



ROLF HABBEN JANSEN
Hapag Lloyd India
Growth Story



SHUBHENDU DAS
Exploring Markets,
Expanding Reach



ANUP DAYANAND SADHU
Riding on Exim
Cargo



G SENTHILVEL
Haldia has Best
Rail Connectivity

south asia's premier maritime business magazine

maritime gateway

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**Bharat Mumbai Container Terminal
Making of A Mega Terminal**

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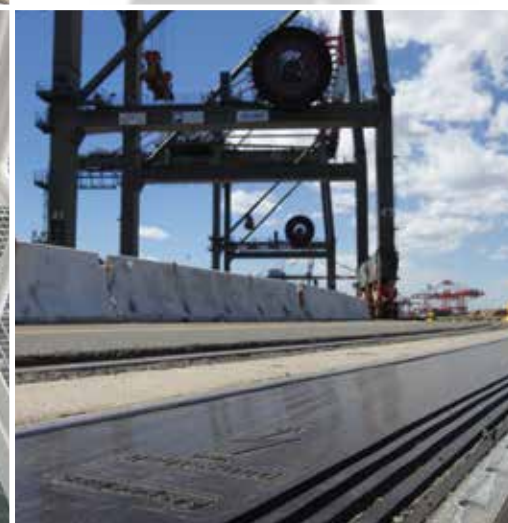
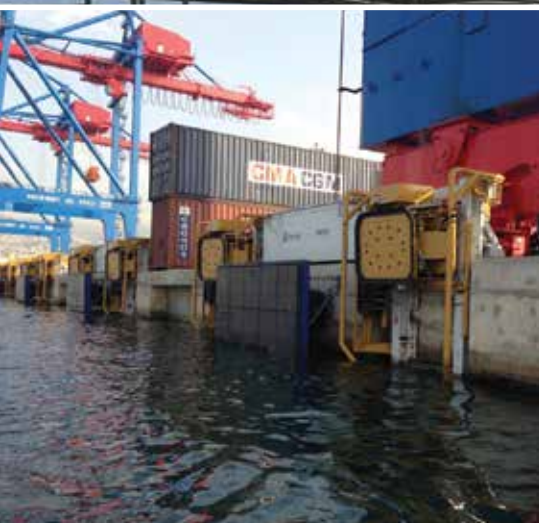
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Bringing The Good Times Back

The number of containers handled in India in the third quarter at major and non-major ports grew by 10 per cent. The growth primarily came from containerising new commodities, with agri products being shipped out. The throughput of ports like JNPT, Mundra, Visakhapatnam, Paradip and Krishnapatnam increased between 8-10 per cent during the quarter aided by the export of cement, steel and electricals. Data shows that Kochi and New Mangalore Ports have also posted some impressive growth numbers. What backs this claim is explained by the strong increase in the number of full containers handled in the port than in the number of empty containers.

A few optimists believe that widespread use of technology at ports, implementation of DPD, reduction in cargo dwell time backed by aggressive marketing efforts too are responsible for this positive development at the ports. The Indian Ports Association extends congratulations to the Customs department too, as successful 24*7 implementation of the new electronic data interface has been instrumental in upping trade flow in to ports. But the best news is here: If this trend were to continue aided by a strong Rabi crop exports followed by continued efforts to containerise new commodities, India could surpass the total volume handled in the last fiscal even if it's by a small margin.

This trend can be seen worldwide too with shipping lines reporting a healthy double-digit increase in volumes because of focussing on high contribution freight. This growth is commendable in a market that continues to be shadowed by low freight rates and the revenue per container still remaining flat. The results have widely been good as shipping companies have continued to take measures to adjust the deployed capacity hence resulting in a better alignment between effective capacity (net of scrapped vessels) and volumes carried.

A forecast by research firm Drewry says a rejuvenation of the business cycle can be expected further to drive gains by year-end, albeit with some hiccoughs. If the East-West load factors are favourably tilted towards the East, then India will stand to benefit greatly. The average utilisations will also go up to 90 per cent tops in the last quarter if this trend were to continue. But it also strikes a note of caution saying it is still important for the industry to be wary of external economics and allow common sense to prevail before assuming the bullish market is back.

R Ramprasad
Editor and Publisher
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This trend can be seen worldwide too with shipping lines reporting a healthy double-digit increase in volumes because of focussing on high contribution freight.



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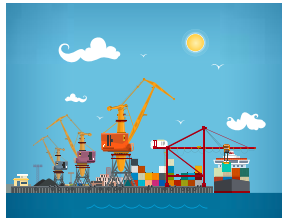
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E-SEALING OF CONTAINERS
Secure and tamper proof
E-seals are more secure and tamperproof and have replaced the conventional mechanical sealing of containers, also eliminating their need for physical examination.



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COMMODITY: PHARMACEUTICALS
Facilitating air-to-sea migration of pharma logistics

The pharmaceutical industry is steadily expanding its sea freight volume year by year and the Port of Antwerp is ready with customised solutions to support the air-to-ocean trend.

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COMMODITY

Coal imports decline – should the ports worry?

Ports and terminals that significantly depend on coal imports and have not diversified their cargo basket will feel the pinch as coal imports decline.

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PORTS

Making of a mega terminal

In two months from now, Mumbai will be less about the super tall tinted skyscrapers or the 16-car new bullet train that has more recently invaded the minds of its people. These will be dwarfed by a new outer borough landmark which carries the card of being India's largest container terminal.

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CARGO STORY

The Art of Sailing in Shallow Waters

The Haldia region being an industrial zone provides assured cargo volume for the port and many of the units are port-based industries. Unlike other traditional industrial belts of West Bengal, Haldia is still a surging economic corridor.

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LOGISTICS: SOLAR PANELS

Logistics efficiency for an energy efficient project

For India's largest single-location solar project by Greenko to come up in record five months, many things should have fallen in to place. Logistics, luckily, was one of them.



