

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:755
ANSWERED ON:29.07.2010
EXPANSION OF AIR SERVICES
Mandal Shri Mangani Lal

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether there has been a tremendous expansion in the air services through both public and private sectors in the country during the last ten years and there has been considerable increase in the number of air passengers in domestic and international section;
- (b) if so, the details thereof in the light of Air India and all the private airlines;
- (c) whether Air India is incurring losses even after an unprecedented rise in the air travel due to which its employees are not being paid salaries on time; and
- (d) if so, the details thereof and the reasons therefor?

Answer

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

(a) and (b): Yes, Madam. During the last ten years, new scheduled private airlines viz. Air Deccan, Kingfisher Airlines, SpiceJet, Go Air, Paramount Airways, IndoGo and Indus Airways commenced scheduled air transport (Passenger) services and M/s. MDLR Airlines commenced Scheduled Air transport (regional) services.

The details of passenger growth of Air India vis-a-vis scheduled private airlines during the last ten years is as follows:

Domestic

Year Domestic Passenger Carried Growth
(in lakhs) (in %)

National Private National Private
Carrier Airlines Carrier Airlines

1999-00 72.89 54.21

2000-01 70.99 66.13 -2.6 22.0

2001-02 64.21 64.33 -9.6 -2.7

2002-03 62.47 77.04 -2.7 19.8

2003-04 67.06 89.70 7.3 16.4

2004-05 78.45 115.99 17.0 29.3

2005-06 77.63 174.42 -1.0 50.4

2006-07 79.13 278.80 1.9 59.8

2007-08 81.65 362.20 3.2 29.9

2008-09 62.92 331.75 -22.9 -8.4

International

Year International Passenger Carried Growth
(in lakhs) (in %)

National Private National Private
Carrier Airlines Carrier Airlines

1999-00 24.33 -

2000-01 25.15 - 3.37

2001-02 23.95 - -4.77

2002-03 26.69 - 11.44

2003-04 28.70 - 7.53

2004-05 34.03 2.24 18.57

2005-06 34.61 6.24 1.70 178.00

2006-07 35.02 10.83 1.18 73.56

2007-08 32.60 18.14 -6.91 67.49

2008-09 24.53 33.90 -24.75 86.88

(c) and (d): Loss of Rs. 447.43 crores (by erstwhile Air India) and Rs.240.29 crores

(by erstwhile Indian Airlines), Rs.2226.16 crores (after merger) and Rs.5548 crores have been Incurred by NACIL during financial year 2006-07, 2007-08 and 2008-09 respectively. Air India is expected to incur a loss of Rs.5,400 crores approximately (Prov.) during the year 2009-10. The losses are mainly due to the prevalent economic recession, higher fuel prices, low yields and load factors.

However, the employees are being paid salaries on time except for June 2009 and March 2010. In view of the liquidity crunch faced by Air India, the salary and productivity linked incentive dues to be paid for the month of June 2009 has been deferred and paid by 15-07-2009 and for the month of March, 2010 it was paid to the employees of NACIL on 07-04-2010 as it was necessitated due to committed March year end payments to Oil Companies/Airports Authority of India/Foreign and Indian Vendors/repayment of loans and interest obligations/Bank loan rollovers.