

National Civil Aviation Policy

January 8, 2021

Vision:

To create an ecosystem to make flying affordable for the masses and to enable 30 crore domestic ticketing by 2022 and 50 crore by 2027, and international ticketing to increase to 20 crore by 2027. Similarly, cargo volumes should increase to 10 million tonnes by 2027.

Mission:

Provide safe, secure, affordable and sustainable air travel for passengers and air transportation of cargo with access to various parts of India and the world.

Objectives:

- Establish an integrated ecosystem which will lead to significant growth of the civil aviation sector, which in turn would promote tourism, increase employment and lead to a balanced regional growth.
- Ensure safety, security and sustainability of the aviation sector through the use of technology and effective monitoring.
- Enhance regional connectivity through fiscal support and infrastructure development.
- Enhance ease of doing business through deregulation, simplified procedures and e-governance.
- Promote the entire aviation sector chain in a harmonised manner covering cargo, MRO, general aviation, aerospace manufacturing and skill development.

NCAP 2016 covers the following policy areas:

- Regional connectivity

- Safety
- Air Transport Operations
- Route Dispersal Guidelines
- 5/20 Requirement for International Operations
- Bilateral traffic rights
- Code-share agreements
- Fiscal Support
- Airports developed by State Govt, Private sector or in PPP mode
- Airports Authority of India
- Air Navigation Services
- Aviation security, Immigration and Customs
- Helicopters
- Charters
- Maintenance, Repair and Overhaul
- Ground handling
- Air-cargo
- Aeronautical ' Make in India'

Policy also aims to create a Regional Connectivity fund for VGF through a small levy per departure on all domestic flights other than Cat II/ Cat IIA routes, RCS routes and small aircraft below 80 seats at a rate as decided by the Ministry from time to time. VGF to be shared between MoCA and State Governments in the ratio of 80:20. For the North Eastern States, the ratio is 90:10.

Regional Connectivity Scheme

- This scheme will come into effect in the second quarter of 2016-17
- Airfare of about Rs2500 per passenger for a one-hour flight
This will be implemented by way of:
 - Revival of airstrips/airports as No-Frills Airports at an indicative cost of Rs.50 crore to Rs100 crore
 - Demand driven selection of Airports/airstrips for revival in consultation with State Govts and airlines
 - ViabilityGapFunding(VGF)to airline operators
 - RCS only in those states which reduce VAT on ATF to 1% or less, provide other support services and 20% of VGF.
 - Concessions by Stakeholders
 - There will be no airport charges
 - Reduced Service tax on tickets (on 10% of the taxable value) for 1 year initially
 - Reduced Excise duty at 2% on ATF picked at RCS airports
 - State government will provide police and fire services free of cost. Power, water and other utilities at concessional rates