



**INTERVIEW - Samir J Shah: "Pro-actively Comply to TFA REGIME"**

**INTERVIEW: Vijay Minocha "IoT will Drive Greater Efficiency"**

**REGULATIONS Ease of Trade through TFA**

**COGO PORT The Digital Era of Moving Cargo**

**TERMINALS: Do we Need Automated Terminals?**

South Asia's premier maritime business magazine

# maritime gateway

AUGUST 2017

WWW.MARITIMEGATEWAY.COM



₹ 100

RNI NO: TELENG/2009/30633

POSTAL REGISTRATION NO: LI/RNP/HD/1137/2016-18

DATE OF PUBLICATION: 26/07/2017

DATE OF POSTING: 28/07/2017

**The Cruise and The Golden Egg**

**CYBER ATTACKS  
WILL HURT YOU  
BE PREPARED TO DEAL WITH  
ESCALATING OFFENSIVES**



# IF YOU LIKE HIGH-SPEED LOGISTICS, YOU'LL LOVE **KRISHNAPATNAM PORT**



**Narain Karthikeyan**  
*The fastest Indian*

With Asia's fastest cranes. High-speed connectivity to NH 16 via a dedicated 4-lane highway. And 42-km of internal rail network, Krishnapatnam Port is always on the go. Strategically located and equipped with world-class infrastructure, it's all you need to take your business to the next level. Really fast!

1.2 million TEU capacity | 165 reefer points | 1.7 million sq ft of warehouse space | Dedicated customs facility | CFS within port | 365 days operation



KRISHNAPATNAM PORT CONTAINER TERMINAL

KPCL Customer Service: +91 80081 53789 | [customerservice@krishnapatnamport.com](mailto:customerservice@krishnapatnamport.com)  
KPCT Customer Service: +91 80086 12345 | [cs.kpct@krishnapatnamport.com](mailto:cs.kpct@krishnapatnamport.com)



Automate, connect  
and control with Cavotec's  
inspired engineering.



Cavotec is a global engineering group that manufactures power transmission, distribution and control technologies that form the link between fixed and mobile equipment in the Ports & Maritime, Airports, Mining & Tunnelling and General Industry sectors.

Cavotec India Pvt Ltd  
Telephone: +91 20 6725 5000  
Fax: +91 20 6725 5099  
info.in@cavotec.com  
www.cavotec.com

 **CAVOTEC**  
Inspired Engineering





## Watch Out! The e-pirates are at sea

Where do you think the hackers are going to play their favourite sport next? Yes, at sea. The shipping industry that transports 90 per cent of the world's trade has made itself increasingly susceptible to cyber threats.

With shipping companies making a lot of data accessible to their customers through their mobile applications, the e-pirates could get hold of important information if the gateways are not fortified against such attacks. Just like Petya that disbanded Maersk Line's technology system and halted operations, the next wave of threats, cyber security chiefs say, will be sophisticated and destructive and no longer disruptive.

Hackers are known to have shut down an oil rig by tilting it and another vessel had to be shored for 19 days before it could be made sea worthy. A repeat attack of this kind could be potentially fatal for the shipping industry leading to mounting losses because of the catastrophic effects it would have.

Even as the industry makes transacting easy by interacting with the customers online through various technology platforms, it must be its lifeguard too. So, first things first. Shipping and transport firms have to insure themselves against cyber threats too. Until such time the International Maritime Organisation constitutes a

formal maritime cyber security cell, vessel operators should protect their three keys navigational systems- GPS, AIS and ECDIS.

Of late, many vessels have left Somali pirates smarting by turning off the AIS or faking a location to divert the attention of the mischief makers. However, it is only a matter of time when these faceless pirates can dismantle security systems. Clearly, the idea of hackers is to cause maximum damage. This means government websites will be targets too. Although data on the industry's vulnerability to cyber-attacks is hard to come by, the incidence of e transactions is rising by an estimated 2 billion every day in India alone is an indication of the how many transactions can be susceptible to e-fire.

Any attack as this on the Customs site could paralyse India's EXIM operations with the relying heavily on this site for their approvals. Reliance on automation cannot compromise cyber security. The recent attack on one of the global shipping lines is only the tip of the iceberg. Globally, the industry has to come together and fortify its fortress to ensure the hackers are kept off sea and shore.

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



Reliance on automation cannot compromise cyber security. Shipping and logistics firms have to insure themselves against cyber threats too.





## CONNECT WITH MARITIME GATEWAY



Now you can read your favorite magazine on the move.



Download Magzter app from android apple store



follow us on [twitter](#) @maritimegateway

**Editor and Publisher**  
R Ramprasad  
[ramprasad@gatewaymedia.in](mailto:ramprasad@gatewaymedia.in)

### Associate Editors

Omer Ahmed Siddiqui [omer@gatewaymedia.in](mailto:omer@gatewaymedia.in)  
Sisir Pradhan [sisir@gatewaymedia.in](mailto:sisir@gatewaymedia.in)

### Contributing Editor

Deepika Amirapu  
[deepika@gatewaymedia.in](mailto:deepika@gatewaymedia.in)

### Design Team

**Sr Designer**  
Vijay Masa  
**Designers**  
Nagaraju N S  
Nadeem Ahammad

**Digital Media**  
Mounika  
[mounika@gatewaymedia.in](mailto:mounika@gatewaymedia.in)  
**Conferences**  
Meenakshi  
[meenakshi@gatewaymedia.in](mailto:meenakshi@gatewaymedia.in)  
+91 77029 50879

**Research**  
Rakesh Oruganti  
[rakesh.oruganti@gatewaymedia.in](mailto:rakesh.oruganti@gatewaymedia.in)  
**Web**  
Swapna  
[swapna@gatewaymedia.in](mailto:swapna@gatewaymedia.in)

### Marketing & Sales

**National**  
Satish Shetti, Manager – Sales  
[satish@gatewaymedia.in](mailto:satish@gatewaymedia.in)  
+91 99207 05534  
**South & International**  
Vinod G, Sr Manager – MarCom  
[vinod@gatewaymedia.in](mailto:vinod@gatewaymedia.in)  
+91 99498 69349

**East**  
Nikhil Doshi, GM – Sales  
[nikhil@gatewaymedia.in](mailto:nikhil@gatewaymedia.in)  
+91 98369 96293  
**Client Relations**  
Santosh – Executive  
[santosh@gatewaymedia.in](mailto:santosh@gatewaymedia.in)  
+91 96665 86476

**Events**  
Praveen - Asst Manager  
[praveen@gatewaymedia.in](mailto:praveen@gatewaymedia.in)  
**Administration**  
Madhukar – Manager  
[madhukar@gatewaymedia.in](mailto:madhukar@gatewaymedia.in)  
+91 93937 68383

**Finance**  
C K Rao – General Manager  
Rakesh U  
Kishore P

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: U74900TG2007PTC054344

**Editor:** R Ramprasad

Views expressed in the articles are those of the writer(s) and may not be shared by the editor or members of the editorial board. Unsolicited material will not be returned.

### Copyright

No material published here should be reproduced in any form without prior written permission from Gateway Media.

### Feedback

Readers are advised to send all feedback and comments to [editor@gatewaymedia.in](mailto:editor@gatewaymedia.in)

## EDITORIAL ADVISORY BOARD

**Sabyasachi Hajara**  
Former Chairman, SCI  
Chairman Editorial Advisory Board

**Joachim von der Heydt**  
Chairman, Bengal Tiger Line, Singapore

**Julian Michael Bevis**  
Senior Director, Group Relations, South Asia  
A.P.Moller-Maersk

**Capt Deepak Tewari**  
Chairman, Container Shipping Lines Association (CSLA)

**Anil Singh**  
SRVP & MD, DP World Subcontinent

**Anil Yendhuri**  
Director & CEO, Krishnapatnam Port  
Company Ltd

**Adarsh Hegde**  
Joint Managing Director,  
Allcargo Logistics

**P Jairaj Kumar**  
Chairman & MD, Ocean Sparkle Limited

**Shardul Thacker**  
Partner  
Mulla & Mulla & Craigie Blunt & Caroe

**Dhruv Kotak**  
Director, JM Baxi Group

**Manish Saigal**  
MD, Alvarez & Marsal

**Jasjit Sethi**  
CEO, TCI Supply Chain Solution

**Capt Dinesh Gautama**  
President  
Navkar Corporation Limited

**Capt Sanjeev Rishi**  
Advisor  
Worlds Window Infrastructure & Logistics Pvt Ltd

**Navin Passey**  
Managing Director  
Wallem Shipmanagement (India) Pvt Ltd

24

**INDIAMED SERVICE  
Boosting Connectivity**

INDIAMED service is an endeavour to utilize good connectivity and road map for more services to add which will be beneficial to the trade in the north Indian hinterland, as it will save considerable time and cost in moving cargo.



36

**CRUISE TOURISM  
The Cruise and  
The Golden Egg**

The winds seem to favour the industry as the government has raised the sails to give a major push to the sector by framing a favourable policy to make cruise tourism attractive and hassle-free.

42

**TERMINALS  
Do we need automated  
terminals?**

India needs fully automated container terminals to meet the growing exim cargo requirements to speed up movement at terminal and at the gate.

49

**SLS HYDERABAD  
Smart Logistics for a  
Landlocked State**

Users and service providers of air cargo and sea cargo came together to discuss challenges and opportunities to make logistics smart in the landlocked state.



## CYBER ATTACKS WILL HURT YOU

26

**COVER STORY**

Cyber attacks are the new reality, the only question is 'when.' The key challenge for Indian firms is that most view cyber security as an "IT issue". India ranks third globally as a source of malicious activities and its enterprises are the sixth most targeted by cybercriminals. It is high time that shipping industry should wake up to this reality.



33

**COGO PORT  
The Digital Era of  
Moving Cargo**

Offering shipping and allied services on a single platform is not new to India, but Cogo Port makes it frictionless by minimising people interface and sustaining the time and cost saving.

**INTERVIEWS**

34

**"IoT WILL DRIVE GREATER EFFICIENCY"**

**VIJAY MINOCHA**  
PRESIDENT - ASIA PACIFIC, INTRA



46

**"SHORTEN THE TIME TO GET CONTAINERS  
ON AND OFF THE VESSEL"**

**JAYANT TAGORE**  
PRESIDENT, BDMAI



39

**"FOCUS IS MORE ON RAIL AND INLAND  
WATER TRANSPORT"**

**SANJEEV CHOPRA, IAS**  
PRINCIPAL SECY, INDUSTRIES DEPT, GOVT. OF ODISHA



47

**AVAILABILITY OF TRUCKS IS A CHALLENGE**

**D K MOHANTY**  
VP & HEAD-FERRO ALLOYS BUSINESS UNIT, IMFA



41

**"PRO-ACTIVELY COMPLY TO TFA REGIME"**

**SAMIR J. SHAH**  
CHAIRMAN, FFFAI



**OTHERS**

- 8 News in Brief
- 10 Point Blank
- 12 Numbers & Graphs
- 14 News





## We are ready for GST

The Goods & Services Tax (GST) is one of the biggest changes to India's economy since Independence. 'One Nation, One Tax' will change the way India does business. In this dynamic environment, you need the right partner. Agility is ready for GST. We have the infrastructure and expertise to help you navigate the transition smoothly. See how we can help you thrive and grow in the new environment.

**Logistics to connect your world**



[www.agility.com/india](http://www.agility.com/india)

### 'Cargo district' taking shape in Wilmington



A planned shipping container village is being developed in Wilmington city of the US. L S Smith Inc is developing the property. The village has been named so because of

the use of shipping containers for developing apartments, live/work units, a coffee shop and a food truck park. Many of the containers used in the project are from the bankrupt shipping line Hanjin. Coworx, a staffing service company is among the first to move into the village to find tenants for private offices in shipping containers and tenants for rooms, along with computer stations.

### Wärtsilä India appoints Neeraj Sharma as President & MD



Wärtsilä India has appointed

Neeraj Sharma as the new President & Managing Director. Sharma comes with over 30 years of experience in the Energy and Industrial sectors. He has significant experience in leading and developing emerging markets. Prior to this appointment, he was Executive Vice President, Asia Pacific and Member of the Executive Board for KONE Corporation. Earlier to this, he was Managing Director, KONE India. Sharma has also held management positions with global organizations like General Electric and Alstom.

### Gateway Rail special service to Pipavav Port

Gateway Rail Freight has started a Saturday Special Service (Triple S Service) Rail from ICD Sahnewal to Pipavav Port. This Rail service is being run for exports on every Saturday and offers fixed evacuation plan and better connectivity of export containers from ICD Sahnewal to Pipavav Port. It is the only dedicated fixed day service for export evacuations in Ludhiana region offered by any container train operator. The first train service was flagged off on 17th June, 2017 from Sahnewal with 90 teu to Pipavav port, and is going fully loaded every Saturday.

Seeing the success of this service, Gateway Rail Freight intends to start some more dedicated fixed day services to and from ICD Sahnewal.

### Indo-Bangla container service being mullied

India and Bangladesh are planning the trial run of a container train between Kolkata and Dhaka in August. The aim is to ascertain whether a service can be run on commercial basis. It is proposed that a full rake of empty containers will go through the connection between Gede in India and Darshana in Bangladesh, the only broad gauge line between the two countries. Gede is the last station and border checkpoint on the way to Bangladesh in Krishnaganj CD Block in Nadia district of West Bengal. The corresponding station on the Bangladesh side is Darshana. Bangladesh will send the rake back with export cargo.



### Kamarajar Port enhancing coal handling capacity



Two new coal berths are being constructed at Kamarajar Port and the existing iron ore berth is also being converted into a coal berth, which will increase its coal handling capacity by 36 million tonnes per annum. The three new berths are expected to be ready by March next year. A predominantly coal handling facility, the new berths are estimated to take its total handling capacity of the dry fuel to 64 million tonnes per annum.

Two new coal berths are being constructed at Kamarajar Port and the existing iron ore berth is also being converted into a coal berth, which will increase its coal

### New cement project in Telangana

New cement project has been approved in Adilabad, Telangana. Telangana's State government has already permitted mining on an area of 1,572 acres in the outskirts of Ramai and Yapalguda villages, for a period of 20 years. Zenith will be the company responsible for the project.



## Logistics performance index for states

The commerce ministry is working on a Logistics Performance Index (LPI) for states and union territories and would announce the rankings by December or early next year. The commerce ministry has engaged Deloitte to work out the indicators for the index. Under the index, states and union territories will be ranked as per their trade related facilities. The move would help involve states in promoting the country's exports. The parameters on which the performance would be compared include GST rollout, removal of check posts and time taken in tax refund.

## Allseas launches Indian Project Cargo JV

Offshore transport specialist Allseas Group has partnered with Mumbai-based Seamless Projects to form joint venture company Allseas Project Solutions. The new company will focus on project cargo in the Indian market and predicts rapid expansion, with plans already underway for offices at gateway ports including Mundra, Chennai and other strategic locations. The joint venture recently completed its first breakbulk shipment, delivering a consignment of wind turbines from Mundra Port in India to the UK.

## Indian Oil to buy North American sour crude

India's top refiner has issued its first tender to buy high-sulphur, or sour crude from North America as it seeks to diversify imports. Indian Oil Corp has issued a tender to buy up to 2 million barrels of sour crude from North America and Canada to meet its growing demand. IOC is seeking to buy the crude grades Mars, Southern Green Canyon and Thunderhorse from the U.S. and Western Canadian Select from Canada in the tender. Sellers have the option of delivering the crude to Paradip Port on September 25-October 4 or to Vadinar Port on the west coast on October 1-10.



## RIL petrochem complex to expand

The government has given green signal to Reliance Industries Ltd for expansion of its petrochemical complex in Gujarat, entailing investment of ₹2,100 crore. Near Hazira the complex comprises of naphtha cracker, feeding downstream petrochemical, fibre intermediates and polyester plants. RIL's proposal is to increase production capacities of these plants by debottlenecking and expansion through technological upgradation.

## Adani Ports in fray for buying stake in DCI

Adani Ports, Dharti Dredging and Construction, Mercator and a few other domestic dredging players are in the race to buy the government's stake in Dredging Corporation of India (DCI). The government has a 73.47 per cent stake in the PSU. As the central government has decided to divest stake in a few loss making PSUs, a formal proposal on DCI disinvestment is likely to be put up before the Cabinet soon. It has been reported that Adani Ports is leading the race to buy the entire stake. The company is yet to decide whether it would be an individual buyout or form a consortia for the buyout.



## Railways to develop Southern Freight Corridor soon

Indian Railways is in the process of developing a Southern Freight Corridor (SFC), which would be connected to one of three corridors. The three Dedicated Freight Corridors (DFC) planned by the Railways will provide logistics support to the 'Make in India' campaign and one of the corridors will be connected with the Southern corridor for the benefit of smooth movement of freight from Southern states.

## Eicher Polaris to begin exports to Nepal and Bangladesh

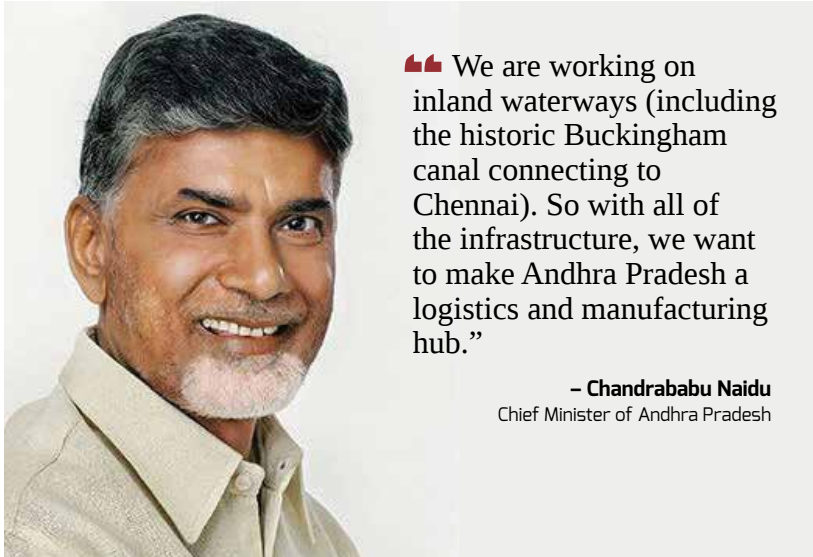
Eicher Polaris, which manufactures personal utility vehicle 'Multix', will begin to ship the product to Nepal and Bangladesh. The company is increasing its footprint into the metros and to all states by adding more dealers. "We have already shipped a few units to Nepal. The commercial sales in the Himalayan nation will begin soon. We also have orders from Bangladesh," Pankaj Dubey, the chief executive and managing director of Eicher Polaris said. He said they are also tapping the Central American (Guatemala to begin with), African and Sri Lankan markets.

