

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 1266
(TO BE ANSWERED ON THE 3rd July 2019)

LOSSES OF AIR INDIA

1266. DR. V. MAITREYAN

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) the losses incurred by Air India during the last three years 2016-17, 2017-18 and current financial year;
- (b) what are the reasons for Air India remaining in loss;
- (c) how many profit routes have been allotted to Air India;
- (d) what are the steps taken by Government for bringing down the airfares well besides promoting competition among different players; and
- (e) what are the steps taken to strengthen Air India in the competitive market?

ANSWER

MINISTER OF STATE (IC) IN THE MINISTRY OF CIVIL AVIATION

(Shri Hardeep Singh Puri)

(a): The losses incurred by Air India during the last 3 years and the current Financial year are given hereunder:

Year	Net Loss (Rs in Crore)
2015-16	3836.78
2016-17	6452.89
2017-18	5348.18
2018-19	7635.00 (Prov.)

(b): The major reasons for Air India remaining in loss are as follows:

- (i) High interest burden,
- (ii) Increase in competition especially from low cost carriers,
- (iii) Adverse impact of exchange rate variation due to weakening of the Indian Rupee, and
- (iv) High operating costs.

(iii) Robust organizational and governance reforms to be implemented by an eminent Board.

(iv) Differentiated business strategies for each of Air India's core businesses.

(v) World-class HR practices to ensure a talented and motivated workforce and

(vi) Sale of non-core real estate assets and strategic disinvestment of subsidiaries.

The revival plan of Air India focuses on the operational efficiencies so that substantial increase in revenue or cost saving can be achieved.
