

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 2260
(TO BE ANSWERED ON THE 6th December 2016)

PREDATORY AIR TICKET PRICING BY AIRLINES

2260. SHRI AMAR SHANKAR SABLE

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

- (a) whether the Airline companies are leaving no stone unturned to take advantage of the helplessness of travellers as they are extracting ten to fifteen times the amount of the original fare for major cities during festival season;
- (b) if so, the details thereof and the list of maximum and minimum fares for the last three years; and
- (c) the steps Government has taken to keep a check on the ticket prices?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Jayant Sinha)

(a): With the repeal of Air Corporation Act in March 1994, the provision of air fare approval was dispensed with by the Government.

Scheduled domestic airlines are required to establish airfare under the provision of Rule 135, Aircraft Rule 1937 taking account of all relevant factors, including the cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff.

Air fare pricing forms the strategic framework of airlines through the inventory Management Process and it is dynamic in nature.

The domestic airline pricing runs in multiple levels (bucket or Reservation Booking Designator (RBD)) which is in line with the practice followed globally. The lower fare in the fare bucket is available for advance booking much earlier. As time lapses and date of journey approaches closer, the fare in higher side of fare bucket is made available as per the respective airline policy. Similarly during the festive season, traffic picks up, demand increases and the fares increase to respond the demand/supply and market dynamics.

Airlines remain compliant to the regulatory provision of Sub Rule 02 of Rule 135, Aircraft Rule 1937 as long as the fare charged by them does not exceed the fare structure displayed on their website.

(b): Details of maximum and minimum fares of the different routes operated private & public sector undertaking airlines are not maintained by Directorate

General of Civil Aviation (DGCA).

(c): In order to prevent excessive charging and sudden surges in airfares and to promote transparency by scheduled domestic airlines, DGCA has issued Air Transport Circular 2 of 2010 wherein airlines are required to display on their respective website the tariff sheet route-wise across their network in various fare categories and the manner it is offered in the market. The intention behind the above directions is to keep the passengers informed of pricing pattern of airlines.

DGCA has also set up a Tariff Monitoring Unit in 2010 that monitors airfares on certain routes selected on random basis to ensure that the airlines do not charge airfares outside the range declared by them. The analysis has shown that the airfares remained well within the fare bucket uploaded by the airlines on the respective website.
