



DOMESTIC AIR CARGO TRANSPORT INDUSTRY

2019 Report



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About this publication

MMRD Research Division offers range of syndicated products with the aim to support the needs of our clients. We are a pioneer in researching logistics industry on a quarterly basis in Myanmar. Our goal is to provide up-to-date information of the logistics sector by producing quarterly reports and data. With that, our objectives are to identify the freight rates in various modes of transport, make quarterly comparison in the freight rates to highlight the trends and changes in the logistics sector, underline the issues experienced by the local transporters and traders in each logistics sector and make quarterly forecast over the potential trends in the Myanmar transport and logistics sector.

Table of Contents

| | |
|--|----------|
| Abbreviations | 4 |
| Units of Measurement..... | 5 |
| Exchange Rate..... | 5 |
| Domestic Air Cargo Transport Industry | 6 |
| Key Findings | 6 |
| Overview of the Industry | 7 |
| Logistics Hubs | 10 |
| Market Condition | 11 |
| Comparison of Transport Rates..... | 14 |
| Main Issues in Domestic Air Cargo Transport..... | 19 |
| Short-term Outlook | 20 |

Figures

| | |
|--|-----------|
| Figure 1: Volume of Freight by Air Transportation (Up to 2017-18 FY)..... | 7 |
| Figure 2: Comparison of the Airline’s Freight Rates | 17 |
| Figure 3: Comparison of the Agent’s Freight Rates | 18 |

Tables

| | |
|---|-----------|
| Table 1: Airlines’ Flight Schedule by Main Routes | 8 |
| Table 2: Types of Aircrafts Used by Airlines | 9 |
| Table 3: Consignments being transport by Main Routes..... | 12 |
| Table 4: Comparison Rate/Kg by Airlines by Some of the Main Routes..... | 14 |
| Table 5: Comparison Rate/Kg by Agents by Some of the Main Routes | 15 |
| Table 6: Comparison Rate/Tonne/km by Airlines by Some of the Main Routes | 16 |
| Table 7: Comparison Rate/Tonne/km by Agents by Some of the Main Routes..... | 18 |

Abbreviations

- Air KBZ Air Kanbawza
- DCA Department of Civil Aviation
- IWT Inland Water Transport
- MIC Myanmar Investment Commission
- AOC Air Operator's Certificates
- CBM Cubic meter
- CIQ Customs Immigration Quarantine
- DWT Deadweight tonnage
- EOI Expressions of Interests
- FIL Foreign Investment Law
- FMA First Myanmar Investment
- GMA Golden Myanmar Airline
- GRT Gross Registered Tonnage
- JICA Japan International Cooperation Agency
- MCS Mingalardon Cargo Services
- MNA Myanmar National Airline
- MPA Myanmar Port Authority
- OBOR One Belt One Road
- PPP Public-private partnership
- SEZ Special Economic Zone
- YAACL Yangon Aerodrome Company Ltd

Units of Measurement

- 1 gallon (imperial gallon) = 4.56 litres
- 1 tonne= 1,000 kilograms
- 1 mile = 1.6 kilometres
- 1 viss = 1.62 kilograms

Exchange Rate

- 1 USD = 1,320 MMK (Oct'17)
- 1 USD = 1,320 MMK (Feb'18)
- 1 USD = 1,347 MMK (May'18)
- 1 USD = 1,473 MMK (Aug'18)
- 1 USD = 1,570 MMK (Nov'18)

Abstract

The sector report intends to provide the industrial-wide overview of the air cargo transportation in Myanmar. The survey approached major airlines and agents in the domestic air cargo transport industry in the market across the hubs in the country to gain rich sources of information to conduct the study report. The study focuses on the quarterly comparison in the transport rates and changes in market demand to highlight the trends on the major freight transport routes in 2018-19. Moreover, the report underlines the issues experienced by the local agents and airlines in the domestic air cargo transport industry.

Keywords: air cargo transport industry, airports, airlines, agents, new airport projects, passenger-cum-cargo,

Domestic Air Cargo Transport Industry (2018-2019 Report)

Key Findings

- The freight rates in the air cargo transport were the highest (7 to 10 times higher) among all other modes of transport.
- There was an increase in the transport demand in some air routes due to the Chinese New Year Festival and peak travel season.
- Seasonal conditions were putting more demand on flight services due to the poor road conditions in rainy season.
- Some airlines in the industry have launched joint operation to bolster resources and extend their transport network.
- After four airlines, returned their air operator's certificates (AOC), leaving only six domestic airlines flying Myanmar aviation sector.
- The three airports of Heho in Shan State, Mawlamyine in Mon State and Kawthaung in Tanintharyi Region will be upgraded
- A new domestic airport is proposed to build in a major trade hub, Muse border.
- Myanmar to upgrade the Tada-U International Airport in Mandalay Region with the cooperation of the Japanese giant Mitsubishi.
- The Surbung airport in Chin State will be operational by 2021.
- The DCA will conduct a field study on the construction of Hantharwady International Airport.