

# INDIAN PORT LOGISTICS SECTOR

---

**Volume growth exposed to global  
economic slowdown**

**SEPTEMBER 2022**



# Highlights

*Container volumes witnessed a recovery of 11% on a YoY basis in FY2022. The volumes are expected to grow in the range of 7-10% for FY2023.*

*The impact of a global economic slowdown and the resulting drop in export–import trade will remain a sensitivity factor.*



- The container volumes at the Indian ports witnessed a healthy growth in FY2022 despite the second wave of the Covid-19 pandemic. In 5M FY2023, total container volume grew by 5% to 8.4 Mn TeUs compared to 8.0 Mn TEU in 5M FY2022. The growth level of container volumes is expected to be in the range of 7-10% for FY2023. However, the global economic slowdown and the resulting drop in export-import trade will remain a monitorable.
- Recovery in container volumes improved the throughput for the CFS/ICD segment in FY2022. However, the profit margin witnessed some moderation YoY due to the lower ground rental income, which had increased during the first wave due to disruptions caused by the stringent containment measures related to the pandemic. Further, The CFS segment remains exposed to the global economic slowdown and the resulting drop in export-import trade volumes
- The volumes of the container train operator (CTO) segment also improved in FY2022. Going forward, the commencement of the direct freight corridor (DFC) is likely to improve rail volumes, although the DFC commencement targets witnessed some slippage due to the pandemic in the last two years. To reduce the logistic cost, the focus is to increase the share of the railways as a cost-effective mode of goods transport in the country which would benefit CTOs.
- The National Logistics Policy was launched on September 17, 2022. The policy aims to reduce the cost of logistics, improve the logistic performance index globally and create a data-driven mechanism. The national logistics policy would help in integrating and optimising various elements of the logistics value chain to ensure seamless, multi-modal growth of an efficient logistics sector in the country, which would augur well for the sector. Further it helps in increase the competitiveness of domestic goods in export markets. However, implementation remains key.
- The long-term outlook for the container segment remains favourable. However, consolidation in the CFS/inland container depots (ICD) and CTO segments is expected during the growth phase.

## 1 Container Cargo Trends



## 2 Port Logistics – Key Updates



## 3 Aggregate Industry Financials and Projections



## 4 Peer Comparison



## 5 Rating Distribution





ICRA

## Analytical Contact Details



**Sabyasachi Majumdar**

*Senior Vice President  
Group Head*

**Prashant Vasisht**

*Vice President  
Co-Group Head*

**Sai Krishna**

*Vice President  
Sector Head*



sabyasachi@icraindia.com

prashant.vasisht@icraindia.com

Sai.Krishna@icraindia.com



0124 4545 304

0124 4545 322

044 4596 4300





ICRA

## Analytical Contact Details



**Kushal Kumar B**

**Sankalpa Mohapatra**

*Assistant Vice President*

*Senior Analyst*



Kushal.kumar@icraindia.com

Sankalpa.mohapatra@icraindia.com



040 4067 6521

040 4067 6525





ICRA

## Business Development/Media Contact Details



**L. Shivakumar**

*Executive Vice-President*

**Jayanta Chatterjee**

*Executive Vice-President*

**Naznin Prodhani**

*Head Media & Communications*



shivakumar@icraindia.com

jayantac@icraindia.com

communications@icraindia.com



022- 6114 3406

080 – 4332 6401

0124 – 4545 860





***© Copyright, 2022 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.



ICRA

**Thank You!**