

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1312
ANSWERED ON:04.03.2010
LOSSES SUFFERED BY AIRLINES
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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether all airlines in the country have landed in huge financial losses;
- (b) if so, the details of losses of leading airlines for the last three years; and
- (c) the major long standing and immediate causes for such losses and the measures undertaken under long term and short term processes?

Answer

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

(a) and (b):- Details of losses/profit of leading private airlines in last three years are as under:-

Airline Profit/Loss (Rs. In Million)

	2006-07	2007-08	2008-09
NACIL		687.72 crore	-2226.16 crore -5548 crore
Kingfisher Airlines	-5773.13	-4089.16	-16020.00
Jet Airways	279.41	-2530.63	-4020.30
Go Air	-2374.72	-1747.60	-225.5
Spicejet	-721.46	-1335.07	-3525.0
Jetlite	-6896.6	-4415.00	-6304.0
Air Deccan	-4195.70	-7983.49	
Paramount Airways	16.30	11.70	+72.6
Indigo	-2017.94	-2347.48	+ 821.6

(## The loss of Kingfisher Airlines in 2008-09 after merger with Air Deccan)

(c):- The probable causes for scheduled domestic airlines incurring losses are rise in fuel prices, economic downturn and

comparatively low air fare due to competitive environments.

The Government has undertaken measures such as:

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

(2) The State Governments have been persuaded to reduce the sales tax on ATF. Government of Andhra Pradesh and in certain cases Government of Rajasthan have reduced the sales tax on ATF to 4%. Government of Maharashtra has also reduced sales tax on ATF from 25% to 4% for flights originating from airports other than Pune and Mumbai.

(3) The Oil companies have 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.