

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 653
(TO BE ANSWERED ON THE 29th July 2024)

RISE IN DOMESTIC AIRFARES

653. SHRI B. PARTHASARADHI REDDY

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

- (a) whether Government has taken any measures to regulate or control the rising domestic airfares;
- (b) if so, details thereof, if not, reasons therefor;
- (c) whether Government has any long-term plans to ensure affordable and accessible domestic air travel to the citizens; and
- (d) if so, details thereof, if not, reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Murlidhar Mohol)

(a) to (d): As per prevailing regulation, 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.

Globally, most countries have deregulated their aviation sector, i.e., removing government-imposed entry and price restrictions on airlines. Deregulation has led to increased competition between airline carriers, leading to decrease in airfare. As a result of deregulation, entry into the airlines industry for a potential new airline has become easier, resulting in many new airlines entering the market, thus increasing competition. The direct impact of deregulation is that a passenger in a lower income group can afford to travel by air.

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

Ministry holds consultation with airlines and the representatives are 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 passengers' interest in

mind. The airlines have committed to ensure that airfares do not surge during events such as natural disasters, calamities, etc.

Given the complex dynamics of the Indian aviation industry, Government is playing the role of a facilitator by way of creating enabling environment to support the growth of the sector.
