

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:135

ANSWERED ON:01.12.2005

MERGER OF AIR INDIA AND INDIAN AIRLINES

Singh Kunwar Rewati Raman;Yadav Shri Ram Kripal

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government is aware of the problems faced by Air India and Indian Airlines arising from inefficient operations and growing competition from the other airlines;
- (b) if so, the steps taken by the Government to solve these problems;
- (c) whether the Government is considering any proposal to merge both the Airlines into one single company;
- (d) if so, the details alongwith the present status thereof;
- (e) the extent to which the merger would reduce costs, avoid duplication and increase the business and profitability; and
- (f) the steps likely to be taken to safeguard the interests of the staff of these undertakings?

Answer

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

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

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO.135 FOR 01.12.2005 REGARDING MERGER OF AIR INDIA AND INDIAN AIRLINES.

(a) and (b): Air India and Indian Airlines are operating in a competitive market environment and show a decline in their market share because of continuous capacity induction by the other carriers. However, both the airlines constantly endeavour to take measures to improve their product and remain competitive in the market. Besides both the airlines are in the process of acquiring latest state of art technology aircraft in order to revamp their fleet.

(c): No, Sir

(d), (e) and (f): Do not arise.