UNLOCKING THE ECONOMIC VIABILITY AND POTENTIAL OF
NORTH EASTERN AIRPORTS: AN ANALYTIC STUDY WITH
OPPORTUNITY AND CHALLENGES

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ABSTRACT

Purpose: This research study aims to analyze the economic viability and potential of North Eastern airports in India by conducting a qualitative secondary data analysis. The study explores the opportunity and challenges in aviation industry in North East.

Theoretical Framework: The study focuses on the economic potential and challenges of North Eastern airports. It uses various theoretical frameworks, including airport economics, regional development, transportation demand, and sustainability. It also considers policy alignment, stakeholder engagement, and impact on tourism. The goal is to analyze opportunities and barriers, helping to harness the economic viability of these airports in the region.

Design/Methodology/Approach: Employing a qualitative research approach, this study conducts a thematic analysis of existing secondary data and reports. By examining government documents, airport statistics, tourism data, and academic research, the study seeks to uncover patterns, themes, and trends related to the economic impact of North Eastern airports.

Research, Practical & Social Implication: The findings have practical implications for policymakers, airport authorities, and stakeholders seeking to harness the economic potential of the region. The core implication of this study is to promotion of North Eastern Airway development and tackle the challenges.

Findings: The thematic analysis of secondary data reveals a positive correlation between increased airport infrastructure and economic indicators. Enhanced air connectivity has led to economic diversification, but there are numerous challenges too.

Originality/Value: This study explores the challenges and opportunities in North Eastern airports and its effect on economic viability. The study also acknowledges the potential challenges, including government support, environmental considerations, community involvement, and regulatory compliance. By employing an analytical approach, the study seeks to provide insights into how strategic airport development can serve as a catalyst for economic growth while addressing potential obstacles.

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Keywords: north eastern airports, economic viability, enhanced air connectivity, regional development, qualitative analysis.

Received: 26/06/2023
Accepted: 22/09/2023
DOI: https://doi.org/10.55908/sdgs.v11i8.1447

DESBLOQUEAR A VIABILIDADE ECONÔMICA E O POTENCIAL DOS AEROPORTOS DO NORDESTE: UM ESTUDO ANALÍTICO COM OPORTUNIDADES E DESAFIOS

RESUMO

Objetivo: Este estudo tem como objetivo analisar a viabilidade econômica e o potencial dos aeroportos do Nordeste da Índia, realizando uma análise qualitativa de dados secundários. O estudo explora as oportunidades e os desafios da indústria da aviação no Nordeste.

Quadro teórico: O estudo centra-se no potencial econômico e nos desafios dos aeroportos do Nordeste. Utiliza vários quadros teóricos, incluindo economia aeroportuária, desenvolvimento regional, demanda de transporte e sustentabilidade. Também considera o alinhamento de políticas, o envolvimento das partes interessadas e o impacto no turismo. O objetivo é analisar oportunidades e barreiras, ajudando a aproveitar a viabilidade econômica desses aeroportos na região.

Design/Metodologia/Abordagem: Empregando uma abordagem de pesquisa qualitativa, este estudo realiza uma análise temática dos dados e relatórios secundários existentes. Ao examinar documentos governamentais, estatísticas aeroportuárias, dados turísticos e pesquisa acadêmica, o estudo procura descobrir padrões, temas e tendências relacionadas ao impacto econômico dos aeroportos do Nordeste.

Investigação, implicações práticas e sociais: As conclusões têm implicações práticas para os decisores políticos, as autoridades aeroportuárias e as partes interessadas que procuram explorar o potencial econômico da região. A principal implicação deste estudo é a promoção do desenvolvimento da North Eastern Airway e enfrentar os desafios.

Constatações: A análise temática dos dados secundários revela uma correlação positiva entre o aumento das infraestruturas aeroportuárias e os indicadores econômicos. A melhoria da conectividade aérea levou à diversificação econômica, mas também existem inúmeros desafios.

Originalidade/valor: este estudo explora os desafios e oportunidades nos aeroportos do Nordeste e seu efeito na viabilidade econômica. O estudo também reconhece os desafios potenciais, incluindo o apoio do governo, considerações ambientais, envolvimento da comunidade e conformidade normativa. Ao empregar uma abordagem analítica, o estudo procura fornecer ideias sobre como o desenvolvimento aeroportuário estratégico pode servir de catalisador para o crescimento econômico, ao mesmo tempo que aborda os obstáculos potenciais.

Palavras-chave: aeroportos do nordeste, viabilidade econômica, conectividade aérea aprimorada, desenvolvimento regional, análise qualitativa.
1 INTRODUCTION

The North Eastern region of India, comprising eight states known for their unparalleled natural beauty and cultural diversity, has long been regarded as a hidden gem within the Indian subcontinent. Nestled between the towering Himalayas and the rolling plains of the Indian heartland, these states have been historically marginalized due to geographical, infrastructural, and connectivity challenges (Mohan, R. 2003). The once-remote and inaccessible places are now becoming more and more accessible to both domestic and foreign passengers thanks to the building and modernisation of airports in states like Assam, Manipur, Nagaland, and Arunachal Pradesh (Barua, T. 2020). The North East's economic expansion has been significantly influenced by the spread of airports. The increase in traveller traffic to and from the North East is evidence of the region's changing dynamics as it highlights the area's growing appeal as a tourist destination and commercial hub (Iyer, K. C., & Thomas, N. 2020).

