

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 6387
(To be answered on the 5th April 2018)

BENEFIT TO AIR PASSENGERS DUE TO LOW ATF PRICE

6387. SHRI OM BIRLA
SHRI RAJENDRA AGRAWAL

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether there has been a fall in the prices of the Aviation Turbine Fuel (ATF) in the international market during the current year as compared to previous three years and if so, the details thereof;
- (b) whether the Government acknowledges that the subsequent benefit arising from fall in prices are not being passed by the Domestic Airlines Operators to the air passengers and if so, the details thereof;
- (c) the steps taken by the Government to ensure that citizens get the benefits of such low prices of ATF; and
- (d) whether the Government proposes to impose an upper restriction on the ticket charges imposed by the domestic airlines so as to prevent exploitation of the passengers and to further fuel the growth of the domestic aviation sector and if so, the details thereof and if not, the reasons therefor?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

- (a): The pricing of Aviation Turbine Fuel (ATF) was deregulated w.e.f 01.04.2001 and the Public Sector Oil marketing Companies (OMC's) take appropriate decision on pricing of ATF in line with its international price and other market conditions. The Retail Selling Price of ATF (domestic) since 01.04.2015 at Delhi is attached at Annexure.
- (b) and (c): No such analysis has been carried out by the Government. Air fares are, established by the airlines under the provision of Sub Rule (1) of Rule 135 of Aircraft Rules 1937, considering all relevant factors, including the cost of operation, characteristics of service, reasonable profit and the generally prevailing tariff. The airfares so established are required to be displayed under the provisions of Sub Rule (2) of Rule 135 of Aircraft Rules 1937. However, examination of the airfare data has indicated that over the last three years, the average fares offered by scheduled domestic airlines on various routes have reduced by about 17%.
- (d): With the repeal of Air Corporation Act in March, 1994, the airfare approval requirement was dispensed with by the Government. Competition Commission of India (CCI) in its order dated 06.03.2012 on fixing of Maximum Retail Price (MRP) for airfares has stated that CCI cannot give direction to Government to fix MRP of a service provided by private entrepreneurs and that the same will be contrary to the spirit of the competition law. CCI also stated that the forces of demand and supply govern airfares.

Retail selling price (RSP) of ATF at Delhi, since 1st April, 2015 (as per IOCL)

Date	ATF Rs./KL
April 01, 2015	49338
May 01, 2015	49609.84
June 01, 2015	53353.92
July 01, 2015	51267.36
August 01, 2015	46407.36
September 01, 2015	40938.24
October 01, 2015	43,184.17
November 01, 2015	43,041.61
November 16, 2015	44,846.82
December 01, 2015	44,320.32
January 01, 2016	39,892.32
February 01, 2016	35,126.82
March 01, 2016	39,301.31
March 10, 2016	38,785.46
April 01, 2016	42,157.01
May 01, 2016	42,784.01
June 01, 2016	46,729.48
July 01, 2016	49,287.18
August 01, 2016	47,206.68
September 01, 2016	45,411.18
October 01, 2016	46,826.38
November 01, 2016	50,260.63
December 01, 2016	48,379.63
January 01, 2017	52,540.63
February 01, 2017	54,079.63
March 01, 2017	54,293.38
April 01, 2017	51,482.00
May 01, 2017	51,696.00
June 01, 2017	49,730.00
July 01, 2017	47,013.00
August 01, 2017	48,110.00
September 01, 2017	50,020.00
October 01, 2017	53,045.00
November 01, 2017	54,143.00
December 01, 2017	57,349.00
January 01, 2018	57,460.00
February 01, 2018	60,894.00
February 16, 2018	61,139.00
March 01, 2018	61,681.00