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NOVEMBER 2015 WWW.MARITIMEGATEWAY.COM

RNI NO: TELENG/2009/30633 POSTAL REGISTRATION NO: LII/RNP/HD/1137/2013-15

DATE OF PUBLICATION: 26/10/2015 DATE OF POSTING: 28/10/2015

SURPRISE TURNAROUND
– RPS KAHLON, Chairman, KoPT

MAJOR PORTS

NO MORE DRIFTING

The promise of a spur in manufacturing activity in India has led the government to reconsider the role of the major ports as enhancers of export-import trade. The recent improvement in their performance has led the government to reform the ports run by the government.

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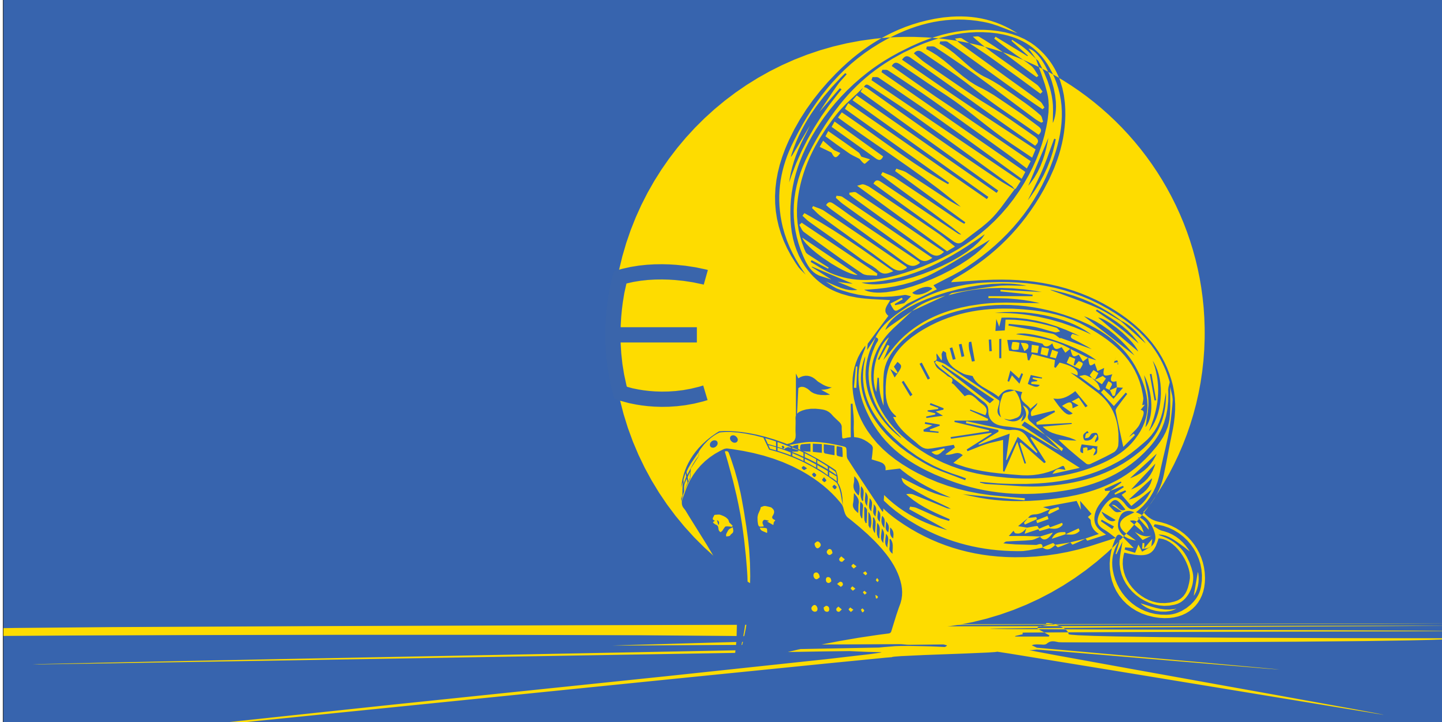

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E - E commerce
T - Transport
S - Shipping

We invite you to Dream with Us.

ELEKTRANS
Where Dreams Turn Into Reality...

Is there a better trade off?

As the Prime Minister touts the Make in India programme to his counterparts and entrepreneurs worldwide, his cabinet and band of officer are also working overtime to popularise and implement the domestic manufacturing campaign in all sectors possible. And taking the lead in the shipping sector is none other than the Minister for Shipping and Road Transport, Nitin Gadkari himself.

For the uninitiated, a fresh slew of directives have emerged from the Transport Bhavan in New Delhi. First, the navratna public sector companies such as SAIL, NMDC and NTPC have been asked to support the Indian flagged vessels by moving their cargo within the coastal route using the vessels. More clearly, the government intends to mandate the state owned companies to allot 50 per cent of their import orders to ensure there is enough cargo support for vessels that register themselves with the Indian Register of Ships. Alongside, more reforms are on the cards to perk up the performance of major ports and a comprehensive plan under the Sagar Mala Development Company incorporating both aspects of port-led development port-led indirect development. The decision to reduce the overreach of the tariff authority is also a welcome move.

These moves by the ministry indicate the nature of things to come and they augur well for the industry. No doubt the government has the progress of the industry in its mind while it prepares to roll of these plans. However, the industry reckons some of these measures may be counterproductive. This is because the government has relaxed cabotage restrictions partially for some cargo on the east coast of the country for foreign vessels to carry cargo and on the other hand it is promoting the Indian flagged vessels. How then can this bring about a level playing field in the country for international and Indian shipping lines to ply along the coast? The government must keep in mind the interest of the industry than any single party for the country's sea ports to do well and flourish. While it is imperative for India to pay attention to its vessels and improve their share in the EXIM trade of the country, the decision should not deter others players from introducing new vessels in the country.

The shipping sector being global in nature, the performance of both sets of vessels is dependent on external factors of demand and supply than cargo capacity created by the public sector companies. The government should look at improving operating conditions in the country by reducing the tax burden on all carriers, sea farers and the duty on bunkers to make the ports attract fresh investment from within the country and investors overseas. Improving the environment for just Indian players alone does not constitute ease of business.

Improving the environment for just Indian players alone does not constitute ease of business.

R Ramprasad
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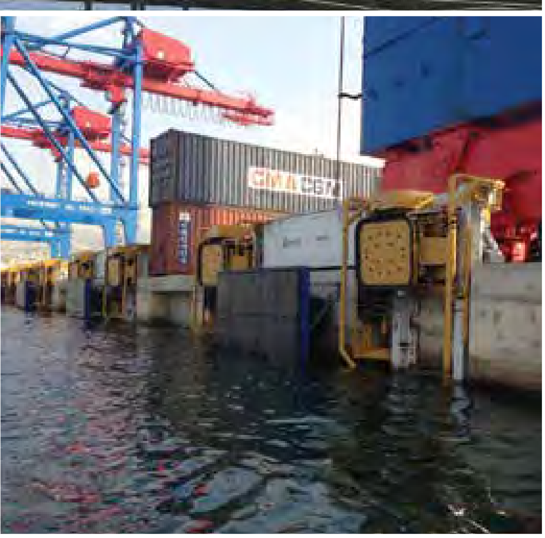

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Maritime Gateway is printed by R Ramprasad published by R Ramprasad on behalf of Gateway Media Pvt Ltd, #407, 5th Floor, Pavani Plaza, Khairatabad, Hyderabad – 500 004, Telangana, India

Printed at M/s Kala Jyothi Process Pvt Ltd, 1-1-60/5, RTC Cross Roads, Musheerabad, Hyderabad – 500 020.

Published at Gateway Media Pvt Ltd #407, 5th Floor, Pavani Plaza Khairatabad, Hyderabad – 500 004 Telangana, India

Regd. Office: H.No. 8-2-293/82/A/379 & 379/A, 2nd Floor, Plot No. 379, Road No. 10, Jubilee Hills, Hyderabad – 500 033.

CIN: U74900AP2007PTC054344

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SPEEDWAYS

SHIPPING TRANSPORT OPERATOR WAREHOUSING.
CUSTOMS CLEARANCE CRANE HIRING

WHO WE ARE

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

1. LOGISTICS **2. TRANSPORT OPERATOR**
3. CLEARING **4. WAREHOUSING**
5. CRANE

WHAT WE DO

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

CUTTING EDGE

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

"Excellence is an art won by training and habituation. We do not act rightly because we have virtue or excellence, but we rather have those because we have acted rightly. We are what we repeatedly do. excellence, then, is not an act but a habit.

MISSION

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

VISION

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

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

CHAIRMAN SPEAKS

SPEEDWAYS LOGISTICS PVT LTD, a pioneer company in the Logistics trade stands strong and firm in the Eastern Sector to provide the best solutions to all customers, reputed amongst all, we have been serving the EXIM trade for more than four decades with an endless list of satisfied customers.

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CONTENTS

VOLUME 8 | ISSUE 02 | NOVEMBER 2015

Bruderheim hotel to be built from shipping containers

When it opens next year, the four-story, 63-room Suite 6 Extended Stay hotel will provide much-needed accommodation for workers in the Industrial Heartland region. The $6-million hotel project is the first of its kind being developed in North America to be built almost entirely from shipping containers. The hotel is being constructed by Ladacor, a Calgary-based manufacturer of advanced modular structures. The containers are being imported from China and will be cut apart and reshaped into 40 modular units – 10 for each floor. Each module will include two complete rooms and a section of hallway. Last year, Ladacor completed a Days Inn for Sioux Lookout, Ontario, Canada using 120 surplus shipping containers. Traditional wood-frame construction was used for the reception area and other common spaces.

Container terminal at Kakinada

PSA International Pte Ltd plans to set up a container loading facility at Kakinada Port as it looks to expand its presence in India. PSA is said to have signed an MoU with Kakinada Seaports Ltd in this regard. This will be PSA's first facility at a port outside the control of the Union government.

Tax rationalisation on exports

The Commerce Ministry has adviced the Finance Minister to rationalise taxes on exports and extend the interest subvention scheme to support the export industry. Exports contracted 20.7 per cent to $21.2 billion and imports shrank 9.95 per cent to $33.7 billion during August, leaving a trade deficit of $12.5 billion.

CMA CGM Bougainville inaugurated

CMA CGM Group inaugurated its new flagship, *CMA CGM Bougainville* at Port of Le Havre. This is the world's biggest container vessel under French flag. She is 400 metres long and 54 metres broad. She can carry up to 18,000 containers. *CMA CGM Bougainville* will call every 88 days at the port of Le Havre.

Funds for SEZ at JNPT

The Union shipping ministry has approved ₹468 crore for the development of basic infrastructure for a multi-product SEZ at JNPT. The project is expected to become fully functional by 2018. As many as 18 firms have shown interest in the project in the pre-bid stage. It has been planned as a self-sustainable integrated development with a good mix of processing and non-processing area. The processing area is envisaged to be around 200 hectares while the non-processing area spans over 77 hectares. Once developed, the economic zone could attract an investment of more than ₹3,500 crore.

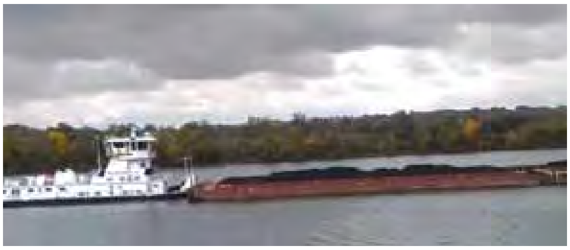
Rails dispatched for freight corridor

Jindal Steel and Power Limited has flagged off India's longest ever rails measuring 260 metres to the Dedicated Freight Corridor Corporation of India, for construction of the eastern corridor of the landmark 350-km dedicated freight railway network. Two rakes laden with 1,880 tonnes of rails of 87-metre length have already been dispatched in August out of the total order size of 90,175 tonnes of rails. JSPL received this order for around 350-km long double track from Khurja to Bhaupur.

Low piracy risk at west coast

European Union Chair of the Contact Group of Piracy off the Coast of Somalia (CGPCS) has excluded India's west coast from piracy High Risk Area, following a revision of the high risk area. Indian shipowners are likely to benefit significantly on account of savings on insurance and associated operating costs. India's maritime security concerns like floating armouries and proliferation of private security are likely to be addressed with the revision of the HRA.

Bulk terminal at Sahibgunj



IWAI is now gearing up to tap domestic coal traffic. Plans are afoot to build a bulk cargo terminal on the Ganga at Sahibgunj in Jharkhand, close to Coal India Ltd's Rajmahal coalfield. It will decongest railways and create return traffic for barges to be engaged in carrying imported coal. This is part of the ₹4,200-crore World Bank project to promote navigation through the 1,620-km National Waterway-1. NTPC's power plants at Farakka and Kahalgaon in Bihar, in addition to Sagardighi unit of the West Bengal State generation utility can be fed from the proposed Sahibgunj terminal. As part of its agenda to reach output of 1 billion tonnes in five years, CIL is looking to expand the mine's capacity significantly offering more business to the terminal.

Credit for shipbuilders

EXIM bank is providing buyer's credit to Indian shipbuilding companies. This will help them bid for international contracts. For such projects the shipyards have received credit at a low coupon rate of 4-5 per cent. The bank is also providing working capital and term loans for projects under implementation. Indian shipyards, in spite of having good products and engineering skills, could not compete with China, South Korea and Japan because they lacked finance arrangements for the buyers.

Shipbreaking hit by Chinese steel

More than half of the shipbreaking yards at Alang have shut in the past two years and the future of the trade in India and neighbours Bangladesh and Pakistan is bleak due to flooding of cheap Chinese steel. Further new EU environmental rules due later this year threaten to push business to more modern yards in places like China and Turkey. The number of vessels beached at Alang also dropped to a six-year low of 275 last year and was only 54 in the last three months.

DICT crosses 3,000-teu mark

Delhi International Cargo Terminal (DICT) has achieved a milestone by crossing 3,000-teu in throughput in September 2015, which includes dry, liquid, ODC as well as temperature-controlled cargo. DICT has set an ambitious target to triple its volume over the next financial year through organic growth across existing and new businesses, and exploring greenfield opportunities in bulk, liquid and specialised containers.

Green ship recycling at Alang

RL Kalthia Ship Breaking Pvt Ltd and Priya Blue Industries Pvt Ltd in Gujarat are the first ship recycling facilities in entire South Asia to be issued Statements of Compliance (SoC) by Japan's leading classification society, ClassNK, for taking steps for safer and greener ship recycling. The facilities are in line with the Hong Kong International Convention for Safe and Environmentally Sound Recycling of Ships, 2009 (HKC).

Focus on goods safety

Maersk Line and Hapag-Lloyd have teamed up in increasing the safety of dangerous goods. Maersk Line will implement a tracing system into their business processes similar to Hapag-Lloyd's watchdog programme. This watchdog together with the Hapag-Lloyd Freight Information System is continuously examining cargo data to identify anything conspicuous. It has a database of more than 6,000 keywords that is constantly being added to and refined.

Adani inks pact with L&T

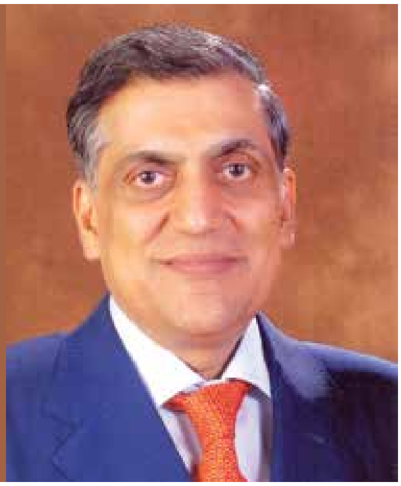
Adani Ports and Larsen & Toubro (L&T) have inked a pact to oversee operations of Kattupalli Port. Both the parties have inked an MoU for evaluating the operations of the port for a period of one month from October onwards. Adani shall be responsible for EBITDA gains and losses arising from the port operation for this period. The development is in line with Adani Group's plan to take over the operational and management control of L&T Kattupalli International Container Terminal to strengthen its presence on the east cost.

VOC port's north cargo berth II

Construction of north cargo berth – II at VOC Port to handle coal will start in 2016 at an estimated cost of ₹400 crore.

“Even though Indian cotton textile products were competitive in the world markets, preferential access given to Bangladesh, Cambodia, Pakistan, South Korea by importing countries, besides import duties on Indian textiles in China and Canada, are severely affecting exports.

RK Dalmia
Chairman, TEXPROCIL



“Transloading at high seas assures higher risk-free returns and gels with the idea of smart ports and ports beyond land. Massive infusion of IT and automation could reduce the risk of human casualties and eliminate human interface and unethical practices.

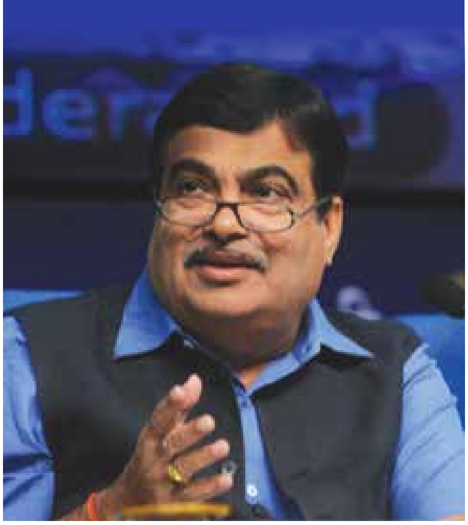
Dr Vishwapati Trivedi
Chairman, National Shipping Board

“As the huge number of ships get delivered, the freight rates will still continue to decline. We expect testing times in the dry bulk segment to prevail.

A K Gupta
Chairman and Managing Director, Shipping Corporation of India

“Ports will play huge role in double digit GDP target and port, shipping and highways sector will very soon add 2 per cent to the countrys GDP.

Nitin Gadkari
Minister for Road Transport Highways and Shipping



“We have relaxed cabotage restrictions selectively, but in the interests of the growth of the domestic merchant shipping fleet, coastal cargo must be reserved for national tonnage.

Deepak Shetty
Director General of Shipping

SHIPPING

Pioneer Generation Award to David Chin

David Chin, Executive Director of the Singapore Maritime Foundation has been honoured with the Pioneer Generation Award at the Lloyd's List Asia Awards 2015 in Singapore. David Chin, whose service to Singapore's maritime sectors spans 53 years, is currently spearheading the aims and objectives of the SMF which include serving as the link between public and private sectors in the maritime industry, driving initiatives to attract and nurture talent in Singapore's maritime sector, and pursuing all opportunities to help maintain Singapore a leading international maritime centre.

"Mr Chin has been a key contributor to Singapore's stature as a global maritime hub. Perhaps no one else in Singapore has had positive influence over time across all sectors crucial to maritime development. He is a maritime national treasure," said Tom Leander, Asia Editor of *Lloyd's List*.

Shipping Ministry acquires ISO Certification

The Ministry of Road Transport and Highways has acquired ISO 9001:2008 certificate for monitoring, planning, development and maintenance of highway infrastructure and road transport throughout the country. The certificate will be applicable to all the wings of the Ministry. Nitin Gadkari received the CMD of Indian Register Quality Systems (IRQS). The shipping ministry is the first largest ministry in India to achieve this feat. After the internal audit by the Ministry, the certificating body appointed by Quality Council of India conducted two-stage audit and found the quality management system of the Ministry for performing its services to the citizens of India in accordance with the ISO standards.

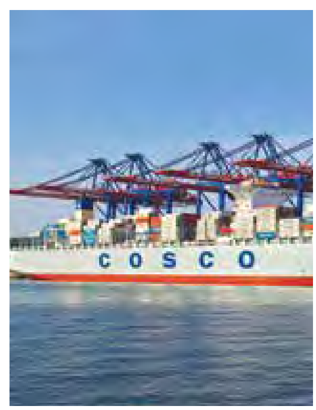
Iran expands fleet

Post sanctions, Iran is all set to expand its fleet that will include 579,000 teu of containerships, 2 million dwt of dry bulk vessels and 1.6 million dwt of tankers, all to be operational by 2020. This fleet modernisation and expansion will be financed through funds purported to exceed $120 billion, currently frozen internationally due to sanctions. Islamic Republic of Iran Shipping Lines is also looking forward to strategic alliances and is already in talks with Shipping Corporation of India. It will be mostly ordering panamax vessels, of 14,000 teu and even 18,000 teu tonnage, to take on the top players.

Water transit fee to be charged

The Commerce Minister of Bangladesh, Tofail Ahmed, has said that his country and India, Nepal and Bhutan, will soon fix a fee structure for transit facilities and water transit services, which the users have to pay accordingly. Discussions are ongoing among the four countries to fix the fee structure for transit facilities. While India provides duty-free access to all goods from Bangladesh save for two items, the goods are still subjected to countervailing duties upwards of 12 percent in the neighbouring country.

