

## **Containerized import & export trade contracts 6.5%**

For Indian trade, 2020 was a year dominated by unprecedented challenges, irregular manufacturing and buying patterns, disrupted trade environments and lack of predictability. With the Covid-19 pandemic spreading across the world in a staggered manner and in varying proportions, the impact on containerized trade was felt the most in Q2/2020 when exports contracted by 34 per cent.

As societies began to find ways to coexist with Covid-19, trade started recovering in the second half. Exports ramped up sharply in Q3, not only recovering from Q2 slump, but even increased by 14 per cent year on year, however the economic impact on consumers led to substantially lower imports, which dropped by 28 per cent as compared to the same period of 2019.

During Q4 of 2020 (October to December), Indian containerized trade grew 13.2 per cent as compared to the same period in 2019. This was the first time in the year when both exports and imports grew in a quarter. Exports from India had shown a V-shaped recovery since mid-Q3, whilst imports had remained subdued for a long time owing to low demand in the market.

In Q4, this trend changed notably, with exports stabilizing at a high level and imports bouncing back significantly by 36.3 per cent over the previous quarter, thus moving the needle for overall trade recovery.

The imbalance in exports and imports, where exports recovered much quicker than imports resulted in an acute container shortage in various pockets of the Indian hinterland. Container manufacturing also reduced due to Covid-related shutdowns, and the pent-up consumer demand in North America and Europe ultimately resulted in a worldwide container shortage.

Source: The Economic Times