SOUTH ASIA MARITIME & LOGISTICS SPECIAL

PAKISTAN High Hopes on CPEC

BANGLADESH Gearing up to Ease Congestion

NEPAL Unlocking Inland Waterways

PORTSCAN Karaikal Port Reloded

BHUTAN Land of Opportunities

South Asia's premier maritime business magazine

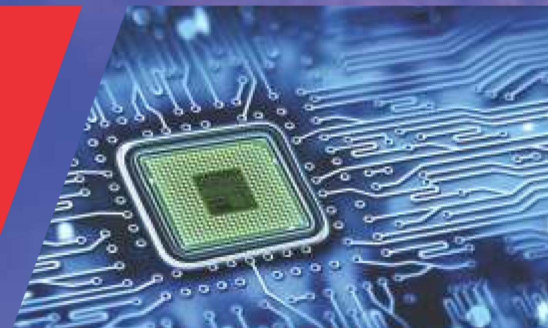
₹ 100

maritime gateway

SEPTEMBER 2017 WWW.MARITIMEGATEWAY.COM

RNI NO: TELENG/2009/30633 POSTAL REGISTRATION NO: LII/RNP/HD/1137/2016-18

DATE OF PUBLICATION: 04/09/2017 DATE OF POSTING: 06/09/2017



HARDWARE IMPORTS: Not a Soft Issue

South Asian economies need to put a concerted effort to resolve logistics issues that could have interrelated angles rather than implementing isolated measures

INFRASTRUCTURE NEEDS TO CATCH UP

South Asia's dominance in maritime trade

The Chinese flotilla skirting along the Indian Ocean Region (IOR) intermittently and the US Navy's presence in the Malacca Straits tells us this: the centre of gravity in world affairs has shifted to Asia. And the IOR is the heart of all maritime trade and security. Geopolitics is perhaps the biggest driver of sea and land transportation sometimes uniting nations and sometimes leading them adrift.

The fight for dominance has led the countries to develop new terminals, expand existing ones and improve their inland transportation. The importance of the IOR in governing the high seas has even led China and Japan to invest many infrastructure projects in three main maritime nations – India, Sri Lanka and Pakistan. China's interests in the Gwadar Port, the One Belt One Road in Pakistan and its keenness in developing the Hambantota port states the obvious. Bangladesh has made a surprising entry developing new ports along its shores. 2017 has been an interesting year and so the next year will be something to look forward too.

If the past years have been an opportunity for each country to work in silos, the coming years present an opportunity to grow as a region. If India's dominance is in the success of the Sagarmala programme, Sri Lanka's is in being the biggest transhipment hub of the region. Pakistan and Bangladesh are gearing themselves up to be windows to the Middle East and East Asia. For these countries to grow in economic superiority, it is imperative that they work together. This will lead to better regional stability and security. Each can play to its strengths and fall back on another for help in weaker segments of trade.

That many shipping lines have deepened their inland services investment in these countries is itself reason to function as one big enterprise sharing the seas and the opportunity to be regional superpowers. But India and Sri Lanka have to tick a few boxes off before they can make a mark on the world stage. Slashing logistics cost to a single digit and investing a few hundred million in improving its first and last-mile connectivity will improve efficiency and cost effectiveness of delivering cargo to and from the ports.

Two challenges, however, stare at the face of these reforms. Funding and speed of execution. Ensuring local populations and governments are open to the major economic and social change will be key to the speed with which the program moves towards its objectives.

R Ramprasad
Editor and Publisher
ramprasad@gatewaymedia.in

> For these countries to grow in economic superiority, it is imperative that they work together. This will lead to better regional stability and security.

India's premier maritime business magazine

maritime gateway

Editor and Publisher
R Ramprasad
ramprasad@gatewaymedia.in

Associate Editors
Omer Ahmed Siddiqui
omer@gatewaymedia.in
Sisir Pradhan
sisir@gatewaymedia.in

Contributing Editor
Deepika Amirapu
deepika@gatewaymedia.in

Design Team

Sr Designer
Vijay Masa

Designers
Nagaraju N S
Nadeem Ahammad

Digital Media
Mounika
mounika@gatewaymedia.in

Conferences
Meenakshi
meenakshi@gatewaymedia.in
+91 77029 50879

Research
Rakesh Oruganti
rakesh.oruganti@gatewaymedia.in

Web
Swapna
swapna@gatewaymedia.in

Marketing & Sales

National
Satish Shetti, Manager – Sales
satish@gatewaymedia.in
+91 99207 05534

South & International
Vinod G, Sr Manager – MarCom
vinod@gatewaymedia.in
+91 99498 69349

East
Nikhil Doshi, GM – Sales
nikhil@gatewaymedia.in
+91 98369 96293

Client Relations
Santosh – Executive
santosh@gatewaymedia.in
+91 96665 86476

Events
Praveen - Asst Manager
praveen@gatewaymedia.in

Administration
Madhukar – Manager
madhukar@gatewaymedia.in
+91 93937 68383

Finance
C K Rao – General Manager
Rakesh U

Sharmine Moss

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

Feedback

Readers are advised to send all feedback and comments to *editor@gatewaymedia.in*

CONTENTS

VOLUME 9 | ISSUE 12 | SEPTEMBER 2017

OTHERS

Ecoship Cruise Liner Design Completed

Ecoship, a revolutionary new cruise liner that uses renewable energy has been designed by naval design and architecture firm Oliver Design in Spain. This ocean liner with a GRT of 60,000 metric tonnes is capable of housing 2,000 passengers. It will be 250 meters long with a draft of 8 meters. It will have a maximum speed of 21 knots and a cruising speed of 17 knots. The Ecoship cruiser includes 10 large retractable elements made up of solar panels, which can operate as large sails in suitable wind conditions. The sails can be used for propulsion and also to generate power. The Ecoship is designed to include a total of 6,000 square meters of solar panels.

DP World Cochin handles 2.5 million teu since inception

India Gateway Terminal Pvt Ltd (IGTPL) has successfully handled 2.5 million teu since inception in February 2011, with a 12 per cent increase in volume at the terminal in 2017. The terminal has handled over 3,500 vessels since operations began, and currently hosts 54 vessels a month. In 2016, IGTPL handled 282 mainline vessels, and achieved a volume growth of 22.5 per cent. IGTPL has maintained a gross crane rate of 30+ moves per hour, and truck turnaround of 26 minutes.

Shreyas ventures into dry bulk space

Shreyas Shipping and Logistics Ltd is venturing into the dry bulk segment by winning a deal from Rashtriya Ispat Nigam Ltd for transporting products from its plant at Visakhapatnam to stockyards in Ahmedabad, Mumbai and Kochi.

Shreyas has purchased a foreign-flagged multi-purpose vessel to haul 2,25,000 tonnes a year to the three destinations on an annual contract worth about ₹75 crore. The ship will be converted into an Indian flag. Of the total quantity to be shipped, 60,000 tonnes is meant for Kochi, 75,000 tonnes for Mumbai and 90,000 tonnes for Ahmedabad.

Shreyas Shipping is already established as a renowned player in coastal cargo movement in India.

HMM vessel makes maiden call under China West India Express service

Hyundai Voyager Voy-061, the first Hyundai vessel under the China West India Express service, called at the GTI terminal, Nhava Sheva (JN Port). During its stay, it handled a total of 942 moves/1,183 teus of imports and 465 moves/631 teus of exports, adding up to 1,407 moves/1,814 teus.

A partnership of five lines, the service has the following port rotation: Tianjin, Qingdao, Ningbo, Singapore, Port Klang, Nhava Sheva, Mundra, Hazira, Colombo, Port Klang, Singapore, Tianjin. It operates with 6 x 4,600-TEU vessels, with HMM deploying two vessels, the *Hyundai Voyager* and the *Hyundai Goodwill*.

BW LPG and Global United Shipping to form JV in India

BW LPG and Global United Shipping India have agreed to set up a 50/50 joint venture in India.

The BW Global United LPG India JV will own and operate gas carriers for the transportation of LPG within Indian waters.

BW LPG will sell two of its vessels, namely *BW Boss* and *BW Energy*, to the JV. BW LPG CEO Martin Ackermann said: "The joint venture will allow BW LPG to create a strong base in India, which is one of the world's largest LPG import markets.

Costa Cruises to start short sailings in India

Costa Crociere S.p.A of Italy will start three and four nights cruise line sailings from Mumbai to Kochi via Mangaluru and Kochi to Maldives respectively from November to March. *Costa Crociere* will continue to run the seven-nights sailings on the Mumbai-Maldives route that was operated between December 2016 and March 2017 with Mumbai as the home port. The cruise operator will deploy '*Costa neoClassica*' for the service.

Kakinada Seaports consortium wins bid to develop coal terminal at Paradip

A consortium led by Kakinada Seaports Ltd has won the rights to develop and operate a coal handling terminal for 30 years at Paradip Port. The port authority had called for fresh bids for the project after scrapping the earlier deal awarded to Essar Ports Ltd citing the firm's failure to achieve financial closure.

The Kakinada Seaports Ltd-Bothra Shipping Services Pvt Ltd-Ripley & Co consortium placed a revenue share bid of 36.53 per cent to clinch the deal for building a deep-water terminal with a capacity to load 10 million tonnes (mt) of coking coal a year. The cost for developing the terminal is estimated at ₹655.56 crore.

GAIL commences pipeline construction in Kerala

GAIL (India) has commenced 100 per cent construction work in Kerala stretch of Kochi - Koottanad - Mangaluru-Bengaluru Pipeline (KKMB-PL) project. GAIL started its foray into the state of Kerala with KKMB-PL with a total project cost of ₹3263 crore. This pipeline will form part of the National Gas Grid and it will go a long way in fulfilling the vision of the Government of India towards building a gas based economy.

Double railway line between Chennai-Kanyakumari

The Union Cabinet has approved the construction of double line with electrification between Thiruvananthapuram in Kerala and Kanyakumari in Tamil Nadu. The project would speed up the operation of goods and coaching trains. Operations from Vizhinjam Port is likely to start by 2019 and 30 per cent of its gateway traffic, is likely to be handled by the Railways. Present line capacity of Thiruvananthapuram-Nagarcoil section of this route has already saturated which is causing heavy detention to trains moving towards Kanyakumari and Chennai. Line capacity of this route needs to be enhanced to meet the demands for additional trains and smooth movement of trains through the route.

DCI lowest bidder for Mumbai Port

Dredging Corporation of India has emerged as the lowest bidder for a three- year dredging contract from Mumbai Port Trust. "The project involves dredging of around 11 million cum at an estimated cost of ₹141.06 crore for three years," DCI said. DCI has been able to recapture the maintenance dredging work after almost a decade at Mumbai Port.

Centre to bear 50 per cent cost of waterways plan

The Centre will bear 50 per cent cost of the ₹453-crore proposed inland water transport project, Union minister for road transport and highways Nitin Gadkari announced. The proposed waterways project will link Kalyan, Dombivli, Bhiwandi, Thane, Vasai and Mira-Bhayander and provide an alternative transport to commuters through the Ulhas Creek. Gadkari asked the local civic bodies of Kalyan-Dombivli, Thane and Mira-Bhayander to bear the remaining cost and also get the required permission from the maritime board.

Mercator in talks to acquire DCI

Mercator Ltd has shown preliminary interest in acquiring state-owned Dredging Corp. of India (DCI). The government has been talking about selling off its entire stake in DCI as part of its divestment plans for this financial year. Mercator is one of the players that has shown interest in the asset and is having preliminary discussions with the relevant government agencies, it has been reported. The government owns 74.47 per cent in DCI.

At the current market price, the sale of DCI could fetch the exchequer around ₹1,400 crore. The government is soon expected to appoint an investment bank to begin the sale process.

Sale of imported cotton commences at Tuticorin Port

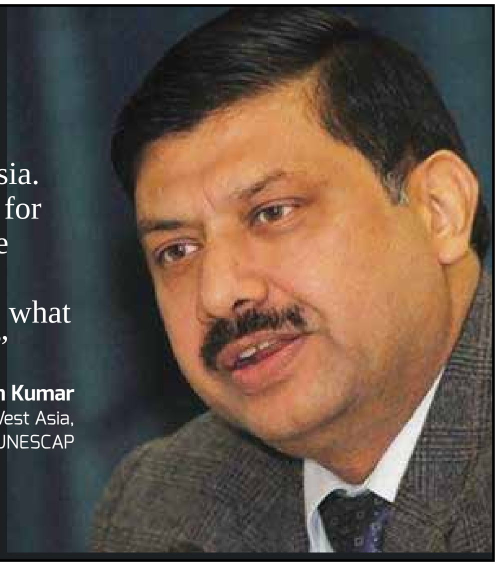
With the demand for imported cotton increasing due to quality issues in locally sourced cotton, the union ministry of shipping has facilitated the setting up of trans-shipment facility at the Tuticorin Port for storing around 250 containers of cotton. Cotton can be stored for up to 30 days for free of cost and another 60 days at a discount charge with freedom to sell the cotton either in India or any other country depending upon the demand. The facility would enable MSME category spinning mills to have direct and daily access to imported cotton. Spinning mills in Tamil Nadu consume about 120 lakh bales of cotton per year.

Essar Ports bags Mozambique coal terminal deal

Essar Ports Ltd has won a deal to develop a 20-million-tonne capacity coking coal loading terminal at Beira Port in Mozambique. This is the first overseas venture of the port operating unit of the Essar Group. The terminal will be developed in two phases of 10 mt each, with the first phase costing $275 million and expected to start operations in the first quarter of 2020. Essar Ports will own a 70 per cent stake in New Coal Terminal Beira SA (NCTB) with the balance held by Portos e Caminhos de Ferro de Moçambique.

"South Asia is strategically located between Central Asia, Europe and Eastern Asia. If there is opportunity for smooth movement, the region may emerge as trading hub and this is what we are trying to push."

– Nagesh Kumar
Head South and South-West Asia, UNESCAP



"Developing Asia is off to a good start with improved exports pushing growth prospects for 2017. Despite uncertainties surrounding global recovery, the region's economies are well-placed to face potential shocks to the outlook."

– Yasuyuki Sawada
Chief Economist, ADB

"If U.S. coal exports remain high throughout 2017 it will have a solid effect on the global seaborne coal trade and support the overall improvement in the dry bulk shipping industry."

– Peter Sand
Chief Shipping Analyst, BIMCO

"Most of Nepal's exportable goods, such as agricultural products, are in the sensitive lists of many South Asian countries, which have created barriers for entry of goods into those countries."

– Purushottam Ojha
Former Secretary, Ministry of Commerce, Nepal

"We are focused on building robust and quality infrastructure to augment growth and sustainable development. These initiatives are inviting the attention of global brands making foray into Bangladesh market."

– Md Shahriar Alam
State Minister for Foreign Affairs, Bangladesh

VEHICLE AND FLEET MANAGEMENT SYSTEM

NTRACKLIVE

NAVAYUGA

Features:

- Any Time Access from Any Device
- Live Updates on the Dashboard
- Location, Fuel, RPM Monitoring
- Driver Authentication
- Geofence, Door, AC and Ignition Status
- SMS/ Email Alerts and Notifications
- Offline Operation Mode
- Route Playback
- Communication/ Messaging
- Reporting
- Easy Integration
- Easy System Administration
- 24x7 Support

nTrackLive enables efficient real time monitoring of your fleet using GSM / GPRS technology to keep you informed of its whereabouts, giving you the insight you need, improve your fleet utilization and help reduce overall operational costs.

nTrackLive is easy to use, feature rich web based application, with no down time, accessible from any computer without any hardware or software installation. The nTrackLive tracking and monitoring functionality is supported by comprehensive reporting with capability to export in PDF, Word or Excel formats. nTrackLive provides comprehensive administrative features to help customers easily manage various information and features which also include threshold values for all alarms.

Benefits to Customer:

- Real time access to up to date fleet information
- Improve response time to customer requests
- Increase fleet utilization
- Reduce your fleet expenses
- Improve fuel management
- Improve operational efficiency, fleet safety and security
- Improve customer service
- Reduce carbon footprint
- Evidence to support insurance claims

NAVAYUGA

Navayuga Infotech Pvt. Ltd.

