

## Udan- A New Paradigm Shift In the Tourism Industry With Reference To North East India

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**Abstract:** Connectivity is the main key of any development in the country. Better connectivity drives strong employment and regional economic growth. Moreover; building connections to tier-II and tier-III cities creates a network by bringing in more people into the aviation network. New passengers create economic value across the chain for the newly-connected cities, already-served airports and the airlines. This makes businesses more efficient. It will open India's vast tourism potential by making it accessible, makes responding to medical emergencies viable and promotes national integration.

This study aims at studying the impact of UDAN in aviation and travel & tourism industry, particularly in the north-eastern region of India.

**Key Word:** UDAN, Regional connectivity, Travel, Tourism, North East India

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Date of Submission: 19-03-2018

Date of acceptance: 03-04-2018

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### I. Introduction

In terms of domestic and civil aviation market, India ranks 3<sup>rd</sup> largest in the world. There is a stiff increase in the number of air passengers from 2000-01 to 2015-16 and it was recorded as 16.3%. The number of passengers grew from 1.4 million to 13.5 million in both domestic as well international passengers. It is also estimated that by 2020, India will have 800 aircraft. It was also estimated by Boeing in 2015 that, India's demand for aircraft will touch 1740 or 4.3% of global volume and it was valued at \$240 million in next 20 years of time.

In spite of the fact that, India is the 3<sup>rd</sup> largest aviation market in world's aviation industry, still connectivity by air to tier-II and tier-III cities are a matter of great concern. To meet the issue of regional connectivity and connectivity to tier-II and tier-III cities, UDAN has been launched by the ministry of Civil aviation and government of India in 2017.

### II. Objectives of the study

The objectives of the study are:

1. To study the role of UDAN in boosting the connectivity in North-East region of India
2. To study the effect of UDAN in Travel & Tourism sector, particularly in North-East India.

### III. Methodology

This study is based on secondary source of data. The secondary data have been collected from newspapers and internet.

### IV. UDAN

**Ude desh ka aam Nagrik** (Let the common citizen of the country fly) - It's a scheme launched by Ministry of Civil Aviation and Government of India (GoI) to develop regional airport and to give a boost to regional connectivity. The main aim of this scheme is to convert the dream of a common man to travel by airlines at pocket friendly fare, into reality. It is a scheme under which airlines have to bid for seat subsidies. Nearly 50% of the seats on every flight will be subsidies and each seat will cost around Rs.2500/- under this scheme. This scheme is applicable only on such sectors where the distance is less than 500Km and durations of such flight is one hour. Under this scheme- subsidies will be offered to airlines on the specified routes, with this airlines will also enjoy other benefits like route monopoly for 03 years and many other concessions at the landing airports. Air India's subsidiary Alliance Air, Air Deccan, Spice jet, Air Odisha and Turbo Megha will be operating their flights from these airports under UDAN scheme. Before the launch of UDAN, India had 76 operational airports and in a single go, 27 currently served airports, 12 under served airports and 31 unserved airports will be connected through 27 UDAN proposals. Under UDAN scheme, government will play a role of facilitator to help

the industry in order to fulfil the dream to fly by common public. UDAN will boost regional connectivity and it will strengthen the overall aviation market in India at a modest market discovered price. Passengers will get benefited from enhanced air services on the other hand airlines will get more traffic on their metro routes. This scheme will help India to achieve faster economic growth. This scheme also aims at economic growth, strong connectivity which will also play a significant role in national integration.

### **Objectives of UDAN**

- a) Flourishing of regional aviation market and integrating them with the overall aviation network.
- b) As it is apparent from the name, it aims at providing cheap fares so that even common masses can avail benefits of flights.
- c) Aims at promoting tourism to areas hitherto less explored due to less connectivity.

### **Provisions under UDAN:**

- a) Rs 2,500 will be the capped price for one hour flights with subsidies seat min 9 and max 40.
- b) The scheme is supposed to be operational for a period of 10 years. Under this scheme 50 airports to be upgraded.

