

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1138
ANSWERED ON:28.07.2003
UNVIABLE ROUTE OF IA
IQBAL AHMED SARADGI

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Indian Airlines is incurring huge losses as it continue to operate on seemingly unviable routes;
- (b) if so, whether 24 of the 70 domestic services operated by the airline during 2001-02 did not meet even the direct (cash) cost of operations;
- (c) if so, the steps the Government proposes to take to ameliorate the situation;
- (d) whether any concrete proposal in this regard have been worked out for 2002-03 and 2003-04; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI RAJIV PRATAP RUDY)

(a): Yes, Sir.

(b): Yes, Sir.

(c),(d) and (e): Indian Airlines including Alliance Air has been operating on several uneconomical sectors on the domestic network mainly due to Socio-economic obligations. The excess deployment of capacity on Category-II& Category-III routes as against the minimum DGCA requirements results in considerable losses to Indian Airlines. Being a public sector enterprise, Indian Airlines is not in a position to run entirely on commercial principles as it has to fulfil the responsibility of regional connectivity and development.

Government reviews the performance of the company on regular basis and efforts are made to improve the economic viability of operations to the extent possible in consultation with other Ministries.