

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:4337
ANSWERED ON:29.08.2011
SEA FREIGHT
Devi Aswamedh

Will the Minister of SHIPPING be pleased to state:

- (a) whether sea freight rates have decreased substantially during each of the last three years;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the details of its impact on the sea routes of various countries?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF SHIPPING(SHRI G.K.VASAN)

(a): Yes Sir.

(b) & (c): The Baltic Dry Index (BDI) and Baltic Dirty Tanker Index (BDTI) track shipping rates for bulk dry and liquid commodities are the leading indicators of global economic activity. The details of the BDI (Baltic Dry Index) and BDTI (Baltic Dirty Tanker Index) for the last three years are as under:

Year	BDTI (Baltic Dirty Tanker Index)	BDI (Baltic Dry Index)
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August 2008	1854	8280
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August 2009	474	3251
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August 2010	715	1977
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August 2011 (as on 24/8/2011)	693	1602
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The indices above show the declining trend of the bulk shipping freight market. Besides dry bulk and tankers, the shipping industry is also grappling with falling freight rates in containerized cargoes.

Due to global down turn primarily caused in the world economy since 2008, there has been an uncertainty prevailing in the recovery of economies world over resulting in a dip in the movement of cargo volumes not just from US and western economies but also from countries China, Brazil, etc. Due to excessive Shipping Tonnage supplies i.e. new deliveries, the shipping market is in a depressed state. Depressed freight market may hit the profitability of shipping companies whereas importers and exporters may stand to gain by taking advantage of prevailing lower freight rates in all world trade routes.