COSCO expands service



COSCO Container Line is all set to commence a direct service to Jeddah and Port Said (Red Sea) and a full range of Mediterranean ports. Participating in the MINA service using a deployment of 11 vessels of 6,500 teu capacity, this is a fixed-day, direct weekly service from the Middle East to the Mediterranean destinations servicing the Indian market, e.g. **Nhava Sheva** and **Mundra**. It has the following port rotation: Khorfakkan-Jebel Ali-Mohammad Bin Qasim-**Nhava Sheva-Mundra-**Jeddah-Port Said East-La Spezia-Livorno-Genoa-La Spezia-Fos-Barcelona-Valencia-Algeciras-(USEC)-Algeciras-Valencia-Barcelona-Livorno-Genoa-Marsaxlokk-Port Said- Jeddah-Khorfakkan.

Adani's Australian coal project cleared

The Australian government has re-issued environment clearance for Adani Group's proposal to build one of the world's largest coal mines, but with 59 stiff caveats that meet the highest environmental standards. Adani Mining Pty Ltd intends to invest $16 billion in an integrated project to develop the Carmichael coal mine near Queensland with allied infrastructure of a rail link and Port at Abbot to transport coal to India. Adani plans to ship 40 million tonnes of coal a year in the first phase of mine development.

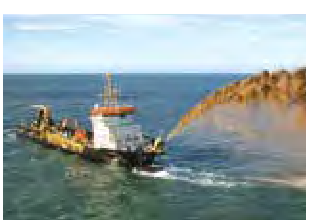
General Motors ships from Mumbai Port

General Motors India has shipped the first batch of 3,000 Chevrolet Beats produced at its Talegaon plant to Mexico from Mumbai Port. This is part of GM's strategy to make India an export hub for global markets. The consignment will take eight weeks to reach Mexico. The company plans to export 20,000 vehicles this year, compared to just 1,000 vehicles last year, and this number will further increase to approximately 50,000 vehicles in 2016.

Cargo support for Indian ships

India's cabinet will soon make it mandatory for state-owned oil, steel, coal and fertiliser importers to route at least half of their cargoes through local shippers as part of a broader agenda to protect the ailing sector. It is being proposed that importers sign 5-year contracts with local shipping firms and help boost fleet companies like Shipping Corp of India, Mercator Ltd, Great Eastern Shipping Company and Essar Shipping. A key part of the new proposal is to link the freight rates charged under the contracts to global benchmarks such as Clarksons and World Scale in order to bring greater transparency to rate setting and avoid local shippers setting up cartels.

Huge dredging opportunities



Massive dredging works on an unprecedented scale is on the cards as the government proceeds with the Sagarmala project. The proposed integration of coastal and inland waterways for movement of cargo along India's sea and river ports will open up huge opportunities for dredging. The government is keen to include private and foreign partners for the project, for which annual expenditure for the first phase for the year ending March 2016 is estimated to be close to ₹7 billion. The objective is to provide a draft of 3 m for all 101 waterways by 2020.

Coastal freight rates drop

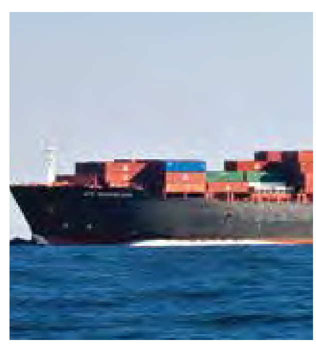
Freight rates for shipping containers along the nation's coast are expected to drop 12-15 per cent as the Central government has decided to exempt domestic cargo on Indian flagged ships along the coast from Customs and excise duty. The Centre has also decided to extend the period of such exemption offered only to export-import and empty containers along the coast.

Freight rates are already down 30 per cent as the government had removed duty on bunkers for export-import cargo along the Indian coast last year. Now, even for pure domestic container movement, there will be a drop in freight rates.

Maruti to use inland waterways

Maruti Suzuki is planning to transport cars produced at its plants in Gurgaon and Manesar to Kolkata through rivers. Currently these cars are transported by road. The project will be carried out on a pilot basis to gauge its long-term commercial feasibility. IWAI will deploy two barges with a capacity of around 30 small cars for the test sessions. The cars will be brought by road to Varanasi and shipped to Kolkata. However, full-fledged commercial operations can only begin once the IWAI constructs multimodal terminals with permanent Ro-Ro facilities. IWAI barges are not designed to carry automobiles and customised vessels with a higher carrying capacity will be required for commercial viability.

Zim upgrades Asia-Mediterranean loops



Zim Integrated Shipping Services is upgrading its Asia-Mediterranean service network comprising the East Med-Black Sea Express, or EMX, and the Asia-India Subcontinent East Med, or AME, by adding new port calls and upsizing tonnage deployment.

The revised EMX rotation will be as follows: Busan, South Korea; Shanghai, Ningbo and Da Chan Bay, China; Ashdod and Haifa, Israel; Istanbul, Turkey; Novorossiysk, Russia; Odessa, Ukraine; Istanbul; Haifa; JNPT, India; Port Klang, Malaysia; Da Chan Bay and back to Busan.

The new AME itinerary will be as follows: Xiamen, Xingang, Qingdao, Ningbo, Shanghai and Da Chan Bay, China: Port Klang, Malaysia; Cochin, JNPT and Mundra, India; Haifa and Ashdod, Israel; Alexandria, Egypt; Mersin, Turkey; and returning to Xiamen.

Rewards at ports linked to productivity

The Union Cabinet has given its approval for extending the existing Productivity Linked Reward (PLR) scheme for port and dock employees from the year 2014-15 to 2015-16. The payment of PLR would be made after adjusting the ad-hoc amount already paid for the year 2014-15. The expenditure of PLR shall be met by the major port trusts and dock labour boards from their own resources without any budgetary support from the government.

India: attractive investment destination

India has been ranked as the most attractive investment destination in the world for the next three years, according to a survey by EY released recently. 32 per cent of the business leaders from global corporations polled for the survey said India is the most attractive investment destination, followed by China, Southeast Asia and Brazil. Among India's most attractive features for doing business, its vast domestic market and availability of labour have been rated as most appealing.

PORTS

Haldia Dock faces uncertainty

Auditors have identified financial mismanagement in the company that has been roped in via the tender route for onshore operations of berths 2 and 8 at Haldia Dock. The statement of accounts of EC Bose & Co have a number of discrepancies and in many cases not compliant with the provisions of the New Companies Act. The company has been a service tax defaulter for the last several years and has income tax liabilities.

The balance sheet as on March 2014 shows a combined share holding of 2,271 shares between the two directors, P S Bose and D S Bose, whereas in the annual return as on September 2014, the holding has been shown at 2,219 shares.

Revenue collection centre in Gandhidham

Kandla Port Trust (KPT) has started a revenue collection centre at the AO Building, Gandhidham for the benefit of port users, who will now be able to deposit the Port charges here in addition to Kandla. The port further plans to improve services to enable users pay charges online.

Mangalore Port's focus on Cashew

New Mangalore Port Trust has asked the cashew industry from Karnataka to make use of the facilities at the port. Cashew container traffic at the port increased from 8,006 teu in 2013-14 to 13,258 teu in 2014-15. The port gets feeder container vessels every four days, which will help move the cargo faster.

New Chairman at Mormugao Port

I Jeyakumar, an IRTS officer of 1997 batch, took over as Chairman of Mormugao Port Trust. Earlier he was Deputy Chairman at Chennai Port Trust and Kolkata Port Trust. He was also holding Additional charge of Chairman-cum-Managing Director of Central Inland Water Transport Corporation of India Ltd, and Hooghly Dock & Port Engineers Ltd. He also served as Director (POL) in Ministry of Railways.

Chennai Port handles largest cargo

Chennai Port rewrote its history on September 28, when the port handled two packages of 45 m long project cargo successfully from the vessel *MV Rickmers New Orleans,* reached here from Port of Houston, USA. The cargo "Coke Bridge Crane" is part of 319 packages weighing 840 tonnes transported to CPCL facility on a joint two bedded trailer.

Longest ship

The Singapore flagged *M V Maersk Serangoon* with a length of 319 metres and capacity of 5,228 teu is the longest ever vessel to call at DP World Chennai.

Cochin Port pins hope on upcoming projects

Cochin Port Trust is pinning hopes on upcoming projects to increase cargo throughput and revenue. Completion of the Integrated Refinery Expansion Project of BPCL-KR will attract additional 8 million tonne of cargo, thereby fetching revenue of ₹70 crore. The new 4.5-million tonnes capacity multi-utility liquid terminal at Puthuvypeen by IOC and the commissioning of cement handling/bagging facilities by Malabar Cements, Zuari etc and the project of HPCL are expected to generate both cargo traffic and revenue.

LNG terminal at Mangalore Port

Mangalore Refinery and Petrochemicals, MRPL, will conduct feasibility studies for setting up a LNG terminal at New Mangalore Port to cater to the needs of iron ore, fertilizer and ancillary industrial units around the port. MRPL has inked an MoU with the port trust in this regard. The study will check the possibility of a fixed landbased LNG terminal or a floating receipt on high seas off the port. The terminal will bring cleaner energy fuel option to the entire region and can replace naphtha used as an expensive feedstock.

JNPT ICD pendency drops

The ICD pendency had reached 12,000 in August resulting in a major backlog of import containers for clearance. Various measures like increase in average number of rakes from 12-13 to 17, placement of dedicated 5-6 rakes for Tughlakabad ICD were implemented. The team also coordinated for the proper and timely placement of the rakes for faster turnaround. As a result of these measures, the port cleared up much of the container backlog and the pendency dropped to 5,479 teus in September.

The ICD team strived to further reduce the pendency and reach a level of average pendency of 3000-4000 teus per day. The overall Port pendency currently is 3,425 teus for all the three terminals put together, which is an acceptable level under normal ICD operations at the port.

On October 13, JNPCT also handled Tughlakabad bound rake in 50 minutes which equalled the record set at JNPCT itself last month. Handling of TKD rake in fastest possible time is crucial in reduction of the pendency, as it handles around 40-45 per cent of cargo.

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EXIM

Import duty on wheat

The Centre may raise import duty on wheat to 25 per cent from the current 10 per cent to restrict overseas purchases when domestic stocks are surplus. The government in September imposed a 10 per cent import duty on wheat for the first time since 2006 after private flour millers started importing from Australia amid sluggish supply of high protein wheat varieties used to make pasta and pizzas.

Already, 5,00,000 tonnes of premium Australian wheat has landed in the country. More imports are likely to take place as private firms are keen to purchase even paying 10 per cent import duty taking advantage of fall in global prices.

Detention charges costing importers

Nepali importers have been compelled to pay unimaginable detention charges levied by the shipping liners and Kolkata Port for failing to release cargo and return containers to shipping liners in timely manner. The charges have exceeded ₹125.93 million per day. 900 containers are ready to be dispatched via road, 1,123 containers via rail and about 150,000 tonnes of bulk cargo of MS billet, coal and chemical fertilisers in 7,500 containers continue to be stranded. Likewise, importers also need to pay $80 to $120 every day to the shipping liners.

Sinotruk enters India

Chinese truck maker Sinotruk has joined hands with Hyderabad firm Overland Trucking Pvt Ltd. for its India foray, a journey that also envisages setting up of an assembly plant next year. Overland Trucking is weighing options primarily between Telangana and Maharashtra for the plant. It is also looking at Tamil Nadu for the facility that is expected to entail an investment of ₹100 crore to ₹150 crore. The final decision will depend on what the governments offer by way of incentives. Twenty acres would be required for the plant.

Iran accords priority to India

Iran has accorded India priority status for trade and investment. Iran wants to collaborate with India, China and Turkey in seven sectors including mining, petrochemicals, food, agroprocessing, information technology, steel and hotels/tourism. India is eyeing investments in Iranian Ports. India plans to invest almost ₹2 lakh crore at Chabahar Port in various infrastructure projects.

Sugar export quota fixed

Government has fixed an export quota of 10,000 tonnes of white sugar to the EU and 8,424 tonnes of raw sugar to the US under the existing CXL and TRQ provisions, for this year. The concessions for sugar exports would be subject to the presentation of a certificate of origin issued by the competent authority.

India and South Korea become AEO

India and South Korea have inked an Authorised Economic Operator Mutual Recognition Agreement (AEO-MRA). Indian AEO exporters who enter Korea will be given extensive benefits in terms of speedy clearance lesser examination and checks. Similarly, a business which is recognised by the Korean customs administration as being compliant will be extended benefits in India. It will boost bilateral trade and strengthen and maintain security of international supply chains.

Indo-Iran relations

Shipping Corporation of India has revealed that following the lifting of sanctions on Iran, Irano Hind Shipping Company could be revived. It is a joint venture between SCI and Iran Shipping Lines, and was partly dissolved due to the sanctions on Iran.

On a separate note, Nitin Gadkari announced an investment of ₹2 lakh crore at Chabahar SEZ in various infrastructure projects. The investments will depend on the outcome of the negotiations on gas price as Iran has offered to supply natural gas at $2.95 while India wants rates to be low.

Telangana to increase exports

The TRS government has unveiled a new export strategy, which aims to achieve ₹1,50,000 crore exports by 2019-20 from the estimated present share of around ₹1,00,000 crore. Setting up of large projects such as pharma city, medical devices park, automobile, textile, plastic, spices and seed parks etc., as well as framing of conducive policies are part of the strategy. The state government aims to create an ecosystem in which the ease of doing business matches and even exceeds the best global standards. Every exporter will be made fully acquainted with the global export market trends and policies of the various trade partners.

Preferential tariff for SAARC

India is ready to give preferential duty concessions on all products to SAARC members to give a boost to free trade in the region, announced Union Minister Nirmala Sitharaman. At present, India gives zero-duty access for least developed countries of SAARC for 100 per cent of tariff lines, except for alcohol and tobacco.

For non-LDCs also, India has allowed preferential trade access for 90 per cent to the total tariff lines. India is willing to go to 100 per cent level in terms of the SAFTA (South Asia Free Trade Agreement). The regional trade among SAARC members is well below the potential even as the members signed the SAFTA pact in 2004 and trade liberalisation started from 2006.

LOGISTICS

Sohan Lal raises equity funding

Sohan Lal Commodity Management has raised ₹100 crore in the fourth round of private equity funding led by Creation Investments Capital Management, and existing investor Everstone Capital. The company plans to utilise funds for its NBFC, Kissandhan eyeing a three-fold growth in loans disbursement by the end of this fiscal and its expansion to global markets. SCLM Group's agri-financing arm, Kissandhan, has already achieved a total disbursement figure of about ₹250 crore in just 15 months of existence. The Group has plans to expand the warehouse management network from current 760 to 1,500 warehouses pan-India.

Aegis Logistics gets more land

Aegis Logistics received additional 15 acre land at Kandla Port to build storage terminal. This is in addition to existing 5 acres of land already allotted in April 2015. The land is offered on lease for 30 years by Kandla Port Trust. Kandla Port Terminal is an important part of the company's strategy to build a necklace of terminals around India's coastline which will enable it to offer comprehensive facilities at every gateway into and out of India for a large number of cargoes to its customers.

More oil from Rajasthan

Cairn India Ltd is targeting an 18 per cent increase in output from its wells in Rajasthan in January as it revives older fields in its largest producing block. The company's crude equivalent output from the region may climb to an average 200,000 barrels a day by January from about 170,000 barrels a day now as the enhanced recovery project yields results. The company has allocated 45 per cent of its $500 million planned capital spending for the year to March 31 to its core fields, including the largest, Mangala, in Rajasthan.

Kaladan project moves forward

The Union Cabinet has approved the Revised Cost Estimate of ₹2,904.04 crore for the Kaladan Multimodal Transit Transport Project in Myanmar. It connects Sittwe Port in Myanmar to the India-Myanmar border and benefits the north-eastern states of India, by opening up the sea route for the products. It also reduces pressure on the Siliguri corridor.

Container yard near Nanjangud

Concor will establish an inland container yard at Kadakola near Nanjangud which will give a boost to exports from Mysore and help local industries in moving freight to ports, saving on cost and time. Fifteen acres of land has been allocated for the project and the work for laying railway track will commence soon. Initial cost of the project is pegged at ₹15 crore and the facilities will be upgraded depending on the usage. About two rakes of freight traffic is being generated from the region every week. The depot will function as a single window agency providing custom clearance and other formalities that are normally undertaken at the port.

Workforce demand in logistics

According to a report by National Skill Development Corporation India will need around 28.4 million workers by 2020 in its booming transportation, logistics, warehousing and packaging sector. This sector will have one of the highest incremental human resource requirement of 11.7 million from 2013-2022. Key growth drivers are the logistics activities, which are currently outsourced and are growing rapidly at a rate of 52 per cent. The sector clearly sees poor working conditions and low pay scales in comparison to other career options because of poor or non-existent manpower policies.

AMTOI inks MoU with NMIS

Association of Multimodal Transport Operators of India (AMTOI) and Narottam Morarjee Institute of Shipping (NMIS), have come together to provide skill development for the shipping industry. The MOU will develop skill based academic and educational cooperation associated with shipping and logistics related functions of multimodal transport operators and to promote mutual understanding and growth of the two organisations. This programme will be based on the concept of an Open University and will facilitate capacity building, job retention, growth of employees at workplace.

Snapdeal invests in Gojavas

Snapdeal has invested $20 million in logistics firm GoJavas to further enhance its supply chain and logistics. GoJavas will use the funds to add 100 more cities to its repertoire in the next 6-12 months. GoJavas has been one of the 'best performing' last mile logistics partners, reducing Snapdeal's delivery time by 24 hours in the last six months. Snapdeal has invested $100 million in the last six months to improve delivery timelines by 70 per cent, while looking to invest another $200 million in the next 12 months to strengthen its supply chain.

Largest warehouse in Telangana

Flipkart has chosen Telangana over Karnataka to set up its largest and 16th warehouse in the country. The fulfillment centre will be in Hyderabad, spread over 2.2 lakh sq ft and is expected to ship out 1.2 lakh items every day once it becomes fully operational. It will have fully automated segregators, profilers to keep a tight check on quality, and automated conveyor belts for sorting inventory. The facility will help Flipkart to reach 70 per cent of its customers in South India in a single day. Flipkart is looking to invest ₹2,000-2,500 crore in the next 4-5 years to strengthen its supply chain.

India's comeptitiveness rises

India has climbed a spectacular 16 places to the 55th position among 140 economies in this year's World Economic Forum Global Competitiveness Index, ending five years of decline. The list was topped by Switzerland, followed by Singapore, the US, Germany and the Netherlands. Among the larger emerging markets, South Africa progressed seven places to 49th place, while China held steady at 28, Indonesia was 37th (down three) and Brazil was 75th. Modi government's initiatives like ease of doing business, make in India and port-based development through Sagarmala are said to be the key factors that have reinforced business confidence in India.

Rice exporters target Nigeria and China

With a sluggish trend in non-basmati rice shipments amidst stiff competition from Thailand and Vietnam, exporters are now looking for government intervention in facilitating access to large buyers such as Nigeria and China. While Nigeria, one of the large buyers of the Indian cereal, has stopped official imports for about a year now due to their domestic crisis and currency-related issues, China – a potential large market – is yet to open up its borders for the non-basmati rice.

Cuddalore Port planned

The Ministry of Shipping has identified Cuddalore Port as a dedicated Minor Port in Tamil Nadu for providing monetary incentives, with a view to encourage coastal transport for cargo. Proposals have been sent to the ministry for installing buoys at Pamban Channel, development of Kanyakumari Port and for development of roads leading to non-major ports.

GAIL imports largest LNG cargo

GAIL India Ltd has imported the largest LNG shipment at Dabhol to restart the terminal after it was shut in May for monsoon rains. The 154,000 cubic metres of LNG was purchased from BG Group and two more spot cargoes are expected to arrive at Dabhol this month.

Export bodies seek higher incentives

Export organisations have asked the government for higher export incentives, cheaper credit, faster reimbursements of input taxes and lower transaction costs to help deal with the crisis of continuously falling exports. In a meeting with commerce secretary Rita Teotia, the exporters stressed on early refund of the duty drawback amounts, credit of interest subvention, increase in the incentives under the existing schemes and agreements with specific countries to promote exports of certain items.

Govt imports pulses

Government will import another 2,000 tonnes of pulses as part of its efforts to bring down prices. Tenders will be announced soon for the same. This will be in addition to 5,000 tonne lying at the ports and another 2,000 tonne of pulses that are in transit. The government is trying to ease the prices of pulses but globally there is limited stock available and prices are also high. The Price Stabilisation Fund is expected to encourage states to lift pulses stocks from ports. Besides imports, the government has taken several measures: It has imposed restrictions on holding of pulses stocks beyond a ceiling and taken action against hoarders and blackmarketeers.

Indo-China trade grows

Indo-China trade has the potential to touch $80 billion in 2015 from $70 billion in 2014. China's exports to India increased by 9.8 per cent in the January-July 2015 period. China has become India's largest trade partner and India is China's seventh largest export destination. India mainly imports chemicals, agri products, metals, electronics, tiles, furnitures from China.

Tuticorin Port goes digital

Tuticorin CFS Association (TCFSA) and Kale Logistics have signed an MoU to deliver India's first Container Digital Exchange (CODEX), which will automate the container movement at Tuticorin Port and reduce the container dwell times considerably. It will be a digital community platform to enable effective management of cargo information & documentation flows such that it eliminates/reduces manual paperwork considerably. It will electronically connect CFS/ICDs, transporters, port authority, Customs, port terminal operators and security forces (Central Industrial Security Force-CISF).

