

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 355
TO BE ANSWERED ON THE 24th July 2023
DATA ON AIRFARES

355. SMT VANDANA CHAVAN

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

- (a) whether it is a fact that the DGCA's Tariff Monitoring Unit has compiled data which shows that there is a steep surge in airfares on certain routes, if so, the reasons therefor;**
- (b) the efforts being taken by Government to ensure reasonable pricing of airfares;**
- (c) whether the suspension of operations of Go First is one of the reasons for the same; and**
- (d) if so, the efforts being taken by Government for the revival plan of Go First?**

ANSWER

**Minister of State in the Ministry of CIVIL AVIATION
(GEN. (DR) V. K. SINGH (RETD))**

(a) & (b) The Tariff Monitoring Unit in Directorate General of Civil Aviation (DGCA) noticed increase in airfare in a few sectors which was primarily driven by seasonality and demand-supply constraints. The increase in airfare is also attributable to increase in fuel prices. Government has taken steps to sensitise the airlines. Consultations are held with airlines to keep passenger interest in mind and exercise moderation. The airfares in these select sectors are monitored daily and as a result of which they have shown a declining trend.

(c) Suspension of Go First operations resulted in a cascading effect on airfares, especially during the tourist season. All the domestic airlines were advised to self-regulate airfares and maintain reasonable price levels on sectors that had a substantial number of

Go First flights and also to operate additional flights on the sectors operated by Go First. As a result of the same, there has been a substantial decline in the airfares on these sectors. Moreover, Airlines introduced new flights on these sectors which further helped in reduction of the airfare.

(d) The Committee of Creditors (CoC) appointed a Resolution Professional (RP) for the CIRP under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC). The CoC have unanimously passed the resolutions for in-principle approval of the Business Plan to resume the operations of Go First and for raising interim finance. The Resumption Plan submitted by the Resolution Professional for Go First has been accepted subject to the outcome of the ongoing legal cases. Go First has been allowed to commence flight operations subject to certain conditions.
