

AIR-INDIA

Magic Carpet



SUPPLEMENT

JANUARY 1977

GREETINGS FOR THE NEW YEAR

I extend my warmest greetings for the year 1977 to all members of the staff of Air-India and their families.

The year that has just ended has truly been one of fulfilment; all of you have every reason to be satisfied with our achievements especially when viewed against the background of world-wide losses in the air transport industry. Our financial results for 1975-76 were indeed gratifying, and once again we were back into the black. The trend for the current year indicates that the results will be even better despite imponderables such as the imminent hike in oil prices and other inflationary pressures.

During the last year we have rapidly expanded in various directions. We started our new 747 service to Australia and the fact that we have been able to achieve reasonable load factors on this route is an indication of the soundness of our decision to introduce wide-bodied aircraft on the Bombay-Sydney route for competitive reasons. I congratulate all of you who have helped to make this service a success. We also opened four new on-line stations. We were quick off the mark in commencing operations to Seychelles to coincide with the attainment of independence by that country. We started services to Baghdad, capital of Iraq, a country with which India has always had strong ties in the fields of culture, trade and commerce. Our very recent introduction of a weekly service to the West African countries of Nigeria and Ghana is in direct consonance with the Government's policy of forging ties of friendship with those countries south of the Sahara; this represents one of the major route expansions in Air-India's history.

In 1976-77 our passenger and cargo traffic in and out of India and our revenue earnings increased considerably. This is a direct reflection on the strength of the country's economy, the stability of the rupee and the comfortable balance of trade situation.

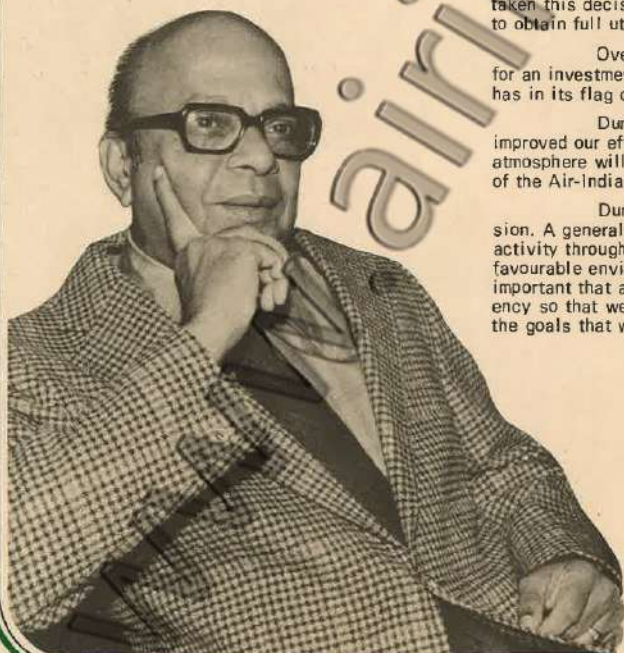
It is in the context of the greatly improved national economy that I am glad to announce that the Government of India have approved the purchase of two more 747s. The first is expected to be delivered in December this year and will be deployed on the India-Japan route. For the first time Air-India's 747s will thus be operating through Calcutta. The second 747 is expected five months later. With the acquisition of these two aircraft our Plan projects will be fully implemented.

You will also be happy to know that during the course of this year our four metropolitan cities in India will have instant computerised reservation facilities which will be linked with the BABS system in London. The Government of India have advisedly taken this decision to enable Air-India to take full advantage of the growing demand and to obtain full utilisation of the available capacity.

Overall, the decisions taken for the development of Air-India will account for an investment of 100 million US dollars. This reflects the confidence the Government has in its flag carrier to achieve profitable growth.

During the last year we experienced industrial peace and harmony which improved our efficiency and increased our productivity. I am sure that this peaceful atmosphere will be maintained and strengthened for the ultimate benefit of all members of the Air-India family.

During 1975, the major world economies were suffering from a severe recession. A general economic recovery has however now begun and has stimulated economic activity throughout the world. The prevailing economic situation thus provides a more favourable environment for the air transport industry in the current year. It is therefore important that all of us in the Corporation work with even greater dedication and efficiency so that we can justify the large investment made by the Government and achieve the goals that we have set for ourselves.



(K. K. Unni)
Managing Director