

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
STARRED QUESTION NO : 1
(TO BE ANSWERED ON THE 18th July 2022)

REGULATORY MECHANISM TO CONTROL AIRFARE HIKE

*1. SHRI SANDOSH KUMAR P

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

- (a) whether Government is planning to initiate any urgent measure to reduce the exorbitantly high airfare in both domestic and international airlines and
(b) whether Government is planning to propose a regulatory mechanism to control the upper limit of airfare in both domestic and international airlines?

ANSWER

MINISTER OF CIVIL AVIATION

(Shri Jyotiraditya M. Scindia)

(a) to (b) A statement is laid on the table of the House.

Statement referred in reply to Part (a) to (b) of Rajya Sabha Starred Question No. 1 regarding "Regulatory Mechanism to Control Airfare Hike" to be answered on 18.07.2022.

(a) to (b) Airfares are market driven and are neither regulated nor established by the Government. Airlines are free to fix reasonable tariffs taking into consideration all relevant factors which include the cost of operation, characteristics of service and reasonable profit. Airlines, however, remain compliant with the regulatory provisions under Aircraft Rules, 1937 as long as the fare charged by them does not exceed the fare established and displayed on their website.

The Government, however, as an extraordinary measure during the COVID 19 pandemic and in exercise of special powers conferred under the Aircraft Act, 1934, notified fare bands for economy tickets for scheduled domestic sector. This was done to ensure that the airlines do not charge excessive fare on one hand and also to ensure that the journey is performed only for essential purposes. The Fare Capping orders are currently operational on a rolling basis of 15 days cycle.

There is no proposal at present to interfere with the existing regulatory framework on airfare.