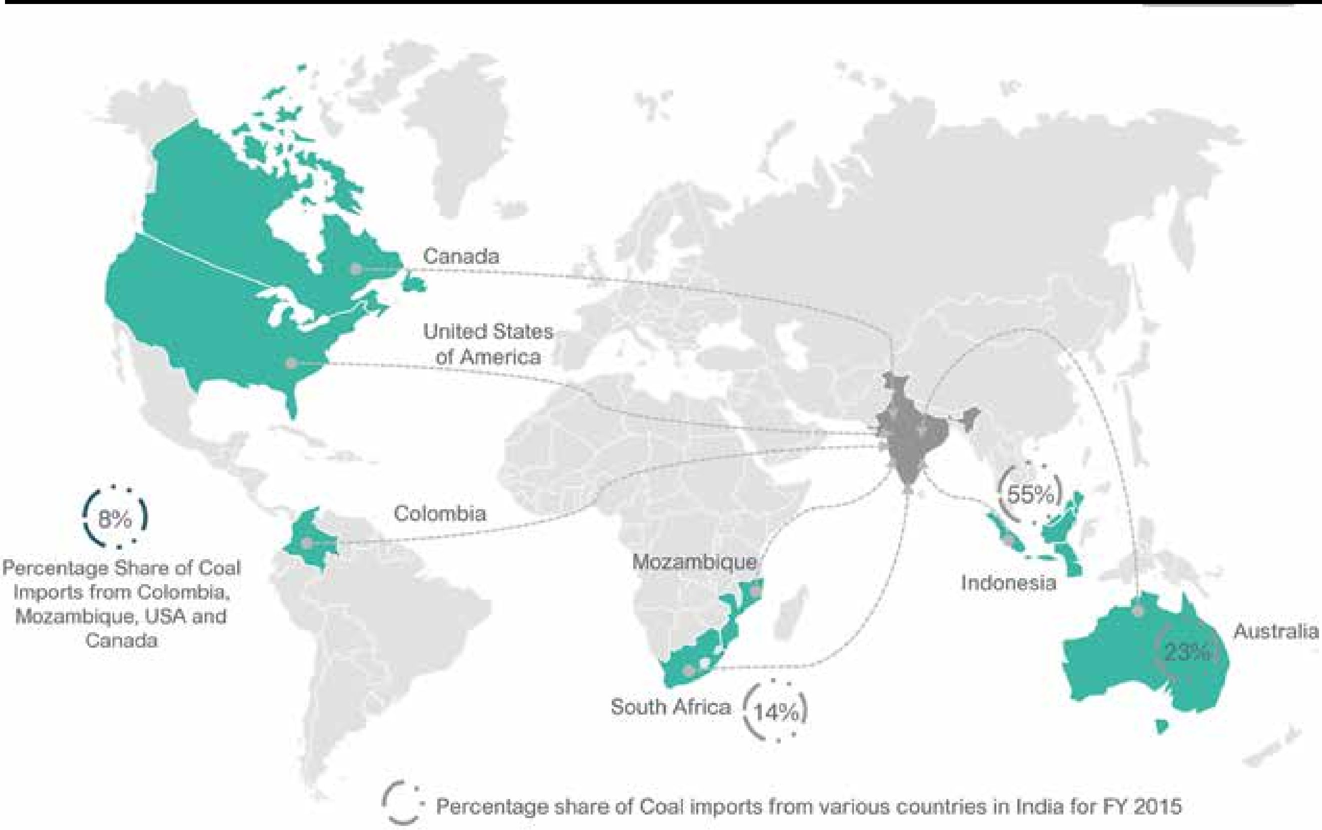
A CMMI Level 5 & ISO 9001 Company

Plot No. 1268, B R House, Above ICICI Bank, Road No. 36, Jubilee Hills, Hyderabad - 500033, INDIA

Tel : +91 40 4612 4444 E-mail : info@navayugainfotech.com
Fax : +91 40 4612 4400 Website : www.navayugainfotech.com

GLOBAL OFFICES: USA, MIDDLE EAST & AFRICA

MAJOR COAL IMPORT DESTINATIONS FOR INDIA



Source: enincon research & analysis

COMPARATIVE ANALYSIS OF COKING COAL IMPORT DESTINATIONS FOR INDIA TILL 2020

Parameters	Countries			
	Indonesia	Australia	South Africa	USA
Coal Reserves	Medium	High	Medium	High
Regulatory & Policy Intervention	High	Low	Medium	Low
Distance	Low	High	Medium	High
Domestic Infrastructure Availability	Medium	High	High	High
Stability of Government	Medium	High	High	High
Coastline Length	Medium	High	High	High
Coal Pricing	High	Low	High	High

● High ● Medium ● Low

CRUISE TOURISM POTENTIAL TO BOOST INDIAN ECONOMY

40 lac — Tremendous potential for cruise tourists

35,500 cr — Expected revenue generation

250,000 jobs — Promotion of cruise tourism will create over 2,50,000 jobs

955 ships per Yr — No.of cruise ships to visit India can go up from 158 to 955 per year

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.

Seaways promoters buyout IDFC stake in the company

The promoters of Seaways Shipping & Logistics Ltd have bought out the entire stake of 24 per cent that IDFC Private Equity (IDFC PE) held in the company. IDFC PE has now completely exited from Seaways. Seaways had earlier planned for an Initial Public Offering, and had filed the DRHP last year. This has been deferred, based on the strong performance in 2016-17, and the encouraging results in the current financial year. The company is planning to go public in FY2018-19.

Railways to diversify its freight basket

The Railways Ministry has said that 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." 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 eye 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 Ministry's announcement that railways will use dwarf containers to enhance cargo carrying capacity by 2 million tonnes 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.

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 Yadhuvendra 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 Shipping. 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.

Logistics Kart's soft launch

Logistics Kart has launched an online B2B e-commerce market place that connects importers and exporters with logistics service providers nationwide, to secure logistics services in 3 simple steps: Klick. Konnect. Trade. Logistics Kart will enable MSME companies secure better rates, create more transparency and visibility on logistics cost while providing access to logistics companies. Correspondingly, logistics service providers will gain a wider market reach and Pan India presence without having to incur sales and marketing expenses. The platform offers free service to registered users.

Milaha launches fastest container service between Pakistan and Qatar

Milaha has launched direct service between Pakistan and Qatar. The new PQX Express Service will operate weekly between the Port of Karachi and Hamad Port with a transit time of 4 days, making it the fastest direct connection between the two countries. The PQX will also establish a 2nd weekly service to and from Mundra, which will add to Milaha's existing Mundra call as part of the IQX (India Qatar Express Service). PQX will have a weekly call in all ports following a Mesaieed – Mundra – Karachi – Hamad – Mesaieed rotation.

Kerala Maritime Board Bill passed

The Kerala Assembly passed the Kerala Maritime Board Bill, for the better development of the maritime sector. The Bill envisages development of minor ports, coastal shipping and navigation, which are currently looked after by various departments, including ports, irrigation, fisheries and agencies like Kerala State Maritime Development Corp and Kerala Shipping and Inland Navigation Corp. The proposed Board's objectives include construction and operation of minor ports, their conservation and maintenance.

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 Railways Ministry 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.

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.

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

Presenting **LIEBHERR** under this feature.

Liebherr - The leader in container cranes technology and innovation

With a supply record that exceeds over 800 machines in over 56 countries, Liebherr is one of the foremost container crane and reachstacker manufacturing companies in the world and leads the way in technology and innovation

- Delivery tailored to customer requirements
- Assembly on site or fully erect delivery available
- New and innovative solutions for maritime cargo handling equipment

Liebherr Container Cranes has been manufacturing cranes at their Irish plant since 1958. The factory initially manufactured large tower cranes and for many years, the world's largest tower cranes were built in Killarney by Liebherr.

In 1967, Liebherr in Ireland began to manufacture container gantry cranes. Involvement in the container crane business necessitated that, besides design and manufacturing facilities, this new and specialised business also called for other skills, such as shipping and erection facilities, language and marketing expertise, after sales service and spare parts provision.

Liebherr in Ireland became Liebherr Container Cranes Ltd in 1972, in order to undertake worldwide marketing, design, manufacture, delivery erection and servicing of rail mounted quayside container cranes and container stacking cranes. With a supply record that exceeds over 800 machines in over 56 countries of the world, Liebherr container cranes supplies ship to shore container cranes, rubber and rail mounted gantry cranes and straddle carriers.

Ship to shore container cranes and rubber and rail mounted gantry cranes are designed and manufactured in Killarney, Ireland. Prior to shipping the cranes undergo extensive quality control checks and the machinery and electric components of the cranes are assembled with the drive and motor elements of the cranes being tested.

Assembly on site

Typically a Liebherr container crane is shipped in large preassembled components. Installation is done in close cooperation with the client and installation companies.

Fully erect delivery

When space is at a premium or the customer requires minimum work on site, the option to avail of fully erect delivery is available. In this instance the cranes are shipped to a nearby port where normal erection of the cranes is undertaken, which is then barged to their final destination. An alternative, is to assemble the cranes fully in Ireland and then ship to the final destination. Earlier this year, three large ship to shore container cranes were assembled at Liebherr's Cork Dockyard facility and sent to Puerto Rico.

Liebherr Maritime Cranes is entering the market for maritime cargo handling equipment with new and innovative solutions.

Liebherr Reachstacker

The LRS 545 is designed for highly responsive operation to allow high performance in a relaxed manner. The innovative individual drive concept ensures that, a hydraulic motor independently drives each wheel. Not only is this a more compact solution, it reduces tyre scrubbing and thereby increases tyre life. The reduced wear and tear of the tires strongly contributes to low total cost of ownership. By removing the mechanical gearbox element, the drive of the machine from acceleration to braking is smooth and step less, which provides added sensitivity at low speeds and increases driver comfort.

Another significant factor for good total cost of ownership of a Reachstacker is of course fuel consumption. The highly efficient hydrostatic drive system of the LRS 545 makes a reduction in engine size possible. Fitted with a 4-cylinder 230 kW engine that meets Tier 4f requirements, fuel consumption as low as 12 to 14 litres per hour can be achieved.

Liebherr mobile harbour cranes

Liebherr's range of mobile harbour cranes is extremely versatile making it a universal all-rounder and key asset for handling all types of cargo from containers to bulk commodities, general cargo and even heavy lifts up to 308 tonnes. The product range covers all vessel sizes up to megamax and capesize. Diverse applications and varying terminal designs call for different equipment configurations. The Liebherr mobile harbour cranes enable full modularity, and so flexibility, across the entire product range.

The travelling system, whether rubber-tyred, rail-mounted or a floating unit, can be easily adapted to meet the port infrastructure. This also applies to the drive concept, which can be chosen from a conventional diesel engine, a hybrid drive or an electric drive system.

The bestselling LHM type is the LHM 550.

The LHM 550 is designed for efficient cargo handling up to post-panamax-sized vessels. The crane operates with outstanding mobility and manoeuvrability and has a maximum lifting capacity of 144 tons and 54 metres radius.

The LHM 550 is the perfect crane for handling bulk cargoes in the Capsize ship class. For container handling, ships of the New-Panamax class are the optimal working environment for the LHM 550. General cargoes and heavy-duty lifting up to 144 tonnes complete the range of applications of this crane type. mg

www.liebherr.com
info.lid@liebherr.com

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.

JNPCT 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.

BANGLADESH

Bangladesh to import more rice

Bangladesh is experiencing a severe scarcity of rice this year. The government of Bangladesh (GoB) initially arrived at an import demand of 1.2 million tonnes (mt) of rice, but this later escalated to 1.5 mt due to crop losses. In May 2017, GoB sought rice supplies from Vietnam, Thailand and Cambodia by issuing import tenders of 50,000 tonnes each. Some shipments of Indian rice – about 1.5 lakh mt – have been made through land/sea routes by private trade. No serious attempt appears to have been made by GoB in importing more rice from India.

MALDIVES

India boosts agri exports to Maldives

In FY-2017-18, India will export 11,714.45 MT of potato, 19,466.36 MT of onion, 67,640.24 MT of rice, 59,442.17 MT of wheat flour and 11,706.30 MT of sugar to Maldives boosting bilateral trade between the countries. A directive from the Director General of Foreign Trade states that the exports of these essential commodities to Maldives are exempted from any existing or future restriction/prohibition on export.

CHINA

DB Schenker partners with Sichuan JiuYe

DB Schenker and Sichuan JiuYe Export have signed a partnership agreement for future cooperation in logistic handling of perishable goods. Sichuan JiuYe provides cross border one-stop supply chain services to agriculture, food e-commerce and food companies in China and abroad. Through the agreement, Sichuan JiuYe benefits from DB Schenker's strong global network and extensive market experience. DB Schenker considers JiuYe as an important strategic partner to strengthen and develop its footprint in the perishable segment in China.

SRI LANKA

Singer logistics hub in Dambulla

Singer Sri Lanka has opened a massive 75,000 sq.ft. logistics hub in Dambulla. The state-of-the-art logistics hub will double up Singer's speed of distribution while maintaining a streamlined inventory control to keep up with rapidly increasing growth in sales. The new logistics hub located on 5.5 acres will cater to the needs of 180 company shops and 200 consumer durable dealers in the North Central, Northern, Eastern, North Western and Central Provinces. The ultra-modern hub will also supply 250 dealers of tractors and agricultural hardware products bringing Singer's products closer to the farming consumers. Equipped with latest technology and the latest distribution management system for on-time deliveries, the storage capacity of the hub will be extended by using a double deep racking system.

No foreign parties in Colombo Port's East Terminal

Sri Lankan President, Maithripala Sirisena told the Sri Lanka Ports Authority workers' unions that he would not allow the contract on Colombo Port's East Terminal to be given to a foreign party. Among the companies bidding for the project were Shapoorji, CONCOR, and Bangladesh's Summit Shipping.

In the early stages, the Sirisena-Wickremesinghe government was keen on giving the contract to a South Asian company to balance China and South Asia, in the port projects. The then minister of ports, Arjuna Ranatunga, even named the Indian firms, Shapoorji Pallonji and CONCOR, as the likely recipients of the contract.

MYANMAR

Improving Thailand-Myanmar trade

A pilot project which uses semi-trailer swapping with bonded cargo has halved the time needed to reach Thilawa SEZ from Thailand. Sending a container from Panomsarakarm in Thailand to Thilawa SEZ in Myanmar takes 2.5 days, whereas conventional logistics needs 4-5 days and ocean freight takes 3 weeks. The scheme represents a step towards efficient and barrier-free trade between Mae-Sot and Myawaddy, making cross-border logistics easy.

THAILAND

Thai shippers raise export growth forecast to 5 pct

Thailand's exports are expected to grow 5 per cent this year, better than the 2.5-3.5 per cent projected earlier, a group of shipping firms projected, but added that a strong baht was a threat. Exports between January and June rose 7.8 per cent from a year earlier. Shipments will be driven by stronger global demand, particularly for electronics, as trade partners' economies are recovering. The commerce ministry and the central bank forecast exports worth about two-thirds of the Thai economy to rise 5 per cent this year. Last year, exports rose 0.5 per cent, the first annual rise in four years. But a rally in the baht will have a big impact on export orders, particularly on those with domestic content.

NEPAL

Alternative checkpoint for Nepal trade

Nepal and India have agreed to use the Bhimnagar-Bhantabari small customs checkpoint as an alternative to the Biratnagar-Jogbani customs to keep trade movement smooth. Recent floods have damaged railway tracks and bridges on the Indian side halting the trade activities. Traders have started rerouting the stranded cargo containers from Bhimnagar to Bhantabari and more than 1,000 trucks have arrived through the point. Rerouting has increased transport costs as trucks have to cover an additional 100km distance.

PAKISTAN

Govt urged to construct new terminals at port

Pakistan FMCG Importers Association has urged the government to construct new terminals at the Karachi Port besides activating all the dry ports across the country. In a joint statement, the Association's Patron-in-Chief, Naseem Chawla, Senior Vice Chairman Nafees ur Rehman Bari and Secretary General Ali Mattoo claimed that importers were facing numerous issues due to heavy rush of work at Karachi Port. They suggested the government to construct new terminals at Karachi. They also urged the government to take back the taxes levied at the dry ports and make all dry ports present in the country active for resolving the issues being faced by the importers.

INDONESIA

DP World signs Indonesian development deal

DP World has signed a port and trade infrastructure agreement with the Indonesian government to develop two major break bulk projects – the Kuala Tanjung greenfield Port and logistics zone and Belawan Port projects in North Sumatra.

"This partnership highlights Indonesia's efforts to accelerate development of its ports and trade infrastructure, something we can help with given our global experience of advising governments on connecting with international markets," said Sultan Ahmed Bin Sulayem, CEO, DP World Group.

IRAN

Chabahar Port likely to be operational by 2018: Gadkari

Amid deepening Indo-Iranian ties, the government is hopeful that the strategic Chabahar Port will be operational by 2018, Union Minister for Road Transport, Highways and Shipping, Nitin Gadkari said. Gakdari is keen on expediting development of the Chabahar port, located in the Sistan-Baluchistan province on the energy-rich Persian Gulf nation's southern coast that can be easily accessed from India's west coast, bypassing Pakistan.

India has accelerated work at the Chabahar Port and finalised some tenders for installation of key equipment. "Civil construction work has started there. We have finalised tenders worth ₹380 crore for equipment out of ₹600 crore and once the port becomes operational it will become a growth engine," the minister said.

KOREA

South Korea's 14 container carriers to form shipping consortium

South Korea's 14 container carriers will sign a memorandum of understanding to establish the Korea Shipping Partnership (KSP), the Korea Shipowners' Association said. The carriers including Hyundai Merchant Marine (HMM), SM Line will cooperate to increase their collective strength through increasing shared cargo capacity, adding new shipping routes and co-managing overseas terminals.

The KSP will establish operational guidelines by the end of the year, and aims to launch full-fledged operations in January. The alliance is being formed in hopes of restoring the country's shipping reputation after its then-largest carrier, Hanjin Shipping, went bankrupt last year. HMM is reportedly looking to allocate more vessels to meet rising demand on US routes in the coming months.

HMM agreed to a strategic cooperation with 2M Alliance members Maersk and MSC back in December involving a combination of slot exchanges and slot purchases between the liner carriers, although Maersk and MSC made it clear the agreement with HMM was "outside the scope" of the 2M Alliance.

New Korea-Taiwan-Hong Kong service announced

Yang Ming Marine Transport Corp has launched a new Korea-Taiwan-Hong Kong - KTH service, jointly operated by YM, T. S. Lines Co.and Korea Marine Transport Co.with two container vessels of 1,800-teu capacity. Its port rotation is Inchon, Pusan, Kwangyang, Keelung, Taichung, Kaohsiung, Hong Kong, Kaohsiung, Taichung, Keelung, Inchon. A round voyage takes 14 days. Besides the KTH service, YM provides four other loops covering the Korean market – Pan Asia Service, China-Thailand II Service, Japan-Taiwan-Vietnam Service and Pan Asia Service III.

