

# 'Red Sea disruptions may hurt auto production'

Longer disruptions at the crucial Red Sea trade route may hurt manufacturing lines of some sectors like electronics, automobiles, chemicals, consumer goods and machinery, economic think tank GTRI said on Sunday.

The Global Trade Research Initiative (GTRI) said companies relying on just-in-time manufacturing processes can be particularly vulnerable as they maintain low inventory levels

and depend on the timely arrival of components and finished products.

Few industries where production will be impacted due to disruptions in global value chains include electronics, automotive, machinery, chemicals, pharmaceuticals, plastics, textiles, and consumer goods, it added.

Components and finished products are often shipped through the Suez Canal to reach different

markets, and disruptions can lead to delays in manufacturing and increased costs, it said.

Due to the attacks by Houthi rebels on commercial ships, the movement of goods from the Red Sea, the world's busiest shipping route, has disrupted the global supply chains as vessels have to take long routes for exports and imports. The immediate ripple effects are seen in increased freight costs, mandatory

war risk insurance, and significant delays due to rerouting.

## **No disruption in oil flows to India: HPCL head**

The ongoing attacks on shipping vessels in the Red Sea have not impacted the flow of crude oil to India but freight has gone up due to rerouting via the Cape of Good Hope, Hindustan Petroleum Corporation Ltd (HPCL) chairman Pushp Kumar Joshi said. **PTI**