CMA CGM A STRATEGY MAKEOVER

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COVER STORY

In the spring of 2017, when Rodolphe SAADE the new Chief Executive Officer of CMA CGM Group walked in to his Mumbai office, he set a strategic course with four priorities for the group. It was every country head's mandate to ship for the future. With abundant zeal, a fool proof plan and an ambitious team, Audrey Dolhen and her agency are making India future ready for her ship.

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EXPLORING MARKETS, EXPANDING REACH

SHUBHENDU DAS

MD - INDIA OPERATIONS, HELLMANN WORLDWIDE LOGISTICS



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RIDING ON EXIM CARGO

ANUP DAYANAND SADHU

GROUP GENERAL MANAGER, CONCOR



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"HALDIA HAS ONE OF THE BEST RAIL CONNECTIVITY"

G SENTHILVEL

DEPUTY CHAIRMAN, HDC, KOLKATA PORT TRUST



SLS AMARAVATI REVIEW

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Smart Logistics Summit Amaravati Inaugurated

A platform to identify the cargo centres, so that logistics service providers could accordingly develop solutions that could effectively serve the trade.



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Smart transport essential to retain competitive edge

The demand for smart transport was highlighted as the logistics community got the pulse of the changing logistics needs of the exim trade.

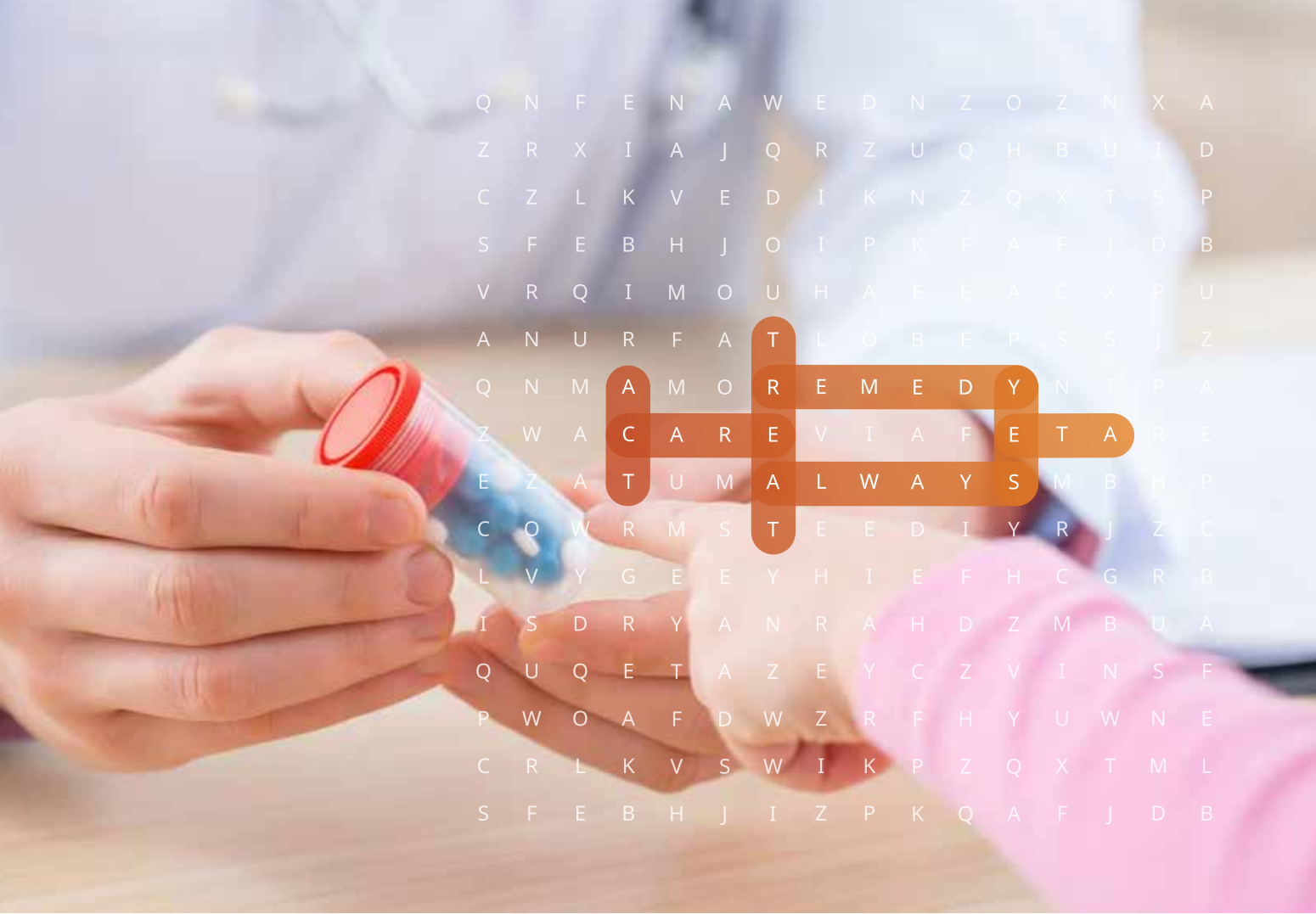
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Adopted siblings reunite after six decades



A Scottish woman who was separated from her adopted brother for sixty years was

shocked to discover he has become one of India's richest businessman. 83-year-old Ida Wilde last saw her brother Asgar Patel, owner of Patel Roadways nearly six decades ago - until he recognised her in a Facebook photo from a family wedding. After leaving Glasgow, Asgar Patel founded Patel Roadways, which has grown into one of India's largest logistics busi-

nesses. In 2013, the Arabian Business website estimated his personal net worth at \$615 million (£467.5m).

Asgar Patel was one of thousands of Indians who came to the UK to escape the violence that followed the Partition of India in 1947. The adopted siblings later lost touch after Wilde's family moved out of Glasgow.

Bovine meat exports from southern ports increase

Between 2014-15 and 2016-17, India's buffalo meat exports fell from 14.76 lakh tonnes (valued at ₹29,289.16 crore) to 13.31 lakh tonnes (₹26,307.93 crore). This was reflected at JNPT, Nhava Sheva, where the consignments fell by over a fifth. But the same period saw exports through Chennai and the nearby Kattupalli Port going up by roughly five times.

