

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 1465
TO BE ANSWERED ON THE 9th December 2024
INCREASING AIRFARE

1465. SHRI P. WILSON

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

- (a) the domestic airfare has increased over 40 per cent in the past six quarters and it is alleged that carriers in the country are creating artificial shortage and engaging in black marketing to increase airfare;**
- (b) whether Government has any mechanism in place to regulate airfare and steps taken to reduce airfare;**
- (c) International Air Transport Association has raised concerns stating that India has the highest airport charges in the world;**
- (d) whether Government has taken any steps to address the issue and details thereof; and**
- (e) the details of airport charges approved by the Airports Economic Regulatory Authority in major airports?**

ANSWER

**Minister of State in the Ministry of CIVIL AVIATION
(Shri Murlidhar Mohol)**

(a) & (b): The airfares have moderated in 2024, relative to 2023. There is no evidence of carriers creating artificial shortage or engaging in black marketing. Airfares are not subject to regulation by the Government and airlines have the flexibility to determine their airfares based on their operational needs, while adhering to Rule 135 of the Aircraft Rules, 1937. When setting prices, airlines consider factors such as market conditions, demand fluctuations, seasonal trends, and other pertinent market influences. This approach allows them to adjust fares in a way that reflects the current travel landscape.

Thus, while the government generally refrains from regulating airfares to maintain market competitiveness, it remains vigilant. During exceptional circumstances, such as the pandemic and upsurge in demand, the Government has intervened to cap airfares or shift capacity from one sector to another to prevent excessive pricing to ensure passenger comfort and welfare.

(c) & (d): Government of India has established an independent economic regulator i.e Airports Economic Regulatory Authority of India (AERA) for determination of Tariff for aeronautical services rendered at Major Airports in the country. As per the tariff determination process, AERA allows the Airport Operator to recover its entitled revenue in the form of landing and parking charges from Airlines and User Development Fees (UDF) from passengers.

AERA determines aeronautical charges of all the major airports including landing and parking charges inter-alia considering the factors like Return on Investment for aeronautical assets, Operating expenditure, Depreciation, Tax etc. for a control period of 5 years, in accordance with AERA Act and AERA guidelines issued from time to time.

Further, in spite of significant capex infusion in Indian major airports to cater to spurt in passenger traffic, passenger charges at Indian airports are substantially lower than the charges at major international airports in other countries.

(e): The details of UDF approved by AERA for the FY 2024-25 for major airports in the country is Annexed.

ANNEXURE

Statement referred in reply to Rajya Sabha Unstarred Question No. 1465 for answer on 09.12.2024

UDF - MAJOR AIRPORTS FOR (FY 2024-25)**(In Rs. Per Pax)**

Sr. No.	Name of Airports	Type of Pax	Domt.	Intl.
1	Delhi	Embarking	128	128
2	Mumbai	Embarking	-	187
3	Bangalore	Embarking	550	1500
4	Hyderabad	Embarking	750	1500
5	Ahmedabad	Embarking	450	880
6	Amritsar	Embarking	500	1300
7	Bhubaneshwar	Embarking	750	820
8	Calicut	Embarking	430	720
9	Chandigarh	Embarking	725	1550
10	Chennai	Embarking	395	615
11	Cochin	Embarking	270	570
12	Coimbatore	Embarking	550	710
13	Goa-Dabolim	Embarking	495	825
14	Guwahati	Embarking	555	770
		Disembarking	235	330
15	Indore	Embarking	302	-
16	Jaipur	Embarking	805	980
		Disembarking	345	420
17	Kannur	Embarking	750	1680
18	Kolkata	Embarking	628	1509
19	Lucknow	Embarking	850	1400
20	Mangalore	Embarking	700	1050
		Disembarking	300	450
21	Mopa-Goa	Embarking	820	1120
		Disembarking	350	480
22	Patna	Embarking	660	-
23	Pune	Embarking	387	745
24	Raipur	Embarking	500	-
25	Shirdi	Embarking	630	-
		Disembarking	270	-
26	Srinagar	Embarking	960	1100
27	Trivandrum	Embarking	770	1540
		Disembarking	330	660
28	Tiruchirappalli	Embarking	600	800
29	Varanasi	Embarking	400	1300
30	Port Blair	Embarking	709	709
31	Dehradun	Embarking	709	709