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**CUSTOMER CENTRICITY IS AT THE HEART OF OUR STRATEGY**

**UGO VINCENT**  
MD, CMA CGM AGENCIES INDIA PVT LTD

## PROMOTE REGIONAL INTEGRATION AND TRADE

Political leaders, diplomats and industry experts from India, Bangladesh and Sri Lanka reiterated the need to improve regional trade, remove trade barriers and promote regional integration



# 29



# YEARS OF



# CREATING



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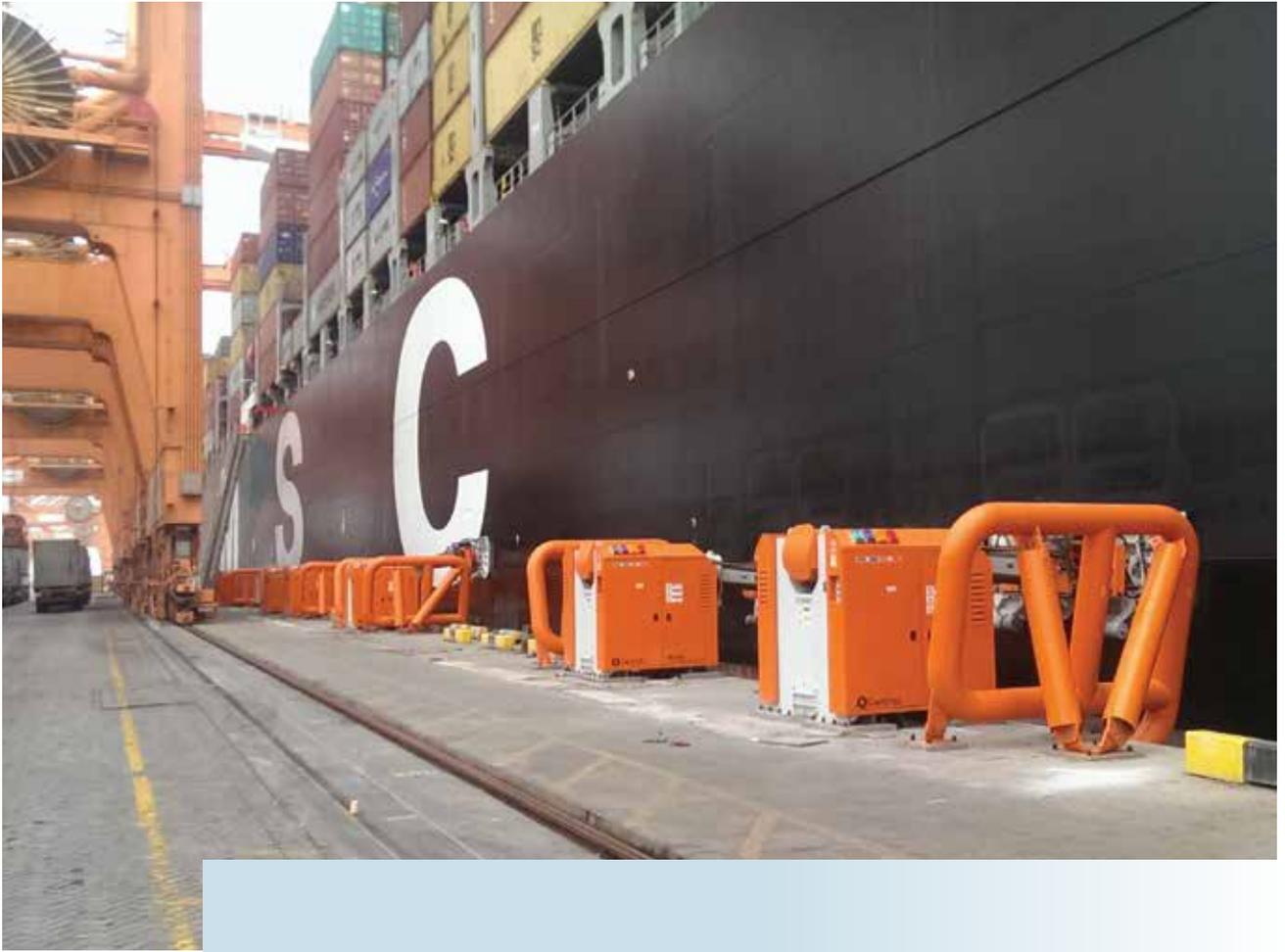
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# Baby steps for Boosting Bilateral Trade

Amidst six hundred plus strong delegates, at the recently concluded second South Asia Maritime and Logistics Forum political leaders, diplomats and industry experts from India, Bangladesh and Sri Lanka reiterated the need to improve intra-regional trade, remove trade barriers and promote regional integration among South Asian nations. Presence of H.E Sheik Hasina, honourable Prime Minister of Government of the People's Republic of Bangladesh as Chief Guest at the Forum demonstrated the commitment and willingness to initiate dialogue in this direction.

India-Bangladesh trade grew 38 per cent to \$9.1 billion over the last four years. On a year-on-year basis, the trade grew 24 per cent in 2017-18. This was followed by nearly 22 per cent growth in April-July 2018. This highlights the growing need to augment handling capacities on either side, keeping in tune with growing trade volumes.

Keeping in tune with the trend, movement of bilateral cargo through coastal shipping is also rising. Transshipment operations between India and Bangladesh can make coastal shipping more cost effective for bilateral trade, thereby shifting cargo from the costly land route, and create an opportunity for Bangladeshi garment exporters to reach European and American markets avoiding congestion at the Chittagong port.

Indian customs authorities have already

cleared the deck for Bangladesh to use Haldia as a transshipment port. However, Bangladesh is yet to approve the same. Container shipping lines and port operators in India are seeking a change in the bilateral coastal shipping agreement signed between India and Bangladesh to permit transshipment of Bangladesh cargo from Indian ports. The India-Bangladesh coastal shipping agreement covers only origin-destination cargo between the two neighbouring countries. The deep draught ports like Visakhapatnam and Krishnapatnam on the eastern coast of India can act as hub ports for the onward transportation of cargo to Bangladesh via the coastal mode through river sea vessels with Indian ports securing more cargo and lower transport costs to Bangladesh.

Similarly, Sri Lanka is also pushing for a bilateral coastal shipping agreement with Bangladesh to boost trade, investment and maritime connectivity between Dhaka and Colombo. It will increase the frequency of feeder services between the ports of Chittagong and Colombo, cutting down both the transshipment cost and time.

Hopefully, secretary-level talks between India and Bangladesh this week in Delhi might find right solution!

**R Ramprasad**  
Editor and Publisher  
ramprasad@gatewaymedia.in



The deep draught ports like Visakhapatnam and Krishnapatnam on the eastern coast of India can act as hub ports for the onward transportation of cargo to Bangladesh



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**H.E. Sheikh Hasina, MP**  
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**Committed to Scaling Up  
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Editor-In-Chief & Publisher  
Maritime Gateway, India

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AT THE HEART OF OUR STRATEGY**

**UGO VINCENT**  
MANAGING DIRECTOR,  
CMA CGM AGENCIES INDIA PVT LTD



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**CMA CGM 40 YEARS**

**THE ADVENTURE GOES ON!**

40 years ago, on September 13th, 1978, Jacques R Saadé launched the first maritime line between Marseilles and Beirut, with only one ship and 4 employees. This day .....



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“A strong energy sector is needed for the growth of any country. We cannot alleviate poverty if we are energy poor. When Gujarat got its first LNG terminal, people were surprised. Now, the state is poised to make a fourth LNG terminal.”

- **Narendra Modi**  
Prime Minister of India

“Regional cooperation can lay open to India the potential to more than triple its trade with South Asia from the current level of \$19.1 billion to \$ 62.4 billion.”

- **Dr Sanjay Kathuria**  
Lead Economist and Coordinator,  
South Asia Regional Integration,  
The World Bank Group



“India and Bangladesh have agreed to upgrade trade logistics for seamless movement of cargo. In the same spirit India would be willing to engage with its South Asian neighbours to reap the advantages emanating from similar agro-climatic conditions, topography and crop cultivation.”

- **Suresh Prabhu**  
Union Commerce and  
Industry Minister



“Overall, confidence in the shipping industry held up well in 2017, and has continued to do so this year. There remains an appetite for investment, and recourse to the necessary finance. Oil prices are going up, and the Baltic Dry Index, although somewhat volatile, is gradually leaving the really bad days behind.”

- **Richard Greiner**  
Moore Stephens partner  
Shipping and Transport



“Whether we’re discussing what to do about counterfeiting, smuggling, or accidents at sea, the shadow of mis-declared cargo is always present in the background. We all need to engage together on these issues and unite with governments to discuss the problems.”

- **Laurent Audaz**  
Head of P&I Insurance,  
Legal and Claims for MSC



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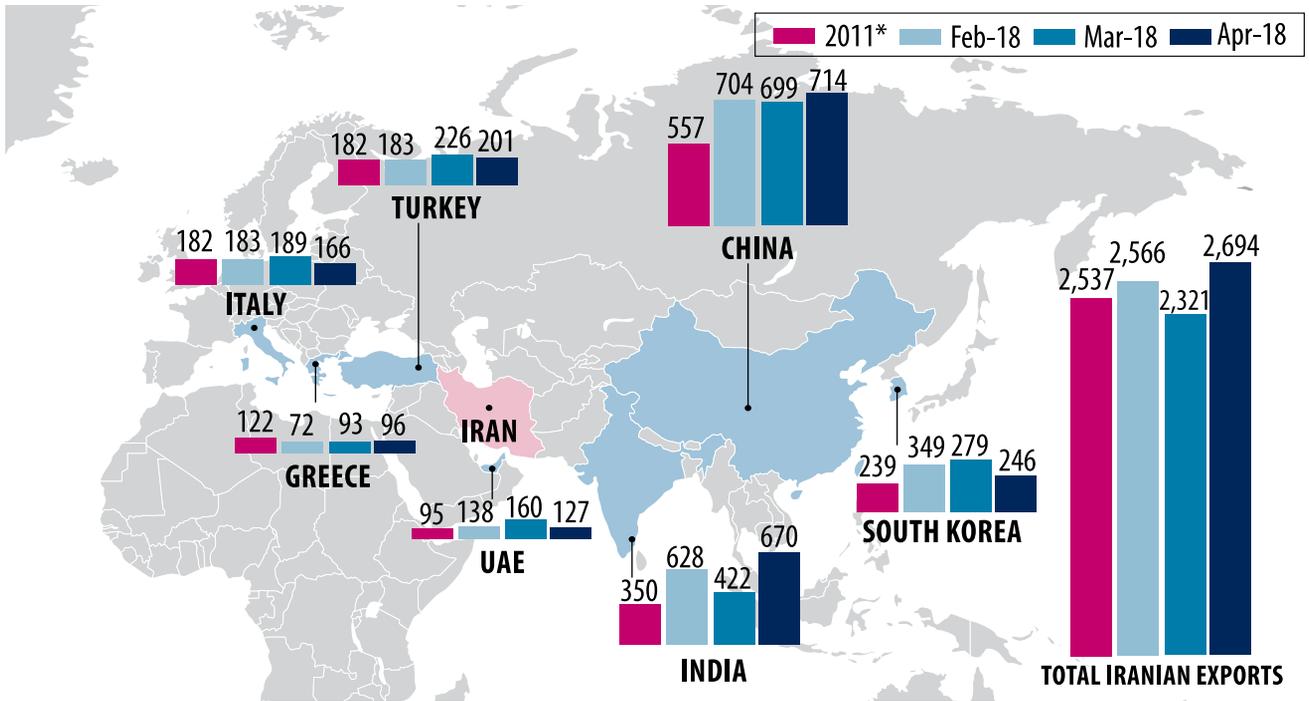
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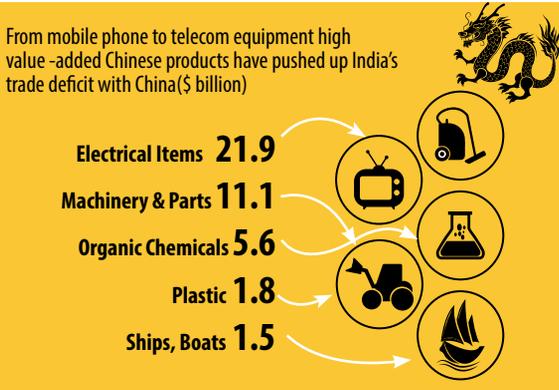
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KEY BUYERS OF IRANIAN OIL

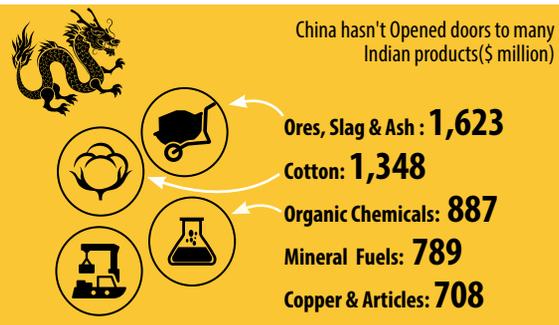


All figures in '000 b/d. \*2011 was the last full year of sales before sanctions were imposed. Source : S&P Global Platts

TOP IMPORTS FROM CHINA



INDIA'S EXPORTS TO CHINA



THE TRADE SKEW

China is India's largest trade partner but the balance is tilted heavily in favour of the dragon (\$ billion)



# INDIA'S

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## EMERGING CONTAINER HUB FOR EAST COAST OF INDIA

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## Key appointments at Allcargo Logistics

Veteran financial professional S Suryanarayanan, currently Executive Director of ECU Worldwide, has been elevated as its group chief strategy and financial officer. With this change Jatin Chokshi, the current Allcargo Chief Financial Officer who has been an integral part of the building of Allcargo, will be elevated as Chief Investment Officer and will focus on the growing new business verticals.

Suryanarayanan will be responsible for guiding the Financial Strategy for Allcargo and its group companies and report to the Chairman Shashi Kiran Shetty and to the Board. He will also be directly involved in certain strategic initiatives in the Digital and M&A space.

## JNPT SEZ confers second land allotment to successful bidders

Nitin Gadkari, Honourable Minister for Shipping, Road Transport, Highways and water resources, River Development & Ganga Rejuvenation handed over second round of land allotment certificates to successful bidders for setting up of the multi-product JNPT-SEZ on freehold land of 277 hectares. Out of 450 acres of the leasable land for development, 75 acres

of land has been allotted to 16 investors and JNPT has collected a premium of ₹630 crores by allotting these to successful bidders through 3 tenders floated by JNPT.

JNPT-SEZ has set up a very transparent and industry friendly policy for attracting investments: completely online, paperless and transparent allotment process; clear land title (with all clearances) with state-of-the-art infrastructure being provided (uninterrupted water supply, power supply etc.); single window approval as JNPT has SPA status, electricity distribution license from MERC (key selling point amongst investors); excellent global/ domestic connectivity (5 kms from JNPT, 15 kms from Navi Mumbai Airport, Node for DFC, excellent connectivity to Mumbai through Transharbour link); JNPT SEZ has a dedicated investor cell to help address all queries/ documentation for potential investors.

## Milaha initiates major digital transformation with Oracle Cloud

Milaha has chosen Oracle Cloud applications to drive a major digital transformation across all its core business operations and its subsidiaries. The initiative will help Milaha create new revenue streams by introducing innovative services and drive operational efficiency with automated processes.

