

GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
RAJYA SABHA  
**UNSTARRED QUESTION NO : 325**  
(TO BE ANSWERED ON THE 20<sup>th</sup> November 2019)

**STEPS TO CUT OPERATIONAL COST OF DOMESTIC AIRLINES**

325. SHRI MAHESH PODDAR

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

- (a) whether it is a fact that domestic airlines in the country are facing difficulty in making profit due to certain policies like excise duty on jet fuel but do not get credit for this in final tax liability on air fare charged to flyer in the form of GST;
- (b) if so, the details thereof;
- (c) whether Government is taking any favourable steps to remove these bottlenecks and help domestic airlines to cut their operational cost; and
- (d) if so, the details thereof?

**ANSWER**

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

(Shri Hardeep Singh Puri)

(a) to (b): Due to the rising prices of Aviation Turbine Fuel (ATF), depreciation of the Indian rupee against the U.S. Dollar, the global economic slowdown and lower yields due to higher competition among Indian airline operators, the gap between revenue and expenses has widened which has adversely affected their profitability.

(c) to (d): The Government has constantly been responding to industry conditions and undertaking specific measures to facilitate and enable growth of the sector. Steps also include reduction of Central Excise Duty applicable on ATF from 14% to 11% w.e.f. 11 October, 2018 and rationalization of various Goods and Service Tax (GST) provisions with a view to improve the overall performance of the civil aviation sector.

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