

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2448
(To be answered on the 13th March 2025)**

IMPACT OF RCS-UDAN

2448. SHRI SHASHANK MANI

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has implemented measures under the Regional Connectivity Scheme (RCS) -UDAN to ensure the sustainability and operational efficiency of newly developed airports and expand connectivity to underserved areas and if so, the details thereof;
- (b) whether the Government has taken any steps to ensure affordable airfares on RCS routes while supporting the financial viability of airline operators and if so, the details thereof along with the support mechanisms/incentives provided; and
- (c) whether it is true that the said scheme has contributed to regional economic development and passenger growth and if so, the details thereof along with the number of routes introduced and economic benefits recorded in the connected regions?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Murlidhar Mohol)

(a): In order to improve long term sustainability of the routes under the UDAN Scheme, the following approach is adopted:

1.To leverage the expertise of the relevant State Government in their respective regions, they have been requested to identify and prioritize high-potential aerodromes that can be developed and operationalized. This initiative aims to ensure a more efficient and strategic approach to the expansion of aviation infrastructure, capitalizing on local knowledge and available resources.

2.In order to further increase the routes operationalized viz a viz the routes awarded, airlines have been asked to submit business plans for

timely operationalization, prior to the award of the route. The Implementing Agency has also been publishing the list of prioritized aerodromes that are ready or ready within 6 months.

Finally, eligible routes that were discontinued in the past rounds due to various reasons such as airline failure, have also been re-bid, awarded and operationalized in the subsequent rounds. This is an evolving process.

(b): Promoting affordability of regional air connectivity is envisioned under UDAN by supporting Selected Airline Operators (SAOs) through concessions by the Central Government, State Governments/UTs and airport operators to reduce the cost of operations on regional routes and providing financial (Viability Gap Funding or VGF) support to meet the gap. The airfare on the RCS seats on which VGF is provided to the Selected Airline Operators (SAOs) for a period of 3-years, is capped at a subsidized rate, and indexed at every quarter.

(c): During the last seven years after commencement of the scheme, 619 RCS routes connecting 88 unserved and underserved airports (including 13 heliports & 02 water aerodromes) have been operationalized till date. Total domestic passengers travelled through RCS-UDAN are more than 149 lakhs connecting 2.97 Lakh RCS flights till date.

UDAN has provided an impetus to economic development of remote regions and contributed to a more equitable and inclusive growth in economic activity across the country. It has provided a boost to businesses with enhanced connectivity to industrial hubs, tourist destinations and made trade more efficient. As per an ICAO study - "Economic Benefits of Civil Aviation: Ripples of Prosperity", the output and employment multipliers of aviation are 3.25 and 6.10 respectively. This implies that every 100 Rupees spent on air transport contributes to 325 Rupees worth of benefits, and every 100 direct jobs in air transport result in 610 jobs in the economy as a whole.