CODEX is an EDI-based electronic platform through which communication, information exchange, connectivity and electronic processing of key business transactions/operations can be facilitated between all container stakeholders at the port and its related logistics value chain.

Shipbuilding facility at Kandla Port

Cochin Shipyard Limited (CSL) is awaiting the outcome of a techno-economic feasibility study to gauge if it is viable to set up a shipbuilding and repair facility at Tuna at Kandla Port. Kandla Port has 310 acres of land at Tuna's inter-tidal region which is quite a chunk. But there are technical challenges, which are being examined by the consultant. CSL is in technology partnership with Samsung Heavy Industries for building LNG carriers and aims to bag orders to build carriers in India.

India and Germany boost trade

German Chancellor Angela Merkel and Prime Minister Narendra Modi recently held talks on stepping up bilateral cooperation for ramping up trade and investment during the global slowdown. Bilateral engagement will be deepened in diverse sectors like defence, security, education and renewable energy. The overall exchange of goods and services between the two countries was valued at around €15.96 billion in 2014, a drop of €1.14 billion from the level of €16.10 billion registered in 2013.

NABARD invests in warehousing

NABARD will invest ₹342 crore in Andhra Pradesh to create warehousing capacity to store 6 lakh metric tonnes of food items. The capacity will be created in all the 13 districts of the state to improve the food storage capabilities. Chief Minister N Chandrababu Naidu has also sought more funds for rural road works from the Rural Infrastructure Debt Fund managed by NABARD and was told that funds will be released with priority. This will help in strengthening the logistics sector in the state.

Textile exports not encouraging

Cotton Textiles Export Promotion Council (Texprocil) has revealed that export trend in textiles is not very encouraging and has sought the government's support to boost it. Exports of cotton textiles during April-August 2015 declined by 2.16 per cent at $4.24 billion as compared to same period of the last year. The declining trend may continue in FY16 due to subdued demand from China and sluggish European economy. Over-dependence on China especially for cotton and cotton yarn exports, is magnifying the overall decline in exports as China slows down. The high cost of export finance which is around 10 per cent in India compared with 3-4 per cent in competing countries like Vietnam, Bangladesh and Pakistan is also having an impact.

Illegal beef exports

The government has announced plans to set up laboratories at ports to test for illegal cow meat exports. The laboratories would add an extra level of checks for illegal beef passing through ports, with all meat exports strictly regulated by the government. The checks will particularly focus on Mumbai, which is the main point of exit for meat exports.

Onion imports from Egypt

Egypt has exported 18,000 tonnes of onions to India in just two months as onion prices continue to surge following heavy unseasonable rains in India's onion producing states. During August and September 18,000 tonnes of onions were imported. This is the first time India, which also imports oranges, has imported such high quantities of onions from Egypt. India is Egypt's seventh largest trading partner and second largest market for exports.

Mumbai-Ahmedabad expressway soon

A superfast highway connecting Mumbai to Ahmedabad, on the lines of the Mumbai-Pune Expressway, will be built soon. The Ahmedabad-Baroda Expressway will be ready soon. With the proposed Baroda-Mumbai Expressway, citizens will get a direct high-speed corridor to travel to Ahmedabad by road. The project is expected to start in six months and will particularly benefit the movement of goods between the states. The project will be 379 km long for six-laning of the highway, and a part of the larger Golden Quadrilateral project.

Higher access to handicrafts exports

The Export Promotion Council for Handicrafts (EPCH) and Port Trade Centre, Uruguay have entered into an agreement to provide Indian handicrafts exporters higher access to Latin American markets. Opportunities will be created for Indian handicrafts exporters by establishing a permanent Indian bonded fair for exhibiting Indian handicrafts products. The exports of Indian handicrafts to Latin America stood at $60.40 million in 2014-15. The council is also planning to set up a warehousing facility at Montevideo, Uruguay. This will help in facilitating export of handicrafts in the region by developing the concept of availability of ready stock and encouraging spot orders.

Bangladesh to improve rail network

The Government of Bangladesh has received a loan of $135 million from the European Investment Bank (EIB) to improve the country's railway network. The loan will be used to fund the construction of a second track, upgrades to the existing track, and the installation of modern signalling equipment on the 72-m section between Laksam and Akhaura in eastern central Bangladesh. By 2020, the government aims to upgrade the complete 321-km rail corridor between Dhaka and Chittagong, the second largest city and main seaport. The project will also connect Chittagong to the neighbouring countries of Bhutan, Nepal and the northeastern states of India.

Dry port at Baddi

Baddi in Himachal Pradesh got the state's first dry port with the inauguration of an ICD set up by Concor. SL Thakur, Principal Commissioner, Central Excise, Chandigarh flagged off a truck carrying industrial cargo to the Pipavav Port. Set up at a cost of ₹73 crore, the ICD has come as a relief to investors. The services of the local truck union have been roped in to transport the goods from BBN to Ludhiana and Dappar. It will provide cost-effective and reliable logistic services to the Baddi-Barotiwala-Nalagarh hub. It is equipped with modern infrastructure and handling equipment with fully computerised system. It is also linked to other depots of Concor through the V-Sat connectivity thus providing easier transportation of cargo to various ports and destinations.

Duty-free access to Nepal

Bangladesh is preparing a fresh list of products seeking duty-free access to Nepal. Kathmandu has so far agreed to offer nominal preferential access to 50 Bangladeshi products against Dhaka's granting of full duty-free access of 108 products to the Himalayan nation. Of the 50 products, Nepal agreed to reduce duty by 3.0 per cent for products having import-duty more than 15 per cent. For products having import duty less than 15 per cent, it agreed to reduce duty by 5.0 per cent. Bangladesh mainly exports woven garments, knitwear, agri-products, footwear, raw jute, and jute goods to Nepal.

Highest cargo traffic at Paradip

Paradip Port has handled its highest traffic of 36.06 MT in first six months of this fiscal, up from 34.35 MT of cargo handled during the same period of previous year. This is an increase of 5 per cent and the port has maintained its second position among the major ports in the country. During the April-September period, thermal coal traffic in the port has increased by 8.718 per cent due to handling 14.83 MT against 13.64 MT during the corresponding period of previous year. POL traffic also saw a growth of 6.40 per cent by handling 9.52 MT against 8.94 MT handled during the same period last year.

Removal of barriers to boost trade

The removal of tariff and non-tariff barriers and better connectivity will boost intra-regional trade in South Asia more than 3.5 times over the next five years, a World Bank study found. Trade will soar from the current $28 billion to $100 billion in 2020 if operational connectivity is established, a fully functional South Asia Free Trade Agreement ensured, non-tariff barriers tackled and intra-regional investment encouraged. More than 50 per cent of Bangladesh's imports are from Pakistan and Nepal and are listed as sensitive, while over 45 per cent of Nepal's imports from India and Sri Lanka are sensitive.

Challenges at Visakhapatnam Port

The two berths set to commence operations shortly at Visakhapatnam Port Trust include EQ-10 for liquid cargo and WQ-6 for handling dry bulk cargo. However, EQ-1A for thermal coal and EQ-7 berth for fertilizer cargo is likely to be delayed beyond the original schedule due to some financial issues.

EQ-1A, being constructed by SEW Coal Terminal Private Limited, is expected to be commissioned only by September 2016. The project, taken up at a cost of ₹313.39 crore with a capacity to handle around 7.36 million tonnes, was initially set to be commissioned by October 2014. Delays also plague the fully mechanised fertilizer handling berth, EQ-7, which is being put up by Vizag Agriport Limited at a cost of ₹310 crore.

Sagarmala popular, but sceptical about waterways

Maritime Gateway has started a new feature "MG Poll" under the purview of our research division "Gateway Research" to disseminate the views of maritime professionals on most sought after projects initiated by the Indian government to expedite the growth of maritime business and trade.

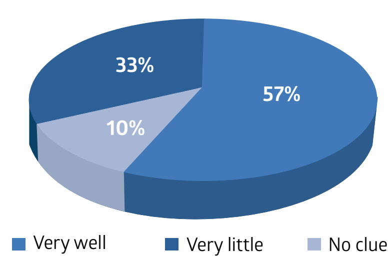
by Rakesh Oruganti

We reached out to the industry to know their views on "Sagarmala Project" and "Construction of 101 Inland Waterways", the major initiatives taken by the Indian government to augment the maritime sector. We are gratified with the overwhelming responses received and thankful to the industry for taking their valuable time out to participate and respond to our online poll.

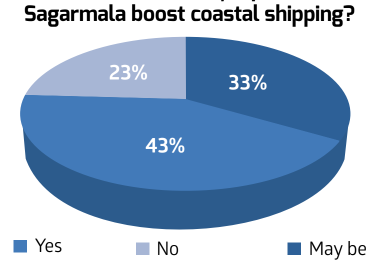
Fifty seven per cent of the participants responded positively when asked how well versed are they about the 'Sagarmala Project', as it is the flagship project of the government to increase the shipping industry's contribution in Indian economy. Thirty three per cent of the respondents expressed very little knowledge about the project. On the flipside, a mere ten per cent of the respondents are not aware of the project. Hence, majority of the people are aware of the initiative.

One of the major components of the Sagarmala Project is setting up of non-major ports by the government which is expected to reduce the waiting time of vessels and to promote the coastal shipping. Forty three per cent responded optimistically when asked if low-cost non-major ports under Sagarmala will boost coastal shipping, while thirty three percent expressed ambiguities about the outcome of this project and twenty three percent respondents are not sure about whether the project would materialize in future.

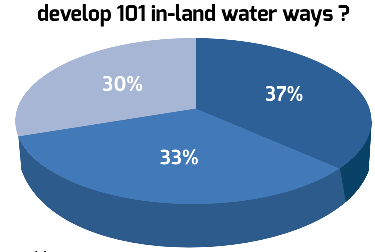
How well you understand Sagarmala project?



Will low-cost non-major ports under Sagarmala boost coastal shipping?

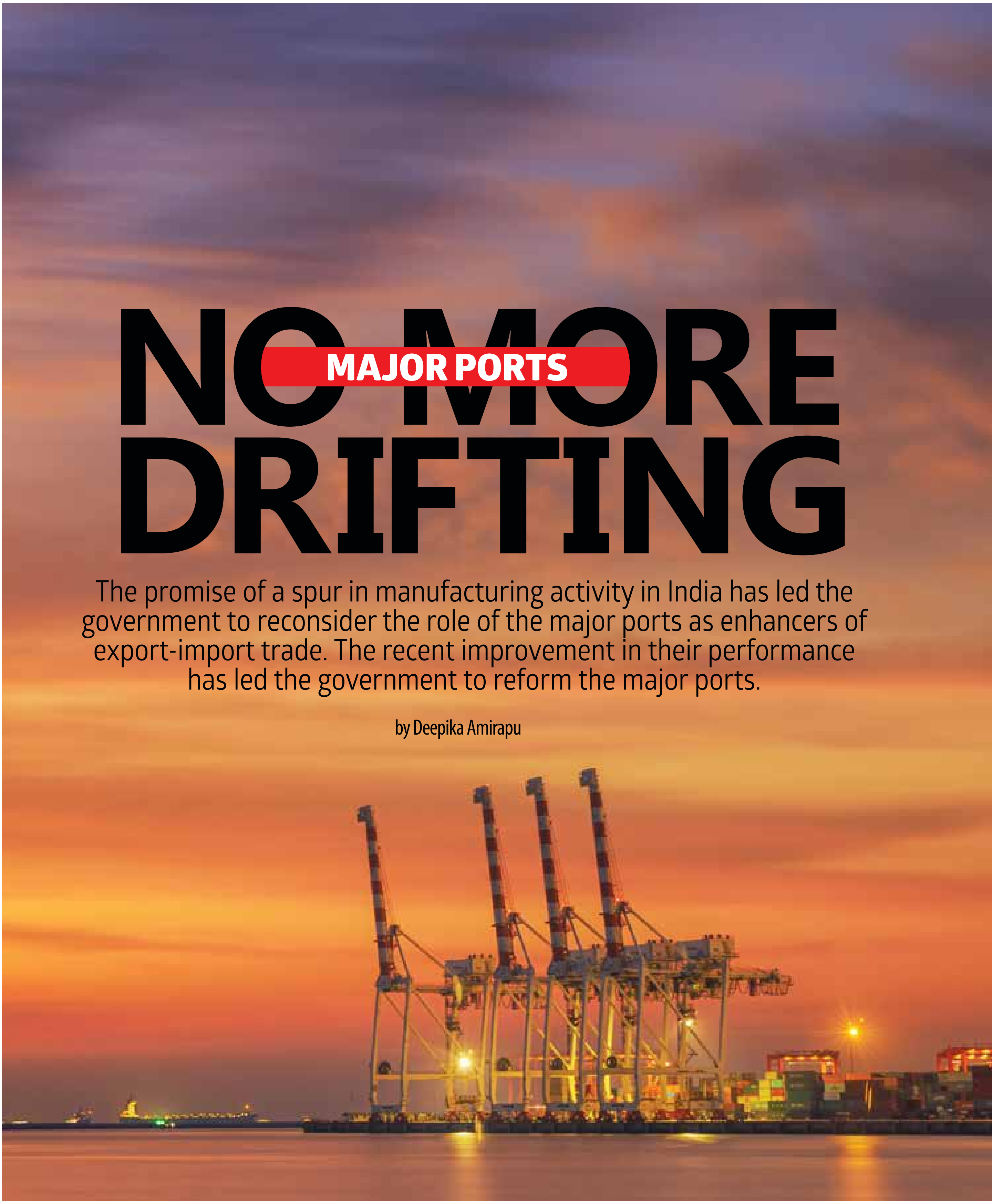


Is it feasible and realistic to develop 101 in-land water ways ?



Usually, waiting time at ports in India is significant and it hampers the efficiency of vessel operations. It is estimated that coastal vessels in India spend about seventy per cent of time in ports and only thirty per cent in actual voyage, which makes coastal shipping less competitive. Thus, majority of the people are looking forward to the changes.

Converting 101 river stretches into national waterways will provide the best inter-modal (rail, road and waterways) connectivity by reducing the dependency on road and rail as well as logistics costs and create numerous opportunities for economic development. However, we received a mixed response when asked about the feasibility of developing 101 inland waterways in India. Thirty three per cent of the respondents expressed positivity, while thirty seven per cent were not sure about the outcome due to the meager progress of waterways in the recent past. Thirty per cent of the respondents think it is not feasible in the backdrop of the existing regulatory, financial and other deterrents. mg



MAJOR PORTS

NO MORE DRIFTING

The promise of a spur in manufacturing activity in India has led the government to reconsider the role of the major ports as enhancers of export-import trade. The recent improvement in their performance has led the government to reform the major ports.

by Deepika Amirapu

The twelve major ports in the country set up under the Major Ports Trust Act have for long been perceived differently by India. For those administrators running the port, they are massive pieces of infrastructure handed down by the British, for its employees – an indispensable inheritance of gain, for the Centre- hapless public sector units and the larger business community views the ports as a well endowed system that does little to do well given their strengths and drawbacks.

This caused a lot of cargo to go adrift from the state-sponsored ports to the newbies on the block. And so, the string of new ports established by private players in the early 2000s gladly cruised ahead of their older peers soliciting more cargo, capital and market share because of their aggressive approach. For a long time, the major ports relied on their goodwill to attract more customers, but the wily customer was looking for more. Better facilities, he argued. Faster turnaround time and hassle-free evacuation, he demanded. And when the shipping lines and traders saw their demands were met by the non-major ports, they happily switched loyalties forsaking the Big Boys for sparkling new set ups that promised many benefits.

Volumes handled at major ports dropped and so did their revenues. Non-major ports started to show impressive numbers handling a sizable amount of both container and bulk cargo. This spillage of cargo had to be stemmed and a major course correction was required for the 12 ports. Sensing the need for a multi-pronged approach, the Ministry of Shipping engaged Boston Consulting Group to study the state of the ports and suggest initiatives to improve their performance. Atul C Kulkarni, Advisor, Ministry of Shipping, says, "It was a conscious decision taken to help turn around the 12 ports," he says when quizzed about the timing of this initiative. Interestingly, Mr Kulkarni points out that some of the government run ports have surprised themselves by clocking in greater volumes of cargo and impressive margins since 2014 that has enthused the Centre to invest in the ports. After exhibiting a decline in profits for six years, the ports have suddenly begun to do well, he says.

This uptick and show of promise led the consulting firm to suggest a slew of measures to the ports to improve their key parameters. According to the Ministry, the Boston Consulting Group (BCG) has been engaged to carrying out a benchmarking study for major ports. The consulting firm has suggested various initiatives for transforming major ports to drive sustainable profit improvements. BCG was assisted by the Indian Ports Association and Ministry in bringing out this report. The firm has suggested changes in two key areas, namely operations and management. "BCG has drawn up a port-wise plan to help them reduce their costs and increase their volumes, The report has indicated the nature of commodities to be handled at each port to increase its market share also indicating some cost cutting measures every port will have to adopt to improve its margins," Kulkarni adds About 100 odd projects will be taken by the ports in the next three to four years that will help them increase the collective cargo handled by 115 million tons. The capital investment for these projects will be borne by the ports themselves as these initiatives do not allow a great outlay of money.

It has suggested cuts in various operations and maintenance expenses such as salaries, security aspects and office and administration expenses. "We have recommended that guards at jetties be replaced with CCTV cameras as the security personnel are appointed only to stand there all day observing the loading and unloading of cargo. We have now relegated this job to the CCTVs," Kulkarni says citing how technology can help substitute a number of manual procedures. About four ports have already begun implementing the suggestions by the committee and have seen a drastic fall in expenses over the last couple of months. To improve volumes, the ports had to check factors abetting their fall. It was noticed that there was an immoderate fall in the volumes of coal handled at the ports. There was a 38 per cent drop in the share of coal volumes handled at major ports because their share in 2008 from 81 per cent fell to a disappointing 45 per cent in 2014. To stem this leakage, the ports were asked at once to improve their coal handling infrastructure and mechanise the berths to welcome big vessels and greater amount of cargo. "These exercises were conducted with the port administrators getting fully involved. The response from them has been exhilarating," Kulkarni says. The port employees too, who have been objecting to modernisation have now given full consent to the authorities overhauling certain procedures because they understand that if volume is lost to other ports, the entity's survival is under threat.

While the suggestions to improve every port's efficiency do not really raise an eyebrow, the suggested changes to its management functions are what will lead to a dramatic change in the ports' functioning. BCG has identified six functional areas every port is expected to venture in to for the first time. They are- project management, business development, environment, health, information technology, corporate functions and legal aspects. Under these heads, concession agreements shall be re-written, manpower crises will be resolved and various legal hurdles plaguing the port's growth shall be ironed out. "Since the ports do not have sufficient people to handle these functions, they will be adopting a lateral system of hiring experts in these fields. They will come aboard and be part of the Chairman's Secretariat, reporting to the Chairman directly overseeing all the important functions," Kulkarni says. These professionals will draw up specific timelines for the projects, discuss solutions and train existing staff; also helping the Chairman attract good talent in to the sector. These sector experts are also responsible for ensuring every project is completed without cost of time overruns.

The Chairman and his team, in turn, will report to the Indian Ports Authority which will be overseen by the Ministry of Shipping. This three-tier system of monitoring is to ensure the 100 projects suggested are implemented on time, helping the major ports bounce back to performing well. Other key initiatives suggested include-improvement in the shift change process to minimise the productive loss, twin lifting to boost crane productivity for containers terminals, redesign operator incentive scheme, better yard side planning and service based TT dispatching among other suggestions in shore side operations. The existing Iron Ore Handling Plants (IHP) at ports may be used for export coal cargo, wherever possible and development of additional land can be undertaken, if required. The committee that was asked to submit its report within six months also suggested changes or improvements in connectivity to help evacuate cargo faster by improving railway rake monitoring to reduce TRT, reduce ship change over time and allow mechanisation of berths. For cargo being transported by roads, the committee suggests that the ports try reducing check point delay for container moving by road.

The recommendations by BCG and the IPA fall in line with the Prime Minister's idea of port-led development where ports gear up to

"BCG has identified six functional areas every port is expected to venture in to: Project management, business development, environment, health, IT, corporate functions and legal aspects. Under these heads, concession agreements shall be re-written, manpower crises will be resolved and various legal hurdles plaguing the port's growth shall be ironed out."

STRONG PERFORMANCE IN FY 15
OPERATING PROFITS INCREASED IN 8 OUT OF TWELVE PORTS

Significant jump in Margins in FY15

	FY 14	FY 15
Operating Profit (₹Crs)	2,518	3,268
Operating Margin (%)	28%	33%
Net Profit (₹Crs)	1,026	1,483
Total Margin (%)	9%	13%

Margin increase in 8 out of 12 ports

Operating Margin	FY 14	FY 15
Mormugao	-14%	14%
Cochin	-6%	5%
Mumbai	14%	20%
Chennai	1%	19%
Kolkata	18%	22%
Paradip	40%	40%
Kandla	25%	30%
Tuticorin	39%	51%
New Mangalore	35%	36%
J.N.P.T	55%	54%
Ennore	70%	68%
Visakhapatnam	34%	29%

Key Takeaways from the BCG Report

- Set up new business development team
- Reconfigure cargo handling volumes of existing customers
- Install quick release systems on berths
- Installation of higher capacity shore cranes.
- Introduce navigational aids, automated fertilizer rake loading plant
- Shift time change for workers
- Institute berth productivity norms for liquid bulk.
- Reduction in Non-working time
- Consolidation and improvement of spare capacity.

handle increased manufacturing output in the country.

