger traffic, profitability or number of destinations. In FY2017/18, the collective region of West Asia and Indian Ocean generated 8.5% of Emirates' total revenue, the lowest share of all the regions we serve. Not only do Indian airlines operate 80% more frequencies than Dubai airlines between Dubai and India, but they are fully utilising their capacity entitlements on this route, in the same way that Dubai-based airlines are, with seat factors for all airlines averaging over 90%. Rather than steal traffic from Indian airlines, 88% of Emirates' traffic to and from India is on routes not served directly by any Indian airline.

**Myth:** Slots at Dubai International Airport (DXB) are granted unfairly, disadvantaging Indian airlines.

**Fact:** Slots at DXB are allocated and coordinated by an independent, UK-based company, Airport Coordination Limited (ACL), which acts in accordance with IATA Worldwide Slot Guidelines - the established standard for industry best practice. Slots are not controlled by any local authority or airline, and all airlines must apply to ACL for slots to operate into DXB. There are currently over 100 airlines operating to and from DXB - all competing for slots. Like other airlines, Emirates has also faced difficulty with obtaining slots at DXB because it is one of the busiest airports in the world, and slots are in high demand. Indian airlines hold over 63% of the slots used for flights between Dubai and India. Indian airlines also have the option of increased access to Dubai through the deployment of larger capacity aircraft, or by operating to Al Maktoum International Airport (DWC) in Dubai.