

invest, in capital of Indian Company, operating scheduled and non-scheduled air transport services, upto the limit of 49% of their paid-up capital.

Shrinking of Air Traffic

182. SHRI Y.S. CHOWDARY: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that air traffic has shrunk during the financial year 2012-13;
- (b) if so, the details therefor and the reasons therefor; and
- (c) the steps taken/being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI K.C. VENUGOPAL): (a) and (b) The passenger traffic declined by 1.8 percent in 2012-13 compared to previous year *i.e.* 2011-12. The decline in the passenger traffic in 2012 was mainly due to the following reasons:

- (i) Global economic slow-down
- (ii) Sharp rise in the prices of ATF and higher operating costs
- (iii) Poor financial health of domestic airline industry
- (iv) Strike by pilots of Air India and
- (v) Suspension of flights by Kingfisher Airlines

(c) The Government has taken several measures like allowing direct import of Aviation Turbine Fuel by Indian Carriers as actual users, permitting foreign airlines to participate upto 49 percent in the equity of an scheduled air transport undertaking, allowing ECB for working capital requirement of airline industry for a period of one year, subject to a total ceiling of US \$ 1 billion and tax concession for parts of aircraft and testing equipment for third party maintenance, repair and overhaul of civil aircraft.