Commenting on the launch of the initiative, Abdulrahman Al-Mannai, Milaha's President and CEO said, "In line with

state of Qatar 2030 national vision and in a world of increasingly complex supply chains, constantly challenging the status quo is imperative to drive sustained growth and deliver on fast-evolving customer expectations. This is especially important for us at Milaha as our primary goal is offering synchronized solutions to our customers to help mobilize their businesses. The end-to-end digital transformation powered by Oracle Cloud applications will help us achieve this objective by helping drive innovation and create new business opportunities without the need to invest in additional infrastructure."

## PSA's Bharat Mumbai Container Terminals receives first coastal service call from Shreyas Shipping



Bharat Mumbai Container Terminals welcomed Shreyas Shipping and Logistics Ltd's "M.V. SSL Mumbai," marking the first call of Shreyas's PIX 1 (Pan India Express 1) service at the terminal.

The 1,613 teu "M.V. SSL Mumbai" operates the PIX1 service with a sister vessel on the following rotation: BMCT, Cochin, Tuticorin, Mangalore, Mundra, Hazira and BMCT on a fortnightly basis. The call at BMCT

offers options for both domestic shipments and international transshipment.

BMCT's General Manager Sivakumar Kaliannan said, "We are very pleased to welcome PIX1 to Bharat Mumbai Container Terminals. Before BMCT's startup, capacity limitations at Nhava Sheva meant there were very few regular coastal service calls. With Shreyas' PIX 1, domestic shippers now have the option of moving their shipments from truck to ship and can enjoy a cheaper and more environmentally-friendly transport option. We will also be working closely with Shreyas to develop transshipment options and allow carriers to increase connectivity and rationalise service calls on the West Coast."

## Coastal container line vessel calls at KICT

The third coastal container line vessel MV TCI Express berthed at KICT, Deendayal Port Trust (DPT) recently. TCI Seaways is running the DPT-NMPT-CoPT circuit. It plans to induct three vessels in this circuit. The vessel arrived at Kandla on October 14, 2018 at around 1800 hours and berthed at KICTPL on October 15 at 0445 hours. Cargo operations commenced at 0536 hours. The vessel had an exchange of 1,500 teus on her very first call to Kandla, on this coastal service between Kandla and Cochin. A plaque was exchanged on board with the vessel Master, the occasion being also graced by R. U. Singh, President and CEO of TCI Seaways. MV TCI Express sailed for Cochin on the evening of October 16.

# SPEEDWAYS LOGISTICS PVT LTD



## WHO WE ARE

We are a dedicated team working united for the past three generations. Commitment, dedication, patience and excellence resulting to a good service has always been our motto and that's the passion that drives us. We at Speedways welcome you to venture into a world where we define Logistics Supply Chain Management towards a whole new level.

## WHAT WE DO

Speedways, providing complete logistics solution to our customers with a one window service station by enabling all services when it comes to executing the supply chain management system. From freight forwarding to transportation of laden containers to warehousing cargo and crane hiring to customs clearing, a customer generally gets all the solutions under various departments of our firm when it comes to logistics.

## CUTTING EDGE

"The one who innovates is the one who leads". Leading the industry in its own ways, we at Speedways never focused on doing different things but dedicated ourselves to do things differently. Accepting challenges and crossing hurdles, we have done what was feared to be taken as a thought, from handling huge volume of cargo in one go from customers end to the port, we accomplished it all and still are working towards a future brighter than our past.

## MISSION

Gaining mass success with a remarkable reputation built over the years in the sector, Speedways has now made its existence in Kolkata, Haldia, Vishakhapatnam and Raipur providing the best service to our customers at a competitive price.

## VISION

With the coming of Speedways Logistics PVT LTD, the company has now established its position in the industry providing "Total Logistics" solution with services provided for Transportation, Warehousing, Packaging, etc...

## WHY SPEEDWAYS

Standing firm in the sector for about four decades, we have gained mass success and reputation standing on the pillars - GOOD SERVICE, RELIABILITY, TRUST, DEDICATION AND PROFESSIONALISM, experiencing the services, one does say - DEFINITELY SPEEDWAYS!!

## WHO WE ARE

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## CMA CGM celebrated its 40th Anniversary in Mumbai, India

CMA CGM organized a trade cocktail reception in the presence of Mathieu Friedberg – Group’s Senior Vice President Commercial Agency Network. On September 13th, 1978, Jacques R. Saadé launched the first maritime line between Marseilles (France) and Beirut (Lebanon), with only one ship and 4 employees. This day marked the beginning of an extraordinary humane and entrepreneurial adventure. 40 years later, CMA CGM has become a recognized world leader, with 34,000 employees and a presence in more than 160 countries.

To celebrate this unique journey, the CMA CGM Group organized a cocktail in Mumbai on October 5, 2018 in the presence of Mathieu Friedberg, CMA CGM Group’s Senior Vice President Commercial Agency Network. Over 250 trade partners gathered for networking, including customers, trade partners, business associates and representatives from shipping associations.

## Seaways completes third voyage in Kolkata-Chittagong coastal shipping trade lane

Seaways Shipping and Logistics Ltd has successfully completed three voyages from Kolkata, India to Chittagong, Bangladesh under the Indo-Bangladesh Coastal Shipping Treaty.

The vessel MV Harbour 1 called at Kolkata Port, India on 24th Sep 2018, carrying 174 teus and sailed back with 143 teus, loaded with general commodities. The vessel reached Chittagong, Bangladesh safely on 28th September 2018. All loading and unloading work were completed within a day’s time. Over the years, the Government of India has been working towards increased movement of cargo through coastal shipping, rather than roads.

## CITPL and Concor enhance last mile connectivity with relaunch of railbridging from CITPL to ICD Tondiarpet



PSA’s Chennai International Terminals Pvt Ltd (“CITPL”) and CONCOR have relaunched shuttle trains between CITPL and Concor’s Tondiarpet ICD “TNPM,” with the departure of a full rake of 80 TEU from CITPL to TNPM. With the support of Chennai Port Trust and Customs, TNPM will operate as an extended gate facility for CITPL, allowing cargo owners and shipping lines to deliver and pick up containers at TNPM. TNPM is closest to main cargo aggregation and distribution centres

in the area. This cuts trucking distances, reduces logistics costs and is a more environmentally-friendly transport option. In addition to incentives from CITPL, Concor is offering 45 free days of storage for laden containers and 90 free days for empty containers, increasing flexibility for both shippers and shipping lines.

## Dr M Beena IAS assumes charge as Chairman, Cochin Port Trust



Dr M Beena IAS has assumed the charge as Chairman, Cochin Port Trust. A native of Trivandrum, Dr Beena is a medical doctor by profession and got into Indian Administrative Services from Kerala Cadre in the year 1999. She has served in various capacities in the State including Assistant Collector, Sub Collector, Director of various Departments. She has also served as District Collector of Thrissur and Ernakulam.

She was the Managing Director, KSIDC and CEO, Smart City Trivandrum prior to joining Cochin Port Trust. She was also the Managing Director to the Roads & Bridges Development Corporation, Vyttila Mobility Hub, Kerala Books & Publications Ltd and Food & SUPPLYCO.

## Global allies for crude storage

Global oil majors such as Saudi Aramco, Abu Dhabi National Oil Corp and oil traders such as Vitol Group, Trafigura Group and Glencore are interested in partnering India for setting up strategic crude oil reserves in the country. The government plans to call for bids for partnership in building strategic crude storages at Chandikhol in Odisha and Padur in Karnataka on a PPP mode. The government plans to hold roadshows in London, Singapore and New Delhi and test the waters on the kind of partnership model the global players are interested in.

## India to speed up infra projects in Sri Lanka

India and Sri Lanka agreed to speed up implementation of development projects in the island nation and deepen their historic ties during a meeting between PM Modi and visiting counterpart Ranil Wickremasinghe. All projects underway were discussed which include a recent decision to award a housing project in Jaffna to India after taking it away from a Chinese group. India is also involved in building airports in Palaly and a port in Kankesanthurai as well as one of the container terminals in Colombo and a lease of Mattala airport near the Chinese controlled Hambantota Port.

# A SMARTER WAY TO THINK ABOUT POWER



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NEPAL



## China to build railway into Nepal

China will build a railway connecting the western region of Tibet with Nepal. The link will connect the Tibetan city of Xigaze with Nepal's capital, Kathmandu. The two sides signed more than 10 agreements involving technology, transportation, infrastructure and political cooperation. China would also like to work with Nepal to build a "cross-Himalayan connectivity network" through aviation, trading ports, highways and telecommunications. "Cross-border connectivity was Nepal's top priority," said Khadga Prasad Sharma Oli, Prime Minister of Nepal, as he called for the two countries to work together to develop Nepal's hydropower resources. A feasibility study for railway line connecting the border town of Kerung to Kathmandu is being convened.

INDONESIA



## Kuehne + Nagel expands Indonesia footprint with Wira Logistics acquisition

Kuehne + Nagel has continued its strategy of smaller, bolt-on acquisitions, scooping up the logistics activities of Indonesia-based Wira Logistics. The Swiss forwarder said the acquisition represented an extension of an existing

strategic partnership and would allow K+N to establish a "nationwide logistics and distribution network to provide fully integrated end-to-end logistics solutions across Indonesia." "With this acquisition we can leverage our global e-commerce strategy. At the same time, it allows us to strengthen our contract logistics footprint in Asia and our position as a leading logistics service provider," said Gianfranco Sgro, K+N board member responsible for contract logistics.

MYANMAR



## Infrastructure development through PPP

The Yangon Regional Government is going to develop the Ngwe Pin Lel Integrated Logistics Zone and Inland Water Transport Jetty under a public-private-partnership (PPP) agreement, U Myint Thaug, the regional minister of planning and finance for Yangon Regional Government, said. The project will be located on 78.9 hectare site in Hlaing Thar Yar Township, Yangon Region, and is expected to cost K151 billion. It is scheduled for completion in 2021. The construction of the zone is expected to boost the region's manufacturing sector and the distribution of goods. It is also hoped that the jetty portion of the project will help to improve the traffic situation in Yangon.

AFGHANISTAN



## Trade with India picking up

The bilateral trade between Pakistan and Afghanistan has dropped from \$2.5 billion to a mere \$500 million, mainly due to frequent border closures and import bans. On the contrary, Afghanistan is hopeful of doubling bilateral trade with India to \$2 billion by 2020 and seeks private investments and cooperation in various sectors. The Afghan Government seeks investment from India in the field of agriculture, mining, heavy industries, education, healthcare, energy, IT and transportation.

BANGLADESH



## Bangladesh to use Kolkata and Haldia as transshipment ports

India has urged Bangladesh to use Kolkata and Haldia ports for transshipment purposes. The initiative can make coastal shipping more cost effective for bilateral trade, thereby shifting cargo from the costly land route, and create an opportunity for Bangladeshi garment exporters to reach European and American markets avoiding congestion at the Chittagong port. Indian customs authorities have already cleared the deck for Bangladesh to use Haldia as a transshipment port. However, Bangladesh is yet to approve the same. The proposal was reiterated at

a ministerial meeting in Dhaka. At the crux of the proposal is the growing need to augment handling capacities on either side, keeping in tune with growing trade volumes.

SRI LANKA



## Exports contributing little to economy

Sri Lanka's industrial production barely grew in the second quarter of 2018 with exports contributing little to growth and recent import tariff hikes are counter-productive to increasing competitiveness, a new World Bank report said. In India and Sri Lanka, the contribution of investment is projected to be relatively more important in 2018. But even there, the World Bank said, the main driver remains domestic consumption. "In both countries exports contribute relatively little to growth," it said.

MALAYSIA



## Shippers demand independent maritime commission

Local shippers have called on the government to set up an independent enforcement agency to regulate service providers, charges and unfair practices in the maritime transport sector. The Malaysian National Shippers' Council believes that the establishment of a Malaysia Maritime Commission will effectively complement efforts of the Malaysian Shipping and Maritime Council, in improving transport efficiency.



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# CMA CGM 40 YEARS THE ADVENTURE GOES ON!

40 years ago, on September 13th, 1978, **Jacques R SAADE** launched the first maritime line between Marseilles and Beirut, with only one ship and 4 employees. This day marked the beginning of an extraordinary human and entrepreneurial adventure. 40 years later, CMA CGM has become a recognized company, with 34,000 employees and a presence in more than 160 countries.



## Indian Saga

CMA CGM a world leader in container transportation having its head office in Marseilles France, set its footprint in India in the year 1989. The journey began with the opening of its first office in Mumbai for North-west India operations with the help of Container Marine Agency and in the southern India by the Transorld Group.

The first service commenced with dedicated feeder services connecting India to the Middle East Gulf with the vessels Ville De Colombo and Ville De Dubai.

In the mid 90's with the global container trade gathering momentum CMA CGM focused on the India to Europe trade and launched its first ever direct service in 1995 which today is known as the EPIC service.

In 1998, CMA CGM made a strategic move with the acquisition of ANL, whereby, new opportunities

were opened from India to Oceania.

In its commitment to offer more services as per the demands of the market, CMA CGM in 2002 launched the service connecting India to US trade lane – currently known as the IndaMex service.

Acquisition of DELMAS in 2005 broadened the horizon of CMA CGM making the Group, a market leader. In the Africa trade which was complemented with the launch of dedicated services from India to Africa - Swahili Express and the MIDAS service.

While the trade in North of India continued to grow, the south of India witnessed enormous growth contributing to almost 30 per cent of the all India trade. CMA CGM seized this opportunity and introduced the NEMO service which today is the only service which connects two key ports in the southern India direct to Europe.

In 2007 the Group launched its first direct service from South India to Europe - NEMO service connecting Chennai with Europe.

India was fast developing in the millennium and a lot of developments were witnessed in the containerised industry. Multimodal transport started gaining momentum and this necessitated the development of CFS & ICD's across India. Citing an opportunity, the group expanded its vertical into inland operations and started AMEYA LOGISTICS, its own CFS with local partners in 2009.

This was followed by the subsequent investments in landside activities such as developing more ICDs – CMA CGM logistics park Dadri, CFS – Honeycomb in Mundra and running of dedicated block trains to cater to the requirements of its customers.

During the last decade, which was quite challenging for shipping lines, however CMA CGM's strategy was well defined and under the leadership of SAADE Family while Ocean Alliance was setup, CMA CGM took over APL in 2016.

2017, saw a lot of developments beginning with Mr Rodolphe SAADE appointed as CEO and Chairman globally for CMA CGM, his confidence on the growth potential in India marked his first official visit in April 2017. This visit triggered entry of CMA CGM in terminals space in India with the launch of CT4 Terminal in Mundra - a Joint venture with Adani ports.

The successful launch of terminal was complimented by more services being commenced from various key gateway ports.

CMA CGM today has its India head office in state of the art building of Indiabulls finance Centre with a PAN India staff strength of over 5000 employees in its 30 branch offices forming one of the largest presence for the group globally.

The Group operates 14 weekly mainline services offered via 6 gateway & 7 feeder ports with the customer service support of 4 globally shared service centers. CMA CGM has 6 container freight stations & 1 Inland container depot in joint partnership with Ameyaa Logistics & LCL Logistix.

CMA CGM India caters to 50+ inland locations connecting all major gateway and feeder ports across the West and East Coast of India. 

