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APM TERMINALS PIPAVAV

BULK STEADY, CONTAINERS TO GROW, LIQUID IS THE FUTURE

Prakash Tulsiani, Managing Director

CONTAINARISATION IN INDIA MOVING UP AGAINST ODDS

Container traffic in India has seen strong traction in the last few years with the country improving its trade and bilateral ties, partnering with more countries in Asia and Far East than in the past. This has helped widening the basket of export and import commodities.


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Editor: R Ramprasad

Feedback
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Make Good Decisions Faster

Of all policies the government initiated to promote trade since May, its recent announcement to revamp the tariff authority for major ports is music to the ears for the shipping industry. The centre's intent to loosen TAMP's grip on the 13 ports comes as big relief for them as it accords greater autonomy to the ports in deciding charges for handling commodities and containers.

The old cost plus method in determining charges will hopefully be abolished, allowing the market to determine rates. The TAMP will, however, be allowed to oversee the functioning of the ports and address any grievances that arise. To ensure a smooth transition from last year's rate card based on port performance and efficiency to the ensuing one, the government has proposed the setting up of a panel to resolve any existing tariff issues. While the industry welcomes the much awaited move, what worries most is the delay in implementation of such policies.

Ostensibly, a 2015 deadline has been set for migrating to the policy, the circuitous and time consuming processes involved in passing the legislation changing the Major Ports Act can dampen the spirits of the industry. The industry already bears the dubious distinction of not implementing many of public-private partnership projects conceived under the National Maritime Development Programme (NMDP) conceived seven years ago. More recently, the tendering of the fourth terminal at Jawaharlal Nehru Port on the west coast has seen an inordinate delay due to lack of transparency on terms of bidding.

The Ministry should make haste in finalising the process and put out a policy that allows smooth functioning of business in the ports sector.

The Ministry should make haste in finalising the process and put out a policy that allows smooth functioning of business in the ports sector. The ministry should take a relook at not just the terminals owned and run by the government but also PPP projects where the terms of the contract should be adjusted to factor in time and cost overruns. This will improve the profitability of both the major ports and the terminal operators. The draconian regime should quickly be replaced by a system that incentivizes efficiency and promotes free and fair trade among all stakeholders of the industry.

The government has also announced a few measures to help government ports catch up with non major ports. A new entity will be set up to kick start all the rail connecitivity projects. The latest from the ministry's stable also suggests abolishing old maritime laws and reclassifying the roles of ministries. There's no doubt that the government's intentions are steps in the right direction. But these have to be backed by continual monitoring to avoid any further.

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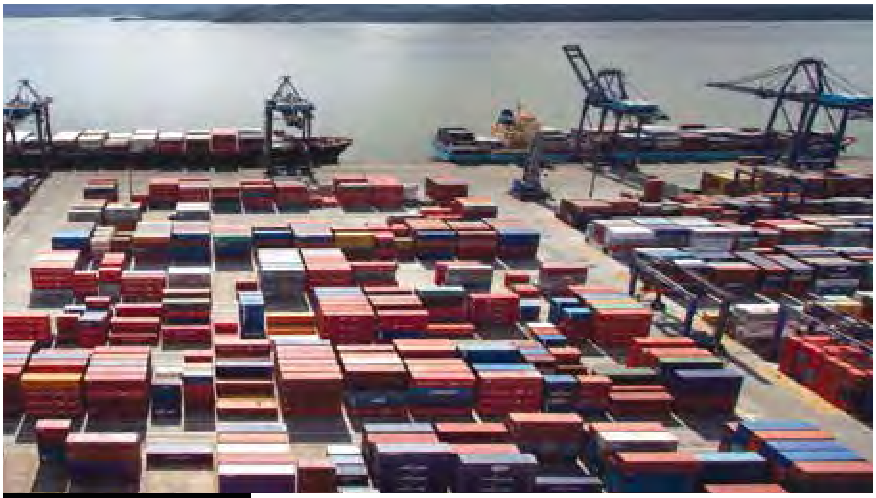


COVER STORY p.32

CONTAINARISATION IN INDIA

MOVING UP AGAINST ODDS

Container traffic in India has seen strong traction in the last few years with the country improving its trade and bilateral ties choosing to partner with more countries in the Asia and Far East than in the past. This has helped widening the basket of export and import commodities.

FOCUS: AUTOMOTIVE LOGISTICS
Too slow to win the race?.......................... 56
The automobile supply chain's growth trajectory is positive in the long run, but it may lose the race if inefficiency and high cost continue to persist in its operations.

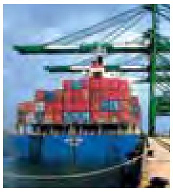
INDUSTRY WATCH: TEXTILES
Textile Industry forges ahead 62
The Indian textile industry has acquired status of the 2nd largest exporter in the world, moving up three notches to China. India surpassed other bigwigs like Turkey and Germany to reach this coveted position.

PROFILES

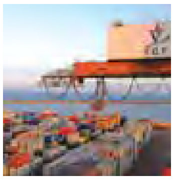
APM Terminals Pipavav Bulk Steady, containers to grow, liquid is the future 58

Prakash Tulsiani
Managing Director
Gujarat Pipavav Port

Chennai International Terminal Private Limited 42



Visakha Container Terminal Private Limited......................... 44



Mundra International Container Terminal (MICT) 46

Adani Hazira Port Pvt. Ltd. 48

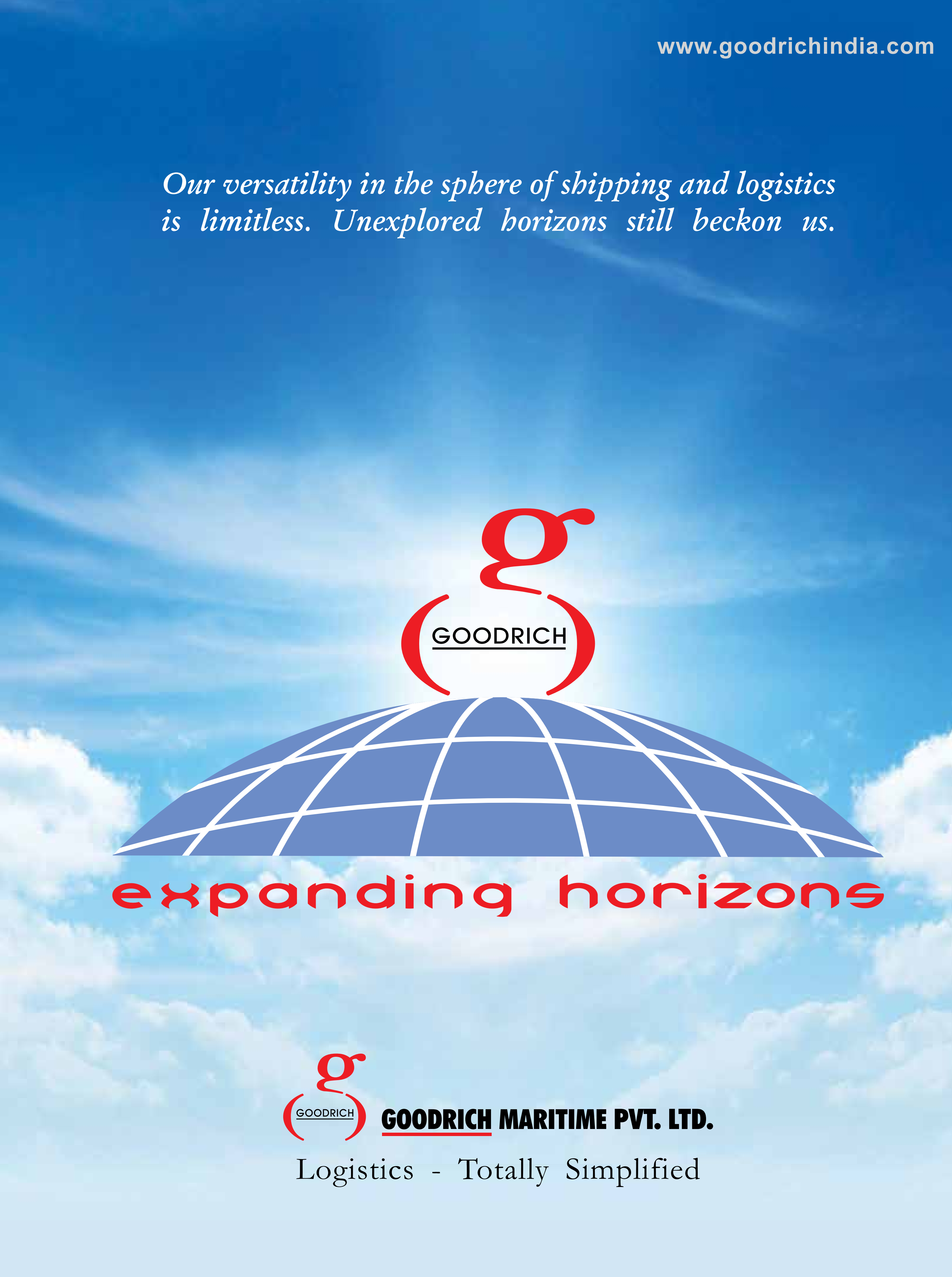
APM Terminals Mumbai 34
Nhava Sheva International Container Terminal Pvt Ltd... 36
Krishnapatnam Port Container Terminal 37
Adani Mundra Container Terminal........... 38
Kattupalli International Container Terminal 39
ABG Kolkata Container Terminal Pvt Ltd... 40
PSA SICAL Terminals Limited 41
Indira Container Terminal Private Limited (ICTPL).. 50
International Container Transshipment Terminal 51
Dakshin Bharat Gateway Container Terminal Ltd 52
APM Terminals Pipavav 53
Jawaharlal Nehru Port Container Terminal 54
DP World Chennai Container Terminal 55

POLICY
Catalyst for delivery of projects 65
Setting up of a Specialist Centre (SC) to dissiminate of knowledge and bring best practices to deliver PPP Projects

INFRASTRUCTURE: COLD CHAIN
Cold chain needs a road map 66
With the recovery of the automobile, construction and manufacturing industry, optimism returns in the steel industry.
The industry is expected to improve in the year 2014.

OTHERS

News in Brief... 08
Numbers 12
News 14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Logistics - Totally Simplified

In a first, Andhra rice reaches Tripura via Bangladesh

The first consignment of foodgrains (5,000 tonnes of rice) for landlocked northeast India's Tripura state has reached the Ashuganj river Port in Bangladesh. The consignment has arrived in small ships from Kakinada port in Andhra Pradesh. Tripura is now bringing in 10,000 tonnes of foodgrains through the Chittagong-Ashuganj route per month. If this works, it may soon request Bangladesh for allowing it to bring in 35,000 tonnes of foodgrains through this route. India has begun using a new trade route via a Bangladeshi Port as well as land terrain to ship food grains to the North-east, as the Government steps up ties with the neighbour after foreign minister Sushma Swaraj's recent successful visit to Dhaka.

Eredene sells 23 per cent stake in Sattva CFS

Eredene Capital, the AIM quoted investor in Indian infrastructure, has received £1.9 million following the sale of a 23 per cent stake in Sattva CFS & Logistics Pvt Limited, a leading player in container logistics in Chennai. Eredene says this represents a 4.6 times return on the initial investment and an IRR of 24.5 per cent. It follows on from the receipt from an earlier sale of a 10 per cent stake in the company in January a few years ago. Both sales have been to the Sattva Business Group which now owns 74 per cent of the company.

NMPT to stop handling coal manually in three years

In about three years, there would be no manual handling of coal at the New Mangalore Port Trust (NMPT) as the port management is in the process of mechanising unloading and loading activities, according to Port chairman P C Parida.

Parida said that complete mechanisation is one of the several developmental works being taken up. NMPT is committed to ensuring cleaner and greener environment. A business development park would come up within the port premises. The park, to be constructed at a cost of ₹22 crore on an area of 6,500 sq m, would provide accommodation to all port users.

He said that the trust is in the process of enhancing storage capacity, both for liquid and solid bulk goods. Also, an LNG terminal has also been proposed by ONGC and BPCL to handle 5 million tonnes gas a year at the southern breakwater.

Gati Q1 profit jumps over 2-fold to ₹15 crore

Logistics firm Gati Limited reported a whopping 111 per cent jump in its consolidated net profit to ₹15 crore in the quarter ended June 30, 2014. The company had posted a net profit of ₹7.2 crore in the April-June quarter a year ago, Gati said in a statement. Total sales during the period also rose by a healthy 23 per cent to ₹400 crore as against ₹326 crore in Q1 FY14.

"We at Gati are dedicated to provide value-added and quality services which once again have rewarded us with a good set of numbers. The boom in the e-commerce sector has brought a wave of transformation in the retail space," Gati Ltd founder and chief executive, Mahindra Agarwal said. "With a wide range of services offered by Gati's E-connect, our aim is to reach every nook and corner of the country to enhance the experience of online shopping."

DB Schenker India appoints Vivek Chopra as Director for North India

DB Schenker has appointed Vivek Chopra as its new Director, North India. He will be based at the regional office Gurgaon and will report to MD Allgeier. Prior to this position Chopra was Director of Air Freight, Schenker India Pvt Ltd.

Gunjan Dhingra joined Schenker India as Director, Airfreight. He replaces Vivek Chopra who is now Director, Region North India.

Dhingra was Regional Cargo Manager, SE Asia in an airline in Thailand.

Corrigendum

In the August Issue, MG carried a news item saying Shapoorji Pallonji bought a 50 percent stake in SCI. However, the construction firm only bought out SCI's stake of 50 percent in their joint venture, SCI Forbes Limited, the Chemical Tankers division. The error is deeply regretted

Blue Dart reports 16 per cent drop in June net profit

Logistics major Blue Dart Express Limited reported a 16 per cent drop in June quarter net profit. Profitability was pulled down by a lower other-income proportion compared to a year earlier. Net profit fell to ₹34.16 crore from ₹40.65 crore a year ago. Revenue for the quarter rose 4.78 per cent to ₹526.94 crore from ₹453.19 crore in the same quarter last year. Other income fell 64 per cent to ₹6.61 crore from ₹18.48 crore, year-on-year.

Essar Projects bags $54-million maiden contract from Saudi Aramco

The Hydrocarbon SBU of Essar Projects, a global EPC contractor, has secured its maiden contract from Saudi Aramco, the national petroleum and natural gas company of the Kingdom of Saudi Arabia.

The $54-million EPC project involves the upgradation of a crude stabilisation unit at Aramco's Abqaiq Plant in Shaybah, one of the largest oilfields in the world. The scope of work entails engineering, procurement and construction of a crude tank, replacement of crude pumps and associated civil, piping, electrical and instrumentation facilities.

The project is scheduled to be completed in 29 months. Essar is already executing five other projects in the region in the hydrocarbon sector.

Commenting on the project, Amit Gupta, CEO–Hydrocarbon SBU, Essar Projects, said "This contract is a reflection of our capability to undertake global projects from reputed clients in this region. We will leverage the capabilities gained to enhance our footprint in other Middle East countries."

India to complete work on Myanmar's Sittwe Port this fiscal

India will complete construction of Sittwe Port at the mouth of the Kaladan River and associated inland water transport project in Myanmar this fiscal.

The ₹350-crore port-cum-waterway project is a part of the proposed "Kaladan multi-modal transit transport project" to connect Mizoram with Sittwe Port in Myanmar. From Sittwe, goods will be shipped by sea to Kolkata Port. It will help improve bilateral trade as well as faster movement of goods from Kolkata to Mizoram.

US Authorities approve merger of CSAV and Hapag-Lloyd

The Department of Justice and the Federal Trade Commission of the United States have granted clearance to the merger of the container shipping business of Chilean Compañía Sud Americana de Vapores (CSAV) and Hapag-Lloyd. This is part of the consultation process to regulatory authorities that both companies are carrying out in order to merge their container businesses. CSAV and Hapag-Lloyd signed last April a binding agreement.

CONCOR to buy 20 rakes this fiscal

Container Corporation of India (CONCOR) plans to procure 20 rakes this fiscal year. The company had procured eight rakes last financial year. The company had 75 per cent market share in the container trains market in the quarter ended June 30, and is now trying to pick up more traffic.

For the June quarter, CONCOR reported a total income of ₹1,270 crore, up over 6 per cent. Net profit rose 6.5 per cent year-on-year to ₹262 crore. It gets bulk of its revenue and margins from the export-import segment.

Transport Corp. of India's profit up in Q1

Transport Corp. of India reported a 16 per cent surge in its net income to $2.7 million in the first fiscal quarter, from April to June, as against $2.3 million in the corresponding quarter last year. Quarterly income was $87 million, up 8.5 percent from $80 million for the corresponding period in 2013.

"The positive results in the first quarter were mainly driven by higher operating income from the supply chain solutions and express divisions, which climbed 26 percent and 9 percent, respectively, from a year earlier," a company official said.

The supply chain solutions segment posted a $1.4 million operating profit for the quarter, up 41 percent year-over-year. Quarterly profit from the express business was $1.8 million, rising 12 percent from $1.6 million.

The trucking and logistics giant boosted consolidated net profit 3 percent from a year earlier to $12.2 million in fiscal year 2013-14, which ended in March, on revenue of $381 million, up from $365 million in 2012-13.

TCI, India's largest integrated supply chain and logistics service provider, operates a fleet of nearly 7,000 trucks and four cargo ships for coastal operations. In addition, the company owns about 10 million square feet of warehouse space at various locations in the country.

Adani Enterprises Q1 net profit at ₹557 cr

Adani Enterprises Ltd (AEL), flagship company of the Adani Group, posted a net profit of ₹556.74 crore for Q1 ended June 30 of fiscal 2014-15 on consolidated basis, as against a net loss of ₹278.3 crore in the first quarter of previous fiscal 2013-14. Total income grew by 40.86 per cent at ₹16,671.55 crore for Q1 as compared to ₹11,835.54 crore of corresponding quarter last fiscal.

Recognition of compensatory tariff and higher sales volume in power business helped the company achieve the net profit. Apart from power business, the company's coal trading, ports and power businesses too showed robust performance.

VOICES

Ports can become gateways to India's prosperity. This would envisage not merely port development, but port-led development which would include ports, SEZs; and rail, road, air and waterway connectivity with the hinterland, including linkages of cold storage and warehousing facilities.

- **Narendra Modi**
Prime Minister of India

The growth in natural rubber imports will continue in coming months. Imports could rise to 400,000 tonnes this year as prices are lower in the world market and demand is rising

- **George Valy**
President
Indian Rubber Dealers' Federation

Burgeoning real-estate industry, increasing coal production and mechanisation of mining operations, will aid the growth in the country's construction equipment industry. The market is expected to grow at 12 per cent CAGR to $4 billion by 2017, which will be driven by infrastructure investment of $1 trillion during the 12th Five Year Plan.

- **Wilfried Aulbur**
Managing Partner,Roland Berger Strategy Consultants.

