

India's containerised imports declined 2.2% in Q1 of 2019: Report

FE BUREAU
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INDIA'S CONTAINERISED IMPORTS declined by 2.2% in the first quarter of 2019 while exports registered a stable growth of 6%, according to Maersk India's Q1 2019 Trade Report.

Considering the tensions in the global trade environment, the Indian performance is positive and the market is expected to strengthen after the elections, the report said.

The moderation of global containerised trade growth reflects a broad-based slowdown in main economies due to declining growth in private consumption, trade tensions, political risks and financial volatility, it added.

Indian import demand was buoyed by pharmaceuticals, metal, appliances and kitchenware, paper, chemicals and fruit & nuts, mainly from Northern Europe, South Asia, China and Russia. Exports were driven largely by the East and West of India, both of which contributed double digits to the growth, with commodities including plastic, rubber, textile, vehicles, and vegetables as the key drivers.

Commenting on the overall growth in containerised trade, Steve Felder, managing director, Maersk South Asia said, "Indian exporters today are expanding their geographical range and product diversification, with a visible shift towards higher value-added manufacturing and technology-driven items. Exports have remained strong even as the rupee appreciated against the dollar which shows a strong demand for Indian exports."

Export trade with Saudi Arabia, China and Egypt was driven by commodities like plastic and rubber, tile, stone, glass, textiles, seeds, beans, cereals and flour, leading the growth curve in dry cargo segment.

While, vegetables drove refrigerated cargo exports to Saudi Arabia. Imports



were primarily driven by Germany, South Korea and Russia.

In contrast to the previous quarter, metal and paper imports saw a decline.

Refrigerated cargo saw a stable 6% growth in exports in Q1 2019, with commodities like vegetables, fruit and nuts, fish, meat, pharmaceuticals and chemicals driving the reefer import-export trade. Saudi Arabia, the US, Germany, Belgium and Spain were among the highest export countries for India's refrigerated cargo with chemicals, pharmaceuticals, meat and vegetables driving this demand; while Russia (chemicals) and Italy (fruit and nuts) remained the strongest partners from the reefer imports standpoint.

"The industry needs to focus on skill development to enhance the export growth. India needs to drive and indeed fast-track investment-led infrastructural upgrade of roads, inter-modal transportation and cold chain infrastructure, which would benefit the farmers and small and medium enterprises.

The 'Make in India' initiative is further expected to act as a catalyst in advancing our manufacturing sector to the international market," said Felder.