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India | Equity Research | Sector Update

Infrastructure

TYTW #8: Private ports gain market share

Indian ports' volumes grew by 7% YoY to 1.5bt in FY24. 3-year and 10-year CAGR prints stand at 7.3% and 4.7%, respectively. Private owned ports (minor ports) clocked growth of 11% while government ports (major ports) grew by 4% YoY during the year. Market share of private ports grew to 47% (+200bps YoY). Private ports have been outperforming the government-owned ports for the last decade, and continue to do so. EXIM volumes and coastal movement grew by 7% each. Coastal volumes' contribution was 21%. Note that the government is taking several steps to improve the coastal volumes. In the listed universe, Adani Ports grew by 24%, Gujarat Pipavav (ex-RoRo; RoRo grew 143% YoY) declined by 2% YoY and JSW Infrastructure grew by ~13% in FY24.

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Government-owned (major) ports grew by 4% YoY

Total cargo at Indian ports for FY24 touched 1,534mt (+7% YoY). Of this, government-owned ports handled 819mt of cargo, growing 4% YoY (vs. 9%, FY23; 7%, FY22). Kandla, the only major port with a decline in volumes (-4% YoY, FY24), loses market share to Mundra Port due to its low depth and productivity.

Private-owned (minor) ports grew by 11% YoY

Private ports grew by 11% YoY to 715mt. Over the last ten years, the market share of private ports grew from 43% to 47%. Adani Ports' cargo handled grew by 24% to 420mt (15% excluding acquisitions in FY24). Minor ports of Odisha and Andra Pradesh saw growth of 41% and 12% YoY, respectively.

Coastal and overseas volumes grew by 7%

Coastal volumes (0.3bt, FY24) grew by 7% YoY. Against the backdrop of a 5% decline in India's EXIM value, overseas volumes (1.2bt, FY24) grew by 7% as well. The 10-year CAGRs for coastal and overseas cargo are 7% and 4%, respectively.

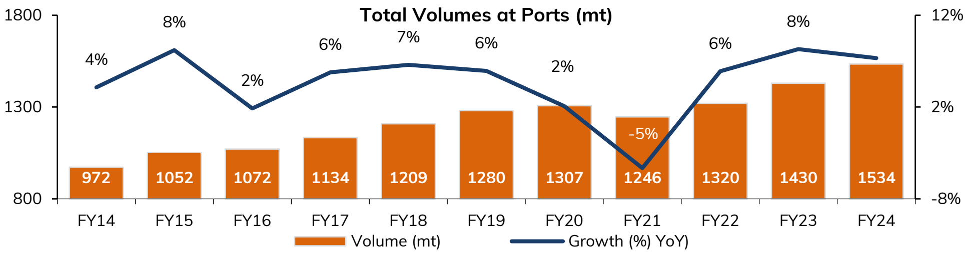
Iron ore volumes grew by 42%

Among all the cargo shipped via Indian ports, iron ore volume has had the largest growth this year, at 42% YoY, against a 10-year CAGR of 13%. India's iron ore export and import grew by 145% and 131% YoY respectively.

Container growth remains strong despite Red Sea crisis

Container volumes for FY24 grew 10% YoY to 22mTEU, against a 10-year CAGR of 8%. Notably, Adani Ports handled 9.7mTEU (+13% YoY), Gujarat Pipavav 0.8mTEU (+6% YoY) and JNPT 6.3mTEU (+6% YoY). Container volumes have shown tremendous growth despite concerns around the Red Sea crisis.

