

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:437
ANSWERED ON:14.03.2012
MECHANISM FOR AIR FARE PRICING
Venugopal Shri P.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Air India has been charging very low fares to show improved aircraft occupancy;
- (b) if so, the details thereof;
- (c) whether many airlines in private sector have objected to this mechanism adopted by Air India; and
- (d) if so, the details thereof alongwith the reaction of the Government thereto?

Answer

MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH)

(a)and(b): Fares offered by Air India are market driven and are based on market consideration such as fares offered by the competitors, seasonality, extent of competition and product features like frequency, timings, direct/indirect operations etc. The fares are thus reviewed / revised / rationalised depending on the market conditions. Air India offers multiple levels of fares, starting from a low level advance purchase fares which facilitate early selling to the highest one. The availability of a particular fare on the sector may vary from flight to flight and from sector to sector depending on occupancy and demand. Fares offered by Air India are transparent and are filed with the regulatory authority, DGCA.

(c): No, Madam.

(d): Does not arise.