

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3033

ANSWERED ON:07.12.2000

PURCHASE OF FUEL BY AIR INDIA FROM FOREIGN FIRM

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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Air India/Indian Airlines have decided to purchase Aviation Turbine Fuel directly from foreign firms;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether due to high taxation policy of the Government the Aviation Turbine Fuel became costlier in India as compared to international price;
- (d) if so, the details thereof; and
- (e) the extent to which the purchase of ATF from foreign firms is likely to affect reduction in cost of operation of Aircrafts?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a) and (b):- Both Air India and Indian Airlines have been purchasing ATF from foreign firms for their requirements outside India. For requirement of ATF within India, it is being procured from three Indian Oil companies namely IOCL, HPCL and BPCL.

(c) and (d): The ATF price in India is costlier than the International prices due to sales tax charged by the various states. It is also costlier due to the fixation of basic fuel price which is invariably higher than the average international price.

(e): Presently ATF in India is purchased only from the Indian Oil Companies at determined prices in India. However, had both airlines purchased fuel in India at international prices, there would have been considerable reduction in fuel cost.