

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:326

ANSWERED ON:02.12.2004

IMPOSITION OF FEE ON AIR PASSENGERS

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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether there is a proposal to impose a fee of around Rs.500 on air passengers using airports to raise funds for developing Greenfield airports;
- (b) if so, the details thereof;
- (c) the time by when the collection of fee will be given effect to;
- (d) whether this step of the Government is likely to put a burden on travellers;
- (e) if so, the details thereof;
- (f) the target fixed for raising the funds;
- (g) the total amount required by Government for investment in the civil aviation sector in the next five years for world class infrastructure;
- (h) whether Government has explored all the other possibilities of raising fund for Greenfield airports before imposing this fee; and
- (i) if so, the details thereof and if not the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a),(b),(c),(d),(e)&(f): Framing of Airports Authority of India (Development Fee) Rules under the Amendment AAI Act of 2003 which, inter-alia, provides for levying of a Development Fee from embarking passengers at an airport for upgradation of an existing airport or construction of a new airport in lieu of an existing airport, is under process of formulation at present.

(g): As per broad estimate made, about Rs.25,000 to Rs.35,000 crores is required for airport infrastructure investments for the next ten years.

(h) & (i): In the budget presented for the year 2002-03, a package of concessions was given to encourage private sector participation in Greenfield airports which include availability of land related infrastructure from the State Governments, exemption from levy of Inland Air Travel Tax (IATT) and Foreign Travel Tax (FTT), Charging of Advance Development Fee at the existing airport, Levy of User Development Fee at the new airport and Financial assistance/ equity participation of AAI. However, the Central Govt. has already abolished the IATT and FTT.