

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 11
(TO BE ANSWERED ON THE 18th July 2022)**

INDISCRIMINATE INCREASE IN AIRFARE

11. SHRI BINOY VISWAM

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) whether Government has taken note of the near 30-50 per cent increase in domestic and international airfares in 2022
- (b) whether Government has any guidelines or policy regarding airfares and its increase or is the decision left solely to the airlines, if so, the details thereof
- (c) the percentage of tax collected on Aviation Turbine Fuel (ATF), and the details of total tax collection since 2018
- (d) whether Government is providing any subsidy for ATF or considering lowering the tax on ATF and
- (e) the steps Government is taking to address this issue, both in the short term and long term?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(GEN. (DR) V. K. SINGH (RETD))

(a) & (b): Airfares are neither established nor regulated 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 is required to establish tariff having regard to all relevant factors, including cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff. Airlines are therefore free to fix reasonable tariffs under the provision of Sub-rule (1) of Rule 135 of Aircraft Rules, 1937. However, due to the unprecedented circumstances prevailing due to the COVID-19 pandemic, fare bands with upper and lower limits were introduced by the Government vide Order No. 02/2020 dated 21st May, 2020 under Section 8B of the Aircraft Act, 1934 as a temporary measure. The fare bands have been revised from time to time in view of substantial hike in price of Aviation Turbine Fuel (ATF) in order to keep the aviation sector viable while protecting the interests of the passengers. Fare capping is, presently, applicable on a rolling basis for a 15 days cycle.

(c): Excise Duty on Aviation Turbine Fuel (ATF) is 11%. The details of Excise Duty collected on ATF since 2018, are given below:

