

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3217

ANSWERED ON:12.12.2012

INCREASE IN AIR FARES

Ajmal Shri Badruddin;Bhagora Shri Tarachand;Bhujbal Shri Sameer ;Pakirappa Shri S.;Shekhar Shri Neeraj;Singh Shri Yashvir;Sivasami Shri C.;Sugavanam Shri E.G.;Tandon Annu

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government is aware of the steep hike in air fares especially during festive seasons;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the cartelisation by airlines/ anti-consumer practices has been reported in this regard and if so, whether the Government proposes to enquire into rise in air fares during festive seasons, especially Deepawali and to fix responsibility in this regard;
- (d) if so, the details thereof and if not, the reasons therefor;and
- (e) the steps taken/proposed to be taken by the Government to control periodic predatory pricing of airlines and put in place a mechanism to ensure uniform, reasonable and steady price levels including the setting up of a regulatory body for the same?

Answer

Minister of State in the Ministry of CIVIL AVIATION (SHRI K. C. VENUGOPAL)

(a) and (b): Air fares are not regulated by the Government, as they are determined by market forces. Scheduled domestic airlines offer different fare buckets for each flight and the air fares offered by the airlines may vary from flight to flight and from season to season. The changes in airfares are dynamic and they increase with the increase in demand for seats as the lower fare buckets get exhausted. This practice is followed world over. Random monitoring of airfare revealed that the airfares are remaining within the fare-band made available by the scheduled airlines on their respective websites. The scheduled domestic airlines have in fact introduced lowest fare bucket for advance purchases w.e.f. the end of September, 2012, further reducing the price.

(c) to (e): Although, filing and approval of tariff is not required, yet Directorate General of Civil Aviation (DGCA) has the power to intervene in cases where it is satisfied that the operator has established excessive or predatory tariff or had indulged in oligopolistic practices. Accordingly, Rule 135 of aircraft Rule has been amended vide Notification No. GSR 254 (E) dated 16th April, 2009 wherein airlines were advised to display tariff in a conspicuous manner to show the total amount payable by a passenger and a complete break-up of the total amount, indicating the fare, tax, fees or any other charge, if any, separately.

With a view to maintaining transparency in tariff publication, DGCA had issued Air Transport Circular 2 of 2010 wherein airlines were asked to display on their respective website the tariff sheet route-wise across its network in various fare categories , in the manner it is offered in the market. A Tariff Analysis Unit has been set up in DGCA to monitor air fares of Domestic airlines on a regular basis at periodic intervals.