INFRASTRUCTURE needs to catch up

Container traffic in South Asia has increased fourfold since the past decade, but logistics infrastructure has not geared up to support the rise in flow of cargo. South Asian economies need to put a concerted effort to resolve logistics issues that could have interrelated angles rather than implementing isolated measures

Matías Herrera Dappe
Senior Economist, Transport and ICT Global Practice, World Bank

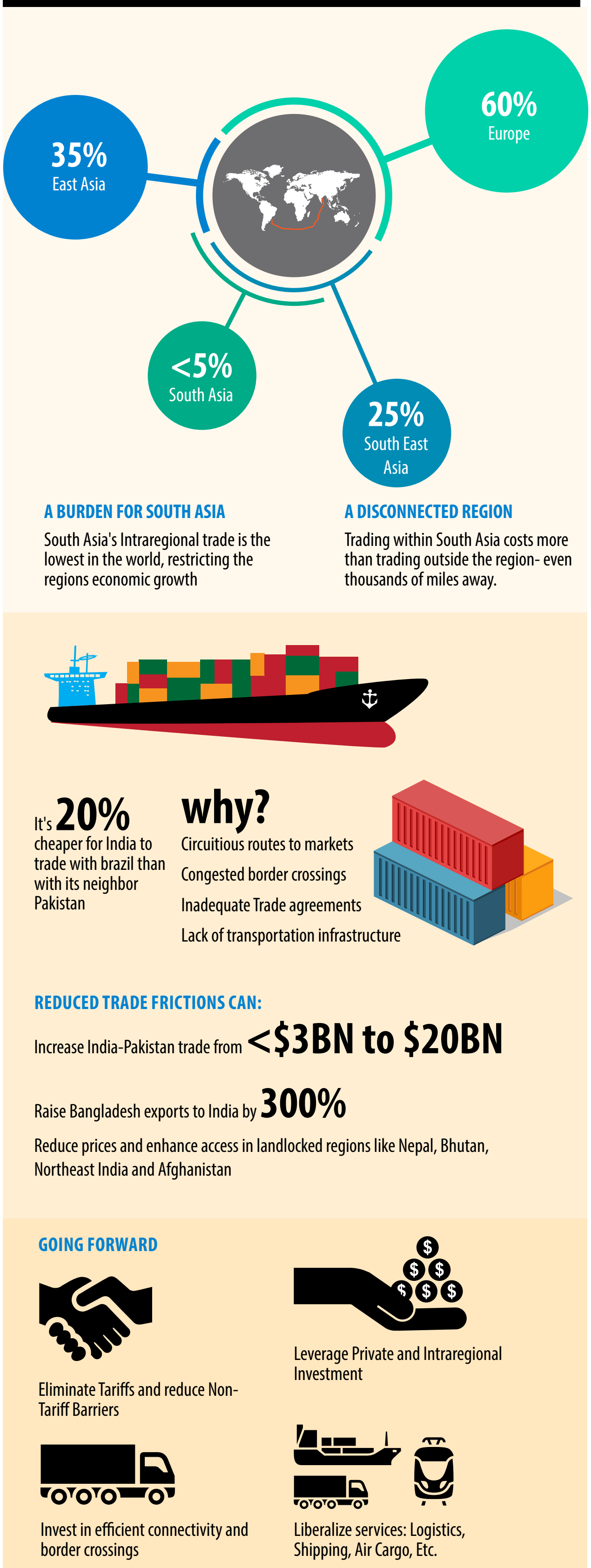
Ancor Suárez-Alemán
Economist

(Excerpts taken from the World Bank's study "Competitiveness of South Asia's Container Ports.")

South Asia's trade almost doubled in the past decade, with trade as a percentage of GDP increasing by 18 percentage points between 2000 and 2014. Trade accounted for a smaller share of GDP in South Asia (47 per cent) than in East Asia (55 per cent) in 2014. Since 2000 the region has also enjoyed the second-highest economic growth in the world (after East Asia), growing at an average annual rate of 6.8 per cent.

Since 2000, container traffic in the region increased by a factor of more than four. Capacity also increased, but it grew much more slowly than cargo growth. As a consequence of the growth in trade traffic, congestion at container ports across South Asia increased between 2000 and 2012. Ports have offset longer waiting times by improving the efficiency of their operations at the berthing stage. More efficient use of port facilities, together with improvements in the scale of operations,

INTRAREGIONAL TRADE AS A PERCENTAGE OF TOTAL TRADE



Source: World Bank

were the main drivers of increase in total factor productivity (TFP) in South Asia. On average, South Asian container ports experienced the largest improvement in TFP among ports in the Indian and Western Pacific Oceans (80 per cent versus 55 per cent for East Asia) between 2000 and 2010.

Drivers for container throughput

South Asia's share in global container port traffic has increased from 2.1 per cent in 2000 to 2.9 per cent in 2013. India is by far the largest container market in the region, moving about 10 million teus in throughput in 2013. Sri Lanka, whose market is dominated by transshipment, is the next largest player in the region, with throughput of more than 4 million teus. Pakistan (2.6 million teus) and Bangladesh (1.6 million teus) handle smaller volumes of cargo. Maldives handled less than 100,000 teus in 2013. The South Asian container traffic grew steadily between 2000 and 2013, increasing by a factor of more than four. Pakistan's container throughput grew fastest, increasing at a CAGR of 15 per cent. Annual volumes rose 12 per cent in India, 10 per cent in Bangladesh, 9 per cent in Maldives, and 7 per cent in Sri Lanka over this period.

The drivers of container throughput in South Asia vary across countries. In Bangladesh export growth led largely by US and European demand for readymade garments has resulted in throughput growth via the Port of Chittagong and to some extent the Port of Mongla. In India growing exports and increased domestic demand coupled with the increasing involvement of the private sector in port operations has led to increased throughput. Exports of textiles are major drivers of increase in throughput in Pakistan, through the Port of Karachi and Port Qasim. In Sri Lanka productivity improvements caused in part by private sector involvement at the Port of Colombo have allowed it to capture growing volumes of transshipment traffic.

Tariffs and terminal handling charges at most large South Asian container ports are lower than those at ports such as Dubai, Salalah, and Singapore. But the indirect costs associated with delays play a more significant role in shippers' port choices.

Private investment in port sector

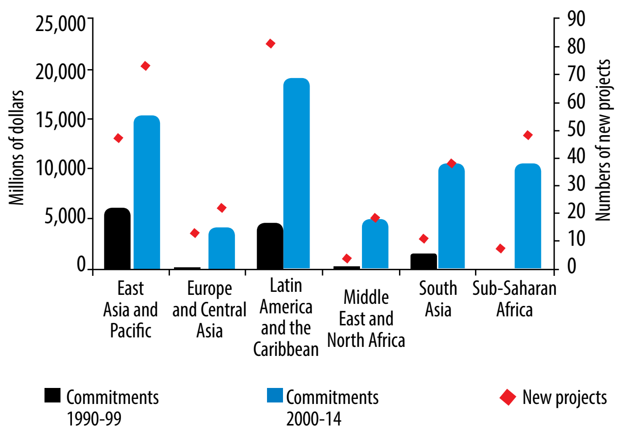
The South Asian port sector attracted significant interest from private investors in the late 2000s.

Between 2000 and 2014, the South Asian port sector attracted $10 billion in private investment commitments (16 per cent of all port commitments in the developing world). Two-thirds of the investment commitments during this period took place between 2006 and 2010, after the largest number of new projects reached financial closure in 2005.

Lagging behind in logistics performance

Despite this progress, South Asia's economic competitiveness continued to lag behind that of other regions. South Asia ranks far behind East Asia and middle-income countries in logistics performance as tracked by the 2014 Logistics Performance Index, while according to Doing Business report by World Bank, the cost of exporting or importing a container in South Asia is more than twice the cost in East Asia. On average in South Asian countries, it takes 33 days to export and 34 days to import, effectively eliminating the time and cost advantages South

FIGURE 1.5 PRIVATE SECTOR INVESTMENT COMMITMENTS TO PORT PROJECTS BY REGION 1990-99 AND 2000-14



Asia would have over East Asia on seaborne shipments to Europe and the East Coast of the United States.

These figures matter for South Asia, a region where 75 per cent of the international trade takes place by sea. Weak transport and logistics services, including slow expansion of port capacity, contribute to South Asia's lack of competitiveness. Better port logistics in South Asia could help increase trade, diversify exports, attract more foreign direct investment and spur economic growth.

Despite improvements over the past several years, South Asia continues to lag other regions in terms of competitiveness. Countries in the region still lack the institutional, business, and investment environments as well as the infrastructure needed to compete in the global economy. The most recent Global Competitiveness Report indicates that of all South Asian countries, only India and Sri Lanka score above the global average on competitiveness. Inadequate supply of infrastructure ranks among the top 4 most problematic factors for doing business in all South Asian countries other than Sri Lanka, where it ranks 10th.

Transport and logistics are part of the reason for South Asia's low level of competitiveness. For transport infrastructure, South Asia performs below both the global average and the average for developing countries in Asia.

Performance within South Asia

Average vessel turnaround time in South Asian container ports declined between 2000 and 2012, falling from about 2.3 days to about 2.1 days. Marked improvement occurred in the early 2000s, but it was partially offset later in the decade. Vessel turnaround in Chittagong (Bangladesh) and Kolkata (India) takes much longer than average in most years (more than four days). In contrast, ships spend only slightly more than a day at Colombo or Cochin.

Average pre-berth waiting times increased between 2000 and 2012, implying that capacity did not expand as much as needed to avoid increasing congestion. Many factors, including ship sizes, berth capacity, and operational efficiency, affect pre-berthing waiting time, which increased from 0.46 days in 2000 to 0.57 in 2012, having spiked as high as 0.76 in 2010. Although waiting times declined at some ports (for example, Chennai), they increased at most ports, with times at Kandla, JNPT, and Cochin rising most. Ports have offset the increasing pre-berth waiting time by improving the efficiency of their operations at the berthing stage. The average time ships spent at berth fell from 1.83 days in 2000 to 1.51 days in 2012. The average proportion of time ships were not being serviced while at berth (idle time at berth) fell from 23 per cent to 19 per cent. The decline in the share of idle time was most marked at Chittagong and Visakhapatnam; at only a few ports, such as Kandla, did the share of idle time increase. Karachi and Colombo have always had relatively low idle time ratios. The increasing prevalence of larger vessel visits could explain the pattern observed at Colombo and JNPT, where the time spent at berth increased even as the share of idle time decreased significantly.

The evolution of average turnaround time by country shows that South Asia comprises two very different realities, with Pakistan and Sri Lanka performing better than India and Bangladesh in terms of time efficiency. India is gradually losing competitiveness in terms of time, after improving at the beginning of the decade.

Performance across regions

An international comparison of average turnaround times, based on data from Lloyd's List Intelligence for the months of May 1996, 2006, and 2011 reveals that despite improvements, South Asian container ports fell farther behind best international performance between 2006 and 2011. Most regions experienced remarkable improvement in operational performance between 1996 and 2011. Asia as a whole improved to levels similar to levels in Europe and North America. In contrast, performance in South Asia worsened, with its average turnaround time increasing from 2.06 days in 2006 to 2.39 days in 2011. This relative deterioration was driven by results at certain ports in

India and Bangladesh. There was some convergence in the time ports take to service a ship, but no port in South Asia came close to the most competitive container ports worldwide, such as Singapore (0.5 days), Hong Kong (0.72 days), and Shanghai (0.79 days).

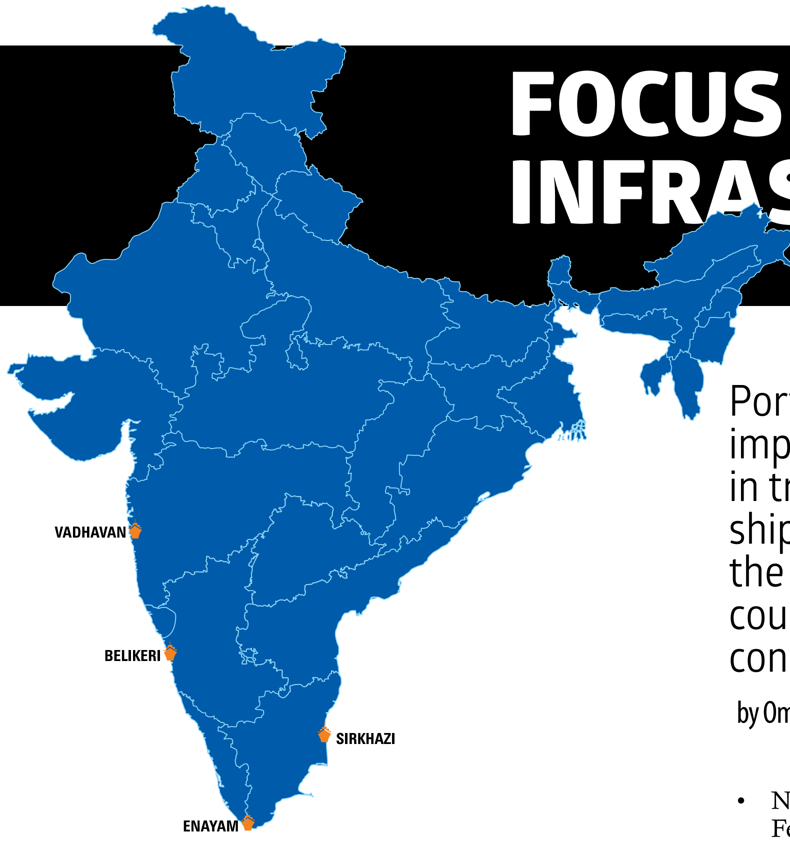
The role of hinterland and terminal operators

Inland connectivity between South Asian ports and their hinterlands is generally poor. All countries face congestion on roads and rail for inland cargo movements. All countries are trying to improve inland connectivity, but progress is slow. As a result, although inland markets are contestable in theory, competition in South Asia is more restricted than in more developed regions.

The need for comprehensive reform

The whole is more than the sum of the parts: Experience from across the globe, including South Asia, indicates that although isolated measures to improve port performance have positive impacts, a comprehensive approach that tackles several interrelated angles yields greater benefits. South Asian governments should thus adopt a wide-ranging approach that tackles several interrelated angles rather than effect isolated measures. The approach should strengthen governance of the port sector, allow the private sector to take responsibilities and risks it is better suited to deal with than the public sector, and foster competition where feasible.

FOCUS ON INFRASTRUCTURE



Port infrastructure is being improved to support the growth in trade and promote coastal shipping. Highways across the length and breadth of the country will strengthen last-mile connectivity

by Omer Ahmed Siddiqui

India being the largest and fastest growing economy at the global level is expected to post a growth rate of 7.6 per cent in FY2018, rising to 7.8 per cent in FY 2019-20. Domestic consumption and exports are on the rise and the growth in trade is being supported with a boost to logistics infrastructure.

As majority of trade moves through sea, the union government has initiated the Sagarmala Programme, under which 415 projects, at an estimated investment of approximately ₹8 lakh crore have been identified across port modernization and new port development, port connectivity enhancement, port-linked industrialization and coastal community development for phase wise implementation over the period 2015 to 2035. As per the approved implementation plan of Sagarmala Programme, these projects are to be taken up by the relevant central ministries/agencies and state governments preferably through private/PPP mode.

6 new port locations have been identified, namely - Vadhavan, Enayam, Sagar Island, Paradip Outer Harbour, Sirkazhi and Belekeri. The current status of each of the proposed new port locations is as follows:

- New port in Sagar Island (West Bengal) - Approval obtained for setting up major port at Sagar Island. DPR prepared. Viability being re-examined in view of announcement of new port at Tajpur by State Govt. of West Bengal.
- Paradip Outer Harbour in Odisha - DPR under preparation.
- New port in Sirkhazi, Tamil Nadu - Techno Economic Feasibility Report has been prepared.
- New port in Enayam, Tamil Nadu - In principle approval obtained for setting up major port at Enayam. DPR under preparation.
- New port in Belikeri, Karnataka - Techno Economic Feasibility Report prepared.
- New port in Vadhavan, Maharashtra - DPR under preparation.

Increasing the share of coastal shipping and inland navigation in the transport modal mix is one of the key objectives of the Sagarmala programme. In order to equip ports for movement of coastal cargo, the scope of coastal berth scheme has been expanded and merged with Sagarmala. Under the scheme, the financial assistance of 50 per cent of project cost is provided to major ports/state governments for construction of coastal berths, breakwater, mechanization of coastal berths and capital dredging. ₹152 crore has been released for 16 projects under this scheme. In addition, Cabotage has been relaxed for a period of 5 years for specialized vessels like Ro-Ro, RO-PAX etc.

To augment transshipment capacity in the country, Vizhinjam (Kerala) and Enayam (Tamil Nadu) are being developed as transshipment ports. Vizhinjam is being developed as transhipment hub under PPP mode by Government of Kerala with viability gap funding from government of India. In principle approval has been obtained for setting up a major port at Enayam and its DPR is under preparation. To strengthen the last-mile connectivity the government has developed the Golden quadrilateral that includes the East-West and North-South corridors that connect to major ports.

Island in the ocean of opportunity

The challenge and the opportunity to the country is to become a world class marine and logistics centre for Asia, beyond the current business model which is over dependent on transshipment

Rohan Masakorala
CEO, Shippers' Academy, Colombo

> Colombo is ranked 23 among global container ports. Known as the main transshipment hub in South Asia connecting the regional economies Sri Lanka can be named as the emerging Singapore, Dubai or Hong Kong, as an island that will attract logistics services.

The 13th-century Venetian traveler Marco Polo described Sri Lanka as being "for its size, better circumstanced than any island in the world." The country's location adjacent to the busy main East West shipping route, makes it well connected for shipping to Asia, Europe, Africa and Middle East linking the Indian subcontinent trade.

Sri Lanka is ideally located to connect continents and be a cost-effective distribution hub as both Singapore and Dubai are becoming more expensive for such services. The island is connected to the Middle-East and the South-East Asia and the Indian subcontinent within three to four flying hours, and by sea one to five days of transit. This makes connectivity very attractive and fast for both passengers and cargo. Therefore, Sri Lanka will be the most logical location between Singapore and Dubai to be established as a major economic centre to facilitate the ever-increasing e-commerce based business to customer service trade.

Colombo is serviced by all major shipping lines with a current throughput of 5.7+million teus and is ranked 23 among global container ports. Known as the main transshipment hub in South Asia connecting the regional economies Sri Lanka can be named as the emerging Singapore, Dubai or the Hong Kong as an island that will continue to attract logistics services. India will be best connected via Sri Lanka linking both the East and West coast of India more effectively than any land transport model that could be developed within India. Colombo and Hambantota have new deep-water terminals to accommodate the latest ULCC, whilst Trincomalee is a natural deep-water port that can cater to maritime and logistics reequipments of the Bay of Bengal region.

