

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 677
(To be answered on the 13th December 2018)**

AIR FARE IN GULF KERALA SECTOR

677. **SHRI M.B. RAJESH**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has taken note of the hike in the air fares in the Gulf-Kerala sector;
- (b) if so, whether the Government will direct Air India to operate more services and increase seats in this sector in the festival season to provide relief to passengers; and
- (c) whether the Government will convene a meeting of representatives of airline companies to address the issue in a comprehensive manner?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

(a) & (b): Sir, pricing of air tickets is decided by each airline based on market dynamics and managed through their inventory management process. Airlines offer fares on various levels, which are driven by market forces. The airfares increase with the increase in demand as the lower fare buckets get sold out first. This is a global practice followed in the airline industry. Airlines are free to fix reasonable tariffs under the provision of sub-rule (1) of Rule 135, Aircraft Rules 1937 having regard to all relevant factors, including the cost of operation, characteristics of service, reasonable profit and the generally prevailing traffic. However, airlines remain compliant with the regulatory provisions of sub-rule 2 of Rule 135 as long as the fare charged by them does not exceed the fare established and displayed on their website. The airline operators themselves take decision with regard to increase in frequency depending upon commercial viability of routes and availability of resources.

(c): Does not arise.
