

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G. M. SIDDESHWARA): (a) and (b) Air India has formally joined the Star Alliance on 11th July, 2014. Air India's entry into the Star Alliance shall benefit both the passengers and the airline. Now, Air India will be able to offer more itinerary choices to its passengers covering 1,269 destinations in 193 countries around the world. The details of benefits are as follows:

Benefits to Air India:

- (i) Enhanced revenues as a result of cross-feed to/from the alliance partners. Passenger Revenue is expected to increase by 3 to 5%.
- (ii) Access to a vast global network, offering unmatched reach and connectivity;
- (iii) Strategic opportunities for cost reduction;
- (iv) Adoption of global best-practices in terms of processes, systems and standards, and
- (v) Branding opportunity and global visibility for Air India.

Benefits to Air India Customers:

- (i) Seamless travel experience between AI's vast national, regional network and Star member airlines network. Benefit of wider choice of flights, quick transfer and convenient check-in procedures while transferring from one airline to another;
- (ii) More Frequent Flyer Program (FFP) mileage points and ability to utilize the points on member airlines; and
- (iii) Lounge access for AI premium customers of the member airlines lounge.
- (c) As per the Star Alliance requirements, an airline has to comply with the highest standards of safety regulation, customer service, security, operational and technical infrastructure to be a part of Star Alliance.

Establishment of MRO facilities for aircrafts

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

- (a) whether Government has chalked out any policy to establish aircraft Maintenance, Repair and Overhaul (MRO) facilities in the country so that Indian airlines need not send their aircrafts abroad for maintenance;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and

(d) the steps taken by Government to develop India as a hub for aircraft MRO keeping in view the growing aircraft fleet, location advantage and availability of talent?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G. M. SIDDESHWARA): (a) to (d) No Sir, Government has not prepared any formal policy on MRO facilities. However, necessary constraints have been identified in consultation with the stakeholders which affect the growth of MRO activities. steps taken by Government in this regard are as under:

- (1) Ministry of Finance has been requested to (i) remove Service Tax on MRO work or provide a Service-tax holiday for ten years; (ii) remove Custom duty on import of consumables and tool-kits used by MROs, as are applicable to airlines maintaining their own aircraft, and provide faster custom clearance around the clock on all days; and (iii) simplify the procedures of custom clearance and procedures specifying time-limits to consume spare parts have also been requested.
- (2) State Governments have been requested to remove VAT on spare parts sold by MROs.
- (3) Airport Authority of India has been asked to (i) relax the stringent requirement of Royalty charged on MRO revenues and (ii) identify areas at airports where MRO activities can be started.

Expansion and modernization of airports

646. SHRI HUSAIN DALWAI: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the details of airport infrastructure projects taken up but yet to be completed, airport-wise;
- (b) how Government proposes to complete them;
- (c) whether Government intends to take up new projects so far expansion and modernisation of airport is concerned; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G. M. SIDDESHWARA): (a) and (b) The details of airport infrastructure/projects taken up by the Airports Authority of India (AAI) are given in Statement-I (*See below*). For expeditious completion of the projects, AAI has enhanced the Project Monitoring System and continuously pursuing with the respective State Governments to resolve the law and order problem and other local issues that hinder the progress of work.