

Permission to import aviation turbine fuel

2639. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) with the worsening financial position of the Air India, requiring time-to-time massive funds from taxpayers' money, coupled with fiasco of Kingfisher Airlines, how the Government is thinking of improving the cost environment for airlines to survive;

(b) apart from lack of proper business model, what are the other factors that even professionally run airlines are also struggling to survive; and

(c) whether the permission to import Aviation Turbine Fuel is given as relief to airlines?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI K.C. VENUGOPAL) : (a) The Government has taken several measures to reduce the operating cost of airlines. Some of these include allowing direct import of Aviation Turbine Fuel for Indian Carriers as actual users, allowing foreign airlines to, participate upto 49 percent in the equity of an air transport undertaking, allowing ECB for working capital requirement of airline industry for a period of one year, subject to a total ceiling of US \$ 1 billion and tax concession for parts of aircraft and testing equipment for third party maintenance, repair and overhaul of civil aircraft

(b) 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 contribute to financial crisis of the airline sector.

(c) Sourcing of ATF through direct import has the potential to lower the overall procurement cost of ATF for the airlines facilitating in substantial savings in fuel cost and to bring down the cost of their working capital, as suppliers credit at lower interest rates will be feasible.

Purchase of Aircrafts under NSOPS category

2640. DR. CHANDAN MITRA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether certain cases of purchase of aircrafts under Non-Scheduled

Operators (NSOPs) category at lower import duty and then diverting them for personal use have been reported;

(b) if so, the details thereof; and

(c) the steps taken by Government to revise NSOPs guidelines in order to check such illegal practices?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI K.C. VENUGOPAL): (a) and (b) It has been informed by the Department of Revenue in 2010 that the custom authorities have come across several cases of misuse of this exemption resulting in several disputes and litigation. In most cases, it appeared that the aircrafts imported under the exemption have not been put to the prescribed use or effectively used privately whereas they are meant to offer public services either as a passenger or charter services.

(c) Ministry has revised the Guidelines for Non Scheduled Operations in 2010 to check illegal practices.

Proposal for naming BIAL Airport

2641. DR PRABHAKAR KORE: Will the Minister of CIVIL AVIATION be pleased to State:

(a) whether it is a fact that Government of Karnataka has submitted a proposal for naming Bengaluru International Airport Limited (BIAL) as 'Kempegowda International Airport';

(b) if so, the details thereof;

(c) whether Government has taken any steps in this regard;

(d) if so, by what time the new name is likely to be approved; and

(e) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI K.C. VENUGOPAL): (a) and (b) Yes, Sir. A, proposal for renaming of Bengaluru International Airport as "Kempegowda International Airport" has been received from the State Government of Karnataka. The above proposal has the approval of both the Karnataka State Legislative Assembly and Karnataka State Legislative Council, passed by way of a Resolution to the above effect.