

Shortage of travel options in aviation sector

1261. SHRI HUSAIN DALWAI: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Government is aware that flight prices shot up substantially after Jet Airways issues surfaced;
- (b) if so, the details of measures taken by Government to provide travel options and keep prices in check after Air India and Jet Airways flight shortage; and
- (c) whether Government has intervened in resolving the Jet Airways crisis including in finding solutions for problems being faced by passengers and employees of Jet Airways?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI HARDEEP SINGH PURI): (a) and (b) Due to suspension of operation of Jet Airways and grounding of Boeing B737 Max, there was a reduction in capacity in few domestic sectors. With a view to maintain transparency, as advised by this Ministry, Directorate General of Civil Aviation (DGCA) started monitoring of airfares on certain routes selected on random basis to ensure that the airlines do not charge airfares outside the range declared by them. During monitoring, it was observed that though there was a marginal hike in airfares, it remained within the fare brackets established. Subsequently, some of the domestic airlines started inducting more aircrafts in their fleets which resulted in an increase in the capacity on the domestic sectors as a result of which fares are observed to be fairly normalized at present. Airfare regulation was dispensed with the repeal of Air Corporation Act in March, 1994. Under the provision of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking engaged in scheduled air services require to establish tariff having regard to all relevant factors, including cost of operation, characteristic of services, reasonable profit and the general prevailing tariff. The fare so established are required to be displayed by airlines on their respective websites. The airlines are compliant to the regulatory provision as long as fare charged by them is in line with fare displayed on their website.

- (c) Each airline prepares its business plan on the basis of its own market assessment and liabilities. Mobilizing financial resources and ensuring efficient operations as per business plan are the responsibility of the airline. Government of India has no role in raising funds for M/s Jet Airways (India) Limited, as it is an internal matter of the airline, State Bank of India has filed an application under the Insolvency and

Bankruptcy Code, 2016 (IBC), which has been admitted by National Company Law Tribunal (NCLT), Mumbai on 20th June, 2019 to work out a resolution plan under the said Code. Revival of the airlines is now possible only under IBC. The domestic slots vacated by Jet Airways starting from April 2019 have been allocated on ad hoc basis to other Indian carriers. Majority of the international traffic rights of Jet Airways have been distributed among the Indian carriers purely on temporary basis.

Introduction of new flights on domestic and international routes

1262. SHRIMATI SHANTA CHHETRI: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Government is aware that a growing demand on air travel requires more flights and new routes to be introduced;
- (b) whether Government will introduce new flights on domestic as well as international routes; and
- (c) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI HARDEEP SINGH PURI): (a) to (c) With regard to introduction of new flights on domestic sector, it is stated that, with repeal of Air Corporation Act in March 1994, the Indian domestic aviation was deregulated. Airlines are free to induct capacity with any aircraft type, free to select whatever markets and network they wish to service and operate. In this regard, Government has laid down Route Dispersal Guidelines with a view to achieve better air transport services for different regions of the country. It is, however, up to the airlines to provide air services to specific places depending upon the traffic demand and commercial viability. As such, the airlines are free to operate anywhere in the country subject to compliance of Route Dispersal Guidelines issued by Government.

However, Government has launched Regional Connectivity Scheme (RCS) –UDAN (Ude Desh ka Aam Nagrik) to facilitate/stimulate regional air connectivity by making it affordable. RCS-UDAN is market driven mechanism. Development of regional air connectivity routes is left to market forces such that airlines undertake assessment of demand and nature of supply required on particular routes and lead the process under RCS.

For introduction of new international flights, it is stated that international operations are governed by the bilateral agreement between Government of India and Government