Shipping projects in the Andaman & Nicobar Islands inaugurated

Home Minister Rajnath Singh and Minister for Shipping, Road Transport & Highways and Water Resources, River Development and Ganga Rejuvenation Nitin Gadkari inaugurated an alternate sea route to Baratang Island and laid the foundation stone for extension of dry dock in Port Blair, extension of wharf in Hope Town and construction of additional jetty along with extension of Berthing Jetty in Neil Island at an event in Port Blair. India is drastically boosting its maritime infrastructure and Andaman & Nicobar islands can benefit too.

VOC Port officials under CBI scanner



VOC Port officials are under the CBI scanner for irregularities in awarding contracts to a Thoothukudi-based private firm. An FIR has been filed by the Anti-Corruption Branch of the CBI against P I Jambert Immanuel, managing partner of Immanuel and Co and several officials of the VOC Port whose role in awarding the contracts is being probed. The CBI claims the officials have abused their power in awarding contracts worth crores of Rupees to Jambert and his firm from 2014 to 2016, knowing well that he did not possess the required experience or qualification for getting the contract.

Reliance Industries makes first purchase of US crude

Reliance Industries Ltd has bought its first ever crude oil cargoes from the US, drawn by the oil's economics after the price spread between US crude futures and Brent futures widened. Reliance bought 1 million barrels each of West Texas Intermediate (WTI) Midland and Eagle Ford crude, which are expected to arrive in November.



NMPT registers growth in cargo handling



against 44,176 teus. The port is estimated to cross the 40-million tonne throughput mark by the end of the current financial year.

New Mangalore Port Trust (NMPT) handled 19.54 million tonnes of cargo in the first half of 2017-18, as against 17.49 million tonnes in the corresponding period of last year, up 11.72 per cent. This growth in cargo is attributed to increased handling of coal, iron ore for KIOCL, LPG, cement, etc. The port also achieved 14.76 per cent growth in container traffic during H1 2017-18, at 50,696 teus, as

Adani Ports, Mundra sets another record

Adani Ports, Mundra has set a national record for the largest parcel size of containers handled in one vessel call at any Indian container port. With a length of 337 metres, the *MSC Bruxelles* is amongst the largest vessels to call at Indian ports. The vessel called Adani International Container Terminal Pvt. Ltd (AICTPL) in September 2017. During the vessel's stay the terminal exchanged a hitherto unprecedented 10,254 teus, surpassing its own record of 8,703 teus (set on *MSC Fillippa* in September 2016).

Letter to the Editor

Dear Mr. Ramprasad,

I have read your editorial page of Maritime Gateway August 2017 issue. It's really forced me to think on our IT infrastructure and importance of IT security with threat of hacking of data, information with disruption of operations.

This is a newly emerging big threat to entire operations of Logistics and Shipping, as now mostly trade and industry depends upon IT.

I liked your suggestion about getting operations insured against cyber threats. But I feel that IT industry should come up with more stronger security and back up mechanism to counter such cyber threats. Of course, it will be evolving and developing, changing every day with new inventions and new challenges.

I feel that insurance will be back up mechanism to get commercially protected, but then it would be an additional cost. Whereas, investing more on IT security for countering cyber threats should be parallelly pursued. I personally had an experience about insurance claims that when situation comes where insurance should settle damage or loss, they take cover of so many terms, conditions and try to avoid or pay less than what was expected while taking insurance cover.

Anyway, it's my personal opinion and experience, I thank you for opening an idea for cyber threat for all of us and it will definitely help us for future business.

Thanks & Regards,

Sanjay G Rane - CEO

SAP Global Logistics

Major ports report traffic growth

The major ports have recorded a growth of 3.24 per cent and together handled 326.4 million tonnes



of cargo during the period April to September 2017 as against 316.1 million tonnes handled during the corresponding period of previous year. The highest growth was registered by Cochin Port (19.62 per cent), followed by Kolkata [incl. Haldia], New Mangalore, Paradip with growth of about 12 per cent. Cochin Port growth was mainly due to increase in traffic of POL (27.8 per cent) and containers (10.3 per cent). In Kolkata Port, overall growth was positive, i.e. 11.95 per cent. Kolkata Dock System (KDS) registered traffic growth of 0.72 per cent. Haldia Dock Complex registered a positive growth of 17.74 per cent.

SIPC near Gandhidham

Deendayal Port Trust (DPT) is all set to break ground for the ambitious Smart Industrial Port City (SIPC) near Gandhidham. Sadbhav Engineering won the ₹167.46 crore contract to develop the land for SIPC. The company will have to develop the land, including grading and filling, in the next nine months. Moreover, DPT has already received the crucial environment clearance from the Union ministry of environment and forest as well as the public investment board (PIB). The 600 acre industrial park has land reserved for mainly four types of industries – furniture, edible oil, salt-based units and engineering-fabrication.

Kandla Port to be renamed as Deendayal Port

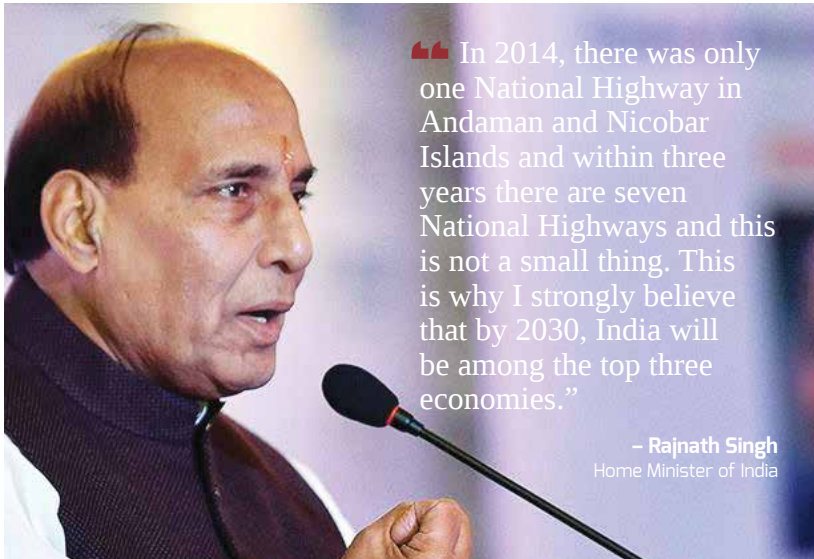
The Union Cabinet, chaired by the Prime Minister, has given its ex-post facto approval to the renaming of Kandla Port as Deendayal Port. Ports in India are generally named after the city or town in which these are situated. However, the government, in special cases, after due consideration, have renamed the Ports after great leaders in the past. By renaming Kandla Port as "Deendayal Port, Kandla", a grateful nation would be remembering the invaluable contributions made by one of the greatest sons of India, Pandit Deendayal Upadhyay.

