

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
STARRED QUESTION NO : 170
(TO BE ANSWERED ON THE 4th August 2021)

UPGRADATION OF AIR SERVICES IN THE COUNTRY

*170. DR. BANDA PRAKASH

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

- (a) whether there are immense possibilities for growth of aviation sector in the country;
- (b) if so, the details of adequate measures taken thereof;
- (c) the details of initiatives taken to upgrade air services in the country;
- (d) the measures taken to increase airport capacity, automation, on number of airports;
- (e) whether Government should set up a robust aircraft leasing industry taking advantage of the increase in its air traffic; and
- (f) if so, the details thereof?

ANSWER

MINISTER OF CIVIL AVIATION

(Shri Jyotiraditya M. Scindia)

(a) to (f) : A Statement is laid on the Table of the House.

STATEMENT IN RESPECT OF RAJYA SABHA STARRED QUESTION NO. 170 REGARDING "UPGRADATION OF AIR SERVICES IN THE COUNTRY" TO BE ANSWERED ON 04.08.2021.

(a) to (d): Yes Sir. The Government has taken several measures to stimulate the growth of aviation sector, upgradation of air services and increasing airport capacity and automation in the country which include, inter alia:

(i) AAI has taken up development programme to spend around Rs. 25,000 crores in next 4-5 years for expansion and modification of existing terminals, new terminals, expansion or strengthening of existing runways, aprons, Airport Navigation Services (ANS), control towers, technical blocks etc.

(ii) Government of India (GoI) has accorded 'in-principle' approval for setting up of 21 Greenfield Airports across the country. So far, six Greenfield airports namely, Shirdi in Maharashtra, Durgapur in West Bengal, Pakyong in Sikkim, Kannur in Kerala, Orvakal in Andhra Pradesh and Kalaburagi in Karnataka have been operationalized.

(iii) Promotion of private investments in existing and new airports through the PPP route.

(iv) Under Regional Connectivity Scheme (RCS) - Ude Desh ka Aam Nagrik (UDAN), as on 27 July, 2021, 359 routes have commenced connecting 59 unserved/underserved airports, including 2 water aerodromes and 5 heliports.

(v) Goods and Services Tax (GST) rate reduced to 5% from 18% for domestic Maintenance, Repair and Overhaul (MRO) services.

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

(vii) 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.

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

(ix) A calibrated increase of domestic capacity post-pandemic.

(x) Improvement in air navigation infrastructure at Indian airports and induction of latest technologies.

(e) and (f): The necessary measures have been taken to strengthen the ecosystem for aircraft leasing and financing in India, which include, inter alia:

(i) The International Financial Services Centres Authority (IFSCA) has been established on 27 April, 2020 under the International Financial Services Centres Authority Act, 2019 at GIFT City, Gandhinagar in Gujarat.

(ii) Aircraft and engine leasing and financing has been notified by the Government of India as a financial product.

(iii) Global in-House Centres (GIC) have been notified as financial service to provide services relating to financial products and financial services.

(iv) Government of Gujarat has exempted Stamp Duty on transactions related to aircraft financing and leasing carried out from IFSC at GIFT-City Special Economic Zone (SEZ).

(v) New tax regime introduced w.e.f. 1 April 2020, which made Minimum Alternate Tax (MAT) inapplicable to domestic companies. Similarly, MAT provisions would not apply to units in the IFSC.

(vi) Exemption has been provided from corporate tax for a block-period of 10 years within the first 15 years for leasing units.
