

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 2
TO BE ANSWERED ON THE 25th November 2024
EXORBITANT INCREASE IN AIRFARES

2. SHRI ANIL KUMAR YADAV MANDADI

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

- (a) whether there has been exorbitant increase in airfares which seriously affects the air passengers;**
- (b) whether Government has any comprehensive scheme/plan to address the issue of exorbitant increase in airfares;**
- (c) if so, the details thereof; and**
- (d) if not, the reasons therefor?**

ANSWER

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

(a) to (d): With the enhancement of capacity by induction of more aircraft fleet, modernization 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 upto-September, the domestic passenger traffic (79,345,065) has surpassed the volume (75,358,445) during the corresponding period in the year 2023-24, reflecting a growth of 5.3%.

Furthermore, with continuous engagement with airlines & Online Ticketing Agents (OTAs) and keeping a watch on the movement of airfares by the government, the airfares have moderated in 2024 relative to 2023. 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) that monitors airfares on select domestic sectors on random basis by using airlines' websites on monthly basis to ensure that the airlines do not charge airfares outside the range declared by them.

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.

The airfares are dynamic in nature and follow the principle of demand & supply. The trends in airfare prices in India exhibit considerable seasonality, 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. Besides this, the pricing of airfares is significantly influenced by operational constraints at airports. Routes experiencing high tourist demand, are subject to limitations imposed by terrain, weather conditions, and restricted operating hours. The combination of constrained capacity and elevated demand leads to fluctuations in airfares.

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.
