

Airline industry bangladesh

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Realizing the potential of air transportation in the country and region, after the cent air transport deregulation in Bangladesh, a number of private airline companies have started their operation which results in a better and competitive market. The paper focuses on the impacts of prevarication on aviation industry of Bangladesh. This paper presents the results of a study on the comparison among various private and public airline companies and analyses their problems and provides some guidelines for their development. The results show that the supply cost of the private airlines is 40 percent lower than the same for public airlines.

The results of this study can be used by the South and Southeast Asian countries to evolve policies in this regard. air transport world have witnessed dramatic changes in the deregulation in this sector. The movements towards the deregulation of the air transportation industries with the " 1978 Deregulation Airline Act" have significantly altered the operating environment for the firms providing passenger and cargo transportation related services.

With the airline deregulation, airlines were permitted to choose the routes and fares. These changes have had profound effects on many aspects of airline operations, particularly fares, level of service and routing. Through prevarication of air transportation in Bangladesh the Government has opened up a new horizon. To achieve a competitive environment and maximize the benefit, private airlines can control their scale of operation, effectively pursue cost reduction measures, and generate additional demand through improved services and reasonable fares.

By providing improved level of service and lower fare the private airlines may create new demand which will result in unit cost reduction and allow further fare deductions and service improvement. This virtuous circle should continue to strengthen the position of the operators and increase consumers' benefit. Moreover, recent trends in the development of regional and sub-regional co-operation together with foreign investments in remote areas will have a significant influence on air transportation system. These cooperative frameworks will demand dynamic changes both in routing and scheduling of air transportation.

Public airlines are incapable of dealing with these changes due to their bureaucratic structure and lack of motivation. To develop the policies for prevarication and regulation of air remonstrations market it is necessary to analyze various aspects of the system. This paper focuses on the potentiality of the private air transport operators in Bangladesh. The paper has been prepared on the basis of Airline Industry Bangladesh By Unmeasured 1998). The paper discusses the impact of deregulation on different cost items of airline operation.

The aggregate cost of operating the airlines has been segregated into major cost items. Then comparison is made between public and private airline operators on the basis of these cost items. The paper also identifies several areas where adequate regulations are required for the overall betterment of the system. The objective of the study is to investigate the potentiality of the changes brought about by prevarication in air transportation in Bangladesh. The results will help the operators in the industry to develop their strategies.

As the East, Southeast and South Asia are expected to experience a high economic development as well as a shift towards service and hi-tech industries, their demand for air transportation is also expected to increase accordingly. In this regard, the results of this study are important for these countries also.