Sagarmala Apex Body Meeting

The Ministry called for an apex body meeting of port chairmen and chief ministers of maritime states to provide direction to the Sagarmala Project. The much touted Sagarmala Project has finally gathered some steam with the Minister for Shipping and Road Transport, Nitin Gadkari convening a first meeting of the National Sagarmala Apex Committee (NSAC), in October. One of the key decisions mooted was to undertake a comprehensive and integrated planning for Sagarmala, named the National Perspective Plan (NPP). This shall be prepared soon and will be responsible to identify the potential geographical regions to be called Coastal Economic Zones (CEZs). "We are planning to finalize the NPP by January 2016. While preparing the plan, synergy and integration with the planned Industrial Corridors, Dedicated Freight Corridors, National Highway Development Programme, Industrial Clusters and SEZs would be ensured. Master Plans will be prepared for the identified CEZs leading to identification of projects and preparation of detailed project reports," said Alok Srivastava, additional secretary, Union shipping ministry.

According to him, Sagarmala is different from other port development project as it is looking at "port-led development". "Till now the ministry has never worked on connectivity from ports to the hinterland and what's happening beyond ports. Under Sagarmala, this will all change," said Srivastava. Some of the development projects that could be undertaken in Sagarmala include port-led industrialization and coastal tourism, Development of Inland Waterways, enhancement of ship building, ship repair and ship recycling, development of logistics parks, setting up of offshore renewable energy projects with base ports for installations and modernization of the existing ports and development of new ports. "This strategy incorporates both aspects of port-led development and port-led indirect development," adds Srivastava.

The Central government plans to spend ₹70,000 crore on 12 major projects under Sagarmala. The fund requirement for starting the implementation of projects in the initial phase of Sagarmala Project is projected at ₹692 crores for the FY 2015-16. Further requirement of funds will be finalized after completion of detailed master plan for Coastal Economic Zones for future years. These funds will be used for implementation of projects by line ministries in accordance with approvals by the Sagarmala Coordination and Steering Committee. During the meeting, Andhra Pradesh chief minister N Chandrababu Naidu also suggested the setting up of Sagarmala Development Company (SDC) to facilitate Foreign Direct Investment (FDI).

While reviewing the progress made in taking this national initiative forward, Gadkari stated that a platform for central, state governments and local authorities has been established in order to work in tandem under the established principles of "cooperative federalism", in order to achieve the objectives of the Sagarmala Programme and ensure port-led development. NSAC approved the approach and methodology of the preparation of the NPP and the identification of "Early Bird" projects. The state governments have expressed their full support in collaborating with the central government in planning and execution of this critical project.

The committee also deliberated on emerging opportunities from a benchmarking study which has been conducted for improving the operational efficiency of major ports. The potential benefits from the above opportunities include freeing up of approximately 100 MMT port capacity from existing infrastructure, generating ₹1000 crore additional operating surplus and avoiding ₹1,100 crore of capital expenditure through improved port efficiency. For achieving these 104 initiatives, a three year period has been earmarked. The Minister for Environment and Forests Prakash Javadekar has suggested that SDC can start getting necessary clearances for setting up of industries and allied facilities along the coast before the works are awarded. This suggestion has been accepted by the group of ministers from the Centre and states.

'To reach a port we must sail, sometimes with the wind, and sometimes against it. But we must not drift or lie at anchor,' said American Poet and Business Author Oliver Wendell Holmes Sr This, broadly, seems to be the motive behind the Ministry investing in bettering the performance of major ports. Given their legacy and location disadvantages, some of the measures suggested by the firm might require the port managements to swim against the current in order to achieve good results lest they go adrift and fall by the way of their young, aggressive private peers.

(with inputs from Ritu Gupta)

Finally, a milestone achieved!

The Bharat Mumbai Container Terminal will more than double the capacity at JNPT with addition of an extra 4.8 million teu

by Omer Ahmed Siddiqui

India's largest container port JNPT is gearing up to more than double its capacity in the next two years by adding another terminal. The project is expected to be carried out in two phases at a cost of ₹7,900 crore, for which the foundation stone was recently laid by Prime Minister Narendra Modi at Bharat Mumbai Container Terminals Private Ltd (BMCT). Also present at the occasion were Governor of Maharashtra, C Vidyasagar Rao; Chief Minister of Maharashtra, Devendra Fadnavis; Union Minister for Road Transport, Highways and Shipping, Nitin Gadkari; Anil Diggikar, Chairman, JNPT and Tan Chong Meng, Group CEO of PSA International.

The first phase involves an investment of ₹4,719 crore and ₹3,196 crore will be spent in the second phase that is expected to be completed by the end of 2017. Two berths of 1 km each will be constructed in each phase with minimal land acquisition – just 70 hectares of land will be reclaimed from the sea for each of the berths. The current overall container handling capacity of JNPT is 4.5 million teu which will more than double to 10 million units upon the addition of the terminal. The fourth terminal will have a quay length of 2,000 m, 24 quay cranes and will add a container handling capacity of 4.8 million teu (2.4 million teu in each phase).

The project is being executed by Bharat Mumbai Container Terminal, a subsidiary of Port of Singapore, on a design, built, fund, operate and transfer basis for a concession period of 30 years, under which JNPT will get a 35.9 per cent share in revenues. A consortium of Egis International S.A, Egis India and HIPL has been appointed as independent engineer for the project.

At the stone laying ceremony Narendra Modi emphasised on port-led development. He said, in any prosperous country it is the port sector that is vibrant and it is this sector along the expansive coastline that make the cities successful. "There is a need not just to strengthen, but expand, develop and modernise our port sector," he said.

Pointing at the need for complete end-to-end infrastructure development, Modi said, port-led development should include the best infrastructure with optimum road and rail connectivity to the hinterland along with cold storage and warehousing facilities. To facilitate this, the government has also opened doors for 100 per cent FDI in railways, and entities from all over the world are looking to invest.

JNPT aspires to number among the top 15 ports in the world in the days to come and the projects initiated by the government such as mechanisation of major ports, setting up of SEZ, upgrading road infrastructure and addition of terminals will play a key role in this process. Currently the major port numbers at 31 in the global ranking.

Tan Chong Meng, Group CEO of PSA International said, "The Indian government has identified sustainable economic growth as a key pillar in the country's 'Vision 2022 and the development of BMCT, PSA's latest port project in India, will help facilitate that." mg

UPSETTING THE APPLE CART

Though DGFT's restriction on in bound apples is to support local apple trade, it triggered steep increase in logistics costs

by Itishree Samal

The recent move by Director General of Foreign Trade (DGFT), an office of the commerce ministry, restricting imports of apple to a single port on the west coast, i.e. Nhava Sheva Port in Mumbai, has kicked up a storm among the traders across the country, mostly among the traders on the east coast.

The recent notification issued by DGFT on September 14, 2015 doesn't explain any specific reason for imposing the restriction on ports other than Nhava Sheva. However, the move is being interpreted as to protect the domestic apple trade.

The move came at a time when the domestically produced apples meet only 40 per cent of India's demand, while the rest of the country hugely depends upon imports to meet its domestic requirements. According to the Agricultural and Processed Food Products Export Development Authority (APEDA) data on import of fresh apples, India imported about 1.75 lakh metric tonnes of fresh apples valued at ₹1,176 crore in 2013-14, which increased to 1.97 lakh tonnes in 2014-15 fiscal and valued at ₹1,388 crore. The major importing destinations include US, China, Chile, New Zealand, Italy, Iran, France, Afghanistan, Belgium and Turkey, among others.

Of the total apple imports, Chennai Port is reportedly the largest apple import ports in India. It handles around 7,000-8,000 refrigerated containers (reefers) per annum, equal or even higher compared to the volume handled at Nhava Sheva. Despite Chennai Port leading the pack, the recent notification allowing inbound shipment of apple only through Nhava Sheva Port would affect the revenue of Chennai Port and impact the large network of wholesale and retail traders.

For a trader, the cost of importing apples from Nhava Sheva in Mumbai will be much higher compared to importing the fruit from the Chennai Port. According to Abdul Asif, Managing Director of Rich Fruits Private Limited, a Bengaluru-based fruit importer, "Importing via Nhava Sheva costs us around ₹100,000 more compared to importing the same fruit via Chennai Port."

"When you import via Nhava Sheva, the consignment goes directly to the CFS designated by the shipping lines due to space crunch in port, whereas the imported consignment gets cleared or is kept at the port when it reaches the Chennai Port," he added saying that it costs around ₹225,000 to import via Nhava Sheva Port in Mumbai.

"We import about 60-100 containers every year. And this is our third year into apple imports, we had set higher targets. However, the current scenario paints a different picture until the government lifts the ban," he added.

Logistics-wise, transporting apple from Mumbai to Chennai or Bengaluru is highly expensive as it requires specialised reefer trucks to

transport. It costs around ₹160,000 for a reefer truck (₹320,000 for a reefer container) to transport apple from Mumbai to Chennai and takes around 3-4 days. Whereas the transportation in a normal truck (non-reefer truck) from the Chennai Port costs around ₹12,000 to anywhere in Chennai and around ₹40,000 to transport to Bengaluru, and takes less than 24 hours, S Sivakumar, Proprietor, Om Logistics, told *Maritime Gateway*.

If traders are to import apple consignments only via Nhava Sheva, they will have to transport the fruit in refrigerated containers trucks to other parts of the country, as non-refer containers will affect the quality. Also, importing via Nhava Sheva is time-taking and a lengthy process as the transportation takes around three to five days and will push retail prices.

Apart from the traders, the move will also affect the end-customers as they have to pay double the price for the preferred variety of imported apples. It will mostly affect consumers mostly in south India and some parts of the eastern states. "In just a month's time, the price of domestic apples has zoomed. Last month, 30 kg apple was priced at ₹1,400, whereas it has increased to more than ₹2,000 in a month's time," Sivakumar said. Currently, imported apples are available anywhere between ₹250 and ₹350 per kg in some places, whereas the domestic variety costs around ₹80 to 120 per kg.

The recent move has already started showing its impact. "More than 100 importers at Chennai Port are already affected by the ban and the trade has almost stopped at Chennai, leading whopping price rise of apples in the markets," he said.

What led to the rise of imports?

At present India is the third-largest producer of apples in the world. However, its production is only limited to a very few states including Jammu & Kashmir, Himachal Pradesh and Uttarakhand and the the domestic produce is only available for four to five months in a year, leading to dependence on imports of apple throughout the year.

Compared to some leading apple producing regions in the world, an average Indian grower falls flat in terms of scale. For instance, Washington State, which is known for producing high quality apples, has been seeing an increase in production of new varieties of apples and an average grower has about 20,000-plus acres under production, whereas the largest orchard grower in India has only around 100 acres. Most of the apple varieties grown in India are almost a century old, which makes it difficult to compete with the superior imported stuff that has longer shelf life. Even Indian apple growers have a higher cost of production compared with their global counterparts.

Additionally, the home-grown apples are no longer delivering similar returns, making the business unviable. Quality of Himachal Pradesh's apples has deteriorated over the years, partly due to the poor quality of subsidised fertilizers and absence of new plants. Also, the government has failed to change the first generation orchards that are running on old trees and are highly susceptible to disease. For instance, the ₹2,500-crore apple industry in Himachal Pradesh, which accounts for more than 6 per cent of the state's GDP, is facing stiff challenge from better-quality and competitively-priced imports.

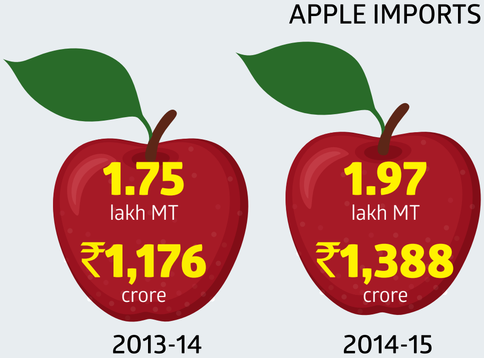
Though previous governments have realised the importance to improve the quality of domestic apple produce, they have failed to implement or lay out any concrete policy to help the apple growers modernise their production. In the absence of a consistent policy and infrastructure, dependence on imports has increased manyfold over the years to meet the demand of the heavily consumed imported fruit in India.

Conclusion

Considering the large number of apple shipments India imports every year, the infrastructure at Nhava Sheva wouldn't offer much help. "Mostly, the peak apple importing period is from November to April. The port congestion at Nhava Sheva is inevitable once all the traders start importing from the port, which can range upto to 14,000 containers a year," Sivakumar of Om Logistics said.

Anticipating the bleak future, several associations of importers and traders of the fruit have expressed their concerns to state chambers. In the meanwhile, the Tamil Chamber of Commerce has urged Commerce Minister Nirmala Seetharaman to allow import of apples through the Chennai Port by issuing a fresh DGFT notification, pointing out that it would otherwise involve huge rise in freight charges to transport the containers to southern states.

APPLE IMPORTS IN INDIA



Key Import Destinations

US	Iran
China	France
Chile	Afghanistan
New Zealand	Belgium
Italy	Turkey

Cargo stranded

Cargo movement to the country has come to a standstill followed by political unrest and protests at major customs points in Nepal-Indo border. Thousands of Nepal-bound cargo laden trucks are stranded on the Indian side of the border for more than three weeks.

by Mohammed Shareef MP

After the deadly earthquake hit in April this year, landlocked Nepal has once again been plunged into a deep crisis, as cargo movement to the country has come to a standstill followed by political unrest and protests at major customs points in Nepal-Indo border. Thousands of Nepal-bound cargo laden trucks are stranded on the Indian side of the border for more than three weeks. While the situation has brought the traders a giant hole in their pockets, the life of ordinary people throughout Nepal has severely been affected owing to the stoppage of cargo vehicles, carrying necessary commodities, including POL products, medicines and foods. Factories have been shut due to no raw material inflow like coal from Kolkata Port.

The trade sector has been affected the most due to the obstruction in movement of vehicles from India to Nepal. Nepal-bound cargo needs to be evacuated within 10 and 20 days after arrival of freight in Kolkata, ferried via road and rail, respectively. Due to obstruction in movement of vehicles, importers have been compelled to pay high detention charges to the port and shipping liners. Transport logistic charges have gone upto double from Kolkata to Nepal boarder. Importers and exporters have been hit hard due to this.

Updating about the situation, Rajan Sharma, President, Nepal Freight Forwarder Association (NFFA), told Maritime Gateway that by October 15, 853 containers were ready to be dispatched via road and 1,123 containers via rail. There were about 150,000 tonnes of bulk cargo of MS billet, coal and chemical fertiser in 7,500 containers, which continue to be stranded and cargo has still been arriving at the Kolkata port. Likewise, 830 containers that needed to be sent to Kolkata were stuck at ICD Birgunj. Around 1100 trucks, waiting to enter Nepal, have been stranded at the border, the lines of laden trucks, waiting for customs clearance would stretch of 28 to 30 kilometers.

"Situation in Nepal has gone from bad to worst. Life in Nepal has come to a grinding halt, factories are shut because of no raw material supply and people are going penniless as essential commodities price have gone up like anything. While export is zero, import, both third country and bilateral trade with India is miniscule percentage compare to the normal time," says weary Sharma

While Indian traders were also affected by the crisis, according Rajan Sharma, Indian freight forwarders are not affected as they have doubled the logistics charges. "The truck logistics cost has been raised to double. For example, in the normal time, from Kolkata to Nepal, per truck, it used to cost ₹80,000 and now it has gone up to ₹1,50,000," says Rajan Sharma.

Apart from this, Nepali importers have been facing a huge loss as the detention charge imposed by shipping liners and Kolkata port is increasing by the day. It has been reported that detention charge being levied by the shipping liners and the port authority has exceeded ₹125 million a day as the volume of freight stuck at port and the border points has been increasing.

According to traders, on an average, a box costs ₹10,000 to ₹15,000 on the account of detention charges to be paid to shipping liners.

According Rajan Sharma, the detention charge being borne by the importers can be minimised only through managing smooth movement of goods from India to Nepal.

Though the Indian government has raised security issues in sending goods to Nepal, none of the stakeholders at the port has halted work – customs house agents are declaring the customs transit declaration of Nepal-bound cargo, shipping liners have been sending containers to Nepal, and truckers have been loading their vehicles to ferry goods to Nepal.

As many as 351 containers have been booked with Container Corporation of India, which ferries freight to Nepal via rail. Nepal government has been repeatedly saying that they have fully arranged the security to escort transporters on highways, and none of the transporters have complained about security problem in Nepal.

Meanwhile Indian officials are hopeful about the situation getting better in Nepal so that smooth cargo movement from India could take place. Goutam Gupta, Traffic Manager, Kolkata Port told MG that situation at the port side was getting better, from a situation where no rakes were loading, they could manage to load nine rakes so far during the last three weeks.

"Situation is getting better and we are on the job to evacuate the Nepal bound cargo as quickly as possible.

> **Bilateral trade with India has also been hugely affected due to the unrest especially at Raxaul check point. Almost 65 percent to 70 percent of Nepal's import depended on the bilateral trade between India and Nepal.**

As the situation in Nepal gets better things would fall into normalcy," said Goutam Gupta.

On the import front Nepal gets around 60,000 teus of containerized cargo at Kolkata port annually. This cargo comprises industrial raw materials, machineries, automobile spare parts, electronic items, medicines, processed food items etc. On the export front, Nepal accounts only for a miniscule percentage of cargo, this would come only around 500 boxes a year and with mostly textile products, carpet, handicrafts etc.

Nepal imports around six lakh tonnes of bulk cargo, predominantly coal and fertilizers. While they import 5 lakh tonnes of coal, meant for cement factories and one lakh tonnes of fertilizers meant for farming. According to officials from Haldia Dock Complex of KoPT, where Nepal gets its imported bulk cargo, evacuation is almost nil for the last one month due to the crisis in Nepal.

"Evacuation of Nepal bound cargo is almost zero as there are hardly any rakes coming here to take the cargo. An almost 1 lakh tonne of bulk cargo is laying in the port to be sent to Nepal and due to which we are facing huge congestion issues here. There are about three to four vessels waiting in the port to discharge the cargo but there is hardly any space in the yard. It is been a month, a rake carried Nepal bound coal cargo from Haldia. Against daily a rake for fertilizers, so far only five rake carried fertilizers to Nepal," says SK Sharai, General Manager Traffic, Haldia Dock System.

Since there is no coal available to run the furnaces, factories have been shut for the last one month, according to reports from Nepal.

Bilateral trade with India has also been hugely affected due to the unrest especially at Raxaul check point. Almost 65 percent to 70 percent of Nepal's import depended on the bilateral trade between India and Nepal. The life ordinary people throughout Nepal have severely been affected owing to stoppage of cargo vehicles borne with necessary commodities like food grains, vegetables, POL products and medicines.

Updating about the situation, Deputy Consul General, Surendra Tapa told MG that there has been sharp decline in the number vehicles entering Nepal since 23 September. Only handful of vehicle could enter Nepal via Biratnagar,

Birgunj and Krishnanagar checkpoints and entry from other checkpoints is also negligible.

According to a statement from Nepal authorities, there are reports that the agitators are using no man's land as well as the Indian side of the border for staging demonstrations to stop the cargo vehicles from entering Nepal. They are time and again pelting stone on the Nepalese security personnel from across the border. This is the reason from Indian side, stated as security concerns to Indian cargo vehicles to enter Nepal.

However, Surendra Tapa, in a last update told MG that situation is getting better and they are hopeful to bring normalcy as soon as possible.

Impact of the crisis

- Thousands of Nepal-bound cargo laden trucks were stranded for more than three weeks.
- Factories have been shut due to no raw material inflow.
- Importers have been compelled to pay high detention charges to the port and shipping liners, which exceeded ₹125 million a day.
- The truck logistics cost has been raised to double.
- Only few vehicles could enter Nepal via Biratnagar, Birgunj and Krishnanagar checkpoints and entry from other checkpoints is also negligible.
- Almost 1 lakh tonne of bulk cargo is lying in the port to be sent to Nepal and due to which Haldia Dock is facing huge congestion issues

Surprise Turnaround

"We are one of the few ports in which most of the capacity addition projects have been materialised. As a result our turnaround time and pre-berthing detention has improved."

MG Bureau

Kolkata Port has not been doing well for quite some time and now we see there is growth in cargo volumes handled. So what has gone in this makeover and how have things actually shaped up?

Basically I would say two to three things: One is that we are doing our marketing very aggressively. My traffic managers are going to the hinterland and telling people about the advantages of Kolkata and Haldia Port, which have very good availability of railway rakes, and the railway tariff is low as compared to Paradip and Dhamra. We are also giving them timely concessions; for example, we have got ECT clients – people who bring in bulk shipments, both in container and others, so we give them priority. We have got strategic alliances with organisations like SAIL because they are giving us assured business. We give them priority so they stick to us rather than going else where.

