

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:7146
ANSWERED ON:11.05.2000
LOWERING OF FUEL PRICE
BHAWANA GAWALI (PATIL)

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether domestic airlines have suggested the Government to lower the fuel price;
- (b) if so, the details thereof; and
- (c) the decision taken by the Government in this regard?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a), (b) and (c): Yes, Sir. Pursuant to Government's decision on the phased programme of dismantling of Administered Price Mechanism, the pricing of Aviation Turbine Fuel (ATF), is to be deregulated in the year 2000-01.

Further, for encouraging small turbo-prop aircraft operations to connect small and non-metro cities, it has also been decided to provide ATF to such aircraft operator at international prices and notify ATF as `declared good` under the Central Sales Tax Act, 1956 limiting the sales tax rate at 4%.