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# CUSTOMER CENTRICITY IS AT THE HEART OF OUR STRATEGY

“Inclusive growth and presence at every location where cargos exist remains our business vision in India. This is especially true for our business with South East Asian neighbors as well,” reveals **Ugo Vincent**, MD, CMA CGM Agencies India Pvt Ltd, in an interview with Maritime Gateway

**Q How has been the business at CMA CGM India this year?**

We are quite optimistic about India's EXIM growth in 2018 as it is growing at a much faster clip than global trends. As far as CMA CGM India's volumes are concerned, we are able to grow almost double the speed of Indian Market. We expect that in the future, this trend will continue, and we will finish the year with healthy double-digit growth in our containerised business out of India.

**Q You have been steering the project cargo and break-bulk cargo business at CMA CGM. Coming to India what opportunities and challenges do you see?**

India today has become a key supplier of out of gauge and break bulk cargo, turnkey projects, boilers, turbines worldwide. This segment of the market is expanding and expected to maintain its pace. We are observing and creating opportunities to carry some traditional break bulk vessel cargo into container ship cargo.

CMA CGM enjoys first mover advantage into project cargo with its specialised handling and expertise. We recently loaded a helicopter on board one of the vessels operating on the EPIC 2 service for final destination to London Gateway which is one of the key milestone amongst others achieved by our Break bulk team in India.

However there are challenges into this vertical, mainly on account of Operational capacities and capabilities of Terminals in India. We still have many terminals unable to accept Breakbulk cargos full-fledged due to their current setup. Another key constraint are infrastructural

shortcomings during landside operations of Project cargo, which make it challenging to accept some project cargo at specific locations.

**Q CMA CGM has recently acquired stake in CEVA Logistics. Could you please explain the strategy behind this acquisition?**

One of Rodolphe SAADE's strategic priorities is the group's development in logistics alongside maritime transportation. The group's investment in CEVA is a strategic approach in further expansion of our presence in the logistics sector, which is closely related to shipping. Together with CEVA, the group will explore the development of joint commercial offerings to best facilitate our customers. Our common focus will be the development of end-to-end solutions with mutual benefits. The vision of our Chairman Mr Rodolphe SAADE is to explore possible cooperation with CEVA, allowing us to propose an even more differentiated and qualitative offering.

**Q With consolidation, the gap in service offerings by different shipping lines is getting narrow. How do you stand apart from the competition in such scenario?**

We do acknowledge that with growing consolidation, the gap in service offerings between different shipping lines is getting narrow. However, this has allowed us to offer multiple weekly calls on various destinations, as well as expanding our ports coverage.

Our strong brand value, our customer centricity strategy, constant innovation in bringing differential products, strong land side network, end to end solutions customised to suit each and every kind of customers along with our various impressive value-added services help us remain as a differential player.

**Q Tell us about your services and commodities moved on the west and east coast of India? What potential do you see on the east coast?**

We do carry practically every containerised commodity to and from India, which includes lighter commodities like flower buds, to bulk commodities like steel, sugar and seeds.



**UGO VINCENT**  
MANAGING DIRECTOR,  
CMA CGM AGENCIES  
INDIA PVT LTD

As far as the East coast of India is concerned, we do see opportunities to carry Solar panels and allied products into this part of the country. East coast has natural abundance of Minerals which helps in export of metals and minerals. Apart from this, agri commodities continue to play a major part in exports. We do expect other finished goods to keep increasing as a share of our exports.

CMA CGM today operates 14 direct services in and out of India. We are constantly focussing on East Coast also to improve our coverage apart from the current offering.

**Q CMA CGM has recently started the “Customer Experience Programme.” How is it helping in upgrading your services?**

The Customer experience programme is of immense value for CMA CGM Group as it is helping us to identify what exactly our current and future customers expect and their exact needs. One of the main pillars of Rodolphe SAADÉ’s strategy is customer centricity, which aims at putting our customers as well as their needs and expectations at the center of our Group’s development.

This allows us to continuously redesign & adjust our existing products and services (both on sea and in land), and come up with new value-added services to cater different types of requirements of our customers.

**Q Tell us about your service expansion on the land side and connectivity to the hinterland?**

CMA CGM is very active in India regarding the expansion of our presence in land side operations.

We firmly believe that in order to offer complete products to our customers, it is essential to have a strong land side network. While we already operate container terminal in Mundra and number of CFSs across important locations in India, we are also constantly looking towards building new capacities in emerging areas.

**Q What is your strategy for the Indian market and for the South East Asian region?**

Inclusive growth and presence at every location where cargos exist remains our business vision in India. We feel there are massive opportunities to tap into for the Indian market.

This is especially true for our business with South East Asian

neighbours. We are particularly focusing on this region as it will pave the way for future growth in this area.

We are operating direct services connecting two east coast ports on our main line services. We have a dedicated feeder service connecting Singapore, Port Klang to the east coast of India.

**Q How is the response to your value-added services – SERENITY, REEFLEX and SMART CONTAINERS?**

We have received great and positive response to our product cargo value Serenity from all customer segments in India. We feel it’s just the beginning and it will help all our customers to better manage their cargo protection.

REEFLEX and SMART Containers (TRAXENS) are new products which are at their implementation stage in India. Considering the initial customer feedback, we are very optimistic about its success in the Indian market as they offer very innovative solutions to customers’ needs that were unfulfilled until now.

**Q In which of the trade lanes connecting India do you see business growing and growth potential?**

While traditional markets for India’s EXIM - like Europe and Middle east - are showing some stagnation, big markets like the US are showing strong resilience.

Concerning growth, we are very optimistic about the whole Africa and Latin American trades out of India. We are continuously expanding our offering into these trade lanes.

**Q How does CMA CGM see the post-cabotage relaxation scenario in India? Will it bring benefits of transshipment as intended?**

Even before pre-cabotage relaxation period, we at CMA CGM India were promoting Indian ports as Transshipment ports with focus on Mundra and Cochin as hubs to carry out Transshipment activities on Indian flagged vessels.

In Post-cabotage relaxation scenario, we are promoting intra-Indian transshipment options.

However, in order to realise the full potential of benefit of this relaxation, its essential to have competitive transshipment costs at Indian ports, in order for the neighbouring countries to compete. This is not the case today which plays important role in

determining place of transshipment.

**Q We see lot of interest in investments in hinterland infrastructure in India? Does CMA CGM has any plans in this space? If so, what is the strategy?**

We are actively looking for opportunities in India for the expansion of our presence in hinterland infrastructures. We already operate a container terminal in Mundra and number of CFSs across all major locations in India. We are constantly looking towards building new capacities in emerging areas.

We are developing new CFSs in Modinagar (Delhi) and Mundra. Cold storage facilities near Navi Mumbai is another opportunity for us. We are already operating special block trains from Dadri and ICD Tughlakabad.

We are setting up new depots across locations for the handling of empty equipment and inventory management.

**Q With the expected rise in the demand for time and temperature sensitive products like pharma, perishables and e-commerce shipments, what infrastructural changes are you making to boost cargo transportation?**

Our continuous focus is on catering to niche segments and come up with innovations. For temperature sensitive products like pharma and perishables, we have come up with various reefer products. REEFLEX, our most advanced solution for liquids carriage, and AQUAVIVA (safe transport of live lobsters in their original water), are some examples of our commitment to innovation. A few days ago, we launched Climactive, the most advanced technology for the transportation of highly sensitive fruits and vegetables by active controlled atmosphere. It maintains sensitive commodities’ freshness to destination, by faster reducing the level of oxygen inside the container equipped with DAIKIN Active CA.

For time and value sensitive shipments, our TRAXENS solution is best suited. This container-tracking solution is essential for our customers, as it allows them to manage their vendor selection, improve their supply chain efficiency thereby reducing costs. We expect its successful rollout in India soon. All these measures are helping us boosting and expanding our cargo base. 

# Promote regional integration and trade

Political leaders, diplomats and industry experts from India, Bangladesh and Sri Lanka reiterated the need to improve regional trade, remove trade barriers and promote regional integration



The second South Asia Maritime and Logistics Forum brings together governments, trade association and industries in South Asian region in contact with leading businesses from Europe, Middle East and South East Asia. It will help in technology transfer, development of logistics, maritime relations and green shipping, announced **Md. Abdus Samad, Secretary, Ministry of Shipping, Government of the People's Republic of Bangladesh**, giving the audience a fair idea of what the proceedings and discussions of the two day event will fructify.

Going back into the memory lane, Abdus Samad recalled the significance given by Father of the Nation, Bangla Bandhu Sheikh Mujibur Rahman, to the maritime sector, as he remembered the famous quote by Bangla Bandhu - "The importance of endless sea resources." Among the several contributions of Sheikh Mujibur Rahman to his mother land is the

Territorial Water and Maritime Zones Act 1974 enacted for the first time in the history of Bangladesh, which also established the country's sovereign right over the sea and its resources. Bangla Bandhu also procured 19 ocean going ships almost free of cost from various friendly nations of Bangladesh, to improve the maritime prowess.

On behalf of the maritime fraternity of Bangladesh, Abdus Samad expressed gratitude to the **Honourable Prime Minister, H.E. Sheikh Hasina, MP**, for her kind guidance, direction, advice and support. Under her able guidance Bangladesh has been able to establish its legitimate rights over the sea, ports have been developed with modern facilities and inland waterways have been made sustainable by carrying out 1500 km of dredging in the past five years. With her kind assistance, Bangladesh has been able to procure six ocean going ships and



(L to R) **Md. Abdus Samad**, Secretary, Ministry of Shipping, Government of the People's Republic of Bangladesh; **H.E. Shajahan Khan**, MP, Hon'ble Minister, Ministry of Shipping, Government of the People's Republic of Bangladesh; **H.E. Sheikh Hasina**, MP, Hon'ble Prime Minister Government of the People's Republic of Bangladesh; **H.E. Mansukh Mandaviya**, Hon'ble Minister of State for Road Transport & Highways, Shipping and Chemical & Fertilisers, Government of India; **H.E. Dr. Harsha De Silva**, Hon'ble State Minister for National Policies and Economic Affairs, Government of the Democratic Socialist Republic of Sri Lanka.

infrastructure at Chittagong and Mongla Ports has been upgraded by building new jetties and terminals. The addition of Payra deep seaport and Matarbari commercial port will further add to the maritime excellence of the nation.

Bangladesh is a maritime country due to its geographical location as the country not only connects to South Asia but also to South East Asia, Asia Pacific, Europe and Africa through sea. As he concluded, Abdus Samad said, the conference will explore opportunities and find solutions to existing challenges, share best practices and identify ways to collaborate in new business and investment opportunities in the region and respective countries can be promoted to a global audience.

**R Ramprasad, Editor-in-Chief and Publisher, Maritime Gateway, India** recalled the first edition of SAMLF organised last year that brought together for the first time

stakeholders of South Asian maritime nations to discuss key issues related to intra-regional trade and maritime connectivity. "The second edition of this summit builds on this foundation to continue the discussions started a year ago." Bangladesh has been the most remarkable growth story in the recent years with GDP growth of more than 7 per cent for FY2017-18. The country is strengthening its maritime and logistics infrastructure to emerge as a connectivity hub between Asia and South East Asia. He pointed at the under-utilised trade potential of South Asian region, while highlighting the need for business and economic integration which can propel south Asian trade volumes from the existing \$23 billion to \$67 billion. Another potential opportunity lies in coastal shipping and transshipment through Indian ports that can reduce long delays and additional shipping costs. Concluding his address, Ramprasad listed the challenges: An urgent need

to increase port capacities, connectivity improvement, simplified Customs regulations and use of technology.

**Guest of Honour, H.E. Dr. Harsha De Silva, Hon'ble State Minister for National Policies and Economic Affairs, Government of the Democratic Socialist Republic of Sri Lanka** shared few excerpts from the World Bank's recent report on South Asia – "A glass half-full – The promise of regional trade in South Asia." "South Asian nations should be trading among themselves three times more than the current levels," emphasised De Silva. The cost of trade in this region is disproportionately high within the region, as opposed to ASEAN and three times more than the countries in NAFTA. Most of us have lower tariffs but also opaque para-tariffs contributing to SAFTA's under performance. Port restrictions and tough VISA regimes have added to the sub-optimal outcome. De Silva



H.E. Sheikh Hasina, MP, Hon'ble Prime Minister Government of the People's Republic of Bangladesh delivering her Chief Guest address

gave a clarion call for removing barriers to promotion of regional trade which include border tax distortion, rationalisation of para-tariffs and sensitive commodities list, removal of non-tariff barriers and the need to improve trust among the nations. India and Sri Lanka have moved ahead to deepen trade ties through Economic and Technology Cooperation Agreement and such initiatives need to be replicated across the region. "While Sri Lanka is identified as a South Asian nation, it is more an Indian Ocean nation. Our government has set target to place the Port of Colombo among the top 20 container ports by 2020 and to more than double the maritime contribution to GDP by 2030." Embarking on this journey Sri Lanka has listed out initiatives to improve trade with neighbours which include BIMSTEC coastal shipping agreement, Sri Lanka and Bangladesh have also finalised a coastal shipping agreement to boost trade, investment

and maritime connectivity. These agreements will improve connectivity between both the nations, cutting on transshipment time and cost. It will particularly help the RMG sector as shipping via Colombo saves three days to the trade, as compared to sailing via Singapore. Concluding his address, De Silva averred that South Asian trade can grow 200 per cent if major barriers such as border tax distortions, non-tariff barriers, high connectivity cost and trust deficit are addressed.

"Bangladesh is our biggest development partner today. Maritime relations between the countries began in 1972 with the signing of protocol on Inland water transit," exclaimed **Guest of Honour, H.E. Mansukh Mandaviya, Hon'ble Minister of State for Road Transport & Highways, Shipping and Chemical & Fertilisers, Govt. of India.** Over the last few years India has extended three lines of credit worth \$8 billion for various socio-economic and infrastructure projects in Bangladesh. Improving connectivity between the two countries, Prime Ministers of both the countries inaugurated five different projects in areas of connectivity and integration of energy network. Mandaviya listed out Indian initiatives to strengthen maritime sector including Sagarmala programme, inland waterway development and plans to develop new ports and ship repair facilities on the east coast which

will be helpful to Bangladesh as well.

"SAMLf is very important from our national and regional perspective as it offers an excellent platform to boost shipping and logistics capabilities of countries in South Asia," remarked **H.E. Shajahan Khan, MP, Hon'ble Minister, Ministry of Shipping, Government of the People's Republic of Bangladesh.** The event will help explore opportunities and find solutions to existing challenges, share best practices and identify ways to promote collaboration among maritime nations. South Asia has recently posted outstanding growth and has a significant share in the international trade, but intra-regional trade has

been lagging behind due to lack of integration among member nations. The integration largely depends on the political will and connectivity. In this context the government is developing logistics infrastructure, deep seaports and high-speed rail connectivity to link ports to hinterland and neighbouring nations. South Asia is an emerging market which offers ample opportunities for expanding maritime capabilities in the region and such platforms can play a vital role in bringing together such regional countries and promote greater interest of the region.

"Like father, like daughter," Father of the nation Bangla Bandhu, Sheikh Mujibur Rahman was a visionary leader and his daughter, **H.E. Sheikh Hasina, MP, Hon'ble Prime Minister, Government of the People's Republic of Bangladesh** and Chief Guest of the event is no less. She shared the vision to register Bangladesh into the league of middle income countries by 2021 and to join the developed and prosperous ones by 2041. But this journey will not be lonely, as she believes in the collaborative development of the entire South Asian region. "There is a huge potential in maritime sector in South Asia and utilizing the sector it is possible to make a big lead into the socio-economic development of the people of this region," she declared.



