
Production pruning - Indian port traffic in October dips

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DNA reported that the 12 major state owned ports of India, which handle 70% of India's import to export traffic are increasingly feeling the global slowdown with cargo volumes spiraling southwards.

In October 2008, the dozen ports handled a total traffic of 42.18 million tonne compared with 44.49 million tonne in the same month last year. A drop in port cargo handling also translates into financial loss for the ports.

According to a senior Kolkata Port Trust official volumes fell the most in commodities led by iron ore, which saw a 6% decline YoY between April and October mainly because China went into slow grind mode.

The number of containers handled these are used to transport packaged goods saw a modest 5.9% growth at 2.37 million TEUs between July and October 2008 compared with the same period last year, while export to import of petroleum, oil and lubricants remained stagnant.

The decline in volumes began in July 2008, before which ports actually recorded growth in traffic. Because of this, the cumulative traffic for the year has increased by 7.2%.

According to figures from Indian Ports Association, which represents the 12 major ports, this is still 0.12% short of the 7.32% growth target set by the government. For the fiscal year 2009, the ministry of shipping, road transport and highway has set a target of 579 million tonne to be achieved by these ports.

Experts said that the US recession's impact on global trade has also reached the European countries further impacting exports from India. Besides, a drastic drop in iron ore demand from China has significantly hurt ports. About 80% of India's iron ore exports are to China. However, import of coking coal has increased almost 38.5% in October offsetting some of this business loss.

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