

Civil Aviation with Finance Secretary, Financial Services Secretary, M/o Petroleum & Natural Gas DGFT and Joint Secretary, Civil Aviation to discuss the factors causing stress in civil aviation and to suggest solutions to the same. Based on the recommendation of the Working Group, the Government has taken several measures to revive the aviation industry, reduce the economic losses and ensure long term viability of the sector:

- (i) Director General of Foreign Trade has allowed direct import of ATF by airlines on actual user basis.
- (ii) FDI by foreign airlines in the domestic scheduled and non scheduled carrier has been permitted upto 49 percent of their paid up capital.
- (iii) ECB upto \$ USD 1 billion has been permitted for the airlines to meet their working capital requirement.
- (iv) The State Govt. has been persuaded to reduce the VAT on ATF. As a result, Govt. of Maharashtra, Govt. of Rajasthan, Government of Chhatisgarh, Govt. of Jharkhand and Govt. of West Bengal has reduced the VAT on ATF with certain conditions.

Profits and losses of airlines operators in the country

1863. SHRI ISHWAR SINGH:

SHRI N.K. SINGH:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the details of the profits and losses of public and private airline operators in India over the last three years;
- (b) whether it is a fact that most airline operators in India have been recording losses for the last three years;
- (c) if so, the reasons therefor;
- (d) whether Government is proposing to assess and improve the situation to enable airline operators in India to function effectively; and
- (e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI K. C. VENUGOPAL): (a) and (b) Air India suffered a loss of Rs. 2226.16 crore in

2007-08, Rs. 5548.26 crore in 2008-09, Rs. 5552.44 crore in 2009-10, Rs. 6865.17 crore in 2010-11, Rs. 7560 crore in 2011-12 and Rs. 5,199 crores (provisional) in 2012-13. The Ministry of Civil Aviation does not maintain records on financial performances of private airlines. However, as informed by Jet Airways and Spicejet, they have also incurred losses in the last financial year.

(c) The spiraling cost of Aviation Turbine Fuel (ATF), global economic slow down, low yield due to intense competition and consequent widening gap between revenue and expenses and depreciation of rupee have contributed to financial crisis of the airline sector. Over the years, the operational costs for the airlines have gone up mainly due to increase in fuel prices and depreciation of Rupee. Further, the airport/user development fees have gone up for some major airports. The service tax has also increased in FY.

(d) and (e) A Working Group was constituted under the Chairmanship of Secretary, Civil Aviation with Finance Secretary; Secretary, Financial Services; Secretary, M/o Petroleum and Natural Gas; DGFT and Joint Secretary, Civil Aviation to discuss the factors causing stress in civil aviation and to suggest solutions to the same. Based on the recommendation of the Working Group, the Government has taken several measures to revive the aviation industry and ensure long term viability of the sector:

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**Development work of Naini-Sani airstrips at
Pant Nagar in Uttarakhand**

†1864. SHRI MAHENDRA SINGH MAHRA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether extension and development works of Pant Nagar and Naini-Sani airstrips in Uttarakhand is under progress;

†Original notice of the question was received in Hindi.