

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:133
ANSWERED ON:01.12.2005
FDI FOR MODERNISATION OF AIRPORTS
Singh Shri Mohan

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has decided to increase the percentage of Foreign Direct Investment (FDI) for expansion, renovation and modernisation of major airports of the country including Mumbai and Delhi airports;
- (b) if so, the details thereof;
- (c) the extent to which the percentage of FDI is likely to be allowed;
- (d) whether the foreign companies are likely to join hands with the Indian private companies or public companies for modernisation of the airports;
- (e) if so, the names of the foreign companies which have expressed their desire to go for direct investment in the civil aviation sector; and
- (f) the manner in which the Government would permit these companies to invest in this sector?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a),(b),(c),(d),(e) & (f) : A statement is laid on the Table of the House.

Statement in reply to parts (a), (b), (c), (d),(e) and (f) of Lok Sabha () Starred Question No.133 for 1.12.2005 regarding FDI for modernisation of Airports.

(a) : No, Sir.

(b) : Does not arise.

(c) : As per the extant Policy foreign equity participation of new airports is permitted upto 74% with automatic route and upto 100% with FIPB approval. However, in the international airports at Delhi and Mumbai which are being restructured and modernized through Public Private Partnership Foreign Direct Investment (FDI) has been capped at 49%.

(d) : Yes, Sir

(e) : The following foreign entities are part of consortia, who have submitted their bids for re-structuring & modernisation of Mumbai & Delhi airports.

(i) Aeropuertoty Servicios Auxilliares,

(ii) Fraport AG Airport Services Worldwide,

(iii) Malaysia Airports (Niaga) Sdn. Berhad,

(iv) Tepe-Akfen-Vie Yatirim Yapim Ve Isletme Anonim Sirketi(TAV),

(v) Flughafen Munchen GmbH,

(vi) Aeroports de Paris Management,

(vii) Airports Company South Africa;

(viii) The Bidvest Group Limited, and Macquaire Bank through Macquaire India Airports One Limited and Macquaire India Airports Two Limited.

Further, foreign companies, namely, Siemens and Unique Zurich and Malaysian Airport Holding Berhad are part of the Joint Venture Companies (JVCs) viz Bangalore International Airport Limited (BIAL) & Hyderabad International Airport Limited (HIAL), which are establishing Bangalore & Hyderabad airports, respectively.

(f) : The manner of investment by foreign companies for modernisation of airports would be, inter-alia, dependent on FDI policy, airport specific policy, plans of the foreign companies, and demand and supply side considerations.