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Dy. Chairman, Planning Commission, pointed out that as long as concessional LTC is made available to A&N, it will continue to give a huge incentive to the airlines to charge very high fares because the Government pays for the fares. This issue needs to be resolved.

J.S, M/o Civil Aviation mentioned that Air India is operating flights for 5-6 days and incurs an annual loss of Rs 14 crore on flights to A&N. It was suggested that as in case of North East, a suitable scheme of subsidy on flights to Lakshadweep may also be mooted. MP (Lakshadweep) mentioned that the UT (Lakshadweep) needs an aircraft involving a cost of about Rs. 14 crore which is not a big amount for Air India which incurs a maintenance cost of Rs. 14 crore on a single flight from Delhi to the US. According to him, the case of Lakshadweep should also be considered in that spirit.

Secretary, Planning Commission pointed out that both Administrations are subsidizing cheap passenger traffic by approximately Rs. 10,000 to Rs. 11,000 per passenger in case of A&N. The same is the case with Lakshadweep. So both Administrations need to divert sea traffic to air traffic and reduce the amount of subsidy from Rs. 11000 per person.

J.S, M/o Civil Aviation, pointed out that the Lakshadweep airport is very small and fuel is not available in Agatti. The aircraft has to carry fuel for to and fro journey. M.P, Lakshadweep pointed out that previously there was a refueling station at Agatti airport, which may be restarted to solve the fuel problem. Administrator, Lakshadweep, pointed out that main reason for unprofitability of flights is the use of older aircrafts and uncertainty of flights.

Senior Consultant, Planning Commission, mentioned that in case of North Eastern states an aircraft was purchased and handed over to the Indian Airlines on a sort of wet lease. He suggested that a similar dispensation could be made in case of Lakshadweep and A&N to ensure regular flights on both Islands.

[Action to be taken by Ministry of Civil Aviation]

Vision for Tourism Development in Andaman & Nicobar Islands and various measures to be taken for the purpose:

The Director, A&N Islands, made a presentation on the vision for tourism development in Andaman & Nicobar Islands and mentioned that their aim is to develop the Andaman & Nicobar islands in a unique eco friendly manner by preserving ecology as well as boosting tourism by making people aware of the new face of A&N rather than making them associate Andamans with Kalapani. He highlighted following measures to be taken to achieve the purpose: