

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:472
ANSWERED ON:03.08.2011
OVERSEAS OFFICES OF AI
Patel Shri Bal Kumar

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the National Aviation Company of India Limited (NACIL)/Air India is maintaining its offices in some of the cities world over where it did not have flight operation;
- (b) if so, the details of such offices alongwith the expenditure incurred in running each of such overseas offices vis-a-vis the revenue generated from such offices for each of the last three years and the current year;
- (c) whether these offices were reported to have been set up on account of code sharing with other airlines and for revenue generation;
- (d) if so, the details thereof;
- (e) whether to economise the operational costs, the Airlines world over, outsource code sharing agreement; and
- (f) if so, the justification for opening airlines offices abroad instead of outsourcing code sharing agreements?

Answer

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

- (a) and (b): Yes, Madam. The details of such overseas offices along with the expenditure incurred vis-a-vis the revenue generated from such offices for the last three years is Annexed.
- (c) and (d): These offices were opened for the purpose of generating business and revenue, well before code share was even conceived. The primary purpose of setting up these offices was to feed Air India`s online stations and to tap the market potential to increase revenues.
- (e) and (f): An airline`s decision to open its own offices in countries where it does not have its own operations is primarily driven by the extent of contribution the country is expected to make to the airline`s revenues. Thus, many airlines maintain their own sales outlets at offline cities to promote sales or code share services.