

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha**

UNSTARRED QUESTION NO. : 186

TO BE ANSWERED ON THE 3rd February 2021

IMPACT OF PANDEMIC ON CIVIL AVIATION SECTOR

186. SHRI K.C. VENUGOPAL

Will the Minister of CIVIL AVIATION be pleased to state:-

(a) whether Government has assessed the impact of regulatory restrictions on flight operations both in domestic and international sectors during COVID-19 period;

(b) if so, details of its impact on traffic and revenue;

(c) whether regulatory restriction has impacted employment in the civil aviation sector;

(d) if so, what actions were taken or intended to be taken to meet these challenges;

(e) what actions were taken or intended to reduce impact of lockdown and pandemic on this sector;

(f) whether the sector has received any funds from announced financial packages by the Ministry of Finance during pandemic; and

(g) if so, details thereof?

ANSWER

**Minister of State (IC) in the Ministry of CIVIL AVIATION
(Shri Hardeep Singh Puri)**

(a) & (b) Based on the information received from the stakeholders, the impact of regulatory restrictions on flight operations both in domestic and international sectors are as under:

1. The domestic traffic reduced from 11,99,45,632 during March-December 2019 to 3,77,79,592 during March-December 2020.

2. The international traffic reduced from 1,96,64,179 during March-December in 2019 to 18,55,033 during March-December 2020.

3. The revenue of Indian carriers has reduced from INR 22,547 crore during July-September 2019 to around INR 7,829 crore during July-September 2020.

4. The revenue of AAI airports has reduced from INR 12,837 crore during FY 2019-20 to estimated revenue of around INR 4755 crore during FY 2020-21.

(c) Based on inputs received from stakeholders, the impact of regulatory constraints on employment in the aviation sector is as follows:

1. The employment at airlines has reduced from 74,887 as on 31 Mar 2020 to 67,906 as on 30 Sep 2020.

2. The employment at airports has reduced from 67,760 as on 31 Mar 2020 to 48,513 as on 30 Sep 2020.

3. The employment at ground handling agencies has reduced from 37,720 as on 31 Mar 2020 to 25,074 as on 30 Sep 2020.

4. The employment at cargo operators has reduced from 9,555 as on 31 Mar 2020 to 9,385 as on 30 Sep 2020.

(d) & (e) 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 progressively to 45% on 26 Jun 2020 then to 80% on 03 December 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 29 Jan 2021, exclusive air-links or Air Bubbles have been established with Afghanistan, Bahrain, Bangladesh, Bhutan, Canada, Ethiopia, France, Germany, Iraq, Japan, Kenya, Kuwait, Maldives, Nepal, Netherlands, Nigeria, Oman, Qatar, Rwanda, Tanzania, Ukraine, UAE, UK and USA. These are temporary arrangements aimed at

restarting international passenger services while regular international flights remain suspended due to COVID-19. In addition to this, international flights are being operated on many sectors under Mission Vande Bharat.

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. Exempted Customs Duty on tools and tool kits.

8. Extended stay in India of foreign aircraft for entire duration of MRO work or 6 months, whichever is lesser.

9. Permitted 100% Foreign Direct Investment via automatic route for MRO.

10. Reduced Goods and Services Tax rates on various spare parts, accessories, and consumables.

11. Revised the Notification to enable export of serviceable parts.

12. Encouraging Indian carriers to increase their share in international air cargo traffic.

13. Route rationalization in the Indian airspace in coordination with Indian Air Force (IAF) for efficient airspace management, shorter routes and reduced fuel consumption.

14. With a view to optimally utilise the unused infrastructure at AAI airports and enhance the number of licensed pilots in the country, 6 AAI airports (Lilabari, Khajuraho, Belagavi, Kalaburgi, Jalgaon and Salem) have been identified where Flying Training Organisation (FTO) shall be permitted to operate with highly discounted concession fee.

(f) & (g) No Sir.