NUMBERS

Shipments of rubber imports in the first four months of FY 14-15 jumped **48 %** from a year before to **133,789** tonne.

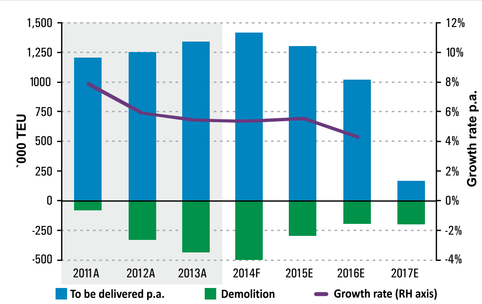
Export Statistics

Year	Volume (tonnes	Value	
		(₹cr)	($bn)
2011-12	862,021	16,597	3.5
2012-13	928,215	18,856	3.7
2013-14*	1,00,000	20,000	4.5

*Estimates

Source: MPEDA

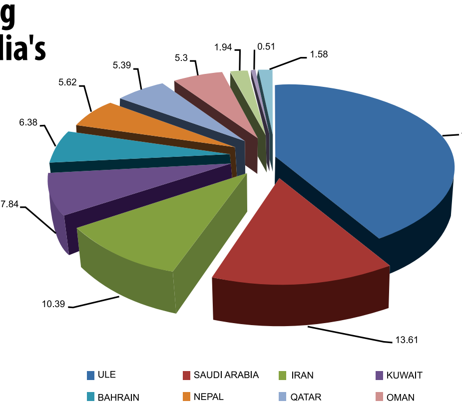
Container Suppy Growth



A is actual. F is forecast.E is estimate which will change if new orders are placed. The supply growth for 2014-2017 contains existing orders only and is estimated under the assumptions that the scheduled deliveries fall short by 10% due to various reasons and 10% of the remaining vessels on order are delayed/postponed.

Source: BIMCO, CRSL

Major Importing countries of India's Banana



Source: Clarkson Research Services

Adani gets Australia's nod for $15.5 bn coal mining project

The Adani group has received the Australian government's conditional approval to build a $15.5 billion coal mine and rail project in Queensland. The approval is subject to Adani Mining Pty. Ltd fulfilling a string of "strict conditions" meant to protect the environment.

"After undertaking a thorough assessment and consideration under national environment law, I have approved the Carmichael coal mine and rail infrastructure project, subject to 36 strict conditions," said Greg Hunt, Australia's minister for the environment. The Carmichael project in the untapped Galilee Basin, designed to produce 60 million tonnes a year of thermal coal used in power stations, has been opposed by environmental activist groups, which objected to new coal mines as well as the rail lines and ports needed to ship the coal.

The Australian government's approval for the Queensland project will lead to the creation of the largest coal mine in Australia, and one of the world's largest. Adani Enterprises Ltd, the parent of Adani Mining, had acquired the project in 2010 with the aim of generating output by 2016, and sought permission for building a 300 km rail link.

India wastes ₹440 billion worth of fruit & vegetables: APEDA

Agricultural and Processed Food Products Export Development Authority (APEDA) has estimated that India is losing ₹440 billion worth of money on wastage of fruit and vegetables annually since it has failed to create temperature control facilities and adequate storage houses to store these perishable goods.

APEDA's Chairman-cum-Secretary, Dr Santosh Kumar Sarangi, addressing the gathering at the Logistics Conclave-2014, organised by PHD Chamber of Commerce and Industry, said, that India in totality suffered annual losses amounting to ₹550 billion due to inadequate cold storages and suitable supply chain infrastructure.

Only 2 per cent of fresh fruit and vegetables produced in India, the second largest producer in the world, are stored in temperature controlled facilities against 85 per cent of the developed countries.

According to Dinesh Rai, Chairman, Warehousing Development and Regulatory Authority (WDRA), the regulator has been advocating for conferment of infrastructure status on logistics, given its key role in the emerging economy and the Planning Commission has already endorsed its view on the subject. The issue, according to him, is progressing favourably with other concerned departments in the government.

Rai also said that the new government was serious about the growth of the logistics sector which can be gauged from the fact of its allocation of ₹5,000 crore in the budget for 2014-15.

In addition, subsidised loans are also granted for logistics sector by public sector banks with government increasing subsidy for the sector to an extent of 25 per cent on government grants to promote the sector, added Rai.

Essar Ports' profit falls 9.15% in June quarter

Port operator Essar Ports Ltd reported a 9.15 per cent decline in net profit for the quarter ended June 30, owing to a slowdown in volumes and high operating expenses. It posted a net profit of ₹92.15 crore, compared to ₹101.44 crore a year ago. Revenue grew by 2.10 per cent to ₹407.43 crore from ₹399.03 crore a year ago.

Depreciation and amortisation expenses rose by 9.12 per cent to ₹74.78 crore for the quarter compared to a year ago. Earnings before interest, tax, depreciation and amortization (EBITDA), an indicator of operating profitability, increased sequentially by 5 per cent to ₹346.8 crore from ₹329.6 crore in the March quarter, the company said in a statement.

Rajiv Agarwal, managing director, Essar Ports, said the company had negligible revenue from third-partly clients.

The port company gets business largely from Essar Group companies such as Essar Power Ltd and Essar Oil Ltd. "We are expecting 5 per cent contribution of revenues from third-party clients for the current financial year. This should go up to 30 per cent by 2017-18 once all of our port projects are completed," he said.

"The traffic at our Paradip dry bulk terminal is also slated to increase during the next quarter. We remain focused towards increasing our third-party cargo share and diversifying our customer base," he said.

Essar Ports, with a current capacity of 104 million metric tonne per annum (mmpa), has plans to expand to 194 mmta over the next few years. Essar Ports has three operational port terminals at Hazira, Vadinar and Paradip in Odisha. The company is also setting up a dry bulk terminal at Salaya (Gujarat) with a capacity of 20mmta.


MAERSK
MAERSK DAVEN


LIEBHERR

India, US to discuss trade, economy in partnership spirit

India and the US will discuss bilateral trade and economic concerns "in the spirit of partnership" and expand commercial dialogue. This was stated in a joint statement on the Fifth India-US Strategic Dialogue.

External Affairs Minister Sushma Swaraj and US Secretary of State John Kerry "resolved to discuss bilateral trade and economic concerns in a spirit of partnership, including at the Ministerial Trade Policy Forum in India that both governments hope to convene in Fall 2014, focusing on key trade and investment issues," the statement said.

The Trade Policy Forum has not met since 2010. The two sides, it added, plan to expand the commercial dialogue. "They also agreed that India would host the next round of the High Technology Cooperation Group on mutually convenient dates this year," the statement added.

India-US bilateral trade was worth $61.4 billion in 2013-14. Later talking to reporters, Kerry said: "Still, we know we have a lot of work to do in breaking down barriers to trade and in encouraging the talent that we both have to be able to go to work."

"We can build a more competitive market as well as build the bridges of opportunities in both the countries," Kerry said.

MSC to call at Shanghai, Ningbo on 'Africa Express' from Asia

Mediterranean Shipping Company (MSC) is adding China port calls in Shanghai and Ningbo to its weekly Asia to Africa (Africa Express) service that it launched in late April.

The rotation is also being extended from 10 to 11 weeks through the addition of an extra ship. The service will now use eleven 4,000- to 4,250-teu vessels.

The revised port rotation is Shanghai, Ningbo, Guangzhou-Nansha, Shenzhen-Chiwan, Singapore, Port Louis, Lagos-Tincan, San Pedro, Abidjan, Ngqura (aka Coega), Singapore and back to Shanghai.

Shanghai and Ningbo were so far connected to the Africa Express through transshipment at Chiwan and Singapore, with connections to the intra-Asia legs of MSC's Far East-Europe loops, reported Alphaliner.

The first sailing from Shanghai is scheduled to depart on August 1 using a chartered 4,252-teu ship, the ER Yantian.

MSC has stated that: “In line with our objective to improve our services, MSC Mediterranean Shipping Company S.A. is pleased to announce the upgrade of its dedicated service between Asia and West Africa.”

MSC is adding Shanghai and Ningbo to the current rotation of its Africa Express Service, providing an improved corridor between North and Central China to West Africa.

CONCOR net profit up 6.25 per cent in Q1

Container Corporation of India reported 6.25 per cent rise in net profit to ₹261.88 crore for the quarter that ended on June 30 on the back of higher income.

The company's net profit in the corresponding quarter of the last fiscal was ₹246.47 crore, according to the company’s press release.

The company's total income from operations went up to ₹1,269.67 crore from ₹1,194.54 crore in the same quarter of FY'14, the company said.

The total expenses also increased to ₹1,020.54 crore, against ₹969.11 crore in the corresponding quarter of previous financial year, it said.

CONCOR manages the biggest network of dry ports in the country, and has introduced and promotes the concept of multimodals in transport of goods both in the international and domestic segments.

The company has constantly strived to facilitate faster and more efficient movement of goods by expanding and up scaling its infrastructure.

Currently, CONCOR is fast progressing towards its goal of creating logistics infrastructure that would enable customers to access a single window for all their requirements like multimodal transport, state-of-art specialised storage, packaging etc. at large facilities called "Logistics Parks".

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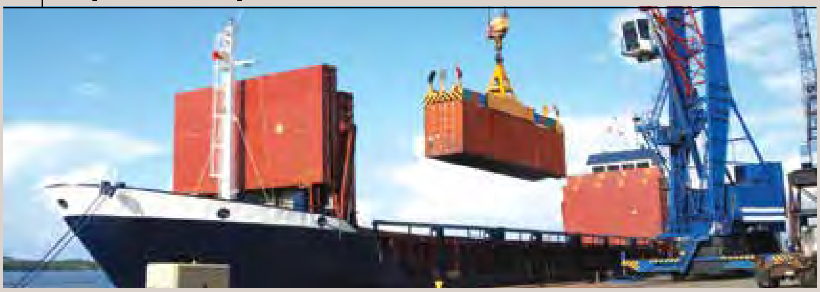
Kamarajar Port charts ₹20-crore expansion plans



Kamarajar Port Limited (KPL), formerly Ennore Port, has chalked out a ₹20-crore expansion plan to facilitate increased export of cars.

KPL Chairman-cum-Managing Director M A Bhaskarachar said that the port was developing a 58,500-sq. metre car parking yard adjacent to the existing one to accommodate 4,000 cars. The work order would be issued next month, and the yard would be ready within 15 months. On completion, 17,000 cars can be parked at any given time, he said.

KPL handled 39,000 cars and 8.9 million tonnes of cumulative cargo so far up to July 25 in the current fiscal against 7.67 million tonnes in the corresponding period last year.

The port also has plans to set up a Special Economic Zone (SEZ) near the port in order to utilise 650 acres of land acquired from the Salt Department.

“We are looking at accommodating port-based industries in the SEZ. Six companies have so far shown interest in setting up business near the port,” he added. He further said that a tender would be floated after the study is completed. According to him, the SEZ could have manufacturing and value addition industries, storage areas and container depots.

The Kamarajar Port, situated 24 km north of Chennai in Ennore, is the country’s first corporatised major port. In the last financial year (2013-14), it achieved more than 50 per cent growth by handling 27.33 million tonnes of cargo as against 17.88 million tonnes handled in the previous year.

Apart from coal handling, which is its USP, the port has also emerged as a key export car-handling destination on the east coast. Early this year, the port had awarded contracts for development of a multi-cargo terminal and a container terminal. It has also awarded contract for another coal berth for TNEB.

Pipavav Port plans $100 mn capex for capacity expansion

Gujarat Pipavav Port is planning to invest $100 million over the next two years to ramp up its container handling capacity by over 50 per cent.

The port, now led by Maersk Group's APM Terminals, has already tied up $70 million in external borrowings for the same, while the rest will come from internal accruals. "We see good demand on container traffic and are already operating at 85 per cent capacity. We will be expanding our capacity to 13 lakh teu from 8.5 lakh teu now," said Gujarat Pipavav Port managing director Prakash Tulsiani.

The expansion work involves replacing a crane with a more powerful one and constructing a new yard, which will help in expanding the overall capacity. All the necessary permissions for the project are in place and it has also achieved a financial closure, he added.The port had in April announced a cut in its capacity expansion on both the container and bulk cargo side. While the cut in container capacity was a minor one (from 15 lakh teu to the 13.5 lakh teu), the one on the bulk cargo was drastic, as it slashed new addition target from the earlier 20 MT to 4-5 MT.

JNP to launch ₹1,000 crore port-SEZ this month

Jawaharlal Nehru Port(JNP), India’s busiest container gateway near Mumbai, will launch its port-based special economic zone (SEZ) project by the third week of this month with an investment of ₹1,000 crore, a top port official said.

“This port-based SEZ would be developed over an area of 277 hectares. We have secured all necessary approvals, including environment nod, from the Government,” Mr N N Kumar, Chairman, JNPT.

SEZs are industrial enclaves, deemed foreign territories from the perspective of several economic laws.

Industrial units in the SEZ benefit from a complete waiver on import duty, excise duty and service tax on the capital goods or materials they procure.

Mr Kumar said 40 per cent of the proposed SEZ would be earmarked as Free Trade and Warehousing Zone and the remaining would be allocated for electrical, software and other industries.

He said the port is hiring architectural, master planning and engineering design consultants for its multipurpose SEZ.

“The land development will be undertaken in the next two months with the help of consultant. We will be investing ₹1,000 crore from our cash balance of ₹5,000 crore. We have already received proposals from big industries,” Kumar said .

JNPT, which was established in 1989 handles 56 per cent of the container cargo and is currently ranked 31st among the top 100 container ports of the world.

The SEZ is set to take off when the Mukesh Ambani-controlled Navi Mumbai Special Economic Zone (NMSEZ), which is near to JNPT’s SEZ area.

Reliance Logistics (Pvt) Ltd, a unit of the Mukesh Ambani-run RIL, also holds a 55 per cent stake in Rewas Ports Ltd, the company formed to develop and operate an all-weather, deep-water port at Rewas, just 10km south of JN Port.

JSW Infrastructure

Gateway SpotLight, a special feature by *Maritime Gateway*, showcases the unique initiatives of business groups across maritime sectors in their products, services and processes that helps them achieve and sustain better productivity, efficiency, environment conservation and above all judicious business practices. **Gateway SpotLight** provides an opportunity for businesses to bring to light their best practices at work and thereby such a **FOCUS**.

Presenting JSW Infrastructure under this feature.

JSW Jaigarh Port - A new coal handling hub for Maharashtra & northern Karnataka

Strategically located between Goa and Mumbai, JSW Jaigarh Port has catered to the needs of several industries, like power plants, cogen industries, chemical factories and textile mills, across Maharashtra and north Karnataka regions. The hinterland of the port covers Kolhapur, Satara, Sangli, Belgaum, Bijapur, Dharwad, Bagalkot, Miraj and other in and around locations.

The deep draft of 15 mtrs at the berth pocket has encouraged big size vessels to call at the Port. JSW JPL has handled 104,500-tonne vessel *MV Dumun portside* that was called under the agency of M/s J.M Baxi & Co. Jaigarh Port is today the most preferred gateway for bulk commodities. With well-equipped state-of-the-art technology and proficient manpower, the port has set a benchmark in being the most modern and mechanised port on the west coast.

Primarily focusing on the coal requirement of the hinterland, JSW JPL has developed operational capability to handle the highest volume of Coking/ Non Coking Coal and Metallurgical coal while achieving an average discharge/ unloading rate of 55,000 MT per day. Consistent efficiency in stevedoring has helped the coal traders and the end users to save on their ocean freight.

Looking at the changing trend of the consumers in the industry, the port has decided to further increase the existing draft to 19 metres thereby enabling the berthing of cape size vessels that are expected to call by 2015. The present capacity of the existing coal storage yard is 7,00,000 MT. Dust suppression and fire fighting systems for coal storage yard further prevents the fines flying in the open air. The port has taken "Go Green" initiatives by installing aqua dine system at various points of the conveyor. This helped the port to mechanically maintain the moisture content of the cargo.

Covered coal shed – A unique achievement

Thermal Coal remains India's most important fuel used to generate electricity. With increasing environmental concerns, storage and handling of coal in large quantities has thrown up additional challenges. One of the major challenges lies in handling the coal in an environment-friendly manner.

JSW Jaigarh Port has taken a major step towards this goal by constructing a fully covered coal stack yard.

00The yard is 400 m in length housing 16-m high coal stack. It has mechanized stacking cum reclaiming capacity of 4000/2000 TPH with related conveyors. This helps the port to reduce power generation during monsoon. The yard is also equipped with fire fighting and dust suppression system. This helps the port to maintain a clean environment and prevent fine coal particles from flying due to wind.

The yard has coal storage capacity of 260,000-280,000 MT.

With the above structure in place, JSW Jaigarh Port has created a landmark facility for handling coal in a most environment-friendly manner which is one of a kind in the country. mg

X-Press Feeders, Simatech launch fourth Middle East Gulf-West India service

X-PRESS Feeders and Simatech have jointly started operating a fourth weekly container service between the Middle East Gulf and West India, named the Gulf India Express (GIX).

Orient Express Lines (OEL) is co-loading on the new service that made its inaugural sailing from Mundra on July 22, reported *Alphaliner*.

The service rotation is Jebel Ali, Mundra, Nhava Sheva and back to Jebel Ali, and deploys two ships; Simatech's 2,732-teu *Elbwolf* and X-Press Feeders' 3,316-teu *APL Sharjah.*

The GIX adds to the three Middle East Gulf-West India weekly box services that Simatech, X Press Feeders and OEL already jointly offer.

The UAE-Gulf India service (ASX), the India Gulf X-Press (IGI) and the Nhava Sheva Muscat Gulf Express (NMG).

These four services total a weekly capacity of 12,000 TEU to cater to the Middle East to India regional trade through the gateways of Jebel Ali and Khor Fakkan, and acts as West India common feeders.

Reefer box capacity forecast to grow 22% over next five years

Reefer capacity on the containership fleet is expected to increase by 22 per cent over the next five years, at the expense of a declining specialised reefer fleet, according to Drewry's latest Reefer Shipping Market Annual Review & Forecast.

Reefer box capacity is expected to grow from 1.6 million 40-feet slots in 2013 to 1.9 million slots in 2018. However, this fleet growth is not expected to adversely impact vessel utilisation levels thanks to strong cargo growth. Reefer container volumes are forecast to rise by 20.5 million tonnes over this period, 16.5 million tonnes by organic growth and 4 million tonnes at the expense of the shrinking specialised reefer industry. Overall seaborne perishable reefer trade will increase by 17 per cent between 2013 and 2018, providing an additional 16.5 million tonnes of cargo. Source: Drewry

Forex reserves up $2.71 bn to $320.56 billion

The country's foreign exchange kitty surged from $2.714 billion to $320.564 billion on a healthy increase in the core currency assets. With this jump, the total reserves are shy of the all time high of $321 billion achieved in late 2011. The overall reserves had $813.2 million to $317.85 billion in the previous reporting week.

