

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Lok Sabha**

**UNSTARRED QUESTION NO. : 4701
(TO BE ANSWERED ON THE 31st March 2022)**

LOSS OF INDIAN AVIATION INDUSTRY

4701. SHRI VIJAY KUMAR (ALIAS) VIJAY VASANTH

Will the Minister of CIVIL AVIATION

be pleased to state:-

- (a) whether the net loss of the Indian Aviation Industry has been greatly increased due to Covid-19 pandemic and steep rise in the prices of jet fuel in the recent days due to Ukraine-Russian war;**
- (b) if so, the details of losses incurred by the major airlines during the last three years, year-wise;**
- (c) whether the Government proposes to provide any special package to the aviation sector to cope with the mounting losses and to protect the industry;**
- (d) if so, the details thereof; and**
- (e) if not, the reasons therefor?**

ANSWER

**Minister of State in the Ministry of CIVIL AVIATION
(GEN. (DR) V. K. SINGH (RETD))**

(a) and (b) Based on the inputs received from the major Indian airlines, the approximate losses during the last three years are as follows:

Year	Loss (Rs. in crores)
2018-19	10,212;
2019-20	12,729;
2020-21	18,426;;

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The losses have been caused due to various reasons, including the Covid-19 pandemic.;;;

The approximate price of Aviation Turbine Fuel (ATF) at Delhi is as follows;

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Date	Price per litre (Rs.);
1st January 2022	76.1;
16th January 2022	79.3;
1st February 2022	86.0;
16th February 2022	90.5;
1st March 2022	93.5;
16th March 2022	110.7;

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One of the contributing reasons for this price increase is the Ukraine-Russian war. Since cost of ATF accounts for approximately 40% of the operational cost of airlines, this price escalation may have an adverse impact on the financial results of the airlines.

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

(i) The issue of reduction of VAT on ATF has been taken up with the States/UTs. Till 15th March 2022, the following 12 States/UTs have reduced VAT on ATF:

Andaman & Nicobar Islands, Dadar & Nagar Haveli and Daman & Diu, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Ladakh, Karnataka, Madhya Pradesh, Tripura, Uttar Pradesh and Uttarakhand.;

(ii) To reduce congestion at airports and to address the challenge of sub-optimal infrastructure, Airports Authority of India (AAI) has taken up development of new and existing airports with a projected capital expenditure of around Rs. 25,000 crores by year 2025. This includes construction of new terminals, expansion and modification of existing terminals, expansion and/ or strengthening of existing runways, aprons, Airport Navigation Services (ANS) infrastructure, control towers and technical blocks etc.;

(iii) The Public Private Partnership (PPP) airports at Delhi, Hyderabad and Bengaluru are undertaking major expansion projects of around Rs. 30,000 crores by 2025. Additionally, Rs. 36,000 crores

have been planned for investment in the development of new Greenfield airports across the country under PPP mode.;

(iv) The Government has extended the Emergency Credit Line Guarantee Scheme to the airlines. The scheme provides for 100% guarantee to member lending institutions in respect of eligible credit facility extended by them to their borrowers in the civil aviation sectors, namely scheduled and non-scheduled airlines, chartered flight operators, air ambulances, airports and ground handling units, subject to the conditions mentioned therein.

(v) 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 from 25.05.2020 with fare capping (lower and upper limit on different sector) and capacity cap to ensure that airlines do not charge excessive fare and the journey is performed only for essential purpose. The fare band serves the dual purpose of protecting the interests of the travelers as well as the airlines.

(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 is being carried out to enable better utilization of airspace and airport capacity.
