

REPORT: AIRLINES: SOUTH ASIA

What you need to know

February 2023

This report presents a roundup of what's been happening to airlines in South Asia over the last month.

Major airlines

Air India

Fleet modernization and expansion under way

Air India has embarked on a fleet modernization and expansion program with letters of intent to acquire 250 aircraft from Airbus and 220 from Boeing. From Airbus, it will take 140 A320neos, 70 A321neos, 34 A350-1000s and six A350-900s. Deliveries should start in later 2023, starting with the first A350. From Boeing, Air India intends to take 190 737 Max aircraft, 10 777Xs and 20 787-9s. It has options for 50 more 737 Max jets and 20 787-9s.

Milan service starts

At the start of [February](#), Air India launched a new [four-times](#) weekly service to Milan from Delhi, expanding its European network to seven destinations.

New York services resume

On February 14, Air India resumed flights to New York JFK from Mumbai. The daily flights join existing U.S. services from Mumbai to Newark and San Francisco.

Routes transferred to AirAsia India

Air India has started to transfer domestic routes to AirAsia India, following its takeover of the low-cost carrier in November 2022. The initial batch of routes comprises services from Delhi to Bagdogra, Bhubaneswar and Surat, from Mumbai to Bhubaneswar and from Kolkata to Bagdogra.

At the same time, the Delhi-Visakhapatnam and Mumbai-Lucknow routes will now be operated exclusively by Air India, implying that AirAsia India will withdraw its own services.

IndiGo

Profits soar in Q4 2022

Indian low-cost carrier IndiGo lifted fourth quarter revenue by [61%](#) year-over-year to Rs149 billion, some way ahead of the [26%](#) rise in passenger numbers to 22.3 million. With costs rising by 50%, the airline was able to increase its operating profit from Rs1.34 billion in 2021 to Rs14.2 billion (US\$173 million).

Two destinations joining network

Nashik will become IndiGo's 77th domestic destination on [March 15](#), when the airline launches [daily](#) services to the city from Ahmedabad, Mopa and Nagpur. IndiGo will then add Dharamshala as its 78th domestic point from [March 26](#). It will initially operate 11 weekly flights from Delhi.

New Gulf routes announced for March

From [March 26](#), IndiGo will start [daily](#) flights to Abu Dhabi from both Chennai and Hyderabad. The same

day, it will also start daily services from Chennai to Muscat, Oman.

SriLankan Airlines

Airline defaults on bond payment

SriLankan Airlines has issued a notice of default on the \$175 million in bonds due in 2024, after the airline failed to make a \$6 million coupon payment due on December 25, 2022. SriLankan had previously missed a similar payment in June 2022 and it's due to make another \$6 million payment in June 2023.

China flights restarting in April

SriLankan Airlines will resume **thrice-weekly** flights from Colombo to both Beijing and Shanghai from **April 3**. The airline's existing **weekly** service to Guangzhou will be upgraded to **twice-weekly** on **March 4**, and then to **thrice-weekly** from **April 4**.

Other airlines

SpiceJet

Q4 profits surge

Fourth quarter 2022 net profit at Indian low-cost carrier SpiceJet surged to Rs2.21 billion (US\$26.7 million) from just Rs200 million a year earlier. Operating revenue increased by just **2.5%** to Rs23.1 billion.

Vistara

Mauritius joining network

Indian full-service airline Vistara will start a **five-times weekly** service from Mumbai to Mauritius on **March 26**. The airline's international expansion will also include the **March 1** start of flights from Mumbai to Colombo in Sri Lanka and Dammam in Saudi Arabia.

Start-up airlines

Akasa Air

Varanasi becomes 14th destination

Indian low-cost carrier Akasa Air added Varanasi as its 14th domestic on **February 18**, when it launched **daily** services from Bangalore. Extra frequencies will be added from March 1. The service will connect over Bangalore to Akasa Air's flights to Goa.

Jet Airways

Losses mount up

In the final quarter of 2022, Jet Airways made a Rs2.48 billion (US\$30 million) pre-tax loss, more than **double** the Rs1.04 billion recorded in the same period in 2021. Even though it has yet to relaunch operations, it recorded a **17%** rise in revenue to Rs124 million.

The information presented in this report represents the latest view as at February 27, 2023. We have carefully researched and checked the information contained. However, we do not guarantee or warrant the correctness, completeness or topicality of this article and do not accept any liability for any damage or loss as a result of the use of the information contained within this article.

If you have any questions or comments regarding this report, please email mike.eggleson@bcdtravel.co.uk to share your thoughts.