

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:2191

ANSWERED ON:22.08.2013

INDIA ABU DHABI AIR SERVICES

Ahmed Shri Sultan ;Bais Shri Ramesh;Bundela Shri Jeetendra Singh;Das Shri Khagen;Panda Shri Prabodh;Pratapsinh Shri Chauhan Prabhatsinh;Rathod Shri Ramesh;Sharma Dr. Arvind Kumar

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) the present status of Jet-Etihad deal;
- (b) whether the deal is to be governed by Indian Law or Foreign Law and, if so, the details thereof;
- (c) whether this deal is very concern for the Indian aviation industries particularly for Air India and the employees of Jet Airways and if so, the details thereof;
- (d) the foreign investment would be coming to Indian aviation industries through this deal and the impact of this deal on Air India;
- (e) whether the inter-ministerial group has discussed the issues related to India-Abu Dhabi air service agreement and if so, the details thereof;and
- (f) whether due to this deal Lufthansa is obstructing Air India's entry into Star Alliance and if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI K. C. VENUGOPAL)

(a) to (d) The proposal of Jet-Etihad is for preferential allotment of 2,72,63,372 equity shares of Jet Airways (India) Ltd. to Etihad Airways PJSC for an amount not exceeding Rs. 20,57,66,52, 711.02 at Rs. 754.74 per share. Post this preferential allotment of equity shares, Etihad Airways PJSC would hold 24% of the post issued paid up equity share capital of Jet Airways (I) Ltd. The proposal is governed by the Indian laws. The said proposal was considered in the 194th meeting of the FIPB held on July 29, 2013. The decision of the Government is awaited.

This Ministry is not aware of any concerns of the employees of Jet Airways on the proposal. As regards the impact of the proposal on Air India, the same can be assessed only after the proposal comes in to effect. However, Air India regularly reviews the impact of such tie-ups and accordingly re-engineers its fleet planning, route network and other commercial decisions.

(e) Requests were received from the Government of Abu Dhabi for enhancing the bilateral rights between India and Abu Dhabi and the demand of Indian carriers for increasing the traffic rights between India and Abu Dhabi. The Ambassador of India to UAE had recommended for favorable consideration of the request of Abu Dhabi for increase in entitlements. The Minister of External Affairs and Minister of Commerce & Industry had also expressed similar views.

The proposal was considered by Inter-Ministerial Group headed by Secretary (Civil Aviation), which recommended enhancement in capacity entitlement. Subsequently, a Group of Ministers under the Chairmanship of Finance Minister considered the proposal and approved the mandate for enhancement of capacity entitlements in a phased manner over next few years. The proposal is awaiting approval of competent authority.

(f) The Jet-Etihad deal has no bearing on AI's relationship with Lufthansa and AI's pursuit of entry into Star Alliance.