

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 626
(To be answered on the 4th February 2021)

PRIVATISATION OF AIRPORTS

626. SHRI SUKHBIR SINGH JAUNAPURIA

Will the Minister of CIVIL AVIATION

नागर विमानतल मंत्री

be pleased to state:-

- (a) whether the Government is planning to hand over the airports to private companies;
(b) if so, the details thereof and the names of airports proposed to be handed over to private companies;
(c) whether the Government is likely to earn profit from revenue receipt earned through privatization of airports and if so, the details thereof including the percentage of profit-sharing between the Union Government and State Governments; and
(d) the details of the rules and formulated for the privatization of airports?

ANSWER

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

नागर विमानतल मंत्रालय में राज्य मंत्री (स्वतंत्र पक्ष)

(Shri Hardeep Singh Puri)

(a) & (b): Airports Authority of India (AAI) has recently awarded six airports namely Ahmedabad in Gujarat, Jaipur in Rajasthan, Lucknow in Uttar Pradesh, Guwahati in Assam, Thiruvananthapuram in Kerala and Mangaluru in Karnataka for Operations, Management and Development under Public Private Partnership (PPP) for a period of 50 years.

(c) : The per passenger fee (PPF) was the bidding parameter for recently held PPP of six AAI airports. Post PPP, the estimated net benefits accruing to AAI are more than the net benefits had AAI continued to operate the six airports on its own. The profitability of AAI will continue to increase year after year, as PPF is indexed to the Consumer Price Index (CPI). AAI will also get back their investment in these six airports to the tune of Rs 2299 Cr. as upfront payment which can be used for development of airport infrastructure by AAI at Tier II and Tier III cities. Moreover, AAI is not required to incur any CAPEX and OPEX at these airports during the lease period. Hence, there is a tangible economic advantage to AAI by leasing these airports.

(d) : The details of the parameters formulated for PPP of airports inter-alia include:-

(I) Quantitative criteria such as:

- (i) Revenue aspects i.e. total terminal area, growth rate in revenue, Occupancy rate-Retail Area.
(ii) Profitability aspects i.e. total revenue, total operating cost, Operating Cost/PAX, Operating Cost/Terminal Area.
(iii) Commercial aspects i.e. total PAX, Total Air Traffic Movement (ATM), International PAX, Volume of Cargo, projected 15 year Compounded Annual Growth Rate (CAGR)-PAX, projected 15 year CAGR-Cargo, city side land availability for real estate development.

(II) Qualitative criteria such as:

- (i) Growth potential i.e. capacity utilization, expansion possibility & future development plan,
(ii) Location and Economic attractiveness i.e. Net State Domestic Product, Urban Population in the influence area), Annual Exponential Growth rate.
