

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:202
ANSWERED ON:19.11.2009
COST OF ATF
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the domestic cost of Aviation Turbine Fuel (ATF) is very high in India;
- (b) if so, the details thereof alongwith the reasons therefor; and
- (c) the steps being taken by the Government to reduce the ncost of the ATF so that the prices of air tickets could come down?

Answer

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

(a) & (b): Yes, Sir. The cost of Aviation Turbine Fuel (ATF) in four metro cities of India as compared to other cities in Asia Pacific Region in second half of November 2009 are as under:

Singapore	Bangkok	Dubai	Sharjah
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Rs. 25004/KL	Rs. 25805 KL,	Rs. 25783/KL,	Rs.27172/KL
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(By evaluating 1\$=46.22 Rs. as on 16.11.2009)

Delhi	Mumbai	Kolkata	Chennai
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Rs.40422.62/KL	Rs.41710.29/KL	Rs.48680.95/KL	Rs.44526.44/KL
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Duties and taxes play a significant role in determining the final selling price of ATF. A major reason for the high selling price of ATF is the high incidence of taxation levied by the State Governments.

(c):- The Government has taken various steps as under:

(1) Custom duty on import of ATF has been abolished.

(2) 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.

(3) The Oil companies have started announcing the ATF prices on a fortnightly basis rather than monthly basis.