

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 1615
(TO BE ANSWERED ON THE 15th December 2025)

SPIKE IN DOMESTIC AIRFARES

1615. SHRI PRAMOD TIWARI

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

- (a) whether domestic airfares tend to see major spikes during the festive season particularly to and from large metropolitan cities;
- (b) if so, the details thereof;
- (c) whether the Directorate General of Civil Aviation (DGCA) maintains rigorous oversight of airline fares and flight capacities;
- (d) if so, the extent to which it has moderated airfares; and
- (e) the impact of recent hike in Air Turbine Fuel (ATF) prices on airfare?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Murlidhar Mohol)

(a) to (d): A general moderation in fares was observed across most of the sectors due to deployment of 1750 additional flights by scheduled domestic airlines across 100 sectors in the country during the festival season in October, 2025 to meet the high demand due to proactive engagement by the Government.

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. The pricing of airfares is subject to dynamic fluctuations influenced by the fundamental economic forces of supply and demand. Various determinants such as current seat occupancy, fuel costs, aircraft capacity, seasonal fluctuations and other relevant factors significantly impact airline ticket pricing.

Tariff Monitoring Unit (TMU) set up in Directorate General of Civil Aviation has led to the systematic monitoring of airfares on randomly selected 78 routes, which

includes 06 international sectors also.

(e): Aviation Turbine Fuel (ATF) constitutes approx 40-50% of the total operating expenses of an airline.

Recently, the ATF prices have increased. Different rates of Value Addex Tax (VAT) are levied on ATF by the States/Union Territories (UTs). The rates so levied by States/UTs range from 0% to 29%. This issue of high VAT on ATF has been taken up with the States/UTs by the Ministry of Civil Aviation.