## Kandla Port awards dredging contract

Kandla Port Trust has awarded a contract to Van Oord to keep the approach channel to the Indian port up to its declared depth for the next three years. Trailing suction hopper dredgers, Volvox Delta and Volvox Asia, will be deployed to maintain both the channel and berth approaches. To protect the environment the dredged material will be deposited in a designated area at sea.

## Bangladesh's FTA with Sri Lanka

Bangladesh's first-ever FTA will be with Sri Lanka and that is expected to be signed by year end, Bangladesh's Foreign Secretary Mohammad Shahidul Haque revealed. Dhaka has been negotiating the FTA with Colombo since 2013 to increase trade now worth \$80 million every year. Fourteen MoUs were signed between the countries for cooperation in various activities including coastal shipping.



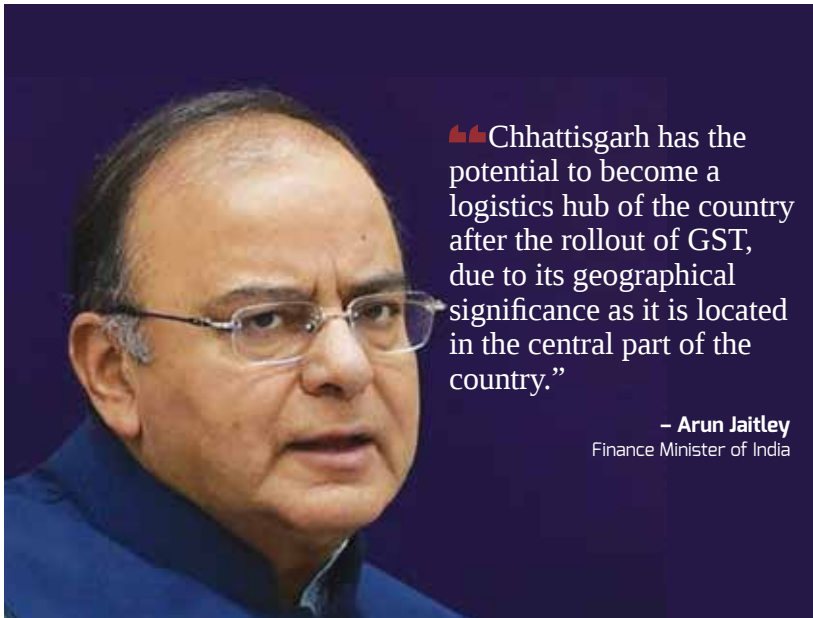
“ We are working on inland waterways (including the historic Buckingham canal connecting to Chennai). So with all of the infrastructure, we want to make Andhra Pradesh a logistics and manufacturing hub.”

– Chandrababu Naidu  
Chief Minister of Andhra Pradesh



“ Excessive protection is not in the interest of the steel industry as it makes it complacent. Steps must be taken to make the sector more efficient and globally competitive.”

– Nikunj Turakhia  
President, Steel Users Federation of India



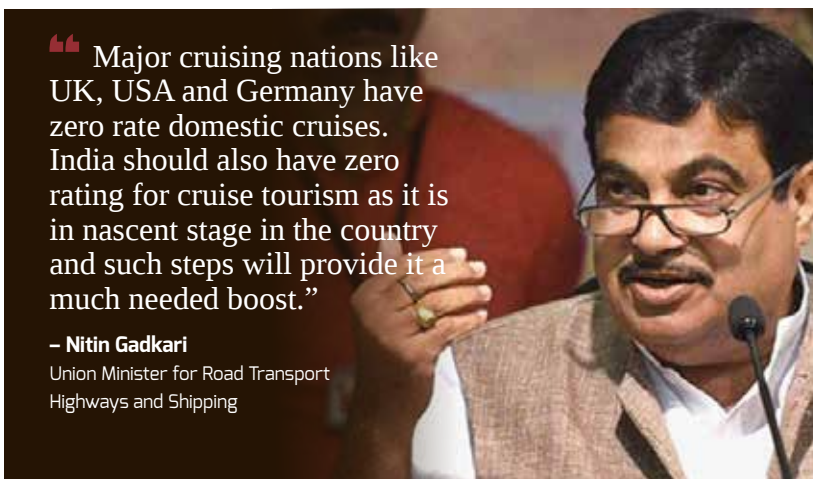
“ Chhattisgarh has the potential to become a logistics hub of the country after the rollout of GST, due to its geographical significance as it is located in the central part of the country.”

– Arun Jaitley  
Finance Minister of India



“ For the first time, we will be open to investment outside India. We will invest in airports and facilities worldwide. Our collective expertise and knowledge in managing domestic facilities for over five decades gives us a strong edge over other operators.”

– Keku Gazder  
CEO, AAICLAS



“ Major cruising nations like UK, USA and Germany have zero rate domestic cruises. India should also have zero rating for cruise tourism as it is in nascent stage in the country and such steps will provide it a much needed boost.”

– Nitin Gadkari  
Union Minister for Road Transport  
Highways and Shipping





## FIELD INSPECTION HAVE YOU GONE DIGITAL YET?



### FEATURES

- Custom forms
- Team based scheduling
- Email and SMS Alerts
- Voice guided navigation
- Staff tracking with geo fencing
- Offline operation with auto sync
- Real Time updates from the field with Time Stamping/Geo Tagging
- Capture pictures, video, voice and signature
- Reports, Dashboard and Visualizations

HawkEye is a one stop solution for managing every aspect of Inspections. It enables paperless real-time field inspections using specialized field inspection software. HawkEye improves the efficiency and speed of inspection by standardising processes and automating workflows.

The Web-based back office system performs Administration, Inspection Scheduling, Case Workflow Management, Inspector Tracking, Reporting and Notifications and much more. The system is integrated with Google Maps to enable location based inspections and tracking.

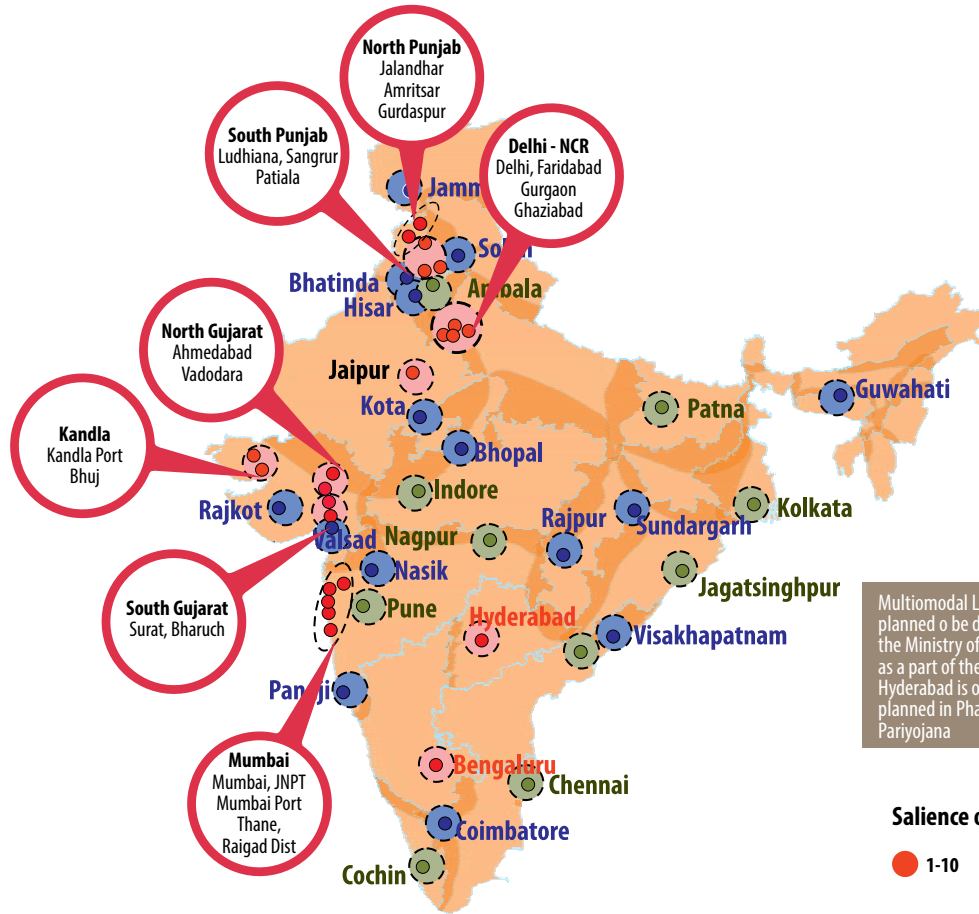
HawkEye applications range from routine asset maintenance inspections and door-to-door surveys to bill collection and much more. Efficiency of field inspections is improved with customizable standard forms, photo capture facility, and ability to take customer signatures and provides voice guided navigation to inspection site.

### BENEFITS

- Maximise the efficiency of your field task force
- Efficient task distribution and scheduling
- Generate revenue by identifying violations and collecting fines
- Standardise inspection processes and work with reliable field information
- Reduction in transcription errors & no lost paperwork
- Rich data for deeper analytics and better decisions

Navayuga Infotech Pvt. Ltd.  
Plot No. 1268, B R House, Above ICICI Bank, Road No. 36,  
Jubilee Hills, Hyderabad 500033, INDIA  
Tel : +91 40 4612 4444 | Fax: +91 40 4612 4400  
info@navayugainfotech.com | www.navayugainfotech.com

## MULTIMODAL LOGISTICS PARKS: PRIORITIZED LOCATIONS



Multimodal Logistics Parks have been planned to be developed at 35 locations by the Ministry of Road Transport and Highways, as a part of the Bharatmala Pariyojana. Hyderabad is one of the fifteen locations planned in Phase 1 of the Bharatmala Pariyojana.

Salience of Each Node (Ranking)



### CARRIERS WITH >1% SHARE OF CONTAINERSHIP CAPACITY, 000 TEU, JUNE 2017

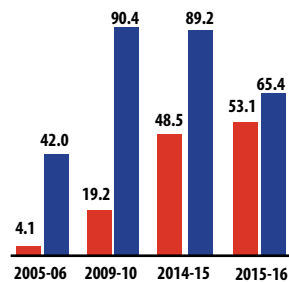
Carrier Group	Active ships	Share(%)	Order-book	Share(%)	Total	Share(%)
Maersk Line	3,828	19.2%	410	13.6%	4,238	18.4%
MSC	2,916	14.6%	187	6.2%	3,104	13.5%
Cosco-OOCL	2,185	10.9%	698	23.2%	2,883	12.5%
CMA CGM	2,168	10.9%	225	7.5%	2,393	10.4%
Ocean Network Express (ONE)	1,378	6.9%	340	11.3%	1,719	7.5%
Hapag-Lloyd	1,533	7.7%	40	1.3%	1,573	6.8%
Evergreen	984	4.9%	324	10.8%	1,308	5.7%
Yang Ming	596	3.0%	112	3.7%	708	3.1%
PIL	358	1.8%	144	4.8%	502	2.2%
HMM	458	2.3%	0	0.0%	458	2.0%
Zim	308	1.5%	11	0.4%	319	1.4%
Wan Hai	235	1.2%	15	0.5%	250	1.1%

Notes: Includes all recent M&A deals, including CMA CGM's impending Q17 purchase of Mercosur Line from Maersk Line

Source: Drewry

### THE CHINESE HOLE IN INDIA'S TRADE

India's trade deficit (\$ billion)

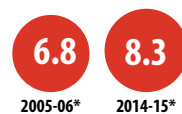


Trade deficit with China has raised 13 times in 10 years

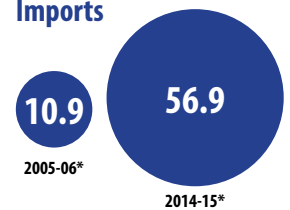
Source: Commerce Ministry of India

India's Exports to and Imports from China (\$ billion)

Exports



Imports



Trade deficit with all other countries has fallen 28% in 6 years





- Container Liner Agency
- Agency for Bulk Vessels
- Tanker Agency Services
- Break Bulk Liner Services
- Project Cargo Services
- Ship Broking /Ship Chartering
- CFS & Terminals
- Rail /Inland Transport
- Infrastructure Projects
- Agency for ISO /Flexi Tanks
- Air Cargo Services
- RoRo
- Stevedoring
- Domestic Coastal Services

## Relationship at the core and a host of shipping services created around it.

Samsara offers a spectrum of global shipping solutions. Be it Sea, Road, Rail or Air.

With a Service Portfolio like Shipping, Logistics, CFSs, ICDs and Terminals, Rail and Road Movement and Warehouses, we have created value driven, customer focused solutions that are truly World Class.

• Strong Pan India Network • In depth Expertise as Agents • 55 + Offices



**Samsara Group**

Success In Service

106/107, Technopolis Knowledge Park, Mahakali Caves Road, Chakala, Andheri (E), Mumbai - 400 093. (India)  
Tel.: +91-22-66775000 | Fax: +91-22-66775050 | Email : corporate@samsaragroup.com | www.samsaragroup.com

## LOGISTICS

## Govt clears three export infra plans



The central government has given its approval for three proposals including establishment of an Integrated Cargo Terminal (ICT) at the Imphal International Airport; modernisation of infrastructure facility in Karnataka for marine exports – where the total cost is ₹13.34 crore; and construction of a new ‘Standard Design Factory’ building at Cochin Special Economic Zone (SEZ) for which a total of ₹61.63 crore will have to be spent. The cost of building the ICT at Imphal is ₹16.2 crore, of which the share of Trade Infrastructure for Export Scheme (TIES) is ₹12.96 crore and that of the Airport Authority of India (AAI) is ₹3.24 crore.

## Sanjam elected to World Maritime University Board



The Board of Governors of the World Maritime University

has approved the appointment of Sanjam Sahi Gupta as a member of the University's Executive Board for a two-year term. Sanjam being the second lady and the only person from Asia, in the executive board will bring diversity to the Board. She will actively

participate and provide ideas and inputs on expanding the reach of the WMU to the Asian region. The role of the executive board members is to oversee the decisions for the running of the WMU.

## Railways to diversify its freight basket



Union Minister Suresh Prabhu said the Railways need to diversify its freight basket over a period of time and PPP initiatives are the best to accommodate smaller quantities of cargo. “Railways traditionally have been doing business in bulk commodities, that too in ten major commodities including ore and cement among others. Over a period of time, we will have to diversify the freight basket and to do that, we need smaller quantities of freight,” he said. The minister said the best way in which smaller quantities of cargo can be accommodated is through the PPP initiative.

## Cargo operations at Lohegaon airport remain a non-starter

A fortnight after it took off with much fanfare, the international cargo export facility at Pune airport is still to find any takers. Officials of the Pune customs say that the registration of airlines for availing of the facility has started, but the

response has not been high. Currently, a total of four international flights operate from the Pune airport. They include two to Dubai (Air India and Spice Jet), one to Abu Dhabi (Jet Airways) and one to Frankfurt (Lufthansa). There has been no international cargo export from the Pune airport facility.

Pune airport director Ajay Kumar said it was initially expected that two tonne cargo will be transported from Pune daily. Around 40 per cent of international cargo dispatched by Mumbai airport originates from Pune and suburbs.

## Sri Lankan Airlines eyes more destinations in India



Strengthening its South Indian connectivity with three new destinations, Sri Lankan Airlines is looking at the possibility of connecting more destinations into India given the potential for growth in the market. With these additions, Sri Lankan airline will operate 126 flights per week to 14 cities in India, with existing services to Chennai, Tiruchi, Thiruvananthapuram, Mumbai, New Delhi, Gaya, Madurai, Varanasi, Kochi, Bangalore and Kolkata. The new services would boost connectivity for the business community and enhance opportunities for rapid and seamless transport of all types of cargo throughout Sri Lankan's network.

## Odisha govt shapes up industrial corridor



Odisha government is developing infrastructure in Jajpur, Jagatsinghpur, Kendrapara, Bhadrak, Cuttak and Khurda districts which are emerging as new industrial corridor attracting large scale investment. Comprehensive plans have been made to promote industrialisation in two phases, three places in each phase. “There is no other place in the country where two big ports are available within a distance of only 50 nautical miles from each other. Both the ports are in the process of augmenting their cargo handling capacity with deeper draft,” said Secretary of Industries Department, Sanjeev Chopra.

## HVGPL forays into container business

Hindustan Vacuum Glass Pvt. Ltd (HVGPL) has developed a dwarf container in association with M/s Kalyani Cast Tech Pvt Ltd. This is in line with Railway Minister, Suresh Prabhu's announcement that railways will use dwarf containers to enhance cargo carrying capacity by 2 million tons per annum. The dwarf container has the standard dimensions of a shipping container apart from a unique engineering design to enable these containers to be stacked and run on electrified tracks.





## Distance Learning Diploma Course in Shipping Logistics & Freight Forwarding

This course is expected to pave the way to further digitization of the FIATA diploma and set a milestone in the Indian education market.

### Course Highlights :

1. No Classroom sessions.
2. 5 Days Crash course before exams.
3. Periodic Assignments.
4. Indian & Global students may apply.
5. Soon launching Online Software.
6. Final exam will be conducted in Mumbai and other locations.



IIFF has made its goal to vocationalize the available manpower and provide them to the industry.

Distance learning starts June 2017 and  
Classroom session starts August 2017

**DISTANCE  
LEARNING**

**DIPLOMA  
COURSE**

**INTERNATIONALLY  
RECOGNIZED**

**INNOVATIVE  
TRAINING**

**INDUSTRY LEADERS  
AS FACULTY**



**INDIAN INSTITUTE OF  
FREIGHT FORWARDERS**



## GST impact: Queues of trucks across states get shorter



The roll-out of GST will ensure smooth movement of trucks across state borders. Border commercial tax check posts have been abolished in 22 states after the GST launch on July 1. Also, eight states – Assam, Himachal Pradesh, Manipur, Meghalaya, Nagaland, Punjab, Mizoram and Tripura – are in the process of removing them. Now, the GST will be imposed even on inter-branch transfers but input tax credit will be given, which was not the case under the CST.

