

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:2992  
ANSWERED ON:16.03.2015  
AVIATION SECTOR  
Joshi Shri Pralhad Venkatesh

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

- (a) whether the Airports Council International has held any meeting with the senior Indian aviation officials to discuss the future of aviation in the country;
- (b) if so, the details and the outcome thereof;
- (c) whether the current concessions have been successful in providing a steady source of subsidy to the small airports and the much needed capital investments in the large airports of the country and if so, the details thereof;
- (d) whether the current regulatory model has yielded poor returns for the investors which can stifle development in Indian airports and if so, the details thereof; and
- (e) the steps taken or being taken by the Government for creating an investor-friendly climate?

**Answer**

Minister of State in the Ministry of CIVIL AVIATION (Dr Mahesh Sharma)

(a) & (b): Yes, Madam. Representative of Airports Council International (ACI) met with the officials of Airport Economic Regulatory Authority (AERA) on 26.08.2014 and discussed the philosophy of economic regulation of airports and air navigation services.

(c): Yes, Madam. Concession have been granted to two JV airports at Delhi and Mumbai and two Public Private Partnership (PPP) Airports at Hyderabad and Bengaluru. The revenue earned by Airports Authority of India (AAI) from Delhi International Airport Limited and Mumbai International Airport Limited by way of revenue share which becomes the part of revenue of AAI which is used for development of all the AAI maintained airports including small airports. Many of these small airports are not self-sustaining and are developed / maintained by way of cross subsidization of revenue earned by AAI from PPP airports.

(d) & (e): In pursuant of level playing field in the airports sector, GOI has established an independent Regulatory Authority namely AERA, under an Act of Parliament AERA Act, 2008 to regulate tariff and other charges for the aeronautical services rendered at airports. AERA determines airport charges after due diligence and taking into account the interest of Public as well as the investors.