

India Poised to Become Global Air Cargo Hub – ACFI & ASCELA Insights Chart Roadmap for 2030 in its Knowledge Paper

Category: Business

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Air Cargo Forum India (ACFI) and ASCELA Insights today released the knowledge paper titled **‘India’s Air Cargo Horizon – Seizing Global Reroutes, Regional Dominance and Resilience’**, which unveils a transformative vision to position India as a global air cargo hub. The knowledge paper was released today at the 4th ACFI Annual Conclave in New Delhi. With India’s air cargo volumes projected to triple to 10 million metric tonnes per annum (MTPA) by 2030, the paper highlights the sectors rapid evolution, driven by the e-commerce boom, policy momentum, greenfield infrastructure and rising demand for high-value cargo, such as pharmaceuticals and perishables.

As part of the strategic roadmap for the air cargo industry, ACFI is proud to announce landmark partnership with The International Air Cargo Association (TIACA) that will significantly bolster both regional connectivity and global knowledge sharing. Also, soon ACFI will be signing MoU’s with Government of Tripura and Government of Madhya Pradesh.

Speaking at the launch, **Mr. Sanjiv Edward, President, ACFI**, said, *“The Indian air cargo sector is at a pivotal inflection point and undergoing rapid transformation. At this crucial juncture, this knowledge paper outlines the strategic roadmap until 2030, infrastructure requirements, policy reforms, and the initiatives by the air cargo industry to achieve the ambitious target of 10 MTPA of air cargo volumes set by the Ministry of Civil Aviation, Government of India. This paper*

has laid down a clear action plan for all stakeholders of the industry. India is uniquely positioned to redefine global cargo corridors. With bold policy reforms and strategic investments, we can build a resilient, digitised, and world-class logistics ecosystem."

Shri. Piyush Srivastava, Sr. Economic Advisor, Ministry Of Civil Aviation said, *"Air infrastructure today faces key global dichotomies-demand is rapidly growing in the Eastern Hemisphere, while critical services like manufacturing and MRO remain concentrated in the West. This imbalance is bound to shift. As demand grows, supply will follow. Its not just about Made in India; its about Make in India-a strategic priority for us moving forward."*

He further added, "The Aviation sector is highly sensitive to global geopolitical shifts. While events like the Red Sea crisis have offered temporary advantages for the Indian air cargo system. But prolonged airspace closures over Pakistan and over three years of the ongoing Ukraine-Russia conflict, have significantly disrupted operations and increased costs. These challenges are not only unpredictable but inevitable. The only sustainable path forward lies in embracing technology, innovation, and disruption."

Speaking at the launch, **Dheeraj Rastogi, Principal Commissioner Customs, Delhi**, *"India's customs operations have undergone a significant transformation-from early digitization efforts to the integration of advanced technologies such as artificial intelligence, blockchain, and risk-based segmentation,"* stated Mr. Dheeraj Rastogi. *These innovations have contributed to a substantial reduction in transaction costs and improved the overall efficiency of cargo processing."*

He further added, "Currently, 52% of air cargo is cleared on the same day, with average clearance time at Delhi Air Cargo reduced from 41 hours to 35 hours. The department remains

committed to maintaining a fine balance between revenue mobilization, national security, trade facilitation, and legal compliance. Given the increasing complexities introduced by e-commerce, a collaborative, data-driven approach between industry stakeholders and regulatory authorities is imperative. Our collective goal must be to build a seamless, AI-enabled ecosystem that supports India's emergence as a global leader in air cargo logistics."

According to **Mr. Glyn Hughes, Director General, TIACA**, *"With TIACA representing the entire air cargo supply chain and ACFI representing the Indian air cargo industry, it is crucial we work together so that the world can receive Indian exports efficiently and bring the best practices achieved in other countries. Globally, every year, goods worth US\$9 trillion are transported through air cargo, accounting for one-third of global trade. India is at the heart of the growing global trade, and we will work toward making air cargo an integral part of it. TIACA, with its global memberships, would be able to act as a support to the Indian air cargo industry in the fields of digitalisation, enhanced usage of modern technology, including AI and adoption of other global standards."*

Together with the Ministry of Civil Aviation, ACFI is shaping a forward-looking roadmap to meet the growing demands of domestic and international logistics. These partnerships reflect ACFI's unwavering commitment to building a resilient, efficient and globally competitive air cargo ecosystem that supports India's economic aspirations.

Key findings of the knowledge report

- **Capacity Concentration:** 82% of air cargo is currently handled by just six airports (Delhi, Mumbai, Bengaluru, Hyderabad, Chennai and Kolkata), amplifying concentration risk and operational inefficiencies.
- **Growth Enablers:** Digitisation, strategic airport

locations in India, integrated multimodal corridors (PM Gati Shakti), and emerging connectivity in tier-2 cities.

