

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:1712

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LOSS OF AIR TRAFFIC BY IA

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

- (a) whether any recent review has been undertaken by the Government to assess the extent to which the Indian Airlines have been losing in passenger load factor to other airlines operating in the country;
- (b) if so, the details thereof stating the extent of loss suffered by the Indian Airlines on this account during the last three years;
- (c) the reasons for such losses; and
- (d) the steps being taken by the Indian Airlines to compete with the Private Airlines and regain market share?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION ( SHRI SHRIPAD YESSO NAIK )

(a),(b) and (c): The passenger load factor (seat factor) during the last three years is as under :-

Year Indian Airlines Jet Airways Sahara Airlines

2000	64.0%	71.8%	39.71%
2001	63.4%	63.1%	40.09%
2002	58.9%	61.6	51.70%

During the last few years, capacity induction has been much in excess of demand by the private airlines in domestic aviation market. This has led to a decline in seat factors for the industry as a whole. The induction of capacity by the private airlines, has led to decline in Indian Airlines capacity share and a consequent decline in seat factor and profitability.

The profit/(loss) of Indian Airlines for the last three years is given below :-

Years Net Profit/(Loss) (Rs. in crores)

1999-2000	51.42
2000-2001	(159.17)
2001-2002	(246.75)

It is not possible to separately estimate the impact of variation in load factor (capacity utilisation) on the profitability of the Company as the operating margins are affected by a combination of factors such as increase in input prices, variation in revenue yields, capacity utilisation, utilisation of aircraft and others resources.

(d): Indian Airlines maintains its services competitively with other operators through introduction of promotional fares and by upgrading, as also adding value to its product.