

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1096
(To be answered on the 8th February 2024)**

EXORBITANT AIRFARE

1096. SHRI MS. NUSSRAT JAHAN

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether it is a fact that the private airlines are charging exorbitant airfare ranging from 50 to 200 per cent increase on several sectors and if so, the details thereof;
- (b) the amount of the airfare in November and December 2023 as compared to airfare in the year 2022 during same period;
- (c) whether there is any capping mechanism on airfares by the Government; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(GEN. (DR) V. K. SINGH (RETD))

(a): As per prevailing regulation, airfares are neither established nor regulated by the Government.

The airfare established by the airlines are dynamic in nature and follow the principle of demand & supply. The fares are also dependent on a number of other factors such as the number of seats already sold on a particular flight, prevailing fuel price, the capacity of the aircraft operating on the route, competition in the sector, season, holidays, festivals, long weekends, events (sports, fairs, contests) etc.

Under the provision of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking engaged in scheduled air services is required to establish tariff having regard to all relevant factors, including cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff. Airlines are free to charge reasonable air fares as per their operation viabilities subject to compliance to the above said rule.

(b): As per the analysis carried out by Tariff Monitoring Unit (TMU) established by Directorate General of Civil Aviation (DGCA) on the selected routes, there is relative increase in the airfares on certain routes in the months of November & December 2023 in comparison to the corresponding months in the year 2022. The main reasons are due to increase in Air Turbine Fuel (ATF) prices, reduction in value of INR against US dollar & suspension of operations by M/s GoFirst which has resulted in demand-supply mismatch and consequently, a higher airfare.

(c) & (d): At present, airfares are neither established nor regulated by the Government. With the repeal of Air Corporation Act in March 1994, the process of airfare approval by Government has been dispensed with.
