

(c) and (d) Due to following factors, there is delay in operationalizing the routes or discontinuing of the routes:—

- (i) Non-readiness of civil airports/heliports, which may be related to availability of land, creating regional infrastructure, obtaining license from the Regulator etc.
- (ii) Delay in obtaining Scheduled Commuter Operators Permit by new entrant Airlines.
- (iii) Unsustainability of the operation on the awarded routes.

Vacation of flats by staffers of Air India

1278. SHRI T. RATHINAVEL: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that Air India has asked almost 700 of its staffers to vacate its flats in the country due to mounting losses;
- (b) if so, the details thereof;
- (c) whether it is also a fact that Air India Housing Colony has 810 flats out of which 676 are presently occupied; and
- (d) whether it is also a fact that Air India is considering to enter into a lease agreement with the landlord of the employees?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI HARDEEP SINGH PURI): (a) No, Sir.

- (b) Does not arise in view of (a) above.
- (c) Air India Housing Colony at Vasant Vihar has 810 flats out of which 652 flats are presently occupied as on date by its staff.
- (d) No, Sir.

Constraints affecting India's aviation market

1279. SHRI PARIMAL NATHWANI: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) what are the constraints envisaged for India to become the third largest aviation market in the world; and

(b) the steps taken by Government to address the problems/constraints affecting the growing aviation sector?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI HARDEEP SINGH PURI): (a) and (b) The Indian civil aviation sector has shown consistent double digit growth of passenger traffic for more than four years in the past. Challenges facing the aviation sector, *inter alia*, include:—

- (i) Infrastructure constraint
- (ii) High operational costs of airlines
- (iii) Low yields due to competitive environment
- (iv) Currency exchange rate fluctuations adversely affecting profitability, etc.

With a view to promote the growth of Indian aviation sector in a significant manner, Government had released the National Civil Aviation Policy (NCAP) 2016 on 15.06.2016. The aim is to provide an ecosystem for harmonised growth of various aviation sub-sectors, *i.e.* Airlines, Airports, Cargo, maintenance, repair and overhaul (MRO), General Aviation, Aerospace Manufacturing, Skill Development, etc. In compliance with NCAP-2016 many steps have been taken, which include the following:

- (i) Introduction of Regional Connectivity Scheme (RCS) –UDAN (Ude Desh ka Aam Naagrik) to stimulate regional air connectivity by making it affordable.
- (ii) Revival of un-served or under-served routes and airports under RCS-UDAN.
- (iii) Introduction of “Scheduled Commuter Operator” under Commercial Air Transport Operations.
- (iv) Rationalization of Category-I routes under Route Dispersal Guidelines (RDGs).
- (v) Modification in 5/20 requirement so that all airlines can commence international operations provided they deploy 20 aircraft or 20% of total capacity, whichever is higher, for domestic operations.
- (vi) Liberalization of domestic code share points in India within the framework of Air Service Agreements (ASA).
- (vii) With a view to modernize existing airports so as to establish high standards and ease demand pressures on them, 100% Foreign Direct Investment (FDI) under automatic route has been allowed in brownfield airport projects. This would also facilitate the development of domestic aviation infrastructure. FDI

for Scheduled Air Transport Service/Domestic Scheduled Passenger Airline has been allowed upto 49% under automatic route. For Non-Resident Indians (NRIs), 100% FDI will continue to be allowed under automatic route. Foreign airlines would be allowed to invest in capital of Indian companies operating scheduled and non-scheduled air transport services up to the limit of 49% of their paid up capital. Such investment is subject to the condition, *inter alia*, that Scheduled and Non-Scheduled Operator's Permit would be granted only to a company the substantial ownership and effective control of which is vested in Indian nationals.

- (viii) Tax and non-tax related changes to encourage investment in MRO facilities, equipment, tooling and training.

Disinvestment of Air India

†1280. SHRI VISHAMBHAR PRASAD NISHAD:

SHRIMATI CHHAYA VERMA:

CH. SUKHRAM SINGH YADAV:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that Government is working on disinvestment of national aviation company Air India;
- (b) if so, the reasons for which Government is considering it's disinvestment;
- (c) the amount of debt increased on Air India during last three years; and
- (d) the reasons for the financial constraints being faced by Air India despite having more resources *vis-a-vis* the private airlines?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI HARDEEP SINGH PURI): (a) and (b) Yes, Sir. Government is committed to the strategic disinvestment of Air India. NITI Aayog in its recommendations, on Strategic Disinvestment of the Central Public Sector Enterprises in May 12, 2017 had given the rationale for the disinvestment of Air India and referred to the fragile finances of the company, among various other reasons. Air India has been incurring continuous losses and has huge accumulated losses. Further, NITI Aayog in its report on Air India has stated that further financial support in a mature and competitive aviation market would not be the best use of scarce financial resources of the Government.

†Original notice of the question was received in Hindi.