

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2086

ANSWERED ON:29.07.2002

REDUCTION OF AIR FARE

CHANDRA NATH SINGH;GANGASANDRA SIDDAPPA BASAVARAJ;JAGMEET SINGH BRAR;NARESH KUMAR
PUGLIA;RAOSAHEB PATIL DANVE;S. SAIDUZZAMAN;SADASHIVRAO DADOBA MANDLIK;SANAT KUMAR MANDAL

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Indian Airlines and Air India reduced Air fare recently;
- (b) if so, the details thereof (Sector-wise);
- (c) whether it would apply to senior citizens, cancer patients and defence service categories also;
- (d) whether the fares have fallen below railway and road fare;
- (e) if so, whether the other ministries were also consulted;
- (f) whether the new fare structure will be able to meet the operation cost;
- (g) if not, how this loss would be covered;
- (h) whether the fares would be hiked during peak season; and
- (i) if so, the details thereof?

Answer

THE MINISTER OF STATE FOR CIVIL AVIATION (SHRI SHRIPAD Y. NAIK)

(a), (b), (c), (d), (e), (f), (g), (h) and (i): In response to market requirements, Indian Airlines introduces promotional fares on its domestic network from time to time. The level of fare reduction varies from sector to sector and season to season depending on various market factors like seasonality, strength of Indian airlines versus competitors, supply demand equation etc. On 5th July, 2002 Indian Airlines has introduced the Advance Purchase Scheme (APEX Fare Scheme) on selected 50 domestic city pairs for economy class travel between 1st August, 2002 to 31st October, 2002. The fares offered under this scheme are lower than the existing normal fares by 12% to 64%. These fares are higher than the 2nd class Railway AC fares on comparable sectors. No such comparison has been made with road travel.

The scheme aims at attracting passengers travelling by alternate modes of transport in the identified routes having low seat factor during lean seasons. It envisages attracting incremental traffic using the spare capacity. The revenue that is generated will be additional, at very marginal cost.

No fares have been reduced by Air India recently.

Separate concessional fares are offered by Indian Airlines to Senior Citizens, Cancer Patients and Defence Services categories.