GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 2747
(TO BE ANSWERED ON THE 20th March 2018)

Uniform air fares for same sector by different airlines

2747.   DR. R. LAKSHMANAN

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

(a) whether Government has taken any step to rationalise air fares so that uniform fares can be charged by different airlines in same sectors;
(b) if so, the details thereof;
(c) whether Government has held talks with airline companies in this regard; and
(d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Jayant Sinha)

(a) to (d):With the repeal of Air Corporation Act in March, 1994, the airfare approval was dispensed with by the Government. At present, airfares are neither controlled nor approved by the Government. Airlines are free to fix the reasonable tariff under the provision of Sub-rule (I) of Rule 135, Aircraft Rules 1937 having regard to all relevant factors, including the cost of operation, characteristics of service, reasonable profit and the generally prevailing tariff.
The airline pricing system runs in multiple levels (bucket or RBDs) which are in line with the practice followed globally. The prices are fixed by airlines keeping in mind the market, demand, seasonality and other market forces. The airfare increases with increase in demand of seat as lower fare buckets get sold out fast when booking are offered by airlines. Some of the airlines have introduced Apex-90, in addition to existing advance purchase scheme of 60 days, 30 days, 14 days etc. in which highly discounted fares being offered which would entail traveling even during peak seasons on low fares. The fare structures stated above have been displayed by airlines on their websites.
The airlines are compliant to the Sub Rule (2) of Rule 135 of the Aircraft Rules, 1937 as long as fare charged by them is in line with fare displayed on their website

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