

(b) Air India had presented various cost cutting measures before the GoMs which is aimed at savings of Rs. 1911 crores.

(c) and (d) The GOMs deliberations have not been discussed with the employees unions as yet.

#### **Cargo hubs**

18. SHRI MOHD. ALI KHAN: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Air India would build cargo hubs in some parts of the country;
- (b) if so, the details thereof and the parameters adopted therefor; and
- (c) the financial allocations in this regard in the Eleventh Five Year Plan?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL):  
(a) to (c) Air India is in the process of formalising the establishment of a full fledged Cargo Strategic Business Unit (SBU) and is examining the various options of its Cargo Marketing, Sales and Operations activities.

#### **Losses of Air India**

19. SHRI R.C. SINGH:  
SHRI D. RAJA:  
SHRI GOVINDRAO WAMANRAO ADIK:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that the Air India has been running a loss since 2006-07;
- (b) if so, the details of the financial position of this company since 2006-07 and the reasons therefor;
- (c) whether Government is considering a proposal to demerge Air India and Indian Airlines to pull out of the present crisis being faced by this organisation; and
- (d) if so, the details thereof and if not the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL):  
(a) and (b) Yes, Sir. Air India had incurred a loss of Rs. 447.43 crores (pre-merger), Rs. 2226.16 crores (after merger) and Rs. 5548 crores during financial year 2006-07, 2007-08 and 2008-09 respectively. The reasons for losses are mainly due to the prevalent economic recession and low yields and load factors coupled with higher fuel costs.

(c) No, Sir.

(d) On completion of merger, the airline would be better equipped to survive and prosper amidst fierce global and domestic competition and leverage their combined asset and capital base. Against the projected synergy benefit of Rs. 996 crores spread over a period of two years, an amount of Rs. 503 crores have been realised as synergy benefits in the first year of the integration process.