

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1957
(To be answered on the 9th December 2021)**

FINANCIAL CONDITION OF AVIATION SECTOR

1957. SHRIMATI POONAMBEN MAADAM

Will the Minister of CIVIL AVIATION

तागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has assessed the financial condition of aviation sector and if so, the details thereof**
- (b) whether there is any plan to revive the sector and if so, the details thereof**
- (c) whether the Government has any mechanism to understand operational issues in private airlines; and**
- (d) if so, the steps taken to resolve them?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

तागर विमानन मंत्रालय में राज्य मंत्री

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

(a) The aviation sector in India has been affected due to severe disruption caused by the COVID-19 pandemic. The estimated losses incurred by Airlines and Airports in India in the financial year 2020-21 is approximately Rs.19,564 crore and Rs. 5,116 crore respectively.

(b) Some of the measures taken by the Government to revive the civil aviation sector include the following:

(i) Due to the outbreak of COVID 19, scheduled domestic operations were suspended w.e.f. 25.03.2020 which were subsequently resumed in a calibrated manner w.e.f. 25.05.2020 with 33 percent of the capacity and fare capping (lower and upper limit on different sector) to ensure that airlines do not charge excessive fare. The fareband serves the dual purpose of protecting the interests of the travellers as well as the airlines. Evaluating the emerging scenario of the Covid-19 pandemic, the capacity restrictions have been relaxed w.e.f. 18.10.2021 and the domestic operations have been restored without any restrictions on capacity deployment.

(ii) MoCA has launched Regional Connectivity Scheme (RCS)- UDAN (Ude Desh ka Aam Nagrik) scheme on 21.10.2016 for providing connectivity to unserved and under-served airports of the country and by making air travel

affordable to the masses. As on date, 395 UDAN routes have been operationalized involving 63 unserved/underserved airports including 6 heliports and 2 water aerodromes.

(iii) Airports Authority of India (AAI) has taken up a development programme to spend around INR 25,000 crores in next five years for expansion and modification of existing terminals, new terminals, expansion or strengthening of existing runways, aprons, Airport Navigation Services (ANS), control towers, technical blocks etc.

(iv) Three Public Private Partnership (PPP) airports at Delhi, Hyderabad and Bengaluru have undertaken major expansion plan to the tune of INR 30,000 Crores by 2025. Additionally, INR 36,000 Crores have been planned for investment in the development of new Greenfield airports across the country under PPP mode.

(v) Government of India (GoI) has accorded 'in-principle' approval for setting up of 21 Greenfield Airports across the country. So far, eight Greenfield airports namely, Shirdi in Maharashtra, Durgapur in West Bengal, Pakyong in Sikkim, Kannur in Kerala, Orvakal in Andhra Pradesh, Kalaburagi in Karnataka, Sindhudurg in Maharashtra and Kushinagar in Uttar Pradesh have been operationalized.

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

(vii) A conducive aircraft leasing and financing environment has been enabled.

(viii) Improvement in air navigation infrastructure at Indian airports is being carried out.

(ix) The number of freighter aircraft deployed by Indian carriers has increased from 7 in 2018 to 28 in 2021. As a result the share of Indian carriers in international freighter movements to and from India increased from 2% to 19% over the last two years.

(c) and (d) The Ministry of Civil Aviation (MoCA) has constituted advisory groups for airlines, airports, cargo, Maintenance, Repair and Overhaul (MRO) and Flying Training Organisations (FTO) under the chairmanship of the Hon'ble Minister of Civil Aviation. Meetings are held on a regular basis. This mechanism enables open dialogue between the Government and the aviation industry and helps the Government in understanding their operational issues.
