

Losses to Indian Airlines

809. DR. K.V.P. RAMACHANDRA RAO:

DR. MANOHAR JOSHI:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that Indian Airlines has suffered continuous losses during the last three years and as a result thereof its market share has been falling steadily;
- (b) if so, the estimated losses suffered during that period;
- (c) the reasons for such losses; and
- (d) the steps taken by Government to improve the situation?

THE MINISTER OF CIVIL AVIATION (SHRI VAYALAR RAVI): (a) to (c) Yes, Sir. Air India has incurred losses to the tune of Rs.2226.16 crores, Rs. 5548.26 crores and Rs. 5552.44 crores during 2007-08, 2008-09 and 2009-10 respectively. The losses during the first half of 2010-11 are Rs.3450.57 crores. The losses are mainly on account of increase in fuel prices, increase in interest and depreciation costs, increase in wage bill and increase in leasing and maintenance cost.

(d) Government has infused an amount of Rs.2000 crores as equity in Air India and also directed the airlines to undertake several measures to enhance its performance which is closely monitored.

Negotiation on totalisation agreement

810. SHRI MOHD. ALI KHAN: Will the Minister of OVERSEAS INDIAN AFFAIRS be pleased to state:

- (a) whether country has stepped up pressure on the US to start negotiations on a totalisation agreement that would exempt Indians working for a short period in the country from making social security contributions there;
- (b) if so, the details thereof; and
- (c) the reaction received so far?

THE MINISTER OF OVERSEAS INDIAN AFFAIRS (SHRI VAYALAR RAVI): (a) to (c) This Ministry initiated exploratory discussions regarding India - US Totalisation Agreement with the United States Social Security Administration (US SSA) in December, 2007. Three rounds of informal discussions have taken place since December, 2007. However, US has refused to start formal negotiations. In the first two rounds held in December, 2007 and June, 2008 the US side had adopted a rigid technical stand that the Indian social security system was not compatible with that of the US and did not meet the requirements of Article 233 of their Social Security Act.