

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 828
(To be answered on the 17th September 2020)**

IDENTIFICATION OF ROUTES

828. SHRI DIBYENDU ADHIKARI

Will the Minister of CIVIL AVIATION

वायु विमानत मंत्री

be pleased to state:-

- (a) whether air India has identified routes which are making profits and losses;
(b) if so, the details thereof, route-wise;
(c) the number of routes which are unable to meet profit thereof; and
(d) the reasons for incurring losses on a number of routes therein and action proposal to run small aircraft in lieu of bigones thereto?

ANSWER

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

वायु विमानत मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a): Yes Sir.

(b) & (c): Air India has done route economics analysis for the period April, 2019 to March, 2020. The details are annexed.

(d): Air India is a network carrier and operates to 56 domestic and 44 international destinations. Air India continuously monitors the market developments, performance of its flights and carries out studies with an objective to withdraw, to introduce new routes or increase / decrease frequency on existing routes. Air India has withdrawn flights which were not meeting their fuel/variable cost. However, Air India analyses the reasons for the losses and based on the strategic importance of such services to its network arrives at a decision whether to continue or withdraw such services. Also some domestic routes show losses but actually these routes feed connections to major routes so those cannot be withdrawn or replaced with smaller aircraft. Non-profitability of any single route is not taken in isolation only on its financial performance. However, the main reasons for incurring losses include inter-alia:

- i. Low demand on sectors
- ii. Competitive fares by the rival carriers
- iii. Cost of operations being higher as Air India is a full service carrier as compared to other airlines some of which are low cost carrier.

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Annexure
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Route economics of Air India flights for the period April, 2019 to March, 2020

Period (April, 2019 to March, 2020)	Domestic	International
No. of routes not meeting variable cost	101	10
No. of routes meeting variable cost but not meeting cost of EBITDAR	83	11
No. of routes meeting of cost of EBITDAR but not meeting EBIT cost	38	41
No. of routes meeting EBIT but not meeting Total cost	11	24
No. of routes meeting Total cost	09	12