Cochin Shipyard bags navy contract

Cochin Shipyard has emerged as the lowest bidder for an Indian Navy project and the ₹5,400 crore contract for eight vessels (16 X ASW SWC Project) is likely to be concluded after due process. CSL is the only shipyard in India that can build up to 1,10,000 DWT. It is also the only shipyard in the country which can fix vessels up to 1,25,000 DWT, and repair an air defence ship.

Jakkampudi to become economic township

'Jakkampudi Economic Township Development Corporation Limited,' a SPV to develop an economic township with residential, commercial and institutional land uses over 265 acres at Jakkampudi village, Andhra Pradesh has been established. The project will be on PPP basis with investments, technical know-how and management capabilities brought in by private players. The project will offer land for light and green industries. On a separate note, 'Walk-to-work' towns will be developed along the Vizag Chennai Industrial Corridor and the Bangalore-Chennai Industrial Corridor.



“ In 2014, there was only one National Highway in Andaman and Nicobar Islands and within three years there are seven National Highways and this is not a small thing. This is why I strongly believe that by 2030, India will be among the top three economies.”

– Rajnath Singh
Home Minister of India

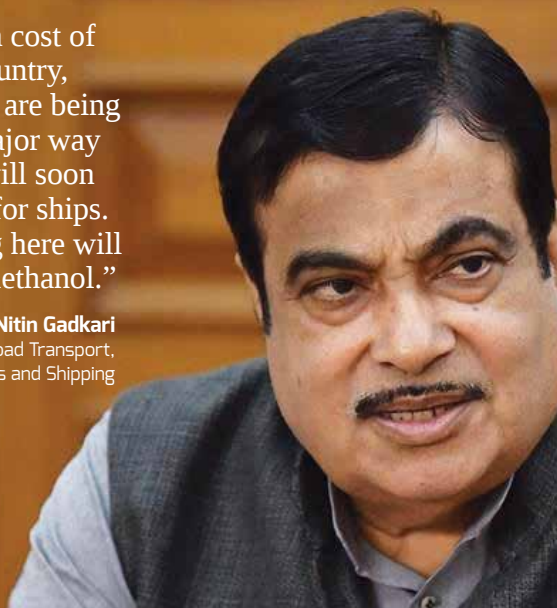
“ A greater opportunity to use the riverine routes and improvement of the quality of the river connectivity should be at the core of any strategy aiming at stimulating exports and promoting the participation of domestic economy in regional markets and beyond in the global chains of production.”

– AH Mahmood Ali
Foreign Minister of Bangladesh



“ To cut the high cost of logistics in the country, inland waterways are being developed in a major way while methanol will soon be made the fuel for ships. Soon, all shipping here will be converted to methanol.”

– Nitin Gadkari
Union Minister for Road Transport,
Highways and Shipping



“ India has all the signs of a prosperous economy that is on the move. This is a market of investment priority and not a choice anymore. We have a number of partners with whom we are going to have serious discussions.”

– Amin Nasser
CEO, Saudi Aramco



“ I believe that India is the country which is yet to be open for Russia (in terms of deliveries of agricultural products – TASS). We do not sell you five million tonnes of grain or wheat, but we want to do it.”

– Alexander Tkachev
Agriculture Minister of Russia





WHO WE ARE

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

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



WHAT WE DO

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

CUTTING EDGE

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

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

MISSION

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

VISION

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

WHY SPEEDWAYS

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

CHAIRMAN SPEAKS

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

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DUBAI MARITIME SECTOR AT A GLANCE

Provides 76,000 JOBS

GDP Is 7% OF DUBAI'S GDP

Has grown by 25% IN 4 YEARS

Generated AED 26.9 Billion LAST YEAR

Dubai is now:

1 The **FIFTH** most competitive and attractive maritime cluster globally

2 **10th overall** in leading maritime capitals from 30 cities

*survey by Menon Business Group

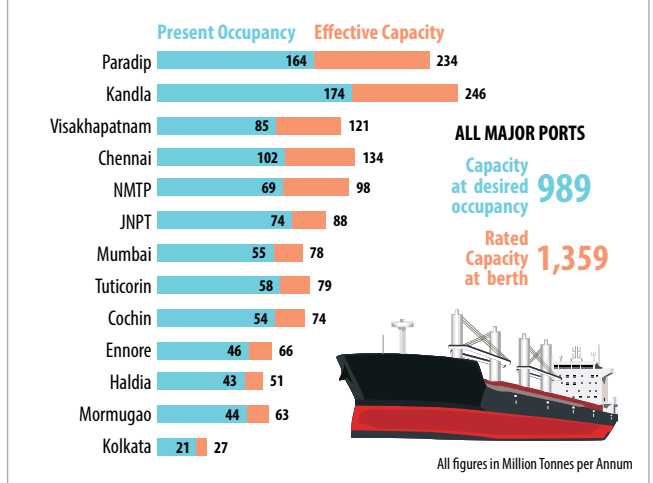
BOVINE MEAT EXPORT CONSIGNMENTS

	JNPT/Nhava Sheva	Chennai + Kattupalli
2013-14	689,437.25 (13,204.05)	12,655.10 (225.03)
2014-15	709,750.32 (13,938.34)	14,700.75 (269.01)
2015-16	529,657.47 (10,844.95)	81853.26 (1,533.85)
2016-17	561,926.59 (11,287.46)	71,745.35 (1,240.23)
Apr-jul 17	156,523.95 (3,135.13)	15,577.40 (239.78)

