



Federation of Indian Airlines

E-166, Upper Ground Floor,
Kalkaji,
New Delhi - 110019.
Website: www.fiaindia.in

**URGENT &
IMPORTANT**

03 March 2025

To,
The Chairperson,
Airports Economic Regulatory Authority,
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi- 110 003.

Kind Attention – Shri. S.K.G. Rahate

Sub: FIA Response to the AERA CP. No. 07/2024-25 dated 31th January 2024 on determination of Aeronautical Tariff for Indira Gandhi International Airport, Delhi for the Fourth Control Period (01.04.2024 – 31.03.2029)

Ref: AERA stakeholder consultation meeting dated 17th February, 2025.

Dear Sir,

The Federation of Indian Airlines (FIA), on behalf of its member airlines (*IndiGo, SpiceJet, and Air India*), sincerely appreciates AERA's efforts in engaging stakeholders through the consultation process and the meeting held on 17th February 2025.

As per the Investment Information and Credit Rating Agency of India (ICRA), the aviation industry is projected to report a net loss exceeding **INR 3,000 crore in FY25**. The sector continues to face significant financial headwinds due to factors such as **geo-political instability, supply chain disruptions, rising Aviation Turbine Fuel (ATF) price, foreign exchange fluctuations, and limited government financial support**.

We would like to commend AERA for its proactive approach in rationalising the originally proposed increase in aeronautical charges and for setting these charges below the existing levels. This thoughtful decision reflects AERA's commitment to the long-term sustainability of the aviation sector and its responsiveness to the concerns raised by stakeholders. We recognize that this reduced proposal will provide much-needed relief to airlines and passengers, mitigating the financial pressures that the industry is currently facing.



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We commend AERA for **proactively reducing** the aeronautical tariff increase originally proposed by the Airports operator. This decision demonstrates AERA's commitment to the sector's sustainability and provides crucial relief to airlines and passengers. However, given the ongoing macroeconomic pressures—particularly **high ATF costs (priced in USD) and a depreciating Indian Rupee** which significantly impact airline cost structures and the fact that demand for air travel is highly price sensitive, FIA therefore respectfully request **AERA to keep on taking initiatives ensuring that the aviation ecosystem is developed and aligned to the vision of our Hon'ble Prime Minister of being "Affordable Yet Sustainable"**, which is essential for long-term growth.

We trust that AERA will carefully consider our recommendations in alignment with the objectives of the **National Civil Aviation Policy, 2016**, and we look forward to your continued support in these challenging times.

Yours Truly,

For and on behalf of the Federation of Indian Airlines,

**Ujjwal Dey
Director**

Copy to:
Director (P&S Tariff), Airports Economic Regulatory Authority of India.