## Team from NITI Aayog visits Krishnapatnam Port for CEZ

A high-level team of NITI Aayog and experts from the Central government visited the Krishnapatnam Port recently and enquired about the availability of huge chunks of land, electricity, water and other resources for setting up a coastal economic zone. The team consisted of Yadhuendra Mathur, Additional Secretary, NITI Aayog, Sanjeev Gupta, Additional Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry and Abhishek Chandra, Deputy Secretary, Ministry of Ship-

ping. The team sought details of land that would be available in Krishnapatnam node surroundings for considering this region, which is located on the Visakhapatnam-Chennai Industrial Corridor (VCIC), for the proposed Coastal Economic Zone (CEZ).

## AAICLAS to foray into airports internationally



AAI Cargo Logistics and Allied Services Company Limited (AAICLAS) is looking at investing in international airports. "In certain models at certain places we will invest in facilities and third party will manage them whereas in some airports we will build the facilities and operate ourselves." We also have a strong mandate from the board to explore cargo handling and allied services abroad," Keku Gazder, CEO, AAICLAS said.

"We are expecting the business to grow by 10-15 per cent in the current financial year and over 20 per cent in the next fiscal year. The mandate of AAICLAS is to focus on cargo and increase the cargo handled by our airports using best practices and world class technologies. We are mandated to perform all functions and explore opportunities that contribute to the growth of our airport related business."

In the FY 2017-18, AAICLAS is planning to launch Common User Domestic

Cargo Terminals (CUDCT) at Guwahati, Tirupati, Lucknow, Thiruvananthapuram, Varanasi, Amritsar, Srinagar, Vijayawada and to undertake international cargo handling operations at Pune, Jaipur, Aurangabad, Visakhapatnam, Madurai, Tiruchirappalli.

## Nepal seeks waiver on GST



Nepal's Ministry of Commerce has written to the Indian government urging for a waiver of GST on Nepal-bound goods. This follows a slowdown in exports and imports of goods to and from third countries via India due to confusion created by implementation of GST. The pace of imports and exports had slowed down few days before implementation of the new tax regime, and has not picked up since, it was pointed out. This has been attributed to Indian Customs offices still upgrading their IT systems, delaying movement of goods.

As Nepal relies mostly on Kolkata Port to import and export third-country goods, delays at Indian Customs affect the country's trade. Cargo handling costs have gone up since the implementation of GST. The authority at Kolkata Port earlier used to impose 15 per cent logistics service charge on goods imported from third countries, but post-GST the charge has increased to 18 per cent.

## SECL says mines facing logistics constraints



South Eastern Coalfields has been facing logistics constraints in transporting coal from pits to its railway sidings at Korba, Raigarh and Korea-Rewa fields. This has prompted the coal miner to stop supplying more than the trigger level to its customers till further notice.

South Eastern Coalfields has clarified that if consumers require more coal than the trigger level it can lift additional quantities by road either from the Korea-Rewa or the Raigarh mine fields.

## Chabahar Port faces delay

India's long-running plan to upgrade and operate maritime facilities at Chabahar Port in Iran faces fresh delays after an initial bidding process to select a private operator for the project proved futile despite vigorous government efforts to spur interest. Authorities are now planning to retender the contract, which involves management, operation and maintenance services, after Essar Ports Ltd., one of the two prequalified Indian bidders, failed to fulfil security clearance requirements, leaving Adani Ports and Special Economic Zone as the sole bidder.



# Where excellence & innovation converge



IMFA is India's leading fully integrated producer of ferro alloys straddling the value chain from mining to smelting with 187 MVA installed furnace capacity backed up by 258 MW captive power generation and chrome ore mining tracts. The Company has an Integrated Management System comprising quality, environment and occupational health & safety certification.



  
**imfa**

INDIAN METALS & FERRO ALLOYS LIMITED

[www.imfa.in](http://www.imfa.in)

## Azerbaijan to invest \$60m in Iranian rail terminal



Azerbaijan has signed a \$60-million contract with Iran to construct a rail terminal in Astara, close to the common border. It is part of a project to connect the Iranian port of Astara to an Azeri city with the same name. The route will connect Iran to Azerbaijan's railroads, ramping up rail transport between the two countries.

Azerbaijan is committed to transport 2 million tons of cargo via Astara when the project is completed in two years. Azerbaijan has completed the part from Azeri city of Astara to the border. Iran has yet to complete the remaining section.

## Armstrong to sell sorting machines in India

Armstrong Machine Builders, a Pune-based firm in the logistics automation space has entered into an exclusive tie-up with Pitney Bowes to sell the latter's machines in India. The agreement allows Armstrong to sell Pitney Bowes products exclusively in India. Through the tie-up, the firm would also be selling automated sorting machines solutions – that are a mix of software and hardware – in Brazil, Russia and China, though it is not exclusive.

## Patel Logistics to set up 10 warehouses



Patel Integrated Logistics has decided to invest over ₹80 crore to set up 10 warehouses together measuring over 1 million sqft in the key traffic regions at an investment of over ₹80 crore, Patel Logistics, CFO, Mahesh Fogla revealed.

The first warehouse is being set up in Bengaluru. In the first phase more such facilities will come up in Ahmedabad, Chennai, and Gurgaon this financial year, while the second phase, which will begin next year, will see warehouses in Pune, Mumbai and Hyderabad.

## Allcargo to get into last-mile delivery



With the GST boost, Allcargo Logistics is planning an aggressive domestic play by entering the last-mile delivery space and has set a target of trebling its domestic revenue at ₹1,500 crore from the segment by 2020. The company will invest around ₹1,000 crore

to double its exim warehousing/ CFS stations and logistics park capacity to 10 million sqft by 2020.

The company will focus on the booming e-commerce space under the domestic focus where it already works with all key players as a B2B player, but not into last mile delivery. In fiscal 2017, Allcargo reported net profit of ₹230.4 crore on a revenue of ₹5,568 crore and a debt of ₹300 crore.

Allcargo is building its largest MMLP at Jhajjar in Haryana on a 180 acre land which will be ready by next March. The company expects the final customs clearance for its 20 acre CFS in Kolkata anytime now and commission it by mid-August. Allcargo has also acquired land for exim warehouses/ CFS in Bengaluru (100 acre), Hyderabad (a 40-acre CFS will be ready soon), Chennai (54 acre) and Nagpur (60 acre) into which it will pump in around ₹1,000 crore.

## Railways launches new freight initiatives



The Minister of Railways, Suresh Prabhu launched new freight initiatives with the aim of giving a fillip to cargo movement by rail. He released a new freight structure for double-stack dwarf containers and signed agreements under Long Term Tariff Contracts

(LTTC) with TISCO, India Cements and UltraTech Cement.

salient features of the initiatives: Long Term Tariff Contracts; The Minister announced that Indian Railways shall enter into long term tariff contracts with key customers using pre-determined price escalation principle, to develop a long-term commitment; The LTTC was finalised after a process of structured dialogue with key customers; Under LTTC, IR shall be assured of long-term freight revenue commitment from customers at pre-determined price escalation principle as the customer shall commit Minimum Guaranteed Gross Freight Revenue (MGGFR) for each year of the contract period at a minimum of 5 per cent increase over the previous year.

## East Coast Logistics eyes ₹100 cr revenue

East Coast Logistics Pvt Ltd has set targets of ₹100 crore in revenue and 15 million tonnes in cargo for the current fiscal. "In 2016-17, we registered total income of ₹77 crore against ₹52 crore in the previous year," said V Suresh Anand, Executive Director, East Coast Logistics.

For the last four years, ECL has been growing at about 40 per cent annually. ECL's target of 15 million tonnes per annum (MTPA) of cargo compares with 11 MTPA handled in 2016-17. Last fiscal, ECL handled 9.5 million tonnes of coal and one million tonnes of iron ore.



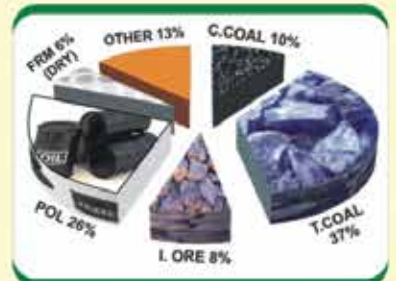


# PARADIP PORT TRUST

## THE PREFERRED PORT

An ISO 9001 : 2008 certified and ISPS code compliant Port.

- STRATEGICALLY LOCATED MARITIME GATEWAY ON THE EAST COAST OF INDIA
- SINGLE WINDOW SYSTEM
- MODERN CARGO HANDLING AND BULK MATERIAL HANDLING EQUIPMENTS
- EFFICIENT & COST EFFECTIVE SERVICES
- PRESENTLY PPT HANDLES 95,000 DWT VESSEL IN HARBOUR AND 3,50,000 DWT VESSEL AT SINGLE POINT MOORINGS (SPM)
- NEW DEEP DRAUGHT BERTHS TO BE BUILT WILL HANDLE 1,25,000 DWT VESSELS
- PPT HANDLING FERTILIZER
- WELL CONNECTED BY RAIL AND ROAD TO ITS MINERAL RICH HINTERLAND HAVING STEEL, POWER, FERTILIZER AND CEMENT PLANTS
- AVAILABILITY OF DRY DOCK FACILITIES
- COMPUTERISED SERVICES HAVING EDI AND PORT CONNECTIVITY SYSTEM
- EQUIPPED WITH VESSEL TRAFFIC MANAGEMENT SYSTEM (VTMS)
- 76.38 MILLION TONNES OF CARGO HANDLED DURING THE YEAR 2015-16
- THE CARGO HANDLING CAPACITY OF THE PORT WILL REACH 325 MILLION METRIC TONNES BY 2020.



[www.paradipport.gov.in](http://www.paradipport.gov.in)

## SHIPPING

## Port operators eye big business from Ro-Ro



Gujarat Pipavav Port plans to triple its annual handling of automotive cargo to 300,000 cars by 2020, Keld Pedersen, the Managing Director of the port revealed. Mumbai Port Trust handled the biggest chunk of exported cars in the fiscal year ended March 2017. At more than 2 lakh units, the volume was 20 per cent more than the previous year. Jawaharlal Nehru Port Trust is looking at setting up a RoRo facility for vehicles at a satellite port it is planning to build at Wadhwan with an investment of ₹10,000 crore, its deputy chairman said.

## Developing waterways in Tamil Nadu

A pre-feasibility study by a French company on ferrying cargo and passengers across 10 inland waterways in Tamil Nadu will be ready next month. Based on the report, a feasibility survey will be carried out and the project is expected to be ready in three years. Based on the report, routes to be taken up for further studies will be chosen.

## Freight movement via waterways on the rise

The country witnessed a notable jump in freight transport and cargo movement through waterways between FY14 and FY16. During the period, the total freight through coastal shipping from all ports, including major and minor, rose 10.9 per cent from 161.36 million tonnes (mt) to 178.92 mt. While the freight transport from major ports increased 9.2 per cent to 125.26 mt, that from minor ports jumped 14.9 per cent to 53.66 mt. Similarly, cargo movement through NWS rose more than 32 per cent from 32.26 mt in 2013-14 to 42.66 mt in 2015-16.

## Vizag Port offers direct link to Chinese ports



Visakhapatnam Port has urged Nepali traders to make more use of the seaport as the cost of ferrying goods from there is lower. The frequency at which cargo trains are leaving the port for Nepal indicates underutilisation of the port.

Although Visakhapatnam Port is located quite far away from Nepal, it offers lower sea freight costs, and freight forwarders do not have to pay various charges such as detention cost, demurrage cost and many other formal and informal charges.

“The low sea freight cost due to direct link with Chinese ports, and low port charges will work as compensation for Nepali traders worried about higher cost emanating from longer distance,” said Ashok Kumar Temani, chairman of Road Transport and Transit Committee at the Federation of Nepalese Chambers of Commerce and Industry.

## Cochin Shipyard bids for assets of Hooghly Dock



Cochin Shipyard Ltd (CSL) is looking to take over the assets of defunct shipyard Hooghly Dock and Port Engineers Ltd (HDPEL) and has placed a bid under its revival plan. The move will help CSL foray into the inland water space. “We are looking at forming a joint venture, but moving strongly into the inland water space. We have bid for HDPEL’s tender for the upgradation, operation, maintenance and management of two of its shipyards at Salkia and Nazirgunge,” Madhu S. Nair, CMD, CSL said.

Kolkata-based HDPEL’s Salkia and Nazirgunge shipyards are located at Howrah, West Bengal. The Indian Government had accorded in-principle approval for formation of joint venture of HDPEL with a player selected through a bidding process as part of its rehabilitation-cum-restructuring exercise.

## Pendulum Express Lines launches services to India



Pendulum Express Lines (PEL) entered the Indian common carrier feeder arena with a soft launch in May 2017 using fixed space allocation on the PIX service from Mundra. The Pakistan India Express (PIX) service has a rotation covering Singapore, Port Klang, Colombo, Karachi, Mundra, Port Klang.

PEL, recognising the potential of the Indian market, further highlighted its commitment to this market and announced that it would introduce a new weekly service calling 3 west India ports. The North Asia-India Subcontinent (NISC) service has commenced. Pendulum’s partners in this service are HMM, CMA, KMTC and SCI. Each partner, including Pendulum, will contribute 1 vessel while HMM will contribute 2 vessels.

The tentative rotation would be Xingang (Tianjin), Qingdao, Ningbo, Singapore, Port Klang, Nhava Sheva, Mundra, Hazira, Colombo, Port Klang, Singapore, Xingang. With this weekly service, PEL as a feeder carrier will offer NVOCCs and MLOs an opportunity to have space and a direct connection for their containers from Hazira to Singapore, Port Klang and Chinese ports.



a joint initiative by



# SOUTH ASIA MARITIME & LOGISTICS FORUM 2017

connecting maritime nations

07 SEPTEMBER • THE LALIT, MUMBAI, INDIA

THEME

# SOUTH ASIA REGION ON THE RISE

The fastest growing logistics hub

the first-ever conference  
showcasing the maritime  
strengths and potential  
of south asian nations

## VENUE

The Lalit Mumbai

Sahar Airport Road, Andheri East,  
Mumbai, Maharashtra, India.

Supported by



Ministry of  
Shipping

Government of India



Ministry of  
Ports & Shipping

Government of Sri Lanka

## Programme

- 07:45hrs – 08:30hrs (45 min) : Registrations Over  
High- Tea
- 08:30hrs – 09:00hrs (30 min) : Inauguration of Forum
- 09:00hrs – 09:30hrs (30 min) : **Analyst View:**  
Global & South Asia  
Perspectives
- 09:30hrs – 10:15hrs (45 min) : **Carrier Perspective:**  
South Asia Shipping Trends
- 10:15hrs – 10:30hrs (15 min) : Tea Break
- 10:30hrs – 12:30hrs (120 min) : **Ports & Terminals Track**  
**South Asia Ports -**  
**Country briefs :** India, Sri Lanka,  
Bangladesh, Maldives, Myanmar
- 12:30hrs – 13:30hrs (60 min) : Lunch
- 13:30hrs – 15:00hrs (90 min) : **Investment Track**  
Opportunities for Investment in  
South Asia Ports & Logistics
- 15:00hrs – 15:20hrs (20 min) : Tea break
- 15:20hrs – 16:00hrs (40 min) : **Best Practices in Shipping**
- 16:00hrs – 18:00hrs (120 min) : **Logistics Track**  
**South Asia Logistics Scenario -**  
**Country briefs :** India, Sri Lanka,  
Bangladesh, Maldives, Nepal,  
Myanmar
- 18:30hrs onwards : **Networking Cocktail Dinner**



South Asia Gateway  
Partner



India East Coast  
Gateway Partner



Gold Sponsor



Fuel Management  
Partner



Bronze Sponsor



GEO Spatial Partner



Media Partner



Knowledge Partner



Supporting Partners

## IRClass releases rules for LNG-fuelled coastal & inland vessels



Indian Register of Shipping (IRClass) has released rules for LNG-fuelled coastal and inland vessels. These rules will help the maritime stakeholders to promote environment-friendly fuels for coastal as well as inland vessels.

The rules for gas-fuelled vessels have been developed based on a study of the various international requirements such as the ESTRIN (European Standard laying down Technical Requirements for Inland Navigation Vessels), the IMO IGF Code, and consultations with various stakeholders.

IRClass has also developed rules for pleasure crafts above 24 m length, which are in addition to its rules for pleasure crafts below 24 m length already published earlier. These new rules are developed based on several national standards as well as ISO standards.

## Exempt cruise tourism under GST regime: Shipping Ministry

The Shipping Ministry has asked the GST Council to exempt cruise tourism under the new indirect tax regime, in line with major cruising nations. At present, cruise tourism is not taxed and

the shipping ministry wants to keep it out of the GST regime in order to boost the industry.

To make India a global hot spot for cruise tourism, a policy is likely this month as steps are underway to expand number of cruise vessels to 700 from about 70 at present. Transportation of passengers (with or without belongings) by inland waterways is not a taxable service under the Finance Act, 1994 and the same rule should be applied to "cruise ships" operating domestically or internationally.

To promote cruise tourism, an action plan is also on the anvil that will include key steps to bring it on par with international standards. A slew of measures are already been taken to boost infrastructure that include building cruise terminals at five major ports – Mumbai, Goa, New Mangalore, Chennai and Cochin.

## PORTS

### Web nod soon for dry ports, cargo stations

The Centre will soon announce a mechanism that will facilitate online submission and processing of applications for setting up ICD, CFS and Air Freight Stations (AFS). The proposed reform – with a view to boost India's foreign trade – comes at a time when demands for setting up more ICDs, CFSs and AFSs in India have risen. The Inter-Ministerial Committee (IMC), a single window clearance mechanism for applying for CFS/ICD is considered cumbersome and involves submission of

several documents.

The Web-based mechanism, being developed by the government-owned National Informatics Centre Services Inc., is aimed at enabling the developer to submit applications online and track their status on a real-time basis.

## JNPT records improved performance in Q1, 2017-18



JNPT continued its growth momentum in the Q1, 2017-18 by clocking a 5.11 per cent growth in container traffic by handling at 1.20 million teus as compared to 1.14 million teus in the corresponding quarter of the last financial year.

