

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2670
(To be answered on the 27th December 2018)**

INTER-CONNECTING OF AIRPORTS

2670. SHRI M.K. RAGHAVAN

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether any proposal has been conceived to make India as a global aviation hub;
- (b) if so, the details thereof;
- (c) the present status of the UDAN Scheme for connecting tier 2 and 3 airports across the country; and
- (d) whether any time table has been drawn to inter-connect the four airports of Kerala under the said scheme and if so, the details thereof?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

(a)&(b): With a view to promote the growth of Indian Aviation sector in a significant manner, the Government released the National Civil Aviation Policy (NCAP) 2016 on 15.06.2016. The aim of the Government is to provide an ecosystem for the harmonised growth of various aviation subsectors, i.e Airlines, Airports, Cargo, Maintenance Repairs and Overhaul services (MRO), General Aviation, Aerospace Manufacturing, Skill Development, etc. In compliance of NCAP-2016, broad steps taken are as under:

- i) Introduction of Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik) with an aim to facilitate/stimulate Regional air connectivity by making it affordable.
- ii) Revival of un-served or under-served routes under RCS - UDAN.
- iii) Introduction of a new Category 'Schedule Commuter Operator' under Commercial Air Transport Operations.
- iv) Rationalization of Category-I routes under Route Dispersal Guidelines (RDGs) on the basis of criteria given in NCAP 2016.
- v) 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.

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

vii) With a view to modernize the existing airports so as to establish a high standard and facilitate in easing the pressure on the existing airports, 100% Foreign Direct Investment (FDI) under automatic route has now been allowed in Brownfield Airport projects. This move would also serve in further developing the domestic aviation infrastructure. Further, FDI limit for Scheduled Air Transport Service/ Domestic Scheduled Passenger Airline has been raised from 49% to 100%, with FDI up to 49% being permitted under automatic route and FDI beyond 49% through Government approval. For Non-Resident Indians (NRI's), 100% FDI will continue to be allowed under automatic route. However, foreign airlines would continue to be 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 and subject to the laid down conditions in the existing policy. Increasing the FDI limit for these aviation services shall not only encourage competition by lowering prices but shall also accord choice to consumers.

(c): Under Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik) 1 and 2, flights have commenced from RCS airports namely, Adampur, Agra, Bhatinda, Bhavnagar, Bikaner, Diu, Gwalior, Kadapa, Jagdalpur, Jalgaon, Jamnagar, Jaisalmer, Jharsuguda, Kandla, Kanpur, Kolhapur, Ludhiana, Mundra, Mysuru, Nanded, Ozar(Nasik), Pathankot, Puducherry, Porbandar, Salem, Shimla, Shillong, Vidyanagar, Allahabad, Hubli, Jorhat, Kishangarh, Pakyong and Tezpur.

(d): RCS-UDAN is a demand driven Scheme and thus the development of regional air connectivity routes is left to market forces, such that interested airlines undertake assessment of demand and nature of supply required on particular route and participate in the bidding process being conducted by the Implementing Agency from time to time. Under RCS UDAN version 2, Kannur-Cochin and Kannur-Thiruvananthapuram routes have been awarded to Indigo Airline.
