

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3193
ANSWERED ON:29.08.2013
VIOLATION OF CHICAGO CONVENTION
Das Shri Khagen

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the details of agreement between Jet and Etihad;
- (b) whether this bilateral agreement is in violation of Chicago Convention and if so, the details thereof;
- (c) whether the Government has allowed Jet and Etihad to enter into Fifth and Sixth Freedom Rights which allow taking passengers to destinations in third countries when we are not a signatory to these Rights under Chicago Convention; and
- (d) if so, the details thereof?

Answer

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

(a) to (b): A proposal has been submitted by Jet Airways (India) Limited and Etihad Airways to Foreign Investment Promotion Board (FIPB) for preferential allotment of 24 per cent of paid up equity share of Jet Airways (India) Ltd. to Etihad Airways. These airlines have submitted Share Holders Agreement, Investors Agreement and Commercial Cooperation Agreement which has been considered by FIPB and Government decision is awaited. The Chicago Convention is applicable to the Contracting States for safe and orderly development of International Air Transport Services.

(c) to (d): No Madam. India is a signatory of Chicago Convention, 1944 which recognizes that every State has complete and exclusive sovereignty over the airspace above its territory. ICAO has formally recognized only five freedoms of air. The first and second freedoms of air viz. over flight (without landing) and non-traffic stops for scheduled air services are governed by the International Air Services Transit Agreement which has been ratified by India. International Air Transport Agreement allows all the five freedoms of air which has not been ratified by India. In absence of an accepted multinational regulatory regime, traffic right is regulated on the basis of bilateral airtservices agreement which is legal framework for operation of air services between the countries. The traffic rights are exchanged between the countries and not between the airlines. In case of UAE (Abu Dhabi), the fifth freedom right is available only to Indian carriers under existing Air Services Agreement / Memorandum of Understanding and no such fifth freedom right is available to UAE (Abu Dhabi) . The sixth freedom right is in respect of services via home state of the carrier and the other contracting country has no control over such right. It is not incorporated in any Air Services Agreement.