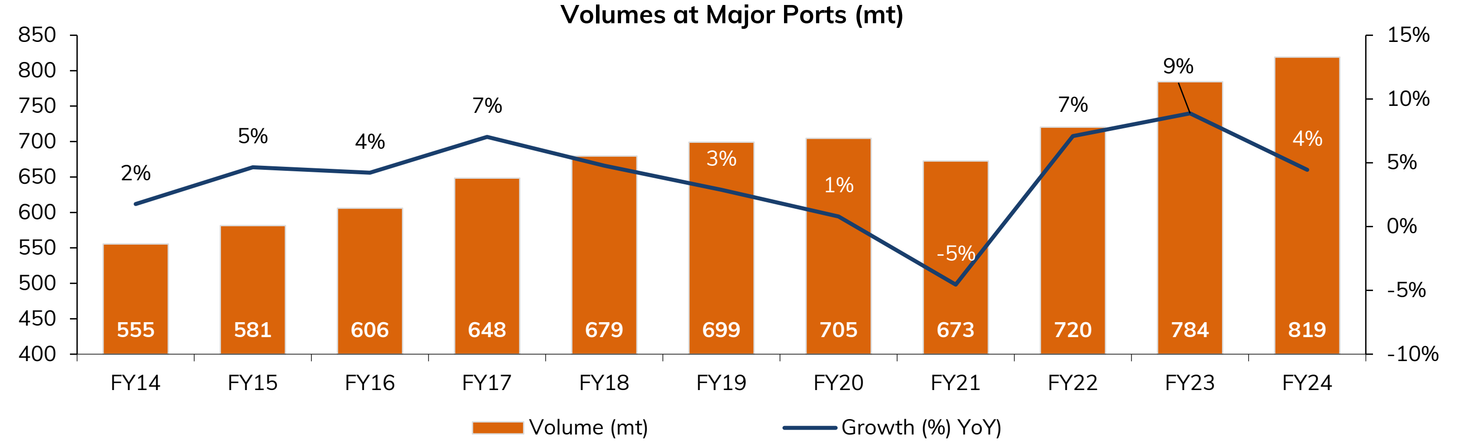
Exhibit 1: Volumes at Indian ports grow at 7% YoY (mt)



Source: Ministry of Shipping

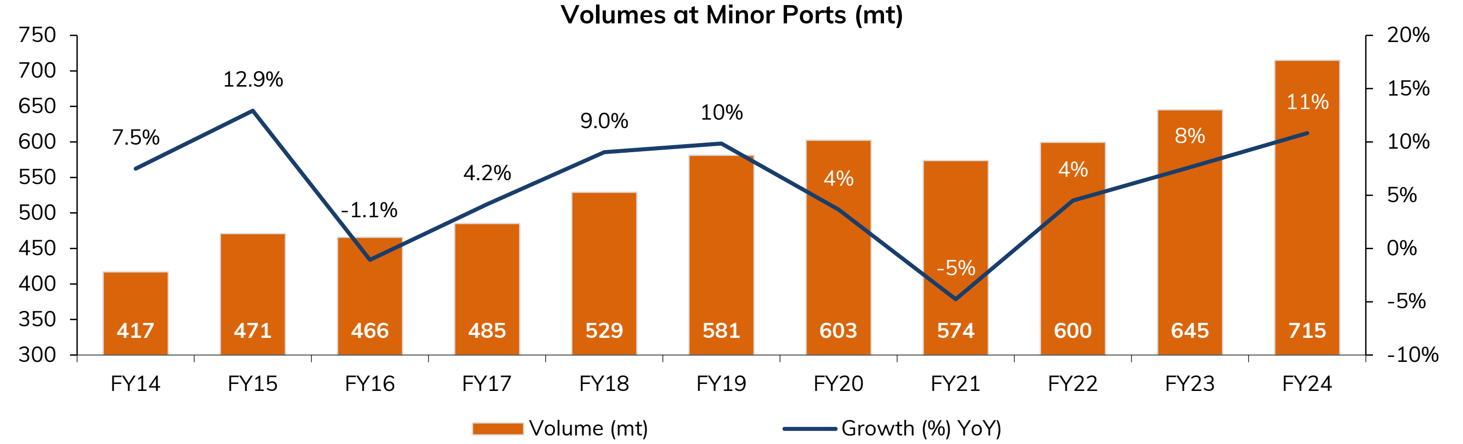
*JSW Infrastructure YTD cargo handled as on 10th March, 2024 prorated for FY24

