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**COMMERCE & TRANSPORT (TRANSPORT) DEPARTMENT**

RESOLUTION

The 12th March, 2024

**Subject: Development of Biju Patnaik Aviation Centre (BPAC) at  
Birasal Airstrip in Dhenkanal District, Odisha.**

The Government of Odisha has approved the Development of Biju Patnaik Aviation Centre (BPAC) at Birasal Airstrip in Dhenkanal District, Odisha with an aim to train youth from Odisha and place them in the mainstream activities in Aviation like Pilot, Cabin Crew, Simulator etc.

## **OBJECTIVES**

Odisha, being one of the emerging States boasting dynamic markets and vast economic potential, has identified Aviation as a thrust sector in its Industrial Policy Resolution (IPR) of 2022. The State has high aspirations for growth in the Aviation sector and aims to pioneer the establishment of a State-of-the-art flight training organization, the Biju Patnaik Aviation Centre (BPAC), situated at Birasal Airstrip in the District of Dhenkanal. The primary objective is to consolidate all types of aviation trainings by creating a single point for Aviation trainings including airline pilots for India and South-East Asia by offering Commercial Pilot License (CPL) and Type ratings under one roof, following Directorate General of Civil Aviation (DGCA) guidelines.

- a. Recognizing the unique requirements involved in establishing the BPAC, the State Government is devoted to provide comprehensive support to the Operating Partner(s) (OP).

- b. As per the Odisha Civil Aviation Policy, 2022, State Government is dedicated to facilitate a skilled workforce within the aviation sector, encompassing roles such as Pilots, Cabin Crew, Aircraft Maintenance Engineers, Airport Ground Handling staff, Cabin Crew, Airport Fire Fighters, Airport and Airline professionals, etc. The collaboration with private sector partner(s) is deemed essential to drive the paramount growth of the Aviation Sector, especially within the aegis of BPAC.

## **BACKGROUND**

In 1946, the Orissa Flying Club was founded by Late Capt. Biju Patnaik and later rebranded as the Government Aviation Training Institute (GATI) in 1974. Since then, Pilot training has been a pivotal component of the Government's aviation plan, fostering a generation of skilled pilots. The current operation of GATI is from the existing airstrip at Birasal in the District of Dhenkanal. However, due to congestion in air traffic at Biju Patnaik International Airport (BBI), Bhubaneswar, the Airports Authority of India (AAI) did not extend permission for the use of BBI Airport by GATI for flight training operations since April 2020, considering the increased activities of scheduled flights. Consequently, it was decided to develop the Birasal airstrip as the main base, which is in close proximity to Bhubaneswar and is conducive for flight training operations, with one of the State-owned airstrips.

Furthermore, during a high-level meeting chaired by the Chief Secretary on 12th May, 2022, it was decided to establish the best and largest aviation training institution based on a "one-stop-shop" concept for pilots in India and Southeast Asia. This institution aims to produce about 500 pilots annually. For this purpose, it has been decided that there is a need to set up an integrated Aerospace Center with a Flight Training Organization (FTO) as well as an Authorized Training Organization (ATO) for Airlines, equipped with required number of aircraft of different categories, and simulators along with associated equipment and infrastructure, with an estimated cost of Rs. 562 crores.

### **Major benefits:**

- a) Positioning Odisha as a hub for pilot, simulator, and other aviation related trainings in India & Southeast Asia
- b) Aspiring for generation of a talent pool of about 500 pilots annually

- c) Establishment of an Aircraft Maintenance, Repair, and Overhaul (MRO) facility in subsequent phases
- d) Reduction in foreign exchange expenditure for pilot training
- e) Stimulating local economic development
- f) Subsidized training programs for youth from Odisha
- g) Reclaiming the legacy of Biju Patnaik as an aviation pioneer in India and the region

### **PLAN**

The establishment of BPAC as a comprehensive aviation training center promises significant advantages to the local economy and infrastructure development in the Dhenkanal District of Odisha. This initiative will generate a substantial number of employment opportunities, boost tourism, and contribute to the overarching "Skilled in Odisha" campaign, further enhancing the State's reputation and attractiveness.

The Strategic Roadmap created to establish BPAC is divided into four phases, considering the need and focus, Phase 1 would be initiated.

