

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Lok Sabha
UNSTARRED QUESTION NO. : 747
(TO BE ANSWERED ON THE 24th July 2025)
DOMESTIC AND INTERNATIONAL AIR FARE

747. SHRI NAVASKANI K

SHRI SHYAMKUMAR DAULAT BARVE

SHRI VARUN CHAUDHRY

Will the Minister of CIVIL AVIATION

be pleased to state:-

(a) whether the Government acknowledges that excessive volatility in domestic and international airfares is causing inconvenience to passengers and if so, the policy measures being considered to address the said issue;

(b) whether the Government is considering fixing minimum and maximum fare limits, especially during festivals, disasters or holiday seasons when airfares rise sharply and if so, the details thereof along with the time by which such a decision is likely to be executed;

(c) whether it is true that algorithmic (dynamic) fare determination by private airlines is ignoring consumer interest;

(d) if so, whether the Government proposes to introduce any regulatory mechanism in regard and if so, the details thereof; and

(e) whether the Government also proposes to publish a "Fare Index" for different routes to provide passengers with an estimate of expected airfare and if so, the details thereof?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION
(Shri Murlidhar Mohol)

(a) to (e): Airfares are not subject to regulation by the Government and airlines have the flexibility to determine their airfares based on their operational needs, while adhering to Rule 135 of the Aircraft Rules, 1937. 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.

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Further, the scheduled operations on international sector to and from India are regulated by the Bilateral Air Service Agreement (BASA) between India and the respective foreign country. The BASA, inter-alia, includes specific provisions regarding 'Tariffs'. Typically, the tariffs set by foreign airlines are not required to be filed or approved by the Directorate General of Civil Aviation (DGCA) under the BASA framework. This arrangement allows carriers greater flexibility in determining their own pricing structures, as long as they adhere to the broader provisions of the Air Service Agreement. As a result, pricing decisions are largely left to the market forces and competitive dynamics, rather than being subject to regulatory oversight by the DGCA.;

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To ease surge in air fare, Ministry remains vigilant and intervenes to shift capacity from one sector to another to prevent exorbitant pricing, and to ensure passenger comfort and welfare. During Onam 2024, 04 additional weekly flights were operated between Kochi-Dubai from 08.09.2024 to 30.09.2024 by shifting capacity from metro point (Delhi-Dubai and back) to non-metro point (Kochi- Dubai and back) to cater increase demand during peak festive season.

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During Maha Kumbh, as peak days approached, especially during the Shahi Snans and other important Snans, major airlines increased the number of flights to Prayagraj in Uttar Pradesh to check the surge in airfares for the Maha Kumbh event. Initially there were 51 flights per week to/from Prayagraj connecting 08 cities which were increased by 482 additional new flights per week connecting 18 cities with approximately 70,000 weekly passengers to Prayagraj from across India. After interactions with airlines, the airfares to/from Prayagraj saw a decline.;

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In the aftermath of the incident in the Pahalgam attack, there was an apprehension of a mass exodus of tourists from J&K, which would have, in the normal course, led to a surge in airfares. Accordingly, the DGCA issued advisories to all airlines and online travel agencies. These directives were designed to guarantee seamless connectivity for passengers traveling from Srinagar to multiple destinations throughout India, to ensure a clear and transparent display of airfares, and to provide assistance to stranded tourists. The Airlines were also urged to desist from surge pricing, and for this purpose, airlines were advised to cap airfares for two major sectors, i.e. Srinagar-Delhi and Srinagar-Mumbai.;

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Understanding the challenges faced by many passengers, airlines worked diligently to ease the burden by waiving cancellation and rescheduling fees. Taking proactive action, not only the number of flights to and from Srinagar were increased from 51 on 22/04/25 to 56 on 23/04/25, but also the prices were kept in control. As a result of these interventions, a notable reduction in airfares from Srinagar was observed over two days. A flight from Srinagar to Delhi, priced over Rs 20,000/- on April 21, came down to a more accessible fare, falling below Rs 10,000/- by April 24.;

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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.;

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In order to enhance the transparency in airfare, DGCA has set-up Tariff Monitoring Unit (TMU) that monitors airfares on selected 78 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. This covers about 27% of the domestic traffic.;

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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.;