Foreign currency assets (FCAs), a major constituent of the overall reserves, rose $2.73 billion to $293.78 billion for the week ended July 25, 2014, the Reserve Bank said in its weekly statement here. The gold reserves were unchanged at $20.634 billion in the reporting week.

The special drawing rights were down from $13.6 million to $4.437 billion, and the country's reserve position with the IMF also dipped $5.3 million to $1.707 billion during the week, the central bank said.

Shipping Corp may exit container business

Shipping Corp. of India Ltd may exit its loss-making container shipping business as the Mumbai-based company comes under pressure to do something drastic to reverse three continuous years of losses. The move comes at a time when the government has initiated a review on the relevance of SCI as a state-run firm. India's biggest ocean carrier is losing money heavily from operating five container ships. The losses from this business have only added to the poor performance of its bulk carrier and tanker unit, the main profit centre of the company in the last two years.

Govt aims for $300-bn textile exports

The Government has set the target to increase textile and exports to a whopping $300 billion by 2024-25 from around $39 billion in the last fiscal.

According to the textile vision document prepared by Ajay Shankar, chairman of the expert committee and member secretary of the National Manufacturing Competitiveness Council, the country would need roughly $120 billion in investment by 2014-15 to realise this target. Higher exports would also help double employment in the sector to 70 million by then, it added.

The textile ministry had initiated the process of reviewing the National Textile Policy, 2000, and accordingly an expert committee was constituted including leading industrialists from the textile sector to make fresh recommendations.

The draft vision, strategy and action plan will be put up on the website of the textile ministry for inviting online comments/suggestions until August after which feedback will be considered and a final action plan would be prepared and placed before the Cabinet for approval.

APSEZ plans expansion in south east coast and overseas

Adani Ports and Special Economic Zone (APSEZ), India's largest private port operator, is eyeing opportunities to acquire or set up a port on the southeast coast of India, as it prepares for the expansion of next phase, said Sudipta Bhattacharya, Chief Executive.

The Gautam Adani-led company also wants to expand presence overseas, and may consider partnering with another company for the foray.

"We are looking at national as well as international opportunities. Both are on the cards. We are by far the largest growth company in the country and it is natural that we will look for opportunities elsewhere too," said Bhattacharya.

Adani Ports, whose market value doubled in the last one year, has moved from being a single location port with just Mundra in Gujarat to being a multi-location port company with presence at eight different locations in three years. It recently acquired Dhamra Port in Odisha with an enterprise value of ₹5,500 crore.

Bhattacharya said there has been a lot of development along the west coast.

This month that Adanis were in talks with many cash-strapped port operators in Andhra Pradesh and Tamil Nadu. Krishnapatnam, Gangavaram, Machilipatnam, Karaikal ports are likely targets.

Adani Ports will look at raising capital to fund the expansion. "Our domestic and international expansion plans mean we will continue to look at different routes to raise capital. We have a strong balance sheet, a robust asset base, and it effectively supports our intent of expansion," Bhattacharya said.

The port operator is a part of Gautam Adani's plan to raise ₹10,000 crore through a qualified institutional placement. The company will look to do more tie-ups with international shipping lines to attract container cargo at its existing ports. It recently tied up with a French shipping line CMA CGM for a container terminal in Mundra. Sources close to the matter said Adani Ports is in talks with several international lines for a similar tie-up in Dhamra.

India's east coast to get transshipment zone

India's east coast is set to get a transshipment zone that will help it attract more traffic. Nitin Gadkari headed Shipping Ministry has operationalised the Kanika Sands national transshipment zone that will give a big boost to Kolkata, Haldia & Paradip Ports.

"The Ministry of Shipping is taking various measures to resolve the long standing dispute relating to Kanika Sands transshipment zone to the satisfaction of all the concerned parties: Kolkata Port Trust, Paradip Port Trust and the Odisha Government," a Ministry statement said.

Transshipment zone is essentially a hub that serve as a nodal points for redistribution of freight, so all traffic going to a particular port can be consolidated at the hub. This helps reduce costs and improve asset utilisation.

Kanika Trans-shipment infrastructure will act as extension to major ports thereby enhancing port capacities and revenue without incurring huge amounts of capital expenditure.

"Kolkata, Haldia and Paradip Ports will benefit immediately as these ports will now have the capability to handle the large-sized Panamax and Capesize vessels round the year without spending huge amounts on dredging," the government said adding that port congestion and subsequent massive demurrage costs will come down.

The government expects the benefits to accrue as early as 8-10 months. The ministry says the transshipment can be connected with the inland waterways.

"This will link very large ocean-going vessels to various inland waterways, starting with NW-1 one which is to be the nation's premier waterway from Haldia to Allahabad."

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Gujarat Pipavav net profit jumps 2-fold to ₹805 million in Q2

Gujarat Pipavav Port Ltd. (APM Terminals Pipavav), one of western India's fastest growing gateway ports, reported its Q2CY14 results.

The company's net profit rose to ₹805 million as against ₹352 million in the corresponding quarter last year. Operating income for the second quarter ended June 30, 2014 stood at ₹1,683 million as against ₹1,220 million for the corresponding quarter last year.

EBIDTA for the quarter was at ₹989 million. Commenting on the quarterly results APM Terminals Pipavav Managing Director, Prakash Tulsiani said, "The operational efficiencies and superior hinterland connectivity to fulfill the needs of our clients has rewarded us with these growth numbers. Despite seasonality in the business and the fact that April-June period is supposed to be a lean quarter for us, we have witnessed a decent volume growth and realisation."

Port capacity of major ports to be doubled to 1600 million tonnes over five years

Union Minister for Shipping Nitin Gadkari today held a comprehensive review meeting of major ports in Mumbai, laying thrust on improving operational efficiency and expanding port capacity. Chairpersons of all the 12 major ports participated in the meeting and appraised the minister about their various development projects.

Speaking on the occasion, the Shipping Minister Gadkari said India plans to double the ports' capacity from the current 800 million metric tonnes (mmts) to 1600 mmts over the next five years. The 12 major ports have already drawn up action plan for capacity addition of 500 mmts, out of which projects to the tune of 350 mmts are slated to commence during this financial year itself.

The minister also stressed on the need to improve port connectivity. He said rail connectivity options should be explored to avoid traffic congestion around port areas. The minister opined that RO-RO (Roll-on, Roll-of) service could be an additional measure to decongest port traffic. The government has favoured forming Special Purpose Vehicles (SPVs) with ports participation to implement port connectivity railway projects.

Gadkari asked the port heads to speed up decision-making process by exercising powers available to them under the Port Trust Act. He said the government would support all bona-fide decisions taken with a positive approach. He also said the ports must explore possibilities of decentralisation, including setting up of satellite port facilities. The minister asked all the ports to draw up timelines for implementing their projects and adopt e-tendering and global tendering to promote transparency.

Chennai Port looks to handle met coke to boost cargo traffic

Chennai Port Trust (ChPT) plans to handle metallurgical coke and petroleum coke to make up for the loss of dusty cargo like coal and iron ore. The new cargo will be handled on a trial basis for six months, according to port sources.

Unlike coal and iron ore, met coke being lumpy does not generate much dust. However, the port will handle the cargo with stringent environment measures. The Tamil Nadu Pollution Board has been informed about this, and technical and legal opinion have been sought on handling of the cargo, sources said.

The port handled different types of coal since 1990 with the peak volume of 9.85 million tonne (MT) in 2008-09 for various thermal power stations in the hinterland. However, the Kamarajar Port (formerly Ennore Port) and Krishnapatnam Ports started handling more coal traffic than Chennai.

Hubert Enviro Care Systems in its report on the implications of handling met coke said that the cargo, which is a by-product of coal, becomes denser and harder with the size of the coal ranging from 18 grams to 115 grams. The cargo being heavy will not break down and generate dust during handling, sources said.

The coal/coke handling capacity of the common berth operated under a private-public-partnership mode at Kamarajar Port has almost reached the rated capacity of 8 MT and may not be in a position to handle the additional volume of cargo. This provides a good opportunity for Chennai Port to tap the business, sources said.

India agri export stuck on global oversupply

Exports of agricultural commodities are currently depressed due to oversupply dragging down their prices in global markets below the level in India. Sector exporters have changed strategy to focus more on processed and directly consumable food items, from raw, uncooked ones earlier. In recent months, exports of many of the principal agricultural commodities have stopped, especially those of cotton, wheat, rice and sugar. This rapid decline in agri exports comes as the government says it is taking all possible steps to increase dollar inflow into India, to contain the current account deficit to a manageable level. "Currently, the situation is very challenging. However, the ministry of commerce is exploring new market access and the ministry of food processing is looking for exports. Hence, overall agri exports are unlikely to get much (adverse) impact," believes Ajay Sahai, Director-General of the Federation of Indian Export Organisations.

Local shipbuilders may find it tough to match overseas prices

Local shipbuilders such as Larsen and Toubro Ltd and Pipavav Defence and Offshore Engineering Co Ltd, looking to build at least three liquefied natural gas (LNG) carriers that will be hired by GAIL (India) Ltd to transport LNG from the US, will have to match the price quoted by overseas yards where six of the sophisticated carriers are to be constructed, to win the deal.

On August 1, GAIL invited bids from shipowners for time chartering (hiring) nine LNG carriers for 20 years in lots of three vessels each with a capacity to carry as much as 180,000 cubic metres of LNG. Prospective bidders must quote for lots of three vessels with a provision that under each lot, one vessel shall be built in an Indian yard. "It's really good," said sources for the Shipyards Association of India (SAI), an industry group that had lobbied for constructing some of the LNG ships required by GAIL in India.

"Otherwise, India will never be able to build LNG carriers. This is how China started building LNG ships."

Adani Ports Q1 net profit up 36 per cent at ₹568 crore

Adani Ports and Special Economic Zone Ltd (APSEZ), India's largest port developer, reported first quarter net profit rose 36 per cent to ₹568 crore from ₹418 crore a year ago. Total income from port-related operations increased by 26 per cent to ₹1,430 crore from ₹1,131 crore in same quarter last fiscal.

The cargo handled by the company was 33.83 million tonnes (mt) in the quarter, an increase of 27 per cent over the corresponding quarter last year. The company's port at Mundra in Kutch district of Gujarat handled 28.86 mt of cargo in the first quarter, a 22 per cent growth over the year-ago figure and higher than the 4 per cent aggregate cargo growth at all major ports.

In terms of containers, the Mundra port handled 681,000 twenty-foot equivalent units (TEUs) during the period compared with 477,000 TEUs in the same quarter last year—a 43 per cent growth. The acquisition of the Dhamra Port in Odisha was also completed during this period and it handled 4.20 mt of cargo during the quarter, a growth of 36 per cent over the corresponding quarter last year. Capacity expansion work at the port is in progress, APSEZ said in a media statement.

Volume at the Dahej port grew by 28 per cent and at the Hazira port by 85 per cent on a year-on-year basis. Adani Group chairman Gautam Adani said, "The results are a validation of our strategy as we continue to show growth significantly faster than the rest of the industry." The acquisition of the Dhamra Port and the joint venture with French container line CMA CGM SA will further augment organic growth rates, he said.

India looks to boost exports to Russia

As the US and European Union (EU) shut their doors on Russia by imposing sanctions for backing Ukrainian separatists, India is eyeing a window of opportunity. The Commerce Ministry has chalked out a strategy to boost India's exports of around 24 items to Russia that the country usually buys from the EU and US.

While most of the sanctions against Russia are in banking, finance and high-end technology, the commerce ministry thinks Russia's souring relationship with the West may give India an opportunity to grab a slice of the market in other items that have been traditionally supplied by Western countries.

The ministry has written letters to various sector-specific export promotion councils to focus on these items in order to boost their exports to Russia.

Ajay Sahai, Director General and Chief Executive of the Federation of Indian Export Organisations (Fieo), said the EU and US sanctions provide an opportunity for Indian exporters to make an entry into the Russian market and establish a larger presence. "Russia is a major partner of India, but it does not get reflected in our trade statistics. India-Russia trade is not even 1 per cent of India's total trade."

India's exports to Russia contracted 6.46 per cent in 2013-14 to $2.15 billion, while its imports from the country shrank 7.85 per cent to $3.9 billion during the same year. Sahai said Fieo is organising a "Made In India" show in Moscow from 24-26 September where 125 companies will showcase their products. "Russia is fast changing despite its problems with the West. A sizeable population in that country has high purchasing power, and if Indian companies can offer quality products, they can make hefty margins," he added.

Kanwal Sibal, a former Foreign Secretary and Ambassador to Russia, said that while the strategy is sensible, it was unrealistic to expect a significant portion of Russia's trade with the EU and the US to deflect to India in the short run. "Russia has to take a decision whether the products we intend to sell to them can be adequate substitutes for what they are buying from the US and Europe. It includes certain high-end technologies which we cannot provide since we ourselves are in the market for those technologies."

CII delegation to visit Port of Antwerp and Rotterdam

CII Western Region Sub-Committee on Logistics is taking a “Knowledge Sharing and Business Mission” to the Ports of Antwerp and Rotterdam from September 7-11, 2014.

The Ports of Antwerp and Rotterdam are chosen as these ports provide a perfect gateway to Europe. These ports are the largest industrial and logistics hub in the European continent. Their excellent hinterland connectivity with high quality rail, road, barges and pipes network attracts manufacturers from across the globe.

These ports are equipped with the state-of-the-art machineries and storage systems, hence ensuring swift and efficient cargo handling.

These ports also play a pivotal role in giving Europe the competitive edge and adding significant economic value to the continent's economy.

On this backdrop the committee believes that at this juncture where India is looking forward to infrastructure boost, our ports too will be pivotal. This knowledge sharing mission is planned to help understand global ports and their business mechanism.

Players from Logistics, Ware Housing, Cold Storage, Air Cargo, Infrastructure, Ports and other allied industries are invited to be a part of this delegation to the Port of Antwerp and Rotterdam.

The delegation aims to understand what makes these ports the logistics hubs of Europe, seek and explore business opportunities for goods movement from Europe, USA and Africa and explore the prospect for using these ports as a store and forward location for Indian and Asian exporters. The delegation is looking forward to fulfil these objectives through interactions with the Port authorities of Antwerp and Rotterdam and meetings with local SMEs dealing in 3PL / value added logistics services.

Gateway Distriparks net profit up 23% in Q1

Logistics player Gateway Distriparks reported 23 per cent jump in consolidated net profit to ₹36.9 crore in the first quarter ended June 30, aided by rail business.

Total income increased by 9.30 per cent to ₹278.18 crore from ₹245.34 crore in Q1 FY14, Gateway Distriparks said in a media statement.

The April-June period saw good growth compared to the first quarter of the previous fiscal. The main contributor was the rail business which helped offset the decline in CFS business (due to stagnant port volumes and increased competition), it said.

The company's arm, GatewayRail Freight, had announced the commissioning of an Inland Container Depot (ICD) terminal at Faridabad in Haryana.

"We are positive on the outlook of our businesses. The listing of Snowman Logistics will unlock inherent value and the potential of cold chain operations. The coming on stream of the Faridabad facility will further enhance performance of the rail operations," Gateway Chairman Gopinath Pillai said.

Increase in global trade and a stable business scenario in India should have a positive impact on the CFS operations, he said, adding overall the Group is expected to improve its performance further in the current financial year.

Gateway provides container logistics services though its port-side Container Freight Stations (CFS) at Nhava Sheva (Navi Mumbai), Chennai, Vis akhapatnam and Kochi.

Snowman Logistics, the cold chain subsidiary of GDL, provides storage and distribution services for temperature controlled cargo across India.

Nitin Gadkari asks major ports to come up with land data base by October

The Centre has asked the major ports to prepare land database by October and come up with concrete plans by January next year to achieve international operating standards to revamp country's top 12 ports.

The directions were issued by Road Transport & Highways and Shipping Minister Nitin Gadkari, who has asked all major ports to come up with a shelf of projects to augment their capacity to 1600 million tonnes (MT) from the present 800 MT, an official said

“All major ports were directed by the Minister to prepare a computerised inventory of land assets along with GPS based digital maps in three months. Ports were asked to protect their lands by fencing and have close monitoring to prevent encroachments," the official said.

The major ports in India have between them 2.64 lakh acres of land, which is a major resource and can be understood from the fact that only Mumbai Port Trust has about 753 hectares of land with it, valued at about ₹46,000 crore.

"A two-member committee comprising director general of shipping Gautam Chatterjee and advisor RC Sinha will look into the changes suggested by chairmen of major port trusts in the existing land policy guidelines. Ministry of shipping will take measures to revise the Land Policy Guidelines based on the committee's report, which is expected in a month's time," the official said.

Under the new policy guidelines, land can be allotted only through licensing in custom bond areas by inviting competitive bidding, while land outside custom bond areas can be leased through tender-cum-auction.

As per the land policy guidelines, the boards of respective ports can approve leasing of land for a period up to 30 years. For leasing of land beyond 30 years and up to 99 years, approval of the government has to be obtained.

The development comes in the backdrop of non-major ports eating into the share of major ports as there is no parity in the regulation mechanism between the major port trusts and the non-major ports.


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Viraj Group sets up ICD at Tarapur, Maharashtra

Viraj Profiles Ltd, the $ 1.5bn leader in stainless steel long products, after its successful operations at CFS, Nhava Sheva has extended its logistics arm by setting up its Inland Container Depot – Vaishno Container Terminal at Tarapur, Maharashtra. Set up at an investment of Rs 90 crores, the Inland Container Depot (ICD) is located at Tarapur- Boisar, in Thane district, at a distance of 150 Kms from the Nhava Sheva Terminals and 128 Kms from Mumbai Port Terminal , with a travel time of 4-5 Hrs , ensuring smooth transportation between ICD to Gateway Ports.

Connected by rail and road with the Nhava Sheva Terminal , the Vaishno Container Terminal has paved yard of 11.4 acres for container stacking handling up to 5000 TEU's per month, with adequate warehousing space of 33000 Sq.ft for Import/Export, LCL/FCL warehousing, as per requirement. State of the art container/cargo handling equipment, trained manpower and its close proximity to the gateway ports are some of the key points which will contribute towards the success of the ICD.

Got a Container? Need one? Matchmaker offers to help

Towering stacks of empty cargo containers are familiar sights around ports all over the country, including Hampton Roads. So many empty boxes were piled up at the APM Terminals' container facility in Portsmouth last week that the port sent truckers a text message telling them the terminal wouldn't take any more, at least for the time being.

Rick Knapp, who retired nearly five years ago as COO of Virginia International Terminals, thinks he's found a way to deal with the problem. A day before the port's text to truckers, Knapp announced the launch of Quick180 LLC.

Based in Portsmouth, the new company is built around a Web portal – at Quick180.com – that offers a matchmaking service for exporters who want to find empty containers and importers who've just unloaded them and want to get rid of them.

