

Air India IPO likely in second half of 2008

The government is considering divesting its stake in national carrier Air India through an initial public offering (IPO) in the second half of 2008.

The government is considering divesting its stake in national carrier Air India through an initial public offering (IPO) in the second half of 2008.

This was stated by Civil Aviation Minister Praful Patel Friday on the sidelines of a press conference to launch India's first civil aviation exhibition, India Aviation 2008.

'We may consider issuing an IPO in the second half of this year,' he told reporters, noting the divestment may be in the range of 10-15 percent of the shareholding.

Patel said he would also be meeting Finance Minister P. Chidambaram to discuss reduction in excise and custom duty on aviation turbine fuel (ATF).

He said states could make their 'taxation' policy more 'reasonable', by reducing their levy on ATF, which will directly affect ticket prices.

India's aviation growth will be through Indian state governments and smaller cities, rather than the central government or metropolitan cities, he added.

'I am in favour of bringing in the states. They themselves can be the drivers of growth,' Patel said.

While he was confident about the airports in Bangalore and Hyderabad becoming operational this year, he had a 'little doubt' about the supporting infrastructure like road connectivity, being ready on time.

'I want to make 2008 the year of the helicopter and sea planes,' said Patel, adding that it was a mystery as to why these two sectors had not received any attention.

'Why can't we build a heliport in Delhi and Mumbai without bickering?' he asked.

He pointed out that a small nation like Maldives had 30-40 seaplanes, while India, with its long coastline, did not have a single one.

Announcing India Aviation 2008, Patel said that it would be the first international exhibition of its kind in India on the Indian civil aviation sector. The expo will be held between Oct 15 and 18, 2008.

- Indo Asian News Service