

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

STARRED QUESTION NO:376

ANSWERED ON:19.12.2012

HIKE IN AIR FARES

Ponnam Shri Prabhakar; Sugavanam Shri E.G.

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) whether the domestic air fares in India have risen sharply in the current year as compared to the previous years;
- (b) if so, the details thereof and the reasons therefor along with the percentage hike effected by each airline during each of the last three years and the current year;
- (c) whether the Government proposes to set up a special cell to monitor pricing by airlines;
- (d) if so, the details thereof and if not, the reasons therefor, and;
- (e) the action taken by the Government/ DGCA to make air fares affordable and to check arbitrary rise in air fares?;

**Answer**

Minister of CIVIL AVIATION (SHRI AJIT SINGH)

(a) to (e) : The Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SAHBA IN REPLY TO STARRED QUESTION NO. 376 DATED 19.12.2012 REGARDING HIKE IN AIR FARES.

(a) and (b):- Air fares applicable for domestic passengers are determined by the market forces and are not fixed by the Government. Air fares comprise of Basic Fare, Aviation Turbine Fuel (ATF) charges, User Development Fees/Airport Development Fees, Passenger Services Fee and Service Tax, etc. Variation in any of these components affect the air fares. Further, air fares are affected by the market dynamics of supply and demand and fluctuate from season to season and from peak-hours to non-peak hours. Scheduled airlines offer different fare buckets for each flight and the air fares offered by the airlines in lower buckets are affordable. The air fares increase with the increase in demand for seat, as the lower fare buckets get sold out fast. This practice is followed world over. Random monitoring of domestic air fares has revealed that they are remaining within the bands displayed by the scheduled airlines on their respective websites and notified to Directorate General of Civil Aviation (DGCA).

(c) to (e): With a view to maintain transparency in tariff publication, DGCA has directed all the Scheduled domestic airlines to display established tariff route wise and fare category-wise on monthly basis and also to notify any noticeable change to DGCA within 24 hrs. of effecting such a change.

The intention behind the above direction is to keep the passengers informed of pricing pattern of airlines.