

Cathay cargo plans to expand in India

- A Monitor Desk Report

Date: 27 August, 2024



HongKong: Hong Kong-based Cathay Cargo is looking to expand in India and wants its freighter planes to be allowed to "co-terminate" while flying between multiple destinations within the country under the open sky framework, a senior company official said.

Under the open sky policy, the Indian government allows several foreign cargo carriers to operate from all international airports so as to fast-track movement of goods, especially to push exports of perishable items.

"Open sky policy is positive for India," said Tom Owen, Director, Cargo, Cathay Cargo.

"...What we (would) also like to see in addition to that is the ability to co-terminate our flights. We like to fly into Delhi and then fly to Kolkata and then fly back to Hong Kong. So we can pick up on two places," Owen told PTI in an interview.

He said the company is upbeat on India's economic growth and "we are very keen to grow more in India".

Cathay Cargo can "redeploy the capacity to help the country respond to the needs of the market", he added.

"...if we are allowed to, under the open skies framework, to co-terminate aircraft. What that could mean is that we could fly into, say, Mumbai and then take our flight to Kolkata and have three places to serve. So, the Kolkata market could uplift cargo.

"...same thing goes with Bengaluru, Ahmedabad, these sorts of places where there's good uplift coming," he explained.

Owen further said his company is very optimistic about the country's potential with increasing exports of pharmaceuticals, automobile components, electronics and farm products.

"We remain very optimistic in both short- and long-term about India's growth," he said, citing reasons like "miraculous" growth in the economy over the past 10 years, rapid infrastructure development and the skill of the entire workforce involved in logistics business.

"...Look at the exports, weight growth, particularly when it comes to the products that go by air, like pharmaceuticals, auto parts, fresh products these sorts of thing," he said, adding, "with the national highway development going on, with trucking capabilities increasing with better airports and investment, we could see that the bottleneck is being eased".

These reasons, he said, "give us more confidence that moving air cargo will continue to be a great business for us in short and long term".

"We see really good potential when it comes to generic pharmaceutical firms with whom we are working for many years. When it comes to auto parts, whether it's moving parts to get manufactured in Japan or moving the whole car to be tested and developed in other locations of Japan, whether it's moving aircraft engines supporting Air India and Indigo.

"There's lot of heavy shipments of cargo coming in and out of India to support the Indian economy and Indian companies," Owen said.

About the prospect of India's electronic exports, he said, "China's

manufacturing is moving to the other parts of the world, India has been the beneficiary of that."

Besides, "India is very fertile and a very productive country and has big opportunity in fresh vegetables, fresh flowers moving out of India to other parts of the world," he added.

Owen added that Cathay Cargo is also in talks with IndiGo and other passenger carriers to use the aircraft's belly space for carrying cargo.

"We are talking with IndiGo about opportunities to grow. We haven't concluded anything yet," he said.

-B