

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
STARRED QUESTION NO : 332
(TO BE ANSWERED ON THE 27th March 2018)

INVESTMENTS FOR CREATION OF FRESH AIRPORT CAPACITY

*332. SHRI MAJEED MEMON

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) whether it is a fact that India requires \$40 billion of investment to create fresh airport capacity, whereas the visible amount in the pipeline now is a little short of \$ 5 billion;
- (b) whether there is any roadmap for an asset recycling strategy to infuse capital back into fresh capacity; and
- (c) what are the opportunities for infrastructure players other than the Airports Authority of India (AAI) and L&T wrt bidding, technology, joint ventures and aviation ancillaries?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Jayant Sinha)

- (a) to (c): A Statement is laid on the Table of the House.

Statement in reply to parts (a) to (c) of the Starred (*) Question No. 332 for answer on 27.03.2018 regarding 'Investments for creation of fresh airport capacity'

(a): No such assessment regarding requirement of \$40 billion of investment to create fresh airport capacity has been made by the Government. However, a comprehensive aviation capacity expansion program, NABH (NextGen Airports for Bharat) Nirmaan, as announced in the Union Budget 2018, is intended to develop sufficient airport and air space capacity. NABH Nirmaan, a multi-year program, envisages to expand India's aviation capacity over five times to serve a billion passenger trips a year. This program includes overall passenger growth projections, detailed passenger forecasts for all major airports, new regulatory approaches for greenfield and brownfield airports, collaborative urban and land planning frameworks with various states, and necessary financing to build out aviation capacity. The program will also take into account the wide variety of new flying equipment that is expected to be operating in the next few years such as commuter turboprops and jets, seaplanes, helicopters, drones, etc.

Various experts have estimated that aviation capacity expansion to reach a billion trips will require between Rs. 3 lakh crores and 4 lakh crores. Airport investments are required in both commercially viable major airports, minor airports operated as a public service and wide range of other landing facilities such as no-frills airports, helipads, and water-based ports for seaplanes. Significant investments are also required in managing air space and in digitizing air traffic management.

So far, Government of India (GoI) has granted "in principle" approval for setting up of the 19 Greenfield airports and has further granted "site clearance" approval for setting up of the another 7 Greenfield airports. Further, depending upon the traffic forecast, Airports Authority of India (AAI) has planned to invest Rs. 20,178 Crores for the period 2016-17 to 2021-22 for upgrading airport infrastructure and services. Cabinet Committee on Economic Affairs has also approved a budgetary provision of Rs. 4500 Crores for revival of un-served/underserved airports/airstrips of State Governments, AAI & Defence Authorities.

(b): No, Sir.

(c): Infrastructure players, other than the Airports Authority of India (AAI) and L&T, have great opportunities in view of the phenomenal growth envisaged for development, expansion, upgradation of airports, airside infrastructure and air navigation services. Further, Public Private Partnership (PPP) projects have provided excellent opportunity to infrastructure players as PPP partners in the airport sector.
