

INDIAN AVIATION INDUSTRY

Dominance of foreign airlines on international routes offers growth potential for Indian carriers

MARCH 2025



Highlights



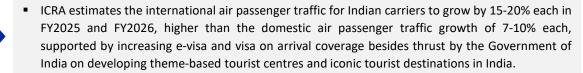


Click to see full report

India's restrictive policy regime, slow pace of reforms and lagging aviation infrastructure have curtailed the expansion in market share of Indian carriers on international routes

ICRA expects the Indian carriers to gain market share on international routes, supported by their network expansion plans as well as induction of wide body aircraft by some of the airlines, which will enable them to fly on long-haul international routes







■ The total international air passenger traffic from/to India in 9M FY2025 was 56.9 lakhs, an increase of 11.4% on a YoY basis and 9.2% over the pre-Covid levels of 9M FY2020. In 9M FY2025, international air passenger traffic for Indian carriers was higher by 11.4% on a YoY basis and by 40.7% over the pre-Covid levels.



• India is among the few countries globally where domestic airlines do not have a leading market position on international routes. Market share of foreign airlines on international routes has ranged between 55% and 60% over the last three years. The low share of Indian carriers in international traffic, attributed to India's restrictive policy regime historically, slow pace of reforms and lagging aviation infrastructure, offers adequate growth potential for them. Further, focus on gradual increase in international routes by Indian carriers is expected to support their market share.



Prior to FY2020, most international travel to/ from India was conducted by full service carriers (FSCs). However, since then, the surge in international air passenger traffic has been primarily driven by low cost carriers (LCCs), accounting for 72% of total international air passenger traffic for Indian carriers during 9M FY2025.



Name	Designation	Email	Contact Number
Shamsher Dewan	Group Head	shamsherd@icraindia.com	0124 4545 328
Kinjal Shah	Co-Group Head	kinjal.shah@icraindia.com	022 6114 3442
Sakshi Suneja	Sector Head	sakshi.suneja@icraindia.com	022-6169 3349
Karan Gupta	Senior Analyst	karan.gupta@icraindia.com	022 6114 3416

















ICRA Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860



















© Copyright, 2025 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



Thank You!

