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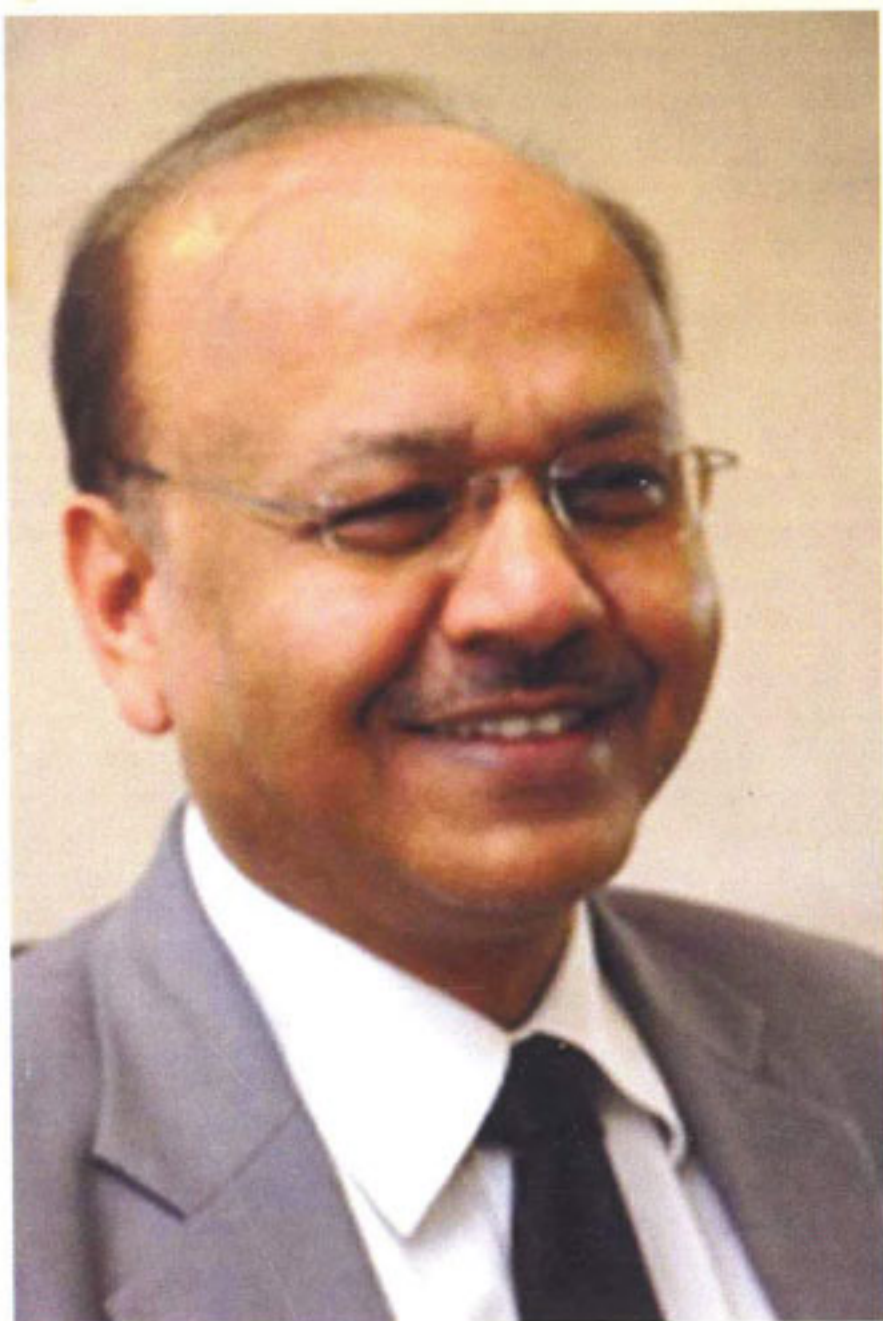
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AAI ENHANCES PROSPECTS OF "DIRECTION INDIA" MANIFOLD

BY

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As an outcome of the influx of air traffic in the past decade, AAI embarked upon a laudable plan of modernising & upgrading its airports with a dual aim, **firstly**, to match / keep a pace ahead of the increase in density, both of the aircraft's and the air travelling populace and **secondly**, to provide the country with world class standard airports. Accordingly, 60 airports inclusive of Kolkata & Chennai airports were identified for modernisation / upgradation, rationale being to develop the state capitals & other airports which have the potential to attract tourist & business travellers who would meaningfully contribute towards the economic growth of the state. The task involved was so very humongous & cost intensive, that the magnitude can well be gauged from the fact that the capital expenditure out of AAI in the 10th Five Year Plan was 3534 crores, whereas, in the 11th Five Year plan it was 12964 crores, an increase of almost 300 percent.

Modernisation of Kolkata and Chennai Airports being to the tune of 4340 crores (2325 crores Kolkata & 2015 crores Chennai). Most of the airport infrastructure projects initiated have been completed or are near completion and thus, making AAI stand in good stead, as the facilities provided are not only, user friendly but also, of world-class standards based on the latest state-of-the-art technology. Therefore, it would be appropriate if I were to state with confidence that the infrastructure facilities at Indian Airports are looking upwards. As on date, there are no real dire areas which demand immediate attention for the simple reason that all critical areas have been well taken care

of in our plans of modernisation. However we are fully conscious of the fact that modernisation and up gradation is a continuous process, so as to be at par with the other airports the world over. In addition to the ground based airport infrastructure, AAI has taken many a strides in modernising its CNS-ATM facilities, wherein, AAI has drawn up the Master Plan for implementation of FANS (Future Air Navigation System). This includes shift from Voice Communication to Digital Data Communication, from Ground Based Navigation to Satellite Based Navigation (i.e. GAGAN-Indian SBAS), Modern Radar coverage with ADS-B, Multilateration etc. The implementation of the CNS-ATM Master Plan will put India amongst the elite group of countries having an efficient ATM System supported by a strong and robust CNS infrastructure consisting of Digital Data Unit, Integrated ATM automation network, SWIM (System Wide Information Management) Separation Management System. The aim being to provide a Safe, Efficient, Cost Effective and Environment friendly ATM services, applying Gate to Gate approach and to achieve a "Collaborative and Co-ordinated Global Approach" to ensure harmonization and adoption of the technological solutions

