

Shipping

Industry Code (as per CMIE Prowess): 0101040504010000'

June 2022

Overall Industry Risk Score: **13/20 | Marginally Favourable**

Sample Size: 11 Companies

Median Rating Value of sample size: BBB+

Individual Parameters Contributing to the Score

Demand & Supply Balance  **8/20**

Moderate Over Supply

There is a significant decline in global trade since FY20 which has impacted the shipping business. Further, the pandemic has also led to sharply lower value of exports and imports from and into India in first half of FY21 which has gradually recovered. As per IBEF data, India's merchandise exports in FY22 were at US\$ 417.8 billion, up 40% from the previous year. With the increase in volume of imports and exports in the current fiscal year, the operating metrics for shipping players is expected to be better.

Extent of Competition  **12/20**

Neutral

The number of domestic players are limited, they also need to compete with foreign shipping services.

Regulatory Risk 16/20

Stable Regulatory environment

The significant investments planned in development and upgradation of port infrastructure in India & projects like Sagarmala Project will augur well for domestic shipping and facilitate private sector participation.

Input Related Risk 16/20

No supply disruptions / very narrow price band or fluctuations

The key constraint is the quality of port infrastructure in India which is expected to improve gradually with increased investment and operational reforms.