

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 2660  
(To be answered on the 22<sup>nd</sup> December 2022)**

**LOSSES SUFFERED BY AIRLINE OPERATORS**

**2660. SHRI RAVNEET SINGH BITTU**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

- (a) whether air travel in the country has stalled which is putting a lot of pressure on already stretched finances of the airline operators;
- (b) if so, the details thereof including number of passengers handled by Indian airports for the last four years, year and quarter-wise;
- (c) whether it is a fact that there has been a big decline in foreign tourist arrivals in the country and if so, the details thereof during the last four years, year-wise;
- (d) the details of the losses, if any, suffered by various airline operators in the country during the last three years, year-wise; and
- (e) whether the Government is taking any measures to provide relief to airline operators and help increase the number of national and international air commuters in the country and if so, the details thereof?

**ANSWER**

**Minister of State in the Ministry of CIVIL AVIATION**

**नागर विमानन मंत्रालय में राज्य मंत्री**

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

**(a) & (b):** The aviation sector in India has been affected adversely due to severe disruption caused by the COVID-19 pandemic. This resulted in airlines suffering financial losses.

**Due to the adverse effect of COVID-19 on aviation industry worldwide, the air passenger traffic in India was also impacted. However, the situation is now improving as witnessed by rebound in air traveller. The details of air passengers (both domestic & international) during the last four years is as under:**

<b>Year</b>	<b>Total number of passengers</b>
<b>2018-19</b>	<b>3446 lakh</b>
<b>2019-20</b>	<b>3410 lakh</b>
<b>2020-21</b>	<b>1153 lakh</b>
<b>2021-22</b>	<b>1888 lakh</b>

**(c):** Ministry of Civil Aviation continues interaction with the scheduled airline

operators with an aim to promote air connectivity, including to tourist destinations. Domestic and Foreign Tourist Visits in India during 2018 to 2021 are given below:

Year	Tourist Visits	
	Domestic	Foreign
2018	18537 lakh	288 lakh
2019	23219 lakh	314 lakh
2020	6102 lakh	71 lakh
2021	6776 lakh	10 lakh

(d): The details of losses incurred by the airline industry during the last three years are: FY 2019-20 Rs. 4770 crore FY 2020-21 Rs.12479 crore and FY 2021-22 Rs. 11658 crore. The losses to the industry were primarily because of disruption during Covid -19 pandemic across the globe, currency depreciation (USD/INR), high operating cost environment, especially due to increase in ATF prices, increase in crude oil prices in international market, VAT, Excise duty and Ukraine - Russia War.

(e): Government has taken various steps to facilitate the airlines. The UDAN Scheme of the Government of India is a game-changer for the aviation industry. The UDAN Scheme, or Ude Desh Ka Aam Nagrik, is a regional connectivity scheme that seeks to make air travel accessible and affordable for the masses. The enhanced fiscal support in the form of VGF (Viable Gap Funding), concession on fuel rates, landing/parking charges and the infrastructural development of unserved airports have not only boosted the operations of giant airline companies but has also led to the participation of regional start-up airlines such as M/s Star Air and M/s IndiaOne Air, and M/s Flybig. Other measures taken by the Government include:

- i) The reduction in Value Added Tax (VAT) on Aviation Turbine Fuel (ATF) was taken up with the state Government / Union Territories levying high VAT on ATF.
- ii) Goods and Services Tax on (GST) rate has been reduced from 18% to 5 % for domestic Maintenance, Repair and Overhaul (MRO) services.
- iii) Airports Authority of India (AAI) and other Airport Developers have targeted capital outlay of approximately Rs. 98,000 crore in airport sector in the next five years for expansion and modification of existing terminals, new terminals and strengthening of runways, among other activities.
- iv) Government has approved Emergency Credit Line Guarantee Scheme (ECLGS) to aviation sector. Based on the industry demand, the scope of ECLGS has been enhanced to provide credit support to these companies upto 100% of their total credit outstanding (both fund based and non-fund based outstanding) as on reference dates, subject to a cap of Rs. 1500 crore per borrower, whichever is lower.

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