

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 2891
(TO BE ANSWERED ON THE 27th March 2023)

EXORBITANT INCREASE IN PRICES OF FLIGHT TICKETS

2891. SHRI BIKASH RANJAN BHATTACHARYYA

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

- (a) whether it is a fact that the rates of flight tickets had exorbitantly increased post COVID-19 Pandemic;
- (b) whether every air transport undertaking, engaged in scheduled air services establish tariff only with a reasonable profit;
- (c) the monitoring body for the tariff;
- (d) whether the airfare of the airlines sky rocketed during the Pandemic because they were operating at 50 per cent capacity;
- (e) whether the ticket prices for flights were restored to normal rates post Pandemic when it was operating at 100 capacity; and
- (f) whether Government is monitoring the hiked price being charged even after restoration of 100 per cent operation of flights capacity?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

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

(a) to (f): Airfares are neither established nor regulated by the Government. Under the provisions of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking engaged in scheduled air services is required to establish tariff having regard to all relevant factors including cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff.

The airline pricing system runs in multiple levels (buckets) which are in line with practices being 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 seats as the lower fare buckets get sold out fast when bookings are offered by airlines. Some of the airlines have introduced Apex-90, in addition to existing advance purchase schemes of 60 days, 30 days, 14 days etc in which discounted fares are being offered which would entail travelling 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(1) of Rule 135 of the Aircraft Rules, 1937 as long as fares charged by them is in line with tariff displayed on their website.

However, due to the unprecedented circumstances prevailing due to COVID-19 pandemic, fare bands with upper and lower limits were introduced by the Government invoking power under Section 8B of the Aircraft Act, 1934 as a temporary measure in order to ensure that airlines do not charge excessive fare. The fare restrictions was removed with effect from 31.8.2022.

Directorate General of Civil Aviation (DGCA) has a Tariff Monitoring Unit that monitors airfares on certain routes on random basis to ensure that the airlines do not charge airfares outside a range declared by them. The analysis has shown that the airlines remained well within the fare bucket uploaded by the airlines on the respective websites.
