

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 176
(TO BE ANSWERED ON THE 1st December 2015)

CESS ON AIR TICKETS

176. DR. K.P. RAMALINGAM

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

- (a) whether it is a fact that fund for essential air services fund can be achieved by way of charging 2 per cent cess on all air tickets;
- (b) whether it is also a fact that levying of 2 per cent cess on all air tickets will not increase airfares much since the losses incurred on unviable routes are already included into the fares charged from passenger on trunk routes;
- (c) whether it is also a fact that the cess will help bring greater transparency and allow subsidies to be directed to specific locations and specific airlines that operate there; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Dr Mahesh Sharma)

(a) to (d): The draft Civil Aviation Policy inter alia provides Regional Connectivity Fund (RCF) by levying of 2% on all routes other than category IIA routes and Regional Connectivity Scheme (RCS) routes. The Draft Civil Aviation Policy is in the process of finalization in consultation with stakeholders.
