

Wet and Dry Lease of Aircrafts

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Wet and Dry Lease



Wet and Dry Lease Latest News

Wet and dry (aircraft sans crew) leases are increasingly being adopted by airlines in order to overcome the shortage of new aircraft globally that has grown acute since the pandemic because of supply chain challenges.

About Wet and Dry Lease

- In a **wet lease**, airlines acquire a **fully operational aircraft along with a crew** (pilots and cabin crew), **maintenance personnel, and insurance** (aircraft, crew, maintenance, and insurance).
 - The **lessee retains control over commercial operations** (schedules, routes), while the **lessor manages the operational aspects**.
 - This option is **ideal for short-term exigencies** such as **seasonal spikes, route testing, or covering for grounded aircraft**.
- In a **dry lease**, the **airline rents only the aircraft itself, without crew, maintenance, or insurance**.
 - The **lessee assumes full responsibility** for these **operational components, employing their own crews, arranging maintenance** in accordance with DGCA (Directorate General of Civil

Aviation) regulations, and **obtaining appropriate insurance coverage.**

- Dry leases are well-**suited for long-term fleet expansion or modernization strategies.**

- **Aircraft leasing in India is governed by** a robust legal framework, with the **DGCA** playing a pivotal role.
- Operations of an aircraft on **wet lease are not encouraged by the DGCA**, as the **crew is often not approved by Indian authorities.**

What is Damp Leasing?

- The damp lease is a more **limited variant of the wet lease.**
- It is a leasing agreement under which an airline, the **lessor, leases one of its aircraft, including flight crew and maintenance services**, to another air operator.
- **However, unlike wet leasing**, damp leasing **does not include cabin crew**, who **must be assigned by the lessee.**
- For this reason, a damp lease is referred to as a **partial wet lease**: the **lessee is responsible for providing his own competent cabin crew.**

Source: **TH**

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