

Biman's plan to purchase dedicated freighters suicidal : industry insiders

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Dhaka : On May 5, 2023, Bangladesh signed a deal with the United Kingdom to purchase 10 new airplanes including two freighters for Biman Bangladesh Airlines from the European plane maker Airbus. However, reports show, the flag carrier in 2022 got to carry only 28,000 tonnes of cargo in the belly hold of its passenger aircraft on international flights as opposed to the cargo transport capacity of over 4.98 lac tonnes. This marks only 6 per cent utilisation of Biman's cargo carrying capacity in the belly hold.

Hence, the move to buy two dedicated freighters, reportedly Airbus A350-900 which has a staggering capacity of 100 tonnes, seems to be unnecessary, whimsical and suicidal in terms of business viability, said industry stakeholders talking to The Bangladesh Monitor.

Mahbubul Anam, Managing Director of Expo Group claimed there is not enough cargo to carry onboard the A350-900 with 100 tonnes capacity in the first place, he said, adding, Biman lacks commercial plan regarding it.

Anam claimed Biman is eyeing to transport cargo from the east to the west as Salman F Rahman during his trip to the UK said in an interview, "Expats living in London and the Middle East demand cargo flights to get perishable items such as fresh vegetables from Bangladesh. Also, our garment factories are dependent on foreign airlines to deliver their orders. That's why, we decided to purchase cargo aircraft in addition to passenger planes from Airbus."

However, Anam noted, the demand is not enough to operate dedicated freighters. In fact, belly capacity on passenger flights is sufficient to cater to that demand.

Also, the return flights from the west to the east have no other choice but to come empty as there is no cargo flow from the west to the east, added industry insiders.

On the other hand, airfreight is a seasonal business in Bangladesh. Currently, there is no demand. Dhaka airport's cargo village is completely dry at the moment as the market is down. And the situation remains as such for five or six months in the year, said Kabir Ahmed, President of Bangladesh Freight Forwarders Association.

It may be mentioned here, legacy carriers like Air India, British Airways, or PIA do not operate any dedicated freighters. If there is a need of extra capacity, then these airlines charter slots, said insiders.

Only a few airlines like Singapore Airlines, Korean Air, Cathay Pacific, Qatar Airways, Emirates, Saudia, or Etihad Airways, have dedicated freighter services. However, they have a large network worldwide which Biman surely lacks, further mentioned the industry insiders.

Also, even these carriers do not operate their dedicated freighter services in Bangladesh, no airline does, said insiders. Even if they do sometimes, it is only during the peak season when there is adequate demand.

Also, to ensure the return on investment on buying these new planes, Biman have to keep the plane flying 200 hours a month. So, one weekly flight will surely not be enough to make it commercially viable, said insiders.

On the other hand, sea freight occupies 90 per cent of the export cargo market share. Meaning, Biman is only targeting 10 per cent of the market share that air freight enjoys.

However, that too gets picked up by large network carriers like Emirates, Qatar, or Saudia which offer more frequency, capacity and better rates, claimed stakeholders.

These airlines also have RFS (road freighter services) in each destination of their networks while Biman does not.

Hence, the industry insiders suggested Biman to codeshare with other airlines to make the move commercially viable or go for smaller cargo planes for regional operations.