

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:23
ANSWERED ON:23.02.2011
REVAMPING OF AIR INDIA
Rawat Shri Ashok Kumar

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the functioning of Air India in both the domestic and the international sectors vis-a-vis the private airlines in the country was subjected to any review in the recent past;
- (b) if so, the outcome thereof;
- (c) whether the Government proposes to cap the operations of the private airlines in view of the heavy losses incurred by Air India during the last few years;
- (d) if so, the details thereof;
- (e) the steps taken/proposed to be taken by the Government to revamp the National Aviation Company Limited to make it a profit-making venture;
- (f) whether the Government proposes to allow any new private airline to operate on any international route; and
- (g) if so, the details thereof?

Answer

MINISTER OF OVERSEAS INDIAN AFFAIRS & MINISTER OF CIVIL AVIATION (SHRI VAYALAR RAVI)

(a) to (g): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO PARTS (a), (b), (c), (d), (e), (f) and (g) OF LOK SABHA STARRED QUESTION NO. 23 FOR ANSWER ON 23.02.2011 REGARDING REVAMPING OF AIR INDIA.

(a) and (b): The Government of India at all levels have been monitoring the performance of Air India intensively. A Committee of Secretaries(COS), under the Chairmanship of Cabinet Secretary was constituted to monitor the revival of Air India. Several presentations were made by Air India Management to the COS. Thereafter, a Group of MinisterS(GOM) was constituted to monitor the performance of the airline. Recommendations of GOM have been considered by the Cabinet Committee on Economic Affairs(CCEA).

(c) and (d): The domestic operations of all airlines including private airlines being deregulated are further subject to the Route Dispersal Guidelines. International sectors are subject to the bilateral arrangements with the concerned country. Actual Operations of all airlines domestic as well as international are governed by market forces.

(e): The GOM had recommended to the CCEA the release of equity depending upon the attainment of certain trigger points of action by the airline. Based upon the action taken, Government of India has already infused an amount of Rs.800 crores during Feb-March, 2010 and Rs.1200 crores during January, 2011 by way of equity, as part of the recommendations of the GOM. Other suggestions of the GOM have been considered by the CCEA based upon which action has been initiated by the airline.

(f) and (g): In line with the Government policy of allowing airlines that have completed five years in service with a minimum of 20 aircraft in their fleet, IndiGo and Spicejet airlines have been recently permitted to fly overseas to few destinations.