

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 1602
(TO BE ANSWERED ON THE 18th December 2023)

TRANSPARENCY IN CONVENIENCE FARES

1602. SHRI MOHAMMED NADIMUL HAQUE

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

(a) whether Government is aware of the lack of transparency among airline service providers in charging convenience fees for air travel tickets;

(b) if so, the details of steps taken especially with regard to the disclosure of hidden fees and charges that affect the overall cost of air travel;

(c) whether Government plans to address concerns related to pricing and fluctuations in airfares, especially during peak travel seasons, if so, the details thereof; and

(d) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

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

(a) & (b): Rule 135(1) of The Aircraft Rules, 1937 requires airlines to determine tariff which by definition includes commission i.e. payment of remuneration to the intermediaries for the services rendered by them. Rule 135 (2) requires airlines to display a single consolidated fare and give its break-up also for consumer's benefit.

The "convenience fee" is a part of airline component of airfare and the same is displayed prominently by all airlines on their respective websites in compliance with the Rule 135. Airlines are charging convenience fee for establishing, maintaining and operating the online booking system to enable the passengers to book the air tickets electronically. This fee includes the charges paid by the airlines to the concerned bank for availing such facility

(c) & (d): As per prevailing regulation, airfares are neither established nor regulated by the Government.

The airline pricing system runs in multiple levels (buckets or RBDs) which are in line with practice being followed globally. The prices are fixed by airlines keeping in mind the market, demand, seasonality and other market forces. The airfare increases with increases in demand of seat as the lower fare buckets get sold out fast when bookings are offered by airlines.