"This is an age-old problem that's been around since the early days of containerization," Knapp said. "Because we are now a mature industry and are stretching the limits of the infrastructure that supports this business, we need to look for better ways. And this is the better way." The system is driven by exporters looking for empties, who post requests that importers can answer. A video explains how it all works. The website features a pull-down menu that shows the five biggest ports in the country – including Los Angeles and Long Beach, Calif. – though the service so far is operational only in Hampton Roads.

China's 1st fully automated container terminal starts trial operation in Xiamen

Recently, the Xiamen Yuanhai container terminal, which is said to be the first fully automated container terminal in China, was put into trail operation by the government.

The Xiamen Yuanhai container terminal was co-founded by the Xiamen government, the China Ocean Shipping (Group) Company (COSCO), and the China Communications Construction Company Limited (CCCC). With a total investment of RMB 658 million yuan, the terminal is located at the No. 3 berth at Haicang Port.

The terminal's entire workflow is controlled by an intelligent system, giving it a greater degree of efficiency than most other ports. It is expected to have an annual throughput of 780,000 - 910,000 teu, an increase of 20 - 40 percent more than regular ports.

MPT- JNPT feeder service to start

The feeder service connecting Goa's Mormugao Port Trust (MPT) and Jawaharlal Nehru Port Trust (JNPT) near Mumbai would begin by the end of August, heralding a new era on the logistic front between both the neighbouring ports. The Goa-based Chowgule Shipping Company, which has built a container feeder ship, operated by Shreyas Shipping and Logistics, will connect both the ports.

Ministry of Shipping takes charge of ship breaking industry

In order to attract more ships to Indian ship breaking yards, including the world's largest at Alang in Gujarat, and for better marketing at international shipping fora, the Ministry of Shipping has decided to bring the ship breaking industry under its wings from the Steel Ministry. Under the 15 major projects taken up under the Ministry's comprehensive action plan, it had constituted an inter-ministerial ship breaking scrap committee. The Ministry would be seeking help from the Japan International Cooperation Agency to upgrade the existing infrastructure at Alang. Besides, steps would be taken to modernise the Darukhana ship breaking facility at Mumbai Port.

Kamarajar Port asks DCI to provide deeper draught

Kamarajar Port Limited, formerly Ennore Port, has asked the Dredging Corporation of India to provide deeper draught at three coal berths to accommodate bigger vessels.

As per the plan, dredging work would begin soon and would be completed in six months. The draught capacity of Chettinad International Coal Terminal would be increased from 13.5 metres to 16 metres, whereas the draughts at coal berths I and II would be deepened by one more metre each. It would cost about ₹50 crore. DCI had already deepened the approach channel and basin to the berth by 16 metres.

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MOVING UP AGAINST ODDS

Container traffic in India has seen strong traction in the last few years with the country improving its trade and bilateral ties, partnering with more countries in Asia and Far East than in the past. This has helped widening the basket of export and import commodities.

Deepika Amirapu

The year 2014 began well for Indian ports with four government controlled ports recording an increase in container traffic. Visakhapatnam and VO Chidambaranar Ports on the east coast made a splash reporting the highest increase in containerised cargo with small and large exporters preferring to trade in the box. Timber and granite exports from the east coast of India are known to have helped these terminals report a jump in the box cargo segment. However, the growth rate is not surprising as container traffic in India has been growing at a CAGR of 15 per cent over the last ten years with the annual average over the last five years clocking a 6.5 per cent growth rate.

Other terminals will thank exporters who opted to containerise electronics, textiles and automobiles in the recent past that led to this spurt in India's share of containerised commodities globally. This momentum of growth can be sustained if shippers of agricultural commodities step up their efforts to ship their produce in boxes. Of the well oiled terminals on both coasts, the ones on the West project higher traffic and utilisation rates than the terminals on the east coast with the average utilisation pan India staying steady on the happier side of 50 per cent. Terminals would be able to boast of higher volumes also if they can optimise the movement of freight. A lopsided use of the modes of transportation can be replaced by the best possible selection of modes to curtail congestion and speed up the movement of cargo. The terminals, unfortunately, cannot do much about the skewed movement of cargo. The Indian logistics matrix is so complex that it restricts use of some modes of transport in certain crucial pockets sometimes for want of land, poor infrastructure or stringent legislations that require many clearances. This drives up the cost for exporters leading to them to send their cargo as bulk or break bulk clouded by the belief that containerising the commodity will tug harder at their purse strings.

But, thankfully, what is offsetting this drawback is the increase in the number of container-oriented assets or ICDs and CFSs falling within the radar of many a port hinterland. At the last count, about 10 ICDs are coming up in north, central and eastern India with improved road/rail networks, large land parcels and many value-added services in tow. This could foster port volumes given the interplay between the trade and logistics sectors. Supply side infrastructure is also being bolstered with terminal capacity augmentation at major and non-major ports. At least 8 million tonnes of capacity is being added in next three years at various ports on both coasts. Fitted with modern equipment, the new terminals will ramp up productivity related numbers on the sea side and land side.

Rating and analysis agency India Ratings believes that global container trade as well as outbound container shipment volumes from Indian ports could improve in 2014 due to the tentative recovery in demand from European economies and the U.S.

But pray, *Where is my cargo?* That's the question everyone is asking. If major investments, and increased private sector participation are improving supply side infrastructure, the industry will have to rise up to match the capacities being created. Without adequate support from the manufacturing side, ports will be left with a bulging cost structure and an ageing facility.

The world has come to accept the single digit rate of growth for the container shipping industry as the new normal. With the Index of Industrial Production numbers pointing northward, India has a chance to believe that *Acche Din* have ostensibly come to be. With the government responding to multiple factors such as infrastructure constraints and administrative hurdles, the future of the sector does look sunny.

Containers India will help terminals not just identify their cargo, but also help terminal operators and shippers find new ways of doing business. It is for this purpose that all the operational container terminals have been featured in this special issue to give our readers and port users an understanding of the facilities as they stand today leaving them to decide what works best.

APM Terminals Mumbai

APM TERMINALS MUMBAI also known as Gateway Terminals India (GTI) is part of APM Terminals global ports/terminal network. A joint venture between APM Terminals and Container Corporation of India, it is one of three container terminals operating from Nhava Sheva's Jawaharlal Nehru Port (JNPT) having procured a 30 year license from the Port to provide container handling services at its facility. The terminal accounts for nearly 45 per cent of the total throughput at the Port representing 20% of India's containerized cargo. While the Port recorded a combined throughput of 4.16 million TEUs in FY2013-14, this terminal accounted for more than 45% of the Port's total throughput handling 1.88 million TEUs in the corresponding period. As a common user terminal it caters to 23 Shipping Lines which operate out of its 13 services.

APM TERMINALS MUMBAI is the only Indian terminal to figure in the Journal of Commerce (JOC) list of global top ten productive container terminals. As per the APM Terminals Mumbai increased its berth efficiency by 10% points in 2013 measured in Berth Productivity. The JOC study used data from over 150,000 port calls during 2013, evaluating the individual performances of 443 ports and 771 terminals. The TEU per Meter of Quay Length per Annum at APM Terminals Mumbai stands at approximately 2,700 for FY2013-14 (i.e. 1.88 million/712 meters of Quay Length) against an optimal capacity benchmark of 1,200 set by Drewry Maritime.

Year of terminal set up:

License Agreement signed in August 2004

Partial commercial operations March 2006

Who operates the terminal?

Joint Venture of APM Terminals and Container Corporation of India Ltd. (CONCOR)

Stake: 74 per cent and 24 per cent respectively

Major lines calling at GTI: APL Line, CMA CGM, Evergreen, Hamburg Sud, Hanjin, Hapag Lloyd, Maersk Line, MOL, MSC, NYK, OOCL, UASC, Wan Hai

Draft at the terminal: Channel draft 14.0 meters

Export destinations: Multiple sailing every week to every continent

Highlight:

Safe & Reliable Operations
A Common User Terminal
Offering Multiple Sailings every week to every Continent
Transparency in Tariffs
Good hinterland access
Environment Friendly Operations
Living up to Our Values
Taking utmost care of Our People

Operational indicators

Ships-	a) No of ships calling the terminal in a week 13 Vessels b) Average turnaround time in port 19 Hours 45 Mins
Cargo-	a) Details of container cargo 1,879,528 TEUs/25321082.12 Tones Annually
Berths-	a) No. of berths used 2 Berths b) Length of the berth 712 Meters Total
Labour-	a) No of people employed at the terminal: Approximately 500 b) Total working time (specify shifts, if any) 24X7 Working Two Shifts
Cranes-	a)Type and no of cranes deployed 1.RMQC – 10 2.RTGC – 40 3.RMGC – 3
Warehouses/ CFS and ICD-	no of warehouses, CFSs and ICDs surrounding the port 30 CFSs
Yard Operation and Storage utilization-	a) Container yard throughput around 2 million TEUs
Gate Operations/ Utilization-	a) Time spent in clearing trucks at gate 4-5 Mins per Truck
Customs operations-	Does the port have a 24/7 customs facility Yes
Technology used at ports-	RFID, PIS to improve port efficiency and working Automated and wireless communication for real Time Data Entry in system

Nhava Sheva International Container Terminal Pvt Ltd

Nhava Sheva International Container Terminal Pvt Ltd (NSICT), country's first private container terminal, was set up in 1997, later inherited by DP World as part of the P&O ports acquisition in 2006. Built at Jawaharlal Nehru Port (JN Port), DP World Nhava Sheva is currently one among the fastest growing terminals in the country.

Strategically located on the West coast of India, NSICT's operational efficiencies and infrastructural development is complemented with seamless hinterland connectivity and linkage to major and minor ICDs and CFSs through rail and road. The terminal has a draft of 14 metres.

Major lines calling at the port include Maersk, MSC, CMA /CGM, ZIM, SCI, SEACON, SIMATEC, OEL, CSAV and OOCL, catering to export and import destinations such as Europe, Mediterranean, Africa, USA, Far East, Middle East and Black Sea.

An impressive list of awards and accolades stand testimony to the terminal's success and progress, giving DP World the encouragement to embark on new endeavors to providing unsurpassed value to its clients. In September 2013, the terminal has been adjudged the "Container Terminal Operator of The Year (Pan India).

"The terminal relies on three core pillars of the business – most advanced equipment, environment friendly operations and immaculate customer service . Currently, the terminal is undergoing for an expansion with an extension of berth by 330 metres. This will bring out the much needed capacity in Western India and more particularly in JNPT Ports and will be enable us to accommodate the Growth appetite of the India's EXIM Trade," said Ajay Singh, Chief Executive Officer – DP World Nhavsheva.

Financial indicators:

Capex deployed in setting up the terminal: ₹975 crore

Annual revenue/Profit of the terminal: ₹470 crore

Capex plans in the coming year: ₹40 crore

Annual growth rate & projected growth rate: NSICT expects an increase in cargo handling to handle 1.3 million teu by FY 2014-15.

Operational indicators

Ships -
a) No. of ships calling the terminal in a week: 11
b) Average turnaround time in port: 24 hrs
c) Ship throughput in an hour – GCR 24

Cargo -
a) Details of container cargo – Average monthly 1,00,000 teu
b) Tonnage of handled cargo (annually) – 1.2 mill teu

Berths -
a) No. of berths used - 2
b) Length of the berth – 300 each

Labour -
a) No. of people deployed at the terminal – 1,095 (regular + contract)
b) Total working time (specify shifts, if any) – 24x7 (3 shifts)

Cranes
a) Type and no of cranes deployed – Noell 4 X Post Panamax / 4 x SuperPost Panamax
b) No of moves/hour – GCR 24

Warehouses/ CFS and ICD -
29 Currently with gross area of 3,175,602sqm (square meter) and annual cap 2,807,848 teu 16 upcoming with gross area of 1,813,786 sqm and annual cap 1,067,400 teu

Yard Operation and Storage utilisation:
a) Container yard throughput: Twice terminal TP
b) Stacking of containers in the yard/ space optimisation – Average stacking height 3.5

Gate Operations/ utilisation
Time spent in clearing trucks at gate: Average gate transaction per truck 3-4 minutes

Customs operations
Does the port have a 24/7 customs facility: Yes

Technology used at ports
Wi-Fi connectivity throughout yard and wharf. Currently, the terminal is experimenting with RFID / GPS tracking for ITV's and Gate Automation.

Krishnapatnam Port Container Terminal

Krishnapatnam Port Container Terminal (KPCT), located on the East Coast of India in Andhra Pradesh, is operated by Krishnapatnam Port Company Limited. Commencing operation in September 2012, the terminal handles several cargo including cement, rice, maize, seafood, granites, chilly, tobacco, cotton etc. The terminal is emerging as a container gateway of east coast with its world-class cargo handling equipment, deepest draft, huge warehousing facility, efficient operational processes and unparalleled road and rail connectivity.

Operational/ Port performance indicators:

Ship -	a) No. of ships calling the terminal in a week: 14 b) Average turnaround time in port: 8hrs 30 mins c) Ship throughput in an hour - GCR 32. Highest GCR achieved is 48.6
Cargo-	a) Details of container cargo - Avg monthly TP 7200 teu. Expected to cross 12,000 teu shortly. b) Tonnage of handled cargo (annually) - 70000 teu
Berth-	a) No. of berths used - 2 b) Length of the berth - 650 mts continuous wharf
Labour-	a) No. of people deployed at the terminal - 250 (regular + contract) b) Total working time (specify shifts, if any) - 24x7 (2 shifts)
Cranes-	a) Type and no of cranes deployed - Doosan super post Panamax RMQCs – 05 nos b) No. of moves/hour - GCR 32
Warehouses/ CFS and ICD-	Warehouse capacity outside the port (within 7 km) - apprx 400,000 sft. Upcoming CFS should is expected to be operational by Mar-15
Yard Operation and Storage utilisation:	a) Container yard throughput: Twice terminal TP b) Stacking of containers in the yard/ space optimisation – Average stacking height 3.2
Gate Operations/ utilisation -	Time spent in clearing trucks at gate: Average gate transaction per truck 5-7 minutes
Customs operations-	dedicated customs teams posted within port premises.
Technology used at ports:	RFID, PIS to improve port efficiency and working, RFID for trailer monitoring & tracking

Annual growth rate and projected growth rate:

KPCT expects a three-fold jump in cargo handling to handle 150,000 teu by FY 2014-15

Major vessel operators calling at the port include Maersk, MSC, X-Press Feeders and VASI Shipping.

The terminal has successfully handled 58,577 teu (twenty foot equivalent unit) in its first full year of operation. "We are targeting a more than two-fold jump in volume by crossing 120,000 teu by end of this financial year," said Jithendra Nimmagadda, Chief Operating Officer of KPCT.

The current capacity of 1.2 million teu per annum will be expanded to a final capacity of 6.0 million teu per annum by the year 2020 in the Phase II.

Adani Mundra Container Terminal (AMCT)

The Adani Mundra Container Terminal is run by the Adani Group's APSEZ Ltd and has an installed capacity is 1.25 million TEUs per annum. With two in-line berths of a total quay length of 631 metres, this terminal has an alongside draft of 17.5 metres. The terminal owns six rail mounted super post panamax quay cranes with outreach of 22 across and twin lifting capability. It container yard has ground slots for 4,014 TEUs of container storage including 240 TEUs reefer slots. In addition, it also boasts of owning 16 rubber tyre gantry cranes for container yard operations. This is the only other terminal in India whose rail infrastructure allows it to handle double stack container trains to Northern & Western India.

The Mundra Port, where this terminal is located has its own fleet of tugs and pilots. APSEZ also owns a fleet of dredgers to carry out the capital and maintenance dredging activities and thereby ensuring the terminal's draft is maintained at optimum levels. The terminal first began operations in 2003.

Highlight- Adani Ports and SEZ created an infrastructure capability to handle the largest container vessel call to India The 14,036 TEUs vessel, MSC Valeria created maritime history in India when it called the port in June this year.

Operational indicators

Throughput-	1.42 lakh teu
Growth rate (volumes):	Volumes grew 58.83 per cent in FY 13-14 compared to FY 12-13
Capacity added:	One lakh teu per annum storage space for empty containers
Capacity Utilisation-	52 per cent
Import Dwell Time-	3.74 days
Export Dwell Time-	6.04 days
Average trailer turnaround time-	60 minutes
Average Crane moves oer hour-	30.29 moves
Growth in operating profit-	The operating profit grew 58.97 per cent in FY 2013-14 over 2012-13
Growth in operating profit margin-	the margins stood at 2.76% in FY 2013-14 over 2012-13
Technology Implemented-	Terminal Operating System ACTOS, that boasts of a multi-terminal operating functionality
Future Plans-	The terminal has ordered four new RTGs. On delivery, it will allow capacity and productivity enhancement translating to superior service delivery customers.
Innovations:	Automation projects were implemented during the year. Container Auto Position Detection System and Auto Steering of Electrical RTGs were the two innovations.

KATTUPALLI INTERNATIONAL CONTAINER TERMINAL

Kattupalli International Container Terminal (KICT), located north of Ennore Port near Kattupalli, is owned and operated by L&T Ports, a unit of L&T Shipbuilding Ltd. The container terminal, with a capacity to load 1.2 million standard containers a year, is part of the shipyard-cum-port complex that L&T Shipbuilding has constructed at Kattupalli with an investment of Rs.3,989 crore. L&T Shipbuilding is 97 per cent owned by L&T, India's biggest engineering and construction firm, with Tamil Nadu Industrial Development Corporation (TIDCO) holding the balance stake. Some of the lines calling at the port include NYK, Maersk and BLPL. The terminal has a water depth of 14 metres. Most products are shipped off to Laemchabang and Singapore.

Kattupalli Port last year handled over 5,900 Twenty-foot Equivalent Units (TEU) of containers against its capacity of 12 lakh TEU.

The terminal functions 24*7 and provides unmatched advantages:

- CFS within port accelerates transit of goods.
- Proximity to Container Freight Stations (CFS) ensures faster truck turnaround.
- Modern equipment with global best-in-class technology leads to a richer, more satisfying user experience.

"AT KICT, we are planning for an expansion of container berth and to have a RoRo (Roll-on/ Roll-off) facility and a Liquid terminal in the coming years," according to a senior official of L&T Ports.

Operational/ Port performance indicators

Ships:	a) No of ships calling the terminal in a week Container Vessels b) 2 Break Bulk vessel - 1 (Fortnightly) c) Ship throughput in an hour – 70 moves
Cargo:	a) Details of container cargo – Auto Parts, Minerals, Tobacco, Chemicals, Tyres, Pharma, Agro products b) Tonnage of handled cargo (annually) - FY 13-14 5962 TEUs
Berth:	a) No of berths used - 2 b) Length of the berth – Berth 1 350 meter & Berth 2 360 meter
Labour:	a) No of people deployed at the terminal – 250 people
Cranes:	a) Type and no of cranes deployed – Each berth 3 cranes. Twin lift. b) No of moves/hour - Over 30 moves per hour
Warehouses/ CFS and ICD-	No. of warehouses, CFSs and ICDs surrounding the port:
CFS –	14 acres / 360 ground slots
Warehouse –	45,000 sft
Yard Operation and Storage utilization:	a) Container yard throughput - 5120 ground slots b) Stacking of containers in the yard/ space optimization – Ground + 4 (5 high)
Gate Operations/ utilization-	a) Time spent in clearing trucks at gate: Six lane gate complex to facilitate faster movement
Customs operations-	Does the port have a 24/7 customs facility: 24/7
Technology used at ports-	RFID, PIS to improve port efficiency and working Vehicle Mounted Terminal – to improve the efficiency of ITV operations.

