

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:111

ANSWERED ON:02.03.2000

ESTIMATED PROFITS OF AIR INDIA .

MADHAVRAO SCINDIA;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the project growth of air traffic, passenger and cargo of Air India for the year 2000-2001;
- (b) actual physical and fiscal achievement of air traffic made by the Air India during the current year;
- (c) the measures being adopted for achieving the projected growth; and
- (d) the estimated profit/loss to be incurred by Air India during 1999-2000 and the contemplated profit and other target for 2000-2001?

Answer

THE MINISTER OF CIVIL AVIATION

(SHRI SHARAD YADAV)

(a), (b), (c) and (d) : A statement is laid on the table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. DATED 02.03.2000 REGARDING ESTIMATED PROFITS OF AIR INDIA

(a):- The emphasis in years 2000-2001 is on improvement and rationalisation of its operation, generating greater efficiencies and increasing over all load factor.

(b) During the April/November, 1999 period, Air India achieved a passenger load factor of 68.8% and an over all load factor of 63.8%. It incurred a loss of Rs.44.93 crores.

(c) The measures being adopted for achieving the projected growth are as under:-

- Redeployment of capacity on more profitable routes.

- An increase in the seating capacity of the B747-400 aircraft by adding more Economy class seats.

- Reduction in staff strength in India and abroad through rollback of retirement age to 58 years and implementation of schemes such as Shorter Working Week, Leave without pay, Staff redeployment to operational areas etc.

- Disinvesting its holding in the wholly owned subsidiary Hotel Corporation of India Limited.

- Selling its surplus and ageing B747-200 aircraft.

- Introduction of Automated Revenue Management Systems (ARMS) and curtailment of advertisement and publicity budget.

(d): As per the revised budget estimate for the year 1999/2000, AI's net loss is estimated to be Rs 146.18 crores (Prov.). Budget estimates for 2000-2001 are yet to be finalised by Air India management.