

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 1939
(TO BE ANSWERED ON THE 21st March 2022)

PRIVATISATION OF AIRPORTS

1939. SHRI BINOY VISWAM

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

- (a): the total number of airports in India that have been handed over to private companies or are in the pipeline to be privatized and the details thereof;
- (b) the total revenue generated from each airport by these private companies;
- (c) the total revenue loss that Government has faced post the privatisation of these airports;
- (d) whether the privatisation of airports has affected the cost of ticket prices;
- (e) the total number of workers that have lost jobs post the privatisation of airports; and
- (f) whether Government has established any monitoring mechanism to ensure the effective operation of these airports?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(GEN. (DR) V. K. SINGH (RETD))

(a): Airports Authority of India (AAI) has leased out eight of its airports namely, Indira Gandhi International Airport, Delhi, Chhatrapati Shivaji Maharaj International Airport, Mumbai, Chaudhary Charan Singh International Airport, Lucknow, Sardar Vallabhbhai Patel International Airport, Ahmedabad, Mangaluru International Airport, Jaipur International Airport, Lokpriya Gopinath Bordoloi International Airport, Guwahati and Thiruvananthapuram International Airport for operation, management and development on long term lease basis through Public Private Partnership (PPP)

Further, as per National Monetization Pipeline (NMP), 25 AAI airports have been earmarked for asset monetization over the years 2022 to 2025.

(b) & (c): Till 2020-21, AAI has received annual fees of approximately Rs. 29,862 crore as Revenue Share from the Private Partners of Delhi and Mumbai airports. Further, the Private Partner of the six AAI airports namely Ahmedabad, Lucknow, Mangaluru, Guwahati, Jaipur, Thiruvananthapuram has paid approximately Rs.331

crore to AAI as PPF till January, 2022. AAI has also received an amount of Rs.1888 crore from the Private Partner of these six airports in the form of upfront fee towards the capital expenditure incurred by AAI at these airports. In view of this, there is no loss to AAI post implementation of PPP at these airports. Further, revenue from these PPP airports has significantly contributed to the overall revenue of AAI resulting into its financial stability and enhanced focus on the development/upgradation of airports in Tier-II & Tier-III cities.

(d): No, Sir. Cost of air ticket prices is not directly linked to the airports being managed by the private companies under PPP. An Economic Regulator namely Airports Economic Regulatory Authority (AERA) of India has been established under an Act of Parliament i.e. AERA Act, 2008 to determine the charges in respect of the Aeronautical Services rendered at major airports in the country. AERA determines the charges at airports based on its regulatory philosophy of return on investment without differentiating between the PPP airports and State / AAI managed airports.

(e): Interests of the AAI employees deployed at the airports brought under PPP have been fully protected. As per the Concession Agreement with the concessionaires of six airports under PPP, the employees up to the level of Assistant General Manager will continue to be posted at respective Airport for 3 years (i.e. 1 year Joint Management period followed by 2 years deemed deputation period). Also, the Concessionaire is liable to extend the offer of appointment to minimum 60% of employees on terms and conditions not inferior to the existing terms. Subsequently, employees have the option to join the Concessionaire or to return to AAI.

(f): As per the Contractual Agreements entered into by AAI with the PPP partner, the performance and compliance by them is subjected to periodical monitoring by AAI through Independent Engineers, Auditors, Inspections etc.
