

Passenger & Cargo Movement October 31 , 2019

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Half-yearly Update: Cargo volume and Passenger numbers:

First-half of FY20 witnessed subdued activity in terms of cargo volumes and passenger traffic. Airline traffic and port traffic managed to report low growth whereas railway freight recorded 0.5% de-growth during the first half of the current fiscal.

- Airline passenger traffic recorded marginal growth (<1%). International passenger traffic recorded marginal negative growth and cargo volumes recorded 7.6% decline during April-Sept 2019. Grounding of operations by a major airline in the month of April has led to decline in international passenger and cargo traffic during the first six months.
- Major ports recorded 1.5% growth during H1FY20 vs 5.2% growth during the corresponding period in the previous year. Global economic slowdown and trade-war has impacted trade volumes globally in addition to weak domestic trade volume.
- Railway freight volumes recorded 0.5% de-growth in cargo handled in terms of tonnage. This is a considerable decline from 5.4% growth recorded in H1-FY19.
- The volume and passenger numbers across major transport modes have remained weak during FY20. The numbers relate well with subdued economic activity – both domestic and foreign trade.

Airlines

- Domestic passenger traffic numbers recorded marginal growth (<1%) whereas international passenger traffic **declined** marginally during H1-FY20 y-o-y. Total passenger traffic grew by 0.3% during the period vs 16.6% growth during the corresponding period in the previous year.

Table 1 Airline Passenger and Freight/Cargo Volume

		April- Sept		Growth (% y-o-y)	
		FY19	FY20	H1FY19	H1FY20
Passenger Traffic <i>(in million)</i>	Domestic	135.7	136.3	19.2	0.4
	International	33.8	33.7	7.5	-0.1
	Total	169.5	170.0	16.6	0.3
Freight <i>(*000 tonnes)</i>	Domestic	675.1	673.0	10.9	-0.3
	International	1,120.7	1,035.0	4.6	-7.6
	Total	1,795.7	1,708.0	6.9	-4.9

Source: Airport Authority of India

- Decline in international passenger and freight can be attributed to Jet Airways discontinuing operations which led to disruption on international routes. Passenger traffic growth has also been impacted by

- International Cargo volume recorded decline of 7.9% during H1FY20 and domestic cargo recorded 0.3% de-growth vs. H1FY19. This can be attributed to factors like weak global macros and trade war apart from disruption in services across few key routes.

Major Ports

- The 12 major ports recorded 1.5% increase in cargo volume handled during H1-FY20 y-o-y vs 5.2% recorded during the corresponding period in the previous year.
- Growth was mainly on account of increased coking coal volume (15.2%), iron-ore incl. pellets (~35%) and finished fertilizers. Coking coal and iron-ore together account for ~15% of the total cargo handled by the major ports.

Table 2 Cargo handled by Major-Ports

<i>(in million tonnes)</i>	April- Sept		Growth (% y-o-y)	
	FY19	FY20	H1FY19	H1FY20
Volume	343.4	348.4	5.2%	1.5%

Source: Indian Port Association

- Fertilizer (incl. raw) volumes recorded a 16.9% decline, followed by thermal coal which recorded 13.2% decline and miscellaneous cargo which recorded 10.3% decline.
- Petroleum and its products (POL) which accounts for ~33% of India's trade volume, recorded 2.1% growth in volume to 117.1 million tonnes during H1FY20.

Railways

- Total cargo volume handled by railways declined by 0.5% during H1-FY20 y-o-y vs 5.4% growth recorded during the corresponding period in the previous year. A host of factors which includes prolonged monsoon and economic slowdown has led to freight volumes being impacted.
- Among major cargo segments, Coal volume declined by 1.1% during H1-FY20 and the decline number bears significance as it accounts for ~45-50% of railways freight volume.
- Cement volumes declined by 10% during H1FY20 y-o-y to 52 million tonnes. Slowdown in construction activity due to prolonged monsoons has been one of the factors impacting cement demand during the first half of FY20.
- Steel and Iron (incl. pig iron, iron-ore & finished steel) accounted for over ~20% of the freight volume and recorded 6% growth in cargo volume handled by railways.

Table 3. Railway Freight Volume



<i>(in million tonnes)</i>	April- Sept		Growth (% y-o-y)	
	FY19	FY20	H1FY19	H1FY20
Volume	589.3	586.7	5.4%	-0.4%

Source: CMIE

- Fertilizer volume witnessed a marginal decline. Petroleum products and container cargo recorded marginal growth during the year.

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