### **Impact on Stakeholders-**

- a) New routes and more passengers for current airlines, while there is a vast opportunity of new, scalable business for start-up airlines. It seems to be a win-win situation for every stake holders.
- b) Opportunity of new business expansion for Airport operators as would be for original equipment manufacturers. Thus it will give a boost to our manufacturing sector as well as make in India policy.
- c) Regional connectivity will improve the market expansion and cheap fare for passengers which will also play a vital role in tourism sector.
- d) Landing and Parking charge and Terminal Navigation charges will not be levied by the airport operators.
- e) A charge of 2% cess will be charged by government from the passengers flying on profitable routes so it will affect people flying on regular routes.

### **Issues:**

- a) Poor infrastructure is the main area of concern for the success of the scheme. The area which needs to be addressed is operationality of airports in far furlong areas and availability of bays at the private airports in the metro cities.
- b) The second most concern issue is huge shortage of pilots.
- c) Lack of favourable rules and still long pending reforms in The Directorate General of Civil Aviation.
- d) The rules and regulations practised by Airport Authority of India.

### **Tourism and UDAN:**

India is country where tourism was not given due weightage in past policies. With the changing global scenario, tourism has increased as one of the most vital area with abundant opportunities and thus in recent time; it has also attracted attention of the policy makers from India. Thousands of foreign tourists visit every year to Agra and Jaipur. However, due to unavailability of direct air connection between these two cities, one has to come back to Delhi and then move to another city which makes it inconvenient for the tourist. The same situation is also there with other tourist destinations. There are some of the vital tourist destinations which will now be connected under UDAN scheme and these are Agra, Shimla, Puducherry, Jaisalmer, Porbandar, 7Diu, Gwalior, Kullu, Pantnagar, Shillong and Mysore.

The latest scheme namely Udan, will surely give a boost to both domestic and inbound tourism, which in turn will definitely act as a catalyst for business and leisure travel. This project will help a lot to tier-II towns to offer affordable flight tickets to the common man.

### **Northeast and Connectivity:**

The most concerned issue for the Northeast is connectivity and due to this issue the economic development has become stagnant. The Northeast region often suffers from poor connectivity within the region and to the rest of India. Though better rail and road networks are necessary for the transportation, the air connectivity is of much more importance in this hilly terrain. Beside the demands of development of the local economy, particularly in the tourism sector, air travel is of vital importance. Air travel is also necessary for this part of the people as this region falls in an active seismic zone. This region is also highly prone to natural disasters, and in the event of such natural calamities, road and rail networks cannot stand for long.

Better transportation by means of air in the Northeast region will also be highly helpful in improving the outcomes of the Indian government's 'Act East' policy, which at a large scale demands to enhance trade ties between the region and South-East Asian economies.

UDAN will definitely give boost to connectivity in Northeast India. To provide a major boost to air connectivity in the Northeast, 92 new routes will be opened in the region in the second round of UDAN scheme. There is also a provision of procuring seaplanes that could seat 9-10 passengers and land on smaller airstrips, which will also boost connectivity and tourism both. The construction of the Pakyong airport in Sikkim is complete and it will make reaching the northern part of the state, especially tourist attractions such as Nathu La Pass, easier.

#### **UDAN in North East:**

Under UDAN, Shillong has been made as hub and it will connect to nearby destination such as Agartala, Aizawl and Imphal. The flights from Shillong will connect from there to other destinations in northeast by Air Deccan. There will also be flights between Kolkata and Agartala under this scheme. Shillong has been selected as the hub because it is the centre for regional connectivity and due to this reason the Airports Authority of India (AAI) has provided refuelling facilities at the airport. Since, Shillong is the hot destination among travellers and it is the most often the starting point of many trips to other destinations of Meghalaya, like Cherrapunji and Mawlynnong. It will be much easier to travel to this part of country under the UDAN. It is expected that the flow of tourists from different parts of the country and the world at large will increase with the introduction of flights under this scheme. In present scenario, there is only flight from Shillong to Kolkata and back.

