

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2072
(To be answered on the 4th July 2019)**

ROLE OF CIVIL AVIATION IN NATIONAL ECONOMY

2072. SHRI NALIN KUMAR KATEEL

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government proposes to make the civil aviation sector a major attraction and to develop it as a major partner in the national economy and if so, the details thereof;
- (b) whether the Government has taken steps to prepare any roadmap for the civil aviation sector in the country and if so, the details thereof; and
- (c) whether the Government has invited any foreign investment in the sector for its development and if so, the details thereof including the progress made so far in this regard?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

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- (a) and (b): Indian civil aviation sector has shown consistent double digit growth of passenger traffic for more than four years in the past. To create a congenial environment for stakeholders which is also attractive for investors, the roadmap for holistic development of the civil aviation sector has been embodied in the National Civil Aviation Policy 2016. It intrinsically recognises the multiplier effects of the aviation sector on the national economy. As per an International Civil Aviation Organisation (ICAO) study, the output and employment multipliers of general aviation are 3.25 and 6.10 respectively. The roadmap thus aims to provide an ecosystem for holistic and harmonized growth of various aviation sub-sectors, inter alia, through the following:
- strengthened domestic carriers and ground-handling services,
 - upgraded and self-reliant maintenance, repair and overhaul (MRO) facilities,
 - development of aircraft and component manufacturing in India,
 - airport capacity expansion,
 - strengthened synergy between air cargo and both foreign trade and e-commerce,

- promotion of air connectivity to regional, heritage and tourism destinations in India through RCS-UDAN (Regional Connectivity Scheme-Ude Desh Ka Aam Naagrik),
- skill development,
- upgraded air navigation, and
- improved safety and security.

(c): With a view to modernize existing airports so as to establish high standards and ease demand pressures on them, 100% Foreign Direct Investment (FDI) under automatic route has been allowed in brownfield airport projects. This would also facilitate the development of domestic aviation infrastructure. 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 would 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. 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.
