

Paramount Airlines to buy 40 Embraer jets by 2011

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Paramount Airways, the Madurai-based full service airline, is planning to acquire 40 more made-in-Brazil Embraer jets at a list price of \$2 billion in a bid to have a pan-India presence. The airline, currently operating in the south, is aiming at 60 aircraft in its fleet by 2011.

M Thiagarajan, managing director, said: "We are planning to place orders for 40 aircraft starting delivery schedule from 2008 end to 2011." Paramount Airways, promoted by Madurai-based textile house Paramount Mills, currently operates

five Embraer aircraft and is awaiting delivery of 15 more.

Paramount is the only civilian airline using Embraer aircraft with seating capacity ranging between 70 and 90. It operates with only business class and first-class configuration.

"We will be marking our presence in western region by 2008. With Mumbai as western region base, the airline would cover Gujarat, Rajasthan and Madhya Pradesh. This could be through acquiring existing airline because it will save lot of time for us. The acquisition will be funded by internal accruals," he said.

The airline claims that it

is the market leader in south Indian market with 26 per cent market share. "After setting up base in Mumbai, western region would be connected with southern region. By 2010-11, the airline would be flying to north-eastern parts of the country," Thiagarajan said.

Embraer can fly into small airports of the north eastern region like the ATR or Bombardier aircraft.

Referring to the business model, he said: "We are a full-service carrier and we do not believe in dropping fares. The airline is also in talks with international airlines for a possible code sharing agreements to offer more reach."