



Group

## Sector Specific Report (Aviation) August 2021 Edition



### Policies Covered In The Edition

1. Drone Policy 2021

2. RCS-UDAN (Regional Connectivity Scheme-UdeDesh Ka AamNagrik)

3. Vande Bharat Mission

# Drone Policy 2021

The Government of India has liberalized the drone rules flying under Indian territories through Drone Policy, 2021. The vested motivation for these newly launched policies is based on trust and self-certification. Drones are also known as “Unmanned Aircraft System” and can play a significant role in the security of the country along with civilian use. The new policy will relax the operational and security compliances and give a major push to innovation and research development in this strategically important sector.

The policy will advocate the non-invasive monitoring of drone systems by the government authorities under the green zone. This will pave the way for tremendous growth in the sector while rationalizing safety and security concerns. Due to the increasing rate of drone attacks on the Indian borders, we must create an anti-drone defense system with the help of technological advancements. This can only be possible when the sector gets out of a rigid compliance regime and get some financial and operational relaxations.

After Drone Policy 2021 the following compliances are scrapped. These relaxations are the long-time demand of start-ups, academia, and other stakeholders, as the rules were not moderate enough to promote innovation and research in the area. The government has also proposed to set up a Drone Promotion Council by involving all the stakeholders to set a growth-led regulatory mechanism in place. Some of the major exemptions outlined under the policy are:

- Unique Authorisation number
- Unique prototype identification number
- Certificate of manufacturing, conformance, maintenance, and airworthiness
- Import clearance
- Acceptance of existing drones
- Operator permit
- Authorization of R&D organization and remote pilot instructors
- Student remote pilot license, etc

The lengthy paperwork and multiple fee system have made drone usage limited in past. Along with this the limited area of the “free to fly” green zone also made the operations and allied research in the domain difficult for start-ups, students, instructors, etc. The liberal rules are now set to ease the following issues:

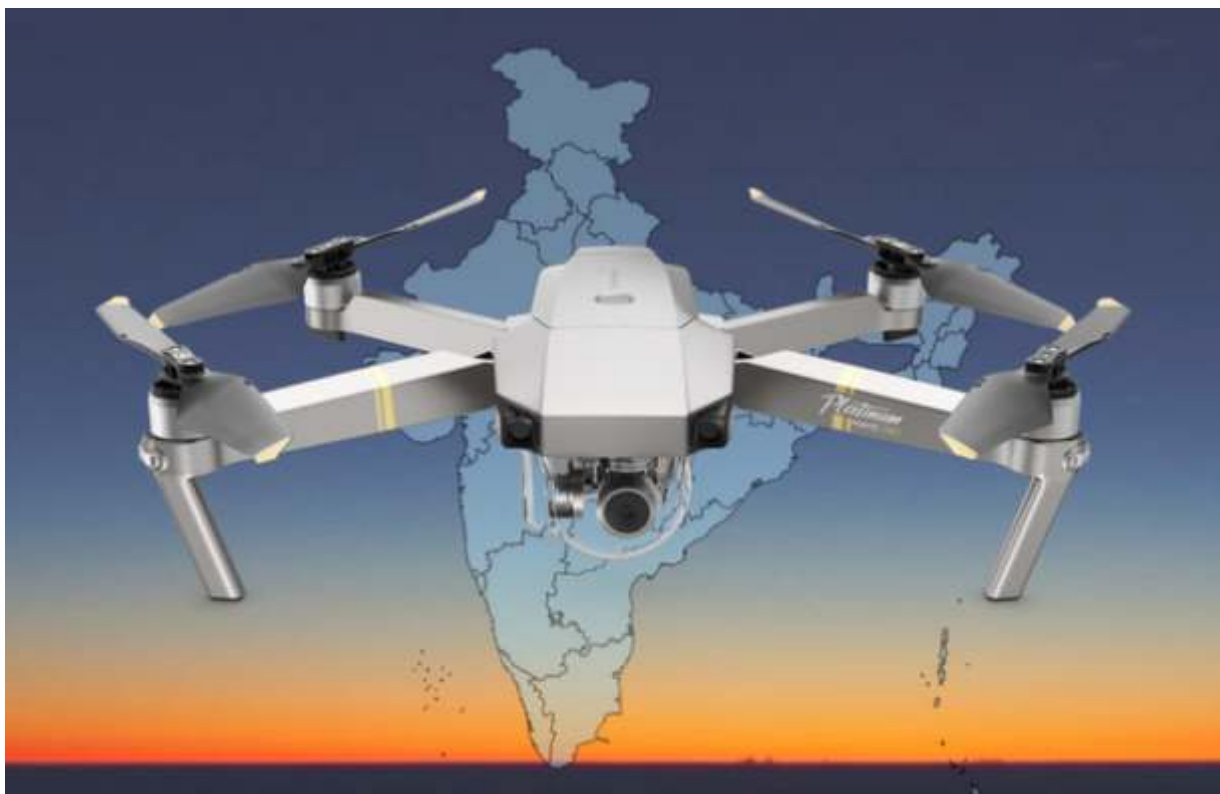
S. No	Details	Before	Now
1.	Number of Forms	25	5
2.	Types of Fee	72	4
3.	Fee Amount (Valid for 10 Years)	High	Nominal
4.	Permissions required to operate in the green zone	Yes	No
5.	Permissions required for Security Clearance to issue a license	Yes	No
6.	Yellow zone ( from the Airport perimeter)	45 Km	12 Km
7.	Pilot license for Micro(non-commercial Use) and Nano drones	Yes	No
8.	Coverage of Drones	300 Kg	500 Kg (including Drone Taxis)
9.	Restriction on foreign ownership in Indian drone companies	Yes	No
10.	Import Clearance Requirement from DGCA	Yes	No

