

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2235

ANSWERED ON:24.08.2012

PRIVATISATION OF AIRPORTS

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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the response of the State Governments to the proposed privatisation of Chennai, Kolkata and other airports in the country;
- (b) whether the Chennai and other airports modernization has been affected by cost overruns and passenger air traffic dipped because of infrastructure constraints and if so, the details thereof and the reasons therefor, airport-wise;
- (c) whether the criteria and modalities for city side development, maintenance and running of airports under PPP mode have been finalised;
- (d) if so, the details thereof, airportwise, and the manner in which the proposed PPP model is likely to be more effective than the one adopted for other airports; and
- (e) the steps taken by the Government in this regard and to speed up the modernization / privatisation work on various airports in the country?

Answer

MINISTER OF CIVIL AVIATION(SHRI AJIT SINGH)

- (a): No decision has been taken to privatize Chennai and Kolkata airports.
 - (b): No, Madam. As against 143 million annual passenger movement through Indian airports in 2010-11, the annual passenger movement increase to 162.30 million in 2011-12 with an average growth of 13.2%.
 - (c), (d) & (e): To review the implementation of the Financing Plan prepared in 2006 and to prepare a Financing Plan over the Twelfth Five Plan period, a Task Force on Financing Plan for development of airports has been constituted under the Chairmanship of Member, Planning Commission. The Task Force has recommended that operations and management of Chennai and Kolkata Airports could be taken up through Public Private Partnership (PPP) mode. Similarly, it has also been recommended that operations and management of 15 other operational airports and 32 non-operational airports may also be taken up through PPP mode.
- The Task Force emphasised that projected investment at these airports can fructify only if the PPP approach was adopted extensively. This would not only help attract the requisite volumes of investment, it would also ensure generation of significant volumes of non-aeronautical revenues that would help reduce the passenger charges to affordable levels.