

Wet leasing of Aircraft

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In news– In efforts to boost international air traffic, the civil aviation ministry has allowed Indian airlines to take wide-body planes on wet lease for up to one year as opposed to the six months permitted so far.

What is wet leasing of Aircrafts?

- Wet leasing **means taking the plane along with operating crew and engineers, while dry leasing refers to taking only the aircraft on rent.**
- Dry leasing was already allowed for up to 12 months, with the option to extend the contract for 12 another year.
- OAG, a global travel data provider, says that the technical term for wet leasing is ACMI which stands for aircraft, crew, maintenance and insurance.
- It further says that these are the aspects of the operation that the wet lease airline takes care of, while the **airline client will still be responsible for paying for direct operating costs** such as catering and fuel as well as fees such as airport fees, ground handling charges and navigation fees.
- Operations of an aircraft on wet lease are more difficult for the Directorate General of Civil Aviation (DGCA) to monitor, which is why it is allowed for shorter durations.
- The civil aviation ministry's decision came on a request by the country's largest airline, IndiGo.

Why airlines lease aircraft?

About half the planes used by airlines around the world are not owned but leased. Airlines and aircraft operators prefer leasing planes in order to avoid massive lump sum payments that buying them would entail, and to quickly increase

capacity, perhaps temporarily, on certain routes or sectors.