

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4959
ANSWERED ON:09.12.2010
HIKE IN AIR FARE
Yadav Shri Ranjan Prasad

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether steps increase in price of aviation fuel has resulted in fare hike by low cost airlines and consequently large scale prevention of air travel by middle class families in the country;
- (b) if so, the details thereof;
- (c) the details and the number of time price of aviation fuel increased during the last three years; and
- (d) the steps proposed to be taken by Government in this regard?

Answer

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

- (a) and (b):- The airfares on domestic sector were on higher side during festive season and from mid November due to high demand. Generally change in price of Aviation fuel impacts air fares as it is one of the cost inputs.
- (c):- The details of Aviation Turbine Fuel rates in four cities from January, 2008 to 1st December 2010 is annexed.
- (d):-The Government has undertaken measures such as :
 - (1) The State Governments have been persuaded to reduce the sales tax on ATF. Government of Andhra Pradesh and in certain cases Government of Rajasthan have reduced the sales tax on ATF to 4%. Government of Maharashtra has also reduced sales tax on ATF from 25% to 4% for flights originating from airports other than Pune and Mumbai.
 - (2) The Oil companies have started announcing the ATF prices on a fortnightly basis rather than monthly basis which is helping the airlines to know when the crude prices are going down.