Rapt audience at a session in progress



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HON'BLE PRIME MINISTER,  
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# COMMITTED TO SCALING UP INVESTMENTS IN MARITIME SECTOR

Welcome to the inaugural ceremony of the second South Asia Maritime and Logistics Forum 2018. I hope that the Forum will play an important role in socio-economic development of the people through augmenting the region's trade and commerce. Prior to the emergence of rail and road, water vessels were the main means of transport in Bangladesh. Nearly 700 rivers are flowing through Bangladesh, a land of 1,47,570 sq.km. The rivers and water bodies of Bangladesh are inherently connected to each other and play an important role in socio-economic upliftment of the nation. The internal logistics in Southern Bangladesh is mainly dependent on waterways and livelihood of a huge number of people is connected with this sector.

Restoring the primacy of inland water transport as a logical and competitive mode of transportation is one of the key priorities of the government of Bangladesh. The government is taking measures to reopen the closed river routes, improving their navigability to ensure safe and secure river routes. Savings in transportation cost of cargo resulting from the use of water transport rather than road are estimated at TK7.5 billion whereas the cost of dredging is estimated at TK0.6 billion per annum. In our National Integrated Multimodal Transport Policy, we have put forward a strategy that will seek to strengthen the position of inland waterways in the transport system.

South Asian geographic region is a major focus in recent times because of economic growth, trade and market expansion which in turn creates huge opportunity to expand logistics and maritime related services. With increasing economic growth of the country, international

trade is increasing day-by-day through waterways. The total export-import through waterways was 43.17mmt in FY2010-11, which increased to 73.21mmt in FY2016-17. With the support of multilateral and bilateral development partners, we will scale up our investments to provide sustained navigability of our waterways, modernize existing river ports, build new ports and inland container depots to improve cargo and passenger handling.

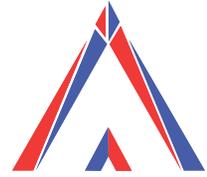
Bangladesh is developing rapidly and hopes to become a middle-income country by 2021. The government of Bangladesh, in cooperation with the government of the Netherlands, has prepared and endorsed the Bangladesh Delta Plan 2100 which aims to accelerate the GDP growth through proper utilization of water resources.

Average GDP growth over the past decade was over 6.5 per cent and it was 7.86 per cent last year. The poverty rate dropped to 21.8 per cent in 2018 from 41.5 per cent in 2005-06 and per capital income rose to \$1,751 from \$543 in the same period. In 2015, the World Bank recognized Bangladesh as lower middle income country and this year Bangladesh

“  
With the support of multilateral and bilateral development partners, we will scale up our investments to provide sustained navigability of our waterways, modernize existing river ports, build new ports and inland container depots to improve cargo and passenger handling.  
”

graduated to developing country from LDCs. We have been working to turn Bangladesh into a middle income country by 2021 and developed and prosperous one by 2041.

There is a huge potential in maritime sector in South Asia and utilizing the sector it is possible to make a big lead into the socio-economic development of the people of this region. I sincerely believe that the recommendations of the Second South Asia Maritime & Logistics Forum 2018 will help realize the desired goals. I wish this event a great success and declare it open. 



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# PROMOTING CROSS BORDER INVESTMENT AND TRADE

**T**his is my first visit to Bangladesh and I thank you for the warm hospitality extended. Bilateral relations between India and Bangladesh began immediately after the independence of the nation in 1971 and since then we have enjoyed very good diplomatic, friendly and cordial relations. There has been significant progress in the bilateral relations of the two countries under the leadership of Prime Minister of India, Narendra Modi and his counterpart in Bangladesh, H.E. Sheikh Hasina, MP. The momentum in our relationships has gone up due to the frequent high level exchange of visit between the two countries.

The visit of Narendra Modi, Prime Minister

of India, to Bangladesh in June 2015 and visit of H.E. Sheikh Hasina, MP, Prime Minister of Bangladesh, to India in April 2017 have marked significant milestones in our relationships. Bangladesh is today our biggest development partner. Over the last few years we have extended three lines of credit worth \$8 billion for various socioeconomic and infrastructure development projects in Bangladesh. We have taken a number of initiatives to improve connectivity between our two countries. Last month the two Prime Ministers jointly inaugurated five different projects in the area of connectivity and integration of our energy networks. Maritime relations between our countries began in 1972 with the signing of protocol on inland water transit and trade.

India has 200 major and non-major ports and about 20,000 km

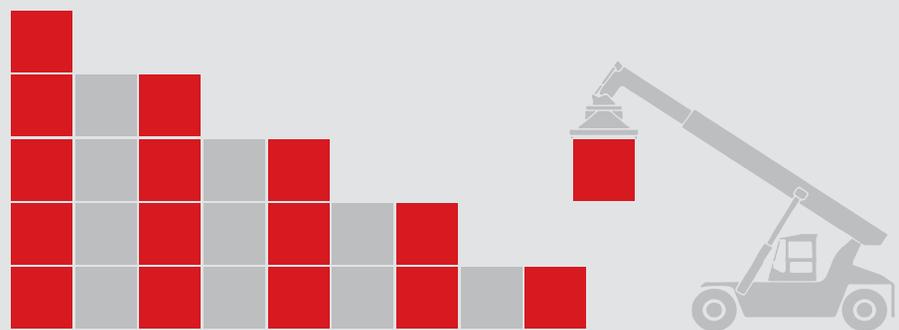
of inland waterways. Indian government has allowed 100 per cent FDI in the shipping sector which provides major investment opportunity. Recently the government of India launched the flagship Sagarmala Programme to promote port-led development, while reducing logistics cost for increasing competitiveness of our products. It will foster industrial growth and create new jobs. A number of initiatives have been taken for enhancing port capacity, promoting connectivity, coastal shipping and inland water transport. India also proposes to develop two ports as transshipment hubs and state of art ship repair facility on the east coast of India. These initiatives will help Bangladesh by offering services much closer to its geographical boundaries.

To boost inland water transport, Government of India has declared 111 river systems as national waterways for making them navigable. Development activities have been taken up in phased manner for development of these newly declared 106 national waterways. Jal marg Vikas Project is being implemented for navigational capacity augmentation of NW-1 on Haldia to Varanasi

“  
 Initiatives taken by both India and Bangladesh such as coastal shipping for cargo and cruise service will also propel economic growth  
 ”

route which will have an assured depth of 2.2 to 3mts for at least 330 days in a year. We also propose to undertake development of two prominent waterways in our northeast region on Brahmaputra.

Initiatives taken by both countries such as coastal shipping for cargo and cruise service will also propel economic growth. I am sure that this event will provide an excellent platform for exchange of ideas among industries, government and associations in South Asia region for enhancing investment opportunities to set up high quality infrastructure with a view to bring about further improvements in the maritime connectivity and overall efficiency for the wellbeing of people in the region. 



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# TIME FOR INTEGRATION OF TRADE AMONG SOUTH ASIAN NATIONS

**E**ven though I have been to Dhaka many times since 1997, this is the first visit in my official capacity as a Minister of the Government of Sri Lanka. I am most impressed at how Bangladesh is developing under the astute leadership of H.E. Sheikh Hasina, MP, Hon'ble Prime Minister, People's Republic of Bangladesh. A recent World Bank report titled 'A Glass Half Full: The Promise of Regional Trade in South Asia,' reveals that we in South Asia are nowhere near our potential in regional trade. In fact, given the proximity and size of our economies, the authors conclude that we should be trading three times more among ourselves than the current levels.

The cost of trade is disproportionately high in our region; 20 per cent more than country pairs in ASEAN and three times higher than corresponding costs among NAFTA, renamed USMCA countries. We all know that SAFTA is still far from achieving the goal of tariff-free trade. Most of us have lowered tariffs, but at the same time, many of us have adopted opaque para-tariffs contributing to SAFTA's under performance.

Categorizing large numbers of HS codes in to sensitive lists, various port restrictions and tough visa regimes have all added to this suboptimal outcome. Integration of trade among our South Asia must be looked at as being complementary and as a stepping stone for deeper global integration. Such a strategy would not only

## DR HARSHA DE SILVA

HON'BLE STATE MINISTER OF NATIONAL POLICIES & ECONOMIC AFFAIRS, GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

create more wealth in all our nations, but, allow our people to consume at much more affordable prices than at present.

If we are serious about regional trade, then, we must consider the barriers to achieving our objective. The first is, border tax distortions. Related to this is to rationalize para-tariffs and sensitive lists. Second, we must reduce as much as possible non-tariff barriers. Here, improving information flows and establishing procedures and infrastructure; say, for improving the efficiencies in registration, laboratory testing and authorization etc. is absolutely essential. We hear stories of how efficient players in one country become totally inefficient in another in our own region due to these non-tariff barriers.

Third is connectivity costs: Here, besides infrastructure inadequacies, businesses have to deal with complex customs procedures and heavy compliance costs, sometimes extracted as rents by corrupt officials. And fourth is trust deficits. We must address the trust deficits among our nations by reinforcing the virtuous circle between trade and trust.

While Sri Lanka is identified as a South Asian nation, for us, we are more an Indian Ocean nation.

“

Sri Lanka and Bangladesh have almost finalized a bilateral coastal shipping agreement to boost trade, investment and maritime connectivity between Dhaka and Colombo.

”

Our government has set specific targets to place the port of Colombo within the top 20 container ports in the world by 2020 and to more than double the maritime contribution to GDP by 2030. At present Colombo is the only deep-water container port in South Asia that is able to accommodate large vessels of 18,000 teus or more. The CICT Terminal has a depth of 18 meters, compared to 14 meters at JNPT and 9 meters at Chittagong Port.

Sri Lanka and Bangladesh have almost finalized a bilateral coastal shipping agreement to boost trade, investment and maritime connectivity between Dhaka and Colombo. It will increase the frequency of feeder services between the ports of Chittagong and Colombo to cut down both the transshipment cost and time, boosting competitiveness, especially for the apparel industry.

I invite the Bangladesh government to engage with us in a dialogue to map out a strategy to take advantage of the changing landscape and commit to liberalize the industry in such a way that our citizens can benefit from enhanced trade among our nations. 



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**H.E. MR SHAJAHAN KHAN, MP**  
 HON'BLE MINISTER, MINISTRY OF SHIPPING  
 GOVERNMENT OF THE PEOPLE'S  
 REPUBLIC OF BANGLADESH

## TIME TO PROMOTE GREATER INTEREST OF THE REGION

**I**t is a great pleasure and honour for me to welcome you all in the second SAMLF 2018. This event is being hosted by the Ministry of Shipping to provide a common platform with a view to boost shipping and logistics capacities of the regional countries and connect people and business domains of the South Asian region. The objective of this forum is to explore opportunities, find solutions for existing challenges, share best practices and identify ways to collaborate among maritime sector of South Asian countries, maintaining link with the developing and developed world.

This seminar is very important from our national and regional perspective. South Asia has shown outstanding economic growth in the past two decades and maintained a significant share in the regional and international trade. It has a very promising prospect of developing the maritime and shipping sector to take lead in maritime business in the 21st century. South Asia is now the fastest growing region in the world and has posted exceptional trade performance since the liberalisation era in the 1990s. However, intra-regional trade has been lagging behind mostly due to integration effort that largely depend upon political will and connectivity. For improving connectivity there is need to develop communication network and taking this in view Metro rail, Dhaka

elevated expressway, deep seaport, Bay Terminal, LNG station and some other mega projects are being implemented by the government to connect ports with land-based industry located around the country.

Presently annual growth in trade connected through Chittagong Port is 14 per cent on average. More dynamism in the operational activities of the port has been introduced. To meet the demand of the regional transportation network, Payra Port has been established in 2013 as a deep seaport on the southern part of Bangladesh. Bangladesh Land Port Authority also started operations since 2001 with a mission to expedite and facilitate export/import activities through land port. Department of shipping is ensuring safety of inland, coastal and ocean going vessels of Bangladesh and foreign vessels calling our port.

“

South Asia has a very promising prospect of developing the maritime and shipping sector to take lead in maritime business in the 21st century.

”

South Asia is a major focus of global growth, trade and market expansion. This can create an opportunity to expand logistics and maritime related services in this region. South Asia Logistics and Maritime Forum can play a vital role to bring together all the regional countries and promote the greater interest of this region which could help all countries in South Asia and its people to develop maritime and shipping for our economic advancement. [img](#)

South Asia Gateway Terminals (SAGT) the first public-private partnership container terminal in Sri Lanka is an award winning organisation that has dedicated itself to realising the maritime hub aspirations of the nation. With a heritage that spans 19 years, SAGT has continuously redefined the standards of excellence in the maritime industry. As one of three operators in the Port of Colombo, SAGT has been an instrumental force in propelling the Port of Colombo to become the preminent gateway hub in South Asia.



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**MR MD. ABDUS SAMAD**  
 SECRETARY, MINISTRY OF SHIPPING,  
 GOVERNMENT OF THE PEOPLE'S  
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## COLLABORATE TO EXPLORE INVESTMENT AND BUSINESS OPPORTUNITIES

**W**e are immensely delighted to welcome this august gathering to the second SAML 2018. At this memorable moment we remember the famous quote by Father of the Nation, Bangla Bondhu Sheikh Mujibur Rahman – “The importance of endless sea resources,” which signifies the importance he gave to developing maritime excellence. For the first time in the history of Bangladesh he enacted the Territorial Water and Maritime Zones Act 1974 to establish the country’s sovereign right over the sea and its resources. Bangla Bondhu also managed to procure 19 ocean going ships almost free of cost from various friendly nations of Bangladesh.

It is a matter of great honour and pride that under the guidance and leadership of H.E. Sheikh Hasina, MP, Prime Minister of the People’s

Republic of Bangladesh, Bangladesh has established its legitimate rights over the sea, developed ports with modern facilities and sustainable inland waterways by carrying out 1500 km of dredging in the past 10 years. The country has been able to procure 6 ocean going ships, increased efficiency of Chittagong and Mongla Ports by installing state-of-the-art equipment along with construction of new jetties and terminals. With her kind support Bangladesh is going to construct the Payra deep seaport and Matarbari commercial seaport that will further augment the

trade by calling mother vessels to directly connect to Bangladesh and will significantly help in decongesting other existing ports in the country.

Bangladesh is a maritime country by the emergence of its geographical formation. The nation is not only connected to South Asia, but also connected to South East Asia, Asia Pacific, Europe, America and Africa as well. This forum brings together governments, trade associations and industries in South Asian region in contact with leading business enterprise from Europe, Middle East and South East Asia, to promote technology transfer, improve maritime relations, develop logistics and green shipping in the region.

“

Under the leadership of Honourable Prime Minister, Bangladesh has established its legitimate rights over the sea, developed ports with modern facilities and sustainable inland waterways by carrying out 1500 km of dredging in the past 10 years.

”

The conference will explore opportunities, find solutions for the existing challenges, share best practices and identify ways to collaborate. New business and investment opportunities in the region and respective countries will be promoted to a global audience. [img](#)



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# FOCUS ON BUSINESS AND ECONOMIC INTEGRATION

**MR RAVI RAMPRASAD**  
 EDITOR-IN-CHIEF & PUBLISHER,  
 MARITIME GATEWAY, INDIA



**W**e are grateful to the Government of the People's Republic of Bangladesh for accepting and convening the second South Asia Maritime and Logistics Forum here in Dhaka. I would like to express my most sincere gratitude to H.E. Sheikh Hasina, MP, Hon'ble Prime Minister, Government of the People's Republic of Bangladesh, for her gracious presence in this opening ceremony. My special thanks to all the honourable ministers for gracing the occasion.