The challenge and the opportunity to the country is to become a world class marine and logistics centre for Asia, beyond the current business model which is over dependent on transshipment. To be globally competitive Sri Lanka will have to open the economy further and create the conducive environment and attract global capital through reforms and continue modernisation of the business climate.

The need of the hour is that Sri Lanka should put in a plan to attract global investor interest to transform the location into a major maritime and logistics capital in the world. The development of this ecosystem needs investors with knowledge and business strengths to be partners in the development process. If the location can be converted with right policy with timely execution of reforms and modernisation into a successful economic, shipping and logistics hub using the Indian Ocean and its surrounding environment, then the country can transform into a major financial centre in South Asia. Certainly, the island of Sri Lanka is in the "ocean of opportunity" to be the hub for international transportation and logistics connecting South Asian trade to the world. mg

THE GREAT MARITIME GAME

India and Sri Lanka are focusing on improving free movement of trade between the nations. By investing in Sri Lanka's maritime infrastructure and regional connectivity, India can have a stake in the development of South Asian maritime trade

by Deepika Amirapu

Early this year in January, the island nation Sri Lanka made headlines for positive political development. It was the beginning of the third year of the President Maithripala Sirisena's five-year term. In the two years of his Presidency, much was achieved to strengthen democracy and empower the judicial system in the country. Now perhaps for the first time in Sri Lanka's contemporary history, the future holds more promise than doubt. The President and his men also ensured Lanka did well in the three areas the country is often referred to – tea, cricket and maritime trade.

While the first two are certainly a delight to partake and watch, maritime trade has been the one bone of contention leading to some ministerial exits because of ambiguity in dealing with the Dragon. China has been a complex challenge for the island nation that is deep in debt and yet needs to make truce between development and securing the maritime interests of the Indian Ocean Region, or IOR. One of the counts that made Sirisena's ascension to the President's seat easy was his promise to control the Chinese aggression in many sectors. However, the 2016 deal according 80 per cent stake to China Merchants Port Holdings (CMPort) in the Hambantota Port was criticised and forced Sri Lanka to reconsider its position.

In August, Sri Lanka tried to correct all the wrongs in this deal by revising it and restricting the Chinese holding to 70 percent. The pact limits CHPort's role in running commercial operations by splitting the administrative functions between two companies. Colombo has also ensured that the port will not be used for military purposes. As per existing port management norms, the company that controls operations takes decisions on how ships must enter and leave harbour. At Hambantota, HIPS' right to control warship movements may result in a clash of authority with CMPort, the majority stakeholder.

It is estimated that, by 2030, Asia will surpass North America and Europe combined in global power based on gross domestic product (GDP), population size, military spending and technological investments. The busy East-West shipping route passes just six to ten nautical miles south of the island with more than60,000 ships plying this route annually carrying two-thirds of global petroleum, half the supply of container cargo and more. Thus, Sri Lanka's situation in the nautical corridor between the East and West is not only of importance from a geostrategic perspective but also from a maritime, economics and security perspective.

Enter India

India and Sri Lanka hope to finalise Indo-Sri Lanka Economic and Technology Cooperative Agreement (ETCA) by end of 2017. The ETCA will enhance the scope of India and Sri Lanka's FTA to extend freer movement of goods and services, with the added emphasis of cooperation on development of technology and investment.

Secondly, India should also actively contribute to Sri Lanka's infrastructure development. Adding to the IOR's pearl in bettering its maritime infrastructure would be seen as essential to achieving its national development goals. More specifically, Modi's administration should encourage public-private partnerships and government-to-government investments in India's neighborhood, beyond concerns about China. According to the World Bank and Asian Development Bank, South Asia is one of the least integrated regions in the world. By investing in Sri Lanka's maritime infrastructure and regional connectivity, India is enhancing its own security.

In March this year, Sri Lanka's Former Minister for Shipping, Arjuna Ranatunga said, "Colombo, Trincomalee and Kankesanthurai – these are the three ports where India could collaborate for development." According to the Minister, the country is looking for an Asian sub-continent investor. Indian private players should collaborate with the Sri Lankan Port Development Authority to develop ports in Sri Lanka. CONCOR has formed a consortium with APM Terminals B.V., John Keells Holdings and Maersk Line to bid for the development of East Container Terminal in Colombo. The total project value is likely to be about $550-600 million. This must be pursued for India's intent to play a major role in the IOR to be taken seriously. mg

Strong Pan India Presence ***55 + Offices*** ***In-depth expertise as Agents***

106/107, Technopolis Knowledge Park, Mahakali Caves Road, Chakala, Andheri (E), Mumbai – 400093. (INDIA)
Tel: 91-22-66775000 Fax: 91-22-66775050 Email: corporate@samsaragroup.com

GEARING UP TO EASE CONGESTION

The Chittagong Port Authority along with the Customs and off-dock workers are putting in a concerted effort to ease out movement of cargo

by Omer Ahmed Siddiqui

All the banks at Chittagong Port have been directed to operate 24/7 along with the port authority and Customs; private ICDs that do not deliver quick and efficient services stand to lose their license; the Bangladesh Land Port Authority (MLPA) has been instructed to construct an alternative road for transportation of goods, while the port operates 24/7 to evacuate cargo; landlord port model will be introduced to reduce the port authority's involvement in operations; the off-dock workers and the port authority will procure more equipment to facilitate swift movement of cargo. The ICDs will impose CFS cut-off time for exporters for sending export cargo so that the ICDs can maintain cut-off time for sending export laden containers to the Chittagong Port. The ICDs will send export laden containers to the port between berthing of vessel and six hours before their sailing. The ICDs will also try to take out import laden containers of their designated 37 items at the shortest possible time. Bids have been invited for erecting a specialised terminal to handle bulk cargoes at the port.

Chittagong Customs House has jumped into action dispatching 94 assistant revenue officers and nine assistant commissioners for supporting the exim operations 24/7. The CPA will provide an export yard of at least 1000 teus at the CCT (Chittagong Container Terminal) and at NCT (New Mooring Container Terminal) within a short time and will transfer 4,200 teus of containers meant for auction to the newly-built silo yard. It is to be noted that neither CCT nor NCT has any export yard at present for export containers to facilitate the ICDs to go directly to the vessels' hook point to load export containers onto vessels.

CPA Chairman has asked the off-docks operators to install scanners at their yards to prevent contraband items moving through the port. BICDA chairman Nurul Qayyum Khan said the import containers should be scanned immediately after arrival at the port.

The port authority has imposed strict limits on the duration for which a ship may remain in the port and this is forcing vessels to set sail even if certain booked containers have not been loaded. The unfinished loading can be completed at the outer channel. As per the new timetable, a gearless container vessel is allowed to berth for 48 hours, smaller geared vessels with cranes onboard can berth for 60 hours and the largest geared vessels are allotted 72 hours at the port. The port authority has also mandated that containers should arrive in the terminal yard six hours before the vessels departure.

These are some of the measures being implemented to ease the Chittagong Port which is almost chocked with congestion. The port Chairman has placed a requisition for declaring the port as a thrust sector, exemption it from paying non-tax revenue, reforming customs scanning system for quick delivery, reducing physical inspection of goods, more off-dock in private sector, and review of tariff.

Chittagong Port handles 90 per cent of international cargo in Bangladesh and the volumes at the port have

QUICK FACTS

The Chittagong Port Authority, Customs and banks at the port will operate 24/7.

An alternative road will be constructed at the port to evacuate cargo.

Landlord port model will be introduced.

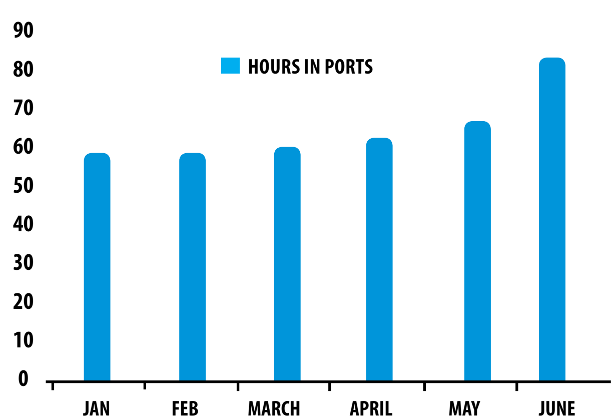
ICDs will impose CFS cut-off time.

ICDs will send export containers to the port between berthing of vessel and six hours before their sailing.

The port authority will provide an export yard of at least 1000 teus at the Chittagong Container Terminal and at New Mooring Container Terminal.

Berthing time: Gearless container vessel **(48 hours)**, smaller geared vessels with cranes **(60 hours)** and largest geared vessels **(72 hours)**.

AVERAGE TIME IN CHITTAGONG PORT FOR CONTAINER SHIPS



been steadily growing only to overstress the existing infrastructure that was kept waiting for an upgrade for almost a decade now. The problem of cargo congestion at Chittagong Port is increasing day by day and the reasons are many – The port has 21 RTG cranes against the demand for 56, there are only seven straddle carriers whereas the port needs at least 15, most of the jetties have a shallow draft, there is a shortage of lighter vessels to transport containers from ocean-going vessels that must offload at outer anchorage as the draft does not allow for these to berth at the port, there is also a lack of enough berths for the vessels to dock. These shortcomings have put the port in a situation that has built up a queue of vessels waiting to get berth.

Six of the thirteen jetties in the port have a depth ranging between 6-7 metres, which prevent larger ships from berthing at them directly. Only two jetties have deep draft where larger ships come for lighterage before moving to other jetties. This increases the cost for shippers in addition to the delay as they have to pay two different groups of workers before the cargo is completely unloaded.

Today, container ships have to wait at the outer anchorage for around 6-12 days while the waiting time for bulk carriers is around 20 days or more. The congestion has driven up ship's average time in the port by 43 per cent to 84.3 hours between January and June. The congestion began to mount in April when average time in the port was 62.7 hours

Adding to the woes of shipping lines are the steep demurrage for goods to be unloaded after berthing at docks. This has prompted shipping liners plying the Singapore-Chittagong route to raise price per container by $150 because of the congestion. These adversaries have forced shipping lines to cut down the calls on this route to one shipment (as opposed to two earlier) per month.

These problems have not cropped up over night at the port. Lack of infrastructure has been accruing over the years. The number of jetties has remained the same since 2007, while import volume has risen from 1 million to 2.4 million containers as of the last fiscal year. Port infrastructure has simply not grown to handle this extra volume. To make things worse, the two gantry cranes which were damaged following an accident on June 25 has substantially disrupted the container handling operations of the port.

According to the importers, on an average 15 container vessels now have to wait every day at the outer anchorage for getting schedule of berthing at the jetties. "The gearless vessels now have to wait for a maximum of five days while the geared vessels (with container handling equipment like cranes on board) have to wait for a maximum of four days at the outer anchorage. The ordinary vessels have to wait for a maximum of two days,"

revealed **Rear Admiral M Khaled Iqbal, Chairman, CPA.** The average stay time for a container vessel for getting schedule of berthing in the jetties is supposed be around one or two days under normal circumstances.

The congestion at the port has had a cascading effect translating into higher end prices for all goods being imported. The backlog in unloading these goods (counting demurrage) means that the market price of imported products is rising. The impact on exports is also apparent with exports growth slumped to 3.67 per cent in the first 11 months of 2016-17.

Exim has suffered a lot in the last few months due to congestion of containers and vessels, even leading to cancellation of export orders by the international buyers of readymade garments. The businessmen will have to count an additional amount of Tk 80 crore per month if $100 is imposed on each container on the pretext of additional surcharge. The situation that has built up at the Chittagong Port is surely a wakeup call to all the neighbouring ports in South Asia to take a reality check of their services and infrastructure. mg

HIGH HOPES ON CPEC

The China-Pakistan Economic Corridor that has the Gwadar Port at its epicentre aims to transform the infrastructure in Pakistan, right from power to logistics

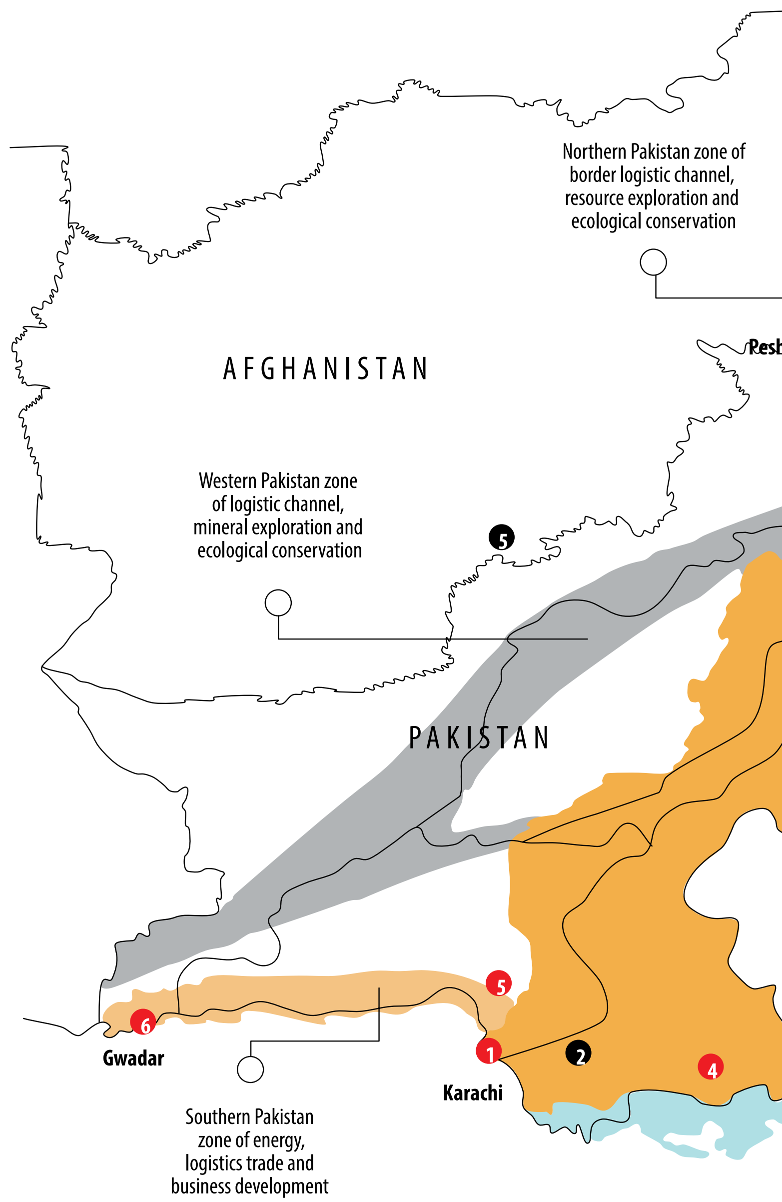
by Omer Ahmed Siddiqui

China and Pakistan have been long-term allies with bilateral trade witnessing threefold increase in the past few years, to $13.7 billion in 2015-16, up from just $4 billion in 2007. Today, China accounts for 40 per cent of Pakistan's foreign direct investment, which is only around $2 billion. A $600 million investment by China in 2015-16 contributed to a 38 per cent rise in FDI in Pakistan.

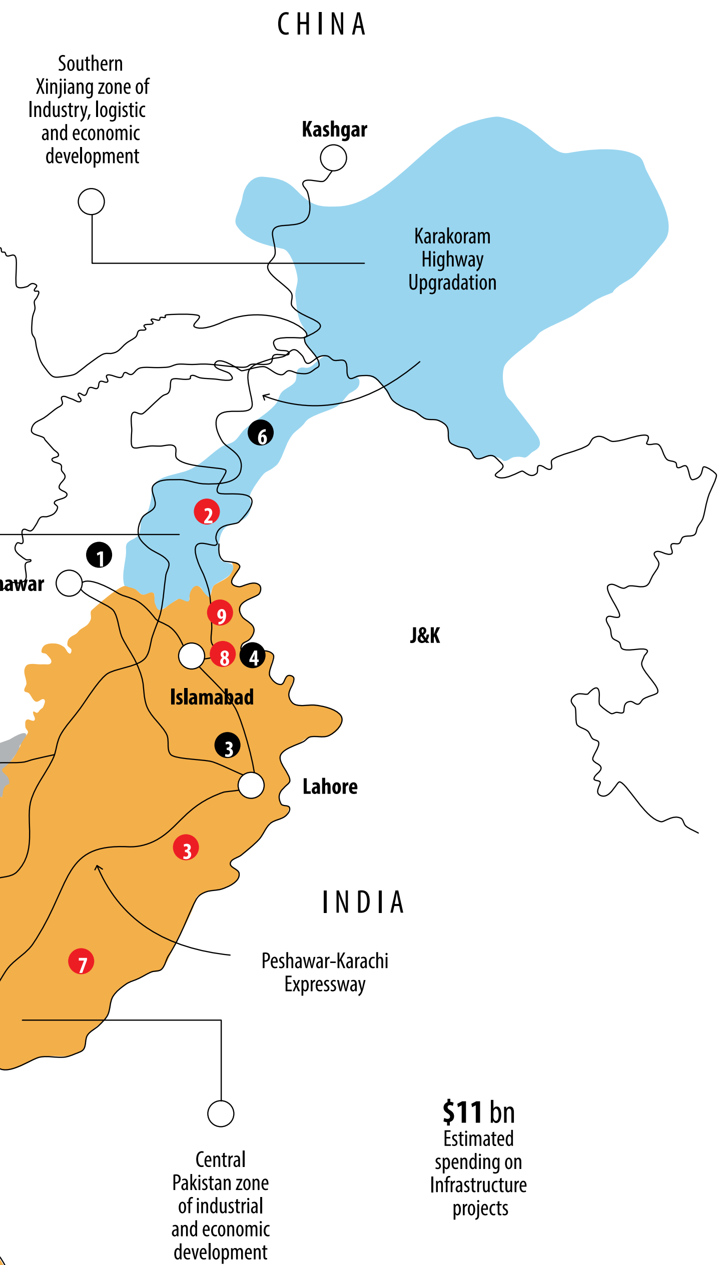
A major Chinese initiative with Pakistan is the China-Pakistan Economic Corridor (CPEC) agreement that will help Pakistan improve its logistics infrastructure and place the country at the centre of the new Silk route. With a total outlay in excess of $62 billion, CPEC is a key pillar of China's One Belt, One Road (OBOR) programme. CPEC is approximately a 3,000-kilometre network of roads, pipelines and railways to transport goods from Gwadar Port in Pakistan to Kashgar in the Xinjiang Uygur Autonomous Region of China. The $52 billion project intends to rapidly modernise Pakistan's infrastructure, improve energy ecosystem and establish special economic zones.

