

# Traffic surge at ports a sign of economic revival: Report

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New Delhi, 26 July

Buoyed by higher demand for crude oil and imported coal, Indian ports recorded a growth of 11 per cent in traffic during the April-June quarter of 2022-23. This shows that the economy is opening up, a report by DAM Capital said.

The volume increase assumes significance since both prices of crude oil and imported coal have been soaring this year. Indian coal companies were pressed for supply amid a thermal coal crisis earlier in the year.

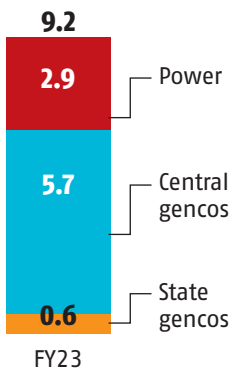
Between major and non-major ports, 366 million tonnes (mt) of traffic saw movement in the first three months of the fiscal year. Of this, major ports, which are owned by the central government, accounted for over 197 mt. Both coal and crude oil grew 16 per cent year-on-year (YoY), accounting for 105 mt and 65 mt of traffic in the first quarter, even on the back of record high prices.

A larger share of crude oil was moved by private and other ports, with major ports accounting for 41 mt of crude traffic during the quarter. However, YoY crude oil traffic growth at major ports is over 20 per cent during this period.

"While the container volume is dependent on export volumes, coal and crude are driven by domestic consumption. We expect volume for FY23 to grow at 8-9 per cent," the report said. Recent reports and government data suggest that India's crude oil imports from Russia saw a significant leap ever since the Ukraine invasion. India's cumulative crude oil imports rose by 21 per



## FY23 COAL IMPORTS (mn tonnes)



cent in June. The considerable surge in coal traffic comes on the back of several power companies opting for the much-costlier imported coal during the peak demand season. This was because of a shortage in domestic supplies.

Moreover, the shortage also forced the coal ministry and railways to curtail coal supply to unregulated/non-power sectors. This ensured adequate stocks at thermal power plants.

The ministry of power had also asked power companies to place orders for imported coal for blending in case of a short-fall during the peak season.

