

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 1776
(TO BE ANSWERED ON THE 17th March 2025)**

DIFFERENCE OF COST IN PRIVATE AIRPORTS AND AAI-OWNED AIRPORTS

1776. SHRI RITABRATA BANERJEE

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

- (a) whether it is a fact that the user development fees, vehicle parking fees, food and water prices are excessively high at the private airports compared to the AAI-owned airports;
- (b) if so, the details thereof and the reasons therefor; and
- (c) if so, whether Government would initiate any remedial measures to rectify the situation?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Murlidhar Mohol)

(a) to (c): Airports Economic Regulatory Authority of India (AERA) determines aeronautical tariff of all the major airports including User Development Fee (UDF), landing and parking charges inter-alia considering the factors such as Return on Investment for aeronautical assets, Operating expenditure, Depreciation, Tax, etc. AERA aims to optimally balance the interest of service provider and the end user and ensures that the airport operator maintains and operates the airport with reasonable return on investment consisting with risk profile by following the statute provisions and tariff guidelines which protects the interests of Airport Operator, Airlines and passengers, at large.

AERA follows a uniform tariff methodology across major airports, regardless of ownership. The Capital Expenditure (CAPEX) infusion for infrastructure upgradation at JV/PPP/Leased airport is substantially higher in comparison to AAI Airports. Hence, UDF levied at JV/PPP/Leased airports is typically higher due to incurrence of substantially more CAPEX. However, the UDF rates stabilize with increased passenger traffic over the time.

Vehicle parking rates, food and water prices etc. are non-aeronautical revenue sources and their rates at AAI & Non-AAI airports are not regulated by AERA.

However, 30% of the non-aeronautical revenue accrued to major airport operators are taken into account by AERA to cross-subsidize aeronautical charges including UDF.

The Airports in the country offer a variety of food and beverage options, catering to the diverse preferences and demands of passengers. To address the demand for affordable food options, several airports have already taken initiatives to introduce low-cost outlets. The concept of 'Udan Yatri Cafe' has also been started at Kokata (AAI owned), Chennai (AAI owned) and Ahmedabad (PPP) airports as a new initiative to offer affordable meals to passengers.
