

**GOVERNMENT OF INDIA**  
**MINISTRY OF CIVIL AVIATION**  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. : 809**  
**TO BE ANSWERED ON THE 27th July 2026**  
**RIISING COSTS AND OPERATIONAL DISRUPTIONS IN THE**  
**AVIATION SECTOR**

809. SMT RANJEET RANJAN

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

- (a) the details of Aviation Turbine Fuel (ATF) year-wise and category-wise since 2021;
- (b) the year-wise details of increase in average airfares attributable to higher ATF prices and additional operating costs arising from airspace restrictions and route diversions since March, 2025 till date;
- (c) whether Government has assessed the impact of rising domestic airfares on passenger traffic and regional connectivity; and
- (d) the measures being taken to reduce operating costs and contain fare increases?

**ANSWER**

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

(a): The details are attached as Annexure.

(b) to (d): DGCA has observed that there is approx. 20.5% increase in the average airfare on 72 domestic sectors on comparing June 2026 to March 2025. Airlines operating costs are dynamic in nature and their individual component varies due to multiple factors such as price of Aviation Turbine Fuel (ATF) in international markets, foreign exchange rates, excise duties and Value Added Tax (VAT), lease rentals, etc. ATF alone accounts for 35% to 40% of total operating expenses of airlines.

The government is taking proactive steps to make air travel more affordable, such as, enactment of the Protection of Interests in Aircraft Objects Act, 2025 to lower interest rates and lease rentals, rationalization of Central Excise Duty & GST on MRO components and contracts, and reduction of high VAT on ATF by requesting States/UTs, among other measures.

Further, Government through Regional Connectivity Scheme (RCS) - Ude Desh ka Aam Nagrik (UDAN) provides connectivity to un-served and underserved airports of the country through revival of existing air strips and airports, which in turn also promotes tourism, increase employment opportunities and regional growth across the country.

In order to enhance the transparency in airfare, Directorate General of Civil Aviation (DGCA) has set-up Tariff Monitoring Unit (TMU) that monitors airfares on selected 78 routes on a random basis by using airlines websites on monthly basis to ensure that the airlines do not charge airfares outside the range declared by them.

The Government has taken several measures to support the aviation sector and help keep air travel affordable, which include, one-time budgetary support not exceeding Rs. 10,000 crores for Oil Marketing Companies (OMCs) to provide Aviation Turbine Fuel (ATF) price stabilisation support to the Scheduled Indian Airlines due to exceptional fuel price volatility arising from the West Asia crisis and for domestic operations, ATF prices were capped at a maximum increase of 25% over the 1st March, 2026 base price, effective from 1st April 2026 for the months of April and May, 2026.

\*\*\*\*\*

## Annexure

The details of production and consumption of ATF for the period 2021-22 to 2025-26 are as under (Quantity is in TMT):

| Details     | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|-------------|---------|---------|---------|---------|---------|
| Production  | 10294   | 15039   | 17124   | 17755   | 16433   |
| Consumption | 5008    | 7378    | 8247    | 8985    | 9161    |

\*\*\*\*\*