The First South Asia Maritime and Logistics Forum was organised in September 2017. It was for the first time stakeholders of maritime sector of South Asian countries had an opportunity to come together on to one platform to discuss key issues related to intra-regional trade and maritime connectivity. Following the success of that inaugural conference, it was agreed that forum should be convened again. With Ministry of Shipping, Government of Bangladesh offering to host the meeting, all of us could meet again in Dhaka.

Bangladesh has become one of Asia's most remarkable success stories in recent years with GDP growth for FY2017-18 being

the highest with 7.86 per cent. Bangladesh is making a lot of investment into strengthening maritime and logistics infrastructure, as the country is flexing its capacity to use its natural geographic location and transform into a "gateway and connectivity hub" between South Asia and Southeast Asia.

Though South Asia holds a huge potential, unfortunately it remains untapped. South Asia's intra-regional trade is the lowest in the world restricting the region's economic promise. There is an urgent need for the nations to focus on business and economic integration with each other. If the existing trade barriers are eliminated facilitating regulated trade flow, South Asia's regional trade volume could grow from the existing \$23 billion to \$67 billion.

Another challenge we face in this region is that many South Asian countries trade on better terms with distant economies than with their own neighbors.

South Asia's key challenges include high trade costs and investment restrictions, limited transport

connectivity, logistics and regulatory impediments, policy decisions governed by politics rather than economics, lack of trust initiatives, relative asymmetry in size among South Asian nations and volatile geo-political environment and security concerns. These challenges can be overcome only by more business and economic integration.

A classic example of intra-regional coordination is coastal shipping between Bangladesh and India. The recent decision of Government of Bangladesh to allow use of Chattogram and Mongla Ports for the movement of goods to and from India is commendable. This will create fastest possible access to a port from northeast India and will help increase connectivity in that region.

Container shipping lines and port operators in India are seeking permission for transshipment of Bangladesh cargo from Indian ports. This would reduce long delays and significant additional costs. Bangladesh and Sri Lanka are also looking at coastal shipping options. A recent survey among stakeholders in Bangladesh has revealed the below mentioned priorities before government and private sector to build an efficient and smart supply chain:

- Urgent need to increase port capacities to meet the growing demand of cargo
- Port connectivity to be established for seamless and smooth movement of cargo – either through road or rail
- Simplified customs regulations: Faster processes need to be implemented. Documentation to be simplified. Technology to be engaged which can be a game changer.
- Favourable government policies to create better ecosystem and ease of doing business
- Mechanization of cargo handling at ports and terminals to improve the productivity and efficiency
- Deploying digital technologies like online platforms, Block chain, Cloud systems

Forum such as this provides a valuable opportunity for investors, service providers, end customers, industry specialists and decision-makers to share experiences. I am grateful to the many experts from government and industry who have come to share their knowledge at this forum. [img](#)



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# Investment opportunities and infrastructure development in maritime sector of Bangladesh

Key stakeholders from the Bangladesh maritime fraternity deliberated on the current status of maritime and logistics infrastructure in the country and development plans on the drawing board



(L to R) **Md. Abdus Samad**, Secretary, Ministry of Shipping, Government of the People's Republic of Bangladesh; **H.E. Tofail Ahmed**, MP, Hon'ble Minister, Ministry of Commerce, Government of the People's Republic of Bangladesh; **Kazi M Aminul Islam**, Executive Chairman, Bangladesh Investment Development Authority (BIDA) Bangladesh; **H.E. Riaz Hamidullah**, Hon'ble High Commissioner of Bangladesh to Sri Lanka.

At the outset, Moderator and Chairperson, **Kazi M Aminul Islam, Executive Chairman, Bangladesh Investment Development Authority (BIDA) Bangladesh**, called for a clear focus on improving logistics. Bangladesh has the second largest RMG sector in the world but the profit margin in this sector is becoming slim by the day. "We have to improve our competitiveness by upgrading our services. One of the important areas in this regard is maritime logistics," he pointed out. Bangladesh has made phenomenal progress since 2009

and its growth this year is around 8 per cent. The economy is expanding and getting more integrated with the global economy. Expanding economy, growing middle class and integration with global economy indicate that the country can better benefit with improvement in logistics.

"Significant developments are on the cards. In June 2015 Bangladesh and India signed the coastal shipping agreement and in October 2018 Bangladesh and Sri Lanka are close to finalise a coastal shipping agreement. Combining these two developments, there is a tremendous business case coming up," noted **H.E. Riaz Hamidullah, Hon'ble High Commissioner of Bangladesh to Sri Lanka**. Chittagong and Colombo get connected and this will make vessels to call on third country ports,

which will be essentially India's east coast. A new supply chain and value chain will come up. If we add the BIMSTEC coastal shipping agreement to this scenario, then it will unlock the potential in the Bay of Bengal. Talks are in progress among India, Bangladesh and Sri Lanka for SEPA. We need to explore how soft infrastructure like Block Chain can help connect in a nascent landscape like Bangladesh. Coming to multimodal connectivity for hinterland, another scenario Hamidullah shared was about linking Dhaka and Delhi through a container train.

India is working towards seamless connectivity from Assam to Colombo using coastal shipping and inland waterways. Laugfs Gas is looking at using Hambantota Port as an energy



A hall packed with audience from maritime fraternity



hub for feeding into Mongla Port, this makes for another tremendous business case. The point here is how can Bangladesh get prepared to get maximum benefit out of these? Hamidullah also hinted at the need to revisit the policy and regulatory framework of Bangladesh considering its impact on trade with the neighbouring nations.

**Md. Abdus Samad, Secretary, Ministry of Shipping, Government of People's Republic of Bangladesh,** briefed on the status of maritime infrastructure in Bangladesh and development plans. Bangladesh's exim trade is growing at 14 per cent annually and Chittagong Port plays a key role in this as it handles about 4000 ships annually. Infrastructure at the Port is being upgraded with construction of new jetties and terminals. Plans are onboard to further add 25 more jetties to Chittagong Port and more quay cranes will be installed which will drastically improve the turnaround time for ships. New jetties are also being planned at Bay Terminal. Activity at Mongla Port has also increased and the port now handles about 700 ships in a year. More Jetties and terminals are being added to Mongla Port along with cargo handling equipment to increase its capacity. Payra Port is being developed and will be ready in two years for mother vessels to call. Port at Matarbari is being developed with help from JICA. It will be another

deep seaport with 16 meters draft.

At Mirsarai about 100 economic zones are being developed and to connect these industrial clusters a port is also being planned in that location. About 30 river ports are being developed to enable quick movement of cargo and to decongest roads.

"Bangladesh's exports in 1972-73 were \$348 million and comprised of 25 items, of which three items including jute, tea and leather had a major share," remarked **H.E. Tofail Ahmed, MP, Hon'ble Minister, Ministry of Commerce, Government of People's Republic of Bangladesh,** as he compared the current scenario in Bangladesh with that during the early days of independence. Current trade of Bangladesh stands at \$37 billion in exports during 2017-18, while the service sector has recorded \$41.5 billion. GDP of Bangladesh in 2017 was 7.86 per cent and the current year will exceed 8 per cent. He read out the investment opportunities for private sector which include Laldia Terminal that is being developed on PPP basis, Matarbari deep seaport is being developed for which JICA has completed the feasibility study, a floating terminal for LNG is also coming up at Matarbari. As he concluded, Tofail Ahmed repeated the vision of Prime Minister Sheikh Hasina, to make Bangladesh a developed country by 2041 and the exports will touch \$100 billion by that time. [img](#)



**H.E. Tofail Ahmed, MP, Hon'ble Minister, Ministry of Commerce, Government of the People's Republic of Bangladesh** addressing the audience



(L to R) **Tamal Roy**, Chief Strategy Officer, JM Baxi Group; **Fayyaz Khundker**, MD, Ocean Network Express (Bangladesh) Ltd; **Anil Yendluri**, Director and CEO, Krishnapatnam Port Company Ltd; **A K M Faruque Hassan**, (N) afwc, psc, BN, Chairman, Mongla Port Authority; **Md. Abul Kalam Azad**, Principal Coordinator (SDG Affairs), Prime Minister's Office, Government of the People's Republic of Bangladesh; **Romesh David**, CEO, South Asia Gateway Terminals Pvt Ltd; **Vinit Kumar**, IRSEE, Chairman, Kolkata Port Trust

“The South Asian region is the fastest growing economy and as it grows the importance of port related infrastructure expansion becomes more evident,” remarked Moderator and Chairperson, **Commodore A K M Faruque Hassan**, (N) afwc, psc, BN, Chairman, Mongla Port Authority, Bangladesh.

“South Asia is the least integrated region and intra-regional trade accounts for 5 per cent, while intra-regional investment is less than 1 per cent. This highlights the potential for growth,” commented **Fayyaz Khundker, MD, Ocean Network Express (Bangladesh) Ltd.** Connectivity between neighbouring nations has to improve and this is possible only if bilateral governmental meetings and policies focus on it. Connectivity is not a standalone issue and needs contribution by all nations and by all means, which includes improving logistics infrastructure as well. A lot of trade in South Asia moves through expensive transit routes, for instance, cotton from India moves via transshipment hubs to Bangladesh increasing the logistics cost. A beginning needs to be made on selected routes rather than opting for extensive coverage and government initiatives along with private participation through PPP will be effective. Technology and knowledge sharing among regional countries can help boost collaborative development.

**Vinit Kumar, IRSEE, Chairman, Kolkata Port Trust, India** elaborated on infrastructure development at

## Growing Economy needs Expansive Port Infrastructure

The session discussed maritime and logistics infrastructure, capacity expansion happening in India, Bangladesh and Sri Lanka to benefit the trade movement

Kolkata Port and how trade with Bangladesh through the port can be improved. Giving a brief intro about Kolkata Port, Vinit Kumar shared the port's performance that was 58 million tonnes of total loading in 2017 (41 MT in Haldia and 17 MT at Kolkata) and this year 10-12 per cent growth is expected. Last year revenues were ₹2300 crores and this year 10 per cent growth is expected. The port has draft and vessel size restrictions due to which trans-loading is done. The port has anchorages at open sea and at Sagar and Diamond harbour. Two floating cranes are deployed and a jetty has been constructed outside the dock system. The cranes can discharge cargo at the rate of 8000 tonnes per day. The port is

developing multimodal infrastructure for which the mainline from Haldia is being doubled. At Kolkata Port the container handling capacity is one and half rake per day and after capacity addition the handling will increase to four rakes per day. Two terminals are being developed outside the harbour in Haldia, one for liquid cargo while other will be bulk-cum-liquid terminal. A mechanised berth will be added at Kolkata Port and a bulk cargo handling berth will be added at Haldia. The vision is to expedite the discharge rate and evacuation at the port.

There is a lot of trade imbalance between India and Bangladesh. While exports from India are 6 billion, imports from Bangladesh are about



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**Md. Abul Kalam Azad**, Principal Coordinator (SDG Affairs), Prime Minister's Office, Government of the People's Republic of Bangladesh, making his point on trade and logistics infrastructure



An engrossed audience during the session

600 million. 60 – 70 per cent of this cargo moves through the land ports, so there is huge potential for seatriade to grow. About 5000 containers were exchanged with Bangladesh through Kolkata Port last year and in the first half of the current year about 4000 containers have already moved.

“All the cotton from India still goes by trucks to Bangladesh, while one of the largest private ports on the east coast of India is just at a distance of 2 hours drive from Guntur, the cotton capital of India,” revealed **Anil Yendluri, Director and CEO, Krishnapatnam Port Company Ltd, India**. This is because we have some connectivity issues between Krishnapatnam and Bangladesh. If these are resolved then traders from both the countries will benefit. The port plans to increase its bulk handling capacity to 300 million tonnes in a decade or two. This can be achieved by building 42 additional berths and dredging them up to 22 meters of draft. The port has excellent road connectivity with 5000 trucks moving in and out daily with zero waiting time. This capacity can be scaled to 50,000 trucks as the roads connecting the port are 20 lanes broader. The port can evacuate 60 trains a day. The IT infrastructure is maintained such that the data moves between the stakeholders faster than the cargo. Krishnapatnam Port offers door-to-door service to ensure ease of doing business.

Anil also hinted at some of the synergies India and Bangladesh can develop to grow together. For instance, in South India all the states have banned river sand mining, while there

is lot of sand in Bangladesh that can be exported to India. Similarly raw cotton can be exported to Bangladesh and finished garments can be imported back to India.

**Tamal Roy, Chief Strategy Officer, JM Baxi Group, India** briefed on the operations of his company. “JM Baxi Group has always looked east and this has led us to develop some terminals primarily in Haldia, Paradip and Vizag.” Haldia Container Terminal handles 200,000 teus annually and there are plans to increase capacity by adding quay cranes and other equipment. Vessels are already calling this terminal from Pangaon in Bangladesh. The Paradip multipurpose terminal has 16 meters draft and has just been commissioned. It handled half million tonnes of steel till date and will soon handle containers as well. It caters to the hinterland of Odisha. The Vizag terminal handles 400,000 teus per annum and is being expanded to handle a million teus per annum. Bangladesh traders can save 30 per cent of their cost by using ports on the east coast, while India can use ports in Bangladesh to connect north-eastern states. Ports on the east coast can also help in repositioning of empties.

Regulatory moves such as relaxation of Cabotage and coastal shipping agreement between India and Bangladesh offer tremendous potential for trade community in both countries to reduce their logistics cost and time.

“75 per cent of the cargo at the port of Colombo is transshipment, of which 75 per cent is destined for the ports in Bay of Bengal,” said **Romesh David, CEO, South Asia**

**Gateway Terminals Pvt Ltd, Sri Lanka**. In this context Port of Colombo has posted a fifteen year CAGR of 9 per cent which reflects upon the growth in trade from South Asia to the rest of the world. South Asia being the fastest growing region in the world, the trade has immense potential. To match this growing trade the Port of Colombo has been expanding its capacity. Currently it has 7 million teus capacity, growing at around 12 per cent y-o-y. The hard infrastructure at the port has an additional expansion capacity of 9 million teus. This growth will be complementary to the growth of neighbouring ports in South Asia.

“Be it ports in India, Bangladesh or Sri Lanka, how do we increase the volumes of cargo? Are we doing business amongst ourselves?” questioned **Md. Abul Kalam Azad, Principal Coordinator (SDG Affairs), Prime Minister's Office, Government of the People's Republic of Bangladesh**. If we increase the trade among our nations it will add to the performance of our ports and economies. As the first step Bangladesh will need to increase its exports to ASEAN. The country is expanding its logistics infrastructure including waterways as all the rivers are being dredged for moving cargo. Cargo from Chittagong can reach Assam and the seven sister states of India. Traders can choose any of the ports in Bangladesh based on time and cost efficiencies. In addition to infrastructure, the Customs and other government services in the country are being streamlined for ease of doing business. 



