

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:331

ANSWERED ON:13.02.2014

FDI IN CIVIL AVIATION

Bhujbal Shri Sameer ;Sugumar Shri K.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has permitted/proposes to permit Foreign Direct Investment (FDI) for the development of Civil Aviation sector in the country particularly for starting air services as joint ventures with domestic partners;
- (b) if so, the details thereof including the proposals received and approved by the Government in this regard, proposal-wise;
- (c) the details of the progress made in execution of the joint ventures approved by the Government, joint venture wise;
- (d) whether the Government has made any assessment of the impact of FDI on the development of the sector in the country; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

Minister of CIVIL AVIATION (SHRI AJIT SINGH)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT TO BE LAID IN REPLY OF THE LOK SABHA STARRED QUESTION NO 331 FOR ANSWER ON 13.2.2014 REGARDING FDI IN CIVIL AVIATION.

(a) to (c): Yes Madam, Government has permitted different limits of Foreign Direct Investment for different services in aviation sector. To meet the need of funds of private airlines in the country for their operations and service upgradation to compete with global carriers, Government has decided to permit foreign airlines to invest in the capital of Indian companies operating scheduled and non-scheduled air transport services, up to the limit of 49 percent of their paid-up capital subject to Sectoral conditions. Recently, three proposals of FDI by foreign airlines to invest in Domestic Scheduled Passenger Airlines have been approved by the Government. Details and present Status of above proposals are as under: (i) Preferential allotment of 24% of paid up equity share of Jet Airways (I) Ltd to Etihad Airways. Government has approved the FDI proposal.; (ii) Joint venture company by Air Asia Investment Limited (AAIL, a company incorporated under the laws of Malaysia) 48.951%, Tata Sons Limited (TSL) - 30.019% and Telestra Tradeplace Private Limited (Telestra) 21.028% in the name of Air Asia (India) Pvt Ltd. Government has approved the proposal and the Joint Venture Company was also granted initial NOC to start scheduled Air Transport (Passenger) Services on 24.9.2013.; (iii): Proposal for joint venture by Tata Sons Ltd (51%) and Singapore Airlines Ltd (49%) in the name of TATA SIA AIRLINES LTD. Government has approved the FDI proposal. The Joint Venture Company TATA SIA Airlines Ltd has approached Ministry of Civil Aviation for grant of initial NOC to operate Scheduled Air Transport (Passenger) Services.

(d) & (e): No Madam, it is too early to assess the impact of such FDI in the aviation sector.