$35 billion worth of energy projects under CPEC span across renewable energy, coal and LNG. This will help solve Pakistan's existing energy shortfall of around 4,000MW. $11 billion investment will go in developing highways and transport networks. By cutting a corridor directly from Kashgar to Gwadar can result in accessing $6.5 billion per annum of Chinese spending on shipping of oil from the Middle East currently done via the Strait of Malacca. Thus, such opportunities present Pakistan as a major logistic hub on the global map.

Under CPEC, Chinese companies will grow crops, build meat processing plants and develop free trade zones in Pakistan. Chinese garment factories will, en masse, be transferred to Pakistan, while China will manage and run tourism projects and SEZs along the southern coast, with rather ambitious plans for even yacht clubs and hot spring hotels to develop an unlikely tourism hub in the restive Balochistan province.



Around 6,500 acres will be leased to China for agricultural demonstration projects. China has announced 17 projects with a total investment of $35 billion. These include a fertiliser plant with an annual 800,000 tonne output, Vegetable and grain processing plants with a 1



$11 bn Estimated spending on Infrastructure projects

$35 bn Estimated spending on power projects

CPEC SPECIAL ECONOMIC ZONES

1. Rashakal Economic Zone, M1, Nowshera, Khyber Pakhtunkhwa
2. China SEZ, Dhabej, Sindh
3. Punjab-China Economic Zone, M-2 Sheikhupura, Punjab
4. Bhimber Industrial Zone, PoK
5. Mohmand Marble City, Khyber Pakhtunkhwa
6. Moqpondass SEZ,Gilgit-Baltistan PoK

ENERGY PRIORITY PROJECTS

1. **2x660** MW Coal-based power plant at Port Qasim, Karachi
2. **870** MW Suki Kinari hydro Power Station, Khyber Pakhtunkhwa
3. **2x660** MW Sahiwal Coal fired power plant, Punjab
4. **4x330** MW Coal fired power plant at Thar, Sindh
5. **1,320** MW Coal fired power plant, Hub, Balochistan
6. **300** MW Coal fired power plant at Gwadar
7. **1,000** MW Quaid-E-Azam Solar park, Bahawalpur
8. **750** MW Karot Hydro Power Station

million tonne capacity and a coal-powered plant at Sahiwal in the Punjab that is already functioning.

In addition to this, the Chinese are planning to overhaul Pakistan's road and rail infrastructure, starting with upgrading sections of the Karachi-Peshawar road and rail line. The Karakoram highway will be upgraded to serve as a key arterial link connecting Xinjiang and Gwadar. it is already being used to ship goods transported from Xinjiang to West Asia.

Chinese companies in collaboration with Pakistani counterparts will build a three-level warehousing system (purchase and storage warehouse, transit warehouse and port warehouse). A national storage network of warehouses will be constructed, starting in Islamabad and Gwadar and then in Karachi, Lahore and Peshawar.

A cotton processing plant with a 100,000 tonne output has been planned and in the future China may shift its garment industries directly to Pakistan to leverage on the lower wages, availability of land, and export tariffs in Pakistan. China is also planning to develop Pakistan's mineral resources, particularly in Balochistan and Khyber-Pakhtunkhwa, eyeing gold reserves as well as setting up marble and granite processing sites.

China sees the Gwadar Port as the heart of the CPEC and envisages a free trade zone and a manufacturing hub there to serve as a launch pad for exports to West Asia and Africa. China has already secured a 23-year tax-free deal for its companies that will operate out of Gwadar. An ambitious annual cargo throughput of 300-400 million tonnes from the port is forecast when the project is through, which will be 10 times more than Pakistan's current biggest port in Karachi.

IMPROVING CONNECTIVITY, BOOSTING TRADE

The focus of Afghan regime is to improve connectivity and trade with neighbours in Central Asia and Europe.

by Omer Ahmed Siddiqui

Having gone through years of war and turmoil, Afghanistan is now focusing on boosting trade and improving logistics. A recent step in this direction was the launch of air corridor between India and Afghanistan last year. The land-locked country used to route its bilateral trade with India through Pakistan, but frequent closure of borders often created obstacles in trade transit.

To ensure uninterrupted trade flow Afghan President, Mohammad Ashraf Ghani last year mooted the idea of air corridor with Prime Minister Narendra Modi, which was later penned into an agreement. After nearly one year, the first India-bound flight carried 60 tonnes of medicinal plants, worth $11 million, from Kabul, while the second flight from Kandahar brought 40 tonnes of fruits and vegetables. Subsequently, a flight from Delhi to Kabul transported 100 tonnes of goods, mainly pharmaceuticals and medical equipment. Bilateral trade between Afghan and India was $300 million which increased to $700 million annually and is forecast to reach $10 billion in the years to come. Agri products and carpet industry are seen as the major beneficiaries of the air corridor. According to the Afghan Chamber of Commerce and Industries (ACCI) the cost of transporting a kilogram of vegetables and fresh fruit from Kabul and Kandahar to Indian markets will be about 20 cents per kg, and the cost of a kilogram of goods from India to Afghanistan will be about 40 cents.

The Afghan government would bear the cost of air freight on specially chartered cargo flights, allowing the exporters to pay on the trucking fare overland from Kabul and Kandahar to Amritsar and Delhi.

The cargo movement has recently run into a rough patch with fruit exporters complaining procedural delays, particularly shortage of cargo planes is causing them major losses. For instance, on July 20 the flight chartered by Afghanistan's national carrier, Ariana airlines failed to arrive on time, and the perishable cargo comprising apricot and melons were not moved to cold storage, causing tonnes of fruits to rot at the Kabul Airport. According to ACCI reports only four cargo flights have flown between Afghanistan and India under the scheme, carrying about 160 tonne in all.

QUICK FACTS

The first flight from Kabul to India carried 60 tonnes of medicinal plants worth $11 million.

The second flight from Kandahar brought 40 tonnes of fruits and vegetables.

India exported 100 tonnes of pharmaceuticals and medical equipment to Afghanistan.

The bilateral trade between Afghan and India increased from $300 million to $700 million annually, and is forecast to reach $10 billion.

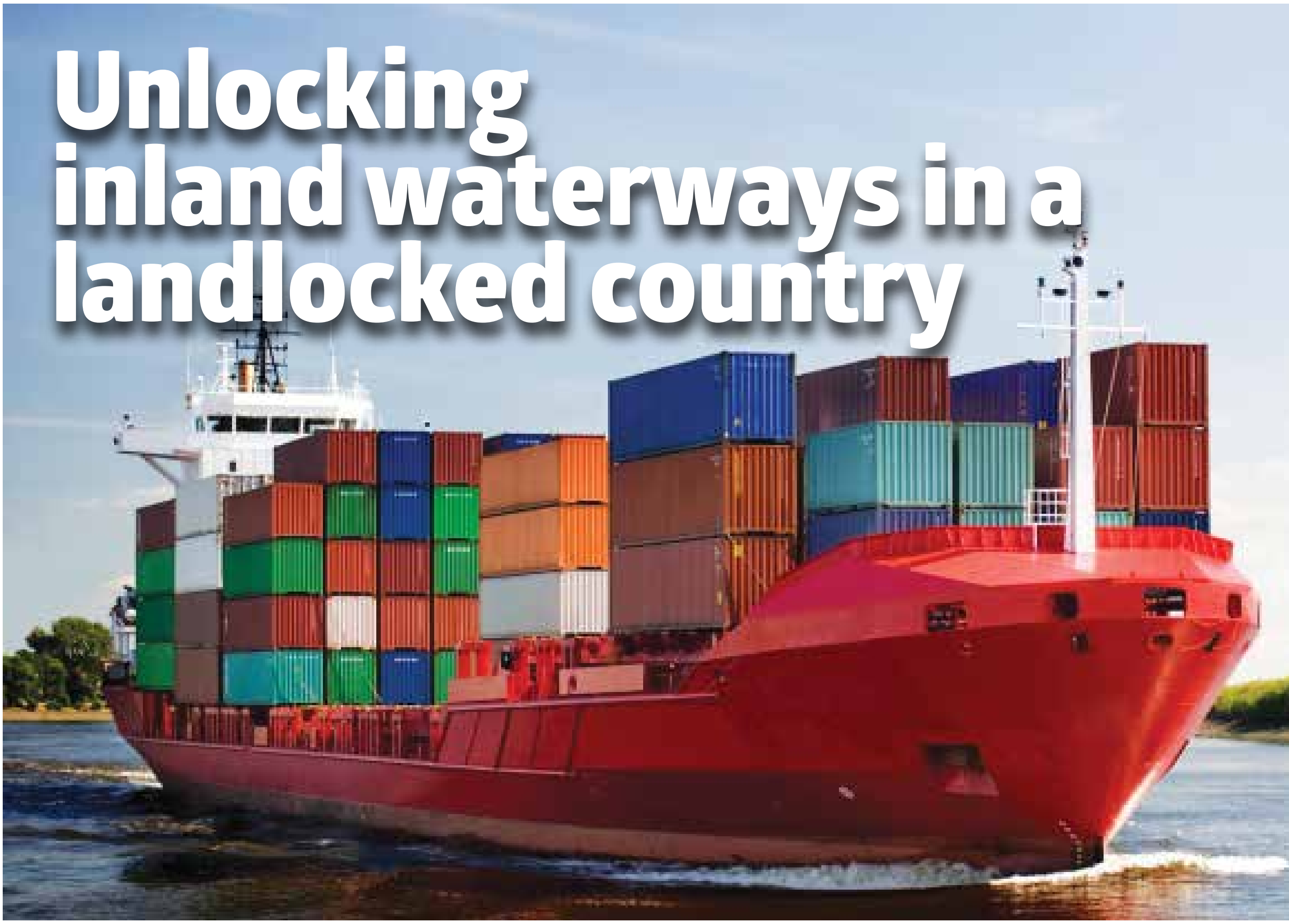
The cost of exporting a kilogram of vegetables and fresh fruit from Afghanistan to India is about 20 cents per kg, and the cost for moving a kilogram of goods from India to Afghanistan is 40 cents.

Issues on the Afghan side include lack of cargo screening machines at airports and inadequate cold storage facilities, while Indian traders worry about clearing the perishable goods quickly through customs as the process is yet to be streamlined. To improve flight frequency, Afghan government has roped in a private airline Kam Air.

Hooking to trans-Asia trade route

Afghanistan is also improving its connectivity with Iran and subsequently will be part of the East-West railway connecting China to Europe. Such a railway would allow Eastern countries to circumvent the Suez Canal and other crowded sea lanes, revolutionising trans-Asian trade and making Iran a key hub for the global transfer of goods. Iran has recently completed the first 30 kilometres of the Khaf-Herat railroad connecting to Afghanistan. The rail link is expected to boost a robust $2.8 billion trade relationship between the two countries by 5 million tonnes of cargo annually. It will also connect Iran and Afghanistan to India through rail. The rail project will allow Afghanistan, India and Pakistan to gain direct access to Central Asian, European and Russian markets.

Unlocking inland waterways in a landlocked country



South Asia Watch on Trade, Economics and Environment (SAWTEE) is undertaking diagnostic study to assess the situation of water transport in Nepal under Expanding Tradable Benefits of Trans-boundary Water: Promoting Navigational Usage of Inland Waterways in Ganga and Brahmaputra Basins (IW) Project. The project aims to contribute to upgrading policies and laws governing inland waterways in the BBIN region for improving transport connectivity and strengthening livelihood of those directly connected to waterways. Under the project, this diagnostic study includes institutional analysis on the management of policies and laws with respect to the management of inland waterways in Nepal.

Rationale

It is evident that Nepal has not been able to exploit this potential fully due to lack of adequate port infrastructure and maintenance, and the absence of policies and legislations to ensure safe and profitable navigable conditions. This research aims to assess the state of institutions – legal and governmental – which govern inland waterways for potential trans-boundary connectivity. The objective is also to evaluate how the existing water transport services are interconnected with livelihoods of the locals and in what ways would the future cross border inland waterways expansion impact their lives. This project will also help in identifying gaps in policies and institutional capacity prevailing in the existing system once Nepal decides to adapt waterways as an alternate mode of transport.

Findings

Nepal has more than 6000 rivers with cumulative length of 45,000 km which can be used to be connected to international waters. But lack of institutional and physical infrastructure has left inland navigation as an untapped sector. All rivers in Nepal drain into Ganges and are a part of Ganges River Basin (GRB). Connecting Nepal's waterways to Indian waterways can open a new alternative trade route. In addition, via waterways Nepal could make use of Bangladesh's ports as well.

The BBIN countries (Bangladesh, Bhutan, India and Nepal) have potential to get connected through water for swifter and cheaper trade movement. Rivers in Nepal are all tributaries of the Ganges while, on the east, rivers from Bhutan meet Brahmaputra and both these mighty rivers get to the Bay of Bengal via Bangladesh. Such confluence make possibility of the transport connectivity for freight through

Unlocking the potential in inland waterways of Nepal can bring a paradigm shift to the exim logistics of the country

by Rajan Sharma
Immediate Past President
NEFFA

MAJOR RIVERS OF NEPAL

Nepal's rivers can be broadly divided into three categories in accordance with their origins. The first category comprises the three main river systems of the country-the Koshi, Gandaki and Karnali river systems, all of them originating from glaciers and snow-fed lakes.

The Koshi river system consists of the Tamor, Arun, Dudhkoshi, Likhu, Tamakoshi, Sunkoshi and Indravati rivers. Of these, the Arun and Sunkoshi originate in Tibet. The confluence of these rivers is at Tribeni (near Dharan) in Sagarmatha Zone. Flowing for almost 10kms through a narrow gorge before entering the plains, the "Sapta Kosi" or the "Koshi" swollen with the waters of the seven rivers finally merges into the Ganges.

The Gandaki river system in central Nepal consists of the Kaligandaki, Budhigandaki, Marsyanghi, Trishuli, Seti, Madi and Daraundi rivers. The Kaligandaki is the longest river and the Trishuli, the main tributary of this system.

water a reality provided some river engineering is done.

MoPIT had commissioned a feasibility study for water transport in the Koshi, Gandaki and Bheri River basins in 2012. The study concluded that most of the routes they appraised were suitable for operating vessels for touristic purposes. The river flow pattern makes navigation on motored boats difficult. The report concludes that commercial water transport for mass passengers and goods movement is not recommended in the present condition; however, recreational water transport could be developed.

The Koshi River

The river is also known as Saptakoshi once it hits the plains in Nepal in Chatara at eastern Nepal. Of the total 720 km length of the Koshi, 513 km lies in Nepal. The river enters India at Bhimnagar –about 50 km from Chatara – and finally reached the Ganges River near Kursela. At present, water transport on the Koshi River is limited to boats used for river crossing at certain places. These boats are sole medium of transportation that connects the people of so-called Sri Lanka Tappu with other habitation. The boat crossing services are operated at two points with about five kilometres distance, all year long. Although the lack of river navigation has made people highly dependent on the unreliable road transport, fishermen take it on a positive note as they are afraid that motorised vessels would scare off the fish and affect their livelihood. As of now, commercial navigation is non-existent in the Koshi River, but it may be possible after the construction of proposed Saptakoshi High Dam.

The Gandaki River

The region between Dhaulagiri and Gosainsthan is drained by the Gandaki river system. The river basin has a total area of 34,960 sq km of which 90 per cent lies in Nepal. At present, the rivers in Gandak tributaries do not boast any inland waterways. Besides a steamer service on the reservoir created by the construction of dam for Kali Gandaki and a hydroelectric project in Synagja, there is no mechanized navigation service available. The Gandak Basin also does not have proper inland waterway route. Prospects of developing navigable waterways are ample once the rivers –Trishuli and Kali Gandaki converge into the Narayani River near Devghat, and flows on the flatter surface. The river could have emerged as an alternate route to travel from Narayanghat to Triveni –border to India. However, such undertaking are not possible due to the Chitwan National Park which does not allow boats citing adverse impact on the habitation.

In the Koshi basin, river transport could make reaching upper hilly regions via water possible. If similar service could be restarted or extended to include freight movement, it could reflect on the price of commodities. In similar vein, having robust water transport in the Narayani River would mean more employment opportunities for the people in the area.

Trade through waterways

Getting direct access to sea for Nepal cargo movement would translate into lower trading cost. Due to its geographical disadvantage and overdependence on India's congested Kolkata and Haldia Ports as transit gateway, Nepal suffer from high trading cost. As IWT in South Asia is receiving growing attention from the governments and international agencies alike, inland navigation could emerge as a viable option for Nepal. Navigation has been taken up as an important part of the integrated river management programmes. As India is upgrading its river ports and terminals at Patna and Varanasi to transport Nepal bound cargo, developing river connectivity would provide Nepal a much needed alternative trade route. Similarly, through the Ganges River, Nepal could access the Haldia, Chittagong and Mangla Ports.

Recommendations

- Undertake feasibility study of the rivers to facilitate multi-modal transport services.
- Upgrade existing traditional boats.
- Nepal needs to set up a body for developing waterways.
- A comprehensive Act needs to be framed to facilitate navigation.
- Incentives should be offered to increase private sector participation.
- Trans-boundary inland waterways connectivity should be established. mg

VYING FOR THE NEPAL CARGO

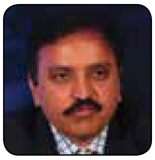
While Visakhapatnam Port is attracting the Nepal cargo with its efficient infrastructure, the Kolkata and Haldia Ports are also pulling up their socks to gain back the lost business. Meanwhile, China through its One Belt, One Road initiative is trying to shift the Nepal transit trade to itself

by Omer Ahmed Siddiqui

A container train carrying Nepal bound cargo including pulses, garments and electronic goods imported from China and Korea was flagged off from Visakhapatnam Port last month, marking a new milestone in the Indo-Nepal cargo movement. The train will cover a distance of 1,350 km, including 800 km in India, before reaching Nepal to unload 2.1 lakh tonnes of cargo. The rail enters Nepal through the Raxaul-Birgunj entry point.

