

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2845
(To be answered on the 5th December 2019)**

HIGH AIR FARE IN GULF-KERALA SECTOR

2845. ADV. ADOOR PRAKASH

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government is aware of very high air fare being charged by airlines in Gulf-Kerala Sector in the holiday season;
- (b) if so, the details thereof including action taken by the Government in this regard;
- (c) whether the Government has received any request for regulating fare in this sector; and
- (d) if so, the details thereof and the decision taken by the Government in this regard

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र पक्ष)

(Shri Hardeep Singh Puri)

(a): Fares are determined by market forces of demand and supply. The suspension of operations of Jet Airways and grounding of Boeing 737 Max constrained the supply side. As per the data received from the airlines, there was a small hike in the average fares on some sectors from Kerala to Gulf during the holiday season in May and June, 2019.

(b): The steps taken by the Government to increase the capacity on international flights from Kerala are as under:-

(i) Calicut Airport was opened for wide body operations from December, 2018 and M/s Saudi Airlines commenced daily scheduled operations with wide body aircraft from Calicut to Jeddah and Riyadh from 5th December, 2018. Some Indian carriers started new flights from Calicut Airport to the destinations in Gulf.

(ii) Kannur Airport was opened in the month of December, 2018 and Indian carriers like Air India Express, Indigo airlines and Go Air have commenced services to foreign destinations from Kannur Airport. The total services per week to foreign destinations from this airport was 40.

(iii) The traffic rights of Jet Airways have been temporarily allocated to other Indian carriers for commencement of operations.

(c) & (d): A number of requests were received from time to time regarding issue of hike in airfare on India-Gulf Sector. Government has taken various steps to ease the pressure on fares as listed in (b) above.

With the repeal of Air Corporation Act in March,1994, the provision of air fare approval was dispensed with by the Government. Airlines are free to fix the reasonable tariff 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 tariff. The airline pricing system runs in multiple levels [buckets or Reservation Booking Designator (RBDs)] which are in line with practice 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 seat 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 highly discounted fares 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 (2) of Rule 135 of the Aircraft Rules, 1937 as long as the fare charged by them is in line with fare displayed on their website. As per prevailing regulation, all scheduled airlines are required to display route-wise and category-wise fares on their respective websites.

DGCA has constituted a Tariff Monitoring Unit for analysing the airfare.
