GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO. : 7
TO BE ANSWERED ON THE 20th July 2026

ATF PRICE STABILISATION MEASURES FOR AIRLINES

7. SHRI JAGGESH

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

(a) whether Government has approved an Aviation Turbine Fuel (ATF) Price Stabilisation Fund to shield domestic airlines from volatility in global fuel prices;

(b) whether Government proposes to compensate Oil Marketing Companies for losses arising from the supply of ATF to airlines at regulated prices;

(c) whether Government has fixed ATF prices for airlines operating domestic and international flights, and if so, the details and duration of such price support; and

(d) whether Government has taken any other measures to support the aviation sector and keep air travel affordable in view of rising global crude oil prices?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

(Shri Murlidhar Mohol)

(a) to (d): The Government has approved a one-time budgetary support not exceeding Rs. 10,000 crore for Oil Marketing Companies (OMCs) to provide Aviation Turbine Fuel (ATF) price stabilisation support to Scheduled Indian Airlines due to exceptional fuel price volatility arising from the West Asia crisis. Under the arrangement, a uniform ATF FOB price of Rs. 86.32 per litre for domestic operations and Rs.104.49 per litre for international operations was applied across the country.

In addition, the Government has taken several measures to support the aviation sector and help keep air travel affordable, which include:

(i) For domestic operations, ATF prices were capped at a maximum increase of 25% over the 1 March 2026 base price, effective from 1 April 2026 for the months of April and May 2026.

(ii) Partial deferment of airport landing and parking charges for domestic operations at major airports along with a 25% rebate in such charges at Airports Authority of India (AAI) airports.

(iii) Approval of ECLGS 5.0 with a total corpus of Rs. 18,100 crore, including Rs. 5,000 crore earmarked for Indian airlines, to provide liquidity support.

(iv) Reduction of Value Added Tax (VAT) on ATF at Delhi (from 25% to 7%) and at Maharashtra (from 18% to 7%) for 6 months.

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