



Ministry of Civil Aviation

Air India: steps taken to cut losses

Posted On: 01 AUG 2017 8:32PM by PIB Bhubaneswar

The Government had approved a Turnaround Plan (TAP) / Financial Restructuring Plan (FRP) for operational and financial turnaround of Air India. The TAP/FRP provides equity infusion of Rs.30,231 crores upto 2021 subject to achievement of certain milestones. The Company has made substantial progress in both operational as well as financial areas as per TAP Milestones. As a part of the turnaround strategy, the company, with the overall support of the government, has initiated a number of steps in order to cut costs and losses. These steps, inter-alia, include the following:

- i. Route rationalization of erstwhile Air India (AI) & Indian Airlines (IA) route and elimination of route network involving parallel operations.
- ii. Rationalization of certain loss making routes.
- iii. Enhanced utilization of new fleet resulting in production of higher Available Seat Kilometers (ASKMs).

During the last three years Air India initiated a number of steps including various phase market initiatives. The steps inter-alia include the following:

1. Introduction of New Routes.
2. Preferred seat selection on domestic and international routes.
3. Flash sale of seats to increase revenues and Passenger Load Factor (PLF).
4. To utilize unsold inventory/launching of airfare equivalent to Rajdhani IIAC fare on select sectors.
5. Dynamic pricing and introduction of Advance Purchase fare.
6. Various sales and Marketing Initiatives.

This information was given by Minister of State for Civil Aviation Shri Jayant Sinha in a written reply to a question in the Rajya Sabha today.

(Release ID: 1498430) Visitor Counter : 40

