

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:513
ANSWERED ON:14.07.2014
CIVIL AVIATION POLICY
Kateel Shri Nalin Kumar

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the salient features of the policy formulated by the Government for Civil Aviation sector;
- (b) whether the Government proposes to amend the said policy or formulate a new policy for Civil Aviation sector and if so, the details thereof;
- (c) whether the policy on ground handling services is in a state of mess and confusion due to different interpretations of multiple notifications of the Government and the concessions awarded by airports and if so, the details thereof; and
- (d) whether taxes in aviation sector including taxes on aviation fuel are very high thereby affecting the airlines and the passengers and if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION (Shri G. M. Siddeshwara)

(a) & (b): Policies governing various segments of Civil Aviation Sector are in place and these are revised/updated from time to time depending upon the requirement taking into account market conditions, general economic environment, global best practices and other international conventions and treaties.

(C) No, Madam. Airport Authority of India (General Management, Entry for Ground Handling Services) Regulations 2007 and notification dated 2.12.2010 published through Gazette notification have been implemented. At Chennai Airport and airports under Southern Region and Northern Region, concessions have been awarded to M/s Bhadra International India Ltd and M/s Indo Thai Airport Management Services Pvt. Ltd. respectively to provide ground handling services and cargo handling on open tender basis. Some of the airlines had filed a writ Petition in Hon'ble High Court at Delhi challenging the regulations which was dismissed. SLP in Hon'ble Supreme Court has been filed and the matter is sub-judice.

(d) Yes, Madam. The Value Added Tax (VAT) on Aviation Turbine Fuel (ATF) levied by most State Governments is high in some of the states. ATF being an important input in airline operations constituting about 50% of the operating cost, such high taxes adversely affect the viability of airlines.