There are only 07 airports in Northeast India which is operational in present scenario. These airports are at Guwahati, Dibrugarh, Silchar, Aizawl, Dimapur, Imphal and Agartala. Except Itanagar and Kohima all other North Eastern capitals have already been connected by air. Under UDAN scheme there is a plan to develop and make functional 08 airports in North East and are as mentioned below:

| Sl No | State             | City           | No of airport |
|-------|-------------------|----------------|---------------|
| 1     | Assam             | Tezpur         | 01            |
| 2     | Assam             | Lilabari       | 01            |
| 3     | Assam             | Dhubri (Rupsi) | 01            |
| 4     | Assam             | Jorhat         | 01            |
| 5     | Meghalaya         | Shillong       | 01            |
| 6     | Meghalaya         | Tura           | 01            |
| 7     | Arunachal Pradesh | Pasighat       | 01            |
| 8     | Arunachal Pradesh | Tezu           | 01            |
| 9     | Manipur           | Moreh          | 01            |

#### **Tourism, UDAN and North East:**

The name 'North-East' has been derived collectively for the easternmost part of India which comprises of the states of Assam, Arunachal Pradesh, Sikkim, Nagaland, Mizoram, Meghalaya, Tripura, and Manipur. North East, India is itself a bouquet of natural beauty. It is a land of undulating hills and plains with lavish green cover and a wide variety of rare and exotic flora and fauna, hidden from the greater world by dense forests and formidable mountains. North-East region of India shares its borders with countries like Bhutan, Myanmar, Tibet, and Bangladesh. .

#### **Tourism Potential in Northeast India:**

The North Eastern part of India has tremendous potential of attracting domestic and international tourists and it is possible due to the following reasons:

- The presence and proximity with Great Himalaya provides it a unique beauty and recognition as one of the most beautiful hot-spots of the world.
- Cultural diversity, numerous festive seasons, that exists in all the states.
- The natural topography of the region, hills and fast flowing rivers offers it with the great potential of adventure tourism.
- The natural locations can be channelized as centres for spa, naturopathy and tourism.
- Strong Heritage and Spiritual tourism opportunities

#### **Challenges:**

North Eastern region is having a great potential in attracting tourist still tourism industry in this region is not developing at the desired pace, inspite of supports and effort from the Ministry for development of north eastern region (DoNER) and all the state governments. The possible reasons responsible for not letting the tourism industry flourish are:

- The Infrastructure deficit such as quality hotels, transports
- Connectivity to the rest parts of India and the world at large

- c) Safety concerns of tourists due to insurgencies
- d) Language problem
- e) Scepticism in local people for strangers.
- f) Humid and wet climates with continuous rainy days.

With the development in road and railway transportation, the development and functionality of above mentioned airports of North East, connectivity will definitely get an instant boost and it will bring economic growth in all reasons. With the better connectivity, tourism will get highly boosted as tourist want comfort and better connectivity will definitely provide comfort to them.

## V. Conclusion

UDAN with the moto to fulfil the dreams of a common man to fly is really an impactful scheme launched by the GOI. Its success depends on its launch, implementation of guidelines and if, it is monitored under strong supervision. This scheme is definitely going to give a great boost to the local or regional connectivity. Besides connecting the regions, it will help in connecting the people with their family and friends. This scheme will also create a huge job market for both skilled and unskilled. This scheme will also help to cut the travel time, thus one can go out for work and fly back to their cities after work on the same day.

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IOSR Journal of Applied Chemistry (IOSR-JAC) is UGC approved Journal with Sl. No. 4031, Journal no. 44190.

krishna Kumar Thakur "Udan- A New Paradigm Shift In the Tourism Industry With Reference To North East India" IOSR Journal of Applied Chemistry (IOSR-JAC) 11.3 (2018): 59-62.