



THE AIR CARGO AGENTS ASSOCIATION OF INDIA

COUNTRY REPORT

FOR THE

48TH EXECUTIVE COUNCIL MEETING

OF

**THE FEDERATION OF ASIA PACIFIC AIR CARGO
ASSOCIATIONS
(FAPAA)**

AT PENAG

On

15th July 2022



THE AIR CARGO AGENTS ASSOCIATION OF INDIA

OFFICE BEARERS

PRESIDENT	:	MR. AFZAL MALBARWALA
VICE PRESIDENT	:	MR. C.K. GOVIL
HON. SECRETARY GENERAL	:	MR. ASHISH ASAF
HON. TREASURER	:	MR. ANIL VAZIRANI

MANAGING COMMITTEE MEMBERS

**MR. SAMIR SHAH
MR. MAHESH TRIKHA
MR. RONALD GOVEAS
MR. JAIDEEP RAHA
MR. SIDDHARTH JAIRAJ
MR. PRAVEEN MENON
MR. VIKRAM KUMAR**

HEAD OFFICE

**The Air Cargo Agents Association of India
28-B, 2nd Floor, Nariman Bhavan,
Nariman Point, Mumbai – 400 021
Tel: 91-22-22021923 / 22025584
Fax: 91-22-22824029
Email: headoffice@acaai.in
Website: www.acaai.in**



THE AIR CARGO AGENTS ASSOCIATION OF INDIA (ACAII)

PROFILE:

The Air Cargo Agents Association of India (ACAII), which was founded in 1970, is the premier national Association of the air cargo agents in India. Currently, our Association has a pan India strength of about 514 members, consisting primarily of air cargo agents, few airlines, General Sales Agents (GSAs), Bonded Truckers and airport Custodians as given below. All the air cargo agents who are members of ACAII, are accredited by International Air Transport Association (IATA).

Active Members: 271 (Head office/Registered offices of airfreight forwarders)

Associate Members: 212 (Branch offices of Active members)

Allied Airline Members: 9

Allied GSA Members: 9

Commercial Members: 13

The primary objectives of ACAII are to promote the growth of the air cargo industry in India, facilitate the ease of doing business, and safeguard the interests of its members. In this context, ACAII has extensive liaison and interaction in India with Ministries, Government Departments, Regulatory Authorities about various issues of concern to the airfreight and logistics sectors, which are vital for the promotion of trade and exports of India.

ACAII also deals with global international aviation organizations such as International Air Transport Association (IATA), International Federation of Freight Forwarders Associations (FIATA), Federation of Asia Pacific Agents Associations (FAPAA), etc.

ACAII is also a part of Logistics Committees of various Government bodies and Ministries and plays an instrumental role in evolving policies for Air Freight in India. Our Association is a permanent invitee in important Government Committees such as Standing Committee on Promotion of Export by air (SCOPE Air), Ministry of Commerce and Industry, Air Cargo Logistics Promotion Board (ACLPB), Group with Secretary Logistics, International Narcotics Control Bureau, etc. ACAII represents



the trade at these Committees and on all logistics committees of leading Chambers of Commerce and Industry like IMC Chamber of Commerce and Industry, CII, FICCI, ASSOCHAM, PHD Chambers etc. and provides inputs and suggestions about many relevant issues pertaining to the air freight industry. ACAAI is also involved in regular participation in regional meetings like PGC/PTFC, CAFAC with Customs, Custodians and Government Departments to streamline trade problems and solve on-ground operational issues.

INDIAN LOGISTICS -- LOOKING FORWARD

Growth Prospects

The COVID-19 pandemic has brought the whole world to a standstill, leading to lockdowns and border closures that restricted the movement of goods. More than the immense and severe impact on humans across the globe, the COVID-19 pandemic has taken a serious toll on businesses, doubting the viability and sustainability in a post-pandemic situation for air cargo agents in India. Air cargo volumes fell by 19% in March 2020 due to a sharp reduction in passenger flights. However, as shippers and governments turn to air cargo for essential goods, covid relief material, pharma, sanitizers, etc, the air freight rates have increased considerably. In mid-April 2020, the industry saw an increase in capacity, as well as a recovery in volumes transported. During the pandemic distress, the air cargo industry emerged as a key revenue generator for airlines in India.

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India has become the third largest domestic aviation market in the world. The growth rate of the Air Freight Market in India is 2.2%, with an estimated value of \$1.1 Billion by 2025.

As per the latest industry insights, the air cargo industry which was foreseen to have a turbulent flight owing to challenges, has been leading the recovery of the global freight market. Thus, air cargo is gaining momentum in the aftermath of the pandemic.



LOGISTICS -GLOBAL VIEW

The Indian logistics industry has been gaining traction in the last few years and plays a very important role in facilitating trade and thereby propelling the growth of the Indian economy.

The demand for logistics services in India has been largely driven by the remarkable growth of the economy. The growth is being projected at 9-10 per cent in next few years, with the compounded annual growth rate (CAGR) expected to grow at a rate of 7-8 per cent.

Global Logistics Industry includes all activities of the supply chain such as transportation, customer service, inventory management, flow of information and order processing. Other activities of the supply chain are warehousing, material handling, purchasing, packaging, information dissemination and maintenance among others. The Indian logistics sector is valued at USD\$ 150 billion, contributing 14.4 % of country's GDP. With the easing of FDI norms, proposed implementation of GST, increasing globalization, growth of ecommerce, positive changes in the regulatory policies, and government initiatives such as "Sagarmala", "Make in India", the logistics sector is expected to touch \$200 billion by 2022.

GOVERNMENT POLICY IN LOGISTICS INDUSTRY

During the Union Budget 2020-21, the Government of India announced that a National Logistics Policy will be released soon clarifying the roles of the Union Government, State Governments and key regulators. This Policy also talks about reduction in the logistics cost to less than 10% of GDP by 2022.

The Ministry of Commerce & Industry, estimates that presently the country spends about 14% of its GDP on logistics.

The "Lifeline Udan" initiatives of Ministry of Civil Aviation for movement of medical and essential supplies across the country and beyond, The "Krishi Udan" special initiative for the movement of perishable fruits and vegetables are the various initiatives taken by the Government of India and various Ministries which have immensely contributed to the EXIM industry during the pandemic.



CONCLUSION

The demand for multi-modal transport services by the end users is increasing, on account of the reduction in overall transportation costs and quicker movement of cargo. Several Indian logistics Companies have formed joint ventures with other global and local players so as to provide multi-modal logistics services by air, sea, rail and road. The success of the air cargo segment can be achieved by joining hands to support the industry by leveraging e-commerce, exports, regional connectivity, and technology. Even though the digital customer base is expanding, the infrastructural facilities are not being able to complement it. But as of 2021, India is taking gigantic steps and experiments for adopting digital technologies in the Indian air freight sector.

-----XX-----