

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2799

ANSWERED ON:23.07.2009

EXPERT COMMITTEE FOR AIR INDIA

Majhi Shri Pradeep Kumar;Patel Shri Kishanbhai Vestabhai;Singh Shri Pashupati Nath

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has constituted an Expert Committee to examine various issues relating to the current financial crisis being faced by domestic airlines and save airlines industry from surging fuel costs and other associated difficulties;
- (b) if so, the details in this regard;
- (c) whether the said Committee has submitted its interim report to the Government;
- (d) if so, the details thereof; and
- (e) the time by which the Committee will submit its final report on the subject?

Answer

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

(a) & (b):- Yes, Sir. Government has constituted a committee under the Chairmanship of the Cabinet Secretary comprising of Finance Secretary; Secretary, Ministry of Civil Aviation; Secretary, Department of Revenue; Secretary, Ministry of Petroleum & Natural Gas; Secretary, Planning Commission; Dr. Deepak Parekh, Chairman, HDFC; Dr. Raghuram, Professor, IIM, Ahmedabad to examine various issues relating to the current financial crisis being faced by domestic airlines. Two meetings of the committee have been held on 14.08.2008 and 18.11.2008 respectively.

(c) to (e):- No, Sir. However, as per the terms of reference, the Committee had to make appropriate short term as well as long term recommendations for the sustained growth and health of aviation industry.

The Committee has made following main recommendations:-

package of financial relief should be worked out, re-examination of mechanism used by oil companies for pricing of ATF, re-examination of the issue of custom duty on ATF, import of ATF by airlines, reduction of sales tax on ATF.