Earlier, Kolkata and Haldia served as gateway to Nepal, but congestion in Kolkata Port is one of the reasons for Nepal looking at Visakhapatnam Port as an alternative. According to a BIMSTEC study, cargo arriving in Haldia takes 11.5 days to reach Birgunj in Nepal by rail, covering a distance of 680 km, against the 22 days' sea travel from Shanghai to Kolkata. The cost of transporting cargo from Kolkata to Birgunj is much the same as the sea freight.

"Visakhapatnam gives the advantage of cheaper ocean freight as they can bring in larger vessels. The haulage charges for railway movement from Vizag to Nepal will be offset by the cheaper ocean freight," reveals **P L Haranadh, Deputy Chairman** of the port. It has been reported that, due to efficient cargo handling, and flexible offers from Maersk Line and CONCOR, which have monopoly rights to take railway rakes to Nepal, Visakhapatnam Port operations are cheaper than those at Kolkata.



Meanwhile, Haldia Dock Complex is trying to woo Nepali traders by offering several concessions, such as 10 days' free time for road-bound containers, 20 days' free time for containers to be moved by rail, concessional box rates for haulage and terminal charges have been introduced. CONCOR has reduced the tariff for movement of containers from Haldia to Birgunj and back, and agreed to carry minimum 60 teus directly from Haldia without levying additional freight with the option of returning the empty boxes either at Haldia or Kolkata.

G. Senthilvel, Deputy Chairman, Haldia Dock Complex has informed that there was no shortage of trains for Birgunj from Haldia and committed to offer prompt loading of containers without levying any additional charges. Movement of Nepal bound cargo from Haldia has been on a decline recently.

To further reduce the cost and time for moving Nepal bound cargo, the India-Nepal Electronic Cargo Tracking System (ECTS) will soon be implemented to facilitate movement of traffic-in-transit belonging to Nepal from the port of arrival in India. Currently cargo clearance is done through physical inspection which is time-consuming and costly for business. ECTS will reduce cost and time as it speeds up cargo clearance at border crossings.

Trade imbalance

In 2015, Nepal imported goods worth $6.6 billion and exported goods worth $660 million only. About 60 per cent of Nepal's exports and imports are routed through India. Nepal's export to third countries is very low. For the past 13 years, more than 96 per cent of containers entering Nepal carrying third-country imports from Indian

QUICK FACTS

Nepal is looking at Visakhapatnam Port as an alternative due to congestion at Kolkata Port.

Cargo arriving in Haldia takes 11.5 days to reach Birgunj in Nepal by rail, covering a distance of 680 km.

Cheaper ocean freight at Visakhapatnam offsets the rail haulage charges from Vizag to Nepal.

Haldia Dock Complex is trying to win back Nepali traders by offering several concessions: 10 days free time for road-bound containers, 20 days free time for rail-bound containers, concessional box rates for haulage and terminal charges.

CONCOR has reduced the tariff for moving containers from Haldia to Birgunj and back. It will carry minimum 60 teus from Haldia without levying additional freight with the option of returning empties at Haldia or Kolkata.

The India-Nepal Electronic Cargo Tracking System (ECTS) will be introduced to reduce time and cost of moving Nepal cargo.

port have been returning to India empty. Of the 100 containers bringing imports to ICD Sirsiya of Birgunj, only four containers return with exportable goods.

The number of containers reaching Sirsiya ICD increased by 14 per cent to 33,196 in 2016/17. A total of 33,196 containers entered Nepal with imports in Fiscal Year 2016/17, as compared to 20,188 containers in 2015/16. Of them, only 1,254 containers returned with exports. A total of 31,942 containers, which is 96.22 per cent of the total containers, returned empty.

Of the 237,397 containers that brought import goods to the Sirsiya ICD in the past 13 years, only 8,638 containers carried back Nepal's exports.

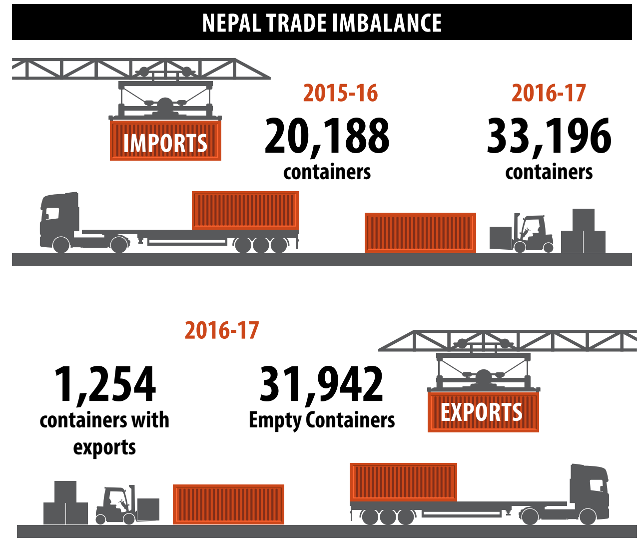
The number of containers entering Nepal has been increasing every year, but as the containers have to return empty, traders are forced to pay for their return journey as well.

Capacity constraints

The rail yards at Raxaul and Birgunj are said to be suffering with serious capacity constraints. It took 25 hours on an average in 2016-17 to unload a rake, against the stated capacity to unload two-and-a-half rakes a day. At Raxaul the railways had restricted loading on 35 of the 90 days from April to June last year. To ease congestion, the railways is opening a new goods shed at Ramgarwa.

Improving rail connectivity

Rail service from India to Janakpur in Nepal is being revived, connecting Nepal to the rest of the subcontinent.



The Chinese trap

China is conducting a feasibility study for a railway line connecting Kathmandu to Lhasa in Tibet, cutting straight through the Himalayas at an estimated cost of $8 billion. The project is part of the "One Belt, One Road" initiative to which Nepal has given its accord. China has extended its rail network in Tibet up to Shigatse and plans to extend upto the Nepal-China border by 2020. These cross-border rail services will link Nepal's planned east-west railways to the railways from Kerung to Kathmandu.

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. Even though Nepal has geographical proximity to India but the high cost of logistics makes the Chinese rail proposal seem more viable.

Issues faced by Nepali traders

The transit procedures and custom formalities on the Indian side increase the cost and time for transit trade. The infrastructure at the port, the system of train formation as well as the handing over procedure of custom cleared containers by the clearing agent to CONCOR are said to cause the delay.

The transit cargo for import from Kolkata/Haldia to Kathmandu via Birgunj takes 16 to 27 days at times through rail and for export it takes around 7-8 days by road and nearly 14-18 days till it is on board a vessel.

Poor road conditions and old vehicles used for logistics are the main cause of delays. The shortest distance is Kathmandu-Birgunj-Kolkata which is 1,256km. Distance from Birgunj to Kolkata by rail is 704 Km and time it takes is 3-4 days and sometimes it extends to 15 days. ICDs have reduced the cost of transit for cargos weighing above 20 metric tonnes only.

The average cost of bringing in a TEU load goods to Birgunj ICD and returning of empty costs approximately $1,950.

The transhipment time taken at Kolkata/Haldia Ports is 4-7 days. The feeder vessel takes minimum 7-9 days to reach Kolkata/Haldia from Singapore or Colombo. The presence of multiple checking agencies at the border increases the transit time.

TOP 5 EXPORTS FROM INDIA (QUANTITY IN THOUSANDS)

Animal Products	Trees,Roots Flowers	Vegetables	Fruits & Nuts	Coffee Tea & Spices
16,88,096	1,12,354	26,104	22,579	16,915

TOP 5 IMPORTS TO INDIA (QUANTITY IN THOUSANDS)

Rubber	Leather Articles	Wood Articles	Wood Pulp & Paper	Paper & Paper Board
6,510	4,096	256	188	170

Expanding port capacity

Imports are growing and the primary port in Male' has reached its maximum capacity. Thus the focus is on expanding port capacity, including transhipment and developing warehousing and SEZs

by Sisir Pradhan

With a steady economic growth of about 7 per cent per annum in the last two decades, the Republic Of Maldives is one of the fastest growing economies in South Asia. The island nation largely known for its tourism industry and service industries such as construction, shipping, telecommunication, aviation and banking. The country has a GDP of $2,292 million. Its exports are worth $167 million. The country has initiated enacting of a SEZ Act to facilitate special economic incentives and a flexible regulatory environment for mega investment projects. The country's strategic geographical location at the heart of the Indian Ocean, at the crossroads between East and West is one of the key contributors to the maritime trade in the region. Maldives Ports Ltd manages and operates all ports in the country. Male is the major sea port for the country, and Male' Commercial Harbour handles all varieties of cargo vessels at the berth except dry bulk, liquefied petroleum and gases. It also has facility to handle cargo at anchorage using barge operation. Most of the container ships are handled at alongside berth. Tanker terminal is available at Funadhoo and Thilafushi Island, and tankers are also handled at anchorage along with ship-to-ship transfer facility. LPG and LNG handling facilities are available at Thilafushi Island. Port sector is one of the strategic sectors in which the government intends to attract investment as the country's primary port Maldives Port in Male' has already reached its maximum capacity utilization. Hence, the government intends investment in Thilafushi Port development as a new expanded Port for the Maldives and the Male' region. With existing economic growth rates, inbound cargo is expected to grow at an annual average rate of 16 per cent, reaching 1.9 million tonnes by the year 2032. Petroleum products are the largest imports accounting for about 30 per cent of its total imports. Hence, oil and gas exploration are one of the areas where Maldives is encouraging investment and partnerships. Apart from which, Ihavanddhippolhu Integrated Development Project (iHavan), which includes development of Transhipment Port, Airport Development, Warehousing and Export Processing Zones, and a Cruise hub, among others is another key strategic investment projects for the country. India and the Indian Ocean archipelago have a total trade of $208 million in FY 2016-17, with a Y-o-Y growth of about 14 per cent. India and Maldives signed a trade agreement in 1981, which provides for export of essential commodities. Bilateral trade between the two countries stands at ₹700 crores. mg

LAND OF OPPORTUNITIES

FDI and public–private partnerships in infrastructure projects are welcome as Bhutan offers significant opportunity for projects in the areas of airport infrastructure, highways, bridges, tunnels and dry ports

by Sisir Pradhan

With a GDP growth rate of 6.49 per cent (2015), the Himalayan kingdom is a buoyant economic growth story of South Asia despite being landlocked. The country has earned itself a special place not only in South Asia but in the whole world for considering Gross National Happiness (GNH) as a critical growth index. As per the development indicators, Bhutan has a per capita income of $2,500, which is one of the highest in South Asia. In the last three decades, Bhutan's economy has expanded at a robust pace driven by hydropower sector. The country's economy is largely based on tourism, agriculture, live stock and forestry. In 2016, the country's total imports was valued at $4,57,019 and exports was $1,40,604. Majority of exim shipment is through Visakhapatnam and Kolkata. During FY2016 exports from India to Bhutan touched $469 million and imports from Bhutan to India was $281 million. India continues to remain Bhutan's largest trading partner. Major imports from India to Bhutan are diesel, parts of hydraulic turbines including regulators, ferrous products, petrol, wood charcoal, other coal, coke and semi coke, Portland cement, mineral products, base metals and articles, machinery, automobiles & spares, animal products, chemicals, wood, plastic, rubber and agricultural products. The major items of export from Bhutan to India are electricity from the four hydropower plants at Basochhu, Chukha, Tala and Kurichhu; Ferro silicon, Portland cement, dolomite, carbides of calcium, carbides of silicon, cement clinkers, timber and wood products, and a range of agricultural products. With the beginning of 2017, Bhutan has also initiated movement of goods to Bangladesh through Banglabandha inland port. Notably, Bhutan, Bangladesh and India had signed a tripartite agreement in 1997 for land movement of goods and recently India has also initiated efforts for broader trade relation with Bhutan and Bangladesh through land movement of EXIM goods. Jaigaon acts as the most important border trading point between India and Bhutan, catering to around 90 per cent of the Bhutan trade. Recently, efforts have been initiated to develop Jaigaon Integrated Check Post (ICP) to provide seamless goods movement. The location of the ICP is being considered at a green field site at Balon Chopati situated on Pasakha Access road portion of the Asian Highway 48. Moreover, Bangladesh, Bhutan, India and Nepal Motor Vehicle Agreement is envisioned to improve economic co-operation in the region. A new agreement on Trade, Commerce and Transit between India and Bhutan has come into force with effect from 29th July 2017. Bhutan in recent years has been encouraging FDI and public–private partnerships in infrastructure projects. While Bhutan's domestic market is small, the country's special relationship with India offers duty free access to India and preferential access to the sub-continent through SAFTA. Duty free and preferential access also exists on certain goods from Bhutan to the EU, US and certain other countries in the region. Due to Bhutan's limited financial and resource capacity, it offers significant opportunity for projects in the areas of airport infrastructure, highways, bridges, tunnels, cable cars, and logistics facilities such as dry ports, among others.

Services customised for pharma

The pharmaceutical industry is steadily expanding its sea freight volume owing to lower fares and availability of stricter and more reliable control of temperature. The Port of Antwerp is ideally positioned to leverage on this air to ocean trend

by Deepika Amirapu

The world is looking for cheaper drugs and India has proved it has the capability to deliver. The export of generic medicines is one of India's strengths and in the last two years India has stepped far ahead for China. To most continents and regions where generic consumables are higher such as Latin America, the US, the Middle East and Northern African (MENA) region, Indian exports are significantly higher than its Asian counterpart's.

In fact, India leads China in exports to the EU as well. In 2016, India's exports were worth $1.56 billion as against China's $1.36 billion. If India has to remain ahead of China even in the American and South East Asian and Australian regions, it would require more than the manufacturers' effort to make the drugs available to patients across the globe. A majority of the bulk drug and active pharmaceutical industry that functions out of Hyderabad reckons that logistics - both at the port and inland play a crucial role in cutting raw-material supply time and export time.

While most ports such as Chennai, Jawaharlal Nehru Port Trust and Visakhapatnam Port ship exports out of India, Indian pharmaceutical firms ask for better value-added services to ensure their cargo is ready for consumption to destinations where the vials and tablets are shipped to.

Two recent developments have led the pharma sector turn to sea freight and increase the quantum of shipments moved by sea. The first factor is the increasing price pressure from among others the so-called "generics," making less expensive sea transport an attractive alternative. Moreover, technological advances now permit stricter and more reliable control of temperature conditions for reefer containers, enabling shipping companies to offer the same quality guarantees as airfreight operators.

Port of Antwerp, which is one of the three largest gateway ports at Europe has commenced customising services for many an industry that ship cargo to various destinations in Europe.

Therefore, from fresh fruit to pharmaceutical products that requires temperature-controlled handling, the Port of Antwerp offers an uninterrupted cold chain. In addition to discharging and loading vessels, the port offers many added value services that meet the specific requirements of every product.

With bulk of Indian pharmaceutical firms using the Port of Antwerp in Belgium to move their wares to France, Germany and other countries, the Port is customising facilities to adapt cargo closer to the needs of the selling market. Labelling, pricing and re-packaging is also undertaken for companies to ensure their products can be bought right off the shelf once they are transhipped. **Luc Arnouts, Chief Commercial Officer, Antwerp Port Authority** said, "Ports of tomorrow will no longer be facilitators of movement alone. They have to transform to be next generation handlers of port traffic."

Even as ports such as Antwerp offer value-added services beyond bagging, stuffing and de-stuffing, logistics firms are extending their products and services to function as industrial logistics players to adapt to each industry's needs. "The idea is to cut down on production postponement by respecting transit time," said Arnouts.

Recent investments by three big logistics service providers in Antwerp underline the port's crucial position in the worldwide pharmaceuticals industry. Together these logistics operators serve the world's top 10 pharmaceutical companies, offering them a range of customised services.

The Antwerp warehouses act as consolidation and crossdock hubs where goods from various European production sites can be grouped for particular destinations. And vice-versa, large consignments can be broken down into smaller deliveries for different destinations within Europe. The warehouses operated by the specialist logistics service providers in Antwerp comply fully with the Good Distribution Practices (GDP) for the pharmaceutical industry, kept either refrigerated (2-8°C) or at room temperature (15-25°C).

The blisters that contain tablets, for instance, will be repackaged at Antwerp to be shipped further to France, Germany and other Nordic and Scandinavian countries.

THE ANTWERP ADVANTAGE

Antwerp tends to be the last European port of lading for trans-Atlantic services and also the first port of call from Asia. This makes it the ideal hub for fast European distribution of import goods, and for bringing drugs made in Europe quickly to their overseas destinations.

The warehouses operated by the specialist logistics service providers in Antwerp comply fully with the Good Distribution Practices (GDP) for the pharmaceutical industry, kept either refrigerated (2-8°C) or at room temperature (15-25°C).