- **Regulatory Gaps:** Scalability of the sector is hindered by fragmented clearance systems, high dwell times (almost 12 hours for exports and 48 hours for imports) and limited transshipment readiness.
- **Investment Heatmap:** High potential in cold-chain operations, Sustainable Aviation Fuel (SAF) production, automation and freighter fleet expansion.

The secondary airports have the potential to play a critical role. The Government of India's initiative to significantly enhance air connectivity across India will give the required boost to the air cargo sector. At present, these secondary airports are underutilised due to poor infrastructure and limited airline networks.

The report highlights the strategic action areas to triple air cargo handling to 10 MTPA by 2030. These strategic actions include:

- Creation of transshipment hubs with 24×7 clearance and zero rescreening
- National Unified Digital Clearance Window and Cargo Command Centres
- Freightler acquisition incentives and plug-and-play terminals across regional hubs
- ESG integration via green infrastructure, SAF blending, and inclusive workforce practices

Global Inspiration, Local Action: Drawing on best practices from Singapore, Frankfurt and Dubai, the report advocates for

modular warehousing, predictive slot allocation, and unified cargo community systems to manage rerouted and time-sensitive freight.

The paper serves as a call to action for industry, government, and private stakeholders to forge collaborative pathways and enhance India's role in international trade and economic growth.

Here are the key highlights of the Knowledge Report

Key Highlights of the Knowledge Report India's Air Cargo Horizon: Seizing Global Reroutes, Regional Dominance and Resilience

Indian Air Cargo Industry

- Target: 10 MTPA by 2030 (from 3.71 MTPA in FY-2025)
- Growth Drivers:
 - E-commerce boom
 - Greenfield airports (e.g., Jewar, Navi Mumbai)
 - Digitised customs, Unified Logistics Interface Platform integration
 - High-value cargo (pharma, perishables, electronics)

Infrastructure & Operational Bottlenecks

- 82% of cargo is handled by just 6 airports (Delhi, Mumbai, Bengaluru, Hyderabad, Chennai, Kolkata)
- Secondary airports are underutilised due to poor infrastructure and limited airline networks
- High dwell times: 12 hours (exports), 48 hours (imports)
- Lack of dedicated transshipment zones and automation

Privatisation & Policy Reforms

- Rs. 6-7 lakh crore investment needed for Sustainable Aviation Fuel and infrastructure
- Key initiatives:
- Krishi UDAN 2.0 (50% freight subsidy for agri-perishables)
- 100% FDI allowed in air cargo
- SUGAM (Sustainable Green Airports Mission)
- Dedicated air freight corridors and cargo subsidiaries (e.g., Air India)

Regulatory & Governance Gaps

- Cargo rescreening and high clearance times increase costs
- Fragmented digital systems and inconsistent state regulations
- Only ~10% transshipment share at Delhi vs. ~40% at global hubs
- Limited SAF (Sustainable Aviation Fuel) production and adoption

Building Rerouting Resilience

- India lacks integrator hubs like Singapore (DHL South Asia) or Frankfurt (CargoCity South)
- Best practices from global hubs:
- Zoned infrastructure
- 24/7 customs with fast lanes

- Real-time digital coordination (ACCS, CCS)
- Modular warehousing and predictive slot allocation

Strategic Roadmap to 10 MTPA

- Single-window digital clearance platform
- Transshipment hubs with zero rechecks
- Multimodal integration with Gati Shakti corridors
- Plug-and-play cargo terminals and standalone cargo airports
- IoT enabled cargo visibility and National Cargo Command Centres
- Freight acquisition incentives
- National air cargo training alliance

Accelerating ESG in Air Cargo

- SAF blending targets: 1% by 2027 → 5% by 2030
- ESG Challenges:
 - High SAF cost (2.5x jet fuel)
 - Fragmented cold-chain
 - Low female workforce participation (<10%)
 - Limited automation and skilled talent
- ESG Drivers:
 - Green airport infrastructure (solar, EVs, LEED)
 - CORSIA-linked emissions reporting
 - DE&I initiatives (e.g., IATA's "25 by 2025")

Emerging Cargo Hubs

- Navi Mumbai – Focus: Pharma, Perishables, Jewellery
Potential: Multimodal Transshipment Hub
- Jewa (Noida) – Focus: Electronics, Apparel Potential:
Cold chain, IGI integration
- Hyderabad – Focus: Pharma, Aerospace Potential:
Dedicated Pharma infra Chennai – Focus: Leather, FMCG
Potential: Cold chain, E-commerce
- Guwahati – Focus: Tea, Perishables Potential: Gateway to
North East