JNPT handled 4.01 lakh teus in the latest quarter compared to 3.99 lakh teus in the corresponding quarter of the last year with 0.5 per cent growth. Among the four terminals under JNPT, APM Terminal handled 4.99 lakh teus up 14.5 per cent and NSIGT handled 1.34 lakh teus as compared to 1.17 lakh teus in last year.

In Q1 of the current financial year the port handled a total volume of 16.35 million tonnes as compared to 15.90 million tonnes in the corresponding period of the previous year with a growth of 2.8 per cent.

## Paradip Port handles 18.63 pc more cargo in Q1 2017-18



Paradip Port has handled 24.44 million tonnes of cargo in the first quarter of 2017-18 as against 20.59 mt in the corresponding period of the previous fiscal (2016-17), a growth rate of 18.63 per cent. Accordingly, the number of vessels handled by the port increased by 12.34 per cent during the period under review to 437, as compared to 389.

The Port has taken a slew of measures to enhance its efficiency, which has ensured improvement in ship day productivity from 22,161 tonnes in 2016-17 to 25,588 tonnes in 2017-18 (up to June 2017), a surge of 15.46 per cent. Average turnaround time has improved from 4.53 days to 4.40 days, while berth occupancy has been reduced from 69 per cent to 67 per cent.

## Fortigo starts GSTN service for truckers

Fortigo Network has introduced a technology solution to enable transporters and fleet owners to seamlessly register on to Goods & Services Tax Network (GSTN). Through this paid service, transporters and fleet owners can upload invoices and other GSTN documents and maintain their entire books of accounts online.



**NEPAL**



**China may capture Nepal trade**

India is at risk of losing the Nepalese transit trade to China, whose high-speed rail under the One Belt One Road initiative, compares favourably to the slow trundle of Indian goods trains and the capacity constraints on the border with Nepal. China controls only 14 per cent of Nepal's trade demand, but is now aiming to significantly shift Nepal's transit trade from India to itself. The OBOR proposal itself is costly, where remittances account for almost 27 per cent of GD. But given Nepal's proximity with India, the high cost of logistics makes the Chinese rail proposal more viable.

**SINGAPORE**



**Strengthening connectivity to China**

China's Senior Minister of State for Trade and Industry, Koh Poh Koon revealed that Guangxi, an autonomous region bordering Vietnam, has strategic land and sea links to the Asean region and is "an important node" in Singapore and China's Chongqing Connectivity Initiative. IE Singapore and the Guangxi regional government are evaluating a proposed transport corridor that will connect the south-western city of Chongqing with Singapore by way of Guangxi. Pacific International Lines is developing a Singapore-Guangxi Logistics Park in Guangxi's Nanning city.

**MYANMAR**



**Yusen Logistics opens logistics center**

Yusen Logistics has opened the Thilawa Logistics Center in the Thilawa SEZ in Myanmar. The logistics center has 68,000 square feet of warehouse space, including temperature control and bonded areas, together with an assembled vehicles yard area. The temperature-controlled storage areas offer four temperature settings of -20°C, 5°C, 15-20°C, as well as a room temperature area. There will also be an assembled vehicles yard area to carry out logistics services related to assembled vehicles such as vehicle storage, pre-delivery inspections, and customs procedures. Yusen Logistics will use this facility as a base to offer a variety of storage and delivery methods for cross-border trade between Thailand and Myanmar.

**AFGHANISTAN**



**Lack of cargo scanners at airports**



Afghan Chamber of Commerce and Industries (ACCI) officials have said the lack of cargo scanning machines at Kabul and Kandahar airports is a problem for traders exporting

goods to India. This comes after a new air cargo corridor was recently launched between Afghanistan and India. Since the inauguration of the air corridor, 62 tonnes of goods have been flown out of Kabul and a further 40 tonnes from Kandahar to India. Customs officials were having to physically unpack and check all cargo before it was loaded on to planes. One of the criteria for Afghanistan products to be exported was that international packaging standards are met.

**BANGLADESH**



**Vietnamese rice arrive at Chittagong**

The second consignment of rice weighing 27,000 tonnes that the Bangladeshi government purchased from Vietnam has arrived at the Chittagong Port. The ship carrying the consignment anchored at the Kutubdia outer anchorage. 60 per cent of the total imported rice from Vietnam would be unloaded at Chittagong port while the rest 40 per cent at Mongla Port. Bangladesh has purchased 200,000 tonnes of white rice at \$430 per tonne and 50,000 tonnes of parboiled rice at \$470 per tonne from Vietnam to maintain immediate availability of stock in the market, as well as reserves. The government has also cut the duty on staple food import by 18 per cent.

**SRI LANKA**



**SOM to design a new master plan for the Colombo Port City**

Skidmore, Owings & Merrill LLP (SOM) has won the contract to design the master plan for Colombo Port City. Covering 269 hectares, the new city will extend the existing Colombo Central Business District. The project, which is designed in collaboration with Grant Associates landscape architecture, is intended to respond to the sensitive ecology of the area, and includes canal edges, new gardens, a new harbour, and a new city park.

The design is also intended to create a distinct skyline – a "striking and legible profile with a clear hierarchy when viewed from key points within the city." This includes a central cultural venue at the seafront.

**MALAYSIA**



**Local companies urged to capitalise on air cargo industry**

Local companies are encouraged to participate in the Kuala Lumpur International Airport (KLIA) cargo space, announced Transport Minister, Datuk Seri Liow Tiong Lai. Alibaba Group from China and Renesas from Japan have already acquired large space at the facility. Malaysia Airports Holdings Bhd will give priority to local companies which need space in the cargo area. KLIA is planning to develop cold storage chain to support trade in perishable goods.

**M**undra has just moved one step closer to become the Number one container hub on the west coast. Adani CMA Mundra Terminal Pvt Ltd, a joint venture between Adani Ports & Special Economic Zone (APSEZ), India's leading port infrastructure developer and CMA Terminals (CMAT) – part of France's CMA CGM Group has launched 'INDIAMED,' a new service linking the east Mediterranean region to India, Pakistan, Arabian Gulf and Djibouti.

The launch was marked with the maiden call of *m/v CMA CGM Virginia*. This milestone is an endeavour to utilize good connectivity and road map for more services to add which will be beneficial to Mundra, as it will save considerable time for trade and is closer to the National Capital Region in north India. It will serve as a game changer as the goods will reach their destination in less than 24 hours, giving an added boost to trade.

To commemorate the launch of this service, a function was held on board the vessel, graced by Audrey Dolhen, MD, CMA CGM, India, Ennarasu Karunesan, CEO, Mundra & Tuna Ports, Avinash Rai, COO, Rakshit Shah, ED, Capt. Kumar Paritosh, Terminal Head ACMTPL; Cherian Abraham, Terminal Head AICTPL, Jagdish Patel, Terminal Head AMCT, Paulson Joseph, CT Planning Head, Capt. Swaminathan, Commercial Director, Michel Azrak, Regional Director APL, Ajay Kumar KJ, Commercial Director APL.

The launch of this new service highlights the importance of North Indian hinterland for the CMA CGM Group. The service will comprise 5 x 4,250 teu vessels operating on fixed day weekly rotation, as follows: Khor Fakkan – Karachi – Mundra - Nhava Sheva – Djibouti – Jeddah – Damietta – Piraeus – Malta – Aliaga – Mersin – Port Said West – Khor Fakkan.

CMA CGM gathered its customers in Gandhidham for a meeting, where INDIAMED service was presented and also highlighted the growth plans with the launch of the CIMEX 2X service in mid-July, connecting Mundra, Hazira and Nhava Sheva to North Asia and other world-wide destinations. Earlier on July 5th, CMA-CGM had launched the new INDIAMED service to Mumbai as well when *CMA CGM Virginia* made its debut call at

# Boosting connectivity

INDIAMED service is an endeavour to utilize good connectivity and road map for more services to add which will be beneficial to the trade in the north Indian hinterland, as it will save considerable time and cost in moving cargo

by Omer Ahmed Siddiqui



Audrey Dolhen, Managing Director, CMA CGM India and Ennarasu Karunesan, CEO, Mundra & Tuna Ports, speaking at the launch of INDIAMED service.



APM Terminals Mumbai. The service, linking South Asia with ports in the Arabian Gulf and Mediterranean, was officially introduced on July 2nd, operating with vessels provided by CMA-CGM, its APL subsidiary, and Alliance partner COSCO.

The weekly INDIAMED service provides the fastest transit times between India and CMA CGM hub ports in the Mediterranean and Arabian Gulf, and expands the transshipment network through the MEGEM (East Mediterranean to/from Middle East destinations) and MEDEX (West Mediterranean to/from Middle East

and Indian Sub-Continent) services.

“We are excited to welcome this new service that expands India's markets into key ports of Mediterranean. We stay committed to CMA CGM and India's trade with our reliable and productive terminal services” stated APM Terminals Mumbai, COO, Ravi Gaitonde. The service rotation: Khor Fakkan, in the UAE; Karachi, Pakistan; Nhava Sheva (Mumbai), and Mundra, in India; Djibouti, on the Horn of Africa; Jeddah, Saudi Arabia; Damietta, Egypt; Piraeus, Greece; Malta; Aliaga and Mersin, in Turkey and Port Said West, Egypt. 



THE 2017  
GATEWAY  
AWARDS  
THE BENCHMARK OF INDIAN  
MARITIME BUSINESS

SEPTEMBER 08, 2017

The Lalit Mumbai

WHERE, ONLY THE BEST  
GET REWARDED.



**What is new with  
2017 Gateway Awards?**

- Categories more rationalised
- Data submission simplified
- No need for financial data

**So, what are you  
waiting for?  
Please rush in your  
nominations!**

A **maritime gateway** event

10<sup>TH</sup>  
ANNUAL  
AWARDS

Knowledge  
Partner  
& Process  
Validator



Building a better  
working world  
Ernst & Young LLP



# CYBER ATTACKS WILL HURT YOU



---

Cyber attacks are the new reality, the only question is 'when.' The key challenge for Indian firms is that most view cyber security as an "IT issue". India ranks third globally as a source of malicious activities and its enterprises are the sixth most targeted by cyber criminals. It is high time that shipping industry should wake up to this reality.

by Sisir Pradhan

**O**n June 27th, Ukraine came under the biggest cyber attack in its history, which spread to Europe and then to the coast of North and South America and beyond. In the process it affected many industries from banking to power to port sector. Meanwhile, EXIM trade at Nhava Sheva on June 28th woke up to a nasty surprise and this time it had nothing to do with long queues or operational issues there, rather APM Terminals Mumbai was forced to interrupt services as it was dealing with a world-wide unleash of cyber attacks on Maersk and its Group companies including APM Terminals.



It is not the first time port and shipping sector had come under cyber attack. **Lars Jensen, CEO, CyberKeel**, reminded, "The threat is significant, and has been severe for several years. At CyberKeel we have warned about such attacks, but the general state of affairs with the maritime sector is a low level of cyber security." In fact the Maritime Safety Committee (MSC) of International Maritime Organization (IMO) was very much aware of vulnerability of maritime sector. IMO said, "The 98th session of MSC adopted a resolution on maritime cyber risk management. In essence the resolution adopted at the MSC said that cyber risk should be included in International Safety Management (ISM) documentation by the year 2021.... The main point of the resolution is to clarify the situation and provide a deadline so that for port state control purposes, the cyber threat should be included by a certain date."

#### What went wrong!

Petya cyber attack on APM Terminals gathered much more attention and quick response from the government thanks to the widespread coverage that its predecessor, WannaCry ransomware had attained. Industry experts have been critical of the situation and stressed that port and shipping sector have been late entrants in coming onboard IT platforms. **Dr. Sandeep K. Shukla, Head, Department of Computer Science and Engineering, Poonam and Prabhu Goel Chair Professor, IIT, Kanpur** putting his perspective, said, "The attack was on the European system but then due to connectivity it crawled through the system. We need to stop being dependent on the FDI and foreign technology especially in the



critical infrastructure. If we did our entire port IT system ourselves, we could still be vulnerable to such attacks, but the dependence has made it much easier to be affected big time when something happens abroad. I think the government needs to invest in cyber security research, education, training, and develop capabilities and manpower."

It is challenging to assess the actual loss done to the trade due to cyber attacks which paralyzed terminal operations but it is yet to be ascertained what would be the damage in case of theft of critical data because shipping industry as a whole has millions of shipper and other information. On this, **Captain Vivek Anand, President, Mumbai and Nhava Sheva Ship Agents Association**, said, "The unfortunate attack on Maersk Group global system and its cascading impact on Indian operations have led to an unprecedented accumulation of import laden containers. Such incidents are industry agnostic and impact all spectrums of the economy and not restricted to the maritime industry in particular. In all such cases, there are back-up support of all data, which is a universal practice and hence we believe that all relevant data can be restored once issue is resolved and overcome. Coming to the June cyber ransomware attack on Maersk, the systems by now should have limped back to normal by the time this is published."

But the fact remains that port and shipping industry are prone to cyber threat as hundreds of shipper data is constantly uploaded onto their system, and any weak link can compromise others as well. **Rainer Horn, Press Spokesman, Hapag-Lloyd AG**, clarified, "In general cyber attacks are a permanent challenge in our industry. We have sophisticated and progressive systems in place and believe that our set up is pretty good. Furthermore, we have action plans in place including a Business Continuity Management. We have had already cyber-attacks against our systems, but of course our IT security experts do everything to keep malicious software out of our systems."

#### Contingency, Risk Assessment & Damage Control

The attack on APM Terminals Mumbai should be treated as a wakeup call by the industry and the government to build robust system to stay immune in the future or to minimize loss. **Dr. Sandeep K. Shukla of IIT Kanpur** emphasized on regular data backup, standby servers, software to enable reinstatement of the system within minutes from the backup when such attacks happen – that is a proper

recovery plan and technology must be developed. Ukraine power grid recovered within an hour in the last attack on them – whereas a year before they took many hours. They learnt from their mistakes and worked on resilience and recovery plan thoroughly.

With mounting data, gradually companies are moving towards cloud-based platforms. Moreover, many shipping lines due to global nature of their business have offshore data and support centers. They also have data centers on Indian shores to leverage from low labor cost and IT capability. But now it is time for a thorough evaluation of these service centers in India and elsewhere. For example, Hapag-Lloyd AG has service centers in India, and when asked about the risk factor of offshore servers, **Rainer Horn, Press Spokesman, Hapag-Lloyd AG**

assured, “We have service centers in India as well, and the same security levels apply as anywhere else in our organization since they are an integral part of it. In fact, we had outage at one of our centers some years ago due to a fire in the building. The water by the fire fighters destroyed the electric system of the whole building. Our contingency plan worked very well and no container had to be left on a terminal worldwide and all ships sailed as scheduled. After two days all affected colleagues of the center started working again with new hard-ware in an alternative office space close-by.”

Speaking on risk assessment and preventive measures, **Kate B. Belmont, Associate (Maritime), Blank Rome LLP, and President, WISTA, New York/New Jersey chapter**, said, “One of the most fundamental things that a port, or any company, should do to prevent cyber attacks is conduct a cyber security vulnerability assessment. In addition, port operators, shipping companies and all businesses reliant on information and communication technology (“ICT”) must continue to implement security controls such as protective technology, as well as develop operational procedures that include risk assessments and asset management, awareness



## ANIL DIGGIKAR, CHAIRMAN, JNPT



Some preventive measures like the firewall with Intrusion Prevention System at Internet Gateway Level has been installed, with High Availability mode for protection against any cyber attack. We undertake regular updating of the security patches for firewall, Windows OD on servers, laptops and desktops. Implementation of Data Leakage Protection at Gateway level; Anti-virus on all servers, laptops and desktops; reviewing domain policy for all users; and Revoking Remote server Connectivity privileges have been put in place. We have disabled all USB ports across all systems in laptops and desktops. We have initiated action for conducting Vulnerability Assessment Penetration Testing for the entire IT infrastructure at JNPT and created Demilitarized Zone for critical servers. We have restricted accessibility for all staff to only official email services and applied restricted URL policy for accessing websites through the internet.

and training, information security procedures, detection processes and response and recovery plans. Human error continues to be a significant factor in breaches, hacks and ransomware attacks and while technical upgrades are necessary, developing an effective cyber security culture is critical to managing cyber risk.”

**The most vulnerable port systems include, cargo management systems, automated cargo handling systems, autonomous gantry cranes, automatic identification systems (“AIS”) and global positioning systems (“GPS”), Belmont emphasized.**

Meanwhile, taking cognizance of the severity, the second edition of The Guidelines on Cyber Security Onboard Ships has been released in early July by a joint industry working group, whose members are BIMCO, Cruise Lines International Association (CLIA), International Chamber of Shipping (ICS), International Association of Dry Cargo Shipowners (INTERCARGO), International Association of Independent Tanker Owners (INTERTANKO), International Union of Maritime Insurance (IUMI) and Oil Companies International Marine Forum (OCIMF). The second edition includes among others new practical advice on managing the ship to shore interface, and how to handle cyber security during port calls and when communicating with the shore side. Similarly, the International Association of Ports & Harbors (IAPH) in its Annual General Meeting in May

at Bali had adopted a resolution on “Planning cyber security program to reduce cyber risks”, informed **Hiro Nagai, Under Secretary, IAPH.**

Common perceptions amid small business entities are that an anti-virus software has enough fire power to protect their business. One needs to understand that standard tools such as firewalls and anti-virus are quite ineffective. A very good anti-virus program will only catch something like 50 per cent of the computer viruses out there. But, according to a technical update from Microsoft, a significant part of the spread of the newest virus could have been prevented if the systems had the newest updated version and had been properly configured for defense-in-depth. Note that both of these conditions have to be met - it is not enough to have the latest updates, the network configuration also have to be done to prevent internal lateral spread of an intrusion.

