

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2014
(To be answered on the 22nd September 2020)**

CRITERIA FOR PRIVATISATION OF AIRPORTS

2014. SHRI KUMBAKUDI SUDHAKARAN

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has set a criteria for airports to qualify for privatisation, such as passenger traffic size and so on;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has received representations citing concerns regarding the financial losses to Airports Authority of India in the long term due to airport privatization and if so, the details thereof; and
- (d) whether the Government proposes to tackle this financial loss and if so, the details thereof?

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): Selection of the airports in recently concluded Public Private Partnership (PPP) process in respect of six airports namely, Ahmedabad, Lucknow, Jaipur, Guwahati, Thiruvananthapuram and Mangaluru was based on qualitative and quantitative criteria. The details of criteria adopted are as under:

- (i) Quantitative criteria such as Revenue aspects i.e. total terminal area, growth rate in revenue, Cost aspects i.e. total operating cost, operating cost/PAX, operating cost/ terminal area and Commercial aspects i.e. total PAX, Total Air Traffic Movement (ATM), International PAX, Volume of Cargo, 15 year CAGR-PAX (Projection), 15 year CAGR-Cargo (Projection), city side land availability for real estate development.
- (ii) Qualitative criteria such as growth potential i.e. capacity utilization, expansion possibility & future development plan, location and economic attractiveness i.e. Net State Domestic Product, Urban Population in the influence area, Annual Exponential Growth rate.

(iii) In addition to the above, the trade-off between financial, commercial and socio-economic aspects were also borne in mind in this regard.

(c) & (d): No, Sir. There is no financial loss to AAI due to airport leasing rather it will generate huge returns to AAI. In order to meet the growing demand for airport infrastructure, participation of private sector is being encouraged so that AAI will not be required to invest in development of these airports. The funds generated from the revenue received from the concessionaire will be utilized for further development of other AAI airports.

Further, these projects will bring efficiency in delivery, expertise, enterprise and professionalism apart from harnessing the needed investments in the public sector. This will also result in enhanced revenues to the AAI, which may lead to further investment by AAI at Tier II and Tier III cities and economic development in these areas in terms of job creation and related infrastructure.
