

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:5270
ANSWERED ON:29.04.2002
WORLD BANK FUND FOR VRS IN AI AND IA
AMBATI BRAHMANIAH

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government have approached the World Bank to fund VRS for Air India and the Indian Airlines;
- (b) if so, the details thereof alongwith total fund sought for this purpose;
- (c) the response of the World Bank thereto;
- (d) whether the Government propose to lay out long term plans for both airlines to become self-reliant and viable; and
- (e) the details of such steps proposed by Government for Air India and Indian Airlines after completion of VRS?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) : No, Sir.

(b) and (c): Do not arise.

(d) and (e): Air India has taken various steps to improve revenue and reduce the operational costs, which include:-

- (i) withdrawing of capacity from inherently loss making routes and redeploying it on more profitable routes;
- (ii) maximising the utilisation of the fleet within the constraints of pilot availability;
- (iii) dry leasing of aircraft to augment capacity;
- (iv) improvement in inflight service;
- (v) introduction of e-marketing effective January 2002 to enable passengers to make on-line bookings through the net;
- (vi) reduction in staff strength in India and abroad; and
- (vii) abolition of several posts of India based officers abroad in the various departments.

Indian Airlines has taken following steps to improve revenue and contain operational costs;

- (i) Ban on direct recruitment from outside other than critical areas like operations and Engineering;
- (ii) Route rationalization and deployment of aircraft based on market requirements;
- (iii) Introduction of market responsive flexi fare policy;
- (iv) Innovative market strategies;
- (v) Acquisition of aircraft on lease to replace ageing aircraft/augmentation of capacity;
- (vi) Improvement in the quality of product/customer services and
- (vii) Cost control and Economy Measures.