

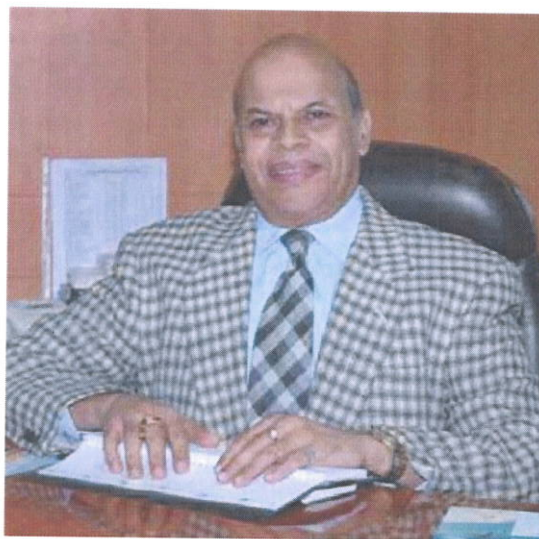
'THERE IS AN URGENT NEED TO DEVELOP MORE AIR FREIGHT STATIONS AND CARGO VILLAGES'

Technocrat **V.S. Bobba** is the Chairman of the Bengaluru-based Bobba Group of Companies, associated with activities in the field of aviation. With its offices in Bengaluru, Chennai, Kolkata and Hyderabad, the company has a professionally competent and dedicated team of qualified and trained personnel to handle import and export of air cargo. In an interview with **B.K. Pandey**, Editor, *SP's AirBuz*, Bobba shared his perceptions about the air cargo industry.

SP's AirBuz (SP's): Can you briefly outline the profile of your company and its history since inception?

V.S. Bobba (Bobba): The first company established in 1993 under the Bobba Group with offices in Chennai, Kolkata and Bengaluru; was Bobba Aviation Services Pvt. Ltd. It was the General Sales Agent for Lufthansa German Airlines' Cargo Division, for Southern and Eastern India. The office in Hyderabad was opened in May 1996 to cater to the growing pharmacy industry. The group commands excellent reputation with its principals and the trade. Bobba Group and Menzies Aviation PLC entered into a joint venture in cargo operations at Bangalore International Airport for construction and operation of a cargo warehouse. UK-based Menzies Aviation PLC is a global company with over 500 clients in cargo, ground and ramp handling at over 100 stations in five continents. The new company, under the name Menzies Aviation Bobba (Bangalore) Pvt. Ltd, has shareholding of 51 per cent by Bobba Group and 49 per cent by Menzies Aviation. The two companies entered into the second joint venture in Ramp and Passenger Handling at GMR Hyderabad International Airport. This company under the name Menzies Bobba Ground Handling Services Pvt. Ltd has 49 per cent shareholding by Bobba Group and 51 per cent by Menzies Aviation.

PHOTOGRAPHS: Bobba Group



THERE IS URGENT NEED TO DEVELOP MORE AIR FREIGHT STATIONS AND CARGO VILLAGES ACROSS INDIA

SP's: How has the air cargo sector fared and what has been the rate of growth in this segment since the boom in the civil aviation industry began in 2004?

Bobba: The sector has fared well growing at an average of approximately 10 per cent year on year except during the period of global economic downturn of 2008-09, wherein the sector was down marginally by one per cent. In the wake of economic recovery, in 2010-11, the sector grew by 12 per cent annually. Thereafter, with current re-evaluation and export uncertainties, the period 2011-12 witnessed only a marginal growth of three to four per cent.

SP's: What are the major problems and impediments that the air cargo segment of the Indian civil aviation industry faces both in the domestic and international sectors?

Bobba: The air freight industry has largely been neglected vis-à-vis the focus on the new terminals and airport facilities on the pas-

senger front. The most significant hurdle to growth and efficiency, however, remains our perennially inadequate and inefficient airport infrastructure as also the absence of any coordinated initiative to effect the required changes, improvements, streamlining, rationalisation and productivity enhancements so critically required.

SP's: What specific policy changes and reforms would you suggest to facilitate the growth of the air cargo sector in India?

Bobba: Inadequate Infrastructure, slow adoption of technology and unskilled manpower need to be the main focus in line with the country's economic growth. Systems should be process driven and not individualistic. Working group with representation from the air freight industry has been set up by the Ministry of Civil Aviation to look into the various aspects of the industry. There is an urgent need to develop more air freight stations and cargo villages across India.

SP's: Efforts by different entrepreneurs to set up air cargo operations in India have not met with noteworthy success. What, in your view, were the reasons why one existing air cargo carrier closed down and others who had obtained NOCs have not taken off as yet?

Bobba: While I would not like to comment on the reasons for closure or failure to take off by various operators, what is more important is market study, the correct size of the fleet and the right type of aircraft. Short-term plans cannot be successful; this industry needs long-term plans and can survive provided we are ready to face the type of turbulence that the industry has faced in the last three years. Secondly, adequate infrastructure and accessibility needs to be made available for entrepreneurs to succeed. There should be no stringent conditions or restrictions imposed by the government on the number of aircraft or routes. Primarily, cargo airlines need full-fledged handling infrastructure/facilities on exports and imports from a transit-through destination rather than depending on third party handling which is a major cost factor for a new entrant in today's environment of excess capacity and fierce competition at every major airport in India and abroad.

SP's: What is your perception of the long-term prospects in this segment of the Indian civil aviation industry?

Bobba: The sector is growing and will continue to do so. India has established its dominance in telecom, manufacturing and services, hospitality, garments, healthcare and other sectors. The industry has seen a sea change in various products and with the



ADEQUATE INFRASTRUCTURE AND ACCESSIBILITY NEEDS TO BE MADE AVAILABLE FOR ENTREPRENEURS TO SUCCEED

connectivity and faster transits into various parts of the globe with belly and freighter capacity, the cargo industry will grow at a better pace. **SP**

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