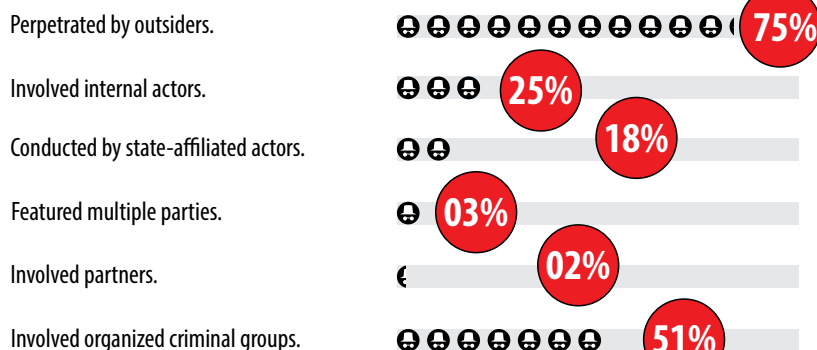
### Bringing business back to normal

Cyber experts strongly recommend for effective segregation of networks and servers where one stores critical information. Hence, in case of one network or server coming under attack, it could be plugged off thus not affecting the entire network or server. Moreover, procedural control, network security, data classification and most importantly data backup remains key to bring business back to normal at the earliest. Maersk is in the small group of companies which had at least devoted some time and resource

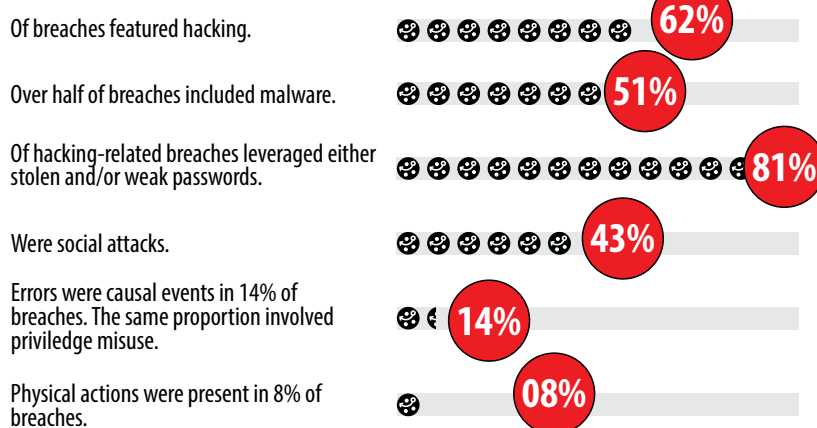


## CYBER ATTACK ANALYSIS BY VERIZON- 2016

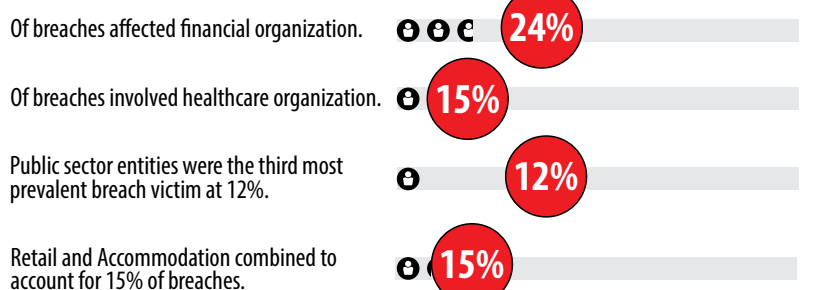
### WHO'S BEHIND THE BREACHES?



### WHAT TACTICS DO THEY USE?



### WHO ARE THE VICTIMS?



in the last few years to improve cyber security, and the fact that they can be so comprehensively shut down further demonstrates the risk to the entire maritime sector. In much smaller scale, there have in the past been cases of stolen data - usually used to smuggle or steal cargo.

**Matthew Williams, Senior Marine Adviser, International Chamber of Shipping** has words of caution for the trade. He said, "New technol-

ogy which increases connectivity will provide new opportunities and new risks in many industries, including international shipping. Petya should be a catalyst for shipping companies and ports worldwide to critically review the resilience of their operations to ransomware and other similar attacks. Petya is not a unique event."

It is a transition time for Indian port and maritime sector as the country slowly moves towards a digital

economy. Hence, several steps need to be in place - also known as defense-in-depth to secure business. All systems must constantly be updated with the latest upgrades and patches, and this should be a standard routing performed very quickly after each release of patches. Elaborating the need to give importance to IT infrastructure, **Lars Jensen, CEO, CyberKeel** explained, "We made a study a week ago on a sample of ports showing that 20 per cent had not applied a patch which is 2½ years old and protects against significant threats identified 2½ years ago. The system needs to have a high level of external cyber security, making it as difficult as possible to gain entry into the system. But it must also be realized that the external defenses will sometimes be penetrated. Therefore the internal network must be configured in such a way that even if I penetrate a computer in the company, then I cannot easily move further into the network. The third step is monitoring the network activity and being able to realize a cyber attack takes place, and if it becomes clear that both the external and the internal defenses have failed, then quickly be able to shut down everything. The final important layer is to have a very solid back-up plan. We have for several years advised our client to have a contingency plan based on the assumption that everything is gone."

Imagine a situation where data files, computers, communication systems - everything is gone. And then be able to re-start quickly from that point. The situation could be scary for any business. Such an event is a realistic scenario, and have been seen not only in other industries before, but also on a smaller scale in the shipping industry. In order to test whether the defense systems are set up correctly there is a need to perform penetration tests of both the external and the internal defenses by very skilled hackers who perform such tests, and the results are used to quickly and efficiently improve cyber defenses. Indian port and shipping industry is slowly but surely moving towards a paperless environment but in the backdrop of cyber attack on India's busiest container terminal, and some other facilities in India and other parts of the world, threat from cyber attack is getting bigger by the day. It is time to consider investment in IT a core business strategy. [img](#)

# “PETYA IS A WIPER, NOT A RANSOMWARE”

**ASHISH THAPAR**  
MANAGING PRINCIPAL - INVESTIGATIVE RESPONSE  
APJ AT VERIZON ENTERPRISE SOLUTIONS



**Q Govt and organizations don't take cyber threat seriously. How you look at it?**

Indian government sometime back initiated national cyber security strategy under the aegis of Dr. Gulshan Rai. But it requires lot more in terms of strong outline, standards, and procedures to deal with adversaries. Transportation is a critical sector, especially maritime industry where more than 90 per cent of world trade is moved. If it is not consider as critical infrastructure, then the focus is missing in building a robust national cyber security strategy. This industry is not like banking sector where one has regulators like RBI who make it mandatory to have certain policies to keep check on ill practices. **Few days ago Singapore government came up with its new Cyber Security Law, which has lot of focus on critical infrastructure, and logistics industry was one of them. It is time the Indian government should come up with clear guidelines and policy for some baseline control of critical infrastructure such as logistics and maritime sector.**

Verizon's Data Breach Digest Report 2016, highlights the maritime industry involving CMS vulnerabilities where Content Management Server was compromised which had B/L of a shipping company. There were unauthorized download to identify containers carrying high value items.

**Q How do you look at preparedness towards cyber security threat?**

Current state of cyber security is very dynamic and complex. In one hand there are IT and cyber security

related threat and on the other hand there are issues related to operational technologies such as industrial control system, radar, supervisory control system, etc, apart from many IoT solutions that have been implemented to optimize operation and business. From regulatory standpoint the industry was completely unregulated and except laws of the land, there is no protection or mandatory compliance requirement for this industry.

**Q The Maersk attack emanated from Ukraine and through the company's global network it reached India. In case of Maersk, it is blamed that the origin of the worm was a patch of an accounting software MeDoc which was used by one the subsidiary companies of Maersk in Ukraine and through Maersk it affected the parent company.** Being prepared with disaster recovery plan, robust back-up, preventive and detective controls, and detailed instant response manual can help companies to bring operation back to normal in quick succession. Tight network policies on firewall, and segregation of networks to contain spread of virus to other parts of networks is needed. Since the infection spread to various countries and reached India which means may be Maersk doesn't has robust network protection mechanism.

It was not a targeted attack on Indian shipping industry. In fact if we go into the details, it is not



**The worm originated in Ukraine, and spread to various countries and reached India which means may be Maersk doesn't has robust network protection mechanism.**



a ransomware but it was meant to be a wiper, so that the data is never recoverable. It is now being called more as nation-state cyber attack with an intension to badly impact Ukraine. If a cyber attack of this scale is unleashed against India, the maritime and shipping industry will be severely affected. Indian shipping and port industry need to do a lot to sharpen themselves to counter such cyber warfare. In case of a cyber attack one should not pay any ransom as the word spreads very fast among the hacking community, and at the end one is inviting more attacks. Still in some cases companies end up paying ransom but Bitcoins are expensive and due to such incidents currently it trades at US\$2,600 per Bitcoin as compared to few hundred dollars some months ago. [img](#)



# “REGULARLY UPDATE”

**ALTAH HALDE**  
MD (SOUTH ASIA), KASPERSKY LAB



**Q How serious are future threats from Ransomware and other similar cyber attacks? How organizations can be better prepared?**

Victims often try to keep successful hacks a secret. The reason for this is that the maritime companies value their reputation more than the money they actually lose. In many cases companies are unaware they have been hacked. Another problem is that in cases of an onboard device hack, many sailors are not ready to manage it. For instance, a GPS break can send a ship off-course while making her appear to be on-course. This can lead to collision and delay in freight delivery.

One should back up important files regularly and check that back up copy is in good condition. Cybercriminal often distribute fake email messages mimicking email notifications from an online store or a bank, luring a user to click on a malicious link and distribute malware. This method is called phishing. Fine-tune your anti-spam settings and never open attachments sent by an unknown sender. Enable ‘Show file extensions’ option in the Windows settings. This will make it much easier to distinguish potentially malicious files. As Trojans are programs, you should be warned to stay away from file extensions like “exe”, “vbs” and “scr”. You need to keep a vigilant eye on this as many familiar file types can also be dangerous. Scammers could use several extensions to masquerade a malicious file as a video, photo,

or a document (like hot-chics.avi.exe or doc.scr). Regularly update your operating system, browser, antivirus, and other programs. Use a robust antivirus program to protect your system from ransomware. If one discovers a rogue or unknown process on your machine, cut off the Internet connection immediately. If the ransomware did not manage to erase the encryption key from your computer, there’s still a chance you can restore the files. However, the new strains of this type of malware use a predefined key, so this tip, unfortunately, would not work in that case. If you are unlucky to have your files encrypted, don’t pay the ransom, unless the instant access to some of your files is critical. In fact, each payment fuels this unlawful business. If you have been infected, you should try to find out the name of the malware: maybe it’s an older version and it is relatively simple to restore the files. Moreover, the police and cyber security experts collaborate to detain the adversaries and provide file restoration tools online. <https://www.nomoreransom.org/>

**Q Why enterprise cyber security solution providers have not been able to deal effectively with the latest cyber threat?**

There are cyber attacks that occur on the same day a weakness is



**With cargo operations relying more on automation, cyber threat always looms large. Certain procedural practises always needs to be followed to secure business and minimise loss. In a connected world, it is inevitable that there will be security breach**



discovered in a software, also known as zero day vulnerability. It is known as “zero-day” because zero time has passed since the bug’s existence was disclosed. The fewer the days the bug has been known about, the higher the chances that it has no mitigation. Organizations at risk from such exploits can employ several means of detection, including using virtual local area networks (LANs) to protect transmitted data, by making use of a firewall and using a secure Wi-Fi system to protect against wireless malware attacks. [UBS](#)

# “RECENT ATTACKS BY WANNACRY AND PETYA USED A 2 MONTH OLD EXPLOIT”

**ROHIT CHEMBURKAR**

CO - FOUNDER & CHIEF TECHNOLOGY OFFICER - VAMASHIP



**Q What precautions the industry needs to take while shifting to a Web or cloud-based platform?**

Businesses that are moving towards Web and cloud based platforms should prioritize security. It's not just about going live on the Web, but one needs to ensure that all best security practices are being followed. It is difficult to estimate the loss caused due to these attacks, as they could be direct and indirect such as live systems being taken down by the attacks and indirect being businesses that would want to go live on the Web and scale, but are deterred by such attacks.

**Q Since cyber threats are here to stay, how one can minimize risk?**

A business should always keep their software updated, mainly their Operating System. The Operating System should not be outdated, most of the machines that got infected with the WannaCry malware were older Windows Operating Systems. Have strong Users Rights Policies on machines, so that even if users do encounter a malware, the malware won't be able to infect the machine. There should be a firewall which is updated to protect the entire network. Regularly change passwords and secret keys. Keep strong password policies. Keep regular backups of the business data. For websites, have backup servers, to which visitors can be redirected, in case the primary server fails. Always encrypt sensitive data in the databases, so that it can't be misused even if

stolen. Disconnecting the suspicious machines from the internet and local network should stop the malware from spreading. Inform all stakeholders about the attack and to be careful of opening any attachments that could've been auto sent. Get an IT security expert to check the infected machines and identify the malware and use an antivirus/antimalware to try and remove it, failing which one would take a backup and reinstall all softwares.

**Q How hackers have been able to dodge cyber safety net?**

The recent attacks WannaCry and Petya used a 2 month old exploit. Microsoft had released the security updates for those 2 months ago. Computers that did not update were open to the exploit. So this is more of an execution problem at the enterprise cyber security solution providers' end.

**Q Maersk Line and Hewlett-Packard Denmark had signed a \$150 million 5-year infrastructure services agreement in 2011 to use HP's cloud-enabled data centers. Is this a question mark on the robustness of the cloud computing solutions?**

The 5-years infrastructure services agreement would have ended in 2016. The cloud computing solution at Maersk was not affected, it was the Service Desk function which HP had taken over in addition, which



**The recent attacks by WannaCry and Petya used a two month old exploit. Microsoft had released the security updates for those two months ago. Computers that did not update were open to the attack**



got affected, which as in the previous question is an execution problem.

**Q What is your assessment of the situation about data theft?**

Cyber criminals and Cyber security experts are always trying to be one up on the other, Cyber security experts will create secure systems, cyber criminals will eventually crack it and then security updates will be released and this will go on forever. Many big firms like facebook and google invite hackers to try and infiltrate their systems, so that they can plug it before someone with malicious intent figures it out. There are ways to secure the data in databases, even if it is stolen it wouldn't be of any use to them and this should be followed. [img](#)





Offering shipping and allied services on a single platform is not new to India, but Cogo Port makes it frictionless by minimising people interface and sustaining the time and cost saving

by Deepika Amirapu

# The Digital Era of Moving Cargo

Sometime in the spring of 2017, Cogo Port began its journey when Purender Shekhar decided to plant the seeds of this new logistics start-up in Ahmedabad. With Cogo, which means to ‘bring together’ in Latin, he planned to do just that at ports which are points of congregation for anyone who wants to move goods.

Today, almost six months later, the firm’s business is growing at an astounding 25 per cent every month. Shekhar waved the technology before the shipping industry that was tech deprived in a sector where business was mainly driven by old relationships and dictates from the board rooms. For someone who has been part of the industry for more than two decades with AP Moller Maersk and the Panalpina Group, he didn’t have to conduct an intense market research to see what was missing.

“I wanted to simplify logistics for the shipper and the vendor. So Cogo Port fits in the international logistics chain that makes moving goods from and to destinations a child’s play through a tech enabled platform,” Shekhar explains. Through a few clicks, he says booking space on a ship has become as easy as booking an air ticket on one of the online platforms.



Much like the aggregators in the road transportation space, Cogo Port offers an array of services for shippers wanting to move their wares from India to other parts of the world. From a curated list of suppliers and vendors, shipper can choose to have his goods picked up from his warehouse or factory and have them dropped to his customer’s preferred location overseas.


What makes Cogo Port desirable by almost 1,600 customers is that the firm owns the responsibility of ensuring the services are offered efficiently and the transaction process is completed. “Our services do not end with match-making once the shipper has found his transporter. In fact, it begins there,” Shekhar says.

Once the shipper completes his documentation online, he can view all the processes that are underway on his personalised dashboard on the site. While Cogo’s Central Control Tower in Mumbai monitors all activity to ensure the freight forwarders, custom house agents and clearing agents complete their tasks on time, the shipper can track his container real time too. With all the documentation process completed online without handling papers and files, the shipper can focus on his business. Shekhar lists transparency and convenience, operational and commercial analytics and digitisation of documents as the three advantages

his clientele enjoy availing shipping services through his portal.

While the platform caters to ocean transport and air freight requests end to end, road transportation requests will be formally encouraged in a few months from now once its list of 390 suppliers grows in strength. What sustains Cogo Port apart from loyalty and quality service are identified sources of revenue streams for the services rendered. The customer is levied a convenience fee for using the portal and the vendors have to cough up commission after being chosen as a service provider.

This model of offering all shipping and related services on one platform is not alien to India with quite many aggregators operating in the trucking space. But ask Shekhar how he galvanised his team of techies and shippers, he’ll tell you the names of two US based firms – Flexport, a customs broker and freight forwarder and Freightos, a similar firm from whom he drew his inspiration. “I want to make trade frictionless in India through Cogo Port,” he says. From freight quoting to deploying large software systems and fulfilment technology, Cogo Port has created a splash.

Four months from now, newer markets in Gujarat will be services in addition to Ahmedabad. And come March 2018, Cogo Port will be thrown open to all LCL, FCL and air freight operators and customers to do business. “My vision is to ensure there is no scope for error by minimising people interface and sustain the time and cost saving of 48 hours for my customers.” This perhaps is the summation of Cogo Port’s mission. 

# "IoT will drive greater Efficiency"

The current trend in shipping is for focused solutions that solve issues like dwell-time management, empties management, integration between inland and ocean movements, and tracking of containers door-to-door."

by Omer Ahmed Siddiqui

## Q How was INTTRA transaction growth last year and in Q1, 2017?

Although we have seen some improvements in freight rates in the first quarter of the year, we have witnessed disruption in services due to various reasons, realignment of alliances and shortage of equipment in some regions which have dampened the market.

For our business growth has been driven by increasing adoption of technology in the container shipping sector. Last year we enjoyed 15 per cent growth in volumes and expect it to continue into 2017.

## Q How is the pace of technology adoption in shipping? What are the trends in Asia Pacific market?

Carriers and freight forwarders are turning to technology to eliminate waste, improve customer service, reduce manual labour and streamline the industry.

Intra-Asia shipping is world's biggest tradelane in terms of volume. The complexities of shipping are many given the multiple borders, customs procedures and relatively

short transit times between regional ports. The velocity of container movement is higher with 2-3 day journeys between ports, so adopting new technology will have a more immediate impact.

## Q Who are your active adopters? Where is most of the business coming from?

Shippers, freight forwarders and carriers are adopting new technology to digitize many of the shipping processes, such as booking and tracking a container on a vessel and the logistics of working with the land operations. Asia is the fastest growing region.

