#### GOVERNMENT OF INDIA MINISTRY OF CIVIL AVIATION LOK SABHA

UNSTARRED QUESTION NO.: 4328 (To be answered on the 19<sup>th</sup> March 2020)

# INCREASE IN REVENUE IN CIVIL AVIATION SECTOR

### 4328. SHRI PASHUPATI NATH SINGH

## Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

(a) whether the Government has taken any initiative to increase the revenue in civil aviation sector;

(b) if so, the field of said initiative;

- (c) the details of the sector in which the Government has succeeded in generating more revenue after the implementation of said initiatives, fieldwise;
- (d) the amount of revenue generated more in comparison to the last year as a result of the said success, sector-wise; and

(e) the reaction of the Government 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)

(a) & (b) Yes, Sir. The initiatives taken by the Government to increase the revenue in civil aviation sector and to strengthen it, include:-

i) Provide airport infrastructure through Airports Authority of India (AAI) and the private operators which helps airlines add more flights and hence revenue.

ii) Provide an efficient Air Navigation System in the Country that reduces congestion in air and on ground and hence reduces fuel consumption.

iii) Provide Viability Gap Funding and other concessions to selected airline operators under Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik) as per the scheme document.

iv) Reduction of Central Excise Duty applicable on ATF from 14% to 11%

w.e.f. 11th October 2018.

v) Rationalization of Goods and Services Tax provisions.

vi) Rationalization of Category-I routes under Route Dispersal Guidelines on the basis of criteria given in National Civil Aviation Policy - 2016.

vii) 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.

viii) Liberalization of domestic code share points in India within the

framework of Air Service Agreements.

- ix) Foreign Direct Investment (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 are 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.
- (c) to (e) The Government keeps a constant watch on the functioning of the civil aviation sector. However, the Ministry of Civil Aviation does not carry out detailed analysis of individual companies. The Ministry, however, reviews the functioning of Public Sector Undertakings under the Ministry of Civil Aviation in detail. The details of the revenue generated by AAI, Air India Ltd (AIL), Air India Express Limited (AIXL), Air India Air Transport Services Ltd. (AIATSL), Air India Engineering Services Ltd (AIESL) and Airline Allied Service Ltd (AASL) during the last two years are as under:

(Rs. in crores)

2017-18		2018-19
(i) AAI	12977	14133
(ii) AIL	23901	26431
(iii) AIXL	3920	4202
(iv) AIATSL	669	707
(v) AIESL	<b>741</b>	1206
(ví) AASL	602	836