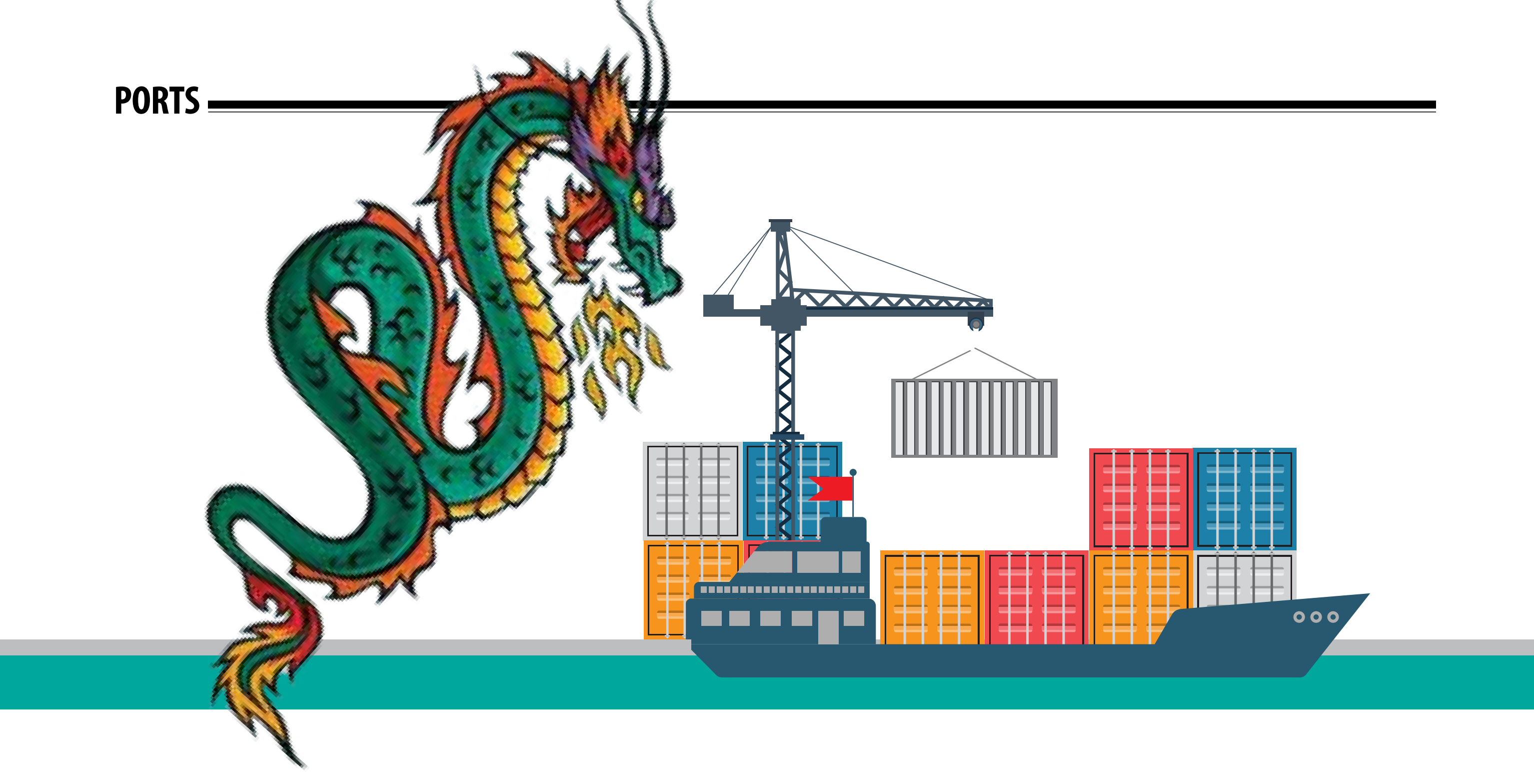
Logistics operators expanding: Yusen Logistics is expanding its existing facilities from 18,000 m^2 to 26,000 m^2, Panalpina is converting an existing warehouse to a dedicated facility of 1,600 m^2 (with a further expansion capability to 10,000 m^2) while Katoen Natie – in addition to its 25,000 m^2 facility – is building an additional hub of 8,000 to 10,000 m^2 with 25 loading and unloading bays for consolidation and deconsolidation of deep sea consignments. These logistics operators together serve the top 10 players in the worldwide pharmaceutical industry.

This would save the Indian pharma company a week's time in sending it straight to the wholesaler to retailer than the local production arm or partner who would otherwise re-pack it at a location away from the port. Customs formalities are also expertly handled at the port while the drug inspectors survey cargo before it is let out at the port. Separate warehouses for pharma products accompanied by cold chains makes the sensitive products safe from damage.

"The pharmaceutical industry is steadily expanding its sea freight volume year by year. Since our GDP warehouses are located within the port we are ideally positioned to support the air-to-ocean trend. The next step will be horizontal collaboration in which we consolidate the products for various pharmaceutical companies in a way that does not compromise quality,"

An D'hondt, head of business line Healthcare at Katoen Natie.

Steady availability of temperature controlled reefers and warehouses at ports on the European leg has made a case for ocean transport to be both safe and cost effective. If Indian logistics players work in tandem with the Port of Antwerp, sea movement of medicines to Europe could soon be a safer reality.



Dragon on an acquisition spree

Chinese operators take advantage of improved global container port demand growth prospects

The outlook for global container port demand growth is now more optimistic and Chinese players are on the acquisition trail in an aggressive and highly confident manner. Major M&A deals are changing the landscape, with more to come, according to the Global Container Terminal Operators Annual Report 2017, now in its 15th year of publication by global shipping consultancy Drewry.

Drewry's container port demand forecast is more positive than in last year's report, exhibiting a 4 per cent CAGR and adding a further 152 million teu of port throughput to the global total by 2021. This is a consequence of improved port throughput growth rates in the second half of 2016 and into 2017, and a more positive general global economic outlook.

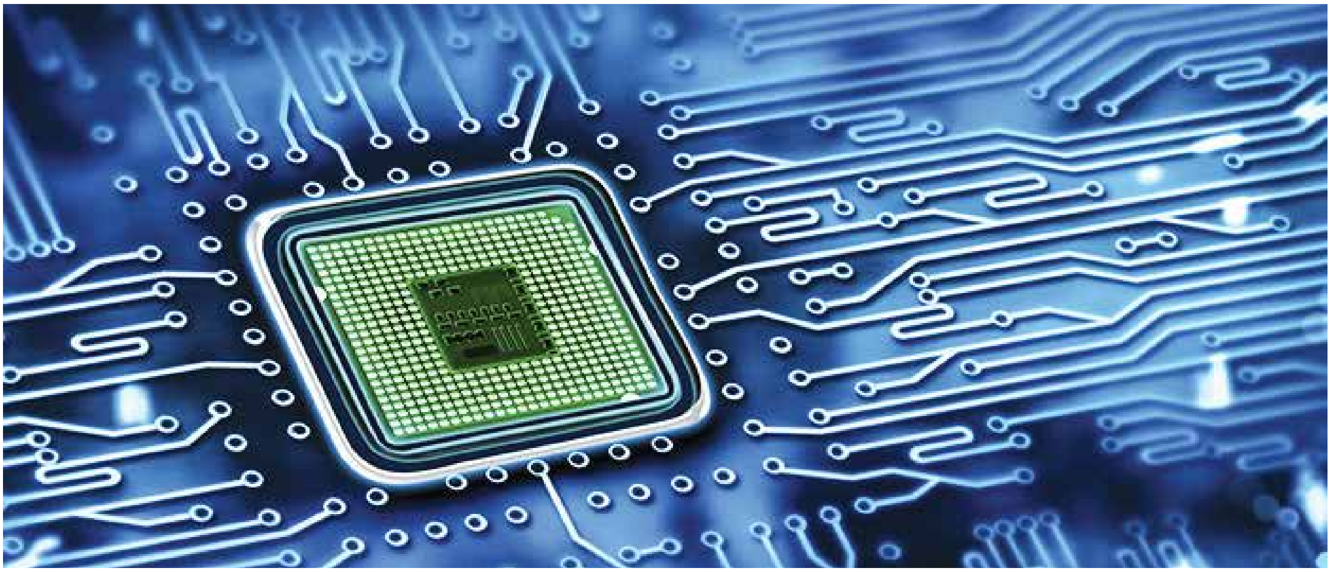
That said, there remain numerous risks and uncertainties at present, including tensions in the Middle East and Korean peninsula, the protectionist and unpredictable stance of the US administration, and the impact of Brexit. This is perhaps one reason why the global container port capacity is projected to increase by a CAGR of 2.7 per cent, based on confirmed additions only. This is markedly lower than the forecast demand, and hence, average utilisation levels are expected to rise.

Neil Davidson, Drewry's senior analyst for ports and terminals said: "While there are certainly some encouraging signs for the demand growth outlook, the risk profile for terminal operators has increased and most of the traditional global/international players remain cautious. The exception to this are the Chinese port companies who are pursuing expansion and investment both at home and overseas in an unprecedentedly aggressive manner."

M&A activity in the port sector is at a high level. About $3.1 billion worth of deals have been struck so far in 2017, driven by Chinese companies such as Cosco Shipping Ports and China Merchants Ports. In the last year, more than half of the acquisitions by global/international terminal operators have been made by Chinese players. The valuation of port and terminal businesses range between 13x and 26x EV/EBITDA. Chinese companies are typically prepared to pay a premium.

Cosco Shipping Ports has moved up Drewry's operator league table as a result of the merger of Cosco and China Shipping, and will move further up in the coming years due to the acquisition of Noatum and OOCL's terminals. The China Cosco Shipping group is projected to add the most capacity of any of the global/international terminal operators over the next five years.

"The Chinese players are more comfortable with risk than the established international operators right now, and have a geo-political strategy rather than a purely financial one. They are snapping up assets and opportunities and have the appetite and financial clout to take many more in the coming years," added Davidson.



Not a 'soft' issue

Indian IT industry is facing certain issues in importing hardware. MG spoke to the Software Technology Parks of India and a few of its big leaguers to understand the pain points. Read on to know more...

by Deepika Amirapu

The Indian software industry's annual exports of services account for $120 billion from five key metros of the country. What is your guesstimate on the amount of hardware and other equipment they would require to export this value of services? A lot, you're right. And most of their imports of electronic equipment come by sea. MG spoke to the Software Technology Parks of India and a few of its big leaguers to understand if the sailing has been smooth. Here's where the industry needs help:

Clearance at Customs: Software companies need two approvals from the Customs and the Central Excise Department to import equipment in to India. Once the STPI authorises import of a certain quantity of equipment, the two government monitoring agencies are expected to clear the Bill of Entry and issue a clearance to ensure the import is not held up. However, delay by either agency causes the importer to bear inventory costs and pay a huge sum for insuring and storing equipment.

Industry suggestion: Can these two approvals be given at the time of import and be cleared at the bonded area?

Industry suggestion: If the documents can be made digital, clearances by and from all parties can be sought within the free period to avoid payment of demurrage.

Import of used equipment: The government has currently restricted import of used equipment enforcing the anti-dumping law and the customs objects to such imports. Software firms have to obtain clearances from the Ministry of Environment and Forests before any equipment is imported. However, imports are allowed under specified cases which are made known only at the time of import if the firm asks for clearance stating the purpose.

Industry suggestion: By law, if used equipment is imported for a short duration for a specified project, import of such products should be allowed. It would help if the Customs makes know the procedure stating the permissible limits – quantity and value, payment of excess duties can be avoided.

Import of Hardware: For any outright purchase of hardware for use by the industry, such an item should appear in the Customs list of equipment. In the absence of the item not being part of the usual list, the Customs asks for a technical write-up from the importer, holding the equipment in the bonded area until it receives a satisfactory reply. This causes delay in projects leading to time and cost overruns, notwithstanding the inventory charges.

Industry suggestion: The STPI and Customs should work together in listing all possible equipment that is cleared for imports so as to not withhold any equipment. Any statement required should be obtained directly from the STPI as the nodal body and not the shipper.

GST: The announcement of this taxation has eliminated the requirement of many a document required by the Central Excise Department and introduced a few fresh ones. The industry hopes there is a clear list of documents to be submitted to the Customs for import-approval to hasten the clearance procedure. mg

KARAIKAL PORT RELOADED

The young port hugging the coast of Coromandel, within a short span of less than a decade had its share of early success and agony. But in the last two years it had scripted a turnaround story registering healthy cargo growth and putting a point that it is too early to write it off

by Sisir Pradhan

Fast paced industrial and economic activities of Tamil Nadu have resulted in establishment of a number of supercritical thermal power plants in the state. Being high volume coal guzzlers, these power plants have been the backbone of deep draft ports in the state as principal users. Nestled between two major ports Chennai and V.O. Chidambaranar Port, Karaikal Port has benefitted from the thermal power projects such as Cuddalore IL&FS thermal power plant. Apart from which, Karaikal is closest to central Tamil Nadu districts like Trichy, Namakkal, Salem, Karur, Tirupur Pudukkottai, Erode and Ariyalur which are traditionally vibrant with commercial activities.

Around this time in 2016, the market was abuzz with reports of Karaikal Port in look out for buyers and for long time there was news of some or other investor looking to pick up stake in the port project, including Shapoorji Pallonji Group. Investments in port sector has always been a tricky affairs for even the most seasoned investors as these capital intensive infrastructure projects are perfect ramification of chicken and egg connotation. It was the year 2009, when Karaikal was called operational and the investors were confident about the potential of the prosperous central and southern Tamil Nadu generating enough cargo for the port. All assumptions were put to rest within a year of its commissioning with the port announcing India Infrastructure Fund's investment plan of ₹1,500 million into equity share capital towards the Phase II expansion, which followed by some more equity investments in subsequent years. During FY2011-12, the port handled 6.01 million tonnes of cargo as compared to 4.75 million tonnes in FY2010-11 registering a Y-o-Y growth of 26.53 per cent.

The Fall and Rise

After the initial flares, cargo projections for the port could not materialize as compared to investments made for the construction of new berth capacities. Overall economy was on a rest, and the big ticket projects especially the coal-based thermal power plant proposed in the vicinity of the port took too long to hit the ground. As a result in the subsequent years the port struggled to remain afloat. By December 2012 India Ratings issued a negative outlook to the port. But the developments in the last two years show signs of a turnaround as the port has renewed agreement with Ultratech Cements for handling of coal, pet coke and lime stone. The port's cargo had come down to 4.89 MMT in FY2014-15 as compared to 6.23 MMT in FY2013-14, and again increased to 5.96 MMT in FY2015-16 with revenue touching ₹260.65 crore in FY2015-16 as against ₹226.86 crore in FY2014-15.

Speaking on the turnaround of the port, GRK Reddy, Promoter, Director, Karaikal Port said, "In FY2016-17, coal has recorded a significant growth of 6.17 million from 4.66 million in FY2015-16. There has been a high demand for coal because of Cuddalore IL&FS thermal power project. Coastal movement of clinker was initiated in FY2015-16 and it recorded a drastic growth in the last financial year. The upcoming power plants in the hinterland, the industrial rich region of central Tamil Nadu and our existing businesses will drive more volume in the following year with a growth of 20 per cent in the next 2 years."

Notably, there was fall in coal import after the Union Coal Ministry's whip on reducing import and ramping up domestic production, but Karaikal remained unaffected since Cuddalore IL&FS thermal power project imported low ash content coal from its captive coal mine in Indonesia.

Reddy said, the port has handled 9.1 MMT of cargo in FY16-17, and diversified cargo including Coal, Fertilizer, Cement, Edible Oil, Crude oil, Clinker, Iron Ore, Project Cargo, Raw Sugar, Lime Stone, Wheat, Clay, Gypsum, and Logs/ Wood Chips. The promoter stressed, "Growth is expected to come in the back drop of increasing capacity utilization, as there is a growing demand for coastal shipping especially from power and steel firms. Mostly the growth will be through coastal cargo, RO-RO, containers, and new businesses will commence from the current financial year in addition to existing cargo volumes like coal, iron ore, limestone, fertilizer, wood chips, wood pulp and wheat."

Presently in the Cauvery Basin area, GAIL operates approximately 276 Km pipeline located in five districts of the state of Tamil Nadu and Karaikal of Puducherry Union Territory. Through this pipeline, gas supply is being made to about 53 consumers which include power plants and industries. The present gas supply is around only 3.07 MMSCMD. Due to the continuous decline in domestic gas supply in the region which is unlikely to change in the future, almost all customers are facing the gas shortages up to 70 per cent of their requirement. If the gas is made available, there will be an immediate gas demand of approx 0.8 MMTPA LNG equivalent around this pipeline. The GAIL's pipeline network is less than 4 km distance from the Karaikal port and can be connected at two points."

The port also looks to reap the benefit from coastal cargo, which currently involves inward coastal traffic of cotton, tiles and food grains into Tamil Nadu, and the port is in negotiation with coastal operators to bring cargo for industrial cities Trichy, Tanjore, Pudukottai, Ariyalur, Perambalur, Nammakal, Karur, Salem and Erode which are relatively closer to the port. The port is also in discussion with the car manufacturers and logistics players to explore new possibilities of coastal and international RO-RO vessel movement.

Looking at a bullish future

The delay in commissioning of the coal-based thermal power plant had severely affected earning of the port in the initial years, and based on their revamped cargo strategy to diversify cargo portfolio has certainly started to give dividends to the promoters in terms of healthy cargo growth of 53 per cent from FY2014-15 to FY2016-17. Nevertheless promoters of the port are optimistic about the future and they are unfazed by restriction on import coal and forecast that the ruling will increase consumption of indigenous coal which has to come by coastal route through the port to its existing customers, because compared to rail movement from coal fields, coastal movement will be economical. A diversified cargo portfolio has helped the port to de-risk from sole cargo dependency, meanwhile, it is to be seen how the port maintains its cargo handling performance in the coming years.

