



Uttar Pradesh Set to Invest in Civil Aviation | Uttar Pradesh | 29 May 2024

Why in News?

According to the sources, the **Uttar Pradesh government** is targeting **private investment of USD 2 billion (over Rs 16,000 crore)** in the [civil aviation sector](#).

- Apart from promoting ancillary activities, such as aviation training, aircraft maintenance, and aero-sports, the proposed investment may be used to **develop and upgrade existing airstrips**.

Key Points

- Under the flagship [Regional Connectivity Scheme \(RCS\)](#), apart from the 14 state-owned airstrips marked for immediate development, the state is taking steps to **operationalise 225 routes**.
 - Six airstrips namely **Aligarh, Azamgarh, Chitrakoot, Shravasti, Moradabad, and Sonbhadra** are being **upgraded to handle the flights** under the RCS.
 - The state has allocated a **budget of about Rs 28,000 crore** in the current financial year 2024-25 (FY25) **for the civil aviation infrastructure** for airstrips modernisation, land acquisition, and more.
- Uttar Pradesh witnessed a **rise of 20% in the number of flyers** in FY24, indicating a sharp uptick in aviation growth in leisure and business [tourism](#).
 - The government is also promoting helicopter taxis in major tourist hotspots under the [Public-Private Partnership \(PPP\) mode](#).
 - In 2023, UP Tourism signed an agreement with Rajas Aerosports And Adventures to operate heliports for 30 years between Agra and Mathura.
- **UP has emerged as the most favoured tourist destination**, logging a 50% jump in tourist inflow to 480 million in 2023.

Regional Connectivity Scheme

- **About:**
 - [UDAN \(Ude Desh Ka Aam Nagarik\)](#) was launched by the Ministry of Civil Aviation for regional airport development and **regional connectivity enhancement**.
 - It is a part of the [National Civil Aviation Policy 2016](#).
 - The scheme is applicable for a **period of 10 years**.
- **Objectives:**
 - Improve the air connectivity to remote and regional areas of India.
 - Development of remote areas and enhancing trade and commerce and tourism expansion.
 - Enable common people to access air travel with affordable rates.
 - Employment creation in the aviation sector.
- **Key Features:**
 - Under the scheme, airlines have to cap airfares for 50% of the total seats at Rs. 2,500 per hour of flight.
 - This would be achieved through:
 - A financial stimulus in the form of concessions from Central and State governments and airport operators and
 - [Viability Gap Funding \(VGF\)](#) – A government grant provided to the airlines to bridge the gap between the cost of operations and expected revenue.

- Regional Connectivity Fund (RCF) was created to meet the viability gap funding requirements under the scheme.
- The partner State Governments (other than UTs and NER states where contribution will be 10%) would contribute a 20% share to this fund.

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