

Press Information Bureau
Government of India
Cabinet

08 NOV 2018 8:42PM by PIB Delhi

Cabinet approves leasing out six airports - Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram and Mangaluru through PPP

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the following:

1. "In-principle" approval for leasing out six airports of AAI viz. Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram and Mangaluru for operation, management and development under Public Private Partnership (PPP) through Public Private Partnership Appraisal Committee (PPPAC).
2. Constitution of an Empowered Group of Secretaries headed by CEO, NITI Aayog with Secretary, Ministry of Civil Aviation, Secretary, Department of Economic Affairs and Secretary, Department of Expenditure to decide on any issue falling beyond the scope of PPPAC.

Benefits:

1. PPP in infrastructure projects brings efficiency in service delivery, expertise, enterprise and professionalism apart from harnessing the needed investments in the public sector.
2. The PPP in airport infrastructure projects has brought World class infrastructure at airports, delivery of efficient and timely services to the airport passengers, augmenting revenue stream to the Airports Authority of India without making any investment, etc. of these, for development of Greenfield Airports at Hyderabad and Bengaluru. Presently, the airports being managed under the PPP model include Delhi, Mumbai, Bangalore, Hyderabad and Cochin.
3. The PPP airports in India have been ranked among the top 5 in their respective categories by the Airports Council International (ACI) in terms of Airport Service Quality (ASQ).
4. While these PPP experiments have helped create world class airports, it has also helped AAI in enhancing its revenues and focusing on developing airports and Air Navigation infrastructure in the rest of the country.

Background:

The increase in domestic and international air travel in India combined with congestion at most airports, and the strong traffic growth at the 5 airports which were privatized over a decade ago has attracted the attention of several international operators and investors. The airport sector is the top contender among infrastructure sectors in terms of international interest. International operators and investors prefer brownfield airport expansion opportunities with having more than 3-4 million passenger capacity. The airport sector may provide an immediate opportunity to attract foreign direct investment (FDI) by adoption of a PPP approach.

Therefore, it has been decided to lease out six airports viz. Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvanthapuram and Mangaluru of AAI in the first phase for development, operation and management under PPP. This is expected to enhance the revenue to AAI and increased economic development in these areas in terms of job creation and related infrastructure. .

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