

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
STARRED QUESTION NO. : 252  
(To be answered on the 5<sup>th</sup> August 2021)**

**STIMULUS PACKAGE FOR AVIATION INDUSTRY**

**\*252. SHRI N.K. PREMACHANDRAN**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

- (a) whether the Government proposes to announce/offer a stimulus package for aviation industry for overcoming the crisis due to Covid-19 and if so, the details thereof;
- (b) whether the Government proposes to reduce the taxation on Aviation Turbine Fuel and if so, the details thereof;
- (c) whether the Government proposes to include taxation of Aviation Turbine Fuel in GST and if so, the details thereof;
- (d) whether airfare charged by the airlines is not affordable to the common people; and
- (e) if so, the steps taken/proposed by the Government to make the airfare including the airfare being charged for Gulf countries affordable?

**ANSWER**

**Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**(Shri Jyotiraditya M. Scindia)**

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**(a) to (e) : A Statement is laid on the Table of the House.**

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**STATEMENT IN RESPECT OF LOK SABHA STARRED QUESTION NO. 252 REGARDING "STIMULUS PACKAGE FOR AVIATION INDUSTRY" TO BE ANSWERED ON 05.08.2021.**

**(a) The Government has taken various steps aimed to help civil aviation sector overcome the crisis due to COVID-19, which include:**

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

**(ii) Goods and Services Tax (GST) rate reduced to 5% from 18% for domestic Maintenance, Repair and Overhaul (MRO) services.**

**(iii) A calibrated increase of the domestic aviation.**

**(iv) As on date, exclusive air-links or Air-Bubbles have been established with 28 countries with the objective of restarting international passenger services while regular international flights remain suspended due to COVID-19.**

**(v) Stipulating fare-band for the airlines**

**(vi) Benefits under Emergency Credit Line Guarantee Scheme (ECLGS) 3.0 have been extended to civil aviation sector.**

**(b) and (c): The decision to include Aviation Turbine Fuel (ATF) under GST rests with the GST Council.**

**(d) and (e): Ministry of Civil Aviation launched Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik) on 21-10-2016 to stimulate regional air connectivity and making air travel affordable to the masses. The airfares on Gulf-Kerala routes under the air bubble are generally comparable with the fares charged by the airlines in pre-COVID times (Summer 2019 schedule).**

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