

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3559
ANSWERED ON:13.02.2014
PROFIT AND LOSS OF PUBLIC AND PRIVATE AIRLINES
Karunakaran Shri P.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the details of the profits and losses of public and private airlines operators during the last three year, operator and year-wise;
- (b) whether it is a fact that only a few airports are making profits and many of the airports in the country are running in loss;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the remedial measures being taken by the Government in this regard and to explore non- aeronautical income opportunity of the airports?

Answer

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

(a): Profits and losses of public and private airline operators in India over the last three years i.e. 2010-11, 2011-12 & 2012-2013 is placed at Annexure- 1.

(b) & (c): Yes Madam, 13 Airports are making profit and 108 Airports making losses. List is placed at Annexure - 2 and Annexure - 3. The main reason for these airports incurring losses is low traffic volumes operated by these airports, non revision of tariff and excess expenditure of security.

(d): Increase in the traffic depends upon the availability of sufficient traffic/load for the airlines to start regular scheduled operations. In the absence of sufficient traffic, the airlines cannot be forced to undertake operations to these airports.

As a remedial measure, AAI Board has approved certain incentives/concessions on landing and parking charges to be given to airlines so as to make the destinations attractive to the airline operator. In addition, AAI has been pursuing with the State Governments for lowering the sales tax on Aviation Turbine Fuel imposed on the airlines by various State Governments so as to make operations viable. Few states have responded favorably.

Various measures have also been taken by AAI to increase its non-traffic revenues by creation and intensification of new commercial contracts i.e. rationalization of space rental, creation of duty free outlets, Master Concessionaire, retail and specialty stores and comprehensive ground handling activities on revenue sharing basis.

Government has also laid down route dispersal guidelines with a view to achieve better regulation of air transport services taking into account the need for air transport services of different regions of the country. It is, however, up to the airlines to provide air services to specific places depending upon the traffic demand and commercial viability. As such the airlines are free to operate anywhere in the country subject to compliance of route dispersal guidelines issued by the Government.