To ensure that appropriate returns accrue, AAI stepped on the Marketing gas pedal by taking a conscientious decision to take advantage of forums such as RDG and have thus, put 16 of AAI airports on Routes Online website which is frequently visited by major airlines & other stakeholders of global aviation. AAI also, participated in a big way in the RDG Forum 2010 held at Vancouver Canada, so as to market its airports & announce its arrival in the global aviation arena. It was also, our good fortune that we got an opportunity to Host for the first ever time in India the 6th ACI Asia-Pacific Regional Assembly, Conference & Exhibition. This indeed was unique forum for us to 'show case' our strength / expertise to nearly 400 delegates come from across the globe.

It would only be apt if I were to conclude on an optimistic note by assuring all air travellers coming over to India, that we at AAI are managing 125 airports & the whole of the Indian / adjoining oceanic airspace as identified by ICAO. Thus,

you are not only in safe hands but would also enjoy our hospitality in keeping with the True Indian Traditions at our modern / world class airports, which would undoubtedly get manifested in making your visit more meaningful, pleasant & memorable one.

GOVERNMENTS IN ITALY AND GREECE RACE TO LIMIT DAMAGE



Technocrat leaders in Italy and Greece rushing to form governments will face a critical test of their ability to limit the damage from the euro zone debt crisis when financial markets open in Europe. Italy's president asked former European Commissioner Mario Monti to form a government to restore market confidence in an economy whose debt burden is too big for the euro bloc to bail out. Investors will pass initial judgment on his leadership when Italy's Treasury asks investors on Monday to bid for up to 3 billion euros (\$4.1 billion) in five-year government bonds. At an auction recently, the government's borrowing costs surged above 6 percent and kept rising to levels well beyond what the country could afford to pay over the longer term. In Asia, stocks and the euro rose on hopes that Monti and Greece's new prime minister, Lucas Papademos, would take decisive action. "Symbolically perhaps it's (Berlusconi's exit) a positive—it sends the message that it's putting a certain chapter behind them but the fact remains is that this is difficult medicine to administer and it doesn't really matter who gives the order, it's going to be a difficult pill to swallow," said Jack Ablin, chief investment officer at Harris Trust in Chicago, which oversees \$50 billion.

ONUS ON GOVERNMENTS

Outgoing Prime Minister Silvio Berlusconi made a parting call recently for the European Central Bank to become a lender of last resort to prop up the euro. "This has become a crisis for our common currency, the euro, which does not have the support that every currency should have," he said in a message. But ECB policymakers have made plain they want to keep the onus on governments to bring their debt burdens

under control and have rebuffed world leaders who want the bank to ramp up its intervention on bond markets to defend Italy and other vulnerable debtors. "Monetary financing (of government debt) will set the wrong incentives, neglect the root causes of the problem, violate the legal foundations on which we work, and destroy the credibility and trust in institutions," ECB governing council member said, Jens Weidmann, adding he was confident "Italy will be able to deliver".

PAPADEMOS TO FACE IMF, PROTESTERS

While Italy's problems and the long-drawn-out departure of the flamboyant Berlusconi have pushed the collapse of the much smaller Greek economy backstage, the IMF and European leaders will keep Papademos, under pressure to implement radical reform aimed at staving off bankruptcy. Papademos succeeds George Papandreou, whose proposal to hold a referendum on the country's bailout terms prompted EU leaders to raise the threat of a Greek exit from the currency bloc. The new Greek leader, a former central banker who oversaw his country's entry to the euro zone in 2002, must win a confidence vote in his cabinet before meeting euro zone finance ministers in Brussels on 17th, state television reported, where he will be expected to outline next year's draft budget before putting it to parliament. Polls published in newspapers show Papademos has the support of three in four Greeks.

But he is likely to face protest from left-wing demonstrators who accuse the new government of working in the interests of bankers. Meanwhile inspectors from the "troika", the International Monetary Fund, European Central Bank and European Union, are due to start arriving in Athens, piling the pressure on Greece to qualify for a second bailout worth 130 billion euros (\$180 billion) and an 8 billion tranche from the earlier bailout, needed to finance bond payments due at the end of the year, news agency. "It's unfortunately turning into a vicious cycle," said Harris Trust's Ablin. It's a banking crisis that turned into a sovereign crisis and now that's boomeranging back into a banking crisis."

MERKEL SEEKS 'MORE EUROPE'

EU monetary affairs chief Olli Rehn has said the EU and IMF will not release the tranche without written assurances from all Greek parties that they will back the measures, but New Democracy leader Antonis Samaras, who has given only tepid backing to the unity government, has said he will sign no pledge under external pressure.

In Rome, people sang, danced and opened bottles of champagne, and an impromptu orchestra near the palace played the Hallelujah chorus from Handel's Messiah when news spread on Saturday that the scandal-plagued Berlusconi, one of Italy's richest men, had resigned.