USP of the terminal:

- Away from the City, 24/7 Operations, Congestion free approach Roads
- 360 Reefer Points for perishable cargo
- Seal verification of Central Excise & Factory Stuffed containers at CFS located inside the port premises.
- Better connectivity to Hinterlands & National Highways
- Better proximity to Container Freight Stations & MTY yards resulting in faster truck turn around and better asset utilization
- Vast back up area for future expansion
- Modern Equipment with global best in class technology leads to a richer, more satisfying user experience.

ABG Kolkata Container Terminal Pvt Ltd

ABG Kolkata, incorporated in 2004, is a subsidiary of ABG Infralogistics Ltd. that holds 51 per cent of the total shareholding of the company. The balance is held by PSA India Private Ltd., a Singapore-based entity, which made a strategic investment in 2008. ABG Kolkata Container Terminal is a gateway to eastern and northeastern India. The port has a vast hinterland comprising eastern India and two land-locked neighbouring countries – Nepal and Bhutan. The terminal started vessel operations in November 2004 and has a designed capacity of 250,000 teu.

A the major share (about 98 per cent) of container traffic flowing through Kolkata Port is carried by feeder ships having connection with mother ships at connecting relay ports like Singapore, Colombo and Port Klang and the rest are covered by combi-ships. The maximum draft at the port is 8 metres. The port is visited by feeder operators as the draft does not support major lines. Jute and rice are usually exported from the terminal and finished goods, industrial machinery, spares, electronics and project cargo is imported from various destinations.

Earlier this year, PSA India won the tender to operate all the five berths at the Netaji Subhas Dock. Currently ABG operates two of the five berths in partnership with PSA. The Singapore based firm will upgrade the current infrastructure by adding four mobile harbor cranes, four RTGs, 9 RSGs and 30 tractor trailers.

Highlight:

At its peak, the gross crane rate at the terminal is 35 moves, the highest ever recorded at a riverine port. Also, this is the only terminal that handles more cargo than the installed capacity.

Operational/ Port performance indicators

Ships -
a) No of ships calling the terminal in a week: 07
b) Average turnaround time in port: 16hrs 34 mins
c) Ship throughput in an hour – GCR 26

Cargo-
a) Details of container cargo – Avg monthly TP 23000 teu
b) Tonnage of handled cargo (annually) – 265000 teu

Berths-
a) No. of berths used - 2
b) Length of the berth – 225m+186m

Labour-
a) No. of people deployed at the terminal – 120 (regular + contract)
b) Total working time (specify shifts, if any) – 24x7 (3 shifts)

Cranes:
a) Type and no of cranes deployed – Liebherr Mobile Harbour Crane – 03 nos
b) No. of moves/hour – GCR 23

Warehouses/ CFS and ICD-
No. of warehouses, CFSs and ICDs surrounding the port: Port owned Container Freight Station within the premises and two other CFSs operated by Central Warehousing Corporation and Century Plywood.

Yard Operation and Storage utilisation:
a) Container yard throughput: Average 21000 teus Per month
b) Stacking of containers in the yard/ space optimisation – Avg stacking height 4

Gate Operations/ utilisation -
Time spent in clearing trucks at gate: Under one hour.

Customs Operations-
The port does not have 24/7 customs facility. But the customs office functions on Sundays at prior notice.

Technology used at ports: N/A

Growth in Volume:
Port has reported a steady increase in the volume of cargo at 8 percent for the last three financial years.

PSA SICAL TERMINALS LIMITED

PSA's Tuticorin Container Terminal is located in a growing trade region, along the busy Europe-Far East trade route. The terminal is well-linked to the major hinterland industrial clusters and cities such as Bangalore, Chennai, Cochin, Coimbatore, Madurai and Tirupur by state and national highways, and rail connections.

The all-weather port provides customers with a conducive, pro-business environment with 24-hour operations and no restrictions on night navigation. The extensive use of information technology systems ensures high operational efficiency in the port. Vessels are berthed on arrival and are turned around in less than 12 hours. This terminal is also supported by comprehensive logistics facilities such as private modern container freight stations.

Facilities

Container berths- One (1)
Quay length – 370 metres
Area – 10 hectares
Max depth -11.9 m
Quay cranes- 3
Designed capacity- 450,000 teu

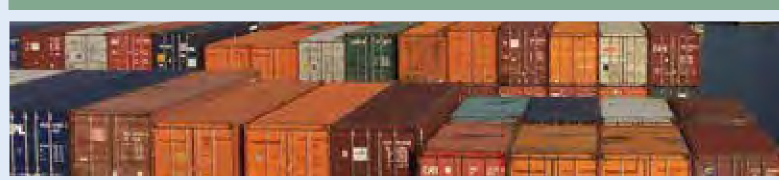
BHARAT MUMBAI CONTAINER TERMINALS

PSA's Bharat Mumbai Container Terminals (BMCT) is located in Jawaharlal Nehru Port (JNP) in Maharashtra, India's largest and premier container gateway. It serves the important industrial and manufacturing centres and cities in Northwest India, as well as India's largest hinterland with a population in excess of 400 million. The development of BMCT, JNP's fourth container terminal, will cater to the ever-increasing demand for container handling capacity, boost export / import trade and increase economic activities between India and other countries.

With new expressways coming up, the terminal could evacuate cargo at a quicker pace. Phase 1 of BMCT is expected to commence operations in early 2018.

Highlight:

PSA's Bharat Mumbai Container Terminals (BMCT), located in Jawaharlal Nehru Port (JNP) will have the distinction of being the largest terminal in India with first phase having a capacity of 2.4 M TEU and the second phase adding 2.4 M TEU. When BMCT is fully completed, it will have a berth length of 2,000 metres and the deepest berths in JNP to handle large super post-panamax vessels.



Facility	Phase 1	Final
Container berths	3	6
Quay length (m)	1,000	2,000
Area (ha)	90	200
Max Depth at Chart Datum	16.6m	16.5m
Quay cranes	12	24
Designed capacity ('000 TEUs)	2,400	4,800

Chennai International Terminal Private Limited

Chennai International Terminals Private Limited, in Chennai Port, is positioned to tap the high growth Chennai region. Serving an ever growing hinterland and catering to the fast growing automobile, pharmaceuticals, textile, leather, light engineering and chemical manufacturing units, Chennai is the second largest container port in India, with increasing volumes and several weekly services. The region is also steadily emerging as the hub for the Indian east coast. The terminal is designed to cater to the new generation of deep-draft container vessels. The terminal's connectivity to Inland Container Depot destinations is enhanced by its own seamless rail connection. It is ideally positioned to serve the growing rail container traffic generated by rail logistic operators. Chennai International Terminals became officially operational in September 2009. It is operated by PSA International the world's largest terminal operator owned by a wealth fund set up by the Singapore government. CITPL is wholly owned and operated by PSA International.

The terminal has a draft of 15.5 metres and commodities are usually sent off to countries in the Far East and China. Some of the major lines and feeder operators calling at the terminal are NYK, Hanjin, RCL, Bengal Tiger Lines, MOL and others.

Financial indicators:

1. Capex deployed in setting up the terminal- ₹570 crore was spent in setting up the terminal. In addition, about ₹240 crore was deployed to purchase 4 Quay cranes and 8 RTGs
2. Annual revenue - ₹200 crore (revenue)
3. Capex plans in the coming year- Nil
4. Annual growth rate and projected growth rate- Container volumes grew 23 per cent yoy in the financial year 2014. The annual growth in revenues was 12 per cent during the same financial year.

Highlight: In Chennai Port, the second largest container port in India, PSA's Chennai International Terminals (CITPL) is the only terminal in Chennai to have an on-dock rail siding within its premises thereby offering seamless rail service to its customers. CITPL is ideally positioned to serve the growing rail container traffic generated by rail logistic operators and function as a hub for the Indian east coast.

Operational/ Port performance indicators

Ships-	a) No. of ships calling the terminal in a week– Nine vessels b) Average turnaround time in port- 22 hours c) Ship throughput in an hour- 63 moves an hour
Cargo-	a) Details of container cargo Top 5 commodities exported- Granite, Automobiles, garments, machinery, spares and agricultural products Top 5 commodities imported- Automobiles, steel products, machinery and spares, electrical goods.
Berths-	a) No. of berths used - Three b) Length of the berth- 832 metres
Labour-	a) No. of people deployed at the terminal- 220 staff employed with PSA terminal at Chennai, excluding the contract workers. b) Total working time- Three shifts
Cranes-	a) Type and no of cranes deployed- Seven Quay twin lift cranes deployed at the terminal b) No. of moves/hour- 30 moves per hour
Number of warehouses, CFSs and ICDs surrounding the port-	The port is surrounded by 32 Container Freight Stations and one Inland Container Deport owned by Container Corporation of India.
Yard Operation and Storage utilisation-	a) Container yard throughput- About 1,100 teu are handled as import deliveries. b) Stacking of containers in the yard- The yard has 3,500 c) Ground slots and the yard can store up to 18,000 teu. On an average, about 60% of the container yard space is occupied where boxes are stacked up to a height of 3.5 m.
Gate Operations/ utilisation-	a) Time spent in clearing trucks at gate- 60 mins
Customs operations-	Does the port have a 24/7 customs facility- The port has a 24/7 customs facility working Sunday-Saturday.
Technology used at ports-	RFID, PIS to improve port efficiency and working – The port uses CMC's marine container handling system and is equipped with a port information system too.

Visakha Container Terminal Private Limited

Visakha Container Terminal Private Limited (VCTPL), promoted by Dubai Ports World and United Liner Agencies of India, is operating the container terminal at Visakhapatnam Port since July 2003. The terminal is centrally located on the east coast of India with a rapidly developing industrial hinterland covering seven states within 700 km and extending up to north and northeast India. Blessed with natural depth of 17 metres and other favorable marine parametres, VCT can accommodate largest container vessels sailing today. The terminal, with an excellent rail and road connectivity established, now emerged as an ideal alternative especially for shipments to and from Far East and South East Asian regions to Delhi and other nearby ICDs of Hyderabad, Nagpur and Raipur. Currently, major lines calling at the port are Maersk, APL, MSC, Safmarine, PIL, Hanjin, CMA CGM, Hapag Lloyd, NYK, MOL, Wanhai, OOCL, among others.

"The jetty length will be extended by another 395 m with three additional super post panamax cranes and six RTGCs and back up area of 40 acres. The terminal capacity will increase from present 0.5 million teu to 1 million teu," said Sushil Mulchandani, Chief Executive Officer of VCTPL.

Financial indicators:

1. Capex deployed in setting up the terminal - ₹200 crore
2. Capex plans in the coming year - Additional CY
3. Annual growth rate and projected growth rate
   - Annual growth rate: 6 per cent
   - Projected growth rate: 15 per cent

Operational/ Port performance indicators

Ships-

a) No. of ships calling the terminal in a week - 6
b) Average turnaround time in port–18 Hours
c) Ship throughput in an hour - 55 moves/hr

Cargo-

a) Details of container cargo – Exports: Ferro Alloys, Frozen Sea Food, Rice, Steel, Aluminium, Heavy Minerals, and Chemicals etc.

Imports: Wood pulp, Steel Scrap, Quick Lime, Refractories, Machinery, Pharmaceuticals, and Raw Cashew etc.

b) Tonnage of handled cargo (annually) – 5 million tonnes (2.63 Lakh teu)
c) Average handling time – 16Hrs per vessel

Berths-

a) No. of berths used - 02
b) Length of the berth - 450 mts.

Manpower-

a) No. of people deployed at the terminal–570
b) Total working time (specify shifts, if any) – 3 shifts (excluding general shift)

General Shift -	9 AM – 5.30 PM	
	A Shift-	6AM – 2 PM
	B Shift-	2PM – 10 PM
	C Shift-	10 PM – 6 AM

Cranes-

a) Type and no of cranes deployed

RMQC – 4, MHC - 1, RTG – 6, RS - 7 Fork Lifts - 3

b) No of moves/hour–25 moves / hr

No of warehouses/ CFSs & ICDs surrounding the port:

– 4 CFSs available in the surroundings Visakhpatnam Terminal
– ICD - Connected to all major ICDs like Nagpur, Raipur, and Hyderabad, etc

Yard Operation and Storage utilisation

a) Container yard throughput – Average 23,500 per month
b) Stacking of containers in the yard/ space optimization – 45%

Gate Operations/ utilisation:

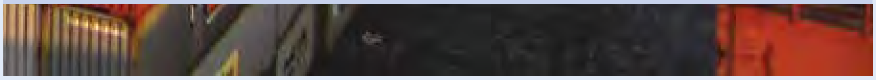
a) Time spent in clearing trucks at gate–2 minutes (Average truckaround time – 28 minutes)

Customs operations- Does the port have a 24/7 customs facility:

Yes, the port has 24/7 customs facility

Technology used at ports- RFID, PIS to improve port efficiency and working:

a) The terminal uses Terminal Operating System - NavisSparcs N4, RDT (Real Time updation of data) for vessel planning and yard management.
b) No. of moves /hour: 48 cycles/hour capacity.



Mundra International Container Terminal (MICT)

Up until 2003 container trade was restricted predominantly to terminals in the major ports, the same year Mundra International Container Terminal (MICT) commenced operation to become India's first container terminal in a minor port bringing a revolutionary change in the container trade scenario in India. Strategically located at Mundra Port in Gujarat, MICT is the closest gateway to the largest cargo generating regions of north and northwest India.

The terminal, with a berth of length 632 meters and depth of 14.5 metres, handles the biggest vessels sailing in the world. Open all year round with no tidal restrictions, the terminal also handles some of the deepest container vessels afloat today. Maersk, CMA CGM, Hapag Lloyd and Hemburg Sud are some of the lines that call the port. The terminal caters to geographies such as Dubai, Bander Abbbs, UAE and Germany for its exports and imports needs.

"Through the first decade of the new century, India has seen a tremendous rise in containerized cargo movement and increased the demand for container terminals. Back in 2003, under proactive government guidelines, Mundra International Container Terminal transformed barren marshland to a global standard terminal. Over the past decade, MICT with its state of the art facilities and deep draft has filled the need for a trade gateway to North Indian and in doing has put Mundra on the global map. The terminal has also played a commendable role in the overall socio-economic development of this region," says MICT Director and Chief Executive Officer Tejas Nataraj.

The terminal is equipped with latest technological equipment infrastructure to handle the current operational capacity of 1.1. million teu and to handle additional requirements in the future once demand grows.

The owned and operated CFS at MICT provides a hassle-free single-window service to exporters and importers. Located adjacent to the terminal and covering 20 hectares of land is a significant boon to exporters. The CFS provides state-of-the-art yard equipment, Warehousing Management System for real-time tracking of containers, covered and open warehousing space along with 24x7 customs clearance facility, leased office space for CHAs and shipping lines, container repair facility, electronic weighbridges and stand-by diesel generators.

Over the last five years, Mundra has become a first choice for exporters based out of north India because of its connectivity with a four-lane highway that connects the terminal to the hinterland. MICT also has the advantage of an on-dock rail yard and dedicated railway line.

"At the onset, I would like to express my hearty wishes for the continuation of the growth trajectory set for the nation. With expected proactive policies and a business enabling environment, the nation is at the cusp of a new phase of explosive growth that will benefit all the citizens of this country," he added.

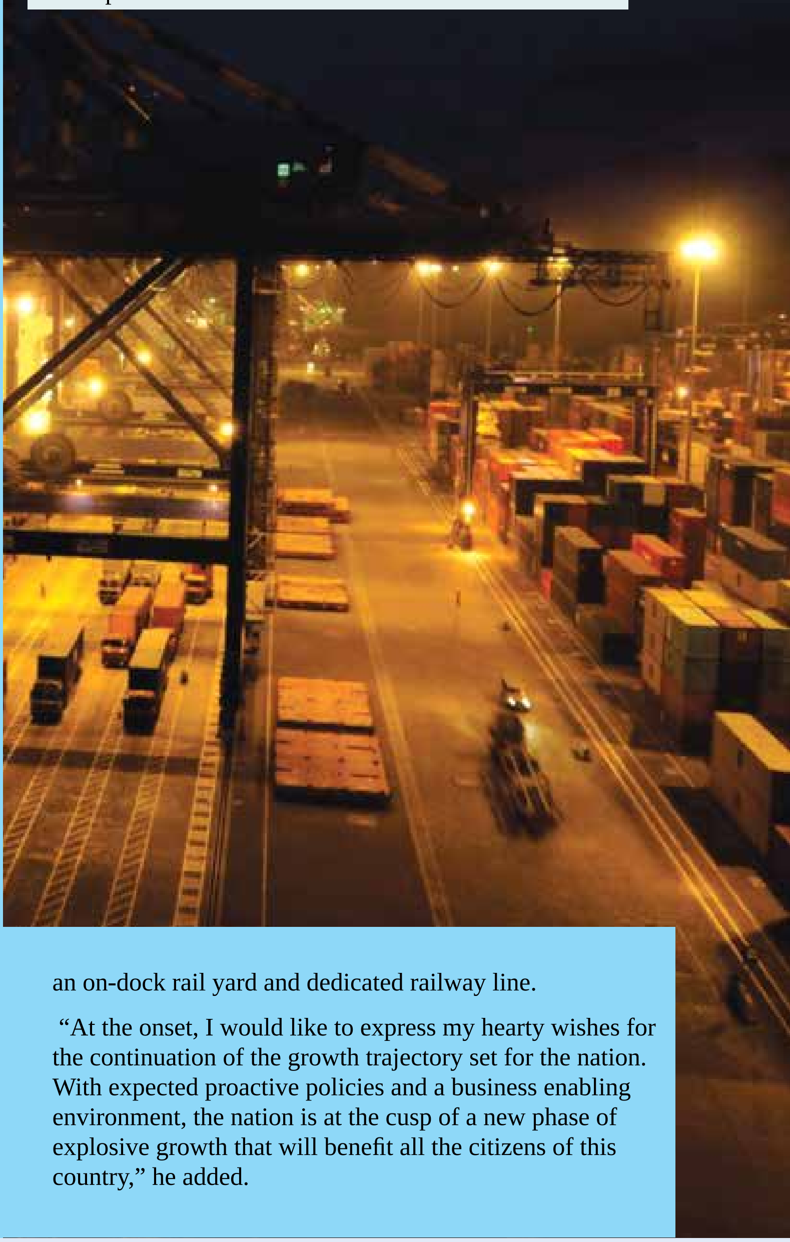
Financial indicators:

Capex deployed in setting up the terminal:
Rs 1200 crore

Annual revenue/Profit of the terminal:
Rs 500 crore (Annual Revenue)

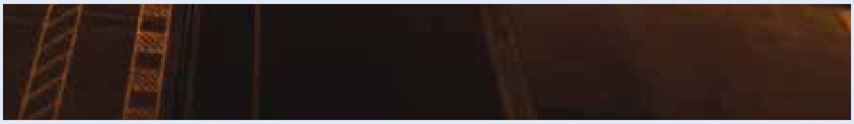
Capex plans in the coming year:
Rs 200 crore

Annual growth rate and projected growth rate:
MICT is expected to growth at average growth rates of 10% per annum.



