

# SUNDAY SPOTLIGHT

SEAINTEL MARITIME ANALYSIS

## INDIA – GROWTH OPPORTUNITIES

### Indian container growth outpacing global growth

A substantial part of the news and analysis in the container shipping sector is focused on China. However, India presents a significant growth market – and a great opportunity – in the years to come.

According to the Indian population census held earlier in 2011, the population of India is now 1.2 billion people – which are not far off the latest estimates of 1.3 billion people in China.

According to the Indian National Council for Applied Economic Research, 160 million Indians are currently regarded as middle class, and by 2015 this will increase to 267 million people. In 2025 this is expected to further increase to 547 million people. For comparison the US census bureau estimates the total number of US citizens at 311 million.

goods for their own local market, goods are increasingly being sourced from China. China and India have recently entered into a new bi-lateral trade agreement aiming at increasing trade between the two countries from 60 billion USD in 2010 to 100 billion USD in 2015. This alone constitutes a trade growth of 67% over just 5 years.

Carriers are increasingly eyeing these opportunities with a number of both new and revised/upgraded services coming into effect between the Far East and India.

One of the greatest challenges to tapping into the Indian trade opportunities is the terminal capacity which is resulting in congestion issues combined with major metropolitan areas – Kolkata being chief amongst them –

CHINA-INDIA TRADE  
TO GROW 67% IN 5  
YEARS

## THE SIZE OF NVOCCS

Looking at the largest global NVOCCs, it is clear these are significant players in controlling global container volume. Looking at their annual accounts, 4 of the major NVOCCs moved 8.6 million TEU in total. The 4 NVOCCs are Kühne&Nagel, DHL, Schenker and Panalpina. This gives them a combined size roughly equaling that of CMA CGM which is the world's 3<sup>rd</sup> largest carrier. Furthermore, the big NVOCCs have managed to grow faster than global demand in the past years; hence their control over the market is steadily increasing. If this development continues, container carriers will eventually find themselves only providing commodity A to B transportation without

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