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(L to R) **Shashi Bhushan Shukla**, IRS, Member (Traffic), IWA; **Sajjadul Hassan**, Secretary, Prime Minister's Office, Government of the People's Republic of Bangladesh; **Dr. Gowher Rizvi**, Advisor to Hon'ble Prime Minister, Government of the People's Republic of Bangladesh; **Vinita Venkatesh**, Director, Navayuga Container Terminal Pvt Ltd; **Md. Abdus Samad**, Secretary, Ministry of Shipping, Government of the People's Republic of Bangladesh; **Commodore Ariful Islam**, Director General, Ministry of Shipping, Government of the People's Republic of Bangladesh; **SK Mahfuz Hamid**, Managing Director, Gulf Orient Seaways Ltd

## South Asia is our route to progress: Need to rebuild the linkages

“Inhabitants of South Asian region depended on the Indian Ocean and Bay of Bengal since time immemorial for their livelihood,” remarked Moderator and Chairperson, **Sajjadul Hassan, Secretary, Prime Minister's Office, Government of the People's Republic of Bangladesh**, as he spelled the aim of the session for governments, business community and trade associations to together share experiences, develop collaborations, identify new investment and business development opportunities among member countries in the maritime domain, while promoting respective countries to global audience.

**Sanjay Swarup, Director (International Marketing and Operations), Container Corporation of India Ltd (CONCOR)**, focused his discussion on regional connectivity in South and southwest Asia. One of the earlier initiatives to improve connectivity in this region was a container train that moved through the first land bridge in 1998-99 and since then the route is operated as Russian-trans-Siberian rail route. The second initiative was by china when they

The session brought to the fore endless business possibilities by using coastal protocol route, developing rail connectivity and promoting transshipment among the ASEAN nations

established the second Asian Europe Continental Land Bridge. In January 2008, a pilot container train travelled along that route between Beijing and Hamburg. The three Asia-Europe Continental Land Bridges may be seen together in the next line. The first and second Asia-Europe land bridge are already operational. Unfortunately the third land bridge passing through South and Southwest Asia region has not progressed much due to lack of political support and several missing rail links. This is one of the main reasons for the logistics cost in our region ranges between 13 to 14 per cent of GDP as compared to the first world countries where it is 8 per cent of GDP.

Talking about the multimodal transport scenario in India he

said, India has about 70 dry ports operational, of which 50 are operated by CONCOR. With addition of few more dry ports, the figure is likely to reach 85 dry ports by 2020-21. Almost all CONCOR facilities are rail-linked and operate a fleet of 300 high-speed rakes. In addition another 17 private container train operators also offer cargo logistics services connecting various ports to hinterland and dry ports. In the east, rail connectivity between India and Bangladesh is at 5 locations, of which 3 are operational: Gede-Darshana; Petrapole-Benapole; Singhabad-Rohanpur. Demonstration container train has been run between Dhaka and Kolkata. Talks are in progress with the revenue department of Bangladesh for moving motor parts, cotton, machinery and cement



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for which there is huge demand from India for exporting to Bangladesh. CONCOR has the potential to run at least one train per day to Bangladesh for moving these commodities. Going by sea it takes 24 days to reach Dhaka from Ludhiana, but the same journey can be accomplished in 5 days if a direct train connects Ludhiana to Dhaka. Considering the transit time and cost this is a very beneficial proposition for trade community. CONCOR is also looking forward for barge movement from east coast of India to Pangaon.

**Vinita Venkatesh, Director, Navayuga Container Terminal Pvt Ltd, India** put forward initiatives in progress to make the bilateral protocol between India and Bangladesh work. Movement of goods from India to Bangladesh is good and growing, but the challenge is to improve exports from Bangladesh into India. Imports and exports between the countries need to be balanced in order to make the movement of river sea vessels between the nations a success. After the bilateral protocol was signed Krishnapatnam Port was the first to approach the sea vessel operators of Bangladesh and in March 2016, a service of the Neepa Paribahan moved cotton cargo from Krishnapatnam Port to Bangladesh. On the return leg, the service could bring only empties, as there was no return cargo. A possibility for filling the ships on the return leg is with RMG that are being exported from Bangladesh to India. “We are confident that we can load 120 teu from Krishnapatnam Port to ICD Pangaon and in the reverse journey as well,” claimed a confident Vinita. She appealed to all the trade present at the event including exporters, importers, river sea vessels operators and container operators to come together and make the protocol a success. “We would like to see a river sea vessel service commence from Krishnapatnam Port to Pangaon Terminal, latest by second week of November.”

Another aspect to be addressed is the congestion growing at the international border. Huge amount of cargo travels 2000 km from south of India, all the way crossing over almost 5 states of India and finally reaching the border where a delay of at least 14 days is unavoidable. In

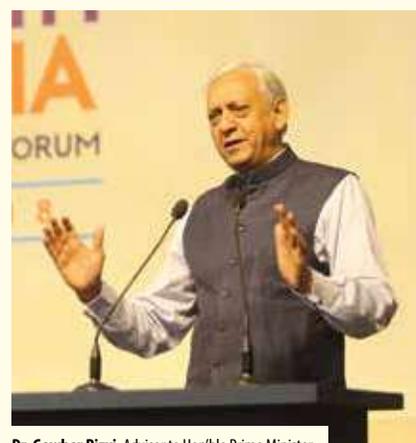
the process a lot of pilferage of cargo happens and the safety of cargo is also compromised. Sometimes the cotton transported through land gets so damaged that certain part of it is not useful. Moving goods in containers through sea is extremely safe and free from the risk of pilferage and damage.

We are calculating the cost of moving goods from south India into Dhaka via road and we plan to offer you a lower cost proposition for moving goods by sea from Krishnapatnam Port to ICT Pangaon. There are two options for connecting Krishnapatnam Port to Pangaon – one is through river sea vessels operated by Shreyas Shipping which already connects Krishnapatnam Port to Colombo and is ready to connect Pangaon as well.

A major concern raised by Vinita was about Customs processes because sometimes they insist for de-stuffing and checking the entire cargo from the container. “To resolve this issue we can offer container scanners installed at Krishnapatnam Port for Indian Customs to use them and the report generated by Indian Customs can be shared with the Bangladesh Customs to expedite and simplify the Customs process,” suggested Vinita.

Since the relaxation of Cabotage the volume of exim transshipment handled at Indian ports has tremendously increased. On the east coast, Krishnapatnam Port is the highest volume transshipment cargo operator. 20,000 teus or 50 per cent of the cargo handled by the port is transshipment. Cargo coming from China and Korea which was earlier transhipped at Singapore and Port Klang, is now transhipped at Krishnapatnam Port for Kolkata and Haldia. A similar service can be offered for Chittagong Port as well and the cost for both mainlines and feeder operators will be comparatively low.

**Shashi Bhushan Shukla, IRS, Member (Traffic), Inland Waterways Authority of India (IWAI)**, shared the projects taken up by the government of India to promote Inland waterways. In 2016, the government identified 111 waterways as national waterways, which includes 20,000 km of rivers that are being developed in a phased manner. Some of these rivers are chosen on priority: NW-1 that includes Ganga, Bhagirathi and Hooghly



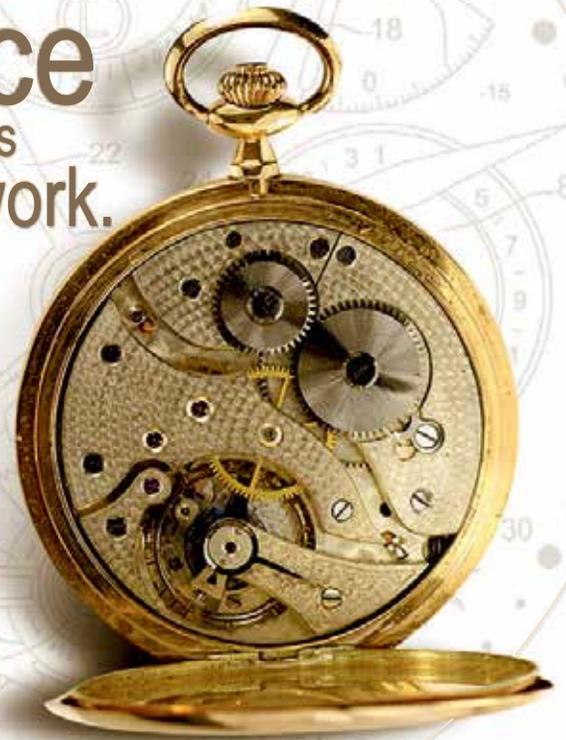
**Dr. Gowher Rizvi**, Advisor to Hon'ble Prime Minister, Government of the People's Republic of Bangladesh, explains why South Asia matters?

which connects to Bangladesh river system in Sundarban. NW-1 is being developed at a cost of ₹6000 crore and three multimodal terminals are being developed each at Varanasi, Sahebgunj and Haldia. One new navigational lock at Farraka is being developed, along with two intermodal terminals at Ghazipur and Kalughat. A terminal is also being developed in Kolkata that will be operated by M/S Summit Alliance based in Bangladesh. NW-1 will be connected to the protocol route to ensure seamless movement of vessels of approximately 2000 tonnes with uniform draft of 3.5 meters for up to 3600km. Cargo from North India can come directly to Bangladesh through waterways.

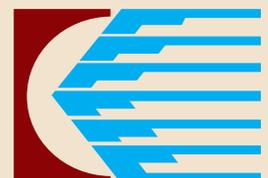
“It is very important to understand why South Asia matters? South Asia is our route to progress,” said **Dr. Gowher Rizvi, Advisor to Hon'ble Prime Minister, Government of the People's Republic of Bangladesh**. Until 1947 this region was highly integrated but in the later years the linkages between the countries have been dismantled. There is a need to rebuild those linkages. While as individual countries we have made tremendous progress but as a region we have failed to integrate. In the past 70 years we have been competing instead of collaborating for mutual progress and the result is evident – South Asia has the largest population below poverty line and illiterate. A beginning has to be made at this platform to foster mutual cooperation and collaborative development in the region. 

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(L to R) **Md. Sakhawat Hossain**, MD, Western Marine Shipyard Ltd; **Commodore Zulfiqur Aziz** (E) PSC, BN, Chairman, Chattogram Port Authority; **Rear Admiral (Retd.) Md. Khurshed Alam**, Hon'ble Secretary, Maritime Affairs Unit, Ministry of Foreign Affairs, Government of People's Republic of Bangladesh; **Major (Retd.) Rafiqul Islam** (Bir Uttam), MP, President, Parliamentary Standing Committee on Ministry of Shipping, Government of the People's Republic of Bangladesh; **Dr Muzibur Rahman Howlader**, Chairman, National River Conservation Commission; **Abul Kasem Khan**, President, Dhaka Chamber of Commerce and Industry; **Tariqul Islam**, Executive Director, Ananda Group



## Maritime Allied Infrastructure

A clear picture of where Bangladesh stands in the global scenario in shipbuilding, bunkering and the significance of river dredging for the country was placed before the audience

“Even though Singapore is not an oil producing country but 60 per cent of the total bunkering takes place at Singapore, while 24 per cent takes place in Dubai,” revealed **Commodore Zulfiqur Aziz (E) PSC, BN, Chairman, Chattogram Port Authority, Bangladesh**. The session deliberated on the opportunities and challenges in dredging, shipbuilding and bunkering and how they can be overcome?

“If we see the statistics, only 3 countries are in the forefront in shipbuilding – Korea, Japan and China. Even though Bangladesh is lagging behind in this sector, but not to that extent,” shared **Rear Admiral (Retd.) Md. Khurshed Alam, Hon'ble Secretary, Maritime Affairs Unit, Ministry of Foreign Affairs, Government of People's Republic of Bangladesh**. Currently Bangladesh has 0.57 per cent of the world's total shipbuilding, but if it is increased to one per cent, then it will total to about \$200 billion market. Bangladesh has been building ships for the past 100 years and the country can further develop the industry. Singapore tops in bunkering, followed by Cochin

Port that does about a million tonnes bunkering, but Chittagong port does not provide bunkering service and this aspect needs the attention of the government. South Asian nations also need to focus on LNG bunkering as only Singapore is prepared to supply LNG bunkering. Bangladesh has paid \$5 billion to ships carrying its exim cargo. If Bangladesh develops its own fleet then atleast 40 per cent of this cost could be saved. Currently the Shipping Corporation of Bangladesh has only 2 ships hence there is huge potential for entrepreneurs to explore this domain.

**Md. Sakhawat Hossain, MD, Western Marine Shipyard Ltd, Bangladesh** discussed in detail the status of shipbuilding in Bangladesh and where it stands in the global scenario? Bangladesh builds ships for European markets, South America, East Africa and to neighbours like India, Pakistan, Dubai. In the next five years, the total market will be about \$200 billion and Bangladesh can tap atleast \$2 billion from it. Demand for new ships is growing in the coastal shipping market which is about 43 per cent. Starting in 1922,

today Bangladesh has ten shipyards of international standards, in addition there are about 110 shipyards and dockyards that can meet the growing demand from coastal shipping. By 2030 Bangladesh plans to rise above being a middle income country and the shipbuilding sector can be a significant revenue generator in this context.

“World shipbuilding has seen an unprecedented crisis over the past decade. In 2007 world shipbuilding order was 1,0055 units divided across major shipbuilding nations such as S.Korea, Japan, Vietnam. Ten years down the line in 2016, the order book has shrunk to 4851 units,” informed **Tariqul Islam, Executive Director, Ananda Group, Bangladesh**. His discussion revolved around how shipbuilding has contributed to the growth of maritime logistics in the country. Bangladesh shipyards can build ships of upto 20,000 DWT. Most of the shipyards are located on the banks of major rivers like Meghna, Karnaphuli. Till 2017, Bangladesh has built about 1684 units of ships of various types and sizes. The current industrial policy has declared shipbuilding as a thrust sector. Combined export earnings from this sector is about \$200 million, which indicates the potential in the sector for contributing to the improvement of the nation's economy.

“Rivers Ganga, Yamuna, Brahmaputra and Meghna are

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An attentive audience listening to the panelists

depleting, especially during the dry season and are further being polluted by growing volume of sludge which is a glaring problem for Bangladesh, as rivers form a major part of the marine logistics system in the country,” revealed **Dr Muzibur Rahman Howlader, Chairman, National River Conservation Commission, Bangladesh.** This background makes dredging of rivers very necessary and in the coming years the quantum of dredging has to be increased to meet the growing draft requirements. Laws and rules need to be simplified for shipbuilding and dredging so that ASEAN nations can better collaborate on this front.

“Bangladesh is the natural gateway between South Asia and Southeast Asia and the fastest growing economy in the world, but the 2017 World Economic Forum report ranks Bangladesh logistics infrastructure at 111 out of 138 nations ranked,” shared **Abul Kasem Khan, President, Dhaka Chamber of Commerce and Industry.** As per IMF data Bangladesh is the 43rd largest economy in terms of nominal GDP and as per the latest report of Price Waterhouse Coopers, Bangladesh will become the 28th largest economy by 2030. It will be larger than Vietnam, South Africa and the Netherlands. By the year 2050 Bangladesh will be the 23rd largest economy of the world. An injection of about \$320 million will be needed into the economy by 2030 for infrastructure development, of which, about \$250 million will be needed for roads, and other logistics services. Inland water transport should be developed to play a major role in cargo movement,



Rear Admiral (Retd.) Md. Khurshed Alam, Hon'ble Secretary, Maritime Affairs Unit, Ministry of Foreign Affairs, Government of People's Republic of Bangladesh, details on Shipbuilding in Bangladesh

only then can the roads and ports be decongested. Storage and warehousing is also a major element of logistics and needs to be developed along with the growing needs of the trade. Bangladesh also ranks poorly at 87th position in the Logistics Performance Index report of the World Bank in 2016. The country is far behind India, Vietnam, Indonesia and Thailand in terms of quality infrastructure. Although the infrastructure competitiveness has been improved from 114 to 111 rank, but still remains at the bottom along with other south Asian nations. Considering the RMG sector is the second largest in the world, it needs to be supported by world class logistics and maritime facilities such that the trade does not lose its competitive position in the global scenario.