Operational / Port performance indicators

Ships -	a)	No. of ships calling the terminal in a week: 13
	b)	Average turnaround time in port: 18hrs
	c)	Ship throughput in an hour – GCR 30
Cargo-	a)	Details of container cargo – Average monthly 86,700 teu
	b)	Tonnage of handled cargo (annually) – 10,40,000 teu
	c)	Average handling time Question not relevant
Berths-	a)	No. of berths used - 2
	b)	Length of the berth – 316 metre each
Labour-	a)	No. of people deployed at the terminal – 1200 (regular + contract)
	b)	Total working time (specify shifts, if any) – 24x7 (2 shifts)
Cranes:	a)	Type and no of cranes deployed – 4 Nos. – Super Post Panamax , 2 Nos – Post - Panamax
	b)	No. of moves/hour – GCR 30
Warehouses/ CFS and ICD-		Port owned CFS with 20,000 sqm covered and 66,000 Sqm open and 10 other CFSs surrounding the port.
Yard Operation and Storage utilisation:	a)	Container yard throughput: Twice terminal TP
	b)	Stacking of containers in the yard/ space optimization – Avg stacking height 4
	c)	MICT also has the advantage of an on-dock rail yard and dedicated railway line that has made the terminal extremely attractive for exporters
Gate Operations/ utilisation -		Time spent in clearing trucks at gate: Average gate transaction per truck 4-5 minutes
Customs operations-		Does the port have a 24/7 customs facility: Not Applicable
Technology used at ports:		RDT, VHF to improve port efficiency and working
Draft at the terminal: 14.5 Metre		
Proximity to Hinterland:		North and North West Indian cargo had JNPT as the point of export. MICT's proximity to this market in distance made it a viable efficient alternative.



Adani Hazira Container Terminal

Adani Hazira Port's AHCT is located on the west side of the Hazira peninsula and came to be first in the year 2002 when the Hazira Port Concession Agreement (CA) was signed between the Gujarat Maritime Board, Government of Gujarat and Hazira Port Private Limited. The agreement was signed to set up LNG terminals and ten years after operating the LNG terminals, container operations were commenced at the port. The port has a draft of 13 metres currently and post monsoon the draft will deepen by a metre. Maersk Line, MSC, PIL, SCI, UASC, SCI and Shreyas are some of the lines that call the port. Most products are shipped off to Europe, East Mediterranean, Middle East, West and South Africa and South America. In incoming cargo is moved to Nhava Sheva, Cochin and Tuticorin to other destinations in India.

Thus far, the port has handled 132,000 teu of cargo brought by 249 vessels since first call in Aug 2012. The port began full fledged operations in 2013.

"Adani Hazira is the only terminal in India having RFID enabled gates, Container Yard and RMQCs with RFID readers." DK Sen Sharma, Chief Operating Officer – Container Terminals | Adani Ports & SEZ LTD.

The port's location is strategic. Major industrial clusters are located within 200 km reach of the port, in the Vadodara-Ankleswar-Hazira-Vapi belt. This industrially vibrant belt has the largest cluster of manufacturing firms in India. It is estimated that by 2015, this hinterland of Hazira Port will generate a container cargo traffic of over 2 million teu. In addition, at least 12 Special Economic Zones fall in the Vadodara-Hazira belt, resulting in the escalation of demand for container port facilities. The port also falls within the planned Delhi Mumbai Industrial Corridor.

The port is linked to both NH-6 and NH-8 (part of Golden Quadrilateral road network) connecting to the arterial National Highway between Delhi & Mumbai and traverses further to Central India. To further improve road logistics, the government is planning 6-lane widening of the existing roads between port and the national and state highways. A number of infrastructure initiatives are strengthening the port linkages to key industrial and export hubs.

Financial indicators:

1. **Capex plans in the coming year:** Investments made for 2 Super Post Panamax RMQC & 6 E-RTGCs
2. **Annual growth rate and projected growth rate(Revenue):**25 per cent over FY 2013-14.

Operational/ Port performance indicators

Ships-

a) No. of ships calling the terminal in a week : 3 to 4 container vessel calls/ week.

b) Average turnaround time in port: 11 hrs

c) Ship throughput in an hour: Crane rate 30 moves/hour/ crane. Total throughput per hour depends upon crane intensity vessel has to offer.

July'14: Average: 84 moves/hour.

Cargo-

a) Details of container cargo : General, Hazardous, Reefers, OOG cargo.

b) Tonnage of handled cargo (annually): 87,015 teu FY: 2013-14.

c) Average handling time: 11 hours for vessel handling, Average Truck Turnaround Time: Container Terminal gate to gate: 24 minutes.

Berth-

a) No. of berths used: Phase 1: 2 berths considering 300M vessels.

b) Length of the berth: Phase1: 650 M

Labour-

a) No of people deployed at the terminal: 145 (Contracted and Regular)

b) Total working time (specify shifts, if any) 24 x 7 operations, Hot seat exchange

Cranes-

a) Type and no. of cranes deployed: STS:
4 RMQCs Post Panamax (Twin Lift capability): 18 across.

b) No. of moves /hour: 48 cycles/hour capacity.

Container Yard: 12 No. Electric RTGCs (E-RTGC). Green Energy, CO_2 emission reduced more than 80 % compared to other terminals using diesel RTGCs.

Warehouses/ CFS and ICD-

- On dock EXIM yard within the port premises along with Buffer Yard
- Off Dock Serene Logistics at Kribhco ICD within 18 kms
- Gateway to all North Indian ICDs, nearest rail ICD being the KRIBCO facility & Ankleshwar
- NH-6 Highway originating near Terminal Gate

  Road distance and cost advantage for cargo ex South Gujarat, Northern Maharashtra, Central India, Madhya Pradesh and beyond
- Has good opportunity & infrastructure for coastal vessels handling & RORO

Yard Operation and Storage utilisation-

a) Container yard throughput: Capacity: 750,000 teu /annum and expandable.

b) Stacking of containers in the yard/ space optimization: 4 High stacks.

129 Reefer plug points & expandable.

Gate Operations/ utilisation-

a) Time spent in clearing trucks at gate: 3 minutes /transaction at Container Terminal's gate for survey and entry through RFID controlled boom barrier gates.

Customs operations- Yes. 24 hours customs available at gate for seal verification of export gate- in containers and exit of all import containers.

Technology used at ports- RFID, PIS to improve port efficiency and working:

Only terminal in India having RFID enabled gates, Container Yard and RMQCs with RFID readers

Terminal Operating System with web access to the registered shipping lines/ customers for all pre-advises transactions, track and trace.

Indira Container Terminal Private Limited (ICTPL)

Indira Container Terminal, a joint venture between Gammon India Limited and Dragados of Spain, is the single largest container terminal project in the Mumbai Port under Build Operate and Transfer (BOT) scheme. This is a public private partnership project of ICT and Mumbai Port Trust (MbPT). The Project involves constructing, financing, equipping, operating and managing the Mumbai Offshore Container Terminal (MOCT), with 700-m quay length in the first phase extendable to 1,050 metres subsequently. MOCT is expected to handle about 1.5 million teu per annum after starting the commercial operations of the new facility.

"The project presently is in construction phase and is likely to be operational by March 2016," said Subhrarabinda Birabar, Head (Port Sector), Gammon Infrastructure Projects, and Director of Indira Container Terminal.

With having greater connectivity through road, rail and air, ICTPL is expected to cater to major container traffic once commissioned. MbPT is also working for setting up a container freight stations and other logistic requirement for the smooth functioning of MOCT project in their existing land holding. MbPT along with Central Railways is also putting in place an additional rail track between Wadala and Kurla.

Operational indicators

Berths:
a) No. of berths used – 2 berths
b) Length of the berth – 350 mtr each

Cranes:
a) Type and no of cranes deployed – The terminal will have 6 STS and 20 RTGs in the first phase.
b) No of moves/hour – The average number of moves per crane is expected to be over 30 per hour.

Warehouses/ CFS and ICD-
Mumbai Port is planning to add further 3 to 4 CFS to the existing 2 operational ones.

Yard Operation and Storage utilisation:
- The terminal capacity in the first phase shall be 1.2 Mn teu

Customs operations-
Does the port have a 24/7 customs facility: Yes. At the time of commencement of operations, the terminal will have space allocated for customs department.

Technology used at ports-
RFID, PIS to improve port efficiency and working:
The terminal will have a renowned Container Terminal Operating System installed to monitor and facilitate the operations.

Export & import destinations:
The terminal is expected to cater to Maharashtra, Madhya Pradesh and industrial clusters in North India.

Draft at the terminal – 16 mtr

USP of the terminal:
Single largest container terminal in Mumbai Port with a storage space of more than 8,000 ground slots in the first phase, located near to the dense consumption centres.

International Container Transshipment Terminal

Located at Vallarpadam, adjacent to the Cochin Port, International Container Transshipment Terminal (ICTT) is the first transshipment terminal in India and the first container terminal to operate in a SEZ. Developed by DP World, under public-private partnership (PPP) with the Cochin Port Trust in a concession agreement on build operate and transfer basis, the terminal commenced operations in February 2011 with an initial capacity to handle one million containers per year in the first phase.

With the advantage of its strategic location and efficient connectivity to reach hinterlands in India as well as its close proximity to the major global sea route, the terminal caters to the growing container trade of the country. Major lines calling at the port include CMA, HLL, SCI, ZIM, SRS, JWL, CVL, MSK, & ZIM. The direct calling destinations of ICTT are Colombo, Tuticorin, Mundra, Jebel Ali, Pipavav, Mangalore, Kandla, Hazira, Damietta, Malta, Genoa, Tilbury, Hamburg, Rotterdam, Le Havre, Chennai, Nhava Sheva, Alexandra, Ashdod, Haifa, Mersin, Xiamen, Shanghai, DA Chan Bay and Port Kelang.

"With the increase in volume, ICTT is poised to augment the terminal capacity to 4 million TEU," K K Krishnadas, Director and Chief Executive Officer, DP World Cochin.

Financial indicators:

1. Capex deployed in setting up the terminal - **₹1100 Crore**
2. Capex plans in the coming year - **No significant CAPEX in 2014-15 , only replacement CAPEX**
3. Annual growth rate and projected growth rate **-Present Growth rate 7 per cent , expected YOY growth of 30 to 35 per cent over next three years**

Operational/ Port performance indicators

Ships: a) No. of ships calling the terminal in a week: 10
b) Average turnaround time in port: 18.91
c) Ship throughput in an hour: 36.6

Cargo: a) Tonnage of handled cargo (annually): 4691674.12 MTNS
b) Average handling time: 15.38

Berths: a) No. of berths used: 02
b) Length of the berth: 600

Labour: a) No of people deployed at the terminal: 553
b) Total working time (specify shifts, if any): 24 hrs (3 shifts, 0700 - 1400, 1400-2200 & 2200 - 0700 hrs)

Cranes: a) Type and no of cranes deployed: Quay Cranes – 04 + MHC - 02
b) No. of moves/hour: 27

Yard Operation and Storage utilization:
a) Container yard throughput: Yard Utilization 46 %
b) Stacking of containers in the yard/ space optimization: 2,702 Ground slots

Gate Operations/ utilization:
a) Time spent in clearing trucks at gate: 3 Min

Customs operations-
Does the port have a 24/7 customs facility: 24 hrs

Draft of the terminal: 14.5 M

Highlights:
-Infrastructure put ahead of demand
-Berth on arrival
-GCR amongst the highest in major ports
-Faster vessel/truck turnaround time.

Dakshin Bharat Gateway Container Terminal Ltd

DGBT, run by ABG Container Handling Pvt. Ltd., is a part of Mumbai based Infrastructure and logistics firm ABG Infralogistics Ltd. The company won the rights to develop and operate a new container loading facility at the Tuticorin Port, now known as V.O. Chidambaranar Port. A special purpose vehicle names Dakshin Bharat Container Terminal Limited was set up to put up the facility and handle containers. ABG signed the contract to handle containers for a period of 30 years. The terminal has a draft of 12.8 metres. EXIM traders, particularly from South of Tamil Nadu, viz., Tirupur, Coimbatore, Karur and Erode benefit from this container terminal. The terminal has a handling capacity of 750,000 teu.

Operational/ Port performance indicators

Ships-
a) No. of ships calling the terminal in a week – DBGT handled 5 Adhoc vessels since May '14 and currently there is no fixed window.
b) Average turnaround time in port – 45 hrs
c) Ship throughput in an hour – 7 moves per hour per ship's gear (ship rate depends upon the number of ship gears available onboard the vessel)

Cargo-
a) Details of container cargo – Average thru'put of 3000 teus per month with various commodities

Berths-
a) No. of berths used – 01 container berth
b) Length of the berth – 345.5 mtrs

Labour-
a) No. of people deployed at the terminal - 175 (Regular + Contract)
b) Total working time (specify shifts, if any) – General – 0900 to 1800 hrs

Day and Night shifts

Shift timings – 0600 hrs to 1800 hrs & 1800 hrs to 0600 hrs.

Cranes-
a) Type and no of cranes deployed – Operated with Ship's gear only.
b) No of moves/hour – 7 moves per ship crane per hour

Warehouses/ CFS and ICD-
No of warehouses, CFSs and ICDs surrounding the port
12 Private Warehouses, 14 CFSs and 1 ICD

Yard Operation and Storage utilisation-
a) Container yard throughput – 3044 teus
b) Stacking of containers in the yard – NIL

Gate Operations/ utilisation-
a) Time spent in clearing trucks at gate – 20 minutes

Customs operations-
Does the port have a 24/7 customs facility - Yes

Technology used at ports-
RFID, PIS to improve port efficiency and working - Container scanners for faster customs clearance, 8 gate complex at VOC port trust for smooth traffic of trucks , ISPS compliant port.

Financial indicators:

1. Capex deployed in setting up the terminal – ₹24 crores already spent as CAPEX
2. Annual revenue/Profit of the terminal – ₹6.3 crores projected for this year
3. Capex plans in the coming year – Purchase of 3 STS and 9 RTGs by 2015
4. Annual growth rate and projected growth rate (volume) – DBGT expects to handle more than double the volume handled today, projection of 30000 teus this year and 1,00,000 teus **in 2015.**

APM TERMINALS PIPAVAV

Port Pipavav is managed and operated by APM Terminals, the ports and terminals arm of the Danish shipping conglomerate A.P. Moller-Maersk Group. Port Pipavav is a private enterprise with APM Terminals owning 43.01% stake. Other key shareholders in Port Pipavav are New York Life International India Fund (Mauritius) LLC; IDFC Infrastructure Fund; The Infrastructure Fund of India; IL&FS Trust Company Ltd and a few other financial firms.

The port's biggest advantage is its location in Gujarat that accounts for approximately 20 per cent of the country's export cargo and nearly 40 per cent of the industrial output. Some of the key markets that comprise this rich territory include: Rajkot, Jamnagar, Porbandar, Veraval, Amreli, Ahmedabad, Surat, Baroda, Bhavnagar and Mahuva. Just beyond Port Pipavav's immediate hinterland are the abundant northwest markets of Rajasthan, Delhi/NCR and Punjab. Together, these areas generate approximately 60% of India's cargo, of which a majority is currently handled by Port Pipavav. Cargo-intensive markets in Rajasthan include Jodhpur, Bhilwara, Udaipur, Jaipur, Kota and Bhiwadi. In Punjab, Amritsar, Jalandhar, Ludhiana, Mandi Gobindgarh and Chandigarh also contribute to container volumes hugely.

With a total land area of 631 hectares, the port can expand its facilities to suit the demands of the trade. The port has leased out land for a variety of services including liquid cargo facilities. The terminal has a 14.5m draft.

Highlight:

Only terminal in India to have ECO-RTGS and the widest hinterland covering three states in the West, Madhya Pradesh, and three in North India.

Operational/ Port performance indicators

Ship-
a) No of ships calling the terminal in a week-13
b) Average turnaround time in port-14.5 hours
c) Ship throughput in an hour-92 GMPH

Cargo-
a) Details of container cargo: 66,000/ month
b) Average handling time: 14.5 hours

Berth-
a) No of berths used: 2
b) Length of the berth: 685m

Labour-
a) No of people deployed at the terminal: Regular: 533; Company Contract Employees: 82
b) Total working time (specify shifts, if any): 24x7 (4 shifts, General Shift, Shift A, Shift B, and Shift C)

Cranes-
a) Type and no of cranes deployed:
5 Post Panamax- 18 across
3-Panamax -13 across
18 Rubber Tyre Gantry Cranes
3 Rail Mounted Gantry cranes
3 Reach Stackers
3 Empty Handlers
b) No of moves/hour: 33 mph

Warehouses/ CFS and ICD-
Total 12 Warehouse with 47000 Sqm of storage area.
6 WH within custom Zone
4 WH within port managed by CWC
2 WH within port area
3 CFS in and around port
6 Empty Yards around port

Yard Operation and Storage utilization-
a) Container yard throughput: 850,000 TEU annual
b) Stacking of containers in the yard/ space optimization: 3120 Ground Slots with 70% yard utilization

Gate Operations/ utilization-
a) Time spent in clearing trucks at gate: 15 minutes
Customs operations- Does the port have a 24/7 customs facility: Gate and Vessel Operation for 24 X 7, Custom Clearance upto 2200hrs.

Technology used at ports-
RFID, PIS to improve port efficiency and working: Navis N4TOS, Business Intelligence, Term View

Financial indicators:

1. Capex deployed in setting up the terminal: **₹585 Crore+ 1,100 Crore**
2. Annual revenue/Profit of the terminal: **₹534.6 Crore (CY-2013), PAT: ₹191. 7 Crore (CY-2013**)
3. Capex plans in the coming year: **₹460 Crore (Approved Expansion Project)**
4. Annual growth rate and projected growth rate: Revenue growth rate: **24 per cent (from CY 2012 to CY 2013), Projected Growth** Rate: **20 per cent-25 per cent (from CY 2013 to CY 2014)**

Jawaharlal Nehru Port Container Terminal

The Jawaharlal Nehru Port was commissioned in 1989. It is steadily growing as major container hub port in this part of the world. To begin with, two terminals were constructed; the Bulk Terminal for handling of import of dry bulk cargo and a Container Terminal for import and export of containerized cargo. Over the past years of operation, port has diversified its activities for automobiles (export), liquid bulk, cement (coastal cargo) and few other commodities. During the year 2003-04, Port handled about 31.26 million tonnes of total cargo. At present JN Port handles about 58% of country's total container traffic. At present, Port's total capacity is about 35.5 million tonnes.