## Q When new SOLAS guidelines came on VGM you came up with eVGM solution. But VGM enforcement seems to be not very effective. Comment?

To spark industry collaboration, INTTRA launched the eVGM Initiative, a non-commercial group consisting of more than a dozen leading carriers, freight forwarders, ports and terminals working to develop technology and business process standards to foster industry-wide compliance with SOLAS VGM. It was a success



Vijay Minocha  
President - Asia Pacific, INTTRA Ltd

## In ocean freight supply chain what are the risks and how INTTRA addresses them?

The main risks are to companies that continue to operate traditionally, their competitors who adopt new technology will quickly start to gain market share. In the past, many big IT projects that soured IT advancements for the ocean industry have failed publicly. The current trend in shipping is for focused solutions that solve issues like dwell time management, empties management, integration between inland and ocean movements, and tracking for containers door-to-door.

improve shipment planning decisions, customer service and reduce cost by tracking valuable KPI's, among other features. We also published a white paper - 'Blueprint 2032: How Technology Transforms Ocean Container Shipping.'

INTTRA sees three technology trends converging in the near term: Network integration across systems, applications and

and it has helped us further our development of other digital solutions that can support our growing customer base.

I think when any global regulation is introduced it takes time for the authorities to put in place the necessary enforcement network.

## Q What is new at INTTRA?

Earlier this year we launched 'INTTRA dashboards' that helps to

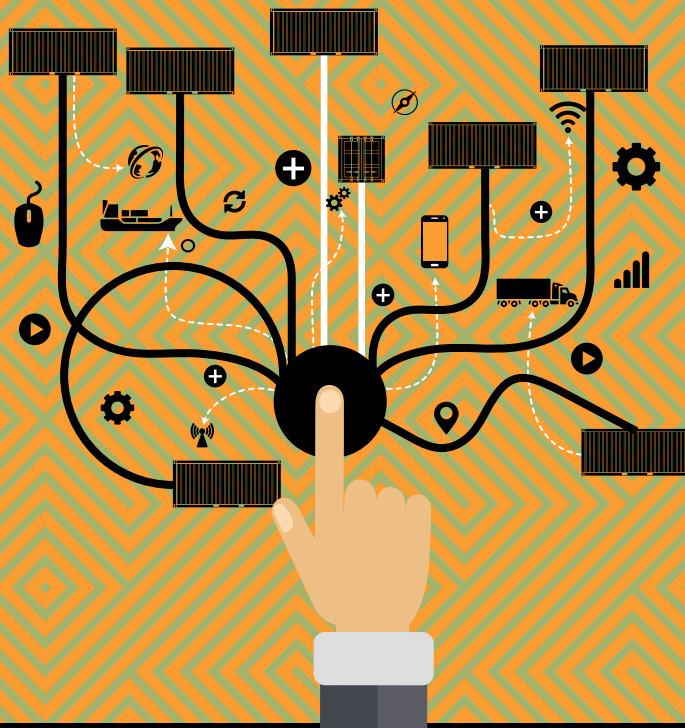
partners: Technology such as Blockchain will simplify transaction processes and reduce costs; Real-time status of containers and cargo; Tracking devices connected by the "Internet of Things driving greater efficiencies and improving shipment planning;

Artificial Intelligence: A.I. will enable companies to transition from big data to more accessible business analytics that will suggest higher probability outcomes. [mg](#)



THEME  
**RIDING THE WAVES OF CHANGE**

**SEPTEMBER 08, 2017**  
**The Lalit Mumbai**



**PROGRAMME**

- 09:30-11:30 hrs : **Parliamentary Debate**  
**This House believes that the shipping industry is facing regulation overload.**
- Three speakers for the motion and three speakers against will put forward their opinions, followed by a floor debate and concluding with a vote.
- 11:30-12:00 hrs : Refreshment Break
- 12:00-13:30 hrs : **Digitalization and Transformation in Container Shipping**
- What will be the biggest disrupters or transformers in Container Shipping?  
 What will be the economic impact of digitalization on shipping?
  - IOT and Benefits of digitalization
  - **Commoditization of shipping business:** e-Commerce companies are threat or opportunity?
  - **Block chain technology**  
 How will it conduct, manage, and track transactions in the shipping supply chain?
  - **Smart Transport logistics**  
 Redesigning Container supply chains in Digital Era
  - **Port Community System 2.0** Why we need it?
- 13:30-14:30 hrs : Lunch Break
- 14:30-16:00 hrs : **Future of Container Supply Chains**
- Lessons learnt from Direct-Port Delivery (DPD)
  - **Survival of Container Freight Stations** Evolving business models
  - Supply Chain Transparency; Stakeholders responsibility
  - Smart Ships, Smart Ports and Smart Containers
  - **Aggregators**  
 Uberisation of Road and Rail Transport
- 16:00-16:10 hrs : Closing Remarks

**all cargo** logistics Ltd.  
 Ingenuity In Motion  
 presents

**CONTAINERS INDIA 2017**  
 TOMORROW IS HERE

The most thought provoking conference on container trade

Knowledge Partner



Strategic Partner



Associate Sponsor



Session Sponsor



Delegate Kit Sponsor



Tea / Coffee Sponsor



Lanyard Sponsor



Supporting Partners



Cruise tourism is the driver of growth in the areas touched by it. Ocean cruises have impact on ports and the area within 50 kms of the port. River cruises have the potential to foster economic development along the route. "India is an emerging market and with cruise holidays gaining popularity the number of passengers is on the rise and this is a trend I foresee continue into the coming 3-4 years," reveals **Kunal Sampat, General Manager - India, MSC Cruises.**

In the last one year we have noticed people cruising from Mumbai to Cochin and then to Mali or Colombo.



Earlier the ships used to be full with foreigners and NRIs, but now Indians are also boarding the ship from Mumbai, reveals

**Girish Thomas, Sr. Dy. Traffic Manager, Cochin Port.**



In 2016-17, cruise vessels made 158 calls at ports in Mumbai, Cochin, Goa, New

Mangalore and Chennai.

Very few people (about 130,000 to 140,000 annually) opt for cruise tourism in India and the number is less than one per cent of the total market. In 2014-15 a total of 1,04,125 cruise passengers were handled at five major ports which increased to 1,25,838 during 2015-16 achieving a growth of 20.85 per cent over the previous year. In 2016-17, about 1.92 lakh cruise passengers embarked/disembarked at major ports. The country has potential to grow to 1.5 million by the year 2031-32 and by 4 million by 2042-43.

About 300-400 passengers boarded a cruise from Cochin Port last year and the number of transit passengers was around 60,000 to 75,000. According to Girish Thomas, "About 45 cruise ships called Cochin port in 2016, compared to 35 calls in 2015. Big cruises like Queen Elisabeth call at only Cochin Port as they are too big to call at any other port."

Pointing at the merits of his port, Girish says, "Cochin has a full-fledged terminal for cruise wherein all operations like Customs and immigration clearance can be done under a single roof. E-visa facility is available at the port and it offers up to 30 per cent discount to the ships."



# The Cruise and The Golden Egg

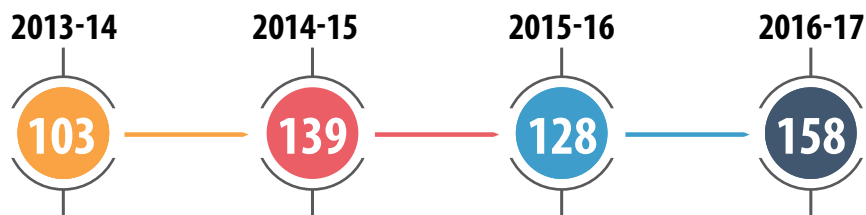
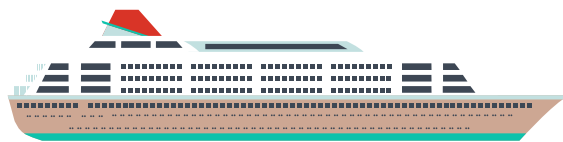
Cruise tourism is an emerging sector in India with huge potential for contributing to the national economy and generating employment. The winds seem to favour the industry as the government has raised the sails to give a major push to the sector by framing a favourable policy to make cruise tourism attractive and hassle-free

by Omer Ahmed Siddiqui





**CRUISE VESSELS HANDLED AT MUMBAI, MORMUGAO, COCHIN, NEW MANGALORE AND CHENNAI PORTS**



**Demography**

At present, Indian cruise market is significantly dominated by International passengers. However, with Costa Neoclassica partial coastal (Indian ports) deployment, has seen exponential rise in Indian passengers. The dominant age group is generally in the 30-45 years range. The next closest bracket being 60-75. The age group also depends on the destination. Alaska and Europe would be on the older side and Singapore would be on the younger side.

**Why opt for cruise tourism?**

Hassel-free means of travel and tourism – luxury, adventure, entertainment, food, medical and all essential amenities under one roof is the key for choosing cruise tourism. Security in terms of time and money, and stress-free adventure are the two main reasons.

**Families:** Cruise ships offer baby-sitting and kid’s entertainment, making it a relatively convenient option for families. So, kids may be left in the kids’ club, while parents are watching the evening shows and grand-parents are lying in.

**New travellers:** A lot of new travellers, when they go to Europe or any place new, covering many destinations. The process of figuring out transfers, immigration can be a bit daunting. The ship to some extent holds your hand in bringing you to your destinations thus avoiding too many transfers, while allowing the traveller to see many places on one holiday.

**Corporates:** A cruise ship is an easy venue to balance holiday and work for corporate events. There is easy access to meeting rooms, conference centres, auditoriums, cocktail venues and entertainment.

**Elder persons:** You only have to manage getting on and off the ship even when visiting different locations you don’t have to catch different flights or check in different hotels.

**Cruises calling Indian ports**

Since last season, Costa under Carnival Corporation is the main operator in India. Apart from this, other cruise corporations such as AIDA, Princess, Seabourn, HAL, Cunard (under Carnival Corp.), Celebrity, Azamara, Tui (under Royal Caribbean Corp Ltd) and Reagent Seven Seas (Norwegian Cruise Holding) called Indian ports for few calls.

The GSAs include Thomas Cook, SOTC (including Kuoni), Cox n Kings and DePauls. The consolidators for specific cruise liners are Ark/Guide-line for Star Cruises (Celebrity), Tirun (Royal Caribbean), Lotus Destination (Costa), Sharaf travels (MSC).

**Cruise destinations**

Popular destinations for Indian travellers are the Mediterranean (east & west), North Europe. In 2016, some 120,000 plus Indians cruised world-

wide. Of those, more than 100,000 flew to Singapore and cruised to primarily Southeast Asia. As indicated, Singapore remains the top cruising destination followed by Western Europe (Italy, Spain) and then Alaska and Miami/Orlando. Dubai is a new destination gaining popularity.

**Cruise season**

Cruise season extend from October to April-May. Not surprisingly, the peak rush tends to be around holidays/wedding season, so the main periods are around Mid-April, May, mid-June), Diwali (October, November) and Christmas/NY (December, January).

**Measures taken by govt**

SoPs for handling cruise vessels and passengers have been implemented. Foreign flag vessels are allowed to call at Indian ports without obtaining license from DG Shipping. Port-level Committees have been constituted to address manpower, coordination and logistics issues. A rebate of 30 per cent is given at Major Ports in Port charges. Additional rebate of 25 per cent is for home port cruise vessels in addition to 40 per cent rebate for coastal cruise. E-Visa facility is extended to five major ports. Proposals are made to introduce e-Landing card for cruise passengers. The number of days a cruise ship can dock has been increased to three.

“None of the Indian ports can be currently termed as a full-fledged cruise terminal. The government should also cut down the tax structure which is quite high,” remarks Kunal.

**Cruise Tourism Policy**

The government is working on a cruise tourism policy to increase the cruise liner traffic to India 10-fold to

## KEY RECOMMENDATIONS BY A GLOBAL CONSULTANT FOR DEVELOPING CRUISE TOURISM IN INDIA

### STRENGTH

- Strong brand – Incredible India
- Rich in history, culture and attractions
- Potential for good revenue from shore excursions
- India is a tech savvy country / ease to modernize systems

### WEAKNESS

- Little demand from India as a cruise destination
- Visa process is lengthy, complicated and expensive
- Clearance and Immigration procedures are lengthy, complicated and inconsistent from port to port
- High port fees based on Gross Tonnage
- Attractions located far from ports
- Ports not adequate for cruise
- Cabotage restrictions for Indians to travel in Indian itineraries (shorter cruises are most preferred by Indians)
- Passenger experience is damaged by complicated immigration and security processes at the pier

### THREAT

- No changes and improvements on regulations and processes
- Excess bureaucracy remains an obstacle
- No development on port infrastructure
- Cruise terminals being built are not aligned with the future operational needs of the mega liners (over 4000 pax)
- No cooperation between the stakeholders


### OPPORTUNITY

- Framing long-term cruise business strategy
- Focus on delivering outstanding passenger experience
- Create awareness and demand for India as a cruise destination
- Improve service and attitude and create a new awareness at national and international level
- Clearance and immigration procedures to meet international standards
- Assist cruise lines and India stakeholders to make more revenue from tours
- Tourism board to develop a cruise strategy targeting B2C and supporting B2B (together with ports, operators, agents)
- Product development for cruise to be done at destination level
- Guide training programmes
- Port authorities to assign cruise manager for each port
- Cruise coordinators to be assigned for each destination
- Expand river cruise activities
- Port infrastructure developed for cruise operations and future expansion
- Develop cooperation with Sri Lanka, Maldives and Arabian Gulf ports
- Implement berth allocation policy
- Develop new ports and destinations in India
- Improve tender facilities to access islands and small ports
- Regional partnerships to expand market can be made with Muscat, Male, Colombo, Port Blair, Singapore, etc.

700 vessels a year. "Cruise tourism can be India's economic growth engine and it has vast untapped potential. In a month, shipping ministry in collaboration with tourism ministry is going to bring India's first cruise tourism policy," announced Nitin Gadkari, Minister for Road Transport, Highways and Shipping.

To start with, five ports – Mumbai, Goa, Mangalore, Chennai and Kochi – will be developed as cruise hubs. World-class berths for cruise ships will be developed and security and immigration procedures for tourists will be simplified. Modern cruise terminals being developed at major ports will include hospitality, retail, shopping and restaurants, while about 200 minor ports will develop jetties. Currently cruise tourism is not taxed and the shipping ministry has asked to exempt cruise tourism from GST.

Key recommendations by a global consultant engaged by the ministry of shipping for promoting cruise tourism:

- (i) Single window system for all pre-cruise requirements for cruise operators like entry of vehicles, personnel and guides electronically, doing away with checking of registration, license papers of vehicle each time.
- (ii) Create a dedicated approach road and entrance to the cruise terminals.
- (iii) Uniform and consistent security procedures by CISF at all ports.
- (iv) Adequate security and access to the port for passengers overnight and while visiting local venues.
- (v) Security checks for embarking passengers would be done only once.
- (vi) Use of technology for clearances, providing passenger manifest to CISF and doing away with manual time-consuming process.
- (vii) Implementation of green lane/red lane at existing terminals with random Customs checking.
- (viii) Declaration of only limited items of inventory of the cruise ships in place of the existing requirement of having the complete inventory for all the stocks. 





**Sanjeev Chopra, IAS**  
Principal Secretary, Industries Department, Govt. of Odisha

## "Focus is more on rail and inland water transport"

Odisha has climbed 40 per cent points in business compliance. Increasing investment in diversified sectors, diverting more cargo from road to rail and waterways are on the cards.

by Sisir Pradhan

### **Q What are the major logistics challenges raised by the industry?**

Major logistic challenges are primarily for the movement of bulk cargo which is largely by road. The government is planning to shift road cargo to rail and inland waterways. The National Inland Waterways No 5 is going to connect coal fields to the ports at Dhamra and Paradip. There have been allegations that freight rates for moving bulk cargo by road are being cartelized. We have formed a rail company - Mahanadi Coal Railway Ltd for faster evacuation of coal. The state government has been very proactive in using state resources to develop rail network. For a long time major rail networks that Odisha had was Kolkata-Mumbai and Kolkata-Chennai railway lines. The state is intending to improve rail network in the hinterland for freight movement. Once the new eastern economic corridor comes up, it will make cargo movement easier.

### **Q Which are the major industries that the state government is focusing on for investment?**

The state government looks to increase the base of industrial growth in the region. Primarily industrial growth in the state in the last many decades has been around metal and mineral-based industries, but now the

state government wants to increase investment in other sectors as well. For which a 10-year plan, named as Vision-2025 was started in the year 2016. The focus is to identify new sectors where investment and industrial growth can be encouraged. As a result, around six sectors such as Ancillary and Downstream Industries in Metal Sector; Chemicals, Plastics and Petrochemicals; Electronics Manufacturing; Food Processing including Sea Food; and Textiles and Apparel, among others have been identified for investment promotion. Just before the Make In Odisha investors' summit the state cabinet passed about nine sector specific policies to facilitate investment. The state also extends various incentives and other eco-system at par with other states. Moreover, the extension of Eastern Economic Corridor upto Kolkata will include Odisha, and the government aims to leverage from this. The spine of the corridor is national highways from Kolkata to Chennai and state is in the process of identifying 6 manufacturing and economic nodes where manufacturing infrastructure will take place.

