

GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 2854  
(To be answered on the 5<sup>th</sup> August 2021)

GROWTH OF DOMESTIC AVIATION MARKET

2854. SHRI KOTHA PRABHAKAR REDDY  
SHRI MANNE SRINIVAS REDDY  
SHRI KOMATI REDDY VENKAT REDDY

Will the Minister of CIVIL AVIATION  
नागर विमानन मंत्री

be pleased to state:-

- (a) whether India's domestic air passenger market is expected to double its size by 2030 and if so, the details thereof; and  
(b) the road map worked out/implemented so far and the future action plan prepared along with the suggestions received/action taken from the concerned agencies?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(GEN. (DR) V. K. SINGH (RETD))

(a) Yes Sir. Before the Covid-19 pandemic, India was one of the fastest growing aviation markets in the world due to a growing economy, growth in regional connectivity, intense competition among airlines, competitive airfares and rising demand to travel. Domestic air passenger throughput (total footfalls at airports from domestic flights) grew by 21.5% in 2016-17, 18.3% in 2017-18 and 13.1% in 2018-19. Thereafter domestic throughput fell by 0.3% in 2019-20 and by 61.7% in 2020-21 due to the Covid-19 pandemic.

Given the low traffic base in 2021-22, the domestic air passenger market is expected to double over the next few years, as the impact of the Covid-19 ebbs. The subsequent waves of Covid-19 (should they happen) could have lesser adverse impact than in the past as the number of fully-vaccinated people grows, traffic curbs are relaxed and the general demand to travel increases.

- (b) The measures taken by the Government to facilitate the growth of the civil aviation sector include: -  
i. Benefits under Emergency Credit Line Guarantee Scheme (ECLGS) 3.0

extended to civil aviation sector.

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

iii. GST on Maintenance, Repairs and Overhaul (MRO) in aviation has been reduced from 18% to 5% with full Input Tax Credit from 1 April 2020.

iv. Exclusive air-links or 'Air Bubbles' have been established with 28 countries.

v. Private investments is being facilitated in existing and new airports through the PPP route.

vi. Indian carriers have been encouraged to induct more wide body aircraft and freighters.

vii. Significant tax incentives and other benefits offered to aviation leasing companies located in GIFT City

viii. Agreements have been signed between Airports Authority of India (AAI) and Flying Training Organisations for establishment of eight flying training academies at five AAI airports, namely Belagavi, Jalgaon, Kalaburgi, Khajuraho and Lilabari. These agreements provide for zero airport royalty charges and rationalised land rentals.

ix. AAI plans to offer land for Maintenance, Repairs and Overhaul (MRO) sector with zero airport royalty charges and rationalised land rentals at eight AAI airports. The government plans to continue with the above-mentioned measures. In addition it plans to carry out the following actions:

i. Conclude the disinvestment of Air India and Pawan Hans.

ii. Enhance airport capacity by way of PPP projects - both greenfield and brownfield.

iii. Facilitate commencement of new routes under the Regional Connectivity Scheme (UDAN).

iv. Promote all modes of air travel - heliports and water-aerodromes.

v. Enable 'examination on demand' for ab-initio pilots for their Commercial Pilot Licence.

vi. Enable e-governance at Directorate General of Civil Aviation (DGCA) and Bureau of Civil Aviation Security (BCAS) for most of their stakeholder interactions and internal processes.

\*\*\*\*\*