

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1861
ANSWERED ON:11.12.2008
PRICE BAND MECHANISM FOR AIR TICKET
Yerrannaidu Shri Kinjarapu

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether due to increase in fuel prices the Indian Airlines and other Aviation companies have tremendously increased Airfare on long haul flights i.e. above 750 Kms;
- (b) if so, whether Government has proposed to introduce a Price Band Mechanism and also to reduce the profit percentage of Aviation Companies to reduce the cost of Air Tickets; and
- (c) if so, the details thereof; and
- (d) the time by which the new system is likely to be implemented?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

- (a): The Government does not regulate the fares charged by the airlines. The airlines determine the fares keeping in mind the market forces. However, in view of the reduction in ATF price, Air India has reduced the Fuel Surcharge by Rs.400/- on all its domestic sectors with effect from December 02, 2008.
- (b): No, Sir.
- (c) and (d): Do not arise.