### **Q How would you rate business facilitation and approvals in Odisha as compared to other states?**

Odisha is stressing on ease of doing

business. The state has climbed 40 per cent points in business compliance, 52 per cent in the year 2015 to 92 per cent in 2016. We are leveraging from technology, so that there is no physical touch point between the investor and government, or rather to reduce to the minimum extent. We have a land bank of 100,000 acres mapped on a GIS platform. The entire inspection system is being monitored through online portal. For example, inspectors of various departments visit respective industries on a pre-determined date, and the inspection reports are uploaded onto a Web portal within 48hrs. After allotment of land, if an investor wants any change, it could be done online. Similarly, around 14 government services have been shifted to online platform. The focus is to leverage on technology to bring down project approval time. For example, any green category industry which fall under non-polluting category can be sanctioned at my level, and later it may go to Chief Secretary or Chief Minister for ratification if the project involves high investment. Projects falling under non-green category go to Chief Secretary where it takes maximum 30 days for clearance, though the state govt is trying to cut down the time in this category as well. **MB**



# Ease of trade through TFA

The TFA entered into force on 22 February 2017 after two-third of the WTO membership completed their domestic ratification process. It offers greater trade opportunity to those who are ready to undergo change to stay in compliance with the TFA norms. It will force all stakeholders, including the government agencies, to go through great change

by Sisir Pradhan

One of the primary principles of the trading system under WTO is to provide a level playing field to all member countries. Its aim is to eliminate all sorts of discriminations and remove tariff and non-tariff barriers. Meanwhile, other than the protectionism, the second biggest hurdle in global trade scene is red tapism where cargo clearance and release are at the mercy of bureaucrats. It sowed the seed of harmonizing rules and regulations for cross border movement of cargo, thus the concept of floating a uniform law came into picture clearing path for Trade Facilitation Agreement (TFA). Goods clearance will no more rely on whims and fancy of government officials rather it will be as per the norms of

internationally accepted processes set under the TFA. In developing countries where bureaucrats have a multi-layered strangling hold on cargo movement processes will be abide by the norms of TFA.

After years of meticulous negotiations, finally TFA got a physical form in December 2013 at Bali meet. But it took some years to streamline commonly accepted processes, and finally TFA entered into force on 22 February 2017. As the name suggest, TFA aims to facilitate trade through simplification of regulation, contemporary approach to cargo movement and harmonization of export and import processes, including Customs regulations. Developed countries have committed

to immediately implement the agreement, on the other hand the developing countries and under-developed countries have been given some relaxation in the form extended time. India being a party to the agreement is abiding by the norms. As a EXIM stakeholder if you are curious about the heightened activities launched by the government in the name of trade facilitation such as use of electronic payment, authorized operators' schemes, procedures for expedite shipments, and reduced documents, etc it is nothing but streamlining of processes inline with TFA. Hence, to stay relevant in the changing dynamics of global trade it is mandatory for all partners in the EXIM trade to accustom themselves with the processes of TFA and be ready to embrace the change or become irrelevant to the trade. One of the major thrust areas under the TFA is to harmonize Customs laws between countries forcing the department to stress on effective cooperation between customs and other authorities on trade facilitation and customs compliance issues thus expediting cargo movement, release and clearance of goods, including goods in transit.

The TFA after complete implementation by all parties is estimated to reduce trade costs by an average of 14.3 per cent. Simplification of procedures will also impact the entry barrier in a positive manner thus attracting newer entrants in EXIM trade. WTO expects that after full implementation, export of newer products from developing countries will rise by 20 per cent, and underdeveloped countries by 35 per cent, and global trade may increase by up to \$1 trillion each year. India on July 20 announced National Trade Facilitation Action Plan putting emphasis on reducing cargo release time. There couldn't be a better time to expand the ambit of trade for both existing and new entrants as countries all over the world have agreed to facilitate trade and give a level-playing ground to all participants. However, it will also increase competition in the international market and those who adapt to the change in the shortest time frame will only succeed. It is time for all stakeholders of EXIM trade to take stock of the situation and streamline processes inline with the TFA. [img](#)





**Samir J. Shah**  
Chairman, Federation of Freight Forwarders Association in India

## “PRO-ACTIVELY COMPLY TO TFA REGIME”

A major milestone for the global trading system was reached on 22 February 2017. While Trade Facilitation Agreement (TFA) aims to facilitate trade between countries and ease non-tariff barrier, it is going to impact all stakeholders in EXIM trade and everyone should prepare themselves to embrace the change

by Sisir Pradhan

### Q How Trade facilitation Agreement will impact EXIM and service sector?

The WTO-Trade Facilitation Agreement (TFA) has come into force on 22nd February 2017 in member countries, including India, but India has 1 year time to complete all processes. Some countries depending on their status have about 1-5 years time period to streamline all processes and compliance. The effect of TFA varies depending on the sector. Exporters and importers have to plan meticulously with regard to all documentation in compliance with TFA. There have been some changes in the process post-TFA, for example, for import consignment Customs has introduced a new section where if importer doesn't file Bill of Entry within 24-hours of arrival of goods, it will attract late filing charges. In a bid to make amendments transparent, government has notified rates in terms of penalties to be paid for amendments in shipping bill. Hence, amendments are going to be expensive in the Post-TFA era. The positive development is that shipper gets an assurance of hassle-free cargo clearance if all paper work is in place.

The deferred payment of duty has its roots in the TFA. TFA for the first time has made provisions to separate release of goods from clearance of goods. It is a positive development that Customs for the first time incorporating terms like 'release' and 'clearance' in its clause. It is important for importers and exporters to keep all paperwork ready in advance involving all participating government agencies.

### Q How will it impact service providers like Customs Broker?

In case of service providers like Customs Brokers, they have to accept a new role in working which will be a depart from the past. Previously, the practice was that relation management for a Customs Broker with Customs official was very important whereas post-TFA there will be lot of stress on technology and filing. Hence, compliance of norms will have greater role, and if there is a mistake in filed document, it can only be corrected by paying a fee. Due to which correction in documents will be an expensive affair. Moreover, with RMS, Deferred Payment of Duty and Direct Port Delivery coming into the picture the number of processes involving import and export that a Custom Broker

used to undertake earlier will come down significantly, hence affecting his earning. Even the number of consignment being processed earlier through them will come down. Due to which Customs Brokers have to think about strategy to realign their existing work force as the job done at their end will come down. There will be requirement for better qualified staff. In case of custodians, the number of cargo they used to handle will come down due to introduction of concepts like DPD and RMS. Hence, custodians also have to reinvest their business model.

Now, even the cargo carriers (shipping lines and airlines) also have to realign their business. They have to practice a lot of discipline and bring in clarity in IGM and EGM that comes from their end, including adherence to strict timeline and penalty involved in it. In the past, consolidator had never took Customs clearance very seriously, but they will be forced to change with the introduction of a number of penalties for amendments and late filing. Hence, all 18-19 stake holders who are typically involved in the movement of EXIM cargo have to undergo change to stay in compliance with the TFA regime. [img](#)

Currently India has 20+ operational container terminals and is annually handling about 12 million teus. At present none of these terminals is fully automated. Also, amongst the upcoming 3 new container terminals 2 are on conventional design and the 3rd which is first of its kind transshipment container terminal at Vizhinjam is being conceptualized to be a fully automated Terminal. The strategic decision to opt for a “fully automated container terminal is not only a visionary business call but also takes into consideration key business facets viz. technical requirement, volumes to be handled etc.

The fully automated container terminal is established considering:

- 24 hrs/day operation philosophy with set climatic condition parameters
- High reliability of operations
- Either to reduce or eliminate human interface for the terminal operation including operations of the container handling equipment.
- To attain the highest level of safety of the operation and
- Enhance competitiveness by using the information technology

The container terminal operations (conventional/automated) are divided in three zones:

- Sea side (quay side) operation.
- Storage-yard operation.
- Land side operation (gate operation)

#### Sea side operations

The sea side operation shall be carried out by rail mounted quay cranes or ship to shore (STS) crane. The terminals install the STS cranes based on the ship sizes. The size of the crane has an impact on the wharf design and terminal lay out as well. There is a thumb rule that crane outreach is twice the length of the crane rail gauge for better stability (however this is not mandatory). That means 30 m rail gauge can have 60 m outreach; 35 m rail gauge can have 70 m outreach. The back reach of the crane shall be decided by the operation requirement.

If operation is carried out between the legs of the crane, back reach operation is only for handling hatch covers. That means back reach of 15m to 20 m is sufficient. Apron size is thus minimized. All conventional container terminals are operated between the legs. As operation is carried out with in the legs, crane hoist trolley also moves

# Do we need automated terminals?

India needs fully automated container terminals to meet the growing exim cargo requirements to speed up movement at terminal and at the gate. This article explains what kind of model we should adopt.

BT Shah

VP - Equipment Engineering Division, (Retd.)  
Howe Engineering Projects India Pvt Ltd.





with in the legs. The pinning operation is also under the nominated line side between the legs.

The automated container terminal calls for back reach operation. This is because, automated container terminal has horizontal transport system. The automated vehicle requires flawless instrumentation and communication system. Under the crane umbrella (between leg operations), the communication system is not flawless and chances are more to break or delay the communications. The trolley path is also increased, means more cycle time, less productivity.

Therefore, STS cranes for automated Container Terminals are modified for productivity and safety aspect. The STS crane has bigger back reach and rail gauge is about 30 m. The STS crane is equipped with double trolley system and pinning station on the crane. The main trolley operates either with operator on-board or remotely. The main trolley lifts the container from the ship and delivers on the pinning platform. The total travel cycle is automated only release or start has human interface. The 2nd trolley lifts the container from pinning station and delivers to horizontal transport vehicle. This operation is fully automated. Same way it takes delivery from Vehicle and delivers on pinning station for export container. This automated function is carried out by TOS (Terminal Operating System) carefully integrated with crane operating system. The updated TOS shall give command to crane PLC for the execution of said operation. The Automated operation calls for the other system like OCR (Optical Character reader) system, Laser sensors and camera system mandatory requirement on the crane.

These extra features of STS crane increase its cost by at least \$2 to 2.5 million (the base crane cost suitable for 23 across container ship). The STS crane performance shall not change much compared to conventional terminal STS crane. However the terminal efficiency may be increased due to correct data entry as it takes automatically and checks/verifies online real time basis.

#### **Is it worth spending?**

The capital expenditure is nearly increasing by 30 per cent and there shall be no visual benefit of sea side

throughput performance of the STS cranes. The operative cost will also remain same as benefit of reduced manpower is offset by increase of qualified maintenance crew as it becomes more complex.

The conventional operation has drawback of terminal efficiency. Manual entry of container operation data can be verified online real-time by installing OCR on the crane. The cost of OCR may be in the range of \$75,000 to \$100,000 per crane. The capital investment increment is about 1.5% but it pays back as operational efficiency is at par with automated terminal.

Therefore my opinion is for STS crane operation between the crane legs and equipped with OCR for automatic registration and verification of container for terminal size up to 2 million teu.

#### **Horizontal transport system:**

The conventional container terminal uses the tractor chassis for the container movement to and fro from yard. The automated container terminal calls for automated Guided vehicle (AGV) or Lift-AGV (LAGV); Auto Shuttle Carrier (SC), or automated truck-carrier (under invention). All these type of the vehicles are equipped with high-end technology and terminal need to have very good infrastructure for communications and navigational system. The success of these is only possible if planning and scheduling is carried out efficiently with TOS system. Therefore a hand on knowledge and experience of TOS system is prerequisite.

The capital cost of AGV/LAGV in tune of \$0.7 million (the auto shuttle cost is also about \$0.75 to 0.80) whereas the chassis with tractor head costing not more than \$80,000. The price difference is very high.

#### **Operation comparison of automated & conventional horizontal transportation system**

The automatic vehicle as name suggested operated without any operator. The onboard navigational system navigates the vehicle to target and target assigned by TOS. Being operated automatically with set norms and conditions; there is absolutely no chance of any accident. The Terminal has to be operated as a whole with laid down SOP (Standard Operative Philosophy).

If we assume that the container terminal capacity is about 2 million teus having 9 STS cranes. About 6 to 7 such automatic vehicles are required per STS depending upon the yard layout and distance to be travelled for each vehicle. That means terminal requires about 58 such vehicles. If terminal capacity increases in the future; number of the equipment both cranes and automatic vehicles are proportionally increased. But marginally cost increase on navigational system. The fuel cost is also lower than the conventional chassis system as chassis is operated on diesel oil system.

The conventional Terminal is using tractor chassis for the horizontal transportation. As a thumb rule each STS crane requires about 7 chassis for matching output. That means for 9 STS cranes requires 63 chassis. As chassis is operated by operator, operating in 3shifts requires 35 per cent more operators to cater weekly offs and compensate the leaves. That means 255 to 260 operators are required. Any increment in capacity, this figure is also revised. Though Terminal is enforcing all safety measures; there are chances of the accident to occur. The probability of occurring accident is depending upon the psychological state of the operator mind which is hard to predict and taking corrective measures. The vehicle system is also not eco-friendly and Terminal has to work on reducing the carbon foot prints. The reliability of the chassis system is based on the operator functions and it gets changed with turnover of operators. Many Terminals are offering incentive schemes to operators for achieve set reliability.

The AGV/LAGV or auto SC calls for STS back reach operations and yard operation as end serving. These are the main impact on the terminal lay out and operation philosophy. The conventional Chassis operation calls for between leg operations and suitable also for back reach operation. However the drawback is of Labor intensive.

#### **What shall be the forward path?**

If Terminal is designed for maximum 2 million teus handling per annum, I prefer to select chassis system with certain modifications. The GNSS systems (GPS based system) is incorporate with each chassis so that one can monitor effectively each and every

chassis. So tailor made navigational monitoring system, shall control the over speeding and under speed; thus accidents and delays. Also it helps to find out gray vehicles in the operations. One has to explore the feasibility of the gas based engine fuel system to replace the diesel fuel.

The selection of horizontal transportation system is playing a major role for finalizing the terminal yard layout. At later stage it becomes too costly or may be unviable to change the layout of the yard (operational difficulties). Therefore if we are planning 2-5 million teus Terminal, one should go for fully automated Terminal. This is mainly due to safety and reliability of operation with set productivity norms. One cannot keep reliability of performance with conventional operation with large labor force and manually data entry. For less than or up to 2 million teus above mentioned modified chassis should be used as horizontal transport system.

If terminal having growth plan in near future above 2 million teus, then one should consider the Auto Shuttle Carrier for future consideration. This shall not much alter the yard layout. After sacrificing some ground slots; the block can be converted into end serving system if required. The STS operation remains between the legs with customized instrumentation.

**What about yard equipment?**

Automated yard prefers ASC (Automated Stack Crane). The ASCs PLC gets the task from TOS and ASC also acknowledges the completion of task to TOS. The advantage of ASC is that we can have dense stack yard (say 10 to 12 rows of containers and 1 over 5). Worldwide ASC are operated as “end serving” lay out. Due to end serving, it prefers to have AGV/LAGV or shuttle carrier as horizontal transporter.

The other option is CRMGC (Cantilever type Rail Mounted Gantry Crane). This CRMGC is not designed for end serving. The vehicle lane is planned in yard layout and CRMGC shall pick/drop the container from/to the vehicle. The CRMGC is operated automatically but has human interface operation with pick up/ drop operation at vehicle interface. This operation shall be carried out remotely. One operator can control 3 to 4 CRMGC at a time. This option facilitates the operation with horizontal transport

**AUTOMATION USING STS CRANES**

STS cranes for automated Container Terminals are modified for productivity and safety aspect.

The STS crane has bigger back reach and rail gauge is about 30 m. The STS crane is equipped with double trolley system and pinning station on the crane. The main trolley operates either with operator on-board or remotely. The main trolley lifts the container from the ship and delivers on the pinning platform. The total travel cycle is automated only release or start has human interface. The 2nd trolley lifts the container from pinning station and delivers to horizontal transport vehicle. This operation is automated. Same way it picks from vehicle and delivers on pinning station for export container. This automated function is carried out by TOS integrated with crane operating system.

system as truck chassis or shuttle carrier.

The third option is with RTGC. Most of the conventional container terminal is operated with RTGC. The RTGC is now available up to 7 rows + truck lane. The only drawback is the gantry speed cannot match with CRMGC and ASC. Earlier RTGC was powered by onboard diesel engine but now days RTGC is available with lots of option for Yard power system (such as Low or High BUS BAR system, cable reel system, energy chain system etc). There are also options available for auto steering system. As there is dedicated truck lane for RTGC, Automatic operation is just like same as CRMGC. The only difference is communication system. The CRMGC is generally designed with fiber optic cable for control and communication purposes whereas RTGC is designed with high speed wireless system.

The ASC is costing about \$2.6 million/unit; The CRMGC costs about \$2.9 million/unit whereas E-RTGC cost \$1.5 million/unit. The civil cost of ASC and CRMGC is also more due to rail system. Therefore lower capital cost is with E-RTGC system.

The operative cost, considering

ERTGC & chassis operation is about US \$ 9/box. Whereas CRMGC & Chassis operation put together may be considered as \$9.5/box. The ASC + AGV combination operating cost considered as \$8/box.

The Terminal yard layout planning shall confirm the total numbers of the equipment requirement. The E-RTGC layout requires more land and more number of units than ASC and CRMGC. One such analysis is showing that about 25 per cent more units are required than that of ASC and C-RMGC for same Terminal capacity. Therefore virtual E-RTGC costing is \$1.875 million/unit while comparing cost of ASC and C-RMGC.

To make the yard automated with E-RTGC option using Tractor chassis system as suggested above. The E-RTGC shall be automatically operated and only remote operation is with interface of the tractor chassis. By this we can optimized about 65 per cent of the E-RTGC operators. Operational Reliability and operational efficiency is also increased as manually data entry is eliminated. The capital cost of E-RTGC may be increased to \$1.9 million/unit and virtually cost \$2.35 million/unit.

**Gate operations:**

Automated gate operation ensures high security and access control along with high speed processing of container. There are established solution providers available in the market and system reliability as good as 98 per cent. Most of the OCR portals can satisfactory work up to maximum speed of chassis as 10 m/s which is equivalent to 36 km/hr. Most of the Terminal has chassis speed restriction 30 to 40 km/hr. inside the gate. The Gate automation increases the process efficiency with fewer system operators.

**Terminal has to invest for gate automation system.**

**Conclusion**

India needs a customized automated container terminal system. Sea side requires up-gradation of conventional operation. Horizontal transportation based on the terminal size shall use tractor chassis with option to have LNG/CNG fuel and incorporated with GNSS system. Terminal size up to 2 million teus per annum; RTGC with yard power system, automatic yard is to be right choice. The gate system must be automatic. [mg](#)

# Connectivity among nations is gray area

A gray area in South Asia is connectivity among the nations and to rest of the world, which is far below global standards. Investment in shipping and logistics sector will boost trade, create jobs and improve the economy.



**Rohan Masakorala**  
CEO, Shippers' Academy Colombo

South Asian nations in the Indian subcontinent along with the Bay of Bengal region account to 2 billion plus people. The region lies between the Middle East and East Asian mega city states of Dubai and Singapore which are now considered developed and mature economies. Both these two mega cities are now considered among the top 25 of the most expensive cities in the world making South Asia the next best destination for shipping and logistics services.