The total quay length is 680 m. The berths are in operation since 1989. The berth is designed for handling vessel with a capacity of 3,000 TEUs. Water depth in front of berth is maintained at 13.5 m below CD.

The Port has about 184 shipping lines registered with it. Almost all major lines call at the port.

Road Connectivity: Phase - I

- Widening of National Highway from 2 lanes to 4 lanes.
- Widening of State highway & Amra Marg: from 2 lane 4 lane.
- Total cost: ₹3570 millions.
- Undertaken by SPV between JNPT, CIDCO & NHAI.
- JNP's Contribution: ₹1000 million.
- Work of widening of National Highway has been completed whereas the work of widening of State highway & Amra Marg: from 2 lanes 4 lanes has been completed.

Rail Connectivity: Phase I

Doubling of existing Rail track from Port to Panvel is completed by Railways with estimated cost of ₹600 million.

Various Development Projects of the Port:

Considering the future traffic and likely changes in future vessel size and economics of trade, JNP has planed various development projects, which are at different stages. It is expected that by the year 2014, Port will be handling total cargo of about 77.0 million tones per annum. Infrastructures development projects that are planned by the Port are as under.

- Redevelopment of Bulk Terminal into Container Terminal.
- Extension of Container berth and other facilities at JNP.
- Deepening & widening of main harbour channel and JN Port channel.
- Improvement of Port's road connectivity.
- Improvement of Port's rail connectivity .
- Improvement of Internal Port roads.
- Development of dedicated goods rail line from Port to Delhi.
- Development of Fourth Terminal including container Terminal and Marine Chemical Terminal.
- Improvement / strengthening of roads outside JNPT area where CFS and empty container yards are located.
- Development of Back up facilities .
- Deployment of additional machineries, equipments and port crafts.

Terminal Infrastructure

Three berths (Linear quay length of 680 Metres) Can handle third generation container vessels. ● Rail mounted quay cranes - (RMQCs): Post Panamax - 3 Nos. Super Post Panamax - 6 Nos ● Rubber tyred gantry cranes - (RTGCs): 18 numbers ● Rail mounted gantry cranes - (RMGCs): 5 numbers. ● Main Container yard: 35 hectares (36,000 TEUs capacity) Additional paved area: 1,80,000 square metres. ● Reach stackers: 10 numbers. Tractor Trailers: 130 numbers. Fork lifts: 3 numbers. Reefer slots: 320 numbers.(with power backup facility).

Support Infrastructure

Container Freight Stations- CFS- JNPT is surrounded by 30 CFSs and there are 16 more stations coming up in and around the port's hinterland.

Inland Container Depot- ICD- There are 43 ICDs connected to the Port. JNPT will further strengthen its connectivity to the ICDs by augmenting current road and rail infrastructure.

* Data for JNPCT has been sourced and collated from the terminal website

DP WORLD CHENNAI CONTAINER TERMINAL

Strategically situated on the Coromandel Coast in South-East India, Chennai Container Terminal (Now, known as DP World Chennai), is the first container terminal, built at Chennai Port in 1983. The container terminal was privatized in 2001, and later taken over DP World. CCT is managed under a 30 year BOT agreement set up with the Chennai Port Trust. The terminal is capable of handling fifth generation vessels up to 6,400 teu.

The terminal has a depth of 13.4 meters alongside. The exports and imports destinations include Colombo, North Port Klang, Singapore, China and Europe. It has mainline services with direct connectivity to Mediterranean, Europe, Thailand, Vietnam, China and Korea.

Chennai is a major gateway for the automobile sector. "DP World Chennai's efforts with leading players like Hyundai and Toyota ensures a Just in Time model, where semi finished cars are imported and delivered to their factories from the port within 2 hours, the cars are assembled and the finished product is transported back to port for export all in a span of 36 hours. It's customer centric strategy enables these automobile manufactures to save huge amount in inventory cost," Ennarasu Karunesan, Director and CEO, DP World Chennai, was quoted saying in the company website.

Operational/ Port performance indicators

Infrastructure	
Reefer Points	: 330 plug points and 51 Ground Slots + Additional 25 Temporary Plug Points
Total Terminal Area	: 25.06 hectares
Yard Stacking Area	: 17 hectares
On site Rail tracks	: 1 (Outside CY)
Berth:	a) No of berths used - 4 b) Length of the berth– 885 meters
Cranes -	Type and no of cranes deployed & No of moves/hour:
Quayside Cranes (7 Nos.)	4 NOELL Super Post Panamax, Single lift 1 NOELL Super Post Panamax, Twin lift 2 ZPMC Super Post Panamax, Twin lift
Warehouses/ CFS and ICD-	No. of warehouses, CFSs and ICDs surrounding the port:DP World Chennai links to a wide network of CFSs and ICDs in Bangalore, Hyderabad. Also, it operates a 6,500sqm CFS within the port catering to LCL de-stuffing and delivery of import cargo, swift transhipment of LCL cargo to ICDs in Bangalore, Hyderabad, Cochin,Pondicherry and other locations.
Technology used at ports & other services:	It offers convenient online services including Electronic form 13, Electronic SSR, Web access, Web based CRM, Invoice & account statements on the web, customer relationship management and Web / SMS based container tracking system.

Highlight:

It has bagged the status of India's first e-terminal offering e-accounts through web-based application. The terminal entered the "One Million" TEU club in 2007. In 2010, the terminal handled 1.1 million TEU, 581 vessels and 400 trains.

Facilities:

30 off-dock CFSs with adequate storage capacity

24 hours customs inspection and clearance facilities

No congestion, No trailer detention and no waiting time at the terminal

Improved road and rail connectivity

TOO SLOW TO WIN THE RACE?

The automobile supply chain's growth trajectory is positive in the long run, but it may lose the race if inefficiency and high cost continue to persist in its operations.

RITU GUPTA

SOME DAYS are bad, but most are good. Nothing can summarize better the state of affairs of the Indian automobile supply chain industry. On one hand if the industry is facing the pressure of declining automobile sales, on the other hand, growth has remained stronger for vehicle exports. The sector is even witnessing significant new OEM investment by companies like Maruti Suzuki, Honda and Hyundai. The railway ministry has also made policy changes about private investment for moving vehicles. The auto logistics sector's long-term growth, therefore, is expected to be strong, despite an element of short-term volatility. However, experts aver that the automotive supply chain needs to go beyond meeting the basic standards of performance and evolve world class operations for it to prosper.

A key dampener for the auto logistics continues to be high cost. India's auto logistics costs as a per cent of sales are at least 30 per cent higher than those in China and other large automotive markets because of inefficiencies and high inflation cost drivers such as fuel and wages, which are expected to escalate further. According to a survey, 42 per cent of the automobile manufacturers said that the industry's biggest challenge was an under-appreciation of what good logistics means for carmakers. "The need of the day is for logistics service providers to adopt global models and standards to improve the supply chain efficiencies of their clients," says Srinath Manda, programme manager, transportation and logistics practice, Frost & Sullivan.

They should also look to plug security loopholes, as around 65 per cent of Indian auto component companies declared (during the survey) that their most important concern in logistics is the risk of information leak to competitors through their logistics service providers (LSPs), while around 78 per cent of Indian automobile companies declared that their most important concern in logistics is the safety of goods during transit and warehousing by LSPs. Capability enhancement and qualified resources engagement is another need of the hour for LSPs as around 60 per cent of auto component companies were apprehensive about their LSPs' ability to keep pace with evolving end-user volumes and technical requirements, while nearly 76 per cent of automobile companies expressed that their second greatest apprehension was their LSPs' lack of skills and expertise in handling logistics needs.

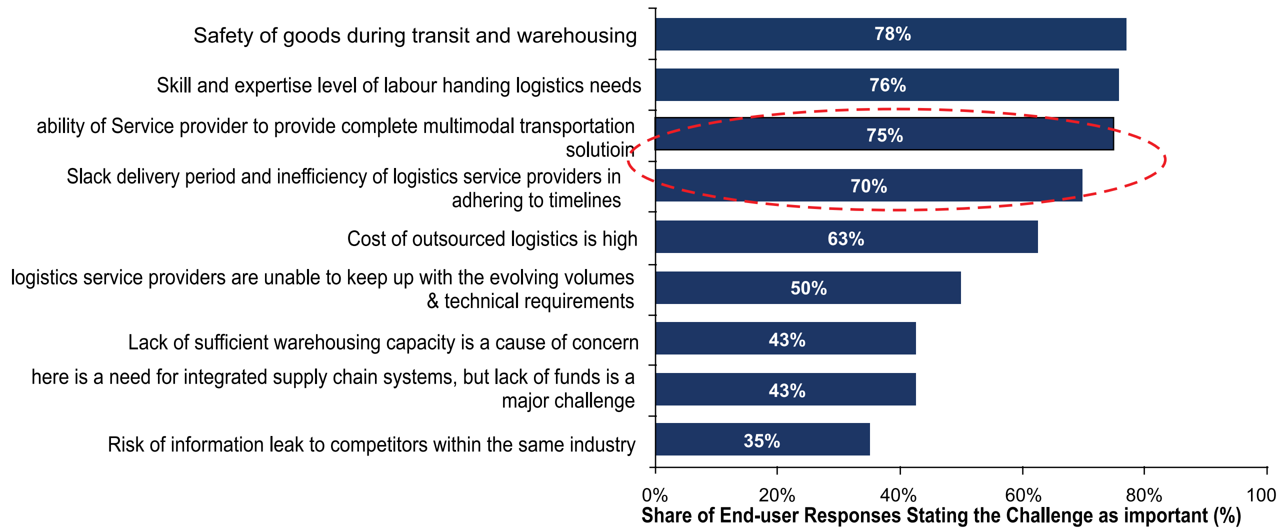
LSPs should also acquire modern transportation assets (vehicles and equipment) and modern warehousing assets (modern warehouses and material handling equipment) to reduce the scope of goods damage. They should also invest in advanced high-security information management systems to address security issues and offer customers complete visibility of their goods' movement. Currently, over two-thirds of end users employ multiple LSPs, since a single provider is inadequate to meet all their needs. Additionally, more than three-quarters of the Indian auto components industry participants have only one-year contracts with LSPs, indicating a high propensity to switch providers. "To address the challenge of matching the evolving end-user volumes and technical requirements, LSPs should work more closely with their customers to develop customised and mutually acceptable logistics solutions and standards of performance," noted Manda.

Derailed approach

Another important issue is that carmakers like Maruti Suzuki, Tata Motors and Mahindra Renault want to see more vehicles moved by rail. For finished vehicle distribution, railways accounts for just 2-5 per cent of the shipments. In 2010, the government had mooted a new policy, the Automobile Freight Train Operator (AFTO) initiative, but it was not competitive, with rates offered by road freight transporters more attractive. Thereafter the government was forced to revise the policy in 2013, and a rebate was built into the freight rate. Those showing an interest in the new policy are still not sure whether both rates and investment structure will make owning private rolling stock viable.

Following a change in the Indian rail policy, APL-Vascor has joined with Maruti Suzuki in gaining permission to invest in equipment. The company

Key Challenges Faced by Users of Logistics Services in the Indian Automotive Industry



has designed an automotive-specific wagon for the market, as most of the current equipment used for rail is either converted passenger wagons or containers. The 2014 Railways budget has also given a boost to the use of rail for auto logistics. Post-budget the Society of Indian Automobile Manufacturers (SIAM) said that setting up of private freight terminals (as stated in the budget) will enhance auto industry's utilisation of railways for vehicle transportation and reduce cost of operations. "Automatic rebate for return load and logistics parks under PPP mode were specific recommendations made by the auto industry which have also been accepted," SIAM president Vikram Kirloskar was quoted as saying by the media. He added that these measures along with the facility of online bookings of wagons will help the automobile industry in enhancing its utilisation of railways.

What needs to be done further?

Apart from improving rail policy, the government also needs to improve port capacity for exports of automobiles. This is very crucial, as India is emerging as an export hub of global auto firms not just for small cars but also for big cars such as mid-size sedans and utility vehicles (UVs). Export of big vehicles has been on the rise as an increasing number of global brands are now selling India-built sedans and UVs in other markets. During April-November 2013, exports of sedans reported a growth of 29 per cent at 77,987 units when compared with 60,512 units in a year-ago period.

India’s ro-ro infrastructure has not matched the growth in exports, and lags behind that found in other Asian markets including China, Thailand and Indonesia. Although there are ro-ro facilities and vehicle storage at both Mundra Port in Gujarat, and the Ennore Port in Tamil Nadu, no ports have dedicated terminals offering a full range of services for exports. Both the ports have storage and traffic constraints. “Economic downturn or not, at any point of time India-built vehicles will be cheaper than home-built ones. That does not mean the cheaper cost is the ultimate decider. For importers, quality matters a lot, and Indian auto OEMs have to successfully meet those tough parameters," says Manda. According to officials of automobile companies, it is a challenge for them to keep the cars clean and damage-free as they move through the ports. Conditions at port with customs clearance also needs improvement; it was not uncommon for drivers to wait 48 hours at a port to clear customs. To find solutions to these problems, logistics providers and shipping companies need to come together and demand more facilities for pre-shipment preparation. Indeed, for the auto logistics sector there is a lot of scope of improvement, and until it starts moving towards overcoming its drawbacks, it won't be able to sustain in the competitive environs. mg

APM TERMINALS PIPAVAV

BULK STEADY, CONTAINERS TO GROW, LIQUID IS THE FUTURE

Encouraged by increase in container volumes and steady profits, Pipavav Port is set to expand its container handling capacity by 50 per cent converting an existing multipurpose berth to a box terminal. This will also be bolstered by improving yard infrastructure and road connectivity. **Prakash Tulsiani,** Managing Director of the Port talks to MG about the capacity augmentation plans in box and liquid cargo segments.

Q Your recent announcement of results puts you ahead of the other container operators this quarter with a sizeable profit. How did container and bulk volumes support growth despite Q2 being a dull quarter everywhere?

A During the last one year, the growth numbers have been coming on the back of good container volumes. We secured some carriers in the first quarter 2014 and the last quarter 2013. These carriers have been ramping up their volumes. Also, the vessel sharing agreement from Far East to India that resulted in three carriers coming together has been beneficial for us. These carriers have upsized their vessels and as a result there is an increase in volumes on that front too. On the west coast most terminals have reported a container growth of 18 per cent year on year. However, we grew at 42 per cent. But we are to see if this growth is here to stay. I say this because from January to March and April to June the volumes have dipped by 2 per cent although yoy there has been growth in the quarters.

On the other hand bulk has remained steady because of the constant volumes. Coal and fertilizers have remained steady and will hopefully now pick up because of the sowing season and coal on the back of power plants. In the coming quarters, we are focusing on liquid cargo as we have created back end infrastructure and that is where we believe growth will come from.

Q Could you state your current capacities of container volumes the terminal can handle and projected volumes?

A Back in 2009, our container capacity could support only 150,000 teu and from there we have now grown to 850,000 teu and we utilize 85 per cent of our capacity. This is why we are adding more capacity and increasing it to handle 13.5 lakh teu. We have ample land, water front and rail evacuation to add more lines to move out cargo. We intend to add only one rail line as we are utilising only 50 per cent of the siding. We have gained hugely because of the double stacked trains. Of all the trains we run, about 35 per cent of our trains are double stacks. The double stack trains usage has grown from 11% a couple of years ago to 35 per cent today. This rate of growth is the highest for any terminal today in India and this

is another reason why shipping lines prefer us over the others. Evacuation is certainly faster because of the double stacks.

Q Where does most of your cargo come from and how far does your hinterland extend?

A Our hinterland extends up to the north west of India. Any cargo coming from Gujarat, Rajasthan, Madhya Pradesh, National Capital Region, Haryana and Punjab up to Himachal Pradesh is our hinterland because our rail network covers all these states. The network covers each and every ICD available on the Indian railways network. It is possible to cover even Maharashtra for us, but Nhava Sheva is closer for the shippers. However, we will be connected to any ICD in India once our railway line goes to Surender nagar as it gets connected to the main grid and the cargo can be brought to Pipavav. ICDs which we cover are typically in the North West and on the east coast it comes from Asia-China and Far East.

Q What amount of your cargo handled comes from JNPT as a result of the congestion?

A I must admit that we are closer and that is what helps cargo to reach faster than Nhava Sheva. There is a cost and a distance factor playing out here that makes it much lower for cargo to come to our port. If you ask me why the cargo has moved out of JNPT, it is because of the lack of capacity at both Nhava Sheva. The lack of capacity on both land and water fronts is the main reason why cargo is not going to JNPT. While industrial activity in Gujarat is growing, so is Maharashtra. Cargo from Pune, Nasik and Mumbai is increasing by leaps and bounds, but, sadly there is no channel for evacuation. For instance, when cargo from the Mumbai region and North India arrives, the Mumbai cargo is accommodated first by the ports because the cargo can't be sent anywhere else. So, automatically, the cargo from North India makes its way to Gujarat as at Nhava Sheva the terminals do not have enough space to store cargo. And this was a conscious decision of the shipping lines to move cargo from North India to Pipavav.

> we run, about 35% of our trains are double stacks. The double stack trains usage has grown from 11% a couple of years ago to 35% today. This rate of growth is the highest for any terminal today in India and this is another reason why shipping lines prefer us over the others. Evacuation is certainly faster because of the double stacks.

Q How and when is Berth 3 going to be strengthened and be converted to a container terminal from the present multipurpose berth? Would you look at increasing the draft?

A Berths 1 and 2 are assigned for bulk cargo, third is a multipurpose berth, fourth is the container terminal and the fifth berth is allocated for liquid cargo. However, Berth 3 currently handles bulk and container cargo as there are quay

cranes. We are not adding more berths now but will upgrade the third berth and make it container berth. This is because we see a lot of traction in the container business and we expect steady growth in this segment. Bulk, on the other hand, has remained steady over a period of two to three years because of fertilizer and coal imports on the west coast. When we have only two commodities where coal is heavily dependent on power plants and fertilizers depending on monsoon, we decided to alter the third multipurpose berth. Within 24 months, the third berth will be able to handle container cargo. Project design and planning has started. We have already identified an engineering consultant and financial closure is completed. There is little dredging to be done in the berth pockets as the channel is already dredged. But we will lay new roads. These will be internal roads as it will increase yard capacity. We have a 14.5 metre draft with the tide and can accommodate the largest vessel coming into India today.

Q Adani is coming up with a fourth container terminal with CMA CGM. How would you view this development in terms of retaining cargo at your port?

We had already built a jetty for liquid cargo eight years ago where Liquefied Petroleum Gas was coming in, but then idea of expansion was shelved. Now, we have plans to take it to the next level.

