

Indian air travel to rise 7pc per year

- A Monitor Desk Report

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Dhaka: Passenger traffic at Indian airports is projected to grow at a compound annual growth rate (CAGR) of 7pc between FY2025 and FY2027, according to a report by CareEdge Ratings.

This marks a slight moderation from earlier pre-COVID estimates of 9pc.

The growth is underpinned by favorable demographics, increasing non-aeronautical revenues, and continued investments in airport infrastructure.

India, the world's third-largest aviation market after the US and China, continues to maintain a strong share of global air traffic.

CareEdge noted that while long-term prospects remain robust, short-term growth may be tempered by delayed deliveries of wide-body aircraft, global safety concerns, and ongoing geopolitical disruptions.

Nevertheless, the overall outlook for Indian airports remains positive.

Structural demand, driven by a young population, a growing middle class, and rising travel propensity, continues to attract private investment.

A supportive regulatory environment is also encouraging long-term infrastructure development.

Non-aero revenue streams—such as retail, F&B, parking, and other commercial services—are boosting profitability and reducing dependence on traditional aeronautical charges.

City-side development around airports, including real estate, logistics, and hospitality, is also emerging as a significant growth avenue, transforming airports into integrated urban hubs.

Rajashree Murkute, Senior Director at CareEdge Ratings, said the Indian aviation sector is undergoing a transformative phase, with strategic investments in airport capacity, infrastructure, and private participation driving the next wave of growth.

She added that infrastructure investments across sectors—roads, ports, airports, and logistics—alongside renewable energy expansion, will act as multipliers for GDP, supporting long-term resilience and sustainability.

Established in 1993, CARE Ratings Ltd (CareEdge Ratings) provides services in credit ratings, analytics, consulting, and sustainability.

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