

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2949
(To be answered on the 8th August 2024)**

REGULATORY FRAMEWORK ON AIR FARE SURGES

2949. SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has taken/implemented any regulatory measures and policies to curb sudden air fare surges and if so, the details thereof;**
- (b) the details of the investigations conducted for unfair pricing practices or violations of consumer protection regulations;**
- (c) whether the Government has conducted any inquiry on the need to bring changes to regulatory frameworks aimed at ensuring transparency, fairness and affordability in air travel and if so, the details thereof;**
- (d) whether the Government has taken any long-term strategy for addressing the issue of fare surges including initiatives to promote competition, enhance operational efficiencies and support sustainable pricing practices across the airlines/sectors; and**
- (e) if so, the details thereof and if not, the reasons therefor?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Murlidhar Mohol)

(a) to (e): As per prevailing regulation, the Government does not establish or regulate airfares. The pricing of airfares is subject to dynamic fluctuations influenced by the fundamental economic forces of supply and demand. Various determinants such as current seat occupancy, fuel costs, aircraft capacity, and competitive factors significantly impact airline ticket pricing.

Under the provision of Sub Rule (2) of Rule 135 of The Aircraft Rules, 1937, airlines are only required to publish tariffs established by them under sub-rule (1) and shall display such tariffs in a conspicuous on their respective

website. All scheduled domestic airlines are updating their websites with established tariff sheets indicating their latest fares in different buckets of Economy and Business class, in the manner it is offered in the market, with a copy forwarded to DGCA. Airlines remain compliant with the regulatory provisions as long as the fare charged by them does not exceed the fare established and displayed on their website. In case any airline is found to be non-compliant as per analysis carried out by DGCA, the airline will be penalised for violating Rule 133A of The Aircraft Rules, 1937. In the last 10 years, all airlines have complied with Rule 135(1) and (2).

At present, airfares are not controlled by the Government. Airlines offer fares on various levels which are driven by demand and market forces and as the demand goes up the seats on lower fare levels get filled. This is a global practice in the aviation industry.

However, in order to enhance the transparency in airfare pricing, Directorate General of Civil Aviation (DGCA) has set-up Tariff Monitoring Unit (TMU) that monitors airfares on selected routes on a random basis by using airlines websites on monthly basis to ensure that the airlines do not charge airfares outside the range declared by them, under the provision of Sub Rule (2) of Rule 135 of The Aircraft Rules, 1937.

Ministry holds consultation with airlines and airlines have also been sensitized to exercise moderation/ self- regulation while fixing the airfares and to keep passengers' interest in mind. The airlines have committed to ensure that airfares do not surge during events such as natural disasters, calamities, etc.

Given the complex dynamics of the Indian aviation industry, Government is playing the role of a facilitator by way of creating enabling environment to support the growth of the sector.
