

GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 3777  
(To be answered on the 18<sup>th</sup> March 2021)

IMPACT OF TRAVEL RESTRICTION ON AVIATION SECTOR

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Will the Minister of CIVIL AVIATION  
नागर विमानन मंत्री

be pleased to state:-

- (a) whether the aviation sector has been significantly impacted due to the travel restrictions imposed in the country and if so, the quantum of losses suffered by the aviation sector;
- (b) whether Directorate General of Civil Aviation (DGCA) has announced an increase in the fares of air travel in the country;
- (c) if so, the details thereof and the reasons therefore along with the action taken by the Government in this regard;
- (d) whether the DGCA has consulted all the stakeholders before increasing the fares and if so, the details thereof;
- (e) whether increase in the fares will adversely affect air passengers and if so, the details thereof;
- (f) whether the Government has received any representation from the air travellers in this regard and if so, the details thereof and the action taken by the Government thereon; and
- (g) the corrective steps taken by the Government to make fares affordable to the common man?

ANSWER

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

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र पक्ष)

(Shri Hardeep Singh Puri)

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- (a) The aviation sector in India has been affected due to restrictions on domestic and international passenger movement in the wake of the COVID-19 pandemic. Based on information received from stakeholders, the details of the

**impact are as follows:**

- i. The domestic traffic reduced from approximately 10.8 crore during April-December 2019 to approximately 3 crore during April-December 2020.**
- ii. The international traffic reduced from approximately 5.21 crore during April-December in 2019 to approximately 55.9 lakhs during April-December 2020.**
- iii. The financial loss of Indian carriers during April-December 2020 is approximately INR 16,000 cr**
- iv. The financial loss of Indian airports during April-December 2020 is approximately INR 3,000 cr.**

**(b) to (g) Passenger flights were restarted in a calibrated manner on 25 May 2020 after the Covid-19 lockdown. The Government wanted to ensure that airlines do not charge excessive fares to passengers. It also did not want airlines to indulge in a fare war that may have made it financially unsustainable for smaller airlines. To maintain a balance between these two objectives, the Government introduced the concept of fare bands vide order no. AV-13011/1/2020-US(SS)-MoCA on 21 May 2020, thereby prescribing maximum / minimum economy class fare on different sectors, classified on the basis of approximate duration of flight.**

**The price of the Aviation Turbine Fuel (ATF) at New Delhi has risen from approximately INR 21.45 per litre on 25 May 2020 to INR 53.80 per litre on 1 Feb 2021, an increase of approximately 151%. Despite this significant increase in ATF cost, the Government on 11 February 2021, increased the minimum fare by only 10% and the maximum fare by only 30%. The limited increase in the fare bands was done to ensure that Indian carriers recover a part of the increased fuel cost and yet, airfares continue to remain affordable to the common man.**

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