Figures in metric tonnes; Figures in brackets are value in ₹ cr

Source: APEDA

SPACE FOR GROWTH



EXPECTED DEVELOPMENTS IN GLOBAL SHIPPING INDUSTRY-2018

POSITIVE DEVELOPMENTS

- 👍 Emerging economies showing some signs of volume growth
- 👍 A booming South Asian market
- 👍 Carrier profits in the black helps industry stability
- 👍 Carriers start to enjoy benefits of M&A cost savings/synergies
- 👍 Spot freight rate market Showing much less of the huge volatility seen in the past
- 👍 Panama canal and Bayonne Bridge air draft upgrades provide relief for cascaded vessels
- 👍 Delays of ships evening out pressure from the order book
- 👍 M&A takes out weaker players and price cutters
- 👍 Renewed price discipline and carrier commercial activity
- 👍 Asset prices and time charter rates off the bottom
- 👍 Continued IT development to help the industry -rate exchanges, blockchain technology
- 👍 One Belt One Road initiative encouraging investment

NEGATIVE DEVELOPMENTS

- 👎 Geo-political problems that may come to the fore
- 👎 A Weak Mid-East Market
- 👎 Fewer Choices for shippers
- 👎 1.4m teu+ in the order book for delivery
- 👎 Potential Order book resurgence
- 👎 Increased Pressure on main E-W trades and many N-S trade due to the ongoing cascade
- 👎 Reduced Scrapping
- 👎 A rise in fuel prices could impact carriers. But may stimulate some economies
- 👎 Beijing's more forceful Stance on cleaning up dirty industries and refusal to accept certain European and US waste materials
- 👎 Cyber attacks

TRAFFIC HANDLED AT SOME MAJOR PORTS

APRIL TO SEPTEMBER

(In '000tonnes)

Ports	Apr to sep Traffic 2016	2017*	% variation against prev. year traffic
Kolkata*	24,623	27,565	11.95
Visakhapatnam	30,670	30,149	-1.7
Chennai	25,925	26,236	1.2
Cochin	11,924	14,264	19.62
Mormugao	13,064	12,670	-3.02
Mumbai	30,813	31,234	1.37
JNPT	30,781	32,691	6.21
Kandla	53,963	53,287	-1.25
TOTAL:	316,142	326,383	3.24

* Total of Kolkata Dock System & Haldia Dock Complex

Source: Alphaliner

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Port Equipment

- Extensive product solutions for all types of material and for every port
- Sophisticated training simulators for a wide range of crane types and scenarios
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APPOINTMENTS

Vinit Kumar appointed new Chairman of Kolkata Port Trust

Vinit Kumar, an I.R.S.E.E. officer of the 1993 batch, has taken over charge as Chairman, Kolkata Port Trust. Before joining the port trust Kumar was Chief Electrical Engineer in Mumbai Railway Vikas Corporation Ltd and was looking after the World Bank-funded MUTP project.

**Adarsh Hegde takes charge as President of CFSAI**

CFSAI during its 11th AGM elected Adarsh Hegde as its President. George Joseph, Managing Committee Member, was also elected as Senior Vice-President. Capt. Nishit Joshi and Percy Vapiwala were re-elected as Vice-Presidents of CFSAI for a further term of 2 years. V. Padmanabhan, former VP, has also been re-inducted as VP in the reconstituted Managing Committee of CFSAI.

**Rizwan Soomar appointed SVP & MD, SCO Region, DP World**

Rizwan Soomar has been appointed as SVP & MD, SCO Region, DP World. Soomar has a career spanning over two decades across the various business of the AP Moller-Maersk Group.

**Schenker India appoints Paul George as Director Sales**

Schenker India Pvt Ltd has appointed Paul George as the new Director Sales. He is responsible for devising and driving the sales strategy of the company. He has over 35 years' experience in logistics.

**Nailesh Gandhi elected new President of AMTOI**

Nailesh Gandhi of Express Global Logistics was elected President of Association of Multimodal Transport Operators of India (AMTOI) at its 18th AGM held in Mumbai. R. K. Rubin of Transcon Freight was elected Vice-President. Also elected were Xerxes Master of Master Group as Honorary Secretary and Ravindra Gandhi of R. J. Gandhi & Co. as Honorary Treasurer.

**AV Vijaykumar is the new Chairman-elect, FFFAI**

AV Vijaykumar, the recently elected Chairman-elect, FFFAI, from Paramount Shipping Services based in Chennai, is unequivocal about the changes in mindset that Indian Customs Brokers and Freight Forwarders should be striving for. And, it is far more relevant when the landscape of this sector is changing phenomenally. "Changes are too rapid and adopting these is a challenge. We are moving towards a trust based business environment with less paper, lesser physical interaction and least intervention. Change in mindset would be a task which will be a focus point for the near future," he clarified.



SHIPPING

Bunker fuel tax cut to 5 per cent

The GST Council changes its position on recent export tax hikes, and gives the go-ahead for the goods and services tax on bunker fuel for coastal and foreign oceangoing vessels to be cut from 18 per cent to 5 per cent. Marine fuel was among the export goods which came under a new tax regime in July, and the impact on India's bunker fuel soon became apparent, with many vessels opting to refuel in Sri Lankan or Bangladeshi ports. In April-June this year, before the new tax was levied, bunker sales at Indian ports totalled 64,801 metric tonnes (mt). However, bunker volumes in July-August almost halved, dropping to 35,886 mt.

HPCL to increase share in bunker fuel

Hindustan Petroleum Corporation Limited's recent delivery of its biggest bunker stem at the port of Mumbai has given the company impetus to increase its market share by 5-10 per cent. The bunker supplier delivered 2,500 mt of intermediate fuel oil 380 CST to the 59,235 dwt *Vasco da Gama*, one of the world's biggest dredgers, at Mumbai port in September. The Mumbai bunker market is dominated by Bharat Petroleum Corp and HPCL.



