

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1216
ANSWERED ON:21.03.2012
FUEL PRICES OF ATF
Chacko Shri P.C.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the prices of Aviation Turbine Fuel (ATF) are significantly higher than the global average ATF prices;
- (b) if so, the reasons therefor;
- (c) whether high ATF prices constitute a major portion of the operating costs of airlines; and
- (d) if so, the details thereof?

Answer

MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH)

(a) and (b):- Yes, Madam. ATF prices in India are higher than the International benchmark. ATF prices in India and foreign countries (as on 16.3.2012) are as under:

Cities abroad Cost of ATF (in Rs.) Cities in India Cost of ATF (in Rs.)

Sharjah	45574	Kolkata	72866
Bangkok	44168	Chennai	68765
Dubai	44384	Mumbai	65399
Singapore	43208	Delhi	63469

(1\$=50.1600 sources: Yahoo Finance)

Fixation mechanism of ATF prices in India by Oil Marketing Companies and multiple taxes imposed by Central and State Government and advalorem duty structure on ATF, alongwith volatile international oil prices, depreciation in Rupee are the reasons for high ATF prices in India.

(c) and (d):- Yes, Madam. ATF is major component of operating cost of airlines as it constitutes 35-40% of the operating cost of the airlines.