

RED SEA CONFLICT

Centre may take \$30 bn export hit

The government may see around \$30 billion shaved off its total exports in the current fiscal year, as threats to cargo vessels in the Red Sea lead to a surge in container shipping rates and prompt exporters to hold back on shipments.

The initial assessment, conducted by the Research and Information System for Developing Countries, a think-

tank, would mean a 6.7 per cent drop in exports, based on last fiscal year's total of \$451 billion.

"The crisis in the Red Sea would indeed impact India's trade and may lead to further contraction," said Sachin Chaturvedi, the director general of the think tank.

The government hasn't released any official estimates on the impact of the Red Sea

crisis on Indian exports.

The number of ships passing through the Suez Canal is down about 44 per cent compared to the average for the first half of December, according to Clarkson Research Services Ltd, a unit of the world's largest ship broker. Vessels with a combined tonnage of about 2.5 million gross tons passed through in the week to January 3, com-

pared with about 4mt at the start of last month, they said.

For India, the Red Sea is a major route for shipping to Europe, the US East Coast, West Asia, and Africa. The government is in discussions with export promotion councils to find ways to protect trade transiting through the route, according to two officials familiar with the matter. **BLOOMBERG**