

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1687
(To be answered on the 11th February 2021)**

IATA FORECAST

1687. SHRI SHANMUGA SUNDARAM K.

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the International Air Transport Association (IATA) has reported that Indian airline industry may suffer a loss of \$1 billion during the current year due to Government's over-regulations and taxes and if so, the details thereof;**
- (b) whether the Government has conducted any study about the performance of the airline industry in India;**
- (c) if so, the details thereof and if not, the reasons therefor;**
- (d) whether the Government proposes to reduce taxes on foreign airlines and if so, the details thereof; and**
- (e) whether the airline industry is subject to double taxation at present as informed by the IATA 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): The International Air Transport Association (IATA)'s recent forecast of November 2020 reported that 'Passenger revenues' of both domestic and international airlines from Indian market were expected to fall by US\$ 15.1 billion in 2020 compared to 2019.

(b) to (c): Based on continuous monitoring of the operations of airline carriers since the global outbreak of Covid-19 pandemic and the reports received from airlines as well as studies of some independent bodies, it is seen that airline carriers have been severely affected, due to restrictions on domestic and international passenger movements, as per broad details given below:

(i) Domestic passenger traffic fell from 11,99,45,632 during March-December 2019 to 3,77,79,592 during March-December 2020, while international passenger traffic fell from 1,96,64,179 to 18,55,033.

(ii) Domestic air cargo handled fell from 1.15 million metric tonnes (MMT) during March-December 2019 to 0.72 MMT during March-December 2020, while international air cargo handled fell from 1.74 MMT to 1.19 MMT.

(iii) Revenues of major Indian scheduled carriers fell from INR 46,711 crore during April-September 2019 to about INR 11,810 crore during April-September 2020.

(d): The tax regime for Indian as well as foreign airlines has been substantially rationalized. In order to maintain a competitive tax regime for the growth of Indian aviation, the applicable taxes are reviewed and suitable changes are announced from time to time.

(e): IATA has informed that there is no incidence of double taxation in direct taxes in the cases of foreign carriers of countries with whom India has entered into 'Double Taxation Avoidance Agreements' (DTAAs).

However, in the case of Indirect taxes, IATA has suggested that bringing ATF under the ambit of GST would avoid provision of multiple taxes on ATF, viz. Central Excise by the Union Government and Sales Tax/ Value Added Tax by State Governments.