**Phase 1:** Flight Training Organization (FTO), Aircraft Type Rating Organisation and Cabin Crew Training Organisation

<b>Aircraft and Training Equipment</b>	<b>FY 2024 - 25</b>	<b>FY 2025 – 26</b>	<b>FY 2026 - 27</b>
Trainer aircraft	22	17	14
Simulators	2	2	1

**Note:** The requirement of trainer aircraft will be 22 aircrafts in FY 2024-25 and may range to 50 plus aircrafts while the number of simulators will start from 2 and may range to 5 plus which will be procured on need basis within the resources available.

**Phase 2:** Under this phase, the following activities are envisaged:

- ✓ Aircraft Maintenance Engineering,
- ✓ Airport related training
- ✓ Remote Pilot training

**Phase 3:** This phase would comprise of setting up extended campuses of renowned Aviation Universities at BPAC and establishing it as an Aviation Academy City and offering their programs from BPAC campus.

**Phase 4:** Exclusive satellite centres (extended arm of BPAC) to be instituted across Odisha and which will be a feeder to BPAC.

As per the need, these activities would be prioritized by interchanging the activities across the phases, and accordingly taken up based on resources available.

## **JUSTIFICATION**

### 1. Demand for Pilots:

India faces a pressing need to consistently produce 2,000 pilots annually over the next 20 years to meet the escalating demand for airline pilots. However, existing flying schools can only produce 900-1000 pilots annually, resulting in a significant shortfall. DGCA records indicated that approximately 42% of commercial pilot licenses issued are to cadets trained in foreign flying schools. The proposed BPAC project aims to bridge this gap by training about 500 pilots annually at full potential stage, potentially revolutionizing the aviation sector in the country.

### 2. Requirement to have robust Infrastructure:

The existing airstrip and facilities at Birasal have limitations that hinder their ability to become leaders in the flight training industry. It is imperative to have robust and state of the art infrastructure to attract operating partners international stature.

### 3. One-stop Training Centre is the need to become a training hub:

Establishing a comprehensive training centre for airlines and individuals in Odisha offers numerous benefits for the state.

- ✓ Positions the Centre as a landmark destination for aviation training from both domestic and neighboring countries.
- ✓ Provides a preferred option for airlines as it consolidates pilot and cabin crew training under one roof.

### 4. Benefits to the Local Economy and Job Creation:

Aviation is the growth engine for the modern economy. It has economic multiplier of 3.25 and employment multiplier of 6.1. Investment in BPAC would help in accelerating the growth in Aviation sector of the State.

## FINANCIAL IMPLICATIONS

a. Budgetary requirement has been projected for three (03) years from FY 2024-25 to FY 2026-27. The total Project Cost has been currently estimated to be approximately Rs. 562 Crore including Capital expenditure as well Operational & Maintenance expenditure for a period of first 3years. Year-wise and Component-wise Project Cost details is given in the Table below.

Sl. No.	Financial Year	Capital Cost (In Crores)	Operating Cost (From the Operating Partner)
1	2024-25	304.96	Nil
2	2025-26	225.72	Nil
3	2026-27	31.16	Nil
		562.00	<b>Nil</b>
	Total Project Cost (Excluding Taxes)	562 Crores*	

**\*Note:** - (i) Within the Financial outlay, year wise expenditure may vary as per the phase of implementation.

(ii) The estimate is based on the current market assessment, which may vary based on the market fluctuation.

The Expenditure Finance Committee (EFC) approval has also been obtained for the project cost outlay on March 07, 2024.

Cabinet approval has been obtained for the following:

- a. Establishment of Biju Patnaik Aviation Centre (BPAC) to train youth from Odisha for Aviation related activities including Pilot, Cabin Crew, Simulator training etc.
- b. Approval of the Budget of Rs. 562 Crores for Three (3) Years from the FY 2024-25.
- c. Authorizing C & T Department for selecting the Operating Partner through transparent bidding and for taking course corrections for the efficient implementation of the Project.

**ORDER:** Ordered that the Resolution be published in the Extraordinary issue of the *Odisha Gazette* and copies of the Resolution to be forwarded to all Departments, all Heads of Departments and Accountant General, Odisha.

By order of the Governor  
USHA PADHEE  
Principal Secretary to the Government