

Airport Baggage Handling System Market - Global Industry Size, Share, Trends, Opportunity, and Forecast, Segmented By Type (Destination-coded Vehicle (DCV), Conveyors, Sorters, Self-Bag Drop (SBD)), By Mode of Operation (Automated and Manual), By Region & Competition, 2021-2031F

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Abstracts

The Global Airport Baggage Handling System Market is projected to expand from USD 8.45 Billion in 2025 to USD 12.94 Billion by 2031, registering a CAGR of 7.36%. These systems encompass the automated logistics infrastructure and software necessary to transport, sort, and track luggage from check-in to reclamation. Growth is fueled by the need to handle increasing air travel volumes efficiently and comply with strict international security regulations regarding screening and tracking. As noted by Airports Council International, global passenger traffic hit roughly 9.4 billion in 2024, placing immense strain on existing airport infrastructure to optimize throughput capacities.

However, market expansion faces a significant hurdle due to the high capital expenditure needed to install or upgrade automated baggage infrastructure. Airports, especially in emerging economies, often struggle with the heavy costs of replacing legacy equipment and maintaining system integration. This financial barrier frequently delays the implementation of modern handling solutions, forcing operators to continue using older, less efficient systems, which limits market growth potential in cost-sensitive regions.

Market Driver

Rising investment in airport modernization and expansion projects serves as a primary

driver for the Global Airport Baggage Handling System Market, as operators replace aging infrastructure with high-speed automated solutions. Governments and authorities are allocating significant funds to upgrade terminals and replace legacy conveyor systems that cannot support modern throughput demands. For instance, the Federal Aviation Administration awarded nearly \$1 billion in October 2024 to 125 U.S. airports for terminal modernization, including grants specifically for advanced baggage handling systems aimed at reducing bottlenecks during peak travel periods.

Additionally, a strategic emphasis on reducing baggage mishandling rates is shaping market dynamics, pushing the industry toward sophisticated tracking and reconciliation software. Airlines and airports are prioritizing end-to-end visibility to avoid the costs and reputational harm of lost luggage, leading to improved reliability. SITA's 'Baggage IT Insights 2024' report noted a global decrease in mishandling rates to 6.3 bags per 1,000 passengers in June 2024. Furthermore, the International Air Transport Association reported in 2024 that 44% of airlines have fully implemented Resolution 753, mandating precise tracking at key touchpoints and fueling demand for compliant systems.

Market Challenge

The substantial capital expenditure necessary for installing or upgrading to automated baggage infrastructure remains a major barrier to market growth. Airport operators encounter significant financial pressure when transitioning from legacy manual processes to advanced automated systems, as these projects require heavy upfront investments in hardware, software integration, and terminal modifications. In developing regions or airports with limited budgets, the prohibitive cost of replacing aging conveyor belts and sorting machines with modern high-speed solutions often forces decision-makers to defer modernization, prolonging the use of less efficient equipment despite operational risks.

This economic challenge is intensified by rising borrowing costs and the capital-intensive nature of maintaining complex infrastructure. Difficulty in securing affordable financing directly hinders the deployment of automated technologies that could improve throughput. According to the Airports Council International (ACI) World 2025 economic report, global airport capital costs reached approximately \$40 billion, driven by an 18% increase in interest expenses compared to the prior year. This growing financial burden limits the liquidity available for new projects, effectively stalling the adoption of next-generation baggage handling systems in markets where capital efficiency is paramount.

Market Trends

The expansion of biometric-enabled self-service bag drop solutions is revolutionizing airport operations by drastically cutting passenger processing times and reducing reliance on manual labor. Airports are integrating facial recognition technology into self-service units, allowing travelers to drop luggage without physical documents or repeated boarding pass scans, which enhances security and facilitates contactless flow. SITA's 'Baggage IT Insights 2025' report from June 2025 indicates that 65% of airports intend to deploy biometric self-service bag drop solutions by 2027, enabling terminals to manage higher passenger volumes more quickly while optimizing space and staff allocation.

Concurrently, the adoption of Independent Carrier Systems (ICS) for precise tracking is increasing as airports aim to eliminate mishandling and ensure complete luggage trackability. Unlike traditional conveyor belts, ICS utilizes radio-frequency identification (RFID) enabled trays to transport individual bags, monitoring the location and status of every item to reduce jams and support high-speed transfers. Highlighting this trend, Regional Gateway reported in September 2025 that Vanderlande secured a ?115 million contract to install a state-of-the-art Individual Carrier System at Poland's new transport hub, demonstrating the significant investment operators are willing to commit for advanced tracking capabilities.

Key Market Players

Siemens AG

Daifuku Co., Ltd.

BEUMER Group GmbH & Co. KG

Vanderlande Industries B.V.

Honeywell International Inc.

Materna Information & Communications SE

SITA Airport Solutions

Thyssenkrupp AG

Airport Technologies, Inc.

Babcock International Group plc

Report Scope

In this report, the Global Airport Baggage Handling System Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

Airport Baggage Handling System Market, By Type

Destination-coded Vehicle (DCV)

Conveyors

Sorters

Self-Bag Drop (SBD)

Airport Baggage Handling System Market, By Mode of Operation

Automated

Manual

Airport Baggage Handling System Market, By Region

North America

United States

Canada

Mexico

Europe

France

United Kingdom

Italy

Germany

Spain

Asia Pacific

China

India

Japan

Australia

South Korea

South America

Brazil

Argentina

Colombia

Middle East & Africa

South Africa

Saudi Arabia

UAE

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the Global Airport Baggage Handling System Market.

Available Customizations:

Global Airport Baggage Handling System Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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