

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha**

UNSTARRED QUESTION NO. : 2243

TO BE ANSWERED ON THE 16th December 2024

REGULATING AIRFARES AND OPERATIONAL STANDARDS

2243. DR. JOHN BRITTAS

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

(a) whether Government noticed oligopolistic practices among the carriers in inflating air fares and the instances of negligence in the timely operation of services for lack of competition;

(b) whether it is a fact that Rule 135(4) of the Aircraft Rules, 1937, empowers the Directorate General of Civil Aviation (DGCA) to issue binding directions to airlines, if it is satisfied that the airlines have charged excessive/ predatory airfares or indulged in oligopolistic practice; and

(c) if so, whether Government will revisit its stand of non-interference in airfares and operational punctuality, in the light of Rule 135(4), considering the necessity to safeguard the interests of passengers?

ANSWER

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

(a) to (c): The airfares have moderated in 2024, relative to 2023. With the enhancement of capacity by induction of more aircraft fleet, modernisation of airports and development of new airports, domestic passenger traffic has increased to 153,674,310 in 2023-24 as compared to 136,028,656 in the year 2022-23. Even in the current financial year 2024-25, as of October, domestic passenger traffic has reached 93,002,510, surpassing the corresponding figure of 87,995,187 for the fiscal year 2023-24, thereby reflecting an impressive growth rate of 5.7%.

As on 12.12.2024, a total of 12 Scheduled Commuter operators with 830 aircrafts are operating in the country. Ticket prices are fixed by the airlines keeping in mind the market, demand, seasonality and other market forces. Airlines ticket prices are determined by the demand and supply theory and are governed under the competition laws (Competition Act, 2002). Anti-competitive practices are kept in check by the Competition Commission of India (CCI).

The airlines have also been sensitized to ensure reasonability while fixing the airfares and to keep passengers' interest in mind. Notably, during festival seasons, a decrease in airfares was observed in various sectors.

The airlines are mandated to display the Tariff Sheet at a prominent location on the home page of airlines' website.

Directorate General of Civil Aviation (DGCA) has setup a Tariff Monitoring Unit (TMU) to check on predatory/excessive pricing by airlines. Airfares are monitored on various sectors to check, in case, any airline is found to be in non-compliance as per analysis carried out by Tariff Monitoring Unit (TMU), the airline will be penalized for violation of Rule 133A of the Aircraft Rules, 1937. In the last 10 years, all airlines have been in compliance with Rule 135(1) and 135(2).

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. While the government generally refrains from regulating airfares to maintain market competitiveness, however, it remains vigilant, and the Government intervenes to shift capacity from one

sector to another to prevent exorbitant pricing to ensure passenger comfort and welfare.

Given the complex dynamics of the Indian aviation industry, Government is playing the role of a facilitator by way of creating enabling environment to support the growth of the sector.
