

Expert Speak – Mr.M.Thiagarajan, Managing Director, Paramount Airways.

IEWS ON TOURISM, TRAVEL & DOMESTIC AVIATION

Q: Midway through the year, we had recessionary trends setting in with companies resorting to cost - cutting measures. How has it impacted the domestic airlines in terms of load factor?

A: The airlines that have been unconcerned in the past with their overall cost efficiency are now, in lieu of the harsh economic climate across the world, being persuaded to reconsider their costing structures, especially in areas that involve acquisition, expansion and addition of manpower. In an overall recession, it is natural to expect load factors to decrease.

But at Paramount we have managed to contain these trends, as we have always been very cost efficient. We manage higher load factors than others, in fact highest in the south on overall plf. of 70% - 80%

Q: Which has been the bigger factor - the economic trends or the recent Mumbai terror attacks which has resulted in fall in tourists.

A: I feel the Mumbai terror attacks have aggravated the falling load factor as far as tourism is concerned, particularly in relation to foreign tourists. But Paramount services the business community, which has a need to travel irrespective of any of these developments.

Q: Short- haul flights have taken the biggest hit as the fares kept rising through the year. How do you think these fliers will come back?

A: I wouldn't agree with that statement. It is not true that short haul flights have taken a major hit irrespective of the increase in fares. Passengers understand the reality of the situation and the necessity to keep the fare aligned to the cost factors.

Q: Trends for 2009: Will there be further correction on fares?

A: 2009 will be a trying year and airlines as a sector have to rally

around and devise ways and means to bring in better operational efficiencies at all levels. But given the fact that the Indian economy has fairly weathered the storm it is just a matter of time before the industry returns to normalcy.

IEWS ON PARAMOUNT'S FUTURE PLANS

Q: Paramount's market share in Southern market - What's been the secret behind the success?

A: Innovative product offering that is completely sensitive to customer needs.

Passengers are able to perceive the value difference when they travel on

Paramount and that I believe is the single most important factor for passenger loyalty and growth.

Q: In 2008, Paramount entered the Western sector by adding Goa, Pune & Ahmedabad. How are the new routes performing?

A: Ahmedabad is doing extremely well. Goa and Pune sectors are doing reasonably well.

Q: What is the agenda for 2009 - Will we see Mumbai & the Northern sectors being added.

A: We will fully saturate the western market and enter other cities as we add to our fleet this year. We will provide point to point connectivity besides connectivity to all the smaller cities in the west to destinations in the South

Q: What has been the response to the Goa Great Escape Package. Do you have plans to launch schemes for other tourist destinations?

A: This has been a good marketing tool. A lot of packages sold as it takes care of the complete end-to-end travel needs of the leisure traveler.