

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION**

Rajya Sabha

UNSTARRED QUESTION NO. : 2404

TO BE ANSWERED ON THE 17th March 2021

OBJECTIONS ON PRIVATISATION OF AIRPORTS

2404. SHRI SHAMSHER SINGH DULLO

DR. L. HANUMANTHAIAH

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

- (a) whether the Ministry is aware of the red flags raised by NITI Aayog and Department of Economic Affairs on the airport bidding process in 2019, where a private group had been awarded six airports;**
- (b) if so, details of the action taken on such objections;**
- (c) whether public consultations were held before the privatisation of these airports;**
- (d) if so, details thereof, including the number and dates of such consultations and participating stakeholders and if not, the reasons therefor; and**
- (e) whether the Ministry received objections from any state against such privatization and if so, details of action taken on such objections?**

ANSWER

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

(a) & (b): Airports Authority of India (AAI) has recently awarded six airports namely Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram and Mangaluru for Operations, Management and Development under Public Private Partnership (PPP) for a lease period of 50 years, where the ownership of these leased airports remains with AAI. The terms and conditions of the transaction of PPP of six airports were decided by the Empowered Group of Secretaries (EGoS)

chaired by CEO Niti Aayog which inter-alia comprised of Secretaries of Ministry of Finance (Department of Economic Affairs, and Department of Expenditure) also. Therefore, the Ministry of Finance and Niti Aayog were part of the decision making process and finalized the contours of the bidding process for PPP of six airports. In order to ensure more competition and to give more flexibility to bidders, the following conditions among others were stipulated :-

i. No prior airport experience

ii. No cap on number of airports which an entity can bid for.

iii. Per Passenger Fee as bidding parameter instead of revenue sharing.

(c) to (e): In accordance with the provisions of Section 12A of AAI Act, 1994 (as amended in 2003), Airports Authority of India (AAI), with the approval of the Government of India, may make a lease of the premises of an airport (including buildings and structures thereon and appertaining thereto) to carry out some of its functions, in the public interest or in the interest of better management of airports. The observations of State Governments concerned, if any, are considered on merit during the transaction process for PPP of airports.
