

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:54

ANSWERED ON:02.07.2009

LOSSES SUFFERED BY AVIATION INDUSTRY

Gaikwad Shri Eknath Mahadeo; Majhi Shri Pradeep Kumar; Yaskhi Shri Madhu Goud

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether due to the global economic slow down and the resultant drastic fall in air traffic on both the domestic and the international sectors, the industry is estimated to have lost nearly Rs. 10,000 crore in 2008-09;

(b) if so, the details in this regard; and

(c) the corrective measure taken or likely to be taken by the Government to protect the industry?

Answer

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

(a) to (c):- Yes, Sir. The spiralling cost of Aviation Turbine Fuel (ATF) coupled with economic slow down and low load factor have contributed greatly to losses.

The Govt. has undertaken measures such as :

(1) Custom duty on import of ATF has been abolished.

(2) The State Governments have been requested to reduce the sales tax on ATF. Government of Andhra Pradesh and in certain cases Government of Rajasthan have reduced the sales tax on ATF to 4%. Government of Maharashtra has also reduced sales tax on ATF from 25% to 4% for flights originating from airports other than Pune and Mumbai.

(3) The infrastructure at the airports and Air Traffic Control and Navigation is being constantly upgraded to meet the future demand of the airlines.