

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 32
(TO BE ANSWERED ON THE 4th December 2023)

HIGH AIRFARE RATES

32. SHRI K.C. VENUGOPAL

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

- (a) the manner in which Government addressed the issue of high airfare rates in both domestic and international sectors;
- (b) measures implemented to closely monitor and regulate air ticket pricing within the country;
- (c) whether the surging airfare is a consequence of rising demand and a shortage of aircraft; and
- (d) if so, details of solutions that are being considered to alleviate this problem?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

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

(a) & (b) As per prevailing regulations, airfares are neither established nor regulated by the Government.

With the repeal of Air Corporation Act in March 1994, the process of airfare approval by Government has been dispensed with. 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 generally prevailing tariff. Airlines are free to charge reasonable air fares as per their operation viabilities subject to compliance to above said rule.

The fare structures are required to be displayed by airlines on their websites under the provision of Sub Rule (2) of Rule 135 of the Aircraft Rules, 1937. The airline remain compliant to the prevailing regulation as long as fares charged by them are in line with fare displayed on their website.

Directorate General of Civil Aviation (DGCA) has setup a Tariff Monitoring Unit (TMU) that monitors airfares selected on a random basis by using airlines websites on monthly basis to ensure that the airlines do not charge airfares outside the range declared by them.

(c) & (d) The airfares are dynamic in nature and follow the principle of demand & supply. The fares are also dependent on a number of other factors which include the number of seats already sold on a particular flight, prevailing fuel price, the capacity of the aircraft operating on the route, competition

on the sector, season, value of INR against US dollar, holidays, festivals, long weekends, events (sports, fairs, contests) etc.

Ministry had consultation with airlines, the representatives were advised to self-regulate and keep passengers interest in mind while fixing the airfares.

Airlines have also been sensitized to exercise moderation in pricing, and to keep passenger interest in mind. The airlines have committed to ensure that airfares do not surge during events such as natural disasters, calamities, etc.
