

for the last two months. If it internal, we, certainly, will have to workout from the various alternatives that are available to us. But, it is of paramount interest to everyone of us that all those who go outside the country seeking work, their welfare has to be safeguarded and they should be assisted in every possible manner.

Earnings and expenditure of Air India

*65. SHRI SANJAY RAUT: Will the Minister of CIVIL AVIATION be pleased to states:

- (a) the present position of Air India's earnings and its expenditure; and
- (b) the details of steps taken or proposed to be taken by Air India to trim its unwanted expenditure?

THE MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE (SHRI V. NARAYANASAMY):

(a) and (b) A Statement is laid on the Table of the House.

Statement

(a) As per the current revenue collections, the monthly collection is around Rs. 1100 crores whereas the expenditure is Rs. 1700 crores, thus leaving a gap of Rs. 600 crores.

(b) Air India has taken a series of measures for reducing costs. These include rationalization of certain loss making routes, return of leased aircraft, phasing out of old fleet, reduction in contractual employment & outsourced agencies, fuel savings through critical analysis of fuel consumption, optimization of aircraft utilization, closure of foreign stations, offline offices, etc.

SHRI SANJAY RAUT: Sir, in the written statement, the figures show that there is a big gap between revenue and expenditure. Our national carrier is in intensive care unit. Sir, Air India's financial position is very bad. It has gone into bankruptcy because of a wrong policy decision being taken by the Government permitting more foreign airlines to operate their flights in our country. The Government has entered into many bilateral agreements with foreign airlines, which are not fruitful for Air India. Due to such bilateral agreements, Air India's earlier profitable international routes have been reduced drastically. Sir, my question is very simple. I would like to know whether the Government is considering cancelling and reviewing such bilateral agreements for the benefit of Air India.

SHRI V. NARAYANASAMY: Sir, I may be permitted to reply on behalf of the hon. Minister.

MR. CHAIRMAN: Okay.

SHRI V. NARAYANASAMY: Sir, the hon. Member has mentioned that the Government has entered into bilateral agreements with other countries for operating their airlines in our country. He says that this is one of the reasons for the losses being incurred by Air India. This is the question put by the hon. Member. Sir, I would like to very humbly submit to this august House that there are several factors which are responsible for this. I would like to submit that as far as losses are concerned, basically, there are five or six major factors. First, there has been abnormal increase in aviation fuel prices in the international market which affects our country. ...*(Interruptions)*...

SHRI RAVI SHANKAR PRASAD: What about other airlines? ...*(Interruptions)*...

MR. CHAIRMAN: Please allow the question to be put. ...*(Interruptions)*...

SHRI V. NARAYANASAMY: Secondly, Sir, ...*(Interruptions)*...

SHRI RAVI SHANKAR PRASAD: People are not getting their salaries. ...*(Interruptions)*... It is a pitiable situation. ...*(Interruptions)*... I am very sorry to say that. ...*(Interruptions)*...

SHRI V. NARAYANASAMY: Secondly, it has been open to competition. Private airlines are also there. Budget airlines have come into operation. Because of competition, more seats are available, but the capacity is not being filled. This is the second reason. Thirdly, there is an increase in wages and overhead costs. Fourthly, ...*(Interruptions)*...

SHRIMATI BRINDA KARAT: Sir, wages are not being paid. ...*(Interruptions)*...

SHRI V. NARAYANASAMY: Kindly bear with me and hear me. ...*(Interruptions)*... Kindly hear me. ...*(Interruptions)*... You may put supplementaries; I am prepared to answer all of them. ...*(Interruptions)*...

MR. CHAIRMAN: Allow the answer to be completed. ...*(Interruptions)*...

SHRI V. NARAYANASAMY: Sir, the working capital loan interest has to be paid by the Government. For the purchase of aircraft, amount has been borrowed by the Government, and on

that also, interest has to be paid. It is being paid every month to them. Sir, cumulatively, ...*(Interruptions)*... all these things led to ...*(Interruptions)*... It has been mentioned in the reply that income earned every month is Rs. 1100 crores. The expenditure is about Rs. 1700 crores. Every month the deficit is about Rs. 600 crores. ...*(Interruptions)*... Therefore, the hon. Prime Minister has constituted a GOM. The GOM is going into all these factors. The first is about the turnaround plan. ...*(Interruptions)*... The second point is about financial restructuring. The GOM is going into it. ...*(Interruptions)*... It has constituted a Committee. ...*(Interruptions)*... By shouting, you cannot get any reply here. ...*(Interruptions)*... You have to hear me. ...*(Interruptions)*... Kindly hear me. ...*(Interruptions)*... Kindly hear me and then put your supplementaries. I am prepared to answer all the questions. ...*(Interruptions)*...

MR. CHAIRMAN: Please sit down. ...*(Interruptions)*...

SHRI V. NARAYANASAMY: Therefore, the GOM is going into it. ...*(Interruptions)*... Sir, we have also employed an agency for the purpose of getting a technical report. The report has also come. Sir, the GOM has conducted several meetings. ...*(Interruptions)*... Several meetings were conducted by the GOM. ...*(Interruptions)*... Sir, the report will be submitted by the GOM within a very short time. ...*(Interruptions)*... After that, the Government will take a decision. Therefore, Sir, the Government is alive to the problem. ...*(Interruptions)*...

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO STARRED QUESTIONS

Visit of US Secretary of State

†*ॐ. SHRI MOHAN SINGH: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) whether US Secretary of State, Hillary Clinton, came on a two day visit to India in July, 2011;
- (b) if so, whether discussion was held on the issue of strategic partnership with USA;
- (c) if so, the main points thereof;
- (d) whether US considers India as its main strategic partner in South Asia and would stop the military assistance to Pakistan;

†Original notice of the question was received in Hindi.