

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 5314
(To be answered on the 3rd April 2025)**

INCREASE IN AIRPORT CHARGES

5314. SHRI BAJRANG MANOHAR SONWANE

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) the role of the Airport Economic Regulatory Authority (AERA) in regulating airport charges in the country;**
- (b) the criteria and methodology used by AERA to justify increase in airport charges;**
- (c) whether the Government has any policy in place to cap the increase in airport charges at private airports;**
- (d) if so, the details and implementation status thereof;**
- (e) whether the Government has received any complaints regarding exorbitant airport charges at private airports and if so, the details thereof along with the action taken thereon;**
- (f) the impact of the Hybrid Till Model on the pricing of airport charges for passengers;**
- (g) whether the Government is aware that passengers are being charged higher airport fees before AERA finalizes its tariff revisions and if so, the reasons therefor; and**
- (h) the corrective measures taken by the Government in this regard?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Murlidhar Mohol)

(a) to (d): Government of India has established an Independent Economic Tariff Regulator i.e. Airports Economic Regulatory Authority of India (AERA) in 2009, under the AERA Act, 2008 to determine tariff for aeronautics service provided at major airports. AERA determines aeronautical charges such as landing, parking and UDF of all the major airports, inter-alia considering the following factors :

- (i) Return on Investment for aeronautical assets,**
- (ii) Operating expenditure,**
- (iii) Depreciation,**

(iv) Tax

The Regulator aims to balance optimally the interest of service provider and the end user and ensures that the airport operator maintains and operates the airport with reasonable return on investment consisting with risk profile. As each airport has different capital expenditure profile, return on capital employed, operational expenditure, traffic inflows, under/ over- recovery in previous control period as well as revenue collection from cargo operators, Ground Handlers and Fuellers, AERA maintains balanced approach for ensuring reasonable tariff keeping interest of all stakeholders in mind and translates these factors to different entitled revenue requirements apportioning them reasonably to Landing, Parking and User Development Fee (UDF) charges for different airports.

(e) & (f) : AERA follows a uniform tariff methodology across major airports, regardless of ownership. The Capital Expenditure (CAPEX) infusion for infrastructure upgradation at JV/PPP/Leased airport is substantially higher in comparison to AAI Airports. Hence, UDF levied at JV/PPP/Leased airports is typically higher due to incurrence of substantially more CAPEX. However, the UDF rates stabilize with increased passenger traffic over the time.

AERA determines aeronautical charges under Hybrid Till mechanism, wherein 30 percent of non- aeronautical revenue is taken into consideration for cross subsidising the aeronautical tariff.

(g): Aeronautical charges of Major Airports are as determined by AERA and it gets revised only after issuance of new Tariff order by AERA.

(h): Does not arise in view of the above.
