

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 1464
(TO BE ANSWERED ON THE 4th March 2020)**

LOSS IN INDIAN AVIATION SECTOR

1464. DR. T. SUBBARAMI REDDY

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

- (a) whether the Indian aviation sector recorded highest operating losses during the three quarters of the current Financial Year;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the economic slowdown in the country and increased fuel cost have impacted the operating revenue of the country carriers, if so, the details thereof; and
- (d) the measures taken or proposed for turning the country carriers into profit margin?

ANSWER

MINISTER OF STATE (IC) IN THE MINISTRY OF CIVIL AVIATION

(Shri Hardeep Singh Puri)

- (a) & (b) Yes, Sir. A Statement regarding the revenue, expenses and profit / loss for 1st, 2nd and 3rd quarters of the current Financial Year 2019-20 (provisional) is annexed.
- (c) The high cost of Aviation Turbine Fuel (ATF), the global economic slowdown, low yields due to intense competition are some reasons that have contributed to the widening gap between revenue and expenses in the airline industry.
- (d) The measures taken by the Government to improve the civil aviation sector of the country include:-
 - i) Provide airport infrastructure through Airports Authority of India and the private operators which helps airlines add more flights and hence revenue.
 - ii) Provide an efficient Air Navigation System in the Country that reduces congestion in air and on ground and hence reduces fuel consumption.
 - iii) Provide Viability Gap Funding and other concessions to selected airline operators under Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik) as per the scheme document.
 - iv) Provide financial assistance to Air India as per the approved Plan.
 - v) Reduction of Central Excise Duty applicable on ATF from 14% to 11% w.e.f. 11th October 2018.

vi) Rationalization of Goods and Services Tax provisions.

vii) Rationalization of Category-I routes under Route Dispersal Guidelines on the basis of criteria given in National Civil Aviation Policy - 2016.

viii) The requirement for 5/20 is modified and all airlines can commence international operations provided that they deploy 20 aircraft or 20% of total capacity (in terms of average number of seats on all departure put together) whichever is higher for domestic operations.

ix) Liberalization of domestic code share points in India within the framework of Air Service Agreements.

x) FDI for Scheduled Air Transport Service/ Domestic Scheduled Passenger Airline has been allowed upto 49% under automatic route. For Non-Resident Indians (NRIs), 100% FDI will continue to be allowed under automatic route. Foreign airlines are allowed to invest in capital of Indian companies operating scheduled and non-scheduled air transport services up to the limit of 49% of their paid up capital. Such investment is subject to the condition, inter alia, that Scheduled and Non-Scheduled Operator's Permit would be granted only to a company the substantial ownership and effective control of which is vested in Indian nationals.

Annexure

Statement referred to in the reply of RAJYA SABHA Unstarred Q N 1464 to be answered on 04-03-2020.

FINANCIAL PERFORMANCE OF SCHEDULED INDIAN CARRIERS FOR Q1, Q2 & Q3 FOR FINANCIAL YEAR 2019-20(P).
(RS. IN MILLION)

CARRIER/AIRLINE	OPERATING REVENUE			OPERATING EXPENSE			OPERATING RESULT		
	Q1(P)	Q2(P)	Q3(P)	Q1(P)	Q2(P)	Q3(P)	Q1(P)	Q2(P)	Q3(P)
NATIONAL CARRIERS									
AIR INDIA	71,809.6	72,227.4	73,284.1	79,654.7	82,128.1	85,402.2	-7,845.1	-9,900.7	-12,118.1
AI EXPRESS	31,320.0		11,600.0	24,520.0		12,610.0		6,800.0	-1,000.0
ALLIANCE AIR	2,358.3	2,199.6	2,663.8	2,856.4	2,899.1	2,972.5	-498.1	-699.6	-308.7
(A) TOTAL (NATIONAL)	74,167.9	105,747.0	87,547.9	82,511.1	109,547.2	100,984.7	-8,343.2	-3,800.3	-13,426.8
PRIVATE SCHEDULED DOMESTIC AIRLINES									
JET AIRWAYS*									
JET LITE (P) LTD.*									
GO AIR									
SPICE JET	31,300.0	30,538.0	38,999.0	28,683.0	35,164.0	38,267.0	2,617.0	-4,626.0	732.0
INDIGO	97,869.4	85,397.8	103,301.7	82,775.4	95,716.1	97,736.4	15,094.1	-10,318.3	5,565.3
ZOOM AIR									
AIR ASIA	9,200.0	7,430.0	10,760.0	9,280.0	10,610.0	12,000.0	-80.0	-3,180.0	-1,230.0
VISTARA									
BLUE DART	2,012.0	1,923.0	2,170.0	1,991.0	1,907.0	2,148.0	21.0	16.0	22.0
TRUE JET	800.8	801.6	972.3	753.9	869.8	915.1	46.9	-68.2	57.2
AIR DECCAN									
AIR ODISHA									
STAR AIR									
AIR HERITAGE									
(B)TOTAL(PRIVATE)	141,182.2	126,090.4	156,203.0	123,483.3	144,267.0	151,066.5	17,698.9	-18,176.6	5,146.5
GRAND TOTAL(A+B)	215,350.1	231,837.4	243,750.9	205,994.4	253,814.2	252,051.2	9,355.7	-21,976.9	-8,280.3

JET AIRWAYS & JETLITE * Ceased Operations since 18th April 2019(Provisional Financial Statement not submitted till date).

Go Air, Air Deccan, Air Odisha, Air Heritage, Star Air, Vistara & Zoom Air have not submitted the required information.
P- Provisional