In addition, to the above discussion the aviation industry in North-East India grapples with a series of distinctive challenges that have influenced its growth and development. The lack of direct flights to major cities further complicates accessibility, necessitating inconvenient connecting flights for passengers (Mandal, R. K. 2009). Moreover, the North-East's challenging weather conditions, including heavy monsoon rains and fog, demand specialized pilot training and can result in flight delays and cancellations. These operational challenges, coupled with higher operating costs due to longer flying distances and adverse weather conditions, contribute to elevated ticket prices, making air travel less attainable for the local population. Socio-economic factors, including lower average incomes, also affect demand for air travel and financial viability for airlines. Security concerns stemming from political unrest in certain areas impact the region's overall safety perception, deterring potential travellers. To foster tourism and economic development, bolstering air connectivity is imperative, as it remains a vital catalyst for growth. (Nagpal, R., & Saranga, 2017). However, realizing these opportunities requires collaborative efforts among governments, investors, communities, and stakeholders to ensure sustainable and culturally respectful development. Thus, the research study is conducted with the below aim and objectives.

- To analyse Challenges in North Eastern Airports and their Implications
- To assess the factors emerging as opportunities for North Eastern Airports.
2 THEORETICAL FRAMEWORK

Various researchers have given their views on the same context, like (Priyadarshini, 2021) examines the possibility of the North Eastern (NE) states of India leading the growth story of the country. The first section of the essay examines the literature on the potential of the NE area of India, which is rich in natural resources but has not developed as quickly as the rest of the country economically. The study continues by suggesting that, while it would take a concentrated effort from both the public and private sectors, the NE states have the potential to lead India's economic story. The study lists many policy approaches that might aid in fostering economic growth in the NE area, including investing in education and skill training, enhancing infrastructure, and fostering trade and investment. Lack of empirical data on how the elements mentioned by Priyadarshini (2021) affect economic growth in the NE states is one area of research that needs to be filled. For instance, the study claims that inadequate infrastructure is a significant barrier to economic development in the NE area, yet it offers no evidence to back up this assertion. Future research might evaluate the effect of connectivity, infrastructure, and other variables on economic growth in the NE states using quantitative approaches.

(Das et al. 2020) investigates the 2016 implementation of India's new regional aviation strategy. The purpose of the study is to survey the literature on regional aviation strategies in developing nations before discussing the goals and structure of the Indian strategy. The study then provides statistics on how the policy performed in its early years and cites a variety of early success indicators. The paper's conclusion makes the case that the Indian regional aviation strategy has been successful in improving air connectivity to the nation's unserved and underserved airports. To ensure that the policy lives up to its full potential, the document also notes a number of issues that must be resolved. The article by Das et al. (2020) adds significantly to the body of knowledge on regional aviation strategies in developing nations. The study offers a thorough analysis of Indian policy and reveals some early signs of success. There are a few study holes, nevertheless, that might be filled in further investigations. Lack of information about the effect of Indian regional aviation policies on economic growth is one study gap. Data on how the program has influenced passenger traffic, tourism, or economic activity in the places that have benefited from the policy are not included in the study. Future research might evaluate the effect of the policy on economic growth using quantitative techniques.

(Kumar et al. 2022) analyzes the present and projected condition of the aviation industry in India's NE states. The first section of the article reviews the literature on the aviation industry in the NE area, which is distinguished by its isolation, difficult terrain, and sparse connectivity. The article then lists many issues that the aviation industry in the NE area is facing, such as subpar infrastructure, expensive expenses, and a dearth of demand. The increasing economy, advantageous position, and youthful population of the NE region are just a few of the potential the report lists for the aviation industry in the area. The argument made in the paper's conclusion is that the aviation industry has the ability to significantly contribute to the NE region's economic growth. None of the researcher has discussed the challenges aviation industry is facing in North East cities of India.

3 METHODOLOGY

1. Research Approach: The study employs a qualitative research approach to analyze and interpret existing secondary data and reports related to the economic viability and potential of North Eastern airports.

2. Data Collection: Relevant secondary data is collected from sources such as government reports, airport statistics, tourism data, academic research, and other published materials. Data includes information on passenger traffic, economic indicators, tourism trends, trade volume, infrastructure development, and policy documents.

3. Data Analysis: Thematic analysis is conducted on the collected secondary data to identify recurring themes, patterns, and trends related to the economic impact of North Eastern airports. Themes may include aviation industry data on passengers, problems and challenges, and policy implications.

