

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

STARRED QUESTION NO:396

ANSWERED ON:22.04.2010

FDI LIMIT IN AVIATION INDUSTRY

Ponnam Shri Prabhakar;Shetkar Shri Suresh Kumar

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) the present limit of Foreign Direct Investment (FDI) in aviation industry;
- (b) whether the Government proposes to make some changes in FDI limit permissible under different sectors in the aviation industry;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Government has also sought the views of the agencies concerned over the issue of diluting FDI limit in the aviation industry; and
- (e) if so, the details thereof?

**Answer**

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

- (a) to (e):- A statement is laid on the table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SBAHA IN REPLY TO STARRED QUESTION NO. 396 DATED 22.04.2010 REGARDING FDI LIMIT IN AVIATION INDUSTRY.

- (a):- The present limit of Foreign Direct Investment (FDI) in aviation sector are as under:

**Airports:**

Greenfield Projects: FDI upto 100% is allowed under the automatic route subject to sectoral regulations notified by Ministry of Civil Aviation. Existing Projects: FDI upto 100% is allowed , however beyond 74% FDI, approval of FIPB required and also subject to sectoral regulations notified by Ministry of Civil Aviation.

**Air Transport Services:**

(i) Scheduled Air Transport Service/Domestic Scheduled Passenger Airline – FDI upto 49% and investment by Non-resident Indians (NRI) upto 100% allowed on the automatic route subject to sectoral regulations notified by Ministry of Civil Aviation and no direct or indirect participation by any foreign airlines.

(ii) Non-Scheduled Air Transport Service/ Non-Scheduled airlines, Chartered airlines and Cargo airlines: FDI upto 74 % and investment by Non-resident Indian (NRI) upto 100% allowed on the automatic route subject to sectoral regulations notified by Ministry of Civil Aviation and no direct or indirect participation by any foreign airlines in Non-scheduled and Chatered airlines. Foreign airlines are allowed to participate in the equity of companies operating Cargo airlines.

(iii) Helicopter services/seaplane services – FDI upto 100% allowed on the automatic route subject to sectoral regulations notified by Ministry of Civil Aviation and approval of Directorate General of Civil Aviation (DGCA). Foreign airlines are allowed to participate in the equity of companies operating Helicopter and Seaplane Services.

**Other services under Civil Aviation Sector:**

(i) Ground Handling Services: FDI upto 74% and investment by Non-resident Indians (NRI) upto 100% allowed on the automatic route subject to sectoral regulations notified by Ministry of Civil Aviation and security clearance.

(ii) Maintenance and Repair Organizations – FDI upto 100% allowed on the automatic route subject to sectoral regulations notified by Ministry of Civil Aviation.

(iii) Flying training Institutes and Technical Training Institutions – FDI upto 100% allowed on the automatic route subject to sectoral regulations notified by Ministry of Civil Aviation and approval of DGCA.

- (b):-No, Madam.

- (c) to (e):- Do not arise.