

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 988
(To be answered on the 27th June 2019)**

AIRFARE IN GULF-KERALA SECTOR

988. ADV. ADOOR PRAKASH

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government is aware of the issues faced by the Indian expatriates due to high airfare charged by airlines in Gulf-Kerala Sector in holiday season;
- (b) if so, the details thereof and the reaction of the Government thereto along with the action taken in this regard;
- (c) whether the Government has received any request for regulating airfare in this sector; and
- (d) if so, the details thereof and the decision taken by the Government in this regard?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र पक्ष)

(Shri Hardeep Singh Puri)

(a) & (b): Sir, pricing of air tickets is decided by the airlines based on market dynamics and inventory management process. Airlines offer fares at various levels, which are driven by market forces. The airfares increase with the increase in demand as the lower fare buckets get sold out first. This is a global practice followed in the aviation industry. With the repeal of the Air Corporations Act in March 1994, the tariff fixation has been deregulated and airlines are free to fix reasonable tariffs under the provisions of sub-rule (1) of rule 135 of the Aircraft Rules, 1937. Every Air Transport Undertaking establishes air tariff having regard to all relevant factors, including the cost of operation, characteristics of services, reasonable profit and the generally prevailing tariff. Airlines are required to maintain transparency in this regard under sub-rule (2) of rule 135 and the fare charged by them should not exceed the fare established and displayed on their website. Therefore, no action is called for on the part of the Government in this regard.

(c) & (d): A number of requests have been received from time to time with regard to regulation of air fare on Gulf-Kerala Sector. As given above, the airlines must fix

air fares as per rule 135(1) of the Aircraft Rules, 1937 taking into consideration relevant factors, like the cost of operation, characteristics of services, reasonable profit and the generally prevailing tariff. Since the system of fare baskets has been adopted by the airlines, the passengers who book their tickets first get lower fares and the late comers have to go for higher fares. To facilitate the passengers' movement, the Ministry had temporarily allocated the rights of Jet Airways to other airlines even on international sectors including India-Gulf sector.
