

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 659
(To be answered on the 22nd July 2021)**

AVIATION MARKET IN INDIA

659. SHRI SHANKAR LALWANI

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether India is the fastest growing aviation market in the world;**
- (b) if so, whether the Government has formulated any special scheme to boost the market move rapidly;**
- (c) whether the Government proposes to formulate any scheme such as air taxi;**
- (d) if so, the time by which it is likely to be done;**
- (e) whether the Government proposes to operationalise all small unserved airports in the country to promote inter-state air travels; and**
- (f) if so, the time by which it is likely to be done along with the number of airports identified and the number of airports on which work is under progress till date?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

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

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- (a) Yes Sir. India is one of the the fastest growing aviation markets in the world. India is already the 3rd largest domestic aviation market.**
 - (b) Efforts have been made to support the aviation sector in the country. Some of the measures taken are as under:**
 - 1. Provide airport infrastructure through Airports Authority of India and the private operators.**
 - 2. Provide an efficient Air Navigation System.**
 - 3. Regulate the aviation industry through Directorate General of Civil Aviation to ensure safety standards.**
 - 4. Coordinate with stakeholders to resolve issues.**
 - 5. Provide Viability Gap Funding and other concessions to selected airline operators under Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik) as per the scheme document.**
 - 6. Reduction of Central Excise Duty applicable on ATF from 14% to 11%**

w.e.f. 11 October 2018 and rationalization of Goods and Services Tax (GST) provisions across aviation services.

7. Modified the requirement for 5/20 and all airlines can commence international operations provided that they deploy 20 aircraft or 20% of total capacity (in terms of average number of seats on all departures put together) whichever is higher for domestic operations.

8. Liberalized domestic code share points in India within the framework of Air Service Agreements.

9. 100% Foreign Direct Investment (FDI) under automatic route allowed in brownfield airport projects. FDI for Scheduled Air Transport Service/ Domestic Scheduled Passenger Airline has been allowed upto 49% under automatic route. For Non-Resident Indians (NRIs), 100% FDI will continue to be allowed under automatic route. Foreign airlines would be allowed to invest in capital of Indian companies operating scheduled and nonscheduled air transport services up to the limit of 49% of their paid up capital, subject to the condition, inter alia, that the scheduled and non-scheduled operators permit would be granted only to a company with substantial ownership and effective control of which is vested in Indian nationals.

10. Government of India provides some financial assistance to Air India.

11. Permit 100% FDI in MRO on automatic route.

12. Encourage Indian carriers to increase their share in international air cargo traffic.

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

(c) and (d) No such proposal is under consideration.

(e) and (f) Ministry of Civil Aviation has 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. UDAN is market driven scheme. So far under RCS scheme 359 routes are operational out of 59 airports.