South Asia has been the weakest link in Asia in terms of economic prosperity as many millions are still considered to be in the poverty circle, however things are now gradually changing and the thrust for reforms and investments are evident as pressure on unemployment and inequality are major challenges that the governments of the regions are facing.

Given a relatively young population that can be trained with skills and knowledge and the region being one of the low-cost geographies of the world is poised to get the attention of the global capital as all indicators are towards expansion of industry led growth. The "Make in India" slogan itself speaks of the vision of the major economy in South Asia.

Whilst all the signals are positive and South Asia is poised to create more wealth, it needs to embrace the fact that it has to transform into a globally competitive region and must have good connectivity and access for speedy delivery of goods and services to markets. This is a gray area in South Asia as connectivity among the nations and the rest of the world is far below global standards. Investing in shipping and logistics is a massive requirement as pointed out by both the World Bank and Asian Development Bank in their reports. As the region is ranked low in logistics and shipping indices and the base of performance is low, the gaps remain high and a huge challenge for countries across South Asia is to move forward to create the industrial base it needs where there is abundant labour availability.

If the governments and the policy makers and drivers take the right decisions and invest in the maritime and logistics industry, more employment can be created to the young generation of the South Asian countries. The maritime and logistics related jobs in the supply chain can be very attractive and would create better jobs to uplifting the standards of the region's productivity. The need of the hour is that industry leaders must take the initiative to make the mind set changed among political leaders and make them aware of the benefits that proper a shipping & logistics industry along with trade facilitation can bring into the development process. [DGB](#)

“

As the region is ranked low in logistics and shipping indices and the base of performance is low, the gaps

remain high and a huge challenge for countries across South Asia to move forward is to create the industrial base it needs where there is abundant labour availability.



# “Shorten the time taken to get containers on and off the vessel”

India has emerged as a key supplier of generic and affordable medicine. Yet, a few deterrents on the land side hang up smooth flow of operations at ports. Jayant Tagore, President of The Bulk Drugs Manufacturers Association of India outlines the key challenges pharma companies face while importing raw materials from other countries.

by Deepika Amirapu



**Jayant Tagore**  
President of The Bulk Drugs  
Manufacturers Association of India

**Q How would you categorise the challenges faced by importers of active pharmaceutical ingredients and drug intermediaries?**

The delays we face in clearing both imports and exports at the customs end affects our operations. Most times, the customs interface ICEGATE that oversees filing of documentation fails and importers are unable to file the Bill of Entry and other documents. A delay at this juncture has a cascading effect on other procedures as well.

**Q Why do most imports come through Chennai and Nhava Sheva alone? Is it a force of habit or inadequacy of facilities that results in this restricted choice?**

Yes, the trade does need to change its mindset. Despite congestion and port side delays at Chennai and JNPT, the trade still prefers JNPT because it is resistant to change. Our importers need to be sensitised on facilities available at ports like Krishnapatnam and Visakhapatnam where vessel calls frequently, there is an Assistant Drug Controller stationed and there is customs clearance 24/7. There is no reason for industries based in Andhra Pradesh, Telangana and Orissa to go to JNPT for their imports.

**Q What processes can be quickened to benefit from time and cost savings?**



The challenge is mostly to do with throughput time when we import and export our products. The time taken to get containers on and off the vessel needs to be shortened so we can save on our inventory costs. Typically, we factor in three months from the time of opening the Letter of Credit to the time the material is received at our warehouse. While it takes two weeks to ship our raw material from China, it takes a whole week for it to come from Chennai to our warehouse in Hyderabad.

**Q How would you want Indian ports to re-model their functioning?**

We want cheaper, faster alternatives to JNPT and Chennai. The ports and forwarders to bring our imports to our warehouse and deliver it after having destuffed and cleared customs at the earliest possible date from the time they are off loaded. We are looking at a time saving of two weeks to expect the least. Currently, it takes a week for all the procedures to be completed once the container is

offloaded from the vessel. Any delay has repercussions on the cost. Just destuffing a container and loading them on to trucks costs us a lakh per box.

**Q What changes would have to be made with GST kicking in from 01 July?**

So far, a lot of our exports have been kept in abeyance because we didn't know in what format to raise an invoice. So, up to 10 July we did not export a single consignment. This is because we did not know whether the valuation is on FOB or CIF value. We hope these clarifications will be made by the customs and the government in the next couple of weeks and our documentation will not be troublesome. Also, with this unified tax regime, we have to see how the exporters can import raw material without paying duty. I still reckon exporters will have to pay duty, manufacture the product and then claim a refund during the time of exports. **UBG**

# “Availability of Trucks is a Challenge”

Indian Metals & Ferro Alloys Ltd is one of the largest fully integrated ferro chrome producers in India. D K Mohanty, Vice President of the company details on the company's mining, production and logistics operations



**D K Mohanty**, Vice President  
Head-Ferro Alloys Business Unit, Indian Metals & Ferro Alloys Ltd

**Q Please give a brief outline about the initial journey of the company? Which are your markets?**

IMFA was established in 1960s with one 10MVA plant to produce Ferro Silicon at Therubali and subsequently added 2 more furnaces at Therubali and also produced Silicon Metal & silicon alloys in different times. Later, IMFA took over Kalinga Tubes situated at Choudwar in Odisha where it set up furnaces and power plant to produce Ferro chrome. With allocation of captive chromite mines in 1999, we started shifting more towards producing Ferro Chrome as Ferro Silicon was more power intensive. Currently, we have ferro alloys production capacity of 187 MVA to produce around 2,75,000 tonnes of Ferro Chrome.

While our orientation is always towards exports, we sell 20 per cent in the domestic market. We have a joint-venture with Posco of South Korea. There are also agreements with companies in Japan, Taiwan and China. Low phos low ash coke / coal are only being imported for meeting our export requirement as the same are not available indigenously. Currently, to produce around 2,30,000-2,50,000 of ferro chrome,

## IMFA PLANT LOCATIONS



around 1,30,000 tonnes of coke and coal is imported through Paradip Port. Our exports move through Visakhapatnam, while break bulk shipment goes through Paradip. In FY-17, we exported around 2,05,000 tonnes, out of which about 80,000 tonne was in break bulk form, balance in containers and sold about 30,000 tonnes in domestic market. Movement to ports is by road. We do not move material by rail as it involves multiple handling which gives scope for

material degradation.

**Q What are the logistic related challenges before the company?**

For our Choudwar unit, chrome ore is moved by trucks from our mines situated at a distance of about 120 kms, also with least logistic cost. However, for our Therubali unit, multi-modal transport model is adapted as the distance from mines is more than 500km. India has less than 1 per cent of world's chromite ore reserve and majority of the deposit is found at the Sukinda Valley. Considering all major chromite mines in Sukinda Valley, out bound truck requirement is very high, hence, truck availability becomes an issue at times.

**Q How has been the experience dealing with ports?**

We don't face much difficulty at Paradip as the company has plots where cargo is stored and every month one shipment of about 7,000-8,000 tonnes is moved out. But when overall export volume in general increases from the port, there are delays related to weighment at times but we manage with weighment at other weigh bridges. At Visakhapatnam, our containers are moved by freight forwarders and at times availability of containers remains an issue. [img](#)

## Pulses and seed imports to decline

The government is promoting the use of better quality seeds and technology to boost pulses and seeds production and cut down on imports. India imports about 5 million tonnes of pulses and about 14.5 million tonnes of vegetable oils every year to meet domestic demand. 2016-17 was a record year in terms of yield and production area also increased in the period. The output was 22.40 million tonnes in the crop year (July-June) against 16.35 mt in the previous year. Oilseeds output rose by 29 per cent to 32.52mt.

Agriculture Minister Radha Mohan Singh exuded confidence that India will become self-sufficient in pulses and oilseeds production in the coming 2-3 years. India had a record 274 million tonnes of food grain output in 2016-17 and the country's food grain production has increased five times in the past five decades.



## Pharma exports to US on the rise

Despite pricing pressure and stiff competition, the Indian Pharma exports to the USA may go up in 2017-18 as \$50 billion worth of drugs are expected to become off-patented during the current year giving hope to boost export market. "We expect growth rate for CRAMS (Contract Research and Manufacturing Services) to be higher compared to average growth rate of the industry. These factors are likely to support pharma exports from India," revealed a report by Care Ratings.

The Indian pharmaceutical industry is likely to face competition from other countries to get ANDA (Abbreviated New Drug Application) approval. Apart from this, the Indian pharma companies will continue to witness pricing pressure in the US generics market due to consolidation of distribution channels and increase in competition.

The Indian Pharmaceuticals Industry earns around 70 per cent of its revenues from sale of generic drugs and generates around 50 per cent of its revenues from exports. Of the total exports of \$16.8 billion during the year 2016-17, majority of the exports, accounting for 40.6 per cent were to the American continent followed by 19.7 per cent to Europe, 19.1 per cent to Africa and 18.8 per cent within Asia.



## Honda leads in two-wheeler exports

Honda Motorcycle & Scooter India Pvt. Ltd. has become the largest volume contributor to the two-wheeler exports industry in the April-June quarter with almost one-third of the total share. Honda also leads domestic sales, contributing 69 per cent of overall sales in Q1 of 2017-18. Honda now leads domestic sales for the second quarter in a row. With a 44 per cent growth in exports, Honda has contributed almost a third, to be precise 29.5 per cent of the incremental export volume in the June quarter, or three-times more than the industry volume.

In the April-June period, Honda shipped 81,862 units, recording a growth of 44 per cent over year-on-year. Overseas shipments by Honda Motorcycle and Scooter India contributed 29.5 per cent to the total volumes.





# Smart logistics for a landlocked state

Shippers and service providers of both air cargo and sea cargo came together to discuss challenges and opportunities to make logistics smart in the landlocked state



**C V D Ramprasad**, Director, Software Technology Parks of India, **Gowra Srinivas**, President, FTAPCCI, **R K Raman**, IRS, Additional Commissioner (P&V), Hyderabad Customs Commissionerate, **C N Raghu Prasad**, Additional Commissioner (Urban Biodiversity) GHMC, **Madan Mohan Reddy**, Chairman, PHARMEXCIL, **Ramprasad**, Editor in Chief and Publisher, Maritime Gateway, **M Jayant Tagore**, President, BDMAI.

The Hyderabad Chapter of the Smart Logistics Summit and Awards was a runaway hit with both the most known names and the most promising ones walking their talk. From the rush hours in the morning to well past sunset time, the Park Hyatt was abuzz with talks on how to make logistics more efficient, at a low cost. The mood during the morning conference was sombre yet optimistic as many a speaker from the government and private sector spoke of opportunities and challenges faced while moving goods. For a hall packed with more than 200 participants, each had a take away from the sessions held.

In the evening, the serious, business-like hall with ebony settings transformed itself in to an atmosphere of gaiety and celebration. The fresh buds and the blossomed ones in the logistics space were ready to sweep the rest away with their awards and tuxedos. About 21 awards were given away to companies and individuals for transforming the logistics landscape.

In the inaugural session, Editor-in-Chief of *Maritime Gateway*, Ramprasad, welcomed the august

gathering and took them through the memory lane with a quick recap of Maritime Gateway's achievements in the past decade. He set the direction for the day-long deliberations by elaborating on the focus of the event that was to debate and understand the issues at hand in logistics. As **Gowra Srinivas**, President, FTAPCCI, took to the dais, he gave a clarion call to cut down the logistics cost to make India more competitive on the global platform. "Real growth comes from rural areas and end-to-end supply chain should be improved. We should move from conventional to smart logistics," emphasised Gowra.

Cost and time of delivery is of the essence for the pharma industry informed **Jayant Tagore**, President, BDMAI. Growth of the industry both volume and value wise needs good logistics management which has to be time and cost effective. "The government's focus on digital economy and smart cities is a massive disruption and offers huge opportunity to the IT industry," revealed **CVD Ramprasad**, Director, Software Technology Parks of India. In the IT sector software

leads in exports and the government needs to promote hardware as well.

**Madan Mohan Reddy**, Chairman, PHARMEXCIL, remarked, "Logistics is given the least importance in the industry, so the logistics cost are high, hampering the competitiveness of the industry." "SWIFT and AEO are some of the initiatives taken by Customs to bring down the cost and time of business, but India is least in the number of AEO users across the globe," informed **RK Raman**, Additional Commissioner (P&V), Hyderabad Customs Commissionerate. The inaugural session concluded with comments by **CN Raghu Prasad**, Additional Commissioner (Urban Biodiversity) GHMC as he called for resolving traffic congestion at ports.

"Logistics will benefit the most from GST," said **Samir J Shah**, Chairman, FFFAI, as he deciphered GST in the keynote session. **Dr Rakesh P Singh**, Chairman, Institute of Supply Chain and Management raised the need for developing a logistics strategy based on dynamics of trade. **G Ravi Kumar**, CGM, CONCOR briefed on the expansion plans of Concor.



**Ravinder Reddy**, Director Marketing, Bharathi Cement Corporation, **Dr K Satyanarayana**, Director - International Logistics, Dr Reddy's Laboratories, **N Krishna Kumar**, VP- South India, MSC Agency (India) , **Satish Lakkaraju**, Chief Commercial Officer, Agility Logistics, **Vinita Venkatesh**, Director, Krishnapatnam Port Container Terminal, **Raj Khalid**, India Representative, Port of Antwerp, **Kamal Jain**, MD, Cargomen Logistics



**D Tulasi Prasad**, Regional Chairman, ACAAI, **Kalyanakrishnan Nurani Hariharan**, SVP-Supply Chain Management, Aurobindo Pharma, **Gubba Kiran**, CEO, Gubba Cold Storage, **G V K Naidu**, MD, Sam Agritech, **Laurence Jacobi**, Cargo Manager - TS & AP, Emirates Sky Cargo, **Hemanth DP**, Chief Commercial Officer - Aero Commercial, Cargo & Asia Pacific Flying School, GMR Hyderabad International Airport.

### SMART LOGISTICS AWARDS

**Smart Port/ Container Terminal:** Krishnapatnam Port Container Terminal

**Smart Air Cargo Port:** GMR Hyderabad International Airport

**Smart Liner:** Maerskline India Pvt Ltd and MSC Agency (India)

**Smart ICD:** Container Corporation of India

**Smart Pharma Company:** Dr Reddy Laboratories and Aurobindo Pharma

**Smart Importer-Solar:** Greenko Group

**Smart Forwarder:** Agility Logistics

**Smart LCL Consolidator:** Allcargo Logistics

**Smart Shipping Agent:** Seaways Shipping & Logistics

**Smart Cold Storage:** Gubba Cold Storage

**Smart Emerging Pharma Company:** Sri Krishna Pharmaceuticals

**Smart Exporter - Food Products:** Ravi Foods

**Smart Emerging CHA:** Krijji Marine Logistics

**Smart Emerging Forwarder:** Admiral Hitec Logistics (India)

**Smart CFS:** Batco Integrated Logistics

**Smart Exporter - Glass:** AGI Glasspac

**Smart Exporter - Granite:** Mahi Granites

**Smart Exporter - Minerals:** IMERYS Ceramics

**Smart Transporter - Rail:** Container Corporation of India

**Smart Transporter - Road:** Nautical Lines

Logistics account for 80 per cent of the commodity cost and this can be brought down if logistics are planned in a smart way. **Mahesh Bhalgat**, COO, Sanofi India Ltd highlighted the logistics challenges for vaccine manufacturers such as high cost of cold chain and last mile connectivity. Integration of operations can bring down the cost for pharma.

**P Vinay Kumar**, COO, Greenko Group, urged for bringing down the cost of solar power at par with thermal power. In solar business time management is critical and trucks getting delayed at ports is a major bottleneck.

**Somesh Kumar**, Principal Secretary (CT & Excise), Govt of Telangana, described the roll out of GST as "Economic Independence of India." It will speed up vehicle move-



ment and warehousing will get organised. The business session one focused on sea cargo. **Vinita Venkatesh**, Director, KPCT detailed on the services offered by her company, especially the ocean to door service that offers door-to-door logistics. **Ravinder Reddy**, Director Marketing, Bharathi Cement Corporation focused on the logistics cost of the industry that stood at 44 per cent of the total product cost and needs to be brought down.

**N Krishna Kumar**, VP-South India, MSC Agency India, detailed on the services offered by the shipping line.

This is one of the biggest liners to start reefer for pharma. The final session of the day had panellists discuss air cargo.

"Air port is the hub where all parts of the supply chain meet," said **Hemanth DP**, Chief Commercial Officer - Aero Commercial, Cargo & Asia Pacific Flying School, GMR Hyderabad International Airport.

He called for plugging all the gaps that risk temperature sensitive cargo. **GVK Naidu**, MD, Sam Agritech Ltd, highlighted the need for a dedicated perishable cargo holding facility in Hyderabad.

**Kalyanakrishnan N H**, SVP, Supply Chain Management, Aurobindo Pharma, discussed the challenges due to temperature deviation during transit for pharma cargo. **Gubba Kiran**, CEO, Gubba Cold Storage, discussed the nitty-gritty of operating cold storages.

**Laurence Jacobi**, Cargo Manager, TS&AP, Emirates Sky Group, hinted at the need for a multimodal hub within the airport. [mty](#)

# JSW Jaigarh Port

Indias modernised greenfield multi cargo  
environment friendly deep water port  
regularly servicing capesize vessel



**JSW** Infrastructure

Creating **world-class** maritime infrastructure  
to **200 MTPA** by 2020

JSW Jaigarh Port is poised to service:

**400,000 TONNES**

VALEMAX VESSELS

**350,000 TONNES**

VERY LARGE CRUDE CARRIERS



# A LEADING SHIPPING COMPANY FROM INDIA TO EVERY CORNER OF THE WORLD

With 12 weekly services calling India direct, CMA CGM offers excellent connectivity with Europe, U.S., Africa, Asia, Mediterranean, South America, Australasia and the Middle East Gulf. CMA CGM's presence in India at 6 gateway ports & 7 feeder ports, supported by a network of 28 local offices and providing intermodal solutions that covers accessibility to 51 inland locations, reflects our commitment to our clients both in India and across the world to support their business in India. Learn more about CMA CGM on [www.cma-cgm.com](http://www.cma-cgm.com).

The CMA CGM logo consists of the company name in a bold, sans-serif font, flanked by two curved lines that suggest motion or a stylized 'C' and 'G'.