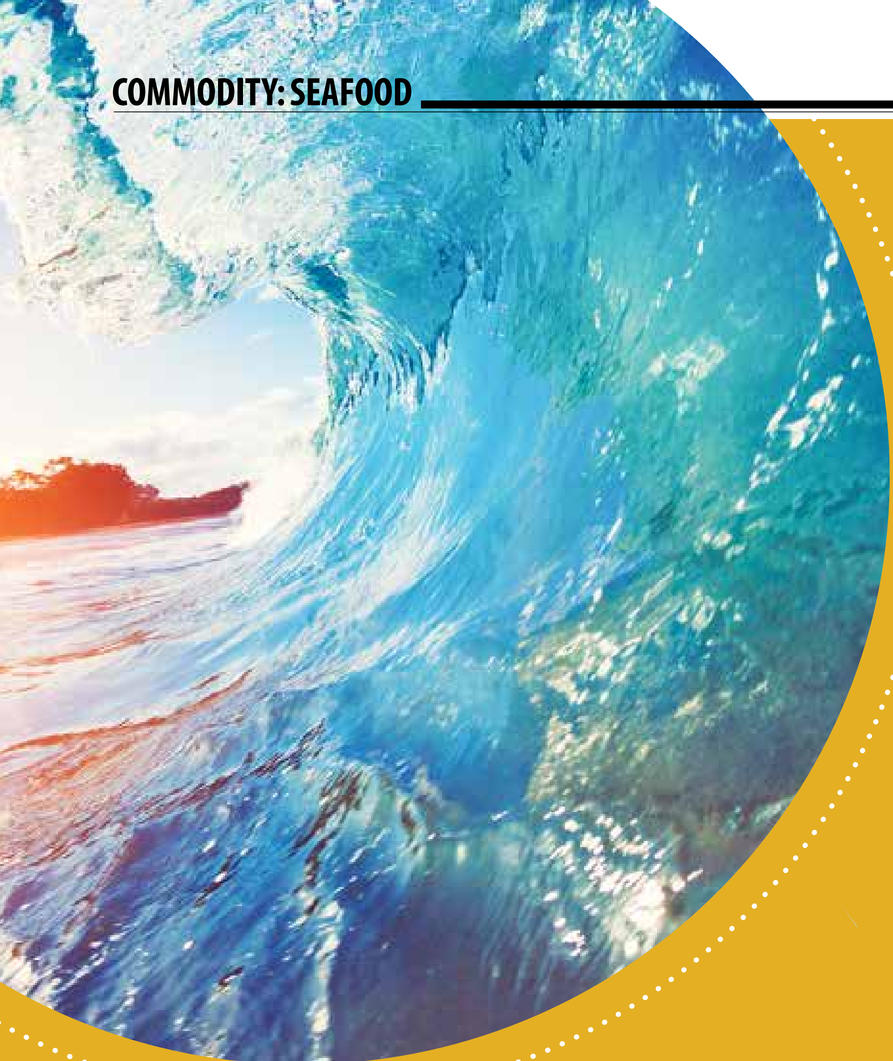
In scout for new businesses

Apart from existing forte in coal, the port is hopeful that container import and export will reap the advantages in the hinterland logistics as the industrial centers are closer to the port. Moreover, the port has the advantage of being closer to hub port Colombo which helps container vessels to save the voyage by 110 nautical miles compared to other ports.

The port has also received all approvals for setting up LNG terminal and it is expected to be commissioned in the next 24 months to cater to the needs of local companies. there is a significant switching demand for natural gas from the industrial customers who are presently consuming petroleum products in the central Tamil Nadu's highly industrial 14 districts, mainly Trichy, Namakkal, Salem, Karur, Tirupur Pudukkottai, Erode and Ariyalur. Currently, these districts are not connected to gas pipelines, however they fall in 150 km radius area from the port and would be economically feasible to supply through LNG by road option in the initial years. The port officials are hopeful that there is switching demand for LNG which would be equal to 1 MMTPA. The port has plans to develop a floating LNG import terminal in next 24 months. The Initial capacity of the proposed LNG terminal will be 1 MMTPA, which will be ramped to 5.0 MMPTA over the next 5 years based on demand, and the port has secured all key statutory clearances to initiate construction and operation of the facility.

Giving details of potential for LNG business, GRK Reddy said, "We have been at advanced discussion with four foreign LNG majors for development of LNG import terminal at the port.

HINTERLAND FOR KARAIKAL PORT



RIDING ON A HIGH TIDE

India leads the world in terms of seafood exports and a little help from the government in terms of incentives, subsidies and removing export barriers can help in exploring new markets.

by Omer Ahmed Siddiqui

Many of the shrimps and fish served on platter in the US, Europe and some of the South East Asian restaurants find their origin from India. India is the second-largest fish producer in the world and accounts for nearly 6 per cent of global fish production. But still India's substantial fishery resources are said to be underutilized and there is tremendous potential to further increase the output. Fish production has grown 6.5 fold in the last two decades with freshwater aquaculture contributing over 95 per cent.

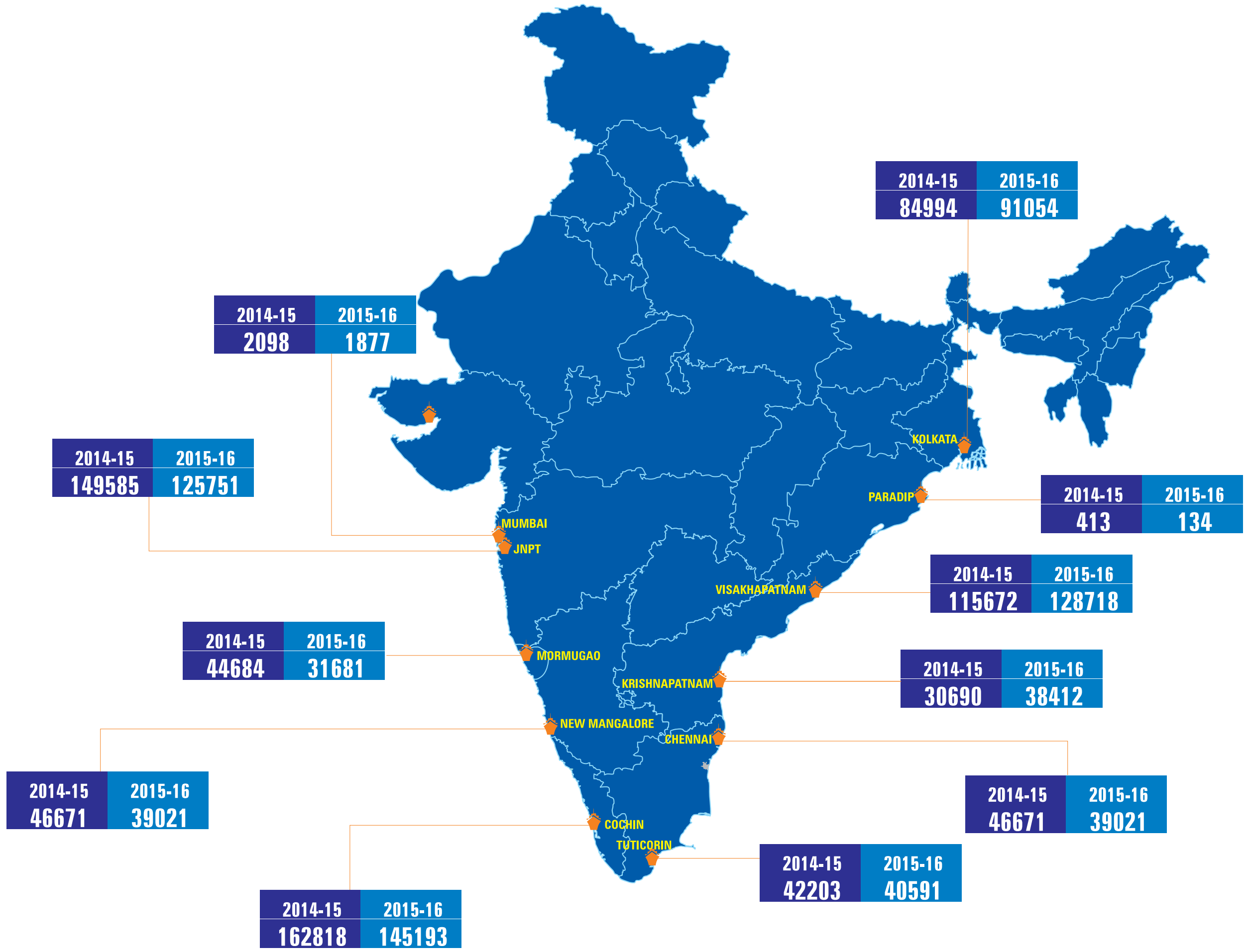
A few years back, in 2012-13, the South East Asian countries were the major Indian seafood export market (23 per cent) followed by European Union (21 per cent) and USA (21 per cent). However, in the recent years, the equation has changed with the US occupying the top notch followed by China, Europe and UAE. Ready to cook and ready to eat products are in greater demand in these markets. Seafood exports are also a major source of foreign exchange and the industry had remained unshaken even during the economic meltdown in 2004. Indian seafood exports are the best in quality as our standards are very high and we have the largest number of European Union approved factories in the world.

Exports

Indian exports have posted a continuous growth in the past five years with Vannamei posting a growth of 23 per cent last year. While seafood exports happen through most of the ports in India, not every port has an up-to-date infrastructure for handling reefer cargo. "The ports in Odisha do not have reefer facility and so we have to divert our exports to Vizag and Kolkata ports. Even at these ports it takes about five weeks for exporting cargo to distant markets such as the US. To expedite exports ports need to start express services that can transport reefer cargo to distant markets in a shorter time," avers **Tara Patnaik, Chairman, Falcon Marine Exports.**

As far as Andhra Pradesh is concerned majority of the exports happen from Vizag Port and Krishnapatnam Port, and very little from Kakinada Port. "Considering all India basis major exports happen from Vizag Port, JNPT and Cochin Port. These ports, are better equipped for handling

SEAFOOD EXPORTS IN TONNES



seafood exports," reveals **Padmanabham Vattikuti, National President, Seafood Exporters Association of India.**

Reefer containers are loaded at the factories and sent to the ports for exports. The highways connecting the ports have been upgraded, so there are no teething issues as far as logistics are concerned. In certain remote areas like Bheemavaram in West Godavari of Andhra Pradesh, roads connecting to the national highways are narrow and need upgradation. When asked about the improvements needed in the logistics chain Padmanabham is quick to point at the CFS. He says, "A major link in the logistics chain are the CFS and they need to improve the sanitary and hygiene conditions to prevent contamination of seafood during inspection by the Customs. Air conditioned halls that are maintained away from bulk cargo storage area are needed for repackaging at the CFS."

China is emerging as a very big market. It's time the Indian government initiates a dialogue with the Chinese counterparts to bring down the import duty in China. China imports seafood for value-addition which is then re-exported to other markets. Other potential markets that can be explored include Russia, South Africa, Taiwan and Korea, suggests Tara Patnaik. South Korea is also a potential market but the import duty there is also high which makes Indian exports less competitive, says Padmanabham.

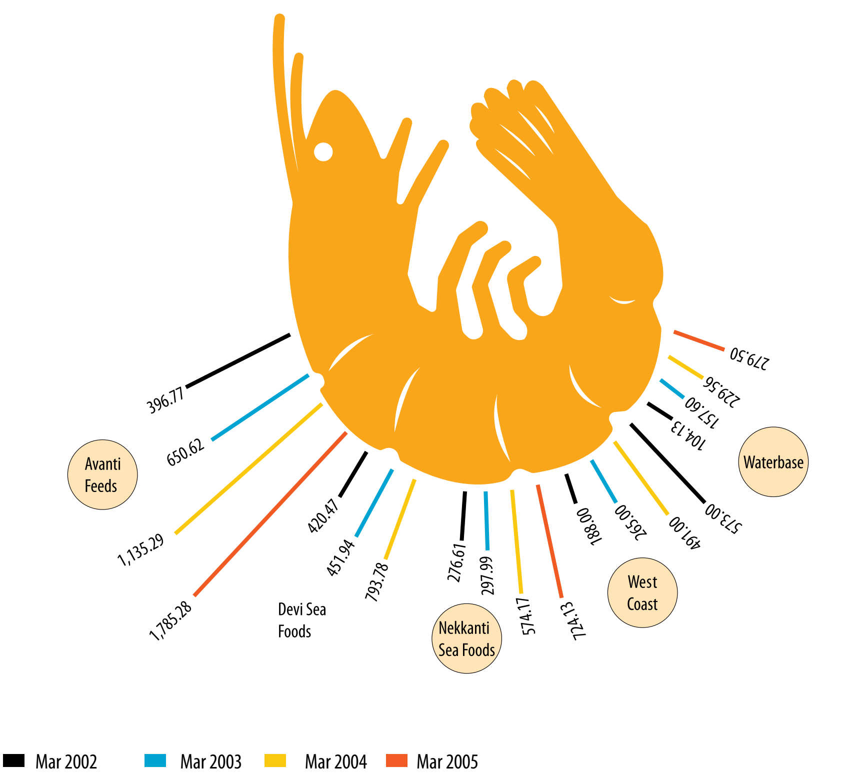
Indonesia and Mexico are the major competitors to India. As India leads in the quality of seafood exported hence the competition is mainly price-based. To make Indian exports more competitive, government can provide electricity at a cheaper rate to processing facilities and incentives can be offered to fish farmers, such measures need to be introduced to bring down the cost of exports. Logistics is not an issue as every exporter has its own transport network. Packaging material, labour, electricity and international freight are the major elements that add up to the cost of the product.

The cost of exports is mainly controlled by the importing country, for instance be it China, Vietnam or India, the exporters have very little say and have to settle down to the price the importer is demanding, says Padmanabham. As the exporters have to restrict themselves within the international price bracket, hence they look up to the government for incentives and subsidies to be able to better compete in the international market.

Export scenario

Riding on a robust demand for frozen shrimp and frozen fish in international markets, India exported 11,34,948 MT of seafood worth an all-time high of $5.78 billion (₹37, 870.90 crore) in 2016-17 as against 9,45,892 tonnes and $4.69 billion a year ear-

SEAFOOD EXPORTERS HAVE RAKED IN HANDSOME PROFITS IN RECENT TIMES (IN ₹CRORE)



lier, with USA and South East Asia continuing to be the major importers while the demand from the European Union grew substantially during the period.

Frozen shrimp maintained its position as the top item of export, accounting for 38.28 per cent in quantity and 64.50 per cent of the total earnings in dollar terms. Shrimp exports increased by 16.21 per cent in terms of quantity. Frozen fish was the second largest export item, accounting for a share of 26.15 per cent in quantity, registering a growth of 26.92 per cent in terms of value.

USA imported 1,88,617 MT of Indian seafood, accounting for 29.98 per cent in terms of dollar. Export to that country registered a growth of 22.72 per cent in terms of quantity. South East Asia remained the second largest destination of India's marine products, with a share of 29.91 per cent in dollar terms, followed by the EU (17.98 per cent), Japan (6.83 per cent), the Middle East (4.78 per cent), China (3.50 per cent) and other countries (7.03 per cent). Overall, exports to South East Asia increased by 47.41 per cent in quantity.

"Increased production of L. Vannamei, diversification of aquaculture species, sustained measures to ensure quality, and increase in infrastructure facilities for production of value added products were largely responsible for India's positive growth in exports of seafood," said Nirmala Sitharaman, Minister for Commerce and Industry.

The overall export of shrimp during 2016-17 was pegged at 4, 34,484 MT worth $3,726.36 million. USA was the largest import market for frozen shrimp (1, 65,827 MT), followed by the EU (77,178 MT), South East Asia (1, 05,763 MT), Japan (31,284 MT), Middle East (19,554 MT), China (7818 MT) and other countries (27,063 MT).

The export of Vannamei shrimp, a major seafood delicacy, improved from 2, 56,699 MT to 3,29,766 MT in 2016-17, registering a growth of 28.46 per cent in quantity. In value terms, 49.55 per cent of total Vannamei shrimp was exported to USA followed by 23.28 per cent to South East Asian countries, 13.17 per cent to the EU, 4.53 per cent to Japan, 3.02 per cent to the Middle East and 1.35 per cent to China.

Japan was the major market for Black Tiger shrimp with a share of 43.84 per cent in terms of value, followed by USA (23.44) and South East Asia (11.33). Frozen shrimp continued to be the principal export item to USA with a share of 94.77 per cent in dollar value while Vannamei shrimp to that country showed an increase of 25.60 per cent in quantity and 31.75 per cent in dollar terms.

Vietnam, with a share of 76.57 per cent in value, was the major South East Asian market for Indian exports, followed by Thailand (12.93 per cent), Taiwan (3.88 per cent), Malaysia (2.60 per cent), Singapore (2.21 per cent), South Korea (1.50 per cent) and other countries (0.30 per cent). Vietnam alone imported 3, 18,171 MT of Indian seafood, the quantity being much more than that of any other individual markets like US, Japan or China.

The EU continued to be the third largest destination for Indian marine products with a share of 16.73 per cent in quantity. Frozen shrimp was the major item of exports, accounting for 40.66 per cent in quantity. Exports of Vannamei shrimp to the EU improved by 9.76 per cent in quantity and 11.40 per cent in dollar value.

Japan, the fourth largest destination for Indian seafood, accounted for 6.83 per cent in earnings and 6.08 per cent in quantity terms. Frozen shrimp continued to be the major item of exports to Japan with a share of 45.31 per cent in quantity and 77.29 per cent in value out of the total exports to that country.

Besides frozen shrimp and frozen fish, India's other major seafood product was frozen squid, which recorded a growth of 21.50 per cent and 57 per cent in terms of quantity, and dollar earnings, respectively. Export of frozen cuttlefish showed a decline in quantity terms, but increased in dollar terms by 16.95 per cent.

Dried items registered a growth of 40.98 per cent in terms of quantity. Indian ports handled a total marine cargo of 11,34,948 tonnes worth ₹37,870.90 crore ($5,777.61 million) in 2016-17 as compared to 9,45,892 tonnes worth ₹30,420.83 crore ($4,687.94 million) in 2015-16.

www.krishnapatnamport.com

KRISHNAPATNAM PORT | THE PORT OF PROMISE

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

KPCT
KRISHNAPATNAM PORT
KRISHNAPATNAM PORT CONTAINER TERMINAL

KPCL Customer Service: +91 80081 53789 I customerservice@krishnapatnamport.com
KPCT Customer Service: +91 80086 12345 I cs.kpct@krishnapatnamport.com


www.jsw.in
@TheJSWGroup
JSW Jaigarh Port
Indias modernised greenfield multi cargo environment friendly deep water port regularly servicing capesize vessel
P.S. PALIOS
JSW Infrastructure
Creating world-class maritime infrastructure to 200 MTPA by 2020