

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4314

ANSWERED ON:02.05.2012

GROWTH OF AVIATION SECTOR

Antony Shri Anto; Bhujbal Shri Sameer ; Jeyadurai Shri S. R.; Karunakaran Shri P.; Kumar Shri Kaushalendra

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether there has been a general decline in the growth of aviation sector and if so, the reasons therefor;
- (b) the details of growth registered in the sector in India during each of the last three years and the current year;
- (c) whether the Government has taken steps or proposes to take steps to tap the huge growth potential in the aviation sector and reduce overhead cost in the sector;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken/being taken by the Government for development of the civil aviation sector in the Twelfth Five Year Plan?

Answer

MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH)

(a) and (b): The growth of domestic passenger carried during the last three years from 2009 to 2012 (till Mar.) is as follows:

Year PAX Carried Growth(%)

(millions)

2008 41.27

2009 43.84 +6.33

2010 52.02 +18.66

2011 60.66 +16.61

2012 61.27 +6.55

(till March)

(c) and (d): The Civil Aviation sector is passing through a phase of crisis, where most airlines are incurring operational losses. The Indian Air Transport Industry is burdened with higher operating cost than their counterparts globally. This is mainly due to the high costs of ATF and the distorted and high rate of taxes on all services and commodities associated with the sector. The Government has taken several measures to ameliorate the problems being faced by airlines and ensure long term viability of the sector. Some of the steps taken by the Government in this regard are as follows:

(i) A Working Group has been constituted under the Chairmanship of Secretary, Civil Aviation with Finance Secretary, Secretary, Financial Services, Secretary, M/o Petroleum & Natural Gas and DGFT to discuss the factors causing stress in civil aviation and to suggest solutions to the same.

(ii) The issue of rationalization of VAT on ATF, has been taken up with the State Govts.

(iii) Director General of Foreign Trade has allowed import of ATF by airlines on actual user basis.

(iv) A Committee under the Chairmanship of Secretary, Civil Aviation has been constituted to undertake formulation of a Civil Aviation Policy.

(v) The Ministry has undertaken a study of ATF pricing and fiscal structure through experts. The report has been submitted to Ministry of Civil Aviation.

(e): The New initiatives proposed for the development of the civil aviation sector during 12th Five Year Plan include setting up of a National Aviation University, development of aerospace industry and creation of Essential Air Services Fund.