The government has already sprang into action with the establishment of the new terminals including the Bay Terminal. These

projects need to be fast-tracked and should become functional at the earliest to facilitate expansion of trade in Bangladesh. To expedite maritime development in the country, a single maritime authority titled National Maritime and Ports Authority needs to be created, given the current need to develop, monitor and regulate maritime infrastructure, supported by a robust business and investment climate to ensure overall competitiveness of the country and encourage more private sector participation under a level playing field ecosystem.

**Major (Retd.) Rafiqul Islam (Bir Uttam), MP, President, Parliamentary Standing Committee on Ministry of Shipping, Government of the People's Republic of Bangladesh,** reiterated the words of Prime Minister Sheikh Hasina, “It is not that I want only Bangladesh to prosper, I want all the neighbouring countries to prosper as well.” Competition is good, but it should be for developing each other and not to destroy each other. Considering the meagre share of Bangladesh in shipbuilding the country should strive to come at par with Japan and Korea in the near future. The demand for dredging will increase manifold in the days to come, considering the level of silting in the rivers.

While maritime aspects of India, Bangladesh and Sri Lanka have been discussed in the forum but other South Asian nations have been missed out, remarked Rafiqul Islam and expected the 3rd edition of SAMLFF to house a detailed gathering from all the South Asian countries so that the opportunities and challenges of the entire region can be discussed and understood as a whole. [mgf](http://mgf.org)

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# Barriers to intra-regional trade in South Asia



(L to R) **Sailesh Garg**, General Manager and MD, Drewry Maritime Services; **Tarafder M Ruhul Amin**, MD, SAIF Powertech, Bangladesh; **Shubhashish Bose**, Secretary, Ministry of Commerce, Government of the People's Republic of Bangladesh; **Md. Nojibur Rahman**, Principal Secretary, Government of the People's Republic of Bangladesh; **Shantanu Bhadkamkar**, Chairman ATC Group; **Khandaker R Zaman**, MD, Allseas Bangladesh; **Nandan Valgi**, Managing Director, Boxco Logistics

**T**he focus area of the present government of Bangladesh is to provide employment to the vast population of the nation by expansion of trade and commerce,” revealed moderator of the session, **Shubhashish Bose, Secretary, Ministry of Commerce, Government of the People's Republic of Bangladesh.** The country has ambitious plans to join the league of middle income countries by 2021. The government's vision is for inclusive welfare, to prosper along with other nations in the region. To fulfil this vision Bangladesh is being developed as the economic hub for all countries in the region. Incentives are being offered to increase exports, expand exports basket and target markets are being diversified. Bilateral agreements have been signed with 44 countries to reduce tariff and non-tariff barriers.

To expand trade and reduce trade deficit Preferential Trade Agreements have been signed and duty free benefits have been achieved in exports to EU, Japan, Canada, China, Malaysia, S.Korea, S.Africa and Brazil. Even though SAFTA has been signed with South Asian countries but the agreement is not performing as per expectations. Thus, the session rightly focused on barriers to intra-regional trade and solutions.

**Sailesh Garg, General Manager and MD, Drewry Maritime Services**

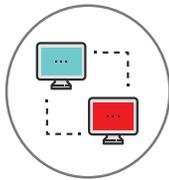
## Bureaucrats and stakeholders from the maritime fraternity identified lack of trust and tariff and non-tariff barriers severely hindering the trade growth in the region

**Pvt Ltd, India** discussed the key trends and issues in trade among South Asian countries with more focus on Bangladesh. The outlook for global economy is good and looks robust for the next five years. South Asia will be the growth driver, but there are certain risk aspects as well such as high oil prices and trade restrictions. Trade wars at the global level can create favourable conditions for South Asia countries to better integrate and increase trade. South Asia accounts for just 4 per cent of global GDP, accounting for less than 20 per cent of world export and import.

Coming to India, the economy is expected to remain stable and grow in the next five years. GST has brought down time and cost of logistics to a great extent. Cabotage relaxation will promote transshipment in India, about

47000 teus of transshipment containers have been handled so far. With the signing of treaties Bangladesh has emerged as the biggest trade partner for India in ASEAN. In the next 30 years Bangladesh will emerge as a developed economy and to support this growth port and logistics infrastructure will need capacity addition. As roads alone cannot take the increase in cargo movement, so rail and inland waterways will play a major role in future logistics. Private participation can help in improving infrastructure by framing favourable policies.

“World Bank report reveals that intraregional trade accounts for 50 per cent of trade in Asia Pacific, 20 per cent in Africa and just 5 per cent in South Asia. The reason is tariff, non-tariff and para-tariff barriers,”



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An inquisitive audience



informed **Tarafder M Ruhul Amin, MD, SAIF PowerTech, Bangladesh.** Other major barriers to trade growth are lack of exportable products, high connectivity cost and high trade deficit. Even though SAFTA was implemented in 2006, but it has failed to remove the trade barriers and promote free trade in the region. The cost of trading in South Asia is 20 per cent higher than other Asian regions. About 35 per cent of the intraregional trade is subject to sensitive list tariffs, 44-45 per cent is subject to imports from the other neighbouring countries. SAFTA does not provide a clear guideline for phasing out this list.

“The Bali Package brought in trade facilitation as legally mandatory provision,” recalled **Shantanu Bhadkankar, Chairman, ATC Group, India.** WCO had brought in QUOTO Convention, thus international conventions are taking good care for free movement of goods. But as regional trade agreements are cropping up, WTO is becoming less significant. To protect ourselves from reverse globalisation, strong regional agreements are important. To protect our economies from new trends coming up we need to stay together not just as governments but as private sector by forging strong business ties to foster collaborative growth.

“Once the BCIM economic corridor becomes operational it has the potential to generate \$150 billion trade,” revealed **Khandaker R Zaman, MD, Allseas Bangladesh,** as he invited the attention of the gathering to the potential economic corridors hold. Coming to the ports sector, the Krishnapatnam Port on the east coast of India is making



**Shubhashish Bose,** Secretary, Ministry of Commerce, Government of the People's Republic of Bangladesh, shares Governments vision of inclusive growth

tremendous strides as it is handled by the private sector. A similar approach should be adopted by the Bangladesh government for the deep sea port being developed at Payra. Logistics corridors should not be just looked in the light of seamless movement of cargo beyond borders, but they should play a role in enhancing the industrial and commercial activities and thus transform from logistics corridor to economic corridor. It's time the governments in the region rise beyond political considerations and remove barriers to intraregional trade and beyond. A major barrier in South Asia is trust deficit which gives rise to tariff and non-tariff barriers. Until the nations in the region realise the benefits of a functional connectivity the intraregional trade cannot prosper. For instance, the Motor Vehicle Agreement between India, Bangladesh, Bhutan and Nepal has not been successful even though



**Md. Nojibur Rahman,** Principal Secretary, Government of the People's Republic of Bangladesh, details on improving connectivity

it has been ratified by all the three governments. South Asian nations also need to further collaborate with East Asia region to explore new business opportunities and investment potential. Bangladesh does not have direct connectivity with Myanmar and with Kunming province of China, which highlights the trust deficit among respective governments.

“South Asia has been a late starter, while other regions such as North America are doing quite good in maritime connectivity,” said **Md. Nojibur Rahman, Principal Secretary, Government of the People's Republic of Bangladesh.** But better late than never, the nations in this region have finally started to interact with each other and develop win-win scenarios in terms of trade. It's high time we recognise the unexplored opportunities in improving trade and fill up the trade deficit to prosper as a region together. **mb**

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NOTE: Read Next issue of Maritime Gateway for more coverage and pictures of Parallel Sessions of SAMLF 2018



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# Smart way to manage KYC



eKYC enables customers to submit their KYC details just once to ODeX and share the same with multiple stakeholders. This provides a considerable saving in terms of cost and time for all the parties involved

**K**YC is one of the widely adopted processes by global businesses and organizations for identification purposes. For over two decades now KYC has been used by financial institutions across the world to set in place a framework for customer identification and for deciding whom to do business with. In India, logistics industry has to comply with the KYC norms set by statutory bodies – and thus each stakeholder is compulsorily required to collect, validate and maintain the KYC of all their customers.

Over the last 2 years, ODeX has developed an eKYC solution that enables customers (consignees, shippers, forwarders, agents) to submit their KYC details just once to ODeX and share the same with multiple stakeholders (shipping lines, NVOCC's, forwarders, CFS). This provides a considerable saving in terms of cost and time for all the parties involved.

ODeX eKYC platform provides self-attestation of organization data, digital signature, document verification and third-party verification

service provision. Customers can now confirm their identity remotely with zero hassle while delivering required proof to service providers in compliance with KYC regulations.

### The challenge

Identity management for customer organisations is a repetitive unproductive activity. Multiple versions of KYC with different entities results in long verification timelines and extensive data and information shared with multiple entities. For service providers it is high verification costs – from \$10 to \$100+ and complex and lengthy verification process. Stakeholder also have to bear the costs of multiple data storage infrastructure and data management costs – a cost that is expected to increase substantially with regulations like GDPR coming into effect.

### The solution

Distributed ledger technology (based on Blockchain) – has the potential to reduce risks, cut costs and streamline the KYC processes completely. ODeX eKYC facilitates the accessibility and organization of KYC data by leveraging the distributed

ledgers and the programmability of smart contracting. In the context of KYC compliance, the total resources required for compliance can be reduced to the barest minimum.

The system will have the 3 nodes maintained by ODeX eKYC platform as consensus building entities or validators. These three categories of nodes are as below:

- Data issuers - Owners of KYC data. They may or may not be regarded as trusted entities. They provide their KYC/AML data to trusted entities in exchange for an attestation.
- Data validators - Regarded as trusted entities. They receive data from issuers; review, confirm and attest to its validity and existence.
- Data consumers – Organizations that require the use of KYC data. They review attestations, determine usability, and request Data from holders.

### Data entity

The system will store all the relevant hash of details of the following in the Block Chain (not all may be applicable, and more may be added to the list):

- Organization Name & Type of business
- Address
- Company Number Details
- Tax Details (PAN & GST)
- Import Export Code
- MTO License
- CHA License
- Data Consumer Access

It is recommended that data issuers attach scans of the KYC documents issued by regulatory authorities, and digitally signed by the data issuer. The application is in pilot phase and will be made live soon. [img](#)

<p><b>01</b></p>	<p><b>02</b></p>	<p><b>03</b></p>	<p><b>04</b></p>
<p><b>Registration</b></p> <ul style="list-style-type: none"> <li>• All Stakeholders can choose to have their own node or opt for a node on the KYC Platform</li> <li>• Platform maintains a standard template for identity information capture</li> <li>• Stakeholders can register their details using this template</li> </ul>	<p><b>Verification</b></p> <ul style="list-style-type: none"> <li>• Stakeholder digitally signs the registration form and uploads KYC</li> <li>• Agents/ platform verifies the authenticity of the KYC with multiple validation platforms - like DGFT, NSDL etc.</li> <li>• Valid KYC is assigned a token and added to the block. Expiry is assigned to the KYC</li> </ul>	<p><b>Distribution</b></p> <ul style="list-style-type: none"> <li>• Owner of verified KYC can choose which Service Provider can view their KYC</li> <li>• Service Providers can also place a request to KYC owner to view</li> <li>• Service Providers can request for a real time verification from validation platforms</li> </ul>	<p><b>Renewal</b></p> <ul style="list-style-type: none"> <li>• KYC owner is notified in advance about expiry</li> <li>• KYC owner can resubmit the information and apply verification process for renewal</li> </ul>



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# Miles to go.....

Provided, the bottlenecks are eased, INSTC can substantially reduce time taken and cost for transport of goods between India, Europe and the Central Asian countries



The International North South Transport Corridor (INSTC), a multi-modal network of sea, rail, and road for moving freight and passenger between India, Central Asian countries, Russia and Europe was established in September 2000. It was a joint initiative of India, Iran and Russia, which came into effect in 2000 and was ratified in 2002. Azerbaijan joined the agreement in 2005. After almost 18 years what has been the progress? Can INSTC be a reality? What is there for India?

Federation of Freight Forwarders Association of India had recently organised a seminar on INSTC. It was attended by delegates from member states and from Government of India.

The INSTC has been described as India's response to China's Belt and Road Initiative. At present, it has 10 member countries apart from India, Iran, Russia and Azerbaijan. They are Belarus, Ukraine, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, Turkey, Armenia, Syrian Arab Republic and Oman; Bulgaria is an observer member.

Shankar Shinde, Managing Director Global Express Multilogistics & ECM FFAI said the corridor would be viable only if the costs and the time are competitive to the conventional route.

Principally there would be two routes. One would be from Bandar

Abbas to Bandar Anzali on the Caspian Sea in Iran and the other from Bandar Abbas to Amirabad also on the Caspian Sea in Iran. With these two ports on the Caspian Sea exporters from India can reach out to multiple Central Asian countries and Russia and Azerbaijan, covering a total distance of 7200 kms.

There are very obvious advantages in moving freight along this route. The transit time to the European countries would almost be half of the traditional route via the Suez channel. The transportation cost and the transit time is expected to be 30% and 40% less respectively. Few countries exist along the route which would make the border crossings bureaucratically less cumbersome.

Dr. Anup Wadhawan, Commerce Secretary, Government stated that the project to be efficiently operational, it would have to have the state of art infrastructure. It should be able to flawlessly accommodate multimodal operations across sea ports. It has to be cost effective. The procedures such as those relating to Customs, the documentation related to clearances, the approvals all have to be modernised or digitised and paperless such that the transaction costs are minimised and the obligations imposed on the users are minimised.

But there are other hard realities that need to be circumvented. The

Azerbaijan Ambassador to India, Asharaf, unequivocally stated that the role of Iran in this project was central to the whole agreement. He hoped that the sanctions imposed by the US would only be temporary. The American stance on Iran have made private sector investors wary about the INSTC project.

The rail link between Asthara in Azerbaijan and Rasht in Iran is yet to be established.

On the technical side the different sizes in the railway gauges between the railways of the participating countries continues to pose a major problem. New railway lines need to be constructed to make the corridor viable.