Similarly, Nepal and Bhutan have been traditionally with us and at one point of time they were thinking of going to other ports on the east coast and after having done their survey they have come back to us seing our productivity. We are friendly to them and help them resolve logistic issues. At times we have dynamic pricing of plots and other services we give them concession to attract cargo.

Secondly, we have been increasing our capacity. We are one of the few ports in which most of the capacity addition projects have been materialised and that is recognised by the ministry as well.

Third is the increasing mechanisation. Recently our image suffered a bit at second and eight terminal as ABG left it, but we have been able to rationalise both ship and shore handling. Draft has always been a constant problem with us and we have tried to overcome that by having enhanced version of our VTMS system. Our dredging has become more effective as we have roped in HR Wallingford along with Pune-based CWPRS that are advising us so that we can maximise our effort and make dredging more effective within the subsidy available.

Does this effectively translate into avoiding delays in cargo handling?

Yes definitely, our turnaround time and pre-berthing detention that are the key performance indicators have improved over the last two to three years. Once the turnaround time is reduced the shipping cost comes down because there is so much leverage.

Since you have mentioned about the parameters, I believe the ministry has engaged Boston Consulting Group to give some parameters to benchmark the efficiency of the ports. What have they come up with?

They have studied both Kolkata and Haldia, and for Haldia they have basically said it is capacity constrained port. The capacity to handle cargo inside the impounded dock system is limited, because

Mumbai and Kolkata are two ports in which we have impounded dock system as they are riverine ports. So the dock basin has to be maintained at par with the level of the river for ships to move. BCG has suggested how we can increase our capacity inside the dock system in various ways which we are implementing. They have also suggested how we can reduce our non-working time and that can improve the turnaround time in Haldia. They have advised on increasing mechanisation and making more space for storage and handling cargo. They have also suggested we operationalise Eden channel more and we have already started that in conjunction with our existing channel. We just want to see what kind of results it will produce – dredging will be cheaper and we can bring a bigger parcel size ships.

As far as Kolkata is concerned, our supply side is growing, so to maintain sufficient capacity to handle that they have suggested few steps like having additional mobile harbour cranes, converting certain berths handling breakbulk/drybulk into container berths and improving customer interface by having 24x7 Customs clearance to remove congestion. These suggestions have a timeline for implementing.

PSA started its operations and everybody started feeling the improvements in efficiency. United Liner is operating at Haldia and in the recent auction couple of big companies were also planning to set up their allied infrastructure facilities, so how does this translate to the port and the customer?

This will definitely help us. We definitely foresee an increase in container traffic, because at Kolkata about 70-80 per cent of our volume is container and we expect Haldia to start attracting more and more. Since JM Baxi have come so they will have more synergy because they have a container handling facility in Vizag. So we are expecting they can top-up in Vizag and Haldia can be the last port in which they can be unloaded, similarly on the reverse journey.

The other big thing is the transloading facility at Konica sands for which the ITF Jindal has signed an agreement with us and they are going to invest ₹250 crore for bringing two to three transloaders. As the basic problem of Haldia is the draft, we have developed this strategy – there is a point in the sea 2 nautical miles radius that comes to the east of both Dhamra and Paradip. A transloader Panamax size full ship can come there it will be unloaded into daughter vessels and brought to Kolkata port. We are expecting this will bring additional cargo, atleast 6 million MT in one year and to receive that we have given contracts. A floating barge jetty is given to Bothra and similarly OSL and Bothra have opted for one each berth at 2 and 8.

> **We foresee increase in container traffic. We expect Haldia to attract more containers. J M Baxi will have more synergy in operations as they have container handling facility at Vizag.**

KoPT has suggested radical changes to stevedoring system which ministry also endorsed. What is the status on that?

We are the first port to implement it and the ministry after looking at the Haldia model opined that this model can be implemented in rest of the ports. The idea is that there should be a fixed ceiling for ship chandling and so far the port was not earning any money from ship chandling because it was left into private hands. Kolkata being the oldest port, would charge only for cargo and vessel related charges but not the shore handling charges. But for the first time we are getting about ₹40 per tonne through this system. We invited tenders and all those holding valid licences and shore handling infrastructure have been listed and we have put up the rates on our website and the client need not pay anything more than that. Now the other ports are also going to implement the same thing.

A lot happened in the past one year. Are there things that have not gone as planned?

There is one project which has not taken off at Haldia, where we find that the cargo throughput is increasing every year. We wanted to have a second facility, Haldia Dock-2 on a PPP basis because that is the emphasis right now by the ministry as the government is constrained by lack of funds and the basic feeling is that the ports by themselves should not be carrying out operations but they should be providing basic facilities and supervising. We had awarded that to Concast Hyundai because it would have added 11 MMT to our capacity, but the primary business of Concast is steel which is going through a bad phase due to which they had run into financial difficulties and were not able to take it forward.

Second setback that we have had is - we wanted to have Diamond Harbour Container Terminus. Because Kolkata capacity has to increase seeing the rise in cargo traffic ten years down the line. So we wanted to tender the Diamond Harbour Container Terminal which did not happen as we did not get any bidders. The issue there was the connectivity because even if the containers do come, their movement by rail and road is constrained. The NH-117 that comes from Diamond Harbour to Kolkata is very small and busy. Also the railway connectivity for the freight corridor also needs to come up.

What do you look forward to in the next few months?

I look forward to transloading getting operationalised. On December 1, 2015, ITF Jindal will be able to start their operations and that will be the biggest acheivement I would say the Kolkata and Haldia Dock Systems can show. Traditionally the problem of Kolkata Port has been that ships had to go to Paradip download half of their cargo and come to Kolkata, but now they can directly come to Konica sands which is the transloading zone for us and come to Haldia. mg

TOO STONED TO MOVE

Despite being a huge foreign exchange earner, India's granite industry face huge logistics hurdles

by Ritu Gupta

Granite is known as 'king of stones' because of its inherent characteristics such as extra-fine mirror polish, scratch-free glossy surface and durability. Indian granite has become the most sought after and extensively used stone material in building constructions and massive structural works throughout the world and is well known in the international market not only for its elegance and aesthetic quality but also for its durability. India accounts for 30 per cent of the world's export of high-quality natural stones like granite, marble and sandstone. The country has emerged as one of the leading countries in production and export of granite and other stones. It has vast resources of granite with about 1,120 varieties of different colours and textures. The industry is producing a wide range of granite-based products such as granite tiles, slabs, tombstones, tabletops and several handicraft items like jewellery, boxes, ashtrays, pen stands and paper weights.

The granite industry in India is concentrated mainly in Karnataka, Andhra Pradesh, Tamil Nadu and Rajasthan. Realising the huge potential of granite, many others states have also set up granite units. These include Orissa, Madhya Pradesh, Assam, Gujarat, Maharashtra and Bihar. Ever since the government announced granite as a thrust sector in 1990, the industry has taken a new turn. Today, granite has emerged as a major foreign exchange earner. India's export of granite and granite-based products have witnessed a phenomenal growth by reaching a level of ₹11,000 crore last year as against ₹2562.26 crore in 2004-05. Over the recent years, the demand for Indian granite both in the domestic and foreign markets has been continuously going up. Though India exports granite of varying colours, black granite known popularly as 'Indian black' is in great demand.

Granite is exported either as raw blocks or after cutting and polishing. The key ports of export are Chennai, Karwar, Mumbai, Visakhapatnam, and Krishnapatnam. The logistics chain of granite transportation is simple – the blocks need to be transported from the factory/quarry to agents' stockyard and from there to the ports. However, the cost of this transportation is quite high as granite is very heavy – weighing about 2,600 kg per cu m. According to the industry players, there have been numerous problems in granite logistics, especially due to the fact that it is very bulky in nature. The first and foremost is the unavailability of railway rakes. "Railways is not able to cater to our needs and therefore we have to depend on roadways. But roads are not good enough for heavy commodities like granite," says Satyender Madan of Aravali India Marbles and Granites. Other industry players agree with him. "The roads connecting the quarries which are located at remote places are very bad. Most roads are not capable of bearing the weight of such heavy cargo. There are also several old and weak bridges on the way to the highway, and they have been declared unsafe for heavy loads. The latest trend is that most of the granite processing factories are being set up near the quarries, so that the transportation costs can be reduced. But that is leading to problems while carrying the cargo in containers. Therefore the road infrastructure needs to be improved at the earliest to ensure smooth movement of goods," says S Krishna Prasad, vice president, Federation of Indian Granite and Stone Industry (FIGSI). Ramesh Sharma of S K International, Bengaluru, who is also one of the vice presidents of FIGSI, agrees with Prasad. "Better roads can reduce transportation cost to a certain extent. Another problem is that only a few ports in the country had the facilities to handle granite, and this implies that heavy granite blocks have to be transported to a long distance at times," he avers.

Indeed, logistics costs make the final price different for buyers of different regions, and in order to cater to the ever growing and complex demands of the granite industry, comprehensive and economical logistics support is very important. According to experts, exporters of bulk cargo like granite can either gain or lose their competitive advantage in transporting the cargo from port to hinterland and vice versa. "Surface transportation is much costlier as compared to water or rail transportation. It is imperative that the government should take steps to ensure that a better transportation system is available to an industry which is emerging as a major foreign exchange earner," says Madan. Apart from transportation, there are other issues that need to be ironed out. These entail congestion at the ports and ensuring that shipping agents take care of all minute details of shipment. "Many a times novice shipping agents are handling the consignment and they do not put the necessary labels/ stamps. For instance, some of my consignments were returned from Europe as they did not have the fumigation stamp. Such incidences do dampen the spirit of the exporters," says Madan. According to experts, the Indian industry also faces hurdles due to inconsistent and contradictory leasing policies followed by the state governments and also due to absence of export-oriented policies by the Centre that prevent setting up of large number of EOUs for granites, marble, slates and sandstones near the quarries and as well as closer to the ports. "India is the seventh largest exporter after China, Italy, Turkey, Egypt, Greece and Brazil. We have one of the largest resources of granite and natural stones. If the right policies are introduced we can become the top exporter," says FIGSI president R Sekar. Indeed, given the right impetus this industry has a long way to go. The government needs to ensure that if nothing else, this sunrise industry gets the basic infrastructure such as good roads for it to develop further.

Key challenges

- Unavailability of railway rakes
- Roads connecting to quarries are very bad
- Old and weak bridges are unsafe to carry heavy loads
- Only a few ports have the facilities to handle granite, and this implies that heavy granite blocks have to be transported to a long distance at times. Congestion at ports adds to it.
- Logistics cost is the key differential and exporters can either gain or lose their competitive advantage in transporting the cargo from port to hinterland and vice versa.
- Inconsistent and contradictory leasing policies
- Absence of export-oriented policies by the Centre prevents setting up of large number of EOUs near the quarries and ports.

Cashing on empties

Large shipping lines, are finding Indian container yards to keep their empties, which are idling because of lack of cargo.

by Mohammed Shareef MP

While the global dip in the overseas shipping has been cumbersome for most of the stakeholders from shipping line to traders in the industry, it seems to be a surprising windfall for the Indian container yards as owners of the boxes, mainly large shipping lines, are finding Indian container yards to keep their empties, which are idling because of lack of cargo.

Slowdown in exports from China has impacted container markets worldwide and this has forced container shipping operators to surrender boxes back to lessees. Many container owners now prefer Indian ports for keeping their empty boxes, according to private ICD operators in the country.

It is interesting to note that as the wind takes it reverse course, shipping lines are approaching container yards for space as against the earlier practice where private container yard owners had to offer discounts to shipping lines to keep empties in their yards.

Cheaper for shipping lines

David Raja. J, Senior Vice President, ICD Division St.John, operating an ICD at Tuticorin points out that stacking empties in India's major ports has now become cheaper for shipping lines. Because of this cost advantage, they preferred to park the boxes here rather than moving to foreign ports. St.John, which is operating an ICD at Tuticorin has around 14 acres of stack yard for only keeping empties which can stack around 9,000 to 10,000 teu of containers. An acre of stack area in an ICD, around 300 boxes can be stored and which can now fetch nearly ₹1 lakh per month.

> **"St. John's ICD at Tuticorin has around 14 acres of stack yard for only keeping empties which can stack around 9,000 to 10,000 teu of containers. In an acre of stack area around 300 boxes can be stored which can fetch ₹1 lakh per month."**

Numerous private ICDs which are located near ports like Tuticorin, Chennai, Kattuppalli, Mangaluru, Visakhapatnam etc. have already started benefiting from the emerging situation. This trend is on the raise as the handling cost of empties in these major ports are very cheap.

According to David Raja especially in Tuticorin charges are low and they are making use of the favourable business environment.

However, some container yard operators are of the opinion that though there is an increase in demand for space, the margins are low. This is because the charges presently levied are minimal. There is a potential for increasing revenue through repairs of import containers. According to David Raja with an integrated unit of Maintenance and Repair (M&R) units model one ICD can make better revenue than just levying the charges for keeping the empties.

According to reports, the economic downturn in the western markets, especially in Europe and China, has resulted in idling of ships, cancellation of export orders and new contracts etc.

Today, vessels are running light and many carriers are forced to idle their vessels. Several services are getting reduced or even cancelled due to poor performance.

Though it has affected the entire trade from South-East Asia, the demand for high value commodities, especially coir and marine foods from India, is expected to perk up in the short term.

The current situation, according to experts, has also led to steep reduction in container freight rates, forcing shipping lines to look at new avenues for revenue generation. However, the drop in oil prices has enabled lines to manage their schedules. mg

Long shopping list with growth strategy

RINL vows to enhance its productivity further to broaden its market share with a well knit logistics and supply chain system in place.

by Mohammed Shareef MP

Global players like China, Brazil and Russia continue to dump the surplus steel in the country and the market at present is looking very bleak and sluggish. The oversupply continues following the depreciation of the import countries currencies and a general trend of a global crash in steel prices. However, this has been the case, the public sector company's like Rashtriya Ispat Nigam Limited (RINL), the corporate entity of Visakhapatnam Steel Plant, vows to enhance its productivity further to broaden its market share with a well knit logistics and supply chain system in place. It has also drawn up a directional plan to expand to 20 million tonnes to become the largest single location integrated steel plant.

Gifted with a land bank of 25,000 acres, excellent infrastructure and logistics, deep draft ports of Visakhapatnam and Gangavaram, and being market leader in long products,

RINL is one of the major suppliers of steel to the construction, automobile and manufacturing sectors. At present, with a capacity of 6.3 million tonnes, RINL produces wire rods for wire drawing, bright bar, fasteners and rebars for construction for reinforcement, squares for bright bar, forging and re-rolling application and structurals for construction, fabrication and making leaf springs. The plant is again in the mode of expansion to achieve the target of 12 million tonnes and plans to expand further to 20 million tonnes later.

However the plans are set to stabilize the growth to its optimum level, several issues are needed to be addressed to keep the firm to a smooth pedestal, according to **Executive Director, Marketing, R Shankar,** who spoke at length with MG, on operation, logistics, market, growth etc. RINL's financial performances hinges critically on input costs as it is the only main steel producer in India without captive mines for its major raw materials, iron ore and coal. While the company is depending on NMDC for its complete requirement of iron ore, 90 per cent of coal required is still being imported from abroad.

In order to have a continuous supply of major raw materials and also keeping in view the requirement of expansion units, RINL has made long-term agreements for continuous supply of raw materials. While these agreements would suffice the raw material in flow to the plant, the firm is also exploring numerous other options in the logistical front which would in turn bring a balance in the overall financial activity of the company, despite the constrains of not having its own captive mines for raw material supply. It is planning for a long slurry pipeline to source iron ore directly from the faraway source point, have its own jetty to handle coal and venture into coastal shipping for the end product supply.

Raw material sourcing

Iron ore

The steel firm has made Long Term Agreement (LTA) with National Mineral Development Corporation, NMDC for supply of 12.5 million tonnes of iron ore to meet the requirement upto 6.3 million tonnes. Efforts are also being made to develop other sources of supply like supply from OMDC, a subsidiary of RINL, according to ED, Marketing, R Shankar.

RINL has been continuously taking up the matter of allocation of mines with concerned state governments and central government. As a result of its continuous efforts, during this financial year, it could enter into an agreement with Government of Rajasthan for allotment of Jahazpur iron ore block in Bhilwara, Rajasthan. As of now sourcing of iron ore from this block hasn't started.

At present the plant gets 7.3 million tonnes of iron ore from NMDC's Bailadial Iron Ore Mine in Chhattishgarh. It is transported to the plant by rail through the Kothavalasa-Kirandul railway line. On an average, RINL gets four to five rakes per day for iron ore alone and it gets tippled directly at the yard connected to the integrated supply iron ore feeders connected to the furnace. Due to delay in doubling of KK rail route works and constant route rationalisation issues, the supply of iron to the plant couldn't attain the optimum level. The plant needs at least eight rakes per day in order to keep the productivity to the maximum and in the expansion stage it may require more rakes.

In order to mitigate the issues concerning the logistics of iron ore sourcing, RINL is also planning to install a 336 km long slurry pipe line from Jagdalpur of Chhattisgarh to Visakhapatnam, an MOU has been signed with NMDC for this Joint Venture project. Once this project is materialised, the firm could easily sort out most of the issues related to iron sourcing and logistics bottlenecks. The MOU is also is a part of a plan to set up 4 MTPA capacity Pellet plant at Visakhapatnam.

> **"RINL is also exploring coastal shipping for movement of its finished goods to its regional offices which are located in different parts of the country. For the appointment of an Intermodal Transportation Agency for Costal Movement, a composite global tender was called by the steel firm a month ago."**

Coking coal

RINL sources 90 per cent of its required coal annually from abroad, mostly from Australia. However a miniscule share, it sources from New Zealand and USA too. The rest of the 10 per cent coal it sources from central coal fields of Bihar. It also gets almost one million tonnes of coal from Thalchiar mines of Odisha, a Coal India concern. At present, the steal firm imports around 14-15 million tonnes of coking coal from abroad of which a lion share is from Australia.

For an uninterrupted supply of the coking coal requirement, LTA has been formulated with reputed suppliers like BHP Billiton Anglo, Peabody of Australia, Logan & Kanahwa and Alfa Coal of USA, Solid Energy of New Zealand. Besides this, one standing Expression of Interest (EOI) has been placed on the company's website for exploring new sources of coal supply.

For handling its coal imports, the plant depends on the deep draft port of Gangavaram and coal is directly transfered from the port to the plant yard on conveyor belts. It has a total capacity of 12 million tonnes of conveyor belts for the purposes of a hassle-free coal transfer from the port.

RINL has captive mines for minor raw materials like limestone, dolomite and manganese ore in the State of Andhra Pradesh at Jaggayapeta, Madharam and Garbham respectively.

Eastern Investment Ltd, a subsidiary of RINL, has two mining companies – OMDC for iron ore and BSLC for limestone and dolomite. Also MoUs are forged with Indian Railways for setting up forged wheel plant and axle plant. This initiative would help RINL in widening its geographical spread and diversify product portfolio with assured off-take at 7.3 Mt stage. In the 6.3 Mtpa expansion phase, latest technologies are being adopted which will further strengthen the product portfolio with entry into high end value added steels.

Planning to have own Jetty?

In order to make a huge saving on its freight costs, RINL had a plan to have its own captive jetty near its plant and the firm had sought the support of VPT in this regard. Later an idea has been conceived to construct a port with support of VPT as it would be the satellite port of the Major port. However, the project has been shelved based on the feasibility study report. Even this has been the case, RINL officials are still hopeful in having a jetty of their own once the hurdles are cleared. "If the jetty materialises, whenever it is, it will fetch us a substantial savings on our freight cost and we would take full advantage of material logistics," said an official who doesn't wanted to be quoted on this.

Finished goods and Market Served

RINL, with its exclusive product mix of longs is the largest producer of long products in the country and has a market share of 8 per cent, as per the 2014-15 records. The principal products of RINL include rounds, structurals, bars, wire rods, blooms, billets and pig iron, and the company also markets the resulting byproducts like coal chemicals (Ammonium Sulphate, Benzol products etc.) and slag.

RINL is a registered vendor for supply of special steel products to various customers like DNV for ship building, Meritor Troy-USA, Tata Motors and Caterpillar in Automobile sector and Indian Railways for Elastic Rail Clips. In 2013-14, RINL products were certified by IBR for Boiler applications.

The firm has a network of 23 branch offices, 22 stockyards and 5 Customer Sales Associates that caters to the delivery requirements across the country, which is further complemented by the mechanism of DLDS and RDS to ensure availability of quality steel in rural areas at affordable prices.

Market and logistics

Of the total finished goods and the byproducts, almost 95 per cent goes to the domestic market, which is being marketed through its five regional offices spread across the country. The regional offices are located at Chennai, Mumbai, Delhi, Kolkata and Visakhapatnam. The products reach stock yards of these regional offices through rail and roads. While 90 per cent of freight movement is done by rail, the firm also depends on road logistics for transportation of rest of goods. Around three rakes are being used for the transportation of the goods and daily around 200 trucks take the goods directly from the plant. In the export front it ships 5 per cent of its product to countries like Sri Lanka, Myanmar, Thailand, Taiwan, South Korea and South Africa. The goods are exported from both Gangavaram and VPT and while in the domestic market the goods are moved by flat wagons. Exported goods are transported as bulk cargo as well as containers. In the financial year 2014-15 it exported 2.2 lakh tonnes of finished goods and 93,000 tonnes of pig iron, resulting in

a revenue of around ₹600 crore from exports alone.

