

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1372
ANSWERED ON:03.08.2006
EXPANSION OF CIVIL AVIATION INDUSTRY .
Scindia Shri Jyotiraditya Madhavrao

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether India at the Annual General Meeting of the International Air Transport Association(IATA) held at Paris in the month of June this year, indicated an elaborate plan for expansion of Civil Aviation industry both in the public and private sector;
- (b) if so, the details thereof indicating plans for expansion of the industry in the domestic and international sector to unshackle it from the restrictive policies of the past; and
- (c) the steps taken/being taken in pursuance thereof?

Answer

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

(a),(b) & (c): Speaking at the IATA Annual General Meeting at Paris this year, the Minister of State (Independent Charge) of the Ministry of Civil Aviation presented a broad outline of the developments and liberalization in the civil aviation sector in India. As regards the liberalization of the sector, the following significant steps have already been taken:

(i)The Foreign Direct Investment limits in `Air Transport Services (Domestic Airlines)` increased from 40% to 49%. However, the NRI`s have been allowed 100% FDI.

(ii)Private scheduled carriers with five years experience in domestic sector and having fleet size of twenty aircraft permitted to operate on international routes.

(iii)Liberal policy in the exchange of capacity entitlement/traffic rights adopted by the Government which paved the way for more foreign airlines to operate to/ from India.

(iv)Amendment of the various outdated provisions of Aircraft Rules to keep the provisions abreast with the international standards and developments in the civil aviation sector.

(v)Tourist charter guidelines liberalized.

(vi)Fleet expansion plans of Air India/Indian Airlines approved.

(vii) Restructuring of Delhi and Mumbai airport and work on development of greenfield airports at Bangalore and

Hyderabad.

(vii) Upgradation/ expansion/ development of airports is undertaken depending upon traffic potential, requirement of airline operators and need of travelling people.