

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 3788
(To be answered on the 18th March 2021)**

ANALYSIS OF AIRLINE COMPANIES

3788. SHRI G.M. SIDDESHWAR

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has done some analysis of airline companies in the country facing financial crunch in the recent past;
- (b) if so, the details thereof and if not the reasons therefor;
- (c) whether the Government is taking any steps to help these companies in the interest of passengers and the employees and if so, the details thereof and if not, the reasons therefor; and
- (d) the number of domestic routes which have been cancelled by such companies during the last three years due to non-profitability along with 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) and (b) Based on the information received from the stakeholders, the airline carriers have been affected due to restrictions on domestic and international passenger movement in the wake of the COVID-19 pandemic. In view of the mitigating measures taken by the Ministry, the aviation sector has recovered to some extent. The revenue of Indian carriers has increased from around INR 4,000 crore during April-June 2020 to over INR 12,000 crore during October-December 2020.

(c) The measures undertaken to strengthen the civil aviation sector, include inter-alia:

i. Domestic air services have been restarted in a calibrated manner. Initially, operations at level of 33% of the summer 2020 schedule was permitted. It has been increased progressively to 45% on 26 June 2020 and presently it is at 80% since 03 Dec 2020.

ii. Operation of Regional Connectivity Scheme (RCS) - UDAN (Ude Desh Ka Aam Nagrik) flights allowed without the above-mentioned restrictions.

iii. As on 01 March 2021, exclusive air-links or Air Bubbles have been established with 27 countries. These are temporary arrangements aimed at restarting international passenger services while regular international flights remain suspended due to COVID-19. In addition, international repatriation flights are being operated on many sectors under Vande Bharat Mission.

iv. Route rationalization in the Indian airspace in coordination with Indian Air Force for efficient airspace management, shorter routes and lower fuel consumption.

v. Promotion of private investments in existing and new airports through the PPP route.

vi. Goods and Services Tax (GST) rate reduced to 5% for domestic Maintenance, Repair and Overhaul (MRO) services.

vii. Enabled re-export of leased aircraft in fully or partly knocked-down condition for value realisation of serviceable parts.

viii. Encouraged Indian carriers to increase their share in international air cargo traffic.

ix. Adequate care taken to ensure that cargo terminals at airports were operational with due safety, whenever required.

x. With a view to optimally utilise the unused infrastructure at AAI airports and enhance the number of licensed pilots in the country, 05 AAI airports (Lilabari, Khajuraho, Belagavi, Kalaburgi and Jalgaon) have been identified where Flying Training Organisations would be permitted to operate with highly discounted concession fee and zero royalty.

(d) Airlines do not provide information to the Government with respect to cancellation of domestic routes due to non-profitability.