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Mahindra Logistics issues IPO



Mahindra Logistics Limited has issued an initial public offering of up to 19,332,346 equity shares of face value of ₹10 each of the company for cash within a price band of ₹425 per equity share to ₹429 per equity share through an offer for sale of (I) up to 9,666,173 equity shares by Mahindra & Mahindra Limited (the promoter); (II) up to 9,271,180 equity shares by Normandy Holdings Limited; and (III) up to 394,993 equity shares by Kedaara Capital Alternative Investment Fund – Kedaara Capital.

General cargo wharf in Thilawa

A general cargo wharf project is being developed at Thilawa port by Wilma Myanmar Port Terminals (Thilawa). It will be opened at the end of November. Wilma Myanmar Port Terminals won the contract from the Myanmar Investment Commission (MIC) and Myanmar Port Authority (MPA). The Ministry of Transport gave the company a long-lease agreement and is now building the wharf and surrounding buildings. The construction of the wharf started in April 2016 and it is now 95 per cent finished. A flour mill and oil tanks nearby would be finished in 2018.

Milaha launches NVOCC tracking application

Milaha has launched a mobile application that allows its customers to track their shipments around the world using a bill of lading ID or container number. Through the new, free App – named "Milaha NVOCC Tracking" (iOS, Android) – customers will also have access to the company's NVOCC voyage schedules, arranged by time or location, and will also be able to provide feedback on the company's services. Further upgrades to the app are already underway, and will include the ability to make rate requests and shipment bookings directly through the app. Milaha's NVOCC services now cover 20 ports in the Middle East and Indian Subcontinent.

Maersk Line pioneers store door reefer import in Uttarakhand



Maersk Line enables the first store door reefer import of confectionery for Perfetti Van Melle (India) Pvt Ltd into Rudrapur, Uttarakhand. The consignment of confectionery which left Leixoes, Portugal on the 17th of July reached Rudrapur in Uttarakhand on the 8th of September.

At present, reefer importers are currently importing to

port and then trucking the cargo to their warehouses. This involves multiple vendor co-ordinations which affect their overall increased cost of logistics. Added to this are shortages of trucks during peak seasons which impact their production cycle. Through Maersk Line's pioneering offering, these challenges will be a thing of the past. The transportation time between the point of origin and the port reduces considerably, facilitating a one-stop solution closer to the place of origin of cargo.

LOGISTICS

Adani plans international airport in Mundra

Adani Group is set to enter the airport business with an international airport at Mundra, Gujarat. The group has firmed up plans to upgrade the existing airstrip at Mundra to a full-fledged commercial airport with integrated cargo and aerospace operations. The project has received environmental clearance and involves an investment of around ₹1,500 crore.

The Adani Group, through its subsidiary Mundra International Airport Private Ltd (MIAPL), will operate the airport to cash in on the corporate traffic in Mundra, which is fast developing into a business hub. There are also plans to develop the airport as a hub for cargo operations. A separate cargo terminal will be developed to capitalise on the requirement of business houses in the Mundra special economic zone (SEZ) to export their goods.

GST removed for transit cargo



The government of India has removed the goods and services tax on services provided by Indian service providers for transit cargo such as transportation, insurance, shipment, container freight station and cargo handling charges, among others. The finance ministry considers these as 'service export' and hence GST has been waived. This will particularly help the transit cargo moving to Nepal and Bhutan. Nepal had earlier requested GST waiver on all services procured from India.

Maersk India to expand supply chain

The India unit of Maersk Line is expanding its cargo-shipping role in the country to establish itself as a provider of end-to-end supply chain solutions that would include doorstep delivery. A bigger role for Maersk in the supply chain would mean the company's involvement in the road and railways legs of shipments for importers, and delivering consignments at factories or warehouses. The focus on allied services, which the company outsources to third parties, has increased in the past six months. Earlier this year in June, Maersk had introduced a direct, time-guaranteed rail route between India's Visakhapatnam port and the Birgunj Inland Container Depot in Nepal.

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

Presenting **JSW Infrastructure** under this feature.

Key dignitaries during the event on March 25, 2017: Shri Nitin Gadkari, Shri Suresh Prabhu, Shri Anant Geete, Shri Devendra Fadnavis, Shri Ravindra Chavan, Shri Sajjan Jindal, Capt BVJK Sharma



MT Zao Galaxy berthed at Jaigarh Port on August 17, 2017



The pioneer in infrastructure development

JSW Infrastructure Limited is second to none in infrastructure development – be it seaports and terminals, industrial clusters or providing last-mile connectivity.

JSW Infrastructure Limited (JSWIL) is one of the leading private sector infrastructure companies in India dedicated to developing world-class seaports and terminals, shipyards, townships, port-based special economic zone (SEZ), industrial clusters and last-mile connectivity projects like road, rail, pipeline, coastal shipping and inland water transport.

Today, JSW Infrastructure has an operating capacity of 70 MMTPA and additional 100 MMTPA is under various stages of construction. JSW operates environment-friendly seaports and terminals - Jaigarh Port and Dharamtar Port in Maharashtra (India) and South West Port Terminal in Goa (India) that offer mechanised and multi-cargo handling facilities to its customers. JSWIL has taken up O & M contract of mechanized bulk cargo terminals at Port of Fujairah, UAE and is also developing iron ore and coal terminals at Paradip Port (India). The company is poised towards achieving port capacity of 200 MMTPA through greenfield and brownfield expansions by 2020.

Key projects completed


- Commissioning of Berth 6A for coastal movement at Jaigarh Port.
- Commissioning of Berth 3A with deeper draft enabling direct berthing of cape size and new castlemax size vessels at Jaigarh Port.
- Commissioning of Berth 3B for handling bulk cargo at Jaigarh Port.
- Installation and commissioning of 2 nos ship unloaders at Berth 3A at Jaigarh Port.
- Installation and commissioning of 2 nos yard conveyors and stacker reclaimers for mechanized handling of bulk cargo at Jaigarh Port.
- Installation and commissioning of 2 nos ship loaders capable of loading handymax and MBCs at Jaigarh Port.
- Induction of 3 nos 65T Bollard Pull ASD tugs in the marine fleet at Jaigarh Port.
- Strengthening and widening of SH 166 connecting Jaigarh Port to the Mumbai Goa National Highway
- Commissioning of ship simulation centre at Jaigarh Port
- Inaugurated the edible oil terminal at Jaigarh Port with a maiden call of edible oil carrier MT Zao Galaxy.

