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 दिमाण एण्ड 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 दिमाण एण्ड 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.

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