

# Air India faces slow return to glory despite world's largest order of Airbus, Boeing aircraft

- **Air India has much to do before it re-emerges as a strong competitor, even with the 470 new aircraft it has on order, analysts say**
- **It must overcome bureaucracy, stiff competition and a legacy of state ownership, as it also navigates a partnership with Singapore Airlines**



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But Air India's hopes are now soaring again after Tata Group placed the world's [largest aviation order](#) for 470 aircraft this month, a year after the conglomerate took over the debt-ridden state-controlled carrier. The airline has not disclosed the value of the deal, but observers say it may amount to between US\$70 and US\$80 billion.

Still, the airline faces a long, difficult road to regaining its competitive edge, analysts say.

Air India's recent order comprises 70 wide-bodied aircraft – 40 Airbus A350s, 20 Boeing 787s and 10 Boeing 777-9s – as well as 400 narrow body or single aircraft, including 210 Airbus A320/321 Neos and 190 Boeing 737 MAX.

The first new aircraft will join the airline later this year, and the bulk will arrive from mid-2025, said Tata Sons and Air India Chairman N Chandrasekaran. Air India has leased 11 Boeing 777 and 25 Airbus A320 aircraft to accelerate its fleet and network expansion, he added.

With the new aircraft orders, Air India's fleet would more than double from its present 228 planes. It also has options to buy another 370 jets.

“The order book is significant, but the logistics in the ecosystem needs to be worked out such as where will they find resources like pilots, flight engineers and for ground handling services,” said Mayur Patel, Asia head at global travel data provider OAG Aviation.

The carrier will also have to shed the legacy of years of state ownership.



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Over the years, Air India has ceded ground to rivals on lucrative routes such as those serving the Middle East, which are used by thousands of migrant workers and where it once had an edge.

Regaining competitiveness

Analysts say the carrier could become a top competitor in Asia due to its [tie-up with Singapore Airlines](#) and membership of the Star Alliance, the world’s largest airline association.



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Tata Group has four airlines under its wing – Air India, Vistara, AirAsia India and Air India Express. Singapore Airlines will hold 25.1 per cent and Tata 74.9 per cent in a merged entity of Air India and Vistara that will serve as the group’s full service carrier.

It is also simultaneously merging low-cost carriers Air India Express and AirAsia India into a single arm.

“I expect Singapore Airlines and Air India to compete with each other on different routes, but also have broader cooperation with each other through things like code sharing,” Patel said, referring to an arrangement where airlines sell seats on each other’s routes.

“They can expand their partnership beyond India. Singapore Airlines operates out of the Singapore hub, but they will have a presence in India through Air India, which will give them a broader reach such as flights between India to Europe and India to the US,” he said.

Air India also has an advantage as it is still allowed to fly through Russian airspace – airlines from countries that sanctioned Moscow over the war in Ukraine have mostly been banned – slashing travel times and costs.

About 85 per cent of the carrier's aircraft order is for narrow body planes – used mainly on shorter routes – meaning “they will probably explore Southeast Asia and the West Asia market in a big way”, said Nripendra Singh, global director at consultancy Frost & Sullivan.

Air India doesn't have a strong presence in Southeast Asia, Australia or New Zealand, which will enable Singapore Airlines to sell seats to Air India's customers in those regions, Singh said.

The two airlines could also use the new aircraft to expand their network to Indian IT hubs such as Pune and Hyderabad, which are currently underserved but where workers travel frequently, he added.

Air India's large order will also let it negotiate better terms with a host of vendors such as for spare parts and maintenance, said Ram Shankar, CEO and founder of Aerodef consulting services.

Painful transition

Despite its many advantages, Air India's return to glory will be far from easy.

It was in the spotlight recently after India's aviation regulator, the Directorate General of Civil Aviation, fined the carrier and suspended a pilot after a drunken passenger [urinated on another passenger](#) during a flight from New York to Mumbai.

The airline [drew flak after reports](#) revealed that it had asked female crew to avoid wearing certain jewellery and balding male crew to shave their heads.

Bureaucracy also remains a significant roadblock in India's aviation plans as the state-run Airports Authority of India owns most of the country's airports.

“It has to get out of the way and allow the latter [private investment]. The smartest states will allow growth in aviation infrastructure as this [is] the modern day equivalent of being a port,” said Addison Schonland, aviation analyst and founder of AirInsight.

He said Tata's management expertise and the large aircraft order, which is expected to attract more talent, could see Air India emerge as a top competitor again.

“The key challenge for Air India is how quickly it can get deliveries to execute its global strategy,” Schonland said. “Air India's plans will almost certainly upend the Indian market in ways we can't define yet.”

The carrier also has its work cut out for it competing in India, where many private airlines have taken to the skies since the 1990s following economic reforms.



IndiGo has a 55 per cent share of the market. There's also Spicejet and Go First. New airline Akasa Air recently launched operations, while defunct carrier Jet Airways is set to be revived.

If it executes its plans well, Air India may edge ahead, analysts say.

"I think Indigo and Air India will probably have a split of 50:40 over the next five to six years in the domestic market," OAG's Patel said, adding that he expected a consolidation among the smaller carriers.

Schonland said Air India has several advantages with its "eye-popping" aircraft order, and thanks to the country's location could now claim a chunk of the market for routes linking Africa to Asia and Oceania to Europe. But realising its ambitions will also depend on government policy, he said.