A Competition is always healthy and there should be another player always so to keep us on our toes, drive efficiency and productivity. We have the highest Global Competitive Report (measure) in India today, good turnaround time, deep waters and connectivity. Today, what is key in determining a port's growth is to look at both sea side and land side infrastructure. If on the sea side good capacity is coming up, is that enough? What is needed in addition is fast and cost effective connectivity. This, we believe is our strong point. We need land side activity to keep pace with sea side expansion. The ICDs have to be able to keep pace with the double stacked trains. That will happen once the DFC comes up.

Within 24 months, the 3rd berth will be able to handle container cargo.

Q You also expressed your intention to enhance liquid cargo handling facilities. How will these facilities be expanded and where do you expect new customers? Would you look at signing MoUs with state owned PSUs (IOC, BPCL, HPCL) for assured liquid cargo support?

A For us since cargo from bulk and containers are steady, we are working on liquid cargo. We had already built a jetty for liquid cargo eight years ago where Liquefied Petroleum Gas was coming in, but then idea of expansion was shelved. Now, we have plans to take it to the next level. We have partnerships with three tank farm operators- IMC and Gulf Petrochem HS Logistics who operate in many ports in India. The principle agreement is they will invest in the landside activity and we will invest in the water front activity. Our water side infrastructure activity has all been completed and they have laid all the pipelines connecting the jetty in to the tank farms. The tank farms were ready only two months ago. There is a capacity of 600,000 that is lying static. Our capacity calculation is 2 billion tones because you roll the cargo every eight to ten days. They will market the tank farms as they are owned by them and they have been in the market for long. They will now send it to the end customers who have been their clients before. We will handle chemicals, vegetable oil and LPG.

Q The customer today is looking at the service level; so within and outside the terminal what improvements are being made?

The customer is looking at how quickly the cargo can reach the destination. We help them with the connectivity and also ensuring the ship turnaround time is fast. We are also helping them track their cargo helping them with all the information about their cargo. All in all, for the client we are ensuring there is efficiency and information. mg

The Indian textile industry has acquired the status of the second largest exporter in the world, moving up three notches and a tad closer to the world leader - China. India has surpassed other bigwigs like Turkey, Germany and Italy to reach this coveted position.

TEXTILE INDUSTRY FORGES AHEAD

PRATIBHA RATHORE

The Indian textile industry is currently on a higher growth trajectory triggered by the newly acquired status of the second largest exporter in the world.

Numbers say it all! A high level strategy report submitted to the government has projected a competitive export target of $300 billion and inflow of foreign direct investments to the tune of $120 billion by calendar 2024-25. This in turn is expected to create 35 million additional jobs.

These projections are stated in the draft report –Vision, Strategy & Action Plan for Indian Textiles and Apparels – submitted by Ajay Shankar, Chairman, Expert Committee Member Secretary, National Manufacturing Competitiveness Council (NMCC) in the last week of July.

According to the report, the projected growth in exports to the tune of $300 billion translates to a 20 per cent growth in exports for the decade as against the existing 5 per cent market share it holds today. Currently the Indian Textile Industry stands at $40 billion.

The draft report comes close on the heels of Indian Textile Industry acquiring the status of the second largest exporter in the world, moving up three notches and a tad closer to the world leader – 'China'.

India has surpassed other bigwigs like Turkey, Germany and Italy to reach this coveted position.

"China is way ahead of India. It will be difficult for India to compete with China as Indian players cannot match the product quality, low volumes or the scale of operations when compared to their Chinese counterparts. On-time delivery is also an issue here," reasons Arvind Sinha, National President, Textile Association of India.

According to data released by the Apparel Export Promotion Council (AEPC), India's textiles exports were estimated at $40 billion in 2013 compared with China's $274 billion.

For India to reach the magic numbers, the committee led by Shankar has suggested that the textile industry rejig itself by –

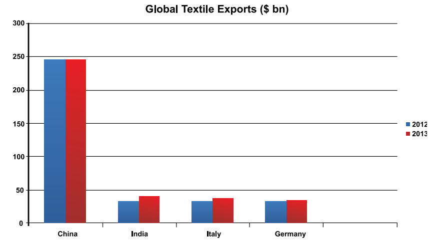
- Achieving scale across the value chain
- Attract Investment into the sector
- Improve skill, quality and productivity
- Reform labour laws
- Structural shift with increasing value addition in Indian

- Diversification of exports in terms of products and markets
- Promoting inovation, research and development
- Reengineering of existing schemes and policies

Market diversification seem to be the key for meeting the target, feel industry observers. With the European Union and the United States constituting more than 50 per cent of the total textile and apparel exports, the expert committee said that a higher share in global trade (currently, it is at 5 per cent) can be attained only if Indian exporters also start looking beyond traditional products and markets.

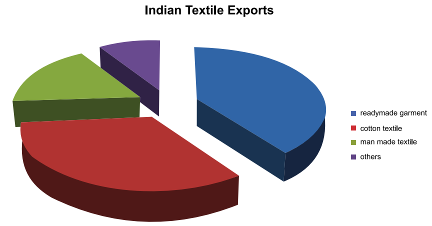
In order to stay ahead of the competition specific strategies for achieving significant market penetration need to be evolved by increasing market share and product-mix for individual countries such as Japan, China, Brazil, and Russia, feel many.

According to Technopak, an independent research agency, India's success in addressing some of its key challenges and its innate strengths can make it an attractive sourcing destination.



Source: *AEPC Figures*

Consider this: Over 55% of the global trade relates to readymade garments, where India ranked sixth in 2013 with exports of $16 billion, which is around 40% of the country's textiles exports, followed by cotton textile at 34%, man made textile at 17 per cent and others at 9 per cent respectively.



Source: *India Brand Equity Foundation*

For the financial year 2014-15, the government has fixed a target of $ 17.2 Billion for export of readymade garments.

Giving a positive spin to the growing Textile Industry scenario, Sinha says,"On the raw material front, India is leading the way. We have to take world as a market and focus more on production."

The Ministry of Textile states the country's cotton production stood at 5.90 million metric tonnes in 2011-12 against 5.76 million metric tonnes in the previous year, thereby becoming second largest cotton producer in the world, after China. During 2011-12, India's cotton exports stood at 128.81 lakh bales of 170 kgs.

Higher share in global trade (currently, it is at 5 per cent) can be attained only if Indian exporters looking beyond traditional products and markets.

Increasing market share and product mix for individual countries should be the strategy to stay ahead of competition.

In the same period total production of silk stood at 23,060 tonnes, an increase of 13 per cent from previous year's 20,410 tonnes. Export of silk goods during this period was valued at ₹2285 crores. India is the second largest producer of silk. Raw jute production stood at 106 lakh bales of 180 kg during 2011-12. Exports of total jute goods was at 201.1 thousand MT valued at ₹1502.14 crore as against 199.3 thousand MT in the previous year.

India enjoys strong supply chain integration with a capacity of more than

3 billion

kilograms (kgs) of cotton,

1.5 billion

kgs of polyester yarn and 60 billion square meters of cotton and synthetic fabrics.

Similarly, Handloom, one of the largest employment generating activity in India, capturing 95 per cent of the world market , stood at 46,600 million sqr. metres, a 14.8 per cent of country's total cloth production.

According to a US Aid report, labour, electricity, land and ocean transport costs are much higher in case of India when compared with other countries like Bangladesh, Cambodia and Pakistan. While in terms of delivery time, India fares much better than Bangladesh.

Most of the industry players are concentrated in Andhra Pradesh, Gujarat, Haryana, Tamil Nadu, and Kerala with top players such as Arvind Mills, Raymonds, Century Textiles, Welspun, Bombay Dyeing, among others are looking to enhance capacity, scale, and make their supply chain robust.

According to Technopak, "Being one of the largest producers of cotton, and having a robust infrastructure of manmade fibers, India enjoys strong supply chain integration with a capacity of more than 3 billion kgs of cotton, 1.5 billion kg of polyester yarn and 60 billion square metre of cotton and synthetic fabrics."

A strong supply chain structure has kept the fundamentals of Indian exports strong. However, well integrated and lean supply chain will reduce cost and improve delivery time, feel industry observers.

"India needs investment in modern weaving and in processing – both of which have been the weak links in the textile supply chain. Processing has been weak due to environmental regulations and high costs of setting up effluent treatment plants. These need to be incentivised in the long term to improve the overall capacity," revealed the Technopak report.

Other markets like Bangladesh, Sri Lanka, and Thailand have advantage over India, feels Sinha. "Most of these countries have huge level of FDI flow, flexible labour class, good infrastructure and they are able to produce goods at much cheaper cost," he averred.

According to a US Aid report, labour, electricity, land and ocean transport costs are much higher incase of India when compared with other countries like Bangladesh, Cambodia and Pakistan while in terms of delivery time, India fares much better than Bangladesh.

In order to give a fillip to the sector, Government has innitiated measures such as technology upgradationfund scheme, setting up textile park, and steps such as imposing limitation on export of fiber, cotton and yarn can go a long way in energising the sector.

Industry observers are of the view that cost competitiveness and positive government initiatives are a step in the right direction. However, enhancing the overall productivity, innovation and higher use of technology in weaving, better infrastructure, enhancing scale and capacity, improving in-house processes can go a long way to make India a preferred sourcing destination.

POLICY

CATALYST FOR DELIVERY OF PROJECTS

Setting up of Specialist Centre (SC) to dissiminate of knowledge and bring best practices to deliver PPP Projects

VIJAY KURUP

Overall PPP has had a sluggish passage in India. In the Eleventh Five Year Plan private investments in the transportation sector fell short of its target. The target set in the Twelfth Five Year Plan would be a tall order, if the participation from the private sector is found wanting. The host of problems, concomitant with private participation, make PPP projects a challenging proposition. In order to ensure its success in the roads and highways sector in India, the UN Economic Commission for Europe (UNECE) has signed an MOU with CIDC (Construction Industry Development Council), a body of the Planning Commission, Government of India to assist the stakeholders in framing the PPP projects.

The objective is to increase the capacity of the governments to promote, develop, operate and manage public private partnership projects for infrastructure development and the provision of basic services. The Specialist Center (SC) has been set up in New Delhi and was formally launched in March 2014. Dr. B D Mundra, Chairman, Simplex Infrastructures Ltd is the Chairman and Dr. P R Swarup, Director General, CIDC, is the Secretary General. The Center in India is affiliated to the UNECE International PPP Centre of Excellence based in Geneva, Switzerland.

The SC will play a high profile role in leading the development and dissemination of knowledge and global best practice in the delivery of PPP projects and programmes within the roads and highways sector.

The project would be executed by ESCAP (Economic and Social Commission for Asia and the Pacific) in collaboration with UNECA (United Nations Economic Commission for Africa and UNECE (United Nations Economic Commission for Europe). The focus will be on selected countries.

The SC will draw expertise from regional commissions and other United Nations entities such as the UNDP Public–Private Partnerships for Urban Environment programme.

The other areas that the SC will engage in the Roads and Highway sectors are:

1. Provide a standard template to present PPP models.
2. Identify PPP best practice models.
3. Create a distinguished body of experts to advise the Specialist Center.
4. Assess how these models can be adapted in a pre PPP stage.
5. Establish a network of sector specific stakeholders from public and private sectors.
6. Be a repository of of best practice models that would improve PPP's in roads and highway sectors.
7. Conduct research and development in the roads and highway sector.
8. Establish a publically accessible database of clients, contractors and advisors for the roads and the highway sector, for the past, present as well as future PPP projects.
9. Establish a database of best practice policies and programmes delivery strategies used by public sector globally.
10. Providing government clients with advise and consultancy services in the PPP best practice models.

The involvement of SC is at all levels of the industry. It would involve the manufacturers and suppliers of construction machinery, equipment and materials; the contractors who actually undertake the construction. The scientific technical training institutions, designers and consultants would also be in their embrace. Many of these projects involve funding by international multilateral funding agencies like IMF (International Monetary Fund, ADB (Asian Development Bank) etc. The involvement of all stakeholders will ensure a cohesive approach to the PPP project in hand.

This body is not to be confused with the Project Monitoring Group (PMG) set up in the Cabinet Secretariat of India, to track stalled investment projects, both in the public and private sectors and to remove implementation bottlenecks in these projects. Here the dialogue is between the ministries who have stalled the project for one reason or another.

Dr. Swarup of CIDC said that the focus would be on roads and highways, since bulk of the PPP projects are from this sector. However he said PPP in maritime projects can also be taken under this umbrella.

The timing of the SC has come at opportune time. The Planning Commission has projected that the investment in the infrastructure will almost double to ₹55.7 trillion during the Twelfth Five Year Plan compared to ₹24.2 trillion in the Eleventh Five Year Plan. Out of this total investment, 48 per cent is expected to come from the private sector as compared to 36 per cent in the Eleventh Five Year Plan. The projected investment in Roads and Bridges is 11 per cent, Ports 6 per cent and Railways 4 per cent. Going forward perhaps one can expect improved conversion of PPP projects. mg

COLD CHAIN NEEDS A ROAD MAP

Despite the huge growth opportunities for the cold chain industry to grow, the industry faces with several bottlenecks such as high operational cost and lack of government support. Itishree Samal

In the backdrop of a growing population, rising consumption of processed foods and boom in organised retail, India sees an immense growth potential in the cold chain sector. According to research firm Research and Markets, the cold chain industry in India, which was estimated to be at ₹24,500 crore in 2013, is expected to cross ₹60,000-crore mark in the next four years. And analysts forecast the market will grow at a CAGR of 26.80 per cent over the period 2014-2018.

"The retail industry in India is getting more organised; an increase in demand for processed food is contributing to the growth of Food Processing industry. Government policies with respect to FDI in these industries and the creation of mega food parks means that there is a positive outlook for the Cold Chain market in India," the report said.

Betting big on this growth momentum, many players of the industry have laid out their expansion plans. Players including Mumbai-based Schedulers Logistics, an integrated cold chain trucking operator which provides end-to-end storage and distribution solutions for fruits and vegetables, food processing and pharmaceutical industries, has plans to expand to eastern and northeastern states in India. The company has recently raised $2 million (₹11 crore) from Aspada Investment Company, backed by billionaire investor George Soros' Economic Development Fund, for the same.

Schedulers is one among the few players which operate in the tier-II and tier-III towns in India offering temperature-controlled loads as small as 500 kg. The company has plans to increase its fleet of part-truck-load and secondary distribution vehicles in order to connect small manufacturers with major market hubs.

"We will continue to increase our fleet of part-truck-load and secondary distribution vehicles in order to connect small manufacturers with major major market hubs. We are one of the few players operating in Tier II & III towns in India that can offer temperature controlled loads as small as 500 kg. With the investment from Aspada, we will continue to build on this significantly large and underserved market opportunity," said Akshay Sharma, co-founder of Schedulers Logistics, was quoted saying by the media.

Growth opportunities in the sector

Cold chain, which involves the storage and supply chain infrastructure of temperature-sensitive, highly perishable low shelf-life products, the industry in India is highly fragmented among more than 3,500 companies in the whole value system, whereas the organized players contribute only 8–10 per cent.

Currently, agricultural produces largely require cold chain services for preservation and transport, followed by other segments such as pharmaceutical, reagents, aviation spare parts, certain chemicals and industrial products, luxury goods, flowers, spices, ready to eat frozen products, imported fruits etc. All these segments are seeing a good growth.

While the cold chain industry which has been there for around 25 years, but the organised sourcing and transportation is relatively new which is off around five-six years.

According to industry experts, the share of the organised market in retail, which is at 10 per cent in FY13, is expected to grow to 30 per cent, with food being the least penetrated segments and poised for high growth. Similarly, the Indian food processing Industry, which is at a nascent stage, is expected to grow at more than 17 per cent. Pharma and biopharma is expected to grow at 23–30 per cent year-on-year.

India is the second largest producer of fruits and vegetables in the world, but around a third of the food rots and becomes unusable due to lack of a temperature controlled supply chain network. Harvesting of most fruit and vegetables is seasonal, while their demand remains constant through the seasons. Deficiencies in cold chain cause alternating glut and scarcity in the supply of horticulture products.

Lack of proper handling and an inadequate cold chain lead to losses of perishable food produce such as fruit and vegetables of as much as 50 per cent every year in India. This compares unfavourably with developed economies, where typically between 85 per cent and 90 per cent of fresh produce is transported cold.

According to industry estimates, around 104 million metric tonnes of perishable produce is transported between cities each year. About 100 million metric tons moves via non-reefer mode and only four million metric tons is transported by reefer. Even though, India has about 250 reefer transport operators that transport perishable products and less than 30,000 refrigerated vehicles currently ply in India.

Apart from these, as most of the processed categories requiring cold chain services, demand is expected to increase at a higher rate. Besides, the Quick Service Restaurants (QSR) segment is expected to witness 30 per cent growth over the next three years on account of changing consumption habits and increasing presence of QSRs and restaurants in India. This will create huge demand for storing perishable food items.

> According to industry estimates, around 104 million metric tonnes of perishable produce is transported between cities each year. About 100 million metric tonnes moves via non-reefer mode and only 4 million metric tonnes is transported by reefer. Even though, India has about 250 reefer transport operators that transport perishable products and less than 30,000 refrigerated vehicles currently ply in India.

Among the government initiatives, government has permitted 100 per cent FDI (Foreign Direct Investment) in the cold chain sector through the automatic route in the budget of 2011-12, and in budget 2012-13, it has taken various initiatives to promote the cold chain industry including classification of cold chain as an infrastructure project.

FDI in the sector also holds promise of filling to some extent the disturbingly high gaps in the country's cold chain that includes cold storage at strategic points and refrigerated trucks and railway wagons.

Bottlenecks

Despite the growth opportunities, the industry has several bottlenecks. The players in the industry are facing with several challenges including operational hassles and lack of government support.

Over the years, government has put more stress upon on facilitating cold storage industry than on strengthening the cold chain infrastructure of the country. Even in the FY 2014-15 Union Budget, government has allocated ₹5,000 crore to increase warehouse capacity, while it has not given a roadmap for the development of cold chain across the country. While, according to industry experts, cold storages industry cannot be equated with the cold chain industry as both are different sectors and both the sectors require equal attention and government support.

Also, the creation of a cold chain infrastructure is very capital-intensive which involves a substantial amount of investment. India's investment in cold chain is forecast to be $15 billion over the next five years, according to a study titled 'A tank of cold: Cleantech leapfrog to a more food secure world' by the Institution of Mechanical Engineers, UK. However, the investment risk is too large to be borne by any single player because of the low utilization of capacity in the initial phase. Also, the high investment and operational cost restricts more usage and new players to enter into the industry. mg

When one believes in excellence, it becomes part of everyday life. It is this driving force that powers CONCOR to excel in every sphere of logistics operations. Our foundations lie in our long partnership with the rail network of India; leveraging its reach and reliability to drive value-for-money multi-modal logistics solutions. In addition to providing inland logistics by rail and door-to-door last mile delivery, we also cover the management of Ports, air cargo complexes and a cold-chain. Through it all we continue to be customer focussed, performance driven and result oriented. Creating greater productivity and profitability through a process of constant innovation.

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