

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1028
ANSWERED ON:08.12.2003
FDI IN CIVIL AVIATION
ALE NARENDRA;PUTTASWAMY GOWDA

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Group of Ministers constituted by the Union Government had recommended raising FDI limit in the civilaviation sector;
- (b) if so, the details thereof; and
- (c) the reasons for restricting equity participation by foreign carriers to 26% in the airlines companies in India?

Answer

MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI RAJIV PRATAP RUDY)

- (a) and (b) : The Group of Ministers has recommended that Foreign Direct Investment (FDI) may be allowed upto 100% in airports through automatic route and FDI in domestic airlines may be increased from the existing 40% to 49% with permission to foreign airlines to participate.
- (c) : As per the existing guidelines, foreign airlines are not permitted equity participation in domestic airlines, directly or indirectly.