

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2659

ANSWERED ON:13.03.2013

PROBLEMS FACED BY PUBLIC AND PRIVATE AVIATION COMPANIES

Mahto Shri Baidyanath Prasad;Pradhan Shri Nityananda

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has assessed the problems and shortcomings faced by both private and public sector civil aviation companies;
- (b) if so, the details thereof;
- (c) whether the Government has prepared any draft for overall development of the civil aviation sector;
- (d) if so, the details thereof and the reasons therefor;
- (e) the steps taken by the Government to make air travel accessible and trouble free for passengers; and
- (f) the action plan to create additional passenger carrying facilities lost as a result of closure of Kingfisher airlines?

Answer

Minister of State in the Ministry of CIVIL AVIATION (SHRI K. C. VENUGOPAL)

(a) and (b): Yes, Madam. A Working Group was constituted under the Chairmanship of Secretary, Civil Aviation with Finance Secretary, Financial Services Secretary, M/o Petroleum & Natural Gas DGFT and Joint Secretary, Civil Aviation to discuss the factors causing stress in civil aviation and to suggest solutions to the same.

(c) to (e): Based on the recommendation of the Working Group , the Government has taken several measures to revive the aviation industry and ensure long term viability of the sector.

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

(ii) FDI by foreign airlines in the domestic scheduled and non scheduled carrier has been permitted upto 49 percent of their paid up capital.

(iii) ECB upto \$ USD 1 billion has been permitted for the airlines to meet their working capital requirement.

(f): Operation in domestic sector has been deregulated. As such airlines are free to operate anywhere in the country subject to compliance of Route Dispersal Guidelines.