A single window system is set up under the new policy through Digital Sky Platform. This will have self-generated permissions in most of the cases and reduce the human intervention at large in the compliance system. The main features of this dedicated platform will be:

- Interactive Airspace Map along with display of green, yellow and red zones for flying drones
- Issuance of Remote Pilot License
- Generation of “ Unique Identification Number” for Manufacturers as well as Importers of drone
- Transfer and deregistration of drones
- Manuals for Standard Operating Procedures and Training Procedures

The Directorate General of Civil Aviation will be responsible to specify the drone training requirements, supervision of drone schools, and issuance of pilot license. While the responsibility to test the drones through which the Type certificate has been issued will be vested with the Quality Council of India or the other authorized testing entities. In India, the import-related matters of the drone will be regulated by the Directorate General of Foreign Trade under the Ministry of Commerce and Industry. In the Drone Policy, 2021 the maximum penalty in case of violations is now reduced to Rs 1 lakh.

The policy framework will allow a compliance time of 6 months for the industry as well as other stakeholders. The provision of drone corridors under the new rules will create numerous opportunities for cargo deliveries through drones in the future. As a whole, the policy will put a makeshift decision for the security and promotion of technological innovation in the country and will prove to be a milestone for the strategic growth of India as well.



# RCS-UDAN

*( Regional Connectivity Scheme- UdeDesh Ka AamNagrik)*

Recently the first direct flight from Imphal to Shillong took off under the Regional Connectivity Scheme Udan to initiate strong and affordable aerial connectivity in the North Eastern Region for common people. The RCS scheme was launched by the Ministry of Civil Aviation in 2016 as a part of the National Civil Aviation Policy, 2016 to promote a balanced regional growth by making flying affordable for common people. The tenure of the scheme is 10 years under which the underserved and unserved airports of the country will be made operational to provide regional connectivity. The implementation agency for the same will be the Airport Authority of India(AAI). The execution will include the re-establishment of the airstrips and airports specified under this scheme by the Government of India.

The scheme is launched to make 425 underserved or unserved airports operational again and provide strong regional aerial connectivity to provide thrust to the economic, industrial, and social development of these specific regions. This will also give a major boost to the development of air transport and related infrastructure in India. The connectivity will help the growth of remote areas and provide several job opportunities in the region itself. Initially the government has allocated a budget amount of Rs 450 Billion for the scheme and the route length under this was set to 200Km -800Km, whereas no lower limit is offered for hilly and remote areas, island, and security-sensitive regions along with hinterland connectivity. To date the scheme is implemented in 5 phases:

## Udan 1.0

- Launched in 2016
- 128 flight routes were identified
- 70 airports through 5 airlines companies were made fully operational which includes 36 newly made airports

## Udan 2.0

- Launched in 2017
- Total 502 new regional airports and helicopter routes were identified
- Spice Jet and IndiGo were the two airlines that served under the scheme with zero viability Gap funding

## Udan 3.0

- Launched in 2019
- 111 routes were identified and bids were made through 15 airlines
- Tourism routes were included for the first time
- Inclusion of seaplanes to connect water aerodromes
- Some routes from the North East region came under the scheme

## Udan 4.0

- Launched in 2020
- 78 new routes were identified
- Operations of seaplanes have been included
- Priority routes connectivity in the regions of Chattisgarh
- Enhanced regional and remote area connectivity such as Minicoy Island, Agatti, etc

## Udan 4.1

- Launched in 2021 to commemorate the 75th year of Independence
- 392 routes were proposed for the bidding
- The smaller airports, special helicopter, and seaplane routes will be connected in this phase
- Some new seaplane routes will be identified under the flagship program of the Ministry of Ports, Shipping & Waterways, Sagarmala Seaplane service
- Formulation of a suitable model plan to connect the airstrips under smaller cities

Under this innovative scheme, the government of India has subsidized the airline fare to offer affordable rates to the Indian masses. The objective was achieved through airfare caps and RCS concession for airports. The establishment of the Regional Connectivity Fund has been proposed under which the states will be expected to contribute the 20% of the established RCF fund. In a balanced approach, the 5 regions- North, West, South, East, and North East are allotted for the implementation with a cap of 25%. The Viability Gap Funding has been put under scanner through a market-based reverse bidding process. That will be reduced as the passenger load will increase on a particular route and will get discontinued when routes become self-sustainable.