Exhibit 2: Volumes at major ports grew by 4%



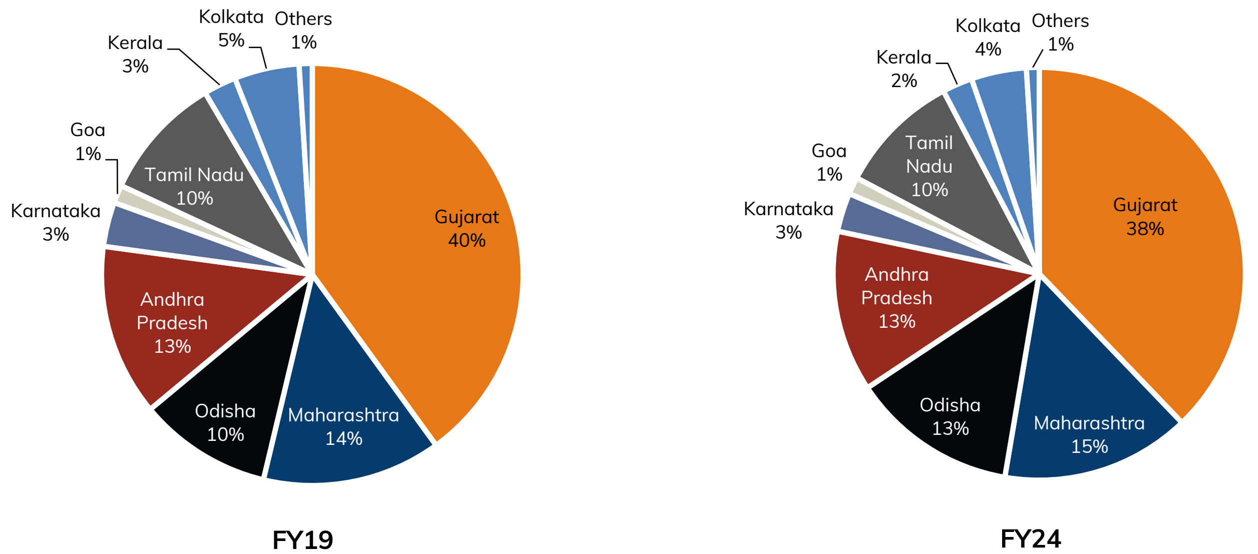
Source: Ministry of Shipping

Exhibit 3: Volumes at major ports grew by 11%



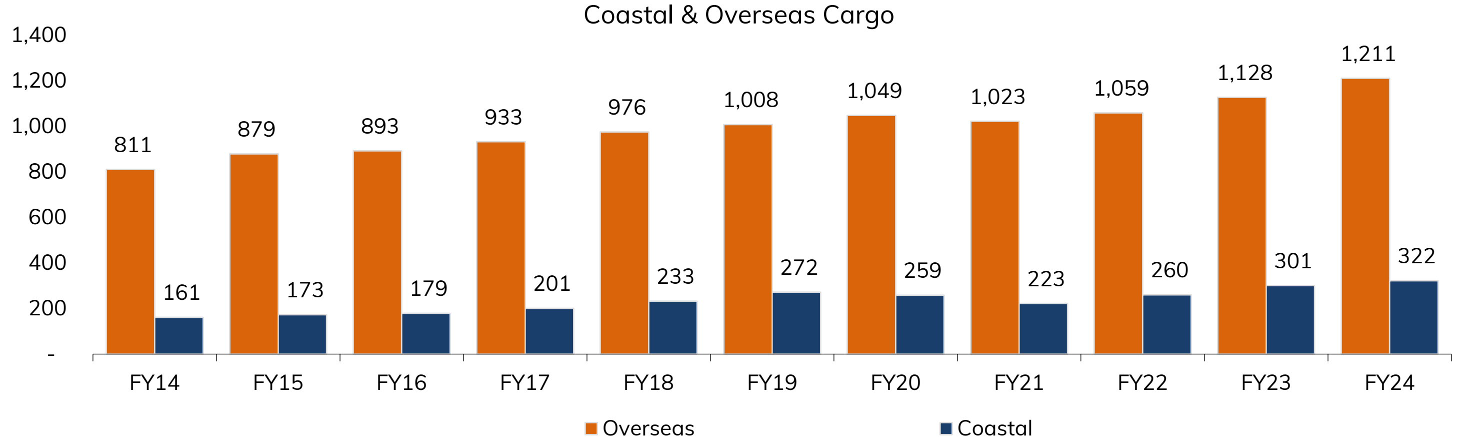
Source: Ministry of Shipping

Exhibit 4: Change in share of states



