

Revival of aviation sector

1135. SHRI PRABHAKAR REDDY VEMIREDDY: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that Civil Aviation sector is running at 20 per cent of its capacity due to Corona pandemic;
- (b) whether the Ministry has identified the areas of issues in the aviation sector;
- (c) if so, whether Ministry is planning to deal with them and bring this sector on rails;
- (d) what this sector has got in Atmanirbhar Bharat package;
- (e) if not, whether Ministry is expecting to get some help in the second package likely to be announced by Government/RBI very soon; and
- (f) by when, international and domestic operation will become normal?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI HARDEEP SINGH PURI): (a) No Sir. Domestic air services have been restarted in a calibrated manner. Initially only one third (33%) of the summer schedule 2020 was allowed to be operated which was subsequently increased to 45% on 26 Jun 2020 and then to 60% on 02 Sep 2020.

As regards international flights, India has entered into Air Bubble agreements with Afghanistan, Bahrain, Canada, France, Germany, Iraq, Japan, Maldives, Nigeria, Qatar, UAE, UK and USA. In addition, under the Vande Bharat Mission (VBM) international flights are operating on many other sectors.

(b) Based on the information received from the stakeholders, the impact of COVID-19 on the civil aviation sector are as under:—

1. There have been regulatory restrictions on flight operations in domestic and international sectors leading to a severe curtailment in operations and sub-optimal aircraft utilization.
2. The domestic traffic has reduced from 5,85,30,038 during March-July 2019 to 1,20,84,952 during March-July 2020.

3. The international traffic has reduced from 93,45,469 during March-July in 2019 to 11,55,590 during March-July 2020.
4. The revenue of Indian carriers has reduced from INR 25,517 crore during April-June 2019 to INR 3,651 crore during April-June 2020.
5. The revenue of airport operators has reduced from INR 5,745 crore during April-June 2019 to INR 894 crore during April-June 2020.
6. In respect of Air India, the total revenue has reduced from INR 7,066 crore during April-June 2019 to INR 1,531 crore during April-June 2020.
7. The employment at airlines has reduced from 74,887 as on 31 Mar 2020 to 69,589 as on 31 Jul 2020.
8. The employment at airports has reduced from 67,760 as on 31 Mar 2020 to 64,514 as on 31 Jul 2020.
9. The employment at ground handling agencies has reduced from 37,720 as on 31 Mar 2020 to 29,254 as on 31 Jul 2020.
10. The employment at cargo operators has reduced from 9,555 as on 31 Mar 2020 to 8,538 as on 31 Jul 2020.

(c) All efforts have been made to reduce the impact of the pandemic on the aviation sector. Some of the measures taken to support the aviation sector include *inter-alia*:

1. Domestic air services have been restarted in a calibrated manner. Initially only one third (33%) of the summer schedule 2020 was allowed to be operated which was subsequently increased to 45% on 26 Jun 2020 and then to 60% on 02 Sep 2020.
2. Operation of Regional Connectivity Scheme (RCS) - UDAN (Ude Desh Ka Aam Nagrik) flights were allowed without the above-mentioned restrictions.
3. As on 17 Sep 2020, exclusive air-links or Air Bubbles have been established with Afghanistan, Bahrain, Canada, France, Germany, Iraq, Japan, Qatar, Maldives, Nigeria, UAE, UK and USA. These are temporary arrangements aimed at restarting international passenger services while regular international flights remain suspended due to COVID-19.

4. Promoted private investments in existing and new airports through the PPP route.
5. Adequate care taken to ensure that cargo terminals at all major airports were operational, whenever required.
6. GST rate reduced to 5% for domestic Maintenance, Repair and Overhaul (MRO) services.
7. Encouraging Indian carriers to increase their share in international air cargo traffic.
8. Route rationalization in the Indian airspace in coordination with Indian Air Force (IAF) for efficient airspace management, shorter routes and reduced fuel consumption.

(d) and (e) The initiatives taken under Atmanirbhar Bharat package are as under:—

1. GST rate reduced to 5% for domestic MRO services. A roadmap has been developed towards making India a global hub for MRO.
2. Promoting private investments in existing and new airports through the PPP route. The revenue received from PPP concessionaires at AAI airports will result in further investment by AAI at Tier-II and Tier-III cities and economic development in these areas in terms of job creation and infrastructure growth.
3. Route rationalisation for commercial flights in the Indian airspace is being carried out in coordination with IAF. This will lead to efficient airspace management, shorter flight paths and reduced fuel consumption.

(f) In view of the ongoing COVID-19 pandemic, there are restrictions on international flight operations to/from India. However, till 17 Sep. 2020, India has entered into Air Bubble agreements with Afghanistan, Bahrain, Canada, France, Germany, Iraq, Japan, Maldives, Nigeria, Qatar, UAE, UK and USA.

In the domestic sector, the Government has increased the operation of domestic flights in the country in a phased manner. With effect from 02 Sep 2020, 60% of the approved domestic capacity has been allowed to operate.