The flagship scheme is achieving its objective and provide balanced regional growth in priority and strategic areas. But the implementation also faces challenges in terms of land acquisition, land scarcity, capital investment, etc. During the Covid-19 pandemic, the air transport operations saw a major hit and slowly start improving over time as the economy is getting out of the pandemic effect which is a good sign for this regional connectivity scheme and Indian masses too.





# Vande Bharat Mission

The Government of India has launched the Vande Bharat Mission in May 2020 to bring back the stranded Indians from all over the globe during the Covid-19 pandemic. It is the largest comprehensive evacuation mission to date in which 71 lakh passengers from the various corners of the globe came back to India amid travel restrictions due to the global pandemic. The Indian government till 24<sup>th</sup> July 2021 has operated more than 88,000 inbound flights across more than 100 countries. Even around 57 lakh passengers have traveled from India to foreign countries through more than 87,600 outbound flights. It has far left behind the numbers of evacuated persons in the Gulf War of 1990 in which around 1,77,000 people were airlifted.

All the flight operations under the mission have following the strict Covid appropriate behaviour and guidelines of the Ministry of Health & Family Welfare. The procedure under which this mission is operating was laid down by the Ministry of Civil Aviation. Under the mission, the guidelines and instructions laid down by foreign countries were also followed during the flight operation from the respective country. It was the most complicated evacuation plan of the Indian government to date as this involves health measures and a comprehensive procedure along with it like screening, quarantine, and other logistic arrangements. No doubt the cost of travel was borne by the passengers themselves but the success of this mission gave hope to millions of stranded Indian people in different countries and their close ones during this uncertain time.

As the Covid 19 pandemic put the economic activities all over the world at rest, many people have lost their jobs. Thus the government of India under this mission has not only evacuated the Indians from the corners of the globe but also planned the best possible arrangement for the skill mapping of laborers coming back as the future of this skilled workforce was in gloom. The Government of India has launched the Skilled Workers Arrival Database for Employment Support (SWADES) initiative to map their skill so that later the employment opportunities to them can be provided based on their skill set and experiences.

The initiative is jointly launched by the Ministry of Skill Development & Entrepreneurship, the Ministry of Civil Aviation, and the Ministry of External Affairs. The Indian people were filling up the SWADESH skill card online on their arrival under Vande Bharat Mission. The National Skill Development Corporation wing of the Ministry of Skill Development and Entrepreneurship, State governments, Industry stakeholders, etc are working towards generating job opportunities for this workforce. The skill card will help in tapping the international skill set of returning workers for India's growth prospect in the future.

To give a boost to the most comprehensive evacuation plan during the Covid19 pandemic, the government of India has devised Air Bubble Agreement with 27 countries till August 2021. This provides a temporary agreement framework to kick start commercial passenger flight operations till the regular operations of commercial flights are suspended due to the Covid19 pandemic. Commercial airlines of both countries will reap the benefits of this arrangement and are reciprocatory in nature. The continent wise list of countries that are under this arrangement with the Indian government as of 11<sup>th</sup> August 2021 (as per the Ministry of Civil Aviation) are as follow:

## ASIA

- Afghanistan, Bahrain, Bangladesh, Bhutan, Iraq, Japan, Kuwait
- Maldives, Nepal, Oman, Qatar, Russia, Sri Lanka, United Arab Emirates

## AFRICA

- Ethiopia, Kenya, Nigeria
- Rwanda, Seychelles, Tanzania

## EUROPE

- France, Germany, Netherlands
- Russia, Ukraine, United Kingdom

## NORTH AMERICA

- Canada
- United States of America

The Vande Bharat mission with a holistic approach of the government of India indeed is sending back the smiles on the many reuniting Indian families in these unprecedented times. Under this, Air India and Air India Express have done the major bulk of transfers of passengers to date. The government has planned this mission in a phased manner cautiously to ensure the adherence of safety measures and availability of other logistic arrangements for each passenger travelling back to India. So that the homecoming will become safe too.



## Resources

1. <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1749154>
2. [https://www.civilaviation.gov.in/sites/default/files/Draft\\_Drones\\_Rules\\_14\\_Jul\\_2021.pdf](https://www.civilaviation.gov.in/sites/default/files/Draft_Drones_Rules_14_Jul_2021.pdf)
3. <https://www.aai.aero/en/rcs-udan>
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5. <https://www.aai.aero/en/rcsudan>
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7. <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1742142>
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11. <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1622655>
12. <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1628976>
13. <https://www.civilaviation.gov.in/en/about-air-transport-bubbles>
14. <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1657042>

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