

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.

(c) Air fares are fixed by the airlines based on interplay of market forces and are not determined by the Government. Airlines are free to fix tariff under the provision of Sub-rule (1) of Rule 135, Aircraft Rules 1937 having regard to relevant factors, including the cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff. Scheduled airlines offer different fare buckets for each flight. The airline pricing runs into multiple levels in keeping with global industry practice and airlines offer fares in different fare buckets as per respective airline policy.

(d) Civil Aviation is a dynamic sector which requires continuous adjustment according to global and domestic needs. The Government has constantly been responding to changing scenario and undertaking sector specific measures to facilitate and enable growth of the sector. Government has taken several measures to revive the aviation industry and ensure long term viability, of the sector, which include:

- (i) The issue of rationalization of VAT on ATF, has been taken up with the State Govts.
- (ii) Director General of Foreign Trade has allowed direct import of ATF by airlines on actual user basis.
- (iii) Foreign airlines have been allowed to invest in the equity of domestic carriers up to 49 percent.
- (iv) ECB upto \$ USD 1 billion has been permitted for the airlines to meet their working capital requirement.

#### **Low-cost airports in Bihar**

1372. SHRI RAM NATH THAKUR:

DR. ANIL KUMAR SAHANI:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Government has proposed to set up three new low-cost airports in Bihar including Muzaffarpur;
- (b) if so, the details thereof;
- (c) the time by which these airports are likely to be made operational;

(d) whether lack of air connectivity in Bihar hampers the tourism development in the State; and

(e) if so, the steps being taken by Government to improve air connectivity and infrastructure in Bihar?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G.M. SIDDESHWARA): (a) to (c) Yes, Sir. Raxaul and Gaya in Bihar have been identified for setting up no frills airports. Out of this, Gaya is an Operational Custom airport and Raxaul is a Non- operational airport. The development of an individual airport depends upon many factors such as availability of land, availability of mandatory clearances, environmental clearances, traffic projections, and provision of support services by the State Government such as access road to the airport, water supply, power supply, services of State Police and State Fire Staff for Security and Safety needs of the airport, etc.

(d) and (e) The development of airport is a continuous process and depends upon traffic demand, commercial viability, socio-economic considerations, availability of land, etc. Air connectivity to the tourist places generally facilitates movement of tourists. However, air connectivity to an airport depends upon many factors such as traffic demand, commercial viability, etc.

#### **AAI equity in Delhi and Mumbai airports**

1373. SHRI D. RAJA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Airports Authority of India (AAI) has any equity in Delhi and Mumbai airports;

(b) if so, the details thereof;

(c) the reasons for not mentioning the name AAI in these airports; and

(d) the details of the terms and conditions signed for development of these two airports?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G.M. SIDDESHWARA): (a) and (b) Yes, Sir Airports Authority of India (AAI) holds 26% equity in both M/s Delhi International Airport Pvt. Ltd. (DIAL) and M/s Mumbai International Airport Pvt. Ltd. (MIAL).

(c) The Operation, Management and Development Agreement (OMDA) entered into by AAI with DIAL and MIAL separately, provides for the "Name" of the airport. As per clause 20.3.16 of OMDA, DIAL and MIAL have to retain the name of Delhi