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INDIA RENEWS OPEN SKY POLICY FOR FOREIGN AIR CARGO CARRIERS

In a significant move, India has liberalised its aviation policy to permit foreign cargo airlines to operate out of all its international airports – a mandate lasting three years.

“The open sky policy for foreign cargo carriers has been reviewed by the government,” said India’s Directorate General of Civil Aviation (DGCA).

Under restrictions imposed in 2020 among Covid-related protocols, ad-hoc freighter operations by foreign carriers were allowed only from the six major airports – Mumbai, Delhi, Bengaluru, Chennai, Kolkata and Hyderabad.

Now, the DGCA said: “The operations of foreign and non-scheduled freighter charter service shall be allowed at all international airports for a period of three years to facilitate air cargo movements.”

The policy is widely believed to be a particular useful for the perishables trade, as farm producers and exporters in the interior can explore newer global markets and avoid the supply chain disruption on the ocean side.

Air cargo industry stakeholders generally welcome the announcement. Vineet Malhotra, co-founder and director of Mumbai-based Kale Logistics Solutions, told The Loadstar the policy change was “long overdue.”

He said the non-metro airports, which had “diligently developed robust cargo infrastructure in recent years, stand to

gain significantly, and it will bolster the Indian economy and offer additional export capacity”.

He added: “The timing couldn’t have been more opportune, aligning with India’s efforts to reduce logistics costs to 5% of GDP.”

The policy review follows the government setting an ambitious target of 10 million tonnes of air cargo trade by 2030, and more freight-only airline start-ups are entering the fray to grab a share of the booming market.

And also seeing the potential, more foreign airlines have introduced new connections out of India – the most recent from Kenya Airways, a twice-a-week offering from Mumbai to Nairobi with a B737-800 freighter.

Additionally, larger domestic carriers, like Air India and IndiGo, have large-scale cargo growth ambitions, backed by massive belly-hold capacity additions and dedicated freighter deployments.





AIR CARGO POSTS POSITIVE DECEMBER FIGURES



IATA released data for global air freight markets showing that air cargo demand rebounded in 2023 with a particularly strong fourth quarter performance despite economic uncertainties. Full-

year demand reached a level just slightly below 2022 and 2019.

Global full-year demand in 2023, measured in cargo tonne-kilometers (CTKs), was down 1.9% compared with 2022 (-2.2% for international operations). Compared with 2019, it was down 3.6% (-3.8 for international operations).

Capacity in 2023, measured in available cargo tonne-kilometers (ACTKs), was 11.3% above 2022 (+9.6% for international operations). Compared with 2019 (pre-COVID) levels, capacity was up 2.5% (0.0% for international operations).

December 2023 saw an exceptionally strong performance: global demand was 10.8% above 2022 levels (+11.5% for international operations). This was the strongest annual growth performance over the past two years. Global capacity was 13.6% above 2022 levels (+14.1% for international operations).

Some indicators to note include:

- Global cross-border trade recorded growth for the third consecutive month in October, reversing its previous downward trend.
- December inflation in both the United States and the EU as measured by the corresponding Consumer Price Indices (CPI) stayed below 3.5% year-on-year. China's CPI, however, indicated deflation for the third consecutive month, raising concerns of an economic slowdown.

Both the manufacturing output and new export order Purchasing Managers Indexes (PMIs)—two leading indicators of global air cargo demand—continued to hover below the

50-mark in December, usual markers for contraction.

"Despite political and economic challenges, 2023 saw air cargo markets regain ground lost in 2022 after the extraordinary COVID peak in 2021. Although full year demand was shy of pre-COVID levels by 3.6%, the significant strengthening in the last quarter is a sign that markets are stabilizing towards more normal demand patterns. That puts the industry on very solid ground for success in 2024. But with continued, and in some cases intensifying, instability in geopolitics and economic forces, little should be taken for granted in the months ahead," said Willie Walsh, IATA's Director General.

Red Sea Disruption

In November and December air cargo experienced a modest rise in demand and yields due to disruptions in the Red Sea. The following was observed when comparing data for the week commencing 4 November 2023 and the week ending 9 December 2023:

- A 1% increase in global air cargo demand coupled with a 5% rise in yields
- In the Asia-Pacific region, demand grew 2% and yields 6%

Continued on next Page



IndiGo Starts Hyderabad To Bangkok Nonstop

IndiGo, is now offering a non-stop connection between Hyderabad's Rajiv Gandhi International Airport (HYD) and Bangkok's Suvarnabhumi Airport (BKK). The airline is not a stranger to Thailand and already operates an extensive network to the country, operating 37 weekly flights from India. Vinay Malhotra, Head of Global Sales at IndiGo, commented, IndiGo will compete directly on this route with Thai Airways, which also operates a daily Hyderabad-Bangkok service using one of its Boeing 787 Dreamliners and offering a premium cabin option. IndiGo will have the following schedule for its HYD-BKK service



United Airlines Pushes 11 China & India Route Relaunches To Winter

United Airlines has pushed back the resumption date of 11 routes to Asia, based on its latest schedule submission to Cirium. They are now 'expected' to restart this coming winter. However, it is extremely unlikely that they will take off then and will probably be pushed back again.



