

AIR CARGO BIZ FLIES HOME



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Early this year, Amazon India announced a dedicated air cargo fleet in Hyderabad to speed up deliveries and bolster its transport network. Elsewhere in the world, Amazon's air transport services were scaling down freight operations.

In July, Air India announced plans of raising its annual cargo capacity by 300 per cent.

The announcements mark the bustling business of air cargo. Indian airlines have carried more domestic freight in recent months than the period before the pandemic. Data as of October shows the cargo they have carried this year is 81 per cent more than during the same period in 2019. (*chart 1*)

Most cargo in India is carried in the belly of aircraft. Belly accounted for 81.5 per cent of all domestic air cargo in 2022-23, according to data in the 'Handbook on Civil Aviation Statistics'. Dedicated aircraft cargo accounted for 18.5 per cent and its share has increased since 2018-19 (*chart 2*).

Domestic carriers have lost ground to international rivals and account for about 12.7 per cent of the total cargo transported abroad in FY23, compared to 20.4 per cent in FY19.

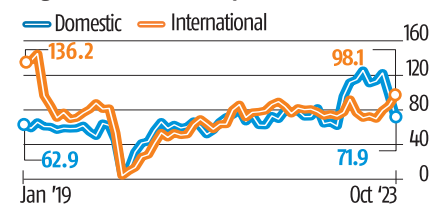
In the September quarter of FY24, Air India accounted for around 7 per cent of the freight transported in and out of India. Emirates Airline and Qatar Airways — both foreign companies — are India's largest international freight carriers and account for over 20 per cent of the total freight.

This is not surprising as most of India's international freight traffic is with West Asia and African nations. The regions account for the largest share of inbound international freight traffic (29 per cent). They also comprise 47 per cent of the outbound freight traffic in 2022-23 (*chart 3*).

Data shows that global cargo demand is soft, but India is defying the trend, for now.

1: SURGE IN DOMESTIC FREIGHT

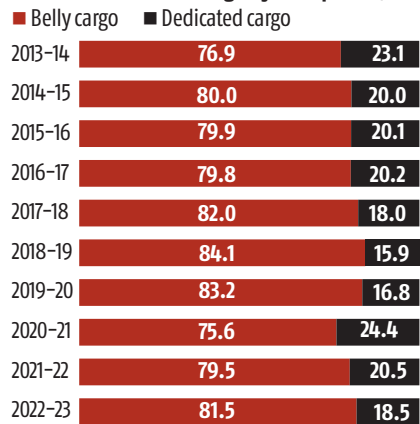
Freight tonne kilometres performed (in mn)



Source: CMIE

2: BELLY CARGO ACCOUNTS FOR LARGEST SHARE

Share of domestic air cargo by transport (in %)

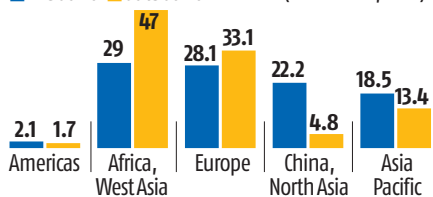


Source: Handbook On Civil Aviation Statistics (2022-23)

Note: Belly cargo is freight carried in the belly of a passenger aircraft. Dedicated cargo refers to the cargo carried by aircraft solely meant for freight carriage

3: AFRICA AND WEST ASIA DOMINATE INTERNATIONAL FREIGHT TRAFFIC

Inbound Outbound (For 2022-23, in %)



Source: DGCA