

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:841

ANSWERED ON:08.08.2013

AFFORDABLE AIR SERVICES

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Kumar Shri P.; Ramkishun Shri ; Reddy Shri Magunta Srinivasulu; Tandon Annu; Venugopal Shri P.; Yaskhi Shri Madhu Goud

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the airlines are charging high airfare from the passengers and if so, whether the Government has framed any norms to fix the maximum air fuel to control high air fare;
- (b) whether the Air India is losing its business because of competition faced by it by other private airlines if so, the details thereof during the last three years and the steps proposed to be taken thereon;
- (c) whether there is any plan to increase connectivity between towns and cities that are not well connected and if so, the details thereof;
- (d) whether the airlines in the country are charging very high air fare when compared to other countries;
- (e) whether the Government is considering constitution of a Committee to investigate cases of predatory pricing among airlines and if so, the details thereof; and
- (f) if so, the details thereof and the steps taken by the Government to ensure that the passengers are given a fair and transparent deal by airlines?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI K. C. VENUGOPAL)

- (a) Air fares are determined by market forces of supply and demand. Air fares are not regulated by the Government. Sub Rule (1) of Rule 135 of the Aircraft Rules 1937 mandates that every air transport undertaking engaged in scheduled air services shall establish tariff having regard to all relevant factors, including cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff. The airfares so established by the airlines also include charges for some services rendered by them.
- (b) No such assessment has been made in the Ministry, however, Air India regularly re-engineers its fleet planning, route network and other commercial decisions to compete with other airlines.
- (c) Yes, Madam. A Committee has been constituted under the Chairmanship of Shri Rohit Nandan on the issue of air connectivity. A Consultant has been engaged to suggest the implementation of its recommendation.
- (d) The air fares of foreign carriers abroad are not monitored by Directorate General of Civil Aviation (DGCA), hence such comparison is not possible.
- (e) and (f): No such proposal is under consideration of the Ministry. However, with a view to maintain transparency in tariff publication, Directorate General of Civil Aviation (DGCA) has taken following steps: Scheduled domestic airlines have been asked to display established tariff route-wise and fare category-wise on monthly basis and also to notify noticeable changes to DGCA within 24 hrs of effecting such a change. Further, DGCA also monitors tariff on specific sectors on regular basis.