

**New flights services from Gujarat**

3546. SHRI MANSUKH L. MANDAVIYA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India is considering to start new flight services from Bhavnagar and Rajkot to Kolkata, New Delhi, Chennai and other parts of the country keeping in view the proposed new power plant at Bhavnagar in Gujarat;

(b) whether Air India has conducted any traffic survey in this regard, if so, the details of further action taken in the matter; and

(c) the number of proposals received by the Directorate General of Civil Aviation (DGCA) to start flight operations from Gujarat to other parts of the country and the details of further steps have been taken?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G. M. SIDDESHWARA): (a) No, Sir. The market potential between Bhavnagar-Kolkata, Bhavnagar-New Delhi and Bhavnagar-Chennai and Rajkot-Kolkata and Rajkot-Chennai is not large enough to justify introduction of direct flights. Further, Air India currently does not have operational resources to introduce direct flights between Rajkot and Delhi as the current capacity is fully committed. Operation to New links can be considered only after augmentation of operating capacity.

(b) No traffic survey has been conducted by Air India.

(c) The Directorate General of Civil Aviation (DGCA) has received references from various quarters, for starting the flight operations from Gujarat which have been suitably responded. Government has laid down Route Dispersal Guidelines (RDG) with a view to achieve better regulation of air transport services taking into account the need of different regions of the country. The domestic air services in the country have been deregulated. It is up to the airlines to provide air services to specific places depending upon the traffic demand and commercial viability. The Scheduled domestic airlines are free to operate anywhere within the country subject to compliance of RDG.

**Merger of Air India and Indian Airlines**

3547. DR. BHALCHANDRAMUNGEKAR : Will the Minister of CIVIL AVIATION be pleased to state:

(a) what were the compulsions for the merger of Air India and Indian Airlines;

(b) what factors led their de-merger even before the process of merger completed; and

(c) what factors/compulsion which led to split up the Air India into three companies?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G. M. SIDDESHWARA): (a) It was felt that combining the two state owned airlines into a single merged entity would better equip them to survive and prosper amidst fierce global and domestic competition as it would provide an opportunity to leverage combined assets and capital better and build a stronger sustainable business. Merger would enable optimal utilization of existing resources through improvement in load factors and yields on commonly serviced routes as well as deploy 'freed up' aircraft capacity on alternate routes. It would also provide an integrated international/domestic footprint, which would significantly enhance customer satisfaction and ease entry into one of the three global airline alliances.

(b) No de-merger has taken place.

(c) Air India has hived off its Ground Handling Unit and MRO Business into two independent subsidiary companies, *i.e.* Air India Engineering Services Limited (AIESL) and Air India Air Transport Services Limited (AIATSL) respectively to develop these as strategic business units and independent profitable entities, in line with international standard practices. This would also enable Air India to concentrate on its core activities, *i.e.* passenger airline business.

#### **Cancellation of flights**

3548. SHRI BHUPINDER SINGH: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the operation of the flight services between Bhubaneswar-Raipur and Bhubaneswar- Vizag has been cancelled;

(b) whether there is a demand to resume the flight services; and

(c) if so, by when Government is going to resume these flight services?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G. M. SIDDESHWARA): (a) to (c) At present no scheduled domestic flight is operating on Bhubaneswar- Raipur sector. However, scheduled domestic flights are available on Bhubaneswar-Vizag-Bengaluru route and Bhubaneswar-Vizag-Chennai route.

Domestic air transport services in the country has been deregulated. Government has laid down Route Dispersal Guidelines (RDG) with a view to achieve better regulation of air transport services taking into account the need for air transport services of different regions of the country. It is, however, up to the airlines to provide air services to specific places depending upon the traffic demand and commercial viability. Scheduled domestic airlines are free to operate any where with in the country subject to compliance of RDG.