

Freight rates for Indian exports continue to cool ahead of carriers' GRI attempts for US services



Container carriers serving Indian trades are seeing no let up in the erosion of export freight rates amid a slowdown in cargo volumes, according to the latest market analysis by Container News.

On the westbound India-Europe trade, average contract rates from West India [Jawaharlal Nehru Port (JNPT)/Nhava Sheva or Mundra Port] to Felixstowe/London Gateway (UK) or Rotterdam (the Netherlands) have dropped to US\$950 per 20-foot container and US\$1,050 per 40-foot container, from US\$1,000 and US\$1,100, respectively, at the end of February.

For West India-Genoa (the West Mediterranean) shipments, contract rates have fallen to US\$850/20-foot box and US\$950/40-foot box, from the February averages of US\$1,000/20-foot box and US\$1,100/40-foot box.

Eastbound cargo (imports into India) prices for these port pairings have remained steady month-on-month, with the exception of the Mediterranean trade. According to the analysis, rates are hovering at US\$1,250/20-foot container and US\$1,350/40-foot container for bookings from Felixstowe/Rotterdam to West India. However, rates for shipments from the West Mediterranean (Genoa) to West India have plunged to US\$900/20-foot box and US\$1,006/40-foot box, from US\$1,100 and US\$1,306, respectively, in February.

Average short-term contract rates for the India-US East Coast trades have continued to cool, albeit at a slower rate than in the past months ahead of a new round of general rate increases (GRIs) scheduled by major carriers. The analysis shows that rates for shipments from Nhava Sheva/Mundra to New York now stand at US\$1,502 per 20-foot box, versus US\$1,750, and US\$1,970 per 40-foot box, versus US\$2,485, and at US\$1,373/20-foot container, versus US\$1,552, and US\$1,741/40-foot box, compared with US\$1,997, for container loads moving to the US West Coast (Los Angeles).

For the West India-US Gulf Coast (Houston) trades, rates on average have seen a steeper slide – down to US\$1,735 per 20-foot and US\$2,735 per 40-foot container, from US\$2,635 and US\$3,535, respectively, during February.

Major carriers, such as MSC, CMA CGM and Hapag-Lloyd, have announced an average GRI of US\$500 per TEU from the end of this month (29 March). It remains to be seen if this push will succeed, even partially, amid ongoing demand challenges.

However, on the US-India trades (return leg), short-term contract rates have seen a 10-20% increase, on average, from the levels maintained by major operators last month.

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Publication date: Tue 28 Mar 2023