

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 21
(TO BE ANSWERED ON THE 4th December 2023)

REDUCING TICKET PRICES OF DOMESTIC FLIGHTS

21. SMT MAHUA MAJI

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

- (a) whether Government is taking any concrete steps to reduce the unexpected increase in domestic air fares in airlines operated by private companies of the country on special occasions;
- (b) if so, the details thereof; and
- (c) if not, whether Government proposes to start domestic service of Government airlines with low air fares to provide relief to the needy people?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

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

(a) & (b) As per prevailing regulation, airfares are neither established nor regulated by the Government.

With the repeal of Air Corporation Act in March 1994, the process of airfare approval by Government has been dispensed with. Under the provision of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking engaged in scheduled air services require to establish tariff having regard to all relevant factors, including cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff. Airlines are free to charge reasonable air fares as per their operation viabilities subject to compliance to above said rule.

The fare structures are required to be displayed by airlines on their websites under the provision of Sub Rule (2) of Rule 135 of the Aircraft Rules, 1937. The airline remain compliant to the prevailing regulation as long as fares charged by them are in line with fare displayed on their website.

The DGCA also has set-up Tariff Monitoring Unit (TMU) that monitors airfares selected on a random basis by using airlines websites on monthly basis to ensure that the airlines do not charge airfares outside the range declared by them.

The airline fare system runs in multiple levels (buckets or RBDs) which are in line with practice being followed globally. The fares 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 faster and move to higher fare buckets.

The Ministry had consultation with airlines and the representatives were advised to self-regulate and keep passengers interest in mind while fixing the airfares. Airlines have also been sensitized to

exercise moderation in pricing, and to keep passenger interest in mind. The airlines committed to ensure that airfares do not surge during events such as natural disasters, calamities, etc.

(c) Does not arise in view of (a) and (b) above.
