

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 2572
TO BE ANSWERED ON THE 11th August 2021
DOMESTIC CIVIL AVIATION MARKET

2572. SMT PRIYANKA CHATURVEDI

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

- (a) whether it is a fact that India has the third largest domestic civil aviation market in the world but is operating with the low margin and high operating cost;**
- (b) whether Government is taking any steps to overcome the operating cost for civil aviation; and**
- (c) if so, the details thereof?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION (GEN. (DR) V. K. SINGH (RETD))

(a) to (c) Yes Sir. The details of major steps taken by the Government to overcome the operating cost for civil aviation sector, inter-alia, are as follows:

- (i) Provide support to airlines through various policy measures.**
- (ii) Provide airport infrastructure through Airports Authority of India and the private operators.**
- (iii) Promotion of private investments in existing and new airports through the PPP route**
- (iv) Route rationalization in the Indian airspace in coordination with Indian Air Force for efficient airspace management, shorter routes and lower fuel consumption**
- (v) Goods and Services Tax (GST) rate reduced to 5% from 18% for domestic Maintenance, Repair and Overhaul (MRO) services.**

(vi) As on date, exclusive air-links or Air-Bubbles have been established with 28 countries with the objective of restarting international passenger services while regular international flights remain suspended due to COVID-19.

(vii) A calibrated increase of the domestic aviation.

(viii) Stipulating fare-band for the airlines

(ix) A conducive aircraft leasing and financing environment has been enabled.

(x) Benefits under Emergency Credit Line Guarantee Scheme (ECLGS) 3.0 have been extended to civil aviation sector.

(xi) Coordination with stakeholders to resolve issues.