Projects under completion

- Developing iron ore and coal terminals at Paradip Port (India)
- Construction of covered shed for storage of bulk cargo. Size 145m (w) x 300m (l) x 40m(h) for storage of 350000 MT of iron ore and coking coal.
- Procurement of 8000 DWT mini bulk carriers for movement of cargo from Jaigarh Port to Dharamtar Port (Coastal movement)

- Works on rail between Jaigarh Port and Digni have commenced to establish the connectivity of Port with Konkan Railway network.
- Construction of LNG terminal at Jaigarh Port

Highlights, Awards and Accreditations received during the year

- A function was organized to mark 5 events on 25th March in presence of Union Minister of Shipping, Chief Minister of Maharashtra, Union Minister of Railways, Union Minister for Heavy Industries, Minister of State for Ports and other dignitaries.
 - (a) Dedication of Jaigarh Port to the Nation
 - (b) Inauguration of Jaigarh Nivali Road
 - (c) Laying foundation stone for Jaigarh Digni Rail connectivity
 - (d) Inauguration of Coastal Berth - 6A
 - (e) Welcoming the New Castle Max Vessel carrying coking coal of over 200,000 MT ever serviced by any Indian Port.
- JPL was accredited with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certification
- JSW Infrastructure Limited has won the "Fastest growing Multi Commodity Group in India" award at ALL India Maritime and Logistics Awards (MALA) 2017
- JSW Infrastructure Limited has won the award for "Port and Terminal of the Year" at Maritime India Nation Awards 2017
- JPL was awarded "Private Port of the Year 2016" award by Maritime Gateway
- Office of the Commissioner of Customs, Pune awarded "Custodian of the Year" to JPL
- Capt BVJK Sharma, JMD & CEO, JSW Infrastructure honoured with "standing ovation" award for his remarkable contribution rendered towards Indian shipping and maritime industry during Pride of Seas Event 2017
- Capt BVJK Sharma, JMD & CEO, JSW Infrastructure felicitated at the Economic Times Infra Focus Summit 2017 

Capt BVJK Sharma receiving the award for the "Fastest growing Multi Commodity Group in India" at All India Maritime and Logistics Awards (MALA) 2017



SEA-invest to set up fruit terminal in India

SEA-invest NV, the world's top fruit terminal operator, is weighing plans to set up a facility with an automated warehouse and cold storage near a port in Mumbai or Kolkata in partnership with a local firm. The Belgium-based group handles over 5.5-million tonnes (mt) of fruits from its terminals located in Belgium, Germany, the Netherlands, Ivory Coast and South Africa. Of this, 1.5 mt is handled at the Antwerp terminal, its largest.

FIATA World Congress 2018

Campaign for the "FIATA World Congress 2018" (FWC-2018), which has been scheduled to be held from September 25 to 29, 2018 at Aerocity in New Delhi, kick starts from "FIATA World Congress 2017" taking place in Malaysia. A strong delegation comprising some 45 FFFAI member customs broking companies is attending the event in Malaysia to promote the FWC-2018 in Delhi.

"We are glad to see the unprecedented enthusiasm among our member associations and companies regarding the FIATA World Congress. Our counterparts and FIATA colleagues in Malaysia had given us a target of 30 delegates to attend the Malaysia event. We have exceeded the number by 15 delegates, which indicates huge success that we are going to achieve in FWC- 2018 in Delhi," said Debashish Dutta, immediate Past Chairman, FFFAI, who is heading FIATA World Congress 2018 organising committee.

44 economic corridors await cabinet nod

The Road Transport and Highways Ministry's ambitious programme to construct 44 economic corridors at a cost of ₹5 lakh crore is likely to get the Cabinet's approval soon. The project involves construction of 24,000 km of new highways, as well as feeder routes alongside these roads. It is aimed at faster movement of cargo, along with developing multimodal logistics hubs and parks on the periphery of major commercial centres. Around 80 per cent of the total work would be government-funded engineering procurement and construction (EPC) projects and the remaining would be undertaken as public-private partnerships under the hybrid annuity model.

Coal imports rise in September



Coal imports rose by 9.5 per cent to 18.33 million tonnes (MT) in September, after having registered year-on-year decline for five months in a row, as some power plants faced fuel shortages. Coal imports (all types) in September 2017 stood at 18.33 MT (provisional), against 16.73 MT in September 2016. The healthy growth in coal-fired generation of late has raised coal demand in the country,

resulting in higher off-take from domestic sources as well as imports of the material. The higher volume of coal and coke imports in September (9.6 per cent year-on-year) is mainly due to a 1.1 MT increase in non-coking coal imports during the month. Of the 18.3 MT of coal imported in September, 12 MT was non-coking coal, followed by coking coal at 4.1 MT and 1.4 MT pet coke among others.

Wardha Dry port in Maharashtra



The upcoming dry port at Sindi in the Wardha district of Maharashtra will give a boost to the development of Vidarbha region. Logistics will be the biggest business in India in future and Nagpur, which is centrally located, will become a logistics hub, Chief Minister Devendra Fadnavis said, speaking at the groundbreaking ceremony for the dry port at Sindi in the presence of Union Minister Nitin Gadkari.

"At one end is a port like JNPT which handles the highest container traffic, on the other end the logistics centre of Nagpur, and joining the two will be the Maharashtra government's Samrudhhi Corridor (Nagpur-Mumbai expressway) which will generate opportunities at the Wardha dry port," Fadnavis said.

Embassy Industrial Parks invest in warehousing

Buoyed by the burgeoning demand for warehousing space, Embassy Industrial Parks is investing aggressively in it. A total of nine upcoming parks, totalling close to 25 million sq ft, will be up and running in four to five years. The group plans to invest ₹1,600 crore as equity to build parks in Mumbai, Delhi, Bangalore, Chennai, Hyderabad and Ahmedabad.

