

First Flight to double aviation capacity

Plans foray into integrated logistics business

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Barely a year after inducting its own aircraft, air express firm First Flight Couriers Ltd is looking at doubling capacity of its aviation business from the current 24 tonnes per day to around 56 tonnes per day with the addition of two Boeing 737-300.

This will help the courier firm boost revenues by over 30% in the current fiscal.

First Flight started its aviation business in the middle of last year with the induction of three ATP turbo-prop aircraft with a capacity of eight tonnes each. This helped it achieve

around 10% growth in its shipments from 77 million in 2005-2006 to 85 million in 2006-2007.

The company is planning to deploy the larger jets on trunk and use the ATP aircraft on the feeder routes and expand its reach.

"Our aviation operation has not only helped to grow in terms of revenue but our volumes has also picked up," said First Flight Courier Ltd deputy managing director R K Saboo.

Saboo is also planning to foray into integrated logistic business, which is offering huge opportunity to Indian express firms with the boom in the retail and manufacturing sectors.

Analysts say global outsourcing of manufactured items and investments infrastructure are pushing demand for logistic outsourcing. They estimate that the organised market is expected to grow at



R K Saboo, deputy managing director, First Flight Couriers

25% compounded annual growth rate (CAGR) in 4-5 years. The market is expected to grow to Rs 650 billion by 2011.

In a report brought out by SSKI India report, analysts Bhoomika Nair and Shirish

Rane say; "integrated logistic players are expected to be the key beneficiaries of robust growth in logistic outsourcing on account of their ability to provide cost effective, end-to-end integrated logistics

Express route

First Flight Couriers will boost aviation capacity to 56 tonnes per day with the addition of two Boeing 737-300 aircraft

Air express firm sees aircraft addition resulting in 30% rise in revenues this fiscal

Integrated logistic business is offering huge opportunity to express firms thanks to the boom in the retail and manufacturing sectors

Financial scoreboard of logistic firms (2006)

Company	Growth in %	
	Net sales	Net profit
▶ Concor	21.4	22.10
▶ Gateway Distri	45.0	109.1
▶ Sical Logistics	-22.0	91.70
▶ Gati	27.0	38.50
▶ Transport Corpn of India (TCI)	23.2	51.93

solutions."

Buoyed by such emerging opportunity, First Flight has market an investment of Rs 100 crore during this fiscal to set up an integrated logistics division.

"The retail boom being expe-

rienced in most parts of the country necessitates the setting up of an efficient and quick distribution network. With over 750 offices servicing the remotest corner of the country, we are confident of being able to leverage our geographical penetration to the advantage of our customers," said Saboo.