

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3012

ANSWERED ON:03.08.2017

FDI in Aviation Sector

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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government proposes to increase the Foreign Direct Investment (FDI) in the aviation sector;
- (b) if so, the details thereof;
- (c) the steps taken or being taken by the Government to promote domestic sectors especially "un-served" airports in the country;
- (d) the details in respect of the 80:20 funding model for infrastructure development of airports and the procedure adopted for identification of such airports;
- (e) whether the Union Government has any proposal to allow 100 per cent FDI in local airlines and if so, the details thereof; and
- (f) whether the Union Government considered the security issues before taking such decision and if so, the details thereof?

Answer

The Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): No Madam;

(b): Does not arise.;

(c): The Ministry of Civil Aviation has launched Regional Connectivity Scheme (RCS)-UDAN (Ude Desh ka Aam Nagrik) scheme on 21-10-2016 for providing connectivity to un-served and under-served airports of the country. The primary objective of RCS is to facilitate / stimulate regional air connectivity by making it affordable. Promoting affordability of Regional air connectivity is envisioned under RCS by supporting airline operators through ;

(i) Concessions by Central Government, State Governments and airport operators to reduce the cost of airline operations on regional routes and ;

(ii) Financial support (viability gap funding or VGF) to meet the gap, if any, between the cost of airline operations and expected revenues on such routes.

RCS-UDAN is a demand-driven scheme, where airline operators undertake assessment of demand on particular routes. ;

(d): No such model has been adopted for development of airports. The scheme of Revival of unserved-underserved airports is fully centrally sponsored.;

(e) and (f): At present, there is no proposal to review the extant Foreign Direct Investment (FDI) policy on Aviation sector.