

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1029

ANSWERED ON:02.03.2015

LOW AIRFARES

Chinnaraj Shri Gopalakrishnan;De(Nag) Dr. (Smt.) Ratna

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether certain domestic airlines have been offering heavy discounts on air tickets on selected routes and if so, the details thereof;
- (b) whether Air India also proposes to offer cheap airfares in order to raise funds and if so, the details thereof along with the other plan of Air India to improve its financial conditions; and
- (c) whether there is any proposal to restrict the domestic airlines not to book tickets beyond ninety days and if so, the details and the present status thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION (Dr Mahesh Sharma)

- (a) Air fares are not fixed by the Government as they are determined by the airline based on interplay of market forces.

Airlines are free to fix reasonable tariff under the provision of Sub rule (1) of Rule 135, Aircraft Rules 1937 having regard to all relevant factors, including the cost of operation, characteristic of service, reasonable profit and the generally prevailing tariff.

Scheduled airlines offer different fare buckets for each flight. The airline pricing runs into multiple levels (buckets or RBDs) which are in line with the practice followed globally. The lower fare in the fare buckets is available for advance booking much earlier. As time lapses and the date of journey approaches closer, the fare in higher side of fare bucket is made available as per the respective airline policy.

- (b) Low airfares are offered by Air India to attract air passengers. Such fares are offered for short window sale period, for advance sale and carry limited inventory with restrictive conditions. In domestic market Passengers have the option of availing low fares by booking in advance. The domestic fares offered start from low level advance purchase fares (90 days advance, 60 days advance, 30 days advance, 14 days advance, 7 days advance and 2 days advance) and move on to higher levels closer to departure.

- (c) No, Madam.