

# Paramount plans for MRO and 40 Embraer jets

Indian carrier Paramount Airways is close to buying 40 Embraer jets costing two billion dollars at list prices and is also expected to look into setting up maintenance, repairs, overhaul (MRO) and pilot training facilities in the country in association with Brazilian aircraft manufacturer Embraer. Currently most of its planes are serviced from Embraer's maintenance facility in Portugal.

Deliveries of new 70-seater planes are likely to be between 2008 and 2011. Paramount Airways managing director M Thiagarajan said after a recent meeting with the visiting Brazilian president Luiz Inacio Lula da Silva. The agreement is likely to be signed in July in the Latin American nation. At present, the Chennai-based airline uses five leased Embraer jets and serves eight cities in the south with 52 daily flights capturing a 26 per

cent market share in the region. The airline is looking at a pan-India presence by 2011 with a fleet size of 55-60 aircraft.

Open to both organic and inorganic routes for ramping up operations, the expansion plans of the airline would be financed through borrowings from financial institutions and the group's internal resources. Paramount started its operations in the second half of 2005 and plans to expand its operations across western India. Rumors on Thiagarajan interest in Go-Air are going strong in air. Though he has not named any airlines, the hint quiet clearly goes in favour of Jeh Wadia's airline, as GoAir operates in the western sector with strong presence.

Though Thiagarajan has declined to comment on the specific GoAir proposal to the media, investment bankers are reported saying being approached by

Paramount for a deal valued at 150 million dollars (about Rs 600 crore).

Unlike others, Paramount follows a niche full-service value carrier model. "Our average yields even in the short haul routes are one of the highest in the industry, pegged at around Rs 4,000 per passenger," said Thiagarajan.

The last three months have seen three mergers taking shape, including Jet Airways' acquisition of Air Sahara, a purchase of 26 per cent stake in Air Deccan by Kingfisher Airlines, and amalgamation of government-owned Air India and Indian (Airlines).

This has left smaller players like GoAir, SpiceJet, Indigo and Paramount searching for strategies to grow bigger. The only options are joining hands with an existing player or attracting a private placement to sustain the airline. ●

# EI AI's non-stop flight from Mumbai to Tel Aviv

In response to the business generated from the elite business travelers and Indian diamond merchants, EI AI Israeli Airlines will introduce a fourth weekly direct non-stop flight from Mumbai to Tel Aviv from October 2007.

The flight will depart from Mumbai on Sunday mornings being Sunday the first working day of the business week in Israel. Keeping luxury and comfort in mind, the B767ER aircrafts on the India route will now be installed with digital servers enabling improved viewing quality and enrichment of content matter in EI AI's in-flight entertainment.



Master Chefs from Israel and Chefs from Taj SATS Air Catering Ltd. Mumbai have been roped in to pay close attention to suit the Indian and the Israeli palette.

With an endeavour to meet the highest standards, the airline is investing greatly in renewing and upgrading the company's equipment and infrastructure. This includes acquiring new aircrafts, refurbishing business class seats, improving audio/video equipment and in-flight entertainment, enhancing EI AI's Frequent Flyer programs, and launching the new express track service, which allows passengers to check-in from the comforts of their home. EI AI is also continuing to invest in design and upgrade of service areas and its prestigious Kind David Lounges around the world. ●

# Tiger Airways to launch service to six Indian cities

Low cost airfares between Singapore and India is set to become a reality. Singapore owned budget carrier Tiger Airways has received the all-clear to fly to six Indian cities including Chennai, Kochi, Kolkata, Trivandrum, Goa and Kozhikode.

Tiger Airways confirmed in a statement that it has received the official nod from Indian civil aviation authorities, and expects to start selling tickets in the next month or two.

Tiger Airways' entry is expected to

bring down prices between Singapore and India by 25-40 per cent lower than full-service carriers. From time to time, Tiger Airways extends rock bottom promotional fares.

Between January and November last year, more than 1.83 million passengers and trips were made between Singapore and India - a 21 per cent rise from a year earlier.

Tiger Airways is a venture between Singapore Airlines, Singapore investment company Temasek Holdings, the found-

ers of Irish low-cost airline Ryanair and United States-based marketing and business strategy consultancy Indigo Partners.

Tiger Airways, which carried 1.5 million passengers in the 12 months ended March 31, has a fleet of nine Airbus jets and will take delivery of 11 more planes by 2010.

Tiger, which began flying in 2004, flies from Singapore to destinations throughout South-east Asia and to China. It also flies to Perth and Darwin in Australia. ●