GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION

LOK SABHA

UNSTARRED QUESTION NO. : 712

(TO BE ANSWERED ON THE 23rd July 2026)

INCREASE IN AIRFARE

712. SHRI MOHITE PATIL DHAIRYASHEEL RAJSINH
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Will the Minister of CIVIL AVIATION

be pleased to state:-

(a) whether the Government has taken note of the significant increase in domestic and international airfares following the ongoing geopolitical tensions and conflict involving Iran and the United States which have led to higher aviation fuel costs and flight disruptions and if so, the details thereof;

(b) the details of the increase in average air ticket prices on major routes connecting Maharashtra particularly Mumbai, Pune and Nagpur during the last six months;

(c) whether the airlines have imposed fuel surcharge or revised fare structures due to rising Aviation Turbine Fuel (ATF) prices and longer flight routes and if so, the details thereof;

(d) the steps taken by the Government to monitor increases in airfare and protect passengers from excessive fare hikes;

(e) whether any consultations have been held with airlines regarding fare rationalisation and if so, the details thereof; and

(f) the measures proposed to ensure affordable air connectivity for passengers travelling from Maharashtra?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

(Shri Murlidhar Mohol)

(a) to (f): The ongoing geopolitical tensions in West Asia have significantly impacted ATF prices which has resulted in introduction of fuel surcharge in mid-March, 2026 by Indian carriers.

The Fuel surcharge was introduced by the airlines in March, 2026 and was revised in the month of April 2026 based on flight distance.

In order to ensure that airlines do not charge airfares outside the range declared by them, Tariff Monitoring Unit (TMU) has been set up in Directorate General of Civil Aviation (DGCA) which monitors airfares on selected 78 routes (72 domestic & 06 international) on random basis, including three routes from Mumbai.

The Government has taken several measures to support the aviation sector and help keep air travel affordable, which include, one-time budgetary support not exceeding Rs. 10,000 crores for Oil Markreting Companies (OMCs) to provide Aviation Turbine Fuel (ATF) price stablisation support to the Scheduled Indian Airlines due to exceptional fuel price volatality arising from the West Asia crisis and for domestic operations, ATF prices were capped at a maximum increase of 25% over the 1st March, 2026 base price, effective from 1st April 2026 for the months of April and May, 2026.

The issue of high VAT on ATF has been taken up with the States/ UTs by the Ministry of Civil Aviation. As a result, 23 States/ UTs have reduced VAT on ATF since September 2021. More recently, in May, 2026, the State of Maharashtra has reduced the VAT on ATF from 18% to 7% for a period of 6 months.

Various factors influenced by combination of market forces like market competition, passenger demand, seat occupancy and seasonal variations, etc. also affect airfares.

With the repeal of Air Corporation Act in March, 1994, airlines are free to establish airfare based on their operational & economic viability while adhering to Rule 135 of the Aircraft Rules, 1937.

The Government generally refrains from regulating airfares to maintain market competitiveness, however, it retains vigilant oversight role, intervening in exceptional circumstances by redistributing capacity across various sectors and imposing temporary fare caps, such as during the Covid Pandemic, festivals like Maha kumb or other extraordinary instances like Pahalgam incident & the Indigo flight disruptions.

Regular consultations are being carried out by DGCA with airlines from time to time, in order to sensitize to exercise moderation/ self- regulation while fixing the airfares and increasing capacity.

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