4 RESULTS AND DISCUSSION

The expansion of airports and improved air connectivity in the North Eastern states of India has brought about a significant socio-economic transformation in the region. The development of North Eastern airports presents a promising avenue for economic growth, tourism promotion, and cultural exchange. However, a comprehensive approach is required to address potential challenges and maximize the positive impact on the region's economy and communities. Collaboration among various stakeholders,
informed decision-making, and sustainable practices are key to unlocking the full potential of these opportunities. Various surveys mentioned that the aviation industry in North-Eastern state has increased to some extent in the last few years. Greater than the growth rates in the West, East, South, and North zones, aircraft movement in the North-East increased by 36% to 7,973 flights between August 2017 and August 2022. In contrast, growth in the airports of the North and South regions was 5%, that of the East was 14%, and that of the West was 5%. The same was shown in the below figure:

![Figure 1: Comparison of growth rate in aircraft movement](https://www.livemint.com/news/india/northeast-takes-off-as-india-s-fastest-growth-region-for-air-travel-11666115339865.html)

But at the same time, the figure also depicts the difference in the numbers of aircraft movements in the North, South regions of India and the North East region of India. In North-East India, the aviation sector faces a complicated web of issues that together have an influence on its expansion and development. The comparatively low passenger traffic is one of the major issues. Despite noticeable increases, this gain comes from a low base, emphasizing the necessity for ongoing efforts to boost demand. This problem is made worse by the geographic geography of the area, which is characterized by rough terrain and difficult weather patterns. As a result, there are fewer flight movements, which reduces connection and passenger alternatives. Another significant issue is expensive airfares, which are a result of the low passenger volume and limited aircraft availability. Due to the airlines' ability to charge higher fees due to the routes' limited supply, locals' access to air travel is impacted. High prices can turn away potential visitors, especially those with lower incomes, preventing the region's tourist and air travel
industries from growing more broadly. When compared to other regions of India, the North-Eastern states often have lower average salaries. For a sizeable percentage of the population, plane travel is out of reach due to these economic realities and the expensive rates. As a result, the aviation sector has trouble luring a wider variety of passengers, which makes it harder for it to reach a larger market potential. Additionally, the region's distinctive demographic makeup adds to these difficulties. While migrant labour is a significant factor in the expansion of air travel, it also causes demand to fluctuate, which poses risks to airlines' profitability and route stability. There are lots of challenges faced by North eastern Airports. Govt. does not provide efficient fund to raise the plight of Airports. Water problem, terrain land and geographical pattern also makes the challenges for this.

The research study also discloses the elements that present opportunities for the aviation industry in the North-East region, in addition to the discussion from above. The budgetary support provided by the Airport Authority of India (AAI) will be reduced, a Rajya Sabha panel noted in GUWAHATI, which will have an impact on the development of airports in Northeast India. In its recently submitted report, the department-related parliamentary standing committee on transport, tourism, and culture noted that AAI received budgetary support in the form of Grants-in-aid totalling Rs 42 crore in the annual plan 2013–14, of which Rs 32 crores were set aside for the project in Pakyong (Sikkim) in the North Eastern Region and the remaining Rs 10 crores were allocated for the construction of a new terminal building and apron at Tirupati airport (Economic Times 2022).

Along with this, Secondary data reveals that the number of airports in the North East has increased steadily over the past decade, facilitating better access to the region. This has led to increased tourism, trade, and investment opportunities. For instance, data from the Ministry of Civil Aviation highlights that the number of domestic passengers traveling to and from the North East has shown a consistent upward trend, contributing to the growth of local economies. The expansion of airports has facilitated the growth of industries such as hospitality, transportation, and retail, leading to job creation and economic diversification (Annual Report of MoCA 2022-2023). Data from the Ministry of Tourism underscores the positive impact of enhanced air connectivity on the tourism sector (PIB, India 2022). The North East has witnessed a substantial rise in tourist arrivals, with popular destinations like Assam, Meghalaya, and Arunachal Pradesh experiencing a
surge in foreign and domestic visitors. This has led to increased hotel occupancy rates, growth in local handicraft markets, and the emergence of eco-tourism as a significant contributor to the regional economy.

5 CONCLUSION

Thus, this study concludes that North Eastern airports have confronted various types of problems where Govt. issue is the core variable. Geographical area, Lack of commercial hub and under developed region is the important facts and all these affects the North Eastern Airports. Various opportunities are also there by which North Eastern airports can utilize as Land and geographical beauty, cultural heritage. Exploiting all these variables North Eastern airports can convert their challenges into opportunities. The research study investigated into the economic viability and potential of North Eastern airports through a qualitative analysis of available secondary data and reports. The findings underscore the transformative impact of enhanced air connectivity on the region's economic landscape, stimulating growth in tourism, trade, and local industries. However, the study also highlights the need for strategic measures to address infrastructural and operational challenges for sustained economic development.

The data-driven insights presented in this study provide a foundation for policymakers, stakeholders, and industry players to make informed decisions aimed at maximizing the economic potential of North Eastern airports. As the region stands at the cusp of growth, harnessing the opportunities while addressing challenges will be instrumental in ensuring that the North Eastern states lead the growth story of India in a sustainable and inclusive manner. This research contributes to the ongoing dialogue on regional development and provides a basis for future research endeavors in this dynamic and evolving field.
REFERENCES


