CHARGING OF EXORBITANT AIRFARES BY AIRLINES

190.   DR. M. THAMBIDURAI

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

(a) whether Government is aware that the various airlines charge exorbitant rate citing demand;

(b) if so, the details thereof and the action taken thereon;

(c) whether Government proposes to fix a cap on the maximum charge to each destination; and

(d) if so, the details thereof and the action taken in the matter so far, to make air travel affordable even during high-demand-periods?

ANSWER

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

(a) to (b): The airfares are dynamic in nature and follow the principle of demand & supply. The fares are also dependent on a number of other factors such as the number of seats already sold on a particular flight, prevailing fuel price, the capacity of the aircraft operating on the route, competition on the sector, season, holidays, festivals, long weekends, events (sports, fairs, contests) etc.

It is also submitted that airlines have placed orders for a large number of aircraft which includes wide-body as well as narrow-body aircraft. These aircraft are to be delivered over a period of time in a staggered manner which will ease out the demand supply situation leading to positive impact on airfares.

(c) to (d): No Sir. As per prevailing regulation, airfares are neither established nor regulated by the Government. Under the provision of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking engaged in scheduled air services are required to establish tariff having regard to all relevant factors, including cost of operation, characteristic of services and the generally prevailing tariff. Airlines are free to charge air fares as per their operation viabilities subject to compliance to the above said rule.

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