

# Generating a cohesive infrastructure

Seeing the requirement of air cargo capacity expansion at airports, industry veterans share their views on what approach is required to develop cargo infrastructure. Some of them talked about upgrading existing cargo terminals and Air Freight Stations, while some others opined reducing dwell time.



Kalpana Lohumi

The civil aviation industry has ushered in a new era

of expansion, driven by factors like relaxation of Foreign Direct Investment (FDI), new airports along with the revival

of unserved and underserved airports and air strips. As per ICRA research, cargo traffic in India crossed 2.98 million

tonnes in FY2017, registering 10 per cent Y-o-Y increase. And, Indian airports are estimated to have a combined

capacity to handle 4.63 million tonnes of cargo per annum as of now – translating into utilisation of around

75 per cent. CARGOTALK takes expert opinion on expansion of cargo capacity at Indian airports.



## Keku Gazder

Chief Executive Officer, AAI Cargo Logistics and Allied Services Company (AAICLAS)

As an industry, development of cargo infrastructure must always remain above the growth curve. Being one of the fastest growing economies in the world, investment in aviation related infrastructure must be anticipated well in advance today. Most im-

portantly, the growth of air cargo capacity has always been on high priority for the Ministry of Civil Aviation because the economic growth is closely tied to cargo growth.

Policies made in isolation ignoring interconnected

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AAICLAS is gearing up to meet this demand and already enhanced its handling capacity at various airports  
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infrastructure requirements may not give desired results

and leading to investment failures. AAICLAS is committed to have a continual well-planned investment in infrastructure development at our cargo facilities across the country. Projections indicate that Indian carriers will double their fleet size by 2020 i.e. around 1000 aircraft. More importantly, the country is projected to handle 10 million metric tonnes by 2027. This

will result in significant growth of both passenger and cargo traffic to and from Indian airports. AAICLAS is gearing up to meet this demand and already enhanced its handling capacity at various airports. Today apart from redesigning terminals to handle increased demand, we are also investing in new terminals that can handle projected volumes for the next 10-15 years.



## Manoj Singh

Senior Vice President & Head – Cargo, Mumbai International Airport (MIAL) & DDP Game Changer 2016

The Indian civil aviation sector is projected to be the third largest in a decade. We have witnessed that air freight has registered a strong growth in the FY18. GVK MIAL handled 906319 MT of cargo in FY18, highest in the airport's history, with 16 per cent growth over previous year. In the long-term, MIAL. In order to meet

the cargo demand, should be prepared for a cargo handling capacity of around six million metric tonnes by FY25. This can be achieved along with the government's plans to establish new airports while simultaneously expanding cargo and airside capacity in partnership with private operators at the metro airports.

MIAL has already commissioned significant portion of the total planned capacity under the master plan by creating state-of-the-art facilities like Export Perishable Terminal (2011), Import Cold Zone (2012), Exclusive Dangerous Goods Storage (2012), Export Utilization Terminal (2014), Santacruz Domestic Common User Terminal (2016) and Export Heavy and Bonded Cargo Terminal (2017). GVK MIAL is creating additional cargo

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capacity of 0.6 million metric tonnes through projects such as expansion of the Export Pharma Terminal, new Export

Perishable Terminal for agro commodities and a new Cargo Mega Terminal.

With two airports and a seaport, complemented by state-of-the-art information technology, international service benchmarks and adoption of various air freight supply chain quality programmes, GVK group is putting in hard efforts to transform Mumbai as one of the country's leading hub.



## Mike Chew

CEO, AISATS & India Cargo Award winner 2016

Majority of India's international cargo (both export and import) is catered to by international airlines. With the growth of domestic and international trade, there are new markets opening up for Indian products such as pharmaceuticals, fashion products, perishables etc. As cargo capacity is not restricted by bilateral rights, a number of carriers keep on reviewing and revising their air cargo capacity expansion plans through their respective freighter op-

erations in India. Growth of air cargo can be attributed to the increase in passenger fleets, which provide enough capacity for cargo movement in the domestic and international segments. New routes, new airlines, emerging sectors and markets, government policies, and advanced technology also contribute significantly to air cargo growth in India.

Developing new airports with dedicated air cargo terminals and allocating vacant

space available at airports to air cargo operators are a few options for air cargo capacity expansion. Though capacity expansion is important, improving the existing infrastructure at airports is equally important to help reduce the bottlenecks that impede faster cargo turnarounds. We need greater efforts to build cargo terminals with special facilities for express cargo and dangerous goods, and sufficient landside truck docks for cargo unloading with sufficient entry gates and upgraded equipment.

We also need dedicated facilities for perishable cargo handling for un-broken cold supply chain. Warehouses should have necessary security arrangements for the safety of the cargo during its storage and transportation, and the presence of customs and other air cargo regulatory bodies at/ near the airport to reduce the air cargo dwell time.

Along with developing air cargo facilities at airports, conducive policies and reforms can also open up

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windows of opportunities in the air cargo industry in the years to come. A central clearance body spearheading new initiatives and coining policies will help bolster development of air cargo in the future.