

(b) whether it is also a fact that while Tata & Sons are carrying out a re-evaluation of the situation in terms of financial viability, they wish to continue and are in search of a willing international partner; and

(c) if so, the latest position of the case?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE):

(a) The Air India disinvestment did suffer a setback due to Singapore Airlines Limited (SIA) pulling out of the bidding process. The reasons stated by SIA for their withdrawal are:

i. Intensity of opposition to the privatisation of Air India from various quarters including certain sections of political groups, trade unions and the media;

ii. Slowdown of the world economy affecting the international airline business; and

iii. SOA's investments in Australasia demanding more attention and requiring commitment of substantial financial resources.

(b) and (c) Tata Sons Limited have intimated that in the light of SIA's decision to withdraw from the Tata-SIA consortium, they are assessing the new situation following which they will revert to the Government in the matter. So far, Government has not received any response from Tata Sons Limited.

Disinvestment process *vis-a-vis* global economy

10. SHRI PREMCHAND GUPTA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that in the present situation, with the stock market indices hovering around a ten years low levels and the global economy on the brink of recession, the decision to push for disinvestment process is not economically sound; and

(b) if so, Government's views in this regard?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE):

(a) No, Sir.

(b) In case of strategic sale of PSUs, the strategic partners are expected to take a long-term view of the company. The decision to disinvest is taken and the mode and timing of disinvestment finalised keeping all relevant considerations in mind.