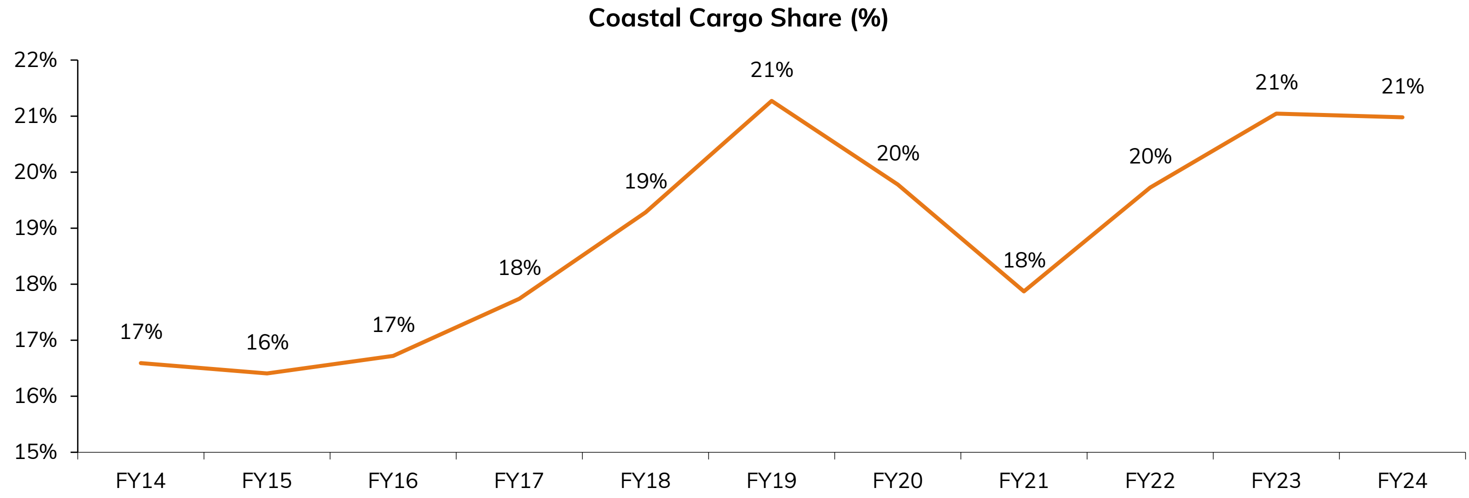
Source: Ministry of Shipping

Exhibit 5: Growing coastal and overseas cargo



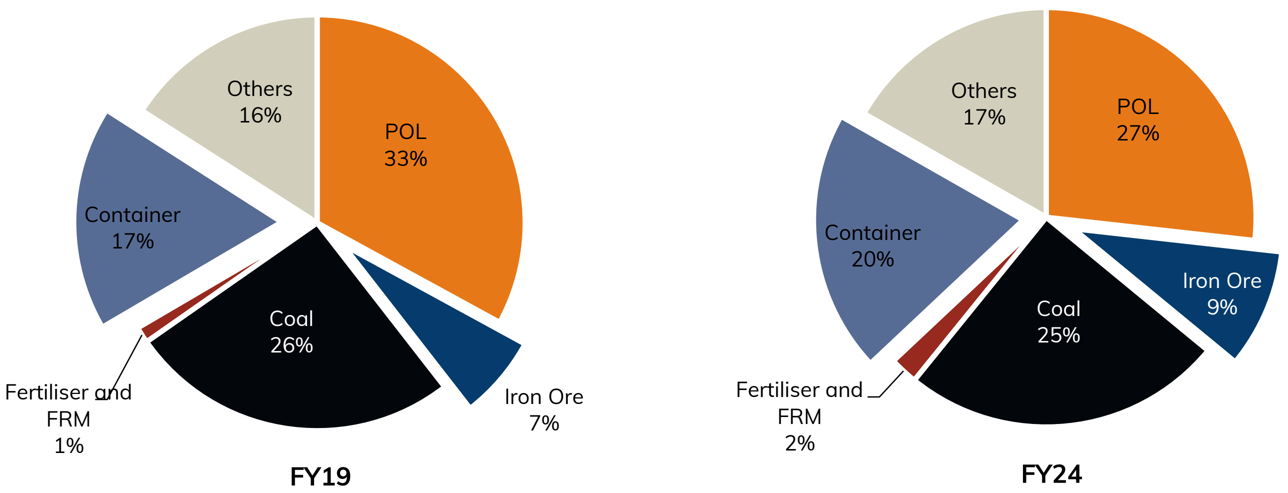
Source: Ministry of Shipping

Exhibit 6: Increase in coastal cargo share



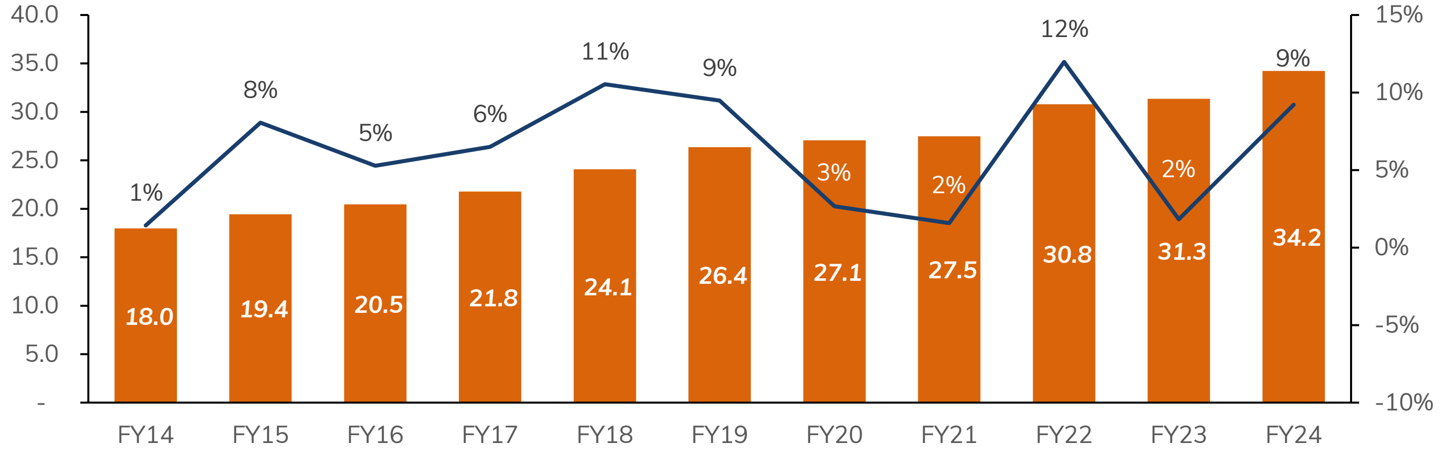
Source: Ministry of Shipping ; Falling Market Share for FY20 & FY21 due to covid

Exhibit 7: Increasing share of containers & iron ore in total volumes



Source: Ministry of Shipping

Exhibit 8: Container Volumes



Source: JM Baxi co.

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