

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2528
(To be answered on the 3rd August 2023)**

DISPARITY IN FREIGHT RATES

**2528. SHRI ARUN SAO
SHRI MOHAN MANDAVI**

**Will the Minister of CIVIL AVIATION
नागर विमानन मंत्री**

be pleased to state:-

- (a) whether the Government has taken cognizance of the disparity in the Freight rates of aviation/airlines companies and if so, the details thereof;**
(b) whether the Government has any plan to formulate rule/guidelines for protection of uncontrolled price-war amongst various aviation companies;
(c) if so, the details thereof;
(d) whether fare declared under Regional Connectivity Scheme (RCS) is being followed at various ports; and
(e) if so, the details and names of those airports thereof and if not, the reasons therefor and the action taken thereon?

ANSWER

**Minister of State in the Ministry of CIVIL AVIATION
नागर विमानन मंत्रालय में राज्य मंत्री (GEN. (DR) V. K. SINGH (RETD))**

(a) Freight charges are not established or fixed by the Government and are determined by the airlines in the domestic as well as international sector based on the demand and supply.

(b) & (c) No such proposal is under consideration at present.

(d) & (e) Yes sir. There is an Airfare Cap permissible for a Regional Connectivity Scheme (RCS) Seat as specified under the Scheme. As per provisions under RCS, airfare on the RCS seats, on which Viability Gap Funding (VGF) is provided to the Selected Airline Operators on the RCS routes, is for three years and capped at a subsidised rate. It is liable to be indexed at every quarter.

Thus, there is a fixed number of seats offered in all RCS sectors at an agreed price under the scheme and all the remaining seats are left for sale at a

**dynamic price, to be decided by the Airline, based on their business strategy.
There is no airfare cap fixed for Non-RCS seats.**