Coastal shipping for a better logistics

Troubled with the various constrains in rail freight, RINL is also exploring coastal shipping for movement of its finished goods to its regional offices which are located in different parts of the country. For the appointment of an Intermodal Transportation Agency for Costal Movement, a composite global tender was called by the steel firm a month ago. Once this plan materialises, RINL could as well use coastal shipping for movement of its goods and save a substantial amount in freight charges as coastal shipping is expected to be cheaper and viable option. As a result, it could be relieved from depending solely on rail for its transport requirements.

Financial Performance

"Slowdown in economic growth, execution delays in many infrastructure and construction projects have translated to lower demand for steel. This in turn has led to sluggish volume growth for major steel manufacturers during 2014-15. RINL also faced the brunt of the sluggish market conditions," says Shankar, talking about the financial performance of the firm. As an impact of the new market scenario, the Navaratna Public Sector Unit posted a decline of 13 per cent in sales turnover during the 2014-15 financial year at ₹11,718 crore, including exports of ₹868 crore, compared with fiscal 2013-14. Its sales turnover stood at ₹13,480 crore in 2013-14.

The Executive Director Marketing, R Shankar said VSP had targeted ₹15,000 crore sales turnover in 2014-15, but could not reach even last year's mark mainly due to low-cost steel imports from China and Russia. Besides, the sluggish domestic steel market also affected its sales, he told.

On the export front, the company registered a 16 per cent growth. "In the current fiscal, it is targeting sales turnover of ₹18,000 crore, including exports of ₹1,000 crore," he said, adding domestic steel consumption was expected to grow because of government's initiatives in infrastructure projects.

He said the ongoing ₹12,500-crore expansion project was nearing completion, and with this the company was targeting to produce 4.3 million tonne saleable steel. It has simultaneously taken up modernisation of its existing plant with ₹1,200-1,300 crore investment. All these would raise the production capacity to 7.3 million tonnes by 2017-18.

Over the next three years, the company plans to invest about ₹2,000 crore in joint venture projects as part of its diversification, he said. These include setting up of a 500-MW power plant in association with NTPC, a 10- mgd desalinisation plant with an investment of ₹450 crore to meet fresh water requirement, laying of a 315-km long 13-million tonne capacity slurry pipeline from Nagarnar to Visakhapatnam along with NMDC, and a joint venture project with Power Grid Corporation for making transmission line towers at Visakhapatnam. mg www.seawaysindia.com www.maxiconline.com

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"The biggest strength of CFSAI is its membership comprising reputed and highly experienced state-of-the-art CFSs. As a collective responsible industry forum, CFSAI have been able to address some of the pain areas by making adequate representation with concerned authorities."

MG Bureau

Can you briefly tell me about the objectives of CFSAI?

As an association of Container Freight Station operators and owners, CFSAI comprises elected members, who have the responsibility to liaison on behalf of the industry with other stakeholders including state as well as central government, ports, Customs, transport operators and mainly other associations of the trade. The key objectives of the association is to bring forth concerns, challenges, grievances of the industry in front of the government and other concerned authorities. The association also creates platform to facilitate discussion, exchange of information, policy awareness, opportunities amongst its members, for the benefit of the trade. CFSAI also collaborates with other associations to represent the logistics fraternity at the state as well as national level.

The Association from time to time has made suggestions for the consideration of government. One such suggestion was for amending the Container Freight Station Act and for adopting other related measures, was initiated by the Association. We as an Association have been able to secure representation on government bodies like the Standing Committee on Promotion of Exports, (SCOPE Shipping and SCOPE Air), Task Force on Container Freight Stations, CII National Committee on Ports & Shipping, AMTOI, IPA and various other forums of the Ministries of Shipping, Commerce & Finance.

There are some associations like NACFS already serving the CFS industry. How different are working principles of CFSAI?

NACFS as an association is primarily focused in the southern region of India, whereas CFSAI has active presence in the western and northern region and is committed to serve the CFS industry pan-India. Establishment of Mundra chapter of CFSAI is on the verge of completion and all 11 CFSs in this newly emerged mega container port will have the benefit of expertise of CFSAI. JNPT and Mundra are the largest Container ports in the country managing over 65 per cent of EXIM cargo. Thus it plays a crucial role in the entire logistics value chain of our country. At the same time we also work closely with members who are part of NACFS.

CFSAI has recently completed 11 years of its existence. What has been achieved in this period?

The biggest strength of CFSAI has been that with its membership base comprising of reputed and highly experienced state-of-the-art CFS's who follow best global industry practices. Sharing knowledge and expertise by the members has brought in higher productivity and safety standards. As a collective responsible industry forum, CFSAI has been able to address some of the pain areas by making adequate representation with concerned authorities.

What are the current burning issues of CFS industry and how do you plan to take them up?

There are several issues which need to be addressed and are being continuously pursued. CFS's being a logical extension of ports are custom notified areas wherein stuffing/destuffing of containers, customs examination, provisions for Bonded warehousing etc. is done and a full team of Custom officials are posted in each CFS. All the expenses for Custom staff are payable to the govt by the concerned CFS till such time a minimum prescribed threshold limit is reached. Thereafter the "cost recovery" is done. Delays in cost recoveries affect the cash flow of the CFSs and is a major challenge. CFSAI along with other associations is working closely with various authorities and ministries including DRI, SIIB to resolving issues and challenges.

What is the relationship CFSAI will have with other stakeholders' organisations in addressing common problems?

As part of the industry we collaborate with all association for representing the trade. For example, we work closely with Association of Multimodal Transport Operators of India (AMTOI), where in we are part of their board, to represent the industry to the state and central governments. We liaison with Brihanmumbai Customs House Agents Association (BCHAA), Mumbai and Nhava Sheva Ship Agents Association (MANSA), Container Shipping Line Association of India (CSLA), Federation of Freight Forwarders Association of India (FFAI), Nhava Sheva Container Operators Welfare Association (NSCOWA), Maharashtra Heavy Vehicle & Interstate Container Operator's Association (MHVICOA), Indian Private Ports & Terminal Association (IPPTA) and others. In addition to associations, we also work with ports, customs, terminal operators to facilitate and most importantly discuss and resolve day-to-day challenges.

Does the association work only to voice policy concerns with government or does it have any objective to address ethical, governance issues of member companies and also work on capacity building in this sector?

CFSAI's role is not restricted to addressing business related issues and policies only but also to foster ethical practices, social development, best-in-class governance, safety compliances and healthy working environment for all. We have initiated a more focused approach on handling, storage and transportation of hazardous goods. This is a small step forward in the direction to make health and safety our primary concern. To ensure this is engraved in the day-to-day operations, we have decided to form an in-house sub-committee of experts who will not only impart training by visiting various facilities but would also carry out voluntary audits.

You have taken charge as secretary general with several years of experience working with a shipping company and then leading Indian shipping companies association. How does this help CFSAI?

Since its inception CFSAI has the privilege of having the guidance of the stalwarts in the industry who have created such state-of-the-art infrastructure and invested heavily in the sector to support the India's EXIM containerised trade. They have shared their wealth of knowledge and experience with members to enhance productivity and ensure that the best global practices are adopted, for which procedures need to be automated, digitised as being practiced in developed countries and old obsolete procedures need to be scrapped/modified. CFSAI team have identified the changes required in several areas, however there are multiple challenges and continuous interaction with other related trade bodies, governmental and statutory authorities is required to bring in and implement these positive changes.

My role as the first Secretary General of CFSAI requires me to closely interact with the members, advisory board, the VPs and the President of CFSAI and with their guidance and support take up these issues meticulously and forcefully in various forums as well as with ministries and statutory authorities. Secondly, my role is also to ensure CFSAI's presence in all the key forums so that our agenda is not inadvertently missed out. Whilst, the President, VPs and other key members have been taking out time despite their busy schedule from the core businesses they handle, it is neither practical nor convenient for them to be present in every forum. The need was felt by the association to have a structured secretariat and engage a senior experienced industry person who understands the business well and would be effectively able to follow up and represent CFSAI is all such forums and meetings.

Based on my over four decades of experience in the industry and having headed INSA as well as SCI's container business, I am privileged to have been offered the position and I would endeavour to fulfil the expectations of CFSAI. My advantage is most of the key people in the industry and the Ministry are known to me for decades and I am generally not denied an access to them. I would also make efforts to reach out to other CFSs/ICDs pan-India basis so that CFSAI grows from strength to strength and the industry as a whole would benefit from the activities of CFSAI. mg

Need more room to grow

The functioning of the general cargo berth at Visakhapatnam Port came as a boon for the city residents and the port, moving dusty cargo away from city limits and helping the port handle greater volumes of coal. But three years since commencement of operations, the berth is pleading for greater yard space and higher frequency of rake allocation.These two steps, if taken, can grant the port a fillip in bringing back lost volumes of bulk cargo to the neighbouring ports that boast of enviable numbers of coal volumes

by Mohammed Shareef MP

With its strategic location and fully mechanized facility to handle large vessels, Visakhapatnam Port's scope to emerge as a gateway port in coal import has brightened for the last couple of years. Vizag General Cargo Berth Pvt Ltd, a 74:26 joint venture of Vedanta and Leighton Welspun, started its operation three years ago and imported coal is being handled for almost its optimum capacity.

The fully mechanised coal handling berth was also built in addressing the fervent plea from the people of Visakhapatnam, especially those in the old city in the vicinity of the port to mitigate the pollution resulting from dry bulk cargo handling. With the state-of-the-art facility coupled with fully mechanised and automated coal handling, the port no longer faces the problem of coal dust emissions from its premises.

Before VGCB came into picture, the coal handling was done in the port manually, which used to cause coal dust pollution and also spilling the cargo and coal dust emanation further resulted in the loss of cargo also.

Now with fully mechanised and automated cargo discharge system supported with sprinklers at every point, not a drop of coal is spilled during the discharging from the vessel to loading the rakes. The conveyors are fully enclosed with sprinkler supports, in avoiding cargo spillage. The stock yard has a boundary wall with height of 40 m facing the side of the human habitation and the dust has constantly being controlled with numerous sprinklers installed in the yard. Turnaround time for the rake loading has come down to three hours against the earlier nine hours time. A wagon is loaded in less than one minute time with fully automated rake loading system in place and even in the smallest gap in between the wagons, coal is not spilled, with the highly sophisticated rake loading system.

Further the berth got a shot in the arm with the recent completion of ₹139.88 crore dredging by the Visakhapatnam Port to a draft of 20 m in the outer harbor for navigation of Cape Size Vessels with 2 lakh dead weight tonnage. With this VCGB became the deepest draft harbor in the country and Cape Size Vessel started to calling the Visakapatnam Port. Biggest Cape Size vessels like *NGM Sailor* with a bulk cargo carrying capacity of 1.6 lakh million tonnes called recently and with the fully mechanised cargo discharging system the cargo was discharged within a day. Cape Size vessels usually range with a carrying capacity of 1.2 lakh tonnes to 2 lakh tonnes, i.e. three times carrying capacity of a Supramax vessels. An estimated savings of $2 per tonne would be made possible with the calling of Cape Size vessels. It is surprising to know that Cape Size vessels are already being called at Minor Ports like Krishnapatnam and Gangavaram but in the case of a Major Port Visakapatnam is the first port to have this facility.

With India's primary energy demand still being heavily based on coal, the import are expected to grow double digits and for the year 2015-16, the country had planned to import 210 million tonnes while the actual coal demand is slated to be 910 million tonnes, according to Coal India statistics. This is being the scenario,VCGB is planning to make use of the favourable business environment in importing the coal and at present the Vizag Port handles over 10.5 million tonnes of imported coal per annum.

Talking about the cargo handling and future prospective of the berth, DK Manral, CEO, VGCB told *Maritime Gateway* that with the kind of the state-of-the-art facilities, berth is handling coal cargo to almost its optimum capacity and if they are provided with adequate rakes and space for stack yard, the berth can operate in full swing and in turn bring more revenue to the Port Trust. VGCB is claiming to be the highest royalty paying private partner to the government in the port sector, which is 38.2 per cent at present.

Capacity utilisation

The growth seems to be steady as in the first year of the operation the berth utilised 40 per cent of its total capacity of 10.2 million by handling 4.7 million tonnes of cargo. In the second year the capacity utilisation rose to 70 per cent by handling 7 million tonnes of cargo and in the current fiscal year it is expected to handle 8.2 million tonnes of cargo, which would be 80 per cent of its capacity utilisation. Comparing the growth rate, there is a certain drop in the growth, i.e. from last year to this year there is only 10 per cent growth. The drop according Manral is because they are chocked due to a slow evacuation of the cargo.

Challenge for growth

The timely evacuation of cargo is not happening as adequate rakes are not provided and which in turn resulting in the piling up of the coal in the stack yard, leaving no space for further stock. "Our further growth is being challenged due to certain constrains we are facing. We are not provided with adequate rakes which create problems in the timely evacuation of the coal from the stack yard.

According Manral, the railway is not being able to provide with rakes as VCGB requested. Initially it was four rakes provided, as against the promised ten rakes per day and later it was increased to six rakes.

While railway is on one hand falling short of rolling stock, on the other hand modernisation of the railway infrastructure is yet to happen. There is only one railway siding with a single line which hasn't electrified so far. This has been the case with railway, getting more rakes is nearly impossible at this juncture and only way out is to have proportionate stack yard space, says Manral.

At present VCGB is having close to 23 acres of stack yard which can store 3.7 lakh tonnes of cargo and in order decongest the cargo stocking and to lift the operation of the berth to its maximum, it needs at least 30 more acres of stack yard. "We are negotiating our demand for more stack yard with Port Trust and we expect our demand is met soon. If we get that much more acres of land, that will be good for the port also because then the port can compete with the neighbouring port as the bulk cargo handling at our berth would be at its full swing and since our rates are cheap, we tend to get more business. It would be kind of a win-win situation as higher the tonnes of the cargo the port handle, the higher the revenue the port make," says DK Manral.

"With the kind of the state of the art facilities, berth is handling coal cargo to almost its optimum capacity and if they are provided with adequate rakes and space for stack yard, the berth can operate in full swing and in turn bring more revenue to the Port Trust."

Hot idea for cold storage

A solar powered farm level cold storage device can go a long way in improving the logistics chain of agri-produce

by Ritu Gupta

This year's onion price crisis once again highlighted a cold reality – India lacks adequate cold storage facility. This year the country faced a shortage of 5 lakh tonnes of onion, which resulted in a sharp rise in retail prices that went up to ₹80 per kg across the country. "Approximately, 30-40 lakh tonnes of onion production is wasted almost each year due to non-availability of proper storage facilities," said Santosh Sarangi, joint secretary of the Union Commerce Ministry. Pitching strongly for creation of storage facilities for agriculture and horticultural products across the country, Sarangi has sought both private and public investment for them "without any delay". Indeed, experts and policymakers have long lamented the lack of cold storage capacity in the country. They point to the sharp fluctuations in prices around the year, with vegetable prices slumping to as little as a few rupees at harvest time and then soaring manifold during the off-season or around festival time. Build a network of cold storages, the argument goes, and it saves the farmer from having to sell off his highly perishable produce at harvest time when prices are low.

Indeed, the ability to store the produce gives farmers more leeway in choosing to sell the produce in a controlled way throughout the year. And these words can easily become a reality thanks to an innovation of engineers from the Indian Institute of Technology, Kharagpur. The innovation, a farm level solar powered cold storage device, is not only ecofriendly, but also pocket-friendly. "India is the second largest producer of fruits and vegetables in the world, yet it is not able to fulfill its domestic requirements. We lose 30 to 40 per cent of the produce amounting to over ₹13,000 crore annually. Our product can help minimise this to a great extent if used countrywide," says Vivek Pandey, the man behind the innovation. Other team members include Devendra Gupta and Prateek Singhal. The idea was mooted while Pandey and his friends were working for a project for improvising the energy efficiency of a cold storage. That was when they understood the cold chain landscape of the country and the issues that affected it. They did intensive research to find out the requirements of the customers. And that's how they determined the configuration of the system. To understand the market, they undertook extensive research in seven states including Uttar Pradesh, Haryana, Maharashtra, Odisha and Karnataka. Thereafter, they painstakingly designed the product, taking a lot of time, to make it foolproof. The product was pre-launched in May 2014.

The compressor of the system is the main point of innovation. It has dimensions of 15 X 8 X 8 feet for 5-metric-tonne unit. Transporting the product is also easy as it can be carried on small trucks and cargo vans. Using a uniquely designed thermal storage methodology that controls compartment cooling in tandem with regular cooling, the device helps increase the shelf life of agricultural produce using solar panels of 2.5

KW–3.5 KW. “The power generated is sent directly on to the compressor which can run at various speeds to adjust itself to the cooling demand. Instead of batteries, the system has a thermal storage unit which can store power for more than 36 hours to provide power in case there is no sun during cloudy or rainy weather,” says Pandey. Existing solar-powered units run on batteries which need to be replaced after 2-3 years making the running cost very high for farmers. For the solar-powered cold storage, no battery back-up is used to operate the compressor, though it has provision of battery back-up. The product can also be hybridised with an external power source.

Meant for horticulture produce, the micro cold storage system has a capacity of 5 metric tonnes and a price varying between ₹5 to 6 lakh. The cost of the product is somewhat higher than a conventional cold storage of the same size. But the innovators claim that the operational cost is much lesser and it breaks even in about two years of operation. The only maintenance required is cleaning of solar panels. Apart from this, there is almost zero maintenance like in a normal cold storage. "Any refrigeration is a major energy guzzler and our system runs without electricity. The user-centric design ensures high operational efficiency. After a 2-year breakeven, it leads to over 40 per cent increase in profits of the user. This innovative product can be suitably adapted for local conditions across the world," claims Gupta.

The first fully functional product was commissioned and tested at Science and Technology Entrepreneurship Park (STEP), IIT Kharagpur. Then two units were installed in Raichur, Karnataka. The product will help the whole country, especially those areas that lack electricity supply despite many horticulture activities being carried out there. Even the warehouses in cities face electricity problems. Often power cuts occur for as high as 10 hours a day. This has led for the closing of some facilities and some rely on back-up diesel generators. Diesel is an unclean source and cost as much as ₹16-20 per unit of electricity. Their promising innovation has won the first prize of ₹10 lakh in the national university competition ‘DuPont: The Power of Shunya’.

Solution – solar powered cold storage

- Uses uniquely designed thermal storage methodology
- Can be carried on small trucks and cargo vans
- Thermal storage unit provides 36 hour backup
- Can be hybridised with external power source.
- Has a capacity of five 5 metric tonnes
- Helps increase the shelf life of agricultural produce

On the issue of the commercial viability of the cold storage, Singhal adds, “This technology has high commercial viability for existing cold storage facilities operating on diesel and also reefer vans. Also it has good commercial viability for farmers as it helps them de-risk themselves against the price fluctuations.” Besides selling their device directly to farmers, the team is also trying to create village-level entrepreneurs who will act as nodal points for cold storage in mandis where any farmer can store his produce at a fixed cost.

The engineers have set up their company called Ecozen Solutions, which has a factory near Pune to commercially produce the product. The name of the facility is Ecofrost Technologies (a subsidiary of Ecozen solutions). A target to manufacture 20,000 cold storage units in the next five years has been set up for the Pune unit. The innovators feel that the product has the potential to be scaled up to large warehouses, transport refrigeration, and other storage facilities, especially as there would be additional upgrades in due course that would enhance the product. "Given the need and the demand, the innovation has a huge revenue generating potential. We are already creating strategic channels to market this product in a geography and customer-centric mode," says Pandey. He feels that the inclusion of the product in the existing National Horticulture mission and Jawaharlal Nehru National Solar mission will turn around the lives of farmers and eventually save a lot of food for the country. mg

COLD STORAGE GOES GREEN

The drive to improve energy efficiency in cold storage solutions has led Devendra Gupta and his firm to introduce EcoFrost Technologies to the Indian market. Its commercial success in the agricultural space will probably open the door to greater use in other segments such as large warehouses,transport refrigeration and other storage facilities. Devendra Gupta, the firm's chief executive elaborates on the product's uses and marketability in this interview with MG's Ritu Gupta

What made you design such a product?

Ecozen has worked on improving energy efficiency of cold storage facilities. While working on solar pumping projects farmers asked us if we could deliver a solution for storage of their produce too. This made us think seriously on need of post-harvest management at first mile. We put the technological innovations we were doing for the cold storages and our understanding of solar to create the on-farm solar cooling systems.

What has been the response to the product so far? How many of this product have you sold so far?

We are getting overwhelming responses from our current customers. Our prospects are pretty excited about the innovation and the opportunity it presents. Our cumulative sales are in two digits now. We expect to move into three digits in next financial year.

Did you find it problematic to market the product to the initial few customers?

Even though the product was available for a select few, we have received a lot of inbound interest. Farming community feels the utility for such a product. We are just commencing our active sales and are scouting for partners who have regional customer connects and deep understanding of agri-business.

