

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 807
(To be answered on the 28th April 2016)**

IMPACT OF REDUCTION IN ATF PRICES ON AIRFARE

**807. SHRI P.C. MOHAN
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SHRI G. HARI
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**Will the Minister of CIVIL AVIATION
नागर विमानन मंत्री**

be pleased to state:-

- (a) whether due to a steep fall in crude oil prices in international market, the price of Aviation Turbine Fuel (ATF) has been slashed to 11.7% by the oil marketing companies, if so, the number of times prices of ATF has been reduced, rate and total amount of reduction;**
- (b) whether the Directorate General of Civil Aviation (DGCA) has taken any steps to bring the exorbitant airfare charged by the airline companies in India, if so, the details thereof;**
- (c) whether the Government would ensure that reduction in ATF prices which in turn reduces the operating cost of the airlines translate into reduction in airfares;**
- (d) if so, whether the Government is having any proposal to include ATF in GST provisions to have uniform ATF cost throughout the country;**
- (e) if so, the details thereof and if not, the reasons therefor;**
- (f) whether airfares for domestic and international travel are likely to be increased by two per cent; and**
- (g) if so, the reasons therefor and time by which the draft civil aviation policy is likely to be approved and implemented?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Dr Mahesh Sharma)

(a): Pricing of Aviation Turbine Fuel (ATF) is de-regulated. The Public Sector Oil Marketing Companies (OMCs) take appropriate decision on price of these products in line with changes in the prices in international market and other market conditions. The price of ATF (Rupees/Kl) in metro cities from April 01,2015 to April 01,2016 is at Annexure-I.

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(b) and (c): Air fares are not regulated by the Government. Under the provision of prevailing regulation (Sub rule (1) of Rule 135 of the aircraft Rules, 1937), every air transport undertaking engaged in scheduled air services are required to establish tariff, having regard to all relevant factors, including the cost of operation, characteristics of services, reasonable profit and the generally prevailing tariff. The fares so established, are required to be displayed by the airlines on their websites in compliance of Sub Rule 02 of Rule 135, aircraft Rule 1937. Airlines remain compliant with to the regulations as long as the fare charged by them does not exceeds the fare structure displayed on their website.

(d) and (e): The information is being collected.

(f): Air fares are not regulated by the Government.

(g): The Draft Civil Aviation Policy is at the stage of Inter-Ministerial consultations.

ANNEXURE-I

Previous Price of ATF in metro(Rupees/Kl)#

Month	Delhi	Kolkata	Mumbai	Chennai
April 01,2016	42,157.01	47,094.08	41,171.91*	44,821.08
March 10,2016	38,785.46	43,893.53	38,425.94	41,459.29
March 01,2016	39,301.31	46,038.16	38,425.94	41,991.65
February 01,2016	35,126.82	41,482.09	34,284.02	37,594.24
January 01, 2016	39,892.32	46,368.94	39,009.02	42,418.64
December 01, 2015	44,320.32	50,837.44	43,450.52	47,016.20
November 16, 2015	44,846.82	51,404.44	43,977.02	47,587.41
November 01, 2015	43,041.61	51,392.23	43,966.25	47,574.35
October 01, 2015	43,184.17	51,681.42	44,141.75	47,858.56
September 01, 2015	40,938.24	49,318.92	41,846.75	45,448.32
August 01, 2015	46,407.36	55,677.42	47,516.75	51,216.17
July 01, 2015	51,267.36	60,781.87	52,592.75	56,522.06
June 01, 2015	53,353.92	62,928.37	54,727.49	58,723.32
May 01, 2015	49,609.84	59,122.8	50,844.43	54,779.66
April 01, 2015	49,338	58,614	50,713	54,457

Source-Official website of IOCL

* With effect from 09.04.2016