

# ‘Broader impact of war to be felt strongly over next few quarters’

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The economic impact of the West Asia conflict that began in late February with the assassination of Iran’s Supreme leader by American and Israeli forces, has been significant on India and some of the effects would unfold over the next few quarters, according to a top transportation and logistics entrepreneur.

“The broader impact of the crisis is likely to be felt more strongly over the next few quarters rather than immediately,” said Vineet Agarwal, MD, Transport Corporation of India Ltd. (TCI), one of the leading multi modal transpor-



Vineet Agarwal

tation and logistics companies in an interview.

“We could see some shift from road to rail as road freight rates have started to increase. Such modal shifts typically happen during periods of rising fuel costs. Fortunately, we are well positioned because we also operate a

strong rail logistics and coastal shipping business,” he said.

He said some demand erosion could be visible in the coming quarters and prices are set to climb in line with the fuel price rise.

“We have seen disruptions in several industries that rely heavily on gas consumption. In some sectors, gas availability has reduced significantly, while in others, gas prices have risen sharply. This directly affects production costs.

“Several MSMEs and factories faced disruptions on inadequate gas availability in some regions, which hit production levels and consequently, cargo volumes,” he added.