

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Lok Sabha
UNSTARRED QUESTION NO. : 2959
(TO BE ANSWERED ON THE 8th August 2024)
CUSTOMS COST RECOVERY IN KIAL

2959. SHRI K SUDHAKARAN

Will the Minister of CIVIL AVIATION

be pleased to state:-

- (a) whether the Government has received any request from Kannur International Airport Limited (KIAL) to waive the customs cost recovery charges for cargo operations;**
- (b) if so, the details thereof;**
- (c) whether the Government is aware that the high demand for cargo services in the catchment area of Kannur airport was not met due to the absence of wide-body aircraft and limited capacity due to narrow-body aircraft and if so, the details thereof; and**
- (d) whether the Government proposes to consider the request of KIAL for waiver of customs cost recovery charges for cargo operations and if so, the details thereof?**

ANSWER

**Minister of State in the Ministry of CIVIL AVIATION
(Shri Murlidhar Mohol)**

(a) to (d) Yes. The Ministry of Civil Aviation (MoCA) has received request from Kannur International Airport Limited (KIAL) to waive the Customs Cost Recovery Charges (CCRC) for cargo operations.at Kannur Airport.

The waiver from payment of cost recovery charges is governed by provisions prescribed in Circular No. 02/2021-Customs dated 19.01.2021 issued by Central Board of Indirect Taxes and Customs (CBIC), Department of Revenue, Ministry of Finance. The exemption from the cost recovery charges can only be granted to a facility if it meets the desired performance benchmarks as stipulated and

subject to other conditions prescribed in the said Circular. KIAL is not eligible for waiver of CCRC as it does not meet the stipulated minimum benchmarks.

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Further, with the repeal of the Air Corporation Act in March 1994, Indian domestic aviation has been deregulated. Airlines are free to induct capacity with any aircraft type, free to select whatever markets and network they wish to service and operate in compliance of Route Dispersal Guidelines(RDGs) issued by the Government and flight schedules approved by the Directorate General of Civil Aviation (DGCA). Thus, it is up to the airline operators to consider the capacity of air services to/from any city in the country depending on their operational and commercial viability.
