

**GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2959
ANSWERED ON:22.12.2003
GLOBAL TOURISM
SULTAN SALAHUDDIN OWAISI

Will the Minister of TOURISM AND CULTURE be pleased to state:

- (a) whether any study commissioned by the ministry has revealed that airlines seat capacity and pricing are critical barriers of Indian competitiveness in global tourism;
- (b) if so, the details thereof;
- (c) whether the matter has been taken up with the Ministry of Civil Aviation in this regard;
- (d) if so, the response of that Ministry thereto; and
- (e) the steps taken/proposed to be taken thereon?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN)

(a): Yes Sir.

(b): This Ministry had commissioned a study on Impact of Civil Aviation Policies on Tourism in India. Inter- alia, the study revealed that:-

The growth of air seat capacity on all International routes to India has increased by 40% between 1989-2000. In comparison, China, U.K. and USA has shown a growth rate of 485%, 101% and 61% respectively during the same period.

Air transport to and from India have suffered from capacity shortages for some years mainly as a result of slow pace of liberalization of the air transport sector, particularly during the peak season October – March for inbound visitors and April- June for outbound travellers.

An increase of one million air seat capacity to facilitate tourist travel may result in an incremental spend in India of close to Rs. 6021 crores for hotel rooms, and create over 1,50,000 jobs in the tourism industry.

In case of India air services, air seat capacity and pricing are critical barriers to its ability to become competitive in the global tourism market.

(c): Yes Sir.

(d) and (e): The Ministry of Civil Aviation has taken a number of measure to enhance the seat capacity, as follows:-

(i) ASEAN INITIATIVE: The designated airlines of 10 ASEAN countries will be allowed to operate daily services to/from 4 metropolitan cities of New Delhi, Mumbai, Chennai and Kolkata and also to operate as many services as they wish, subject to equal reciprocal rights to Indian side to 18 other destinations.

(ii) SRILANKA INITIATIVE: The designated airlines of Sri Lanka will be allowed to operate daily services to the metropolitan cities of Delhi, Mumbai, Chennai, Bangalore, Hyderabad and Kolkata, and as many services as they wish to 18 other destinations subject to reciprocal rights being granted to the Indian carriers. The Private Airlines of India will be allowed to operate to SAARC countries.

(iv) AIR SERVICES AGREEMENT: All the countries having bilateral Air Service Agreements with India will be allowed to operate 14 flights per week to any two of the 12 international airports in India, subject to the condition that the first 7 flights or part thereof shall be to/from any one international airport in India and the next 7 flights or part thereof shall be to/from any one of the other international airport in India subject to reciprocal rights being available to India.

(v) REVIEW OF TRAFFIC RIGHTS:- Capacity entitlements for operations of air services between India and various countries have

been increased.

(vi) OPEN SKY POLICY: The airlines of various countries are allowed to operate additional flights to provide extra seats during the peak season i.e. December 2003 to February, 2004 under the Open Sky Policy.