

**GOVERNMENT OF INDIA  
DISINVESTMENT  
LOK SABHA**

UNSTARRED QUESTION NO:393

ANSWERED ON:20.11.2001

DISINVESTMENT OF AIR INDIA AND INDIAN AIRLINES

C. SREENVAASAN;CHANDRA NATH SINGH;M.H. AMBAREESH;MARGARET ALVA;PUTTASWAMY GOWDA;RENUKA CHOWDHURY;SUSHIL KUMAR SAMBAJIRAO SHINDE

**Will the Minister of DISINVESTMENT be pleased to state:**

- (a) whether the disinvestment process of Air India and Indian Airlines have been completed;
- (b) if not, the reasons therefor;;
- (c) whether Singapore Airlines which was one of the bidder has withdrawn from the process of disinvestments of Air India;
- (d) if so, the reasons therefor;
- (e) the further progress since been made in the disinvestment bid of Air India;
- (f) whether the Singapore Airlines has accused the official machinery for its withdrawal; and
- g) if so, the steps taken by the Government to control such acts in future?

**Answer**

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

- (a) & (b) The process of disinvestment in both Air India and Indian Airlines have not yet been completed due to the lack of bidders.
- (c) & (d) Singapore Airlines Limited (SIA) have stated the following reasons for their withdrawal from the disinvestment process of Air India:
  - (i) Intensity of opposition to the privatisation of Air India from various quarters including certain sections of political groups, trade unions and the media;
  - (ii) Slowdown of the world economy affecting the international airline business; and
  - (iii) SIA`s investments in Australasia demanding more attention and requiring commitment of substantial financial resources.
- (e) Tata Sons Limited, the consortium partner of SIA, have intimated that in the light of SIA`s decision to withdraw from the consortium, they are assessing the new situation following which they will revert to the Government in the matter. So far, Government has not received any response from Tata Sons Limited.
- (f) No, Sir.
- (g) Does not arise in view of reply to (f) above.