

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2685
(To be answered on the 16th March 2023)**

AIRFARE CAPS

**2685. SHRI ADALA PRABHAKARA REDDY
SHRI KURUVA GORANTLA MADHAV
SHRI MARGANI BHARAT
SHRI MADDILA GURUMOORTHY
SHRI MAGUNTA SREENIVASULU REDDY**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government proposes to reinstate airfare caps considering that the average price of tickets from metro cities to Tier-2 cities has risen as high as fifty per cent compared to last year, making air travel very expensive for people;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has looked into the issue of shortage of the parts for aircraft that is further increasing the airfares;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) whether the Government has also looked into the negative impact of the increased airfare and if so, the reaction of the Government thereto?

ANSWER

Minister of CIVIL AVIATION

नागर विमानन मंत्री

(Shri Jyotiraditya M. Scindia)

(a) to (e): Airfares are neither established nor regulated by the Government. Under the provisions of Sub Rule (1) of Rule 135 of the Aircraft Rules, 1937, every air transport undertaking engaged in scheduled air services is required to establish tariff having regard to all relevant factors including cost of operation, characteristic of services, reasonable profit and the generally prevailing tariff.

The airline pricing system runs in multiple levels (buckets) which are in line with practices being followed globally. The prices are fixed by airlines keeping in mind the market, demand, seasonality and other market forces. The airfare increases with increase in demand of seats as the lower fare buckets get sold out fast when bookings are offered by airlines. Some of the airlines have introduced Apex-90, in addition to existing advance purchase schemes of 60 days, 30 days, 14 days etc. in which discounted fares are being offered which would entail travelling even during peak seasons on low fares. The fare structures stated above have been displayed by

airlines on their websites. The airlines are compliant to the Sub Rule(1) of Rule 135 of the Aircraft Rules, 1937 as long as fares charged by them is in line with tariff displayed on their website.

While global supply chains are impacted due to Covid and other geo-political events, there is no direct connection between the same and airfares.

The issue of shortage of engines & spare parts of aircraft is mainly due to global supply chain disruptions & non-availability of spare parts/ components from OEM (Original Equipment Manufacturer) & manufacturers.
