

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:46

ANSWERED ON:07.07.2014

INDIAN AVIATION SECTOR

Adityanath Shri Yogi;Mullappally Shri Ramachandran

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

- (a) whether the Indian Aviation Sector including Public Sector companies have been incurring heavy losses for the past few years;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has conducted any review of the operating and financial performance of the Indian Aviation Sector; and
- (d) if so, the details and outcome thereof along with the steps taken or being taken by the Government to tide over these losses?

**Answer**

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

(a) & (b): The position relating to losses incurred by Scheduled Airlines and Pawan Hans Ltd (PHL), a Public Sector Undertaking (PSU), under Ministry of Civil Aviation from 2009-10 to 2012-13 is given at Annexure I.

The rapidly changing air transport environment dictated by the global economic fortunes is forcing airlines to seek structural adjustments in order to survive. One of the major challenges of the air traffic industry in India is the high and growing debt burden of the carriers. While there are number of structural factors that are responsible for this phenomenon, higher operating costs are adversely impacting the financials of the airline sector. Aviation sector in India is burdened with huge taxation on fuel, aircraft leases, airport charges, air passenger tickets, air navigation service charges, maintenance costs, fuel throughput fees, into plane fuel fees, and other items.

(c) & (d): Government has conducted review of operating and financial performance of Air India only and the reasons have been identified for losses. It has also been decided to infuse additional equity under the Turn Around Plan (TRP) Financial Restructuring Plan (FRP) approved by the Government.