INDIA FINES THREE CARRIERS US$38 MILLION FOR CARTEL-LIKE ACTIVITIES

News / Airlines

The Competition Commission of India (CCI) has found three local carriers guilty of colluding to artificially manipulate fuel Surcharge (FSC) fees relating to cargo and freight. The motion was brought on by a complaint filed by the Express Industry Council of India.

The CCI said in a statement that Jet Airways (India) Ltd. had been fined 1.5 billion rupees (US$22.69 million), IndiGo Airlines parent InterGlobe Aviation Limited 637 million rupees (US$9.64 million), and SpiceJet Ltd 425 million rupees (US$6.43 million) for contravening Section 3 of India's Competition Act, 2002 which deals with anticompetitive practices. The fines represent 1% of each carrier's average turnover for the last three financial years.

"The Commission noted that the Airlines acted in parallel in collusion in fixing FSC rates," it said. "Such conduct was found to have resulted in indirectly determining the rates of air cargo transport and thereby in contravention of the provisions of section 3(1) read with section 3(3)(a) of the Act."

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Other carriers named in the investigation -- Air India and GoAir -- were found not guilty.

Air India was found not to have colluded with any other carrier while GoAir's policy of selling belly-hold space to third-party firms exonerated it of any blame given its lack of control over their pricing structures.

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