

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 5350
(To be answered on the 6th April 2017)

REVIEW OF AIRPORT TARIFF

5350. SHRI B. SENGUTTUVAN

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a): whether the airport tariffs are due for a review this year, if so, the details thereof;
(b): whether the Airports Economic Regulatory Authority has initiated a process of discussion with the various airlines, airports, International Air Transport Association (IATA), State Governments, consumer groups and fuel suppliers for adopting hybrid-till approach to calculate airport tariff and if so, the details thereof;
(c): whether the hybrid-till approach is likely to revive private developers interest in running the airports as it would fetch them more revenue and if so, the details thereof; and
(d): whether the IATA and the Finance Ministry etc. have opined that the single-till system is best suited for India and if so, the details thereof and the reaction of the Government thereto?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

(a): Yes, Madam. Determination of aeronautical tariff for the second control period from period FY 2016-17 to FY 2020-21 is due in respect of the airports at Cochin, Bengaluru, Hyderabad, Nagpur, Pune, Ahmedabad, Jaipur, Calicut, Thiruvananthapuram, Chennai, Kolkata, Guwahati, Lucknow, Srinagar, Goa, Bhubaneswar, Mangalore, Coimbatore, Vishakhapatnam, Indore and Patna.

(b): Airports Economic Regulatory Authority of India (AERA), vide Order No. 14/2016-17 dated 12th January, 2017 (issued on 23rd January, 2017) has decided to determine the tariffs of major airports under 30 percent "Hybrid Till" approach in future.

(c) & (d): There is a general perception among the stakeholders, including International Air Transport Association (IATA), that the aeronautical charges are lower under the "Single Till" regulatory approach. However, The Hybrid Till approach captures advantages of both Single and Dual Till approaches while avoiding the disadvantages. This approach incentivizes the airport operator to undertake non-aeronautical activities and thus, help generating additional revenue to the airport. This system benefits the passengers in the long run as tariff under "Hybrid Till" tends to be lower because of additional non-aeronautical revenue being available for cross-subsidizing the aero charges.
