

1. With the repeal of Air Corporation Act in March 1994, the provision of air fare approval was dispensed with by the Government. Under the provision of sub Rule(1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking engaged in scheduled air services are required to establish tariff having regard to all relevant factors, including the cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff.
2. Air fare pricing forms the strategic framework of airlines to respond the demand/ supply and market dynamics through the inventory management Process. The domestic airline pricing runs in multiple levels [bucket or RBD (Reservation Booking Designator)] which are in line with the practice followed globally.
3. The fares established by airlines under the provision of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937 are required to be displayed by the airlines on their websites in compliance of Sub Rule 02 of Rule 135, Aircraft Rule 1937. Airlines remain compliant to the regulations as long as the fare charged by them does not exceeds the fare structure displayed on their website. Analysis of airfares on certain routes selected on random basis has shown that the airfares remained well within the fare bucket uploaded by the airlines on the respective websites.

(c) and (d) With regard to proposal to cap maximum air fare, the petition filed with Competition Commission of India (CCI) in a matter on charges of arbitrary high air fare case No. 68/2012 for issue of direction to Directorate General of Civil Aviation (DGCA) to fix the MRP for airlines, CCI has stated in their order dated 06.03.2013 that commission cannot give direction to this effect. Considering the spirit of Competition law.

Sustainable growth of aviation sector

988. DR. PRABHAKAR KORE: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that severe capacity constraint and lack of infrastructure could become a hurdle in the way of sustainable growth of aviation sector in the country;

(b) whether the country's aviation growth has remained concentrated in a few big cities with the top 10 cities contributing 80 per cent of the air traffic while having only 7 per cent of the population; and

(c) if so, what are the steps taken by Government to address the structural challenges to ensure sustainable growth in aviation sector and the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (DR. MAHESH SHARMA): (a) The Terminal Building capacity available is 250 mppa against the demand of 190 mppa in 2014-15. Considering the growth rate in passenger traffic, the demand for capacity augmentation exists. Government to augmentation of both Terminal and airside capacity at airports is a continuous process.

(b) Top 10 Indian cities as per the traffic 2015-16, contribute 77.9% of total Indian air traffic, while the population of these cities consisting of 7.2% of total population of India as per 2011 census. The details are given in the Statement (*See below*).

(c) The Draft Civil Aviation Policy envisages for revival of airstrips in unserved and underserved tier II and tier III cities through Regional Connectivity Scheme (RCS).

Statement

Details of 10 top cities as per air traffic

Sl. No.	Cities	Pax Traffic 2015-16 (In Million)	% Share	Population (in Million) 2011 Census of India	% Share
1	2	3	4	5	6
1.	Delhi	48.42	21.7	16.31	1.35
2.	Mumbai	41.67	18.6	18.41	1.52
3.	Bangalore	18.97	8.5	8.5	0.70
4.	Chennai	15.22	6.8	8.7	0.72
5.	Kolkata	12.42	5.6	14.11	1.17
6.	Hyderabad	12.39	5.5	7.75	0.64
7.	Cochin	7.75	3.5	0.63	0.05
8.	Ahmedabad	6.48	2.9	6.35	0.52
9.	Pune	5.42	2.4	5.05	0.42
10.	Goa	5.38	2.4	1.46	0.12
	TOTAL of top 10 cities	174.12	77.9	87.27	7.21
	TOTAL OF INDIA	223.61	100.00	1210.19	100.00