We are also in process of launching a lease model where in customers can take our product for lease at selected locations. A farmer can now use the product during his harvest season and just pay for that instead of paying for the whole product. We are also in process of raising our next round of funding to build the sales and marketing network and drive the lease model further.

What is your market size? And who all have been your customers?

There is a major thrust on building the first mile cold chain. The estimated requirement on the production side is close to 10 Lakh MT. This is just to fulfill the demand of organised perishable supply chain. The opportunity is much bigger than this. We have done pilots with a range of customers including farmers, institutions and CSRs to demonstrate the different business models and use cases.

How has been the response of the customers so far? How do they find it beneficial?

The customers have expressed satisfaction. For example in Kanpur the group of farmers using the product has expressed reduction in wastage of flowers from 30 per cent to 2 per cent. It helps them from selling their high value produce at throwaway prices by end of day. They can now assess the demand and align better with the same. Constant source of power is a challenge for them and Solar plus the thermal storage technology has helped them maintain their produce in good condition.

Apart from India, are you trying to market the product in other countries?

We are getting lot of queries from Africa, Middle East, South East Asia and other neighbouring countries. We see great export potential in the product. We are already shipping a unit to Vietnam and are in talks with buyers from African countries.

What are the advantages of your product? In the wake of the recent onion price crisis, could you please explain the uses of the product?

Ecofrost is a truly portable, stand alone, grid independent cooling device. It is the same size as that of a 20' container. It does not utilise the standard energy storage technology and prizes itself in the overall efficient energy management and control. The product has close to 10 patent pending technologies at its core. The combination of solar plus thermal storage makes it a very attractive solution in regions where grid connectivity is a challenge. There is a state-of-the-art mobile application which monitors and controls the product, and when combined with the service model of the company it ensures that exceptional system uptime is delivered to the customers. Further, we see this technology making its headway into the reefer, shipping and railways logistics industry as well.

"In Kanpur the group of farmers using the product has expressed reduction in wastage of flowers from 30% to 2% of farm produce. It helps them from selling their high value produce at throwaway prices by end of day"

Onions are stored in open-air storages conventionally. Often a lot of onion is wasted in such storages. The waste may vary between 10-40 per cent from farmer to farmer. Apart from the decrease in current production due to erratic rainfall, another reason was lack of enough stored reserves from the previous crop to bridge the demand supply gap. The product can help in storing onion in more effective manner ensuring the wastage is minimum.

What is the cost of the product?

The cost of the product price depends on the version and the commodity being stored. The payback of the product is close to 2-5 years depending upon the commodity being stored.

What policy measures can help market the product?

Customer financing and extension of existing support schemes in the solar and cold chain space by the government will make the product affordable for the small and medium size farmers. Another important aspect is the e-mandi which will enable farmers to directly sell to the consumer or big supply chain companies. This will help drive demand and also help with the much needed market linkage. mg

SPICE IT UP

The aroma of Indian spices can be traced in all parts of the world as the country leads in production, consumption and export. But to maintain the lead, stringent quality check and incentives to exporters need to be maintained

by Omer Ahmed Siddiqui

"Masala" is the most common word used in Indian kitchens that are famous for lingering appetizing aroma of spices. So, it is no wonder that India has the largest domestic market for spices and accounts for half of the global trade. The country is second to none when it comes to production, consumption and export of spices. India exports 15 per cent of its spices produced, which contributes 48 per cent in volume and 42 per cent in value to the world spice trade. Processed spices account for half of the total exports and their share in the exports has been growing at 4 to 5 per cent annually. Almost 75 of the 109 varieties of spices listed by the International Organization for Standardization (ISO) are grown here. Spice cultivation in India is traditionally done in small land holdings, with organic farming gaining prominence in recent times.

Commanding a formidable position in the global trade, Indian exports are expected to touch $3 billion by 2016-17. Domestic market is said to have grown annually at an average 8.8 per cent in value terms between 2009–10 and 2014–15. About 8,93,920 tonnes of spices, valued at $2,440.8 million were exported in 2014–15, as against 8,17,250 tonnes valued at $2267.67 million in 2013-14, registering an increase of 9 per cent in volume and 7 per cent in value. In 2014-15 the sector outperformed expectations in both volume and value terms. Target set for the period was 7,55,000 tonnes valued at $2,000 million, and the achievement is 118 per cent in terms of volume and 122 per cent in Dollar terms.

Even in the Q1 of the current financial year exports registered a 30 per cent increase in value terms to $626.81 million while volumes pegged at 215,215 tonnes. Thus the country has actually achieved 28 per cent of its full year export target in Q1 at $2,260 million set for the FY16. The continued upward trend in exports is said to be the result of robust market promotion activities. Garlic, pepper, small cardamom, fenugreek, nutmeg, fennel, spice oils and oleoresins are said to be the key contributors to the export basket.

During 2014-15, major export markets for India were US, China, Vietnam, the UAE, Malaysia, UK, Germany, Saudi Arabia, Thailand and Sri Lanka. Exports to the US increased by 4.3 per cent to $410.3 million in 2014 – 15 from $393.3 million in 2013 – 14.

Syrian crisis – boon to exporters

Syria has been a key competitor to India in export of spices, particularly jeera. But due to the internal crisis Syria has not been able to meet the export market demand and Indian exporters (most of which are from Gujarat) have seized this opportunity, as a result Indian Jeera exports rose from 50,000 tonnes in 2013-14 to 150,000 tonnes in 2014-15.

Spice parks

The Spices Board has expressed plans to set up spice parks and quality testing laboratories in Arunachal Pradesh and Meghalaya to tap the potential of North East region for spice production in a big way. At present around 60,000 hectare in this part of the country is under spice cultivation and major spices available are King Chilly (Nagaland), Lakadong turmeric (Meghalaya), ginger, garlic, black pepper and large cardamom (Sikkim and Assam). Logistics and transportation are the major challenges faced by the region on its path to become a major player in the spice export market in the country.

The Spices Board will soon set up a centre of excellence in large cardamom research, common facility centre, training centre and quality testing lab in 25 acres of land in Arunachal Pradesh and a spice park and testing lab will be established in Meghalaya in 15 acres, to promote spice cultivation.

Cardamom auction centres in Namsai and Kimin in Arunachal Pradesh are being planned. Study tours to farmers to South India for exposure to primary processing of spices will be planned.

The biggest advantage of North East region is that all the spices grown there are organic. Bulk of production in the area is consumed within India. Market linkages for the North East region need to be improved to increase its reach to global markets. With these developments the Spice Board expects the contribution of North East to the total export basket could be doubled in five years.

Spices Parks are also being set up at Kota in Rajasthan and Rae Barely in UP. The Board has already set up Spices Park at Chhindwara in Madhya Pradesh, Puttady in Kerala, Jodhpur in Rajasthan, Guna in Madhya Pradesh, Sivaganga in Tamil Nadu and Guntur in Andhra Pradesh.

Helping hand to farmers

The Spices Board has launched a slew of steps to promote spice cultivation which include providing financial assistance to farmers for irrigation, land development, mechanisation, replanting, soil conservation and organic farming of various spices. It will also give financial aid to purchase irrigation and farming equipment and tools.

Challenges

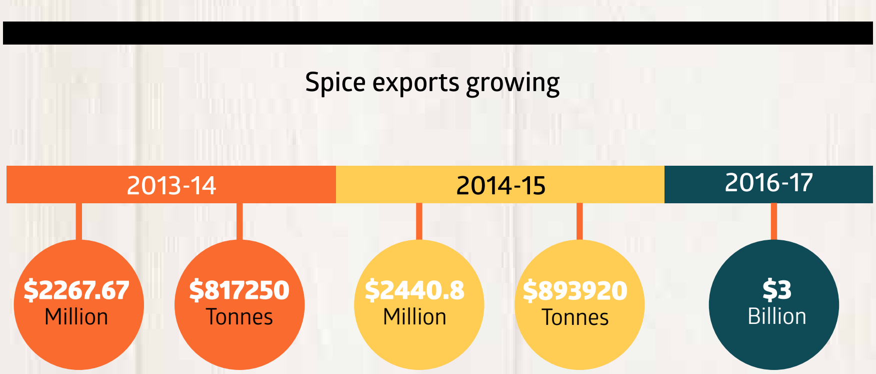
Quality control: A major constraint to the growth of Indian spice exports is quality. For instance, about 30 per cent of jeera exports are said to be contaminated which will effect the sustained growth in exports. It has been reported that about 180 export consignments to Europe were rejected in 2011, however this number reduced to 16 consignments in 2014. To maintain quality control the Spices Board is setting up a ₹15 crore testing laboratory at the Kandla Port, the first of its kind in Gujarat and seventh such in the country with others located in Mumbai, Cochin, Delhi, Chennai, Guntur and Tuticorin. It is expected to be operational by December and will help in approving only export worthy seed spices.

Service tax: The Spices Board has increased service tax charged on testing fee from 12.36 per cent to 14 per cent and this is impacting the bottom line of small exporters. There has been an increase of ₹200-1000 per sample. The charge of most expensive tests for pesticide residues has increased from ₹4,000 to ₹4,560 and ₹5,000 to ₹5,700 for various categories. Further adding to it is the increased cost of production which is ultimately pushing up the price of the spices. On the other hand, increase in spices production in Vietnam, Madagascar, China, Bangladesh and Vietnam has caused a decline in global prices, thus adversely impacting India's competitive position.

Incentives: Incentives for exporting black pepper to developed countries have been scrapped while the same has been retained for developing countries. The changes are part of the recent restructuring of the foreign trade policy. Under the new Merchandise Export from India Scheme (MEIS), the earlier 5 per cent export incentive available for value-added pepper has been withdrawn and replaced with 3 per cent incentive for raw pepper and 2 per cent benefit to value-added pepper to emerging markets. This has resulted in increased exports to emerging markets like Vietnam, which is the largest producer of black pepper, at the expense of consignments to major buyers like the US and European countries.

It has been reported that since the policy came into force in April, the export of pepper to Vietnam has gone up. This is re-exported by the country after processing. In other words, Vietnam has benefited from policy change in India and could be selling the popular Malabar pepper to the US. Since the US and Europe are the largest and traditional importers of spices, denial or reduction of incentives to these countries, particularly in the processed value-added form, will have an adverse impact on the Indian spice industry.

According to information provided by All India Spices Exporters' Forum, around 80 items under spices category have been affected as the incentives have been either reduced or withdrawn or raised illogically.



BETTING BIG ON INDIAN MARKET

In this interview **SA Mohan**, Chief Operating Officer of Maini Materials Movement, talks in length about the company's business verticals and its future plans

by Itishree Samal

Established in 1986, Maini Materials Movement (MMM), a Maini Group company, is a leading brand in manufacturing of material-handling equipments (MHE), logistics and in-campus electric mobility solutions in India. The company is one of the top-five companies in material handing equipments, and is the only company in India to design and manufacture electric buggies, offering eco-friendly in-campus mobility solutions to corporate and hospitality majors.

With core competencies in precision engineering, material handling, and provision of logistics, the company offers a comprehensive range of material handling equipment for floor transportation, loading, unloading, stacking, towing and hauling, with a range consists of pallet trucks, platform trucks, dock-levelers, lift tables, scissor lifts, stackers, fork-lifts, reach trucks, tow trucks and industrial tuggers.

How big is the material handling industry in India, and what growth prospects it has?

The material handling is a booming industry in India. Currently, the sector is pegged at ₹1,500 crore and growing at a rate of 10-12 per cent year-on-year. The growth prospects are humongous in the backdrop of growing construction, mining and ecommerce sector. In India, the industry is dominated by players including Godrej Material Handling, KION Group and international players like Toyota Material Handling, among others. In material handling, we are one of the top-five players in the country.

Maini Materials has two major business verticals – material movement and in-campus electric mobility solutions. Which is your major vertical, and its contribution in your overall revenue?

Being one of the leading players in material movement in the country, our material movement vertical contributes majority of our revenue. We cater to different sectors such as manufacturing, logistics, ecommerce, pharma, automobiles etc. Around 80 per cent of our revenue comes from material movement and the rest comes from the electric boggy segment.

Electric-mobility solutions is considered to be the next big thing in the backdrop of growing awareness of eco-friendly mobility. What is driving the growth of "electric buggy" division?

Zero-emission, zero-wastage and zero-pollution are the buzz words when it comes to sustainability of environment. Being eco-friendly is not only a social responsibility for the corporate, but has become a necessity and also "Going Green" has been the fastest growing trends. As many are opting for battery-operated vehicles (BOV) at their campuses, this is driving the growth of this segment across industries from hospitality to lifestyle sector.

How is MMM placed in India in electric buggy segment?

The market in India is highly unstructured. Players including Club car and Yamaha are present in golf kart segment, while in people movement segment, we are the market leaders. The only competition we face is from China-manufactured buggies.

We specialise in custom-make buggies for cargo, F&B, housekeeping, laundry, fire safety, mail transfers, etc. Maini Buggy today has more than 1,000 customers including airports, hotels and resorts, realty, hospitals, heritage sites, parks and zoos, educational, IT campuses, manufacturing facilities, SEZ's, government secretariats and defence institutions etc, across 25 different markets. We offer passenger buggies in two, four, six, eight, 11 and 14 seating options.

Recently, we were awarded with "Best Ancillary Services" at the India Hospitality Awards – West and South 2015, at Kochi for outstanding contributions in enhancing 'guest experience' in hospitality sector.

What initiatives the company has taken in electric-mobility division?

For the first time in India, we have launched "Wheel Chair Buggy for People with Reduced Mobility" (PRM). With a capacity for two PRM

with three escorts and 150 kg baggage, this buggy is ergonomically designed with special emphasis on passengers' safety, helping airports, hospitals, large corporate and educational premises to be 'disabled friendly'.

Though electric buggies are best mobility option within a campus or for short distances, still it has not captured the fancy of many. What challenges do you face?

The challenge lies in tapping into this latent demand which can only be achieved through increased awareness among the different users. We as a solution provider are focussed on positioning electric vehicles as perfect enhancement to hotels, resorts, zoos, corporate campuses, railway stations, government premises and many such unconventional spaces.

Going forward what's your outlook? Is there any expansion plan in the pipeline?

We strive to offer the right solutions to the market and ensure that they work at the lowest total cost of ownership. We keep coming up with new products and solutions all the time. In coming years, we plan to introduce more solutions in the market.

Expansion-wise, we will follow a two-pronged approach – expanding our ground-support equipment offerings and adding new buggies. We are venturing into comprehensive ground support equipment (GSE) solutions for aviation sector. With the need of transforming our airports to 'Smart' and 'Green' ones, these solutions would facilitate airlines and airport operators in achieving higher efficiency and optimum utilisation of resources. We have also plans to introduce new Maini Buggy with futuristic features, revolutionising the people movement industry.

In material-handling, we will focus more on fork-lift trucks and reach trucks segment in the coming years.

How big is your manufacturing facility?

We started manufacturing of MHE and electric buggies in the year 1986. At present, we have two manufacturing facilities in Bengaluru (Bommasanda & Chandapura). The units manufacture electric buggies, MHEs, and our Yale-Manini vehicles.

You have recently partnered with US brand Yale. How successful has been the partnership?

Maini Materials has a strategic alliance with the US-based NACCO Materials Handling Group (NMHG) for the sale of 'Yale' brand of counterbalance fork lift trucks, reach trucks, order pickers, very narrow aisle equipment and the manufacture of the RCF series and MR series in India.

With Yale as a global partner, we are powered to manufacture European-designed forklift trucks and warehouse equipment's for the rapidly developing Indian market. Last year, we launched local manufacturing of Yale Maini reach truck in India. This is an extension to the unique offerings in the form of Yale – Maini range, designed in Europe and manufactured locally at our manufacturing units here. This arrangement gives Yale and Maini the strength to offer European-designed products to Indian customers at competitive price points. mg


350+
Attendees
from India
and Sub
Continent

TIME TO OPEN UP THE MARKET

"Indian shipping should be brought to the level of international shipping, where Indian ship owners are given the same level playing fields, whether in terms of fiscal and monetary incentives, access to domestic or international funding, taxation, regulatory limitations etc. Once that is achieved, the markets should be opened up so that competition drives quality and demand."

by Omer Ahmed Siddiqui

How do you see shipping lines adapting to the current economic and trade scenario?

Global trade has been slowing down over the last couple of quarters. The latest figure of Ministry of Commerce & Industry, Government of India has also showed a negative growth in exports and imports (17 per cent and 14 per cent respectively in Dollar terms) for the period of April-September 2015-16 compared to the same period last year. In fact, as per latest figures, last Month (September) exports have dived 24.4 per cent to $21.84 billion (down from $28.9 billion last year) & imports have shrunk by 25.4 per cent to $32.32 billion (down from $40.53 billion).

With exports contracting for 10 months in a row and imports showing a similar trend has sent shipping lines scrambling to manage larger Inventory surplus and consolidate their services.

The shipping industry, which has a close link with the global economy, is currently saddled with multiple pressures resulting from the slowdown of global trade. To survive, shipping companies are resorting to strategies like forging alliances, consolidation of resources, pulling out of non-profitable trade routes etc. Furthermore, they are looking to re-work their service patterns to bring economies of scale and redesign tonnage allocations across the service network.

You will be submitting a second white paper on the master plan for development of ports and terminals to the Shipping Ministry? Why has MANSA taken up this initiative to submit white papers?

MANSA, being a recognised & responsible trade body, has taken it upon themselves to have a holistic approach and provide industry specific, professional alternatives and solutions to the trade in general. MANSA, being a non-profit organisation, is focused towards the needs of its members. Having an exemplary overall knowledge base and globally experienced professionals within their fold, it has sought to share viable solutions with the government, from a neutral platform.

The need for a 2nd White Paper arises from perceptible lack of vision and planning for the maritime industry as a whole. This paper will highlight conceivable benefits with certainty of well thought-out, comprehensive master plan for the development of ports / terminals in the country, which will be viable and in synchronisation with the growth of trade for the next 50 to 100 years, instead of short term for 5-10 years plans which by the time are implemented might become irrelevant. The need of the hour is to change from "evolving" and then dealing with the unprecedented problems to a planned approach where systematic and sustainable development synchronizes with the high growth potentials of our country.

Unfortunately, because of the sporadic / unplanned approach of many governments's in the past, it is suspected that excess maritime infrastructure would be created in the country and that will lead to price war and eventually these long-term projects with huge investment will become financially unviable for the investor/promoter. We hope to stem this waste of national resources and replace it with sustainable assured growth.

What is young MANSA Forum and who will benefit from it?

The Young Mansa Forum (YMF) is an attempt to "nurture the growth" of young Indian shipping professionals and produce world class, future leaders for the Indian maritime industry. It is a marriage between "age + international experience" on one hand to "young energy + domestic hunger to achieve and succeed" on the other. It is to promote "out of the box" thinking and then charting out viable solutions for the benefit of MANSA Members and the trade in general. It is to bring together "hands on ground level working experience" to "top management decision making" and form an invincible team that can take MANSA's mandate forward, to hopefully contribute in a meaningful manner to growth of India, in the years to come.

MANSA plans to partner with international trade bodies. Which of these bodies are on your list and how will it benefit the industry?

Recently, MANSA has signed MoU with APZI (Association Port of Zeebrugge Interests). We are also looking at other international organizations, with whom synergies can be chalked out to provide for development of Indian maritime industry. This platform is to exchange thoughts, Best practices, adopt Standard Operating Procedures, analyze data and use these tools to formulate the India strategy. Whilst this would not only give MANSA an international profile, it will also bring in learning's which can be applied to the Indian model or way of doing business.

This endeavor is also to provide a platform for MANSA members to network, interact with international diaspora and enhance their own business at a global level.

Among the objectives mentioned at the 37th AGM was to improve the financial resources of MANSA. How do you plan to go about it?

Well, as I mentioned earlier MANSA is a non-profit organisation. This endeavor is to basically take forward our mandate and for implementing our vision. In today's world, to survive with meager earnings from our annual membership fee is difficult. We need to employ professionals, we need to travel to lobby, we need to research for putting our issues up to the authorities, we need visibility and above all we need credibility. And so we came up with a scheme, where we first give to the society and then ask them to fund our efforts. The 'give' is by sharing knowledge and the 'take' is by providing materials and information that our members, the stake holders & the trade find useful & beneficial to their business.

We plan to run programmes, seminars, conferences, publish industry material and so on, to raise funds for our activities and endeavors.

What is the need for developing a Standard Operating Procedure (SOP) for ports? How will it alter the way port users' function?

This effort has a dual purpose, primarily its objective is to bring all ports users on a common platform. By detailing each process, the SOP will simplify the day-to-day working of a shipping agent or a shipping line. It can be accessed by ground level working staff to "correctly" execute their responsibilities, without having to wander from table to table or person to person, to find out what they are supposed to do in a given situation. This is a comprehensive document for use by our members.

It provides transparency, common practices and above all uniformity in operating within a port. Each port may have different procedures, but at least every port user will "know how to do, what to do and when to do".

