

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3813
ANSWERED ON:30.07.2009
FDI IN AVIATION SECTOR
Owaisi Shri Asaduddin

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has assessed the progress made in the civil aviation industry after allowing 100% FDI under automatic route;
- (b) if so, the details thereof;
- (c) the details of services which are available at present under 100% FDI.
- (d) whether this step of the Government has affected the domestic scheduled airlines;
- (e) if so the details thereof; and
- (f) the steps taken or being taken by the Government for unhindered progress in civil aviation industry vis-a-vis protecting the interest of domestic scheduled airlines?

Answer

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

(a):- No, Sir.

(b):- Does not arise.

(c):- 100% Foreign Direct Investment (FDI) through automatic route is presently permitted in Greenfields airport projects, Maintenance and Repair Organization (MRO), Flying Training Institutions/ Technical Training Institutions and Helicopter/Seaplane Services. In addition, Non-Resident Indians (NRI) can make 100% FDI investment in Ground Handling Services, Domestic Scheduled Passenger Airlines, Non-Scheduled (Passenger/Charter) Airlines subject to no direct or indirect participation by any foreign airlines and sectoral regulations. Foreign airlines are allowed to participate in the equity of companies operating Cargo airlines and Helicopter/ Seaplane Services.

(d) and (e):- The Government has not made any such assessment.

(f):- FDI policy has been formulated to attract foreign investment. It has sectoral regulations and restrictions in investment by foreign airlines to protect the interest of domestic schedule airlines.