

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3036

ANSWERED ON:18.12.2008

BAILOUT PLAN FOR PRIVATE AIRLINES

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita;Verma Shri Ravi Prakash;Yadav Shri Anirudh Prasad (Sadhu);Yaskhi Shri Madhu Goud

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether there is a pressure from various quarters to provide bailout package for private airlines;
- (b) if so, the details thereof; and
- (c) the response of the Government thereto?

Answer

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

(a):- No, Sir.

(b) and (c):- Airlines had requested relief for the industry due to the steep rise in the prices of Aviation Turbine Fuel (ATF). Airlines have inter-alia requested the Government for lowering of ATF prices, reduction in airport charges, Grace period for repayment of dues of oil companies, Reduction of throughput charges etc.

The Government has taken various steps to help the domestic aviation industry which inter-alia are as under:

(1) Custom duty on import of ATF has been abolished.

(2) The Oil Companies have staggered the dues of Airline Companies over six months. Oil Companies have also extended the credit period .

(3) With the fall in global crude prices, the Oil Companies have been reducing ATF prices since September, 2008. They have also started announcing the ATF prices on a fortnightly basis rather than monthly basis which is helping the Airlines when the crude prices are going down.