

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 1463
(TO BE ANSWERED ON THE 5th August 2024)**

PRICE HIKE IN DOMESTIC FLIGHTS

1463. SHRI BIRENDRA PRASAD BAISHYA

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

- (a) the primary causes of the significant increase in domestic flight prices in the country;
- (b) the steps taken by Government to reduce the domestic flight prices; and
- (c) whether DGCA is taking action for the same?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Murlidhar Mohol)

(a): The pricing of airfares is subject to dynamic fluctuations influenced by the fundamental economic forces of supply and demand. Various determinants such as current seat occupancy, fuel costs, aircraft capacity, airport charges, and competitive factors significantly impact airline ticket pricing.

(b) & (c): As per prevailing regulation, the Government does not establish or regulate airfares. Following the repeal of the Air Corporation Act in March 1994, the government's role in approving airfares has been dispensed with. According to Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking involved in scheduled air services must establish tariffs considering various factors such as operational costs, service characteristics, reasonable profit, and prevailing tariffs. Airlines have the freedom to set reasonable airfares based on their operational viability, as long as they adhere to the aforementioned rule.

Under Rule 135(4), Director-General, DGCA is mandated to issue orders, directions if he is satisfied that the airline has established excessive or predatory tariff under Rule 135(1) or has indulged in oligopolistic practice.

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 airlines have also been sensitized to exercise moderation/ self- regulation while fixing the airfares 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.
