GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 1766
TO BE ANSWERED ON THE 10th March 2021

AIR FARES

1766. SHRI NEERAJ DANGI

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

(a) whether it is a fact that air fares have been increased by 30 per cent;

(b) if so, the reasons therefor;

(c) whether Government is aware of the decline in per capita income during the global epidemic;

(d) if so, whether Government is aware of the additional expenditure burden on the common citizen due to hike in air fares; and

(e) if not, whether a study and analysis has been carried out on the subject before the fare hike, if so, the details thereof?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION (Shri Hardeep Singh Puri)

(a) to (e) Due to the outbreak of COVID 19, scheduled domestic operations were suspended w.e.f. 25.03.2020 which were subsequently resumed in a calibrated manner w.e.f. 25.05.2020 with fare capping (lower and upper limit) to ensure that airlines do not charge excessive fare and the journey is performed only for essential purpose. The fare band serves the dual purpose of protecting the interests of the travelers as well as the airlines. One of the inputs while fixing these fare bands was the cost of operation of airlines. The price of Aviation Turbine Fuel(ATF) is an important component of the cost of operation. When the domestic aviation was opened the price of crude oil was about $ 20 a barrel which touched about $ 60 a barrel in

January 2021. The Ministry reviewed the situation and consulted with the scheduled airlines of India. The COVID-19 pandemic adversely impacted the revenue streams of businesses including aviation sector forcing companies / Government to deploy cost cutting measures which has impacted per capita income. In order to keep the aviation sector viable as well as to protect the interest of passengers, the lower fare in the fare band was increased by 10% and the upper band was increased by 30% in February 2021 and the fare bands are currently applicable upto 31.03.2021. Airlines, however, are free to decide on the fares within the fare bands with at least twenty percent of the tickets of a particular flight to be sold for the fare less than the mid fare between minimum and maximum fares of a fare band.

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