

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:6514

ANSWERED ON:16.05.2012

FDI IN AVIATION SECTOR

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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Department of Industrial Policy and Promotion (DIPP) under the Ministry of Commerce has circulated a proposal recommending allowing foreign airlines to pick up stakes in domestic carriers with 26 per cent Foreign Direct Investment (FDI) cap;
- (b) if so, the details thereof and the reaction of his Ministry thereto indicating the percentage of this source of investment;
- (c) whether FDI is proposed to be confined to loss making carriers and is likely to lead to changes in the shareholding pattern of the aviation companies in India;
- (d) if so, the details thereof;
- (e) whether a provision has also been made to provide some kind of viable business plan to the foreign companies under the said scheme; and
- (f) if so, the details thereof and the reasons therefor alongwith the change in guidelines of FDI in civil aviation sector in the recent past?

Answer

MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH)

(a) to (f): A proposal to allow Foreign Airlines to invest up to 49% of equity in the domestic carriers is under examination of Department of Industrial Policy and Promotion (DIPP).