

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1101
ANSWERED ON:31.07.2000
REPLACEMENT OF GSA(S) BY CONSULTANTS
SULTAN SALAHUDDIN OWAISI

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether in order to reduce the distribution costs, Air India has replaced general sales agents(GSAs) by consultants;
- (b) if so, the details thereof;
- (c) the commission being paid by Air India at present to GSAs;
- (d) the amount likely to be saved by Air India by this replacement per annum;
- (e) whether this decision has been implemented in all the routes; and
- (f) if so, the detail thereof?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a), b, (c), (d), (e) and (f): As a result of significant changes in aviation industry practice relating to passenger and cargo transportation, Air India has decided to initiate the process of replacing GSAs in major territories with a few consolidators, for each territory. This will provide not only wider market coverage but also promote healthy competition between them ultimately benefiting both the airlines as well as the consumer. Besides the normal 9% agency commission, GSAs are also entitled to an overriding commission(ORC) not exceeding 3%. The amount likely to be saved by Air India cannot be quantified since it would differ from Territory to Territory, and depend on the newly appointed consolidators' performance in meeting their targets.