GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 806
(TO BE ANSWERED ON THE 25th July 2022)

INCREASING REVENUE COLLECTION IN THE CIVIL AVIATION SECTOR

806. SHRI NEERAJ DANGI

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

(a) whether any important initiative has been taken by Government to increase revenue collection in civil aviation sector in the country, during last three years;
(b) if so, the details thereof; and
(c) the details of the domains which have successfully generated high revenue after implementation of these initiative by Government?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(GEN. (DR) V. K. SINGH (RETD))

(a) to (c) Yes Sir. Several initiatives have been taken by the Government to enable growth of capacity, traffic, revenue and profitability of the civil aviation sector in the country during the last three years.

Some of the initiatives include the following:
(i) To enhance passenger and cargo traffic capacity, the Airports Authority of India (AAI) has taken up development of new and existing airports with a projected capital expenditure of around Rs. 25,000 crores in next five years.
(ii) The Public Private Partnership (PPP) airports at Delhi, Hyderabad and Bengaluru are undertaking major expansion projects of around Rs. 30,000 crores by 2025.
(iii) Additionally, Rs. 36,000 crores have been planned for investment in the development of new Greenfield airports across the country under PPP mode.
(iv) Government of India (GoI) has accorded 'in-principle' approval for setting up of 21 Greenfield Airports across the country. So far, eight Greenfield airports namely, Sindhudurg and Shirdi in Maharashtra, Durgapur in West Bengal, Pakyong in Sikkim, Kannur in Kerala, Orvakal in Andhra Pradesh, Kalaburagi in Karnataka and Kushinagar in Uttar Pradesh have been operationalised.
(v) Given the high cost of aviation fuel, States/ UTs were requested to reduce the VAT on aviation fuel. Till date 16 States/UTs have done so, namely: Andaman

and Nicobar Islands, Arunachal Pradesh, Dadra & Nagar Haveli and Daman & Diu, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir Jharkhand, Karnataka, Ladakh, Madhya Pradesh, Manipur, Mizoram, Tripura, Uttar Pradesh and Uttarakhand.

(vi) Goods and Services Tax (GST) rate has been reduced from 18% to 5% for domestic Maintenance, Repair and Overhaul (MRO) services.

(vii) Improvement in air navigation infrastructure is being carried out to enable better utilization of airspace and airport capacity.

The revenue of Indian carriers has increased from around Rs 40,000 crore during FY 2020-21 to over Rs 59,000 crore during FY 2021-22. The revenue of Indian airports has increased from around Rs 4500 crore during FY 2020-21 to over Rs 6,500 crore during FY 2021-22.

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