

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 3534
(TO BE ANSWERED ON THE 3rd April 2023)

MEASURES TO CAP AIRFARE

3534. SMT JEBI MATHER HISHAM

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

- (a) whether Government will adopt measures to cap the price of air tickets as part of regulating the ticket prices especially during holidays/festival seasons
- (b) whether it has come to the notice of Government that private airlines are exorbitantly charging for air tickets at their discretion and
- (c) whether a Regulatory Board will be established to control the ticket fare?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

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

(a) to (c): 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.

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.