The 11 routes involve five of United's hubs. All are well-established except for San Francisco-Delhi, which commenced in 2019, and Chicago-Delhi, which began the following year

China Southern Airlines To Begin Guangzhou-Doha Flights In April

Qatar Airways announced that China Southern Airlines will start flying the new route between Guangzhou Baiyun International Airport (CAN) and Doha Hamad International Airport (DOH), calling the Chinese carrier a "codeshare partner."

Continued from previous page

- A 1% increase in demand between China and the rest of the world and an 11% increase in yields
- Europe's demand remained steady, but yields increased 3%
- In the Middle East, demand was constant with a 4% rise in yields.

Data for the last half of December showed a normalization of demand and yields.

"The recent disruption to maritime routes in the Red Sea has seen some shippers pivot to air cargo. The increased demand saw a spike in air cargo yields on related trade lanes. A similar spike is expected in January as disruptions intensified. While not all cargo is suitable for air transport, it is a vital option for some of the most urgent shipments in extraordinary circumstances. And that is critical to the continuity of the global economy," said Walsh.



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Etihad Adds Antalya And Jaipur To Its Network

Etihad Airways is boosting its summer schedule by announcing new flights to two destinations from its hub in Abu Dhabi (AUH). Its seasonal flight to Antalya (AYT) in Turkey will begin on June 15 and operate thrice a week. A day later, it will start flying to Jaipur (JAI) in India with four weekly flights.



Taiwanese startup Starlux Airlines orders 5 A350 freighters from Airbus

Taiwan-based Starlux Airlines, which has only existed for four years and operates 21 passenger jets, on Tuesday inked a deal to buy five next-generation A350 cargo jets from Airbus.

The announcement, which was made by the companies during the Singapore Airshow, is noteworthy because Starlux is so new and currently doesn't operate cargo jets, and because Airbus is on a winning streak against rival Boeing's future freighter, the 777-8.



SNIPPETS

Cathay Pacific Resumes Non-Stop Flight Between Chennai And Hong Kong



Cathay Pacific's network recovery continues as it adds another Indian city to the list. The carrier resumed the Chennai-Hong Kong route, which was suspended during the pandemic. The airline was one of the most affected by the COVID-19 pandemic but has shown significant improvements in business in the last 12 months.

Cathay Pacific has announced the resumption of service between Chennai (MAA) in South India and its hub in Hong Kong (HKG). The flight on this route resumed after a gap of four years on February 2 and will operate three times a week.

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Sharjah Airport reveals new plans to develop Cargo Centre



Sharjah Airport Authority (SAA) presented its ongoing and future developments for the Cargo Centre, during a three-day Air Cargo India 2024 event held in Mumbai, WAM said in a statement.

The conference was attended by delegates from prominent international airports, airlines, air cargo companies, as well as representatives from commercial aviation and air cargo service organisations worldwide.

Qatar Airways Retires Its Last Boeing 747

DALLAS — Qatar Airways Cargo's (QR) Boeing 747F, registered A7-BGB, made its final landing in commercial cargo service for the airline set to prioritize greener flying. The flight, QR8807, arrived from Barcelona and touched down in Doha at 15:00 local time on Friday, March 1, 2024.

A7-BGB joined the QR Cargo fleet on September 26, 2017. Over seven years, the aircraft and its sister Jumbo freighter flew more than 9,000 flights, accumulating over 66,000 block hours and transporting nearly 800,000 tonnes of cargo.

During its service, the primary destination for the 747 aircraft was Incheon, with 1,165 flights. Frankfurt, Amsterdam, and Guangzhou were also among the top 10 destinations served by the cargo aircraft. Both Boeing 747Fs are now bound for UPS (5X).

IndiGo Announces Non-Stop Bali Flight From Bengaluru

IndiGo, has announced flights to another popular international tourist destination – Bali in Indonesia. The airline is quick to add routes where the demand is, and its latest Bengaluru-Denpasar service is another example of that.

IndiGo has announced that it will commence operations from Denpasar in Bali, Indonesia, effective March 29, 2024. As part of its larger international expansion, IndiGo will start this service from the South Indian city of Bengaluru.