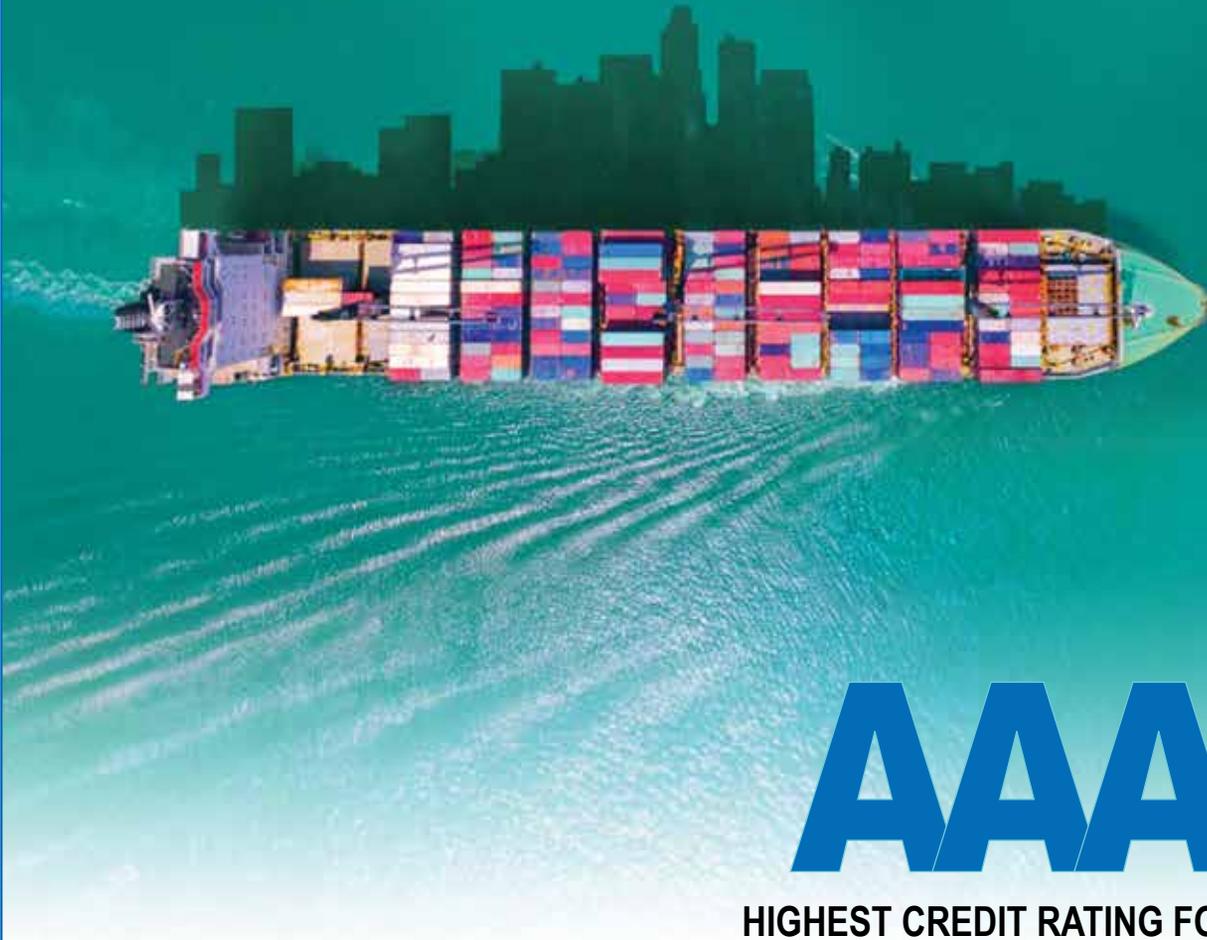
Since currently there is no rail link between Asthara in Azerbaijan and Rasht in Iran, the shipping lines are reluctant to come forward to issue a through Bill of Lading upto the destinations. National carriers should be encouraged to carry freight on the sea route between India and Iran. NVOCCs would be more likely to come forward to handle the end to end logistics.

In 2014 when a dry run was made from JNPT to Russia via Bandar Abbas it was found that the cost was almost double of the existing route. Further many of the procedures relating to security, banking, Customs, single window clearance remained to be threshed out.

Once fully functional, INSTC will substantially reduce time taken and cost for transport of goods between India and Europe and the Central Asian countries. There would be a significant increase in economic activities between India and Russia and other countries in the neighbourhood. In the next five years, the Russian railways intend to increase the container volumes to 1.6 million containers per year. Of which a significant amount would be through the INSTC.

There is still a long way to go. Digitisation, paperless transactions, tracking cargo on line of the cargo is now the norm. The users would expect all these facilities to be up and running. These are achievable because many of the participating countries are signatories to the Trade Facilitation Agreement (TFA). There are however still miles to go for INSTC to be operational. 

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# CFS remains crucial for cargo evacuation

The 14th Annual Day celebrations at CFSAI brought to the fore the crucial role CFS plays in faster evacuation of cargo.

CFS are the essential cog in the wheel if ports are to expedite their cargo evacuation process, announced Gopal Krishna, IAS, Secretary, Ministry of Shipping, at the 14th Annual Day Celebration of CFSAI. Emphasising on the significant role of CFS in quick delivery of cargo, the Chief Guest of the event further said, "In order to enhance DPD from 40 per cent to 70 per cent, the government is trying to remodel the cargo evacuation system with the CFS at the fulcrum. Ports need to concentrate on their core function, while the CFS should take the burden of being the first repository of the boxes so that evacuation is achieved in 24 hours."

However, he added, DPD was not the panacea that will bring down congestion as out of the 40 per cent DPD achieved almost 30 per cent DPD evacuation was being done by CFSs. He appreciated the lead taken by CBEC and Dr Vivek Johri to change their image from regulatory body to facilitator.

As per the latest government plan, within 24 hours of landing, a container will move out of the port to a CFS with minimal processing. The regulatory paperwork and bundling, unbundling and repositioning of cargo would happen at the CFS. If a truck bringing export boxes to the port can carry import boxes to CFS on its return leg then it can reduce congestion at the port.

"CFS industry until a few years ago was in a bad state, but has now moved a long way ahead," emphasised Shashi Kiran Shetty, Chairman, Allcargo Logistics, in his keynote address. Earlier the ports in India were always congested and the government had appointed Prof. Raghuram, the Research Head of IIM Ahmedabad to study and consult on how to decongest Ports. He suggested to develop more CFS and ICDs, and thus CFS as an industry developed.



He suggested that government should promote PPP projects, acting as a facilitator without being interested in monetary benefits. These investments will be game changers.

Introduction of GST has redefined the roadmap for logistics, resulting in development of larger warehouses. Cabotage relaxation has brought a big boost to coastal shipping. CBIC and Customs have brought about a paradigm shift from being a regulator to become a facilitator. The Guest of Honour Dr John Joseph, IRS Member (Budget and Investigation) Central Board of Indirect taxes and Customs (CBIC) highlighted how they dealt with critical challenges with initiatives for improvements such as - double decker trains, E-waybill, SDT, Fast Tracks, Customs' e-seal linked to GST and cargo tracking.

"The industry is at a threshold of big change," remarked Shantanu Bhadkamkar, President, AMTOI, and the change drivers are digitization, e-commerce, Block chain and regulatory changes. Sharing customer's point of view, Pramod Sant, VP, Siemens said customers' have been observing positive change in the logistics industry and in his view globalisation has played a key role. The changes are happening at the border and behind border in Customs area. In line with WCO, AEO is handholding and rewarding those who are compliant. Counting the trends that brought about a paradigm shift in the logistics sector, Capt Deepak

Tewari, Chairman, CSLA, pointed at digitisation in logistics, extension granted to vessel sharing agreement, relaxation of Cabotage and growing transshipment at Indian ports.

Neeraj Bansal, IRS, Chairman in-charge, JNPT said his port once had highest dependency on ICD. Regular meetings of ministries are being sought with focus on dwell time, operations and efficiency. Now there is a special vision and logistics has an independent specialised team in the ministry.

Vivek Johri, IRS, Chief Commissioner, JNCH said, the focus had to change from documentation to cost and time efficiency for releasing goods, and for this creation of appropriate infrastructure is necessary. The focus is now strongly on pre-arrival procedures and rigid targets are set for releasing goods in specific time.

Anant Swarup IRPS, Joint Secretary (Logistics) appreciated the establishment of a specific wing for logistics in Economic Ministry. The industry for many years was stagnant at \$300 billion, but is now working on diversification, reaching out to different markets such as Latin America, Sub-Saharan Africa, he said. "The govt is now making us run our business in a good way connecting all dots," remarked Nailsh Gandhi, President, AMTOI. GST has brought in efficiency and the manufacturing sector in the country has got a boost with this reform. New corridors are opening and more of mini and small businesses will crop up soon. **MSB**

# SMART LOGISTICS SUMMIT & AWARDS

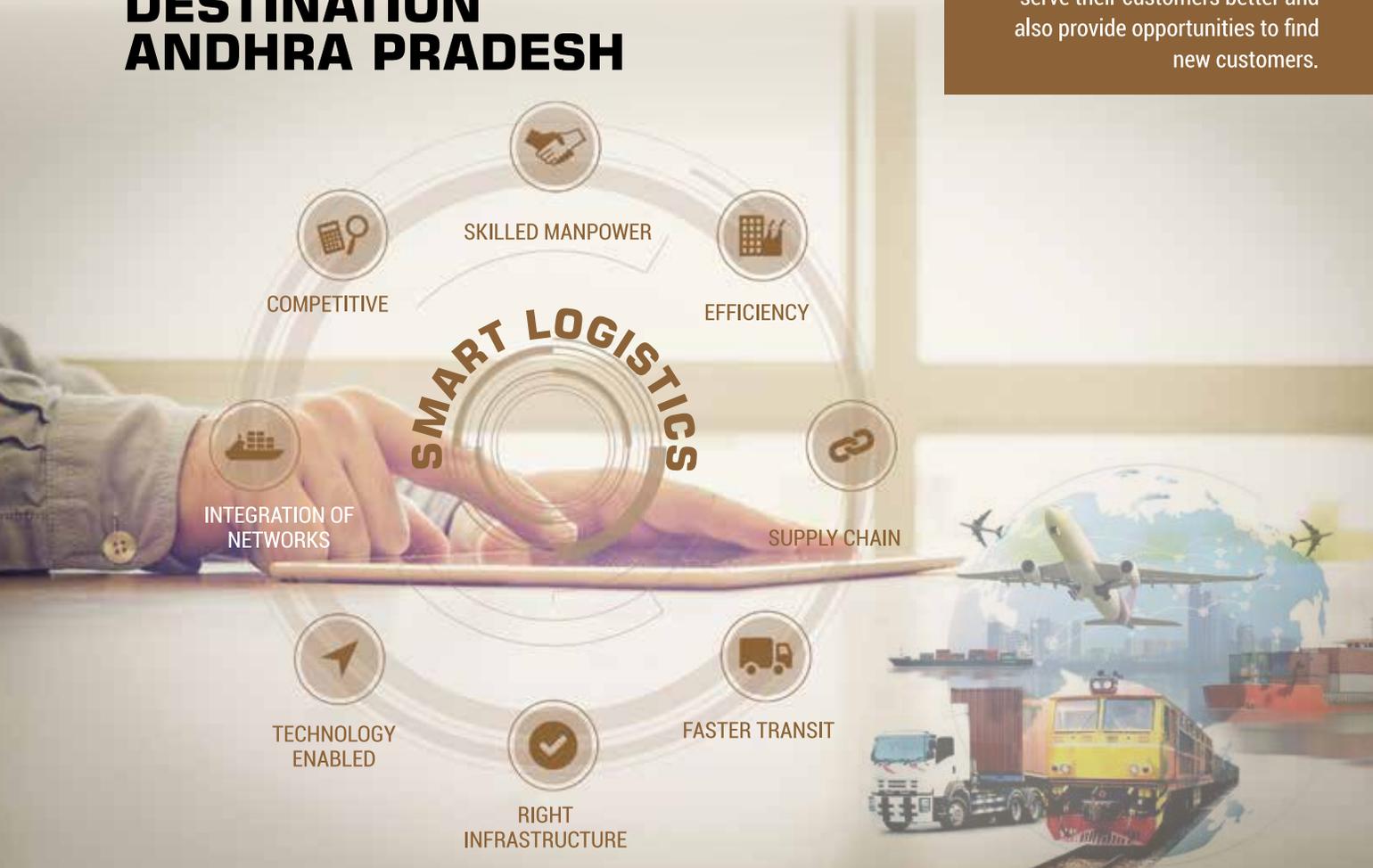
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## The future beckons

It was an ideal opportunity for the international freight forwarding community to get to know all about Indian freight forwarding; the various initiatives introduced by the government to create a business friendly environment

It was branded as 'The Future Starts Here.' FIATA World Congress was held for the first time in India.

**A V Vijaykumar, Chairman FFFAI** in his preamble speech said that this platform was an opportunity to many nations to share common goals to provide efficient logistic service. The cross border facilitation measures were indications of unity in diversity. **Samir Shah, Mentor FIATA World Congress**, said if they were to be a global player, there was a need to adopt to the changes continually taking place in the logistics world.

**S Ramesh, Chairman, Central Board of Indirect Taxes and Customs**, said that international logistics is inextricably linked to domestic logistics. He emphasized that the Government of India was intent on improving trade. He said that the thrust was on enhancing the ease of doing business and on improving cross border trade. Single window interface called SWIFT, has been developed for facilitating trade, combining the requirement of Customs and other government agencies under a single declaration. The role of customs was not just limited to Customs per se, but extended to all aspects of cross border trade. And they were seeking deeper engagement with all logistics providers.

For the benefit of foreign logistics operators Ramesh informed that the Indian customs had a separate category of AEO exclusively for logistic operators called AEO Logistic Operators. India has ratified the WTO agreement. The Trade Facilitation Agreement (TFA) is the WTO's first multinational agreement which attains to simplify procedures in cross border



movement of goods. More than 70 per cent of the agreements, the government of India has classified as category A, meaning the government's readiness to implement the rules were already in progress.

**Ragini Yechury, Founder Chairperson, Women in Logistics and Transport (WILAT) & Member of The Executive Committee, Chartered Institute of Logistics and Transport (CILT)**, maintained gender diversity in the workforce not only fostered collaboration, understanding and tolerance but also boosted competitiveness, productivity and CSR. However currently women accounted only 15 per cent of directorial positions.

**Thomas Sin, Chairman of Advisory Body Vocational Training (ABVT)** spoke on the importance for the personnel of logistics industry to keep up with the technology that was making deep inroads in the sector. The introduction of BlockChain, e-commerce, e-freight 3D printing, AI, robotics etc was dramatically changing the logistics sector. **De Blicks, Deputy Director - Trade Facilitation, WCO**, firmly believes that his organisation is committed to improving cross border trade by developing international standards in pursuit of unification, standardisation,

and harmonisation of Customs and border clearance processes by providing best technical support. They had been looking into the future of Custom's role and assisting various organisations and other relevant border agencies and stakeholder in order to be ahead of the curve as international supply chain evolves.

**Arnaud Le Hors - Senior Technical Staff Member, Web & Blockchain Open Technologies - IBM** sought to dispel the misconceptions surrounding BlockChain. He said that maintaining a ledger was an indispensable requirement in business. In business transactions, the various people involved maintain separate ledgers. Everybody updates their own version of the transaction. This brings about duplication and inefficiency into the system. A BlockChain, however avoids these shortcomings ie by having a common ledger for all the stakeholders in the business where any transaction made, is visible to all. It is a common shared digital ledger shared among various entities. There is synchronisation in the transactions owing to peer to peer networking.

Related to Blockchain was a very interesting talk on Artificial Intelligence (AI). Susan Malaika, Senior Technical Staff Member, Open Tech for Data and Artificial Intelligence, IBM, elucidated on this esoteric subject. AI is a set of tools which enable one to interpret digital data, analyse the past, predict the future and take action. Every-time we click or swipe, data is stored about our actions somewhere. This was how big data started developing. Though big data is an old concept, AI became relevant when big data became a reality. Huge investments were being made in AI. It was expected to grow and be used in many disciplines and industry.

The conference has been timely and has assumed relevance among many delegates. The South African delegation received as much 38 inquiries from various Indian Freight Forwarders. [img](#)

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