

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 2886
(TO BE ANSWERED ON THE 27th March 2023)

HIKE IN PRICES OF FLIGHT TICKETS

2886. SMT PRIYANKA CHATURVEDI

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

- (a) whether it is a fact that Government has issued a draft paper suggesting a hike in the prices of landing and parking fees for aircraft by 30 per cent and increasing user development fee by four times;
- (b) whether Government is aware that it can result in flight tickets becoming 30 per cent more expensive; and
- (c) whether Government has assessed the potential impact on commuters?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(GEN. (DR) V. K. SINGH (RETD))

(a) to (c): The Government of India has set up Airports Economic Regulatory Authority of India (AERA) in 2009, to determine the tariff of aeronautical services at Major airports, the fees to be levied on the passengers and to monitor the set performance standards of the services. As per AERA Act, 2008, as amended from time to time, Major airports have been defined as the airports which have an annual passenger throughput of more than three and a half million or any airport or a group of airports notified as such by the Central Government. At present, 27 airports are Major airports under AERA Act, 2008.

The Non-Major airports, which are not under the purview of AERA, are required to be regulated by the Government as per the extant provisions under Aircrafts Act, 1934 and Aircraft Rules, 1937, as amended from time to time. Ministry of Civil Aviation (MoCA) has published a Concept paper inviting comments of stakeholders to the proposed principles of tariff regulation for the Non-Major airports. The Concept Paper proposes to categorize Non Major Airports into three clusters for the purpose of tariff determination with upward revision of the existing Tariff at such airports. The initiative intends to reduce regulatory uncertainties, to enable the airport operators to get a reasonable Rate of Return for the assets deployed by them and also to achieve financial viability of operations and facilitate investment decisions by the Non-Major airport operators/developers.

The Tariff for Non-Major airports is to be finalized in consultation with stakeholders.