Its secondary objective is to educate the industry. This well researched SOP would help to improve the understanding of the academia, on how a shipping agent or shipping line or for that matter how a port functions. Currently, there is a huge GAP between "what is taught" in shipping institutes and universities and actual procedures practiced in the field. We AIM to share this SOP with various academic institutions, to pass on this knowledge and information to young students, who wish to take up shipping as a career option. Hopefully, the returns from this would go to fund some of our other efforts.

As the government expands the maritime infrastructure, do we have qualified human resources to meet the upcoming demand for manpower?

Well, we may have "qualified" human resources, but the question here is whether they are experienced and have sufficient domain knowledge to be able to sustain in a international arena? For this we need the Industry professionals to step forward and take the opportunity to show case their talent and vast experience. Many of them/us do shy away from such responsibility and therefore, the government needs to engage these people to have the right man in the right place to do the right job.

Do you think partial relaxation of cabotage is a step in the right direction?

No, the partial relaxation is not going to help the shipping Industry. And just to clarify, I'm not suggesting that the maritime industry be opened to the international players, just like that. What one is suggesting is that, Indian shipping should be brought to the level of international shipping, where Indian ship owners are given the same level playing fields, whether in terms of fiscal and monetary incentives, access to domestic or international funding, taxation, regulatory limitations etc. Once that is achieved, the markets should be opened up so that competition drives quality and demand.

It is also observed that the Cabotage restrictions are also adversely affecting the growth of container terminals in the country. The Indian shipping fleet is inadequate to cater to the needs and on the other hand international shipping is restricted, which in turn leads to limiting the growth of containerisation and the utilisation of the container terminals. We need to get out of this vicious cycle of "limiting our own natural growth"

Relaxation in Cabotage policy, for all cargoes and for all stake holders is a key to prospective growth of trade to and from the country. India should not merely resort to liberalisation, but we also need to liberalise our "way of thinking".

Will setting up of non-major ports reduce waiting time for ships and boost coastal shipping? Apart from the measures taken by the government what else can be done to promote coastal shipping?

Setting up of non-major ports will provide additional infrastructure and yes, that could lead to reducing the waiting time for ships. However, unless the "connectivity" to/from ports, major or non-major, does not improve it will not boost trade. Currently, many ports and terminals in country are working at "over 100 per cent" of their capacity. Contrary to what the general public may think this is a very unhealthy situation. As per international norms, ideally a port should not work more that 60-65 per cent of its capacity. This would then not only reduce, but completely wipe out the waiting time for a ship, thus allowing more international shipping companies to trade to /from India, thereby reducing transaction costs and promoting competition.

> **"For coastal shipping to flourish, for starters Cabottage laws must be abolished completely. Secondly, all regulatory restrictions need to be removed. Thirdly, excise and Customs regulations must be simplified. And last but not the least, the Road Transporter's Lobby should be kept at bay."**

For coastal shipping to flourish, for starters Cabotage laws must be abolished completely. Secondly, all regulatory restrictions need to be removed. Thirdly, excise and Customs regulations must be simplified. And last but not the least, the road transporter's lobby should be kept at bay.

EXIM bank has proposed setting up of Special Purpose Vehicles for ship financing. Do you feel the model is feasible in the Indian scenario?

Yes, it depends on modalities adopted by the EXIM Bank who has access to such funding.

Is there room for more automation and mechanisation at Indian ports? What demands will this place on the skills of the workforce?

Well, this is one of the keys to our success.

It is ironical, that for almost 20 years now the various governments that have come and gone, have been trying to implement the PCS (Port Community System) & they have all failed miserably. Were the current government to just implement this one initiative, they would easily achieve 20 to 30 per cent improvement in the basic transaction cost for the shippers and consignee's, besides increasing the efficiency levels by at least 40 to 50 per cent.

All Indian ports should adopt optimised business process flow, along with electronic information exchange among stakeholders by using the latest IT processes. The PCS should be integrated to facilitate seamless exchange of information between shipping lines/agents, shippers / consignee, freight forwarders / NVOs, transporters, government agencies, banks, insurers, Customs, Excise, port health, immigrations / police, coast guards, Indian Navy etc.

International port operators, have such systems in place for decades…

A well-integrated PCS will improve competitive position of the ports in terms of value for money, throughput and capacity, operational costs, service levels, customer focus and security.

The shipping and logistics sector is still considered to be male dominated. How can women participation be increased?

As a first, MANSA has taken a lead in this matter of gender equality and provided for participation by women in its executive committee. This is a changing trend and more and more women are participating in the shipping and logistics sector. For example, some of the international / multi national shipping lines have more than 10 per cent women employees and some of these women members, hold a relatively strategic position in the organization and leading their teams effectively and efficiently.

Government should relook some of the regulatory constraints for the women in this sector, such as restriction for women to enter the port areas should be removed with strict and prompt punishment for the illicit activities.

Also, government and industry should take initiative to encourage women to select maritime industry as a career option by introducing vocational training courses and other such initiatives. mg

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Boosting volumes and revenues

The success of implementing transloading at Kanika Sands and Sand Heads has benefitted both the port and the users by reducing congestion and enabling quicker movement of cargo.

by Deepika Amirapu

The Kolkata Port Trust plans to introduce and adopt a slew of measures to attract cargo to the riverine port and arrest any diversion to the neighbouring ports in Odisha, Port Chairman RPS Kahlon said during a transloading conference last month held in the port city.

The port will slash its charges by ₹100, bringing down the fee per tonne to ₹250 from ₹350. The other steps include a cap on the transloading charges to keep it below ₹1,000 per tonne and mechanisation of berths to improve efficiency to retain customers. These measures, collectively, will help the port handle additional cargo up to 6 million tonnes annually and improve its revenue collections as well. Come December 2015, the port will begin transloading operations full time ferrying cargo from Kanika Sands to Haldia and Sand Heads to Haldia alternately every six months to ensure round the clock movement of bulk cargo from the high seas to the docks.

Saddled perpetually by a low draft and silting problems, the port has partnered with infrastructure firm

> **“The port will slash its charges by ₹100, bringing down the fee per tonne to ₹250 from ₹350. A cap on transloading charges will keep it below ₹1,000 per tonne and mechanisation of berths will improve efficiency.”**

Jindal ITF to develop a transloading facility for ₹250 crore. This will enable Panamax and Capesize vessels to anchor and load cargo thereon on to daughter vessels. “We will press in to service two transloaders that can carry up to 7,000 tonnes of cargo each and three daughter vessels of 20,000 tonnes capacity each shall be deployed to move cargo to the Haldia Port,” Kahlon said at the sidelines of the conference. Two tugs, front end loaders and pneumatic fenders will also be introduced once the facility is ready.

The seminar on ‘Transloading as the future of bulk cargo handling in India’ was organised by the Bengal Chamber of Commerce to deliberate on the importance of transloading operations in India and its impact on the economic development of the country. Dr Vishwapati Trivedi, Chairman of the National Shipping Board, Mr Amitabh Verma, Chairman of the Inland Waterways Authority of India, Arup Roy Choudhury, former Chairman and Managing Director of NTPC, Dibyendu Bose, Group Director, Tata Steel were some of the speakers who highlighted on the upsides of transloading at ports that cannot boast of greater draft.

Currently the power major NTPC does import fuel through Jindal for its power plant at Farakka through the Inland Waterway-1 that stretches from Haldia to Allahabad in Uttar Pradesh. Users of the Kolkata Port are favourable to experimenting with transloading as they consider it a solution to handling large bulk carriers at outer anchorages that could bring about all round economies of scale. With India’s dependence on coal set to increase in the coming years, the necessity of shipping bulk commodities in large vessels has become a priority.

A part of the facility for transloading is expected to be ready by the end of 2015 and the port plans to utilise the facility immediately. Once the facility is commissioned, about 26,000 tonnes of cargo can be moved per day between Kanika Sands and the port. “The total cargo from transloading will reach up to 25 million tonnes in the next few years,” Kahlon pointed. The other steps the port is taking to address the bane of low draft is creation of floating storage for mooring of POL cargo and the opening up of the Eden Channel that will make movement of cargo easier, bringing dredging costs down substantially.

KoPT is also in the process of constructing fully mechanised outer terminals on the Hoogly river to enhance transloading volume. mg

AP gets its first

The multimodal logistics park will have eight railway lines handling both inward and outward rakes, providing seamless connectivity to the hinterland

by Mohammed Shareef MP

Container trade from Visakhapatnam is set to surge further as the Multimodal Logistic Park being developed by Container Corporation of India (CONCOR) is going to be fully operational in another one year. Concor has completed the first phase of the ₹400 crore worth project and started its operation two months ago. At present the development on the second phase is on and the entire project is expected to be completed by the end of next year, according to Concor.

Once completed, the MMLP, Visakhapatnam, with its state-of-the-art facility would be first of its kind infrastructure facility available in the container trade and this is going to be the first MMLP developed in the state of Andhra Pradesh.

The logistics park is being built on 100 acres of land taken on lease from the Visakhapatnam Port Trust for three decades. In the first phase of the MMLP, Concor, developed, a terminal facility spreading around 10 acres with a cost of ₹30 crore. The facilities made available in the first phase include the container handling and storage facilities on 4 lakh sq. ft., besides a 50,000 sq. ft. temperature-controlled warehouse.

With the development of the 10 acres, the Container Freight Station, CFS at the MMLP was inaugurated in 2014, May. However the operation of the same took a long time as the Customs facilities were not operational till recently. With the inception of Customs office at the park, it started the operation in July this year.

At present MMLP handles around 1,000 boxes a month and it is expected to grow double with the completion of the second phase. It handles commodities like steel, cashew, agri, rice, granite etc.

The entire MMLP, once it is fully completed, will have eight railway lines handling both inward and outward rakes. As part of the first phase, four lines have already laid and as part of the second phase, four more lines are being added, and which would give a boost to export and import trade as also domestic trade by providing seamless connectivity for transport of cargo to hinterland, according to sources from Concor.

> **"At present, the MMLP handles around 1,000 boxes a month and it is expected to grow double with the completion of the second phase. It handles commodities like steel, cashew, agri, rice, granite, besides others."**

In the future, MMLP would commence handling air cargo, bonded trucking and also transshipment, according to concor officials. MMLP is located near the Visakhapatnam airport and which would give a better prospect in handling air cargo.

"We feel that there is a huge untapped potential at Visakhapatnam and hence this MMLP facility. Companies in the power, steel, pharma, aquaculture and agricultural sectors will be benefited significantly by this facility," said a senior official from concor.

This project also provides infrastructure and facilities for hinterland industrial units to base their warehousing. CONCOR has plans to develop many such mega Multi Modal Logistics Park across the country in the near future, he added.

This is one of 13 MMLPs planned and being constructed by Concor across the country, in places like Jaipur, Raipur, and Chennai.

Sportsmanship and camaraderie

Enthusiastic golfers from 12 countries played their best shot at the first edition of Krishnapatnam Golden Eagles Golf Championship.

Krishnapatnam Port has embarked on a journey of excellence on an exciting new turf – with the Krishnapatnam Port Golden Eagles Golf Championship!

The port particularly narrowed down on Golf as it is the favourite sport of most of the people in the maritime industry and offers a unique opportunity for the port to come together with its business partners and customers. Moreover, Asia is said to be more connected with golf as compared to the western world.

This exclusive, by-invitation-only tournament was held at Oxford Golf and Country Club, Pune. The two day event organised on September 18 and 19, kicked off with a pre-tournament celebration that had performances by singer Shibani Kashyap and famed iPad magician Keelan Leyser from UK.

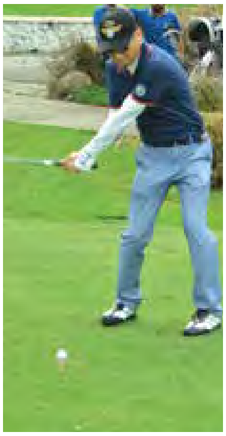
At 6 am the next morning, enthusiastic golfers gathered at the lobby of the Hyatt Regency and headed off to the golf course, which was the perfect setting for participants from 12 countries to tee-off for a memorable time of sportsmanship and camaraderie!

The Port's Brand Ambassador, Sharmila Nicollet gave golfers a chance to compete against her formidable golfing skills in the "Outdrive the Pro" challenge on hole – 1.

"The Golden Eagles Hole" inspired golfers to try scoring a hole in one – with the chance of driving away in a stunning BMW 3 series.

The occasion also witnessed the launch of the CVR Links golf course being developed by the port which will be the venue for the next years' golf tournament.

The tournament was highly appreciated by the Port's clients, associates and partners – and they called out to have it once in 6 months,



instead of annually, during the final prize distribution!

Stunning winged trophies were unveiled to gasps of appreciation and applause by the port's Managing Director, C Sasidhar, and Sharmila Nicollet. mg

WINNERS

Overall Winner
Brijesh Parekh
Parekh Group

1st Runner Up
Biren Dey
Rawmet Commodities Pvt Ltd

2nd Runner Up
Aman Taragi
Global Energy Pvt Ltd

3rd Runner Up
Takashi Fukuoka
Mitshibishi Corporation India

Best Female Golfer
Vilasini Reddy
Edifice Constructions

Closest to Pin Award
Chaitanya Reddy
St Mary's Group of Institutions

"Most of the key people in the maritime industry like playing Golf, so the KPCL Golden Eagles Golf Championship was a huge success and next year's activity could be more than a day with 200 guests playing for the championship!" says C Sasidhar, MD of KPCL. Excerpts from his interview.

How did Krishnapatnam Port come to the decision to embrace golf as a sport to invest in and connect with your business activities?

We found that most of the people connected with the maritime industry liked playing golf. It is their favourite sport. That is one of the reasons we thought that we should invest in this sport. The second reason is that this


C SASIDHAR, MD
KRISHNAPATNAM PORT

is one sport where one does not retire and can play till the age of 60s or 70s. We found out that lot of key people with 30-40 years of experience at the higher echelons of marine industry are playing golf. So we introduced this golf championship. We are building a golf course on port land, which would be like any other private course where people can come and play.

Asia has more connect with golf than the western world as a business tool. Does that mean Krishnapatnam Port will focus its business more on the Asian markets?

Yes, Asians do play lot of golf as one of their favourite sports. There are a number of reasons behind it. One, there is ample availability of land to build golf courses and most importantly the climate and temperature are conducive to playing the game. In western countries when the climate is cold it is not easy to play golf. Otherwise, in general there are a lot of benefits especially for the elderly as there is no retirement age from this sport. So, the MDs and chairmen of our maritime industry like to play this sport. And as we are on the east coast, China and Singapore have good accessibility to our hinterland and connectivity. But it does not mean that we do not have our focus on western side, we do focus on it.

Now that the first Krishnapatnam Port Golden Eagle golf tournament has been completed, what are the next promotional golf related activities we can expect from Krishnapatnam Port?

Yes, we are very happy that the KPCL Golden Eagles Golf Championship was successful. Now we are forming a committee to organize next year's championship on a bigger scale. As we see this as a year-on-year activity, we will progress slowly and steadily. Therefore, next year's activity could be more than a day 200 guests playing for the championship!

Krishnapatnam Port has started the first real Links golf course in India. This course will be initially only available to play for Krishnapatnam Port team and your business relations. What kind of other activities can we expect on this golf course in the near future?

The idea behind organizing this Golden Eagle Championship is to eventually bring this golf cup to CVR links and we will have a rotational cup so that we will keep the cup as long as the tournament carries on.

What further profiling of Krishnapatnam Port as an organisation that has embraced golf as part of their business will you adopt? You have already taken on board Sharmila Nicollet as your brand ambassador. Will there be any further financial support for both national and international players to promote the sport?

Krishnapatnam Port is not looking at golf as the only sport. We also support volley ball and cricket. We have also conducted a small tournament for the fishermen near the port. Teams were created among the community and 140 kids were given proper jerseys and cricket kits.

As golf is a rich man's sport and played by top management, it involves lot of networking. Sharmila Nicollet will be our brand ambassador as she belongs to Bengaluru, which is our hinterland. We will give preference to players from our hinterland.

Will Krishnapatnam Port host next year's Krishnapatnam Port Golden Eagle golf tournament at the CVR Links golf course?

Yes. We will. At our golf course, we are planning to build a nice marina. The course will also have a golf club and with yacht service. Draft at the port is being designed to suit this. All these will surely make our golf links as an attractive tourist destination.

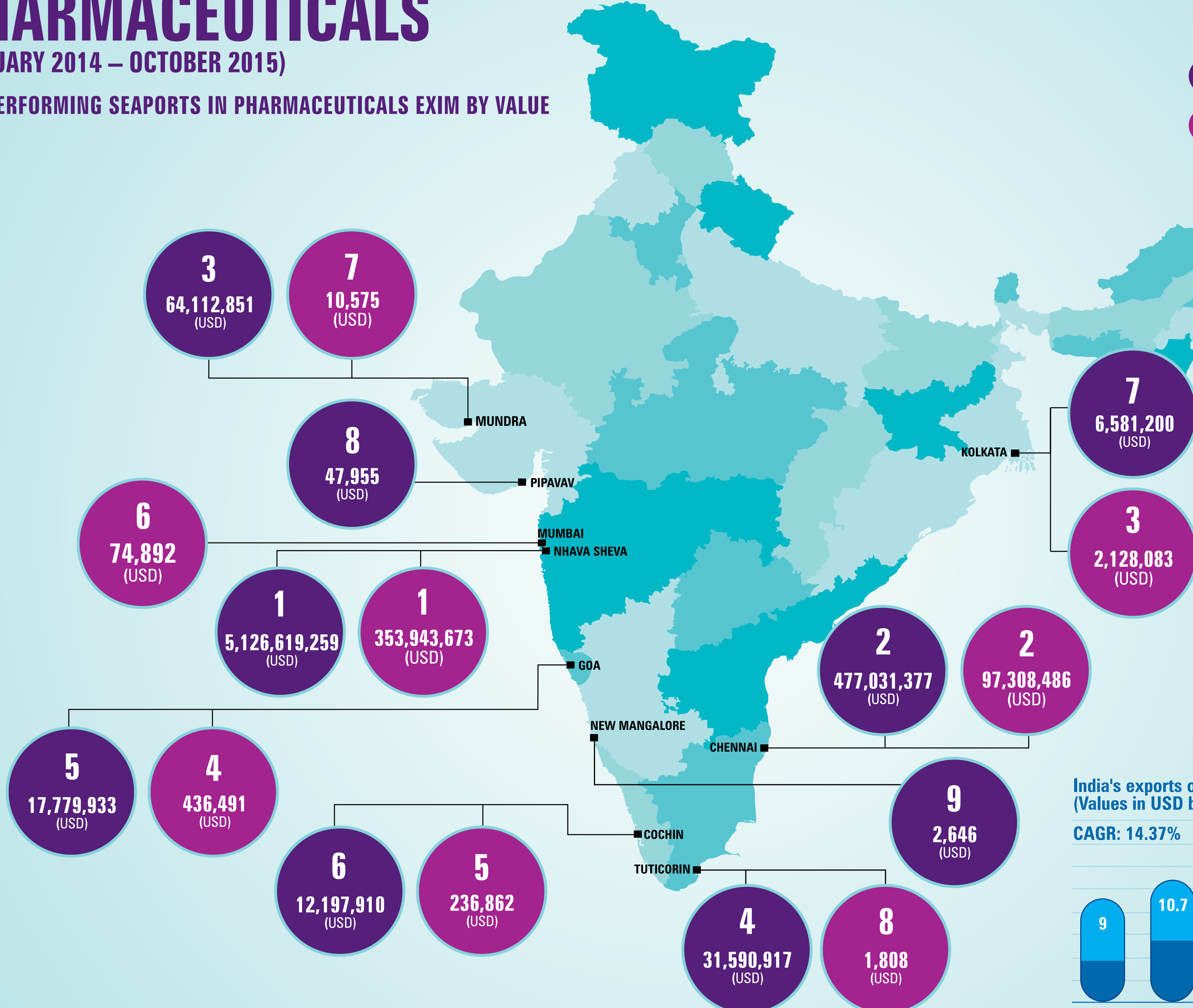
What focus would you have on the Good citizenship initiative? With the port building schools for underprivileged children, can we expect other companies and organisations to follow your lead in this very noble initiative?

We are very passionate about Corporate Social Responsibility, especially with the Navaneetha Public School, a school being shaped in a fantastic way for the underprivileged children. We have put in criteria where children of parents whose income is below ₹3000-4000 per month would be taken into this school. I will campaign to encourage other corporates to follow the same initiative, as I was inspired from other organization. This is how our country can grow by encouraging future talent. I consider this as a noble initiative from KPCL.

PHARMACEUTICALS

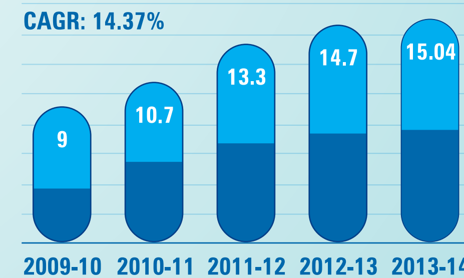
(JANUARY 2014 – OCTOBER 2015)

TOP PERFORMING SEAPORTS IN PHARMACEUTICALS EXIM BY VALUE



India's exports of pharmaceuticals (Values in USD bn)

CAGR: 14.37%



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