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DP World Unveils SARAL-2, Bridging Chennai & Delhi NCR with Sustainable Multimodal Logistics

On 4th March 2024, DP World, a forefront in offering smart supply chain solutions, announced 'SARAL-2', its pioneering multimodal service connecting Chennai with the National Capital Region (NCR), underlining a significant leap towards sustainable logistics. This daily rail freight service, capable of handling 500 TEUs per week, is a stride in DP World's 'SARAL' initiative, aimed at providing 'Sustainable, Assured, Reliable, and Agile Logistics' solutions by integrating coastal, rail, and truck operations. The initiative marks a remarkable achievement in reducing carbon dioxide (CO₂) emissions by about 70% compared to conventional road transport, thereby offering an eco-friendly alternative for cargo movement between the southern and northern regions of India.

The launch of SARAL-2 is a collaborative effort between Avana Logistek (a DP World company) and DP World's rail freight services, aiming to offer tailored, reliable, and cost-effective logistics solutions. This initiative is in line with the Indian government's PM Gati Shakti National Master plan, focusing on providing seamless multimodal connectivity to various industry clusters across the region. By leveraging DP World's comprehensive multimodal services, SARAL-2 is set to significantly enhance supply chain efficiencies and bring India's northern markets closer to its southern counterpart.

DP World has streamlined the booking process for SARAL-2, offering various channels for customers to book their shipments, including online platforms, email, and 24/7 phone bookings. This customer-



centric approach ensures ease of access and convenience for businesses looking to leverage this innovative service for their logistics needs. The launch of SARAL-2 is not just a step towards enhancing multimodal logistics but also a significant move towards reducing the logistics sector's carbon footprint, aligning with global sustainability goals.

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India aims for green shipping on inland waterways in five years

According to the shipping secretary, India intends to shift all of its inland and coastal waterway shipping to renewable energy over the next five years, supporting Prime Minister Narendra Modi's objective of having net zero carbon emissions by 2070.

"We plan to convert all of our vessels—which currently operate on waterways—to green ones. T. K. Ramachandran stated at a Federation of Indian Chambers of Commerce and Industry event that "it is doable in five years."

India, which extensively depends on foreign fleets, is also planning to add around 5,000 new vessels over the next decade to its existing capacity of about 1,500 vessels.

The shipping sector is responsible for around 3% of global CO2 emissions. India's efforts to minimise its carbon footprint will also contribute to the International Maritime Organization's goal of reducing ship greenhouse gas emissions worldwide by 50% by the year 2050 compared to 2008 levels.

According to a different government source, Asia's third-biggest economy also intends to establish a Maritime Development Fund to support the construction of eco-friendly ports and ships.

Maersk increases rates by \$1,000 per container to US and Canadian ports from India and West Asia

Maersk has announced a rate increase of \$1,000 per container to the US and Canada ports from March 2. The increase is

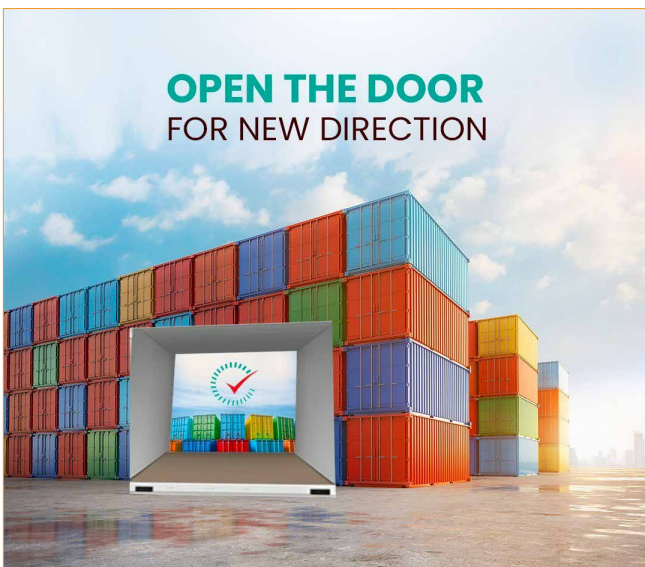


applicable to cargo originating from India and West Asia, and for all types of cargo, according to a trade notice issued by the line.

The steep increase will impact shippers, who are already facing delays in their cargo reaching destinations in the US due to the Red Sea crisis, which started on October 19, 2023.

Industry sources say other shipping lines may follow suit as the detour via the Cape of Good Hope on the southern tip of Africa means a 15 days' delay in reaching their destination from Asia to Europe, and further to the US.

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Wishing you



ANEETA MARY MATHEW
1st February



FRENIL YOGESH TAMBE
8th February

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