



## UDAN International

The Ministry of Civil Aviation has prepared a draft scheme document for “UDAN International” which will enable the State governments to encourage tourism on preferred international air routes by offering the subsidy to domestic airlines **for a period of three years.**

- The scheme is designed for State governments that are keen to promote air connectivity on international routes identified by them and for which they are willing to provide the subsidy to airlines.
- The **Airport Authority of India** will be the implementing agency of the scheme.

### Key Points

- As per the draft, a **State will identify international routes** for which the Airports Authority of India (AAI) will determine a subsidy amount.
- This will be followed by airlines submitting their proposals, which will include the routes they wish to connect as well as the subsidy needed by them.
- The financial assistance to an airline will be offered from the **International Air Connectivity Fund (IACF)**, which will be created through the contributions made by the State government.
- The scheme is meant for domestic airlines. Only fixed-wing aircraft with more than 70 seats can be operated under the scheme and airlines will have to conduct a minimum of three and a maximum of seven departures on a given route on three days in a week.
- The Centre has allowed airlines to enter into a code-sharing arrangement with international and domestic airlines for UDAN international.
- An airline that is awarded a particular route will have exclusive rights to a subsidy on that route **for a period of three years.**

### No Capping of Fares

- No capping of fares is the key difference between this scheme and the regional connectivity scheme (RCS) also known as Ude Desh Ka Aam Nagrik (UDAN), for domestic routes. The international connectivity targets people with disposable incomes who are looking to undertake air travel for the purpose of tourism.
  - Under RCS, fares are capped at ₹2,500 for one hour of flight on a fixed-wing aircraft in order to make air travel affordable.

### Ude Desh Ka Aam Nagarik (UDAN)

- UDAN was launched in 2016 to make air travel affordable for people through subsidised ticket rates. The aim is to connect smaller places through air network by using under-served and unserved airports.
- Under UDAN, fares for a specified number of seats is capped and the government provides a viability gap funding (VGF) to the carriers to make up for the below-market pricing.

