

INDIAN PORT & PORT LOGISTICS SECTOR

**Modest cargo volume growth
expected in FY2025; economic
slowdown and geopolitical tensions
may spell turbulence**

NOVEMBER 2024



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Overall cargo volumes are expected to witness 4-6% YoY volume growth as the coal volumes are likely to remain largely unchanged while iron ore volumes are estimated to witness decline amid moderation in demand from China and lower fertiliser imports.

Container volumes have grown at a healthy pace of 12.0% YoY in 7M FY2025, primarily at non-major ports. Coal volumes remained tepid with a marginal growth of 0.2% YoY in 7M FY2025.



- **In 7M FY2025, cargo volumes saw a 4% YoY growth after growing 7.5% YoY in FY2024** with major growth driven by container volumes (12% YoY), while modest growth was seen under coal (0.2%) and petroleum product volumes (3%).



- **The container segment witnessed healthy growth of 12% YoY in 7M FY2025** despite the prolonged Red Sea crisis since January 2024. Container volumes grew primarily at non-major ports while major ports recorded stable volumes. The containerisation of cargo continues to grow in India. However, the container volumes at Indian ports will remain susceptible to geopolitical tensions and container availability.



- **Coal volumes saw marginal growth of 0.2% YoY** as domestic production has been growing at a healthy pace, keeping a tab on coal imports. While power demand has witnessed healthy growth, the increase in domestic production of coal has supported power generation.



- **New projects are also being awarded in line with growth envisioned in Maritime Vision 2030.** Significantly 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 this consolidation trend in the sector is expected to continue.



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