

Air Cargo Industry Must Grow 12.9% Annually to Achieve Aviation Policy Target: Report

Press Trust of India

New Delhi: India's cargo industry needs to grow at about 12.9% every year to achieve the National Civil Aviation Policy vision of reaching 10 million tonnes (MT) cargo volume by 2027, says a report. "There is an urgent need to uplift Indian cargo market to achieve the overall vision of the aviation ministry," observed the joint study by Assocham and consultancy firm Auctus Advisors.

The report suggested implementing a rating system for cargo terminals in-line with ASQ (Airport Service Quality) ratings at passenger terminal to

motivate operators to improve infrastructure and provide superior quality of services.

"The Indian cargo industry needs to grow at a rate of about 12.9% every year from 2018 to 2027 to achieve National Civil Aviation Policy (NCAP 2016) vision of reaching cargo volumes of 10 MT by 2027," it said.

The report noted that there is an urgent need for creating adequate freight carrying capacity within Indian air network through creation of new cargo terminals and expansion of the existing ones, besides undertaking proactive measures to identify tier-2 and tier-3 cities for setting up common user domestic cargo terminal.

TRACKING TRENDS

■ Lack of enabling infrastructure, manual intervention cited as reasons

Air cargo biz must grow at 12.9% to meet target

AGE CORRESPONDENT
NEW DELHI, OCT. 21

India's cargo industry needs to grow at about 12.9 per cent every year to achieve the National Civil Aviation Policy vision of reaching 10 million tonnes (MT) cargo volume by 2027, said a study by Assocham and consultancy firm Auctus Advisors on Sunday.

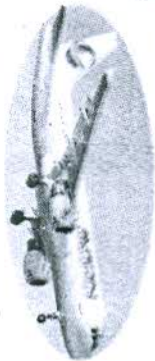
"There is an urgent need to uplift the Indian cargo market to achieve the overall vision of the aviation ministry," it said. Assocham said that international and domes-

tic air freight is projected to grow at an overall compounded annual growth rate of 8.2 per cent.

"Considering this trend to continue till 2027, projected international and domestic air cargo will be 3.6 MT and 2.1 MT respectively resulting in total air cargo traffic of 6.8 MT."

Assocham said that the study highlighted various issues confronting aviation logistics sector in India — lack of enabling infrastructure, lack of automated material handling systems, high manual intervention in the processes and inadequate

■ Considering the Indian industry is suffering from high dwell time during inbound and outbound cargo custom clearance procedures, it is essential to capitalise on technological advances to promote hurdle free air cargo movement, as per the report.



skilled manpower among others where the Indian air cargo industry lags global peers. "There is an urgent need

for creating adequate freight carrying capacity within Indian air network through creation of new cargo terminals and

expansion of existing ones," said the chamber. Assocham suggested implementing a rating system for cargo terminals in line with ASQ (Airport Service Quality) ratings at passenger terminal to motivate operators to improve infrastructure and provide superior quality of services.

It also suggested undertaking proactive measures to identify tier-2 and tier-3 cities for setting up common user domestic cargo terminal (CUDCT). On development of air freight station (AFS), the chamber said there is an

urgent need for a clear cut, well-defined policy to initiate AFS ecosystem which would help in stimulating export-import trade.

"Promoting concept of cargo villages and linking them with international airports is an ideal way to boost air freight traffic, improve delivery and create many job opportunities. Besides, cargo villages may also be linked to free trade zones to foster goods' manufacturing for international markets which would give a boost to 'Make in India,' scheme of the government," it said.

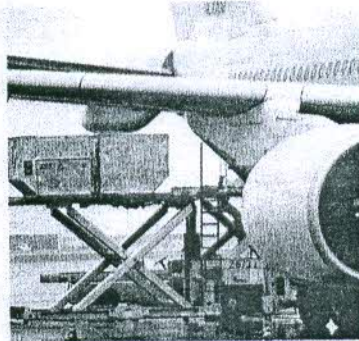
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Cargo volume estimated to reach by 2027

8.8%

CAGR of air freight during FY13-17

lion tonne (MT) by 2027," it said. The report noted that there is an urgent need for creating adequate freight carrying capacity within Indian air network through creation of new cargo terminals and expansion of the existing ones, besides undertaking pro-active measures to identify tier-2 and tier-3 cities for setting up common user domestic cargo terminal (CUDCT).

The study suggested introducing a separate com-

prehensive air cargo policy to reduce bottlenecks in freight movement.

As per data maintained by the Airports Authority of India (AAI), air freight handled at Indian airports grew by more than 20 times from 0.08 million metric tonne in 1972-73 to 2.5 million tonne in 2014-15, and its compound annual growth rate (CAGR) was 8.8% during 2013-14 to 2016-17.

The report said that international and domestic air

freight is projected to grow at an overall compounded annual growth rate (CAGR) of 8.2%.

"Considering this trend to continue till 2027, projected international and domestic air cargo will be 3.6 MT and 2.1 MT, respectively, resulting in total air cargo traffic of 6.8 MT," it estimated.

The study also highlighted various issues confronting aviation logistics sector in India - lack of enabling infrastructure, lack of automated material handling systems, high manual intervention in the processes and inadequate skilled manpower are some of the key areas where Indian air cargo industry lags global peers.

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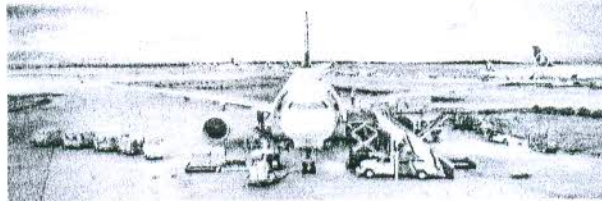
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