

Domestic flyer traffic to touch 14.5cr in 12 months, says ICRA

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Mumbai: Domestic airlines' passenger traffic is estimated to grow at 8-13% in the 12 months from April to touch 145-150 million (14.5 crore to 15 crore), which is much higher than the pre-Covid levels, said credit rating agency ICRA in its recent report, adding the Indian aviation industry is gradually moving out of its turbulent phase.

Given the fast-paced recovery in domestic passenger traffic in the past 12 months of the 2023 financial year, ICRA said it has revised its outlook for the Indian aviation industry from "negative" to "stable". The industry's net loss is expected to decline significantly to Rs 50-70 billion in FY2024 from an estimated Rs 110-130 billion in FY2023, it added.

"The industry has witnessed improved pricing power, as reflected in the healthier yields. The same is expected to continue, given the sequential decline in avia-



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LIKELY TO GROW AT 8-13%

tion turbine fuel (ATF) prices from the peak of June 2022 and the anticipation of relatively stable foreign exchange rates," it said. In the current fiscal, domestic passenger traffic, at 111 million, witnessed an increase of 66.2% and trailed the pre-Covid levels by only about 8.3%. International passenger traffic for Indian carriers is on a growth trajectory as well with estimated year-on-year growth of 10-15% between April 2023 and March 2024, post the 125-130% expansion between April 2022 and March 2023.

"The international pas-

senger traffic for Indian carriers is likely to surpass the pre-Covid levels in FY2023 itself while exceeding the peak of FY2019 in FY2024. Over the medium term, growth in the Indian airline sector will be driven by improving airport infrastructure in addition to the Government's concerted efforts to promote regional tourism," it said. "The competitive landscape in the domestic aviation industry is set to change with the foray of new entrants, likely re-initiation of operations by Jet Airways, and consolidation of Air India, Air Asia India, and Vistara," it said.