

# INDIAN PORT SECTOR

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**Cargo volume growth to be supported by container volumes even as coal imports remain flat**

**September 2023**



# Agenda

## 1 Executive Summary



## 2 Ports – Sector Outlook



## 3 Recent Trends - Ports



## 4 Update on Projects and Capex



## 5 Policy Updates - Ports



## 6 Rating Distribution & Peer Comparison



*Cargo volume on Indian ports witnessed a 4.6% YoY growth in 5M FY2024 after a robust growth of 8.6% YoY in FY2023. The growth was driven by healthy container and petroleum product volumes. Fertiliser and iron ore volumes also witnessed healthy growth, partially offset by the moderation in coal imports by ~2% YoY.*

*In FY2024, overall cargo volume growth is expected to remain ~5%-7% primarily supported by container and other segments while coal volumes are expected to remain flat.*



- **In 5M FY2024, cargo volumes witnessed a 4.6% YoY growth after growing 8.3% YoY in FY2023** owing to flat coal imports and low petroleum imports, partially offset by the 6% YoY growth in container volumes and robust growth in iron ore and fertiliser. Cargo growth in FY2024 is expected to be ~5-7% driven by the container and petroleum segments



- **The container segment witnessed a growth of 8% YoY in 5M FY2024** supported by easing of freight rates and growth in trade volumes. For FY2024, the container volumes are expected to grow in the range of 6-8% YoY.



- **On the policy front, the draft Indian Ports Bill 2022 is yet to be implemented.** In the last few years, various policy initiatives have been undertaken to aid growth and modernisation. However, legacy tariff disputes at older BOT terminals remain an issue and the success of the alternate dispute resolution mechanism remains to be seen.



- **New projects are also being awarded in line with growth envisioned in Maritime Vision 2030.** A large capex has been planned for the next decade to augment port capacity and infrastructure. Project execution is expected to pick up pace going forward. Aggressive capacity additions may lead to supply-demand mismatches in a few clusters leading to increased competition and pricing pressure for ports in those clusters.



- **The sector witnessed consolidation in the last few years** with acquisition of smaller/standalone players by larger groups and the consolidation trend in the sector is expected to continue.



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