"We are looking to cater to the booming needs for logistics and warehouses space from sectors such as e-commerce, pharma, healthcare, FMCG, apparels and telecom, among others. We are acquiring land tracts which can be used to set up modern and well-planned industrial, light manufacturing and warehousing facilities," Anshul Singhal, CEO, Embassy Industrial Parks said.

CMA CGM to market packaged water in India

CMA-CGM SA will bring its packaged drinking water brand Beaupre into the Indian market. The container shipping firm is diversifying its portfolio to tap businesses that complement its core area of transporting cargo containers amidst a massive shake-up in the global box shipping industry. The French group is also looking at potential investment opportunities in container terminals, inland activities such as warehousing, container freight stations and supply chain.

PORTS

JNPT moves ahead with DPD



Over ten companies have bid for providing transport solutions for containers under DPD at JNPT. The port had earlier this year invited tenders for selection of transporters on various identified routes for DPD of ISO freight containers. JNPT intends having a panel of transporters for the purpose. Jawahar Customs have taken a slew of measures to increase the proportion of DPD to 40 per cent. Under DPD a transport solution was formulated, which is a "first-of-its-kind" in India. The model was worked out considering the dual requirements of minimising the number of stacks and designing the "best-pick model", keeping the number of shiftings to the minimum.

DICT offers cold storage facility

Delhi International Cargo Terminal (DICT) has operationalised a key cold storage facility that is expected to help reduce double-handling, thereby saving costs for importers and exporters of perishable goods. The warehouse will have storage capacity of 8,300 tonnes, with multiple temperature zones and fully mechanised handling equipment. It will be operated through J. M. Baxi's wholly-owned cold

chain logistics unit, Boxcold Logistics Pvt. Ltd, and managed by the Bangalore-based Coldman Logistics. This facility brings the cold store directly to where the ex-im cargo either originates or ends, which is something that was not there before. Exporters and importers in the north will now be able to bring their reefer containers directly to the facility, thus avoiding double-handling and resulting in huge cost savings because boxes are moved directly by rail to the cold store. Plans are afoot to develop more such cold storage facilities across India, at an investment of \$10 million each.

Saudi Aramco to invest in India

Saudi Aramco plans to create a fully integrated business in India and is interested in partnering with Indian companies, including a planned large refinery project on India's west coast. Saudi Aramco held talks with India's state-owned oil companies led by Indian Oil Corp to discuss participation in the 60 million ton a year refinery being set up in Maharashtra. The oil industry is pinning its hopes on India and China, as demand elsewhere remains weak while production stays high, keeping prices low. India's oil demand is forecast to grow 135,000 barrels a day this year and 275,000 barrels a day in 2018.

Containerised cargo on the rise

Container volumes grew 6 per cent YoY (+8 per cent in TEU terms), but was offset by lower coal, fertiliser and other cargo volumes (-9 per

cent/-16 per cent/-2 per cent respectively). On the ports front, JNPT, Vizag and Kolkata largely led the growth momentum, while Kandla, Ennore and Tuticorin reported major volume declines. Further, railway EXIM volumes were up 20 per cent YoY in Aug'17 (9 per cent growth for Apr-Aug'17 vs. 2 per cent growth for FY17; Jun'17 and Jul'17 were up 17 per cent/7 per cent YoY, respectively) indicating signs of volume recovery for container train operators (positive for CTOs like Concor and Gateway Rail Freight).

FDI invited into energy projects

India wants to attract foreign investors to \$300 billion worth of energy projects planned for the next decade. India ships in about 80 percent of its oil needs, which Prime Minister Narendra Modi wants to reduce to 67 percent by 2020. The planned projects will include increasing the country's refining capacity, oil and gas block exploration, and developing gas infrastructure, including for transporting LNG and regasification. "In the next 10 years, India will offer projects worth \$300 billion to foreign companies keen to invest in the country," Oil Minister Dharmendra Pradhan announced.

VPT to expand capacity

Visakhapatnam Port Trust is on a massive expansion spree and has decided to enhance cargo handling including POL products from 3.28 million tonne to 9.81 million tonne by modernising and creating new faci-

ties for oil refinery-I and II berths. The project will be completed in three years so as to handle three Panamax vessels simultaneously. At present, the port handled 25,000 tonne and once the draft is increased, the cargo handling capacity will go up to 80,000 tonne. The port is required to handle more petroleum products in future with Visakha Refinery of HPCL launching work on capacity doubling project at a cost of ₹20, 928 crore.

JNPCT migrates to new terminal operating system



The Jawaharlal Nehru Port Container Terminal (JNPCT) has commenced migrating its Terminal Operating System (TOS) to Navis' SPARCS N4 Platform. The migration was inaugurated at a function in Mumbai. The open architecture of SPARCS N4 can easily connect to JNPCT's existing systems and add new applications as the business grows. It has the flexibility to scale with growing business and, therefore, helps avoid unnecessary upfront capital expenditure. The multi-facility capability of SPARCS N4 allows to standardise and centralise systems across global operations. It does not require many customisations as it employs extensive data-driven business logic to create a highly configurable solution.

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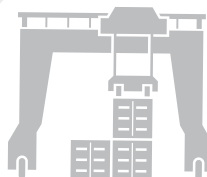
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NVOCC

Secure and tamper proof



E-seals are more secure and tamperproof and have replaced the conventional mechanical sealing of containers, also eliminating their need for physical examination

by Omer Ahmed Siddiqui

With the global increase in volumes of maritime trade and logistics, there has been a major increase in instances of tampering of existing mechanical seals. This gives rise to challenges like smuggling of banned material including drugs, theft of container cargo, and illegal transport of stowaways. Many times the tampering of container seals is non-evident to the naked eye and manual examination of each and every container can be time consuming and causes congestion inside Ports, thus resulting in delays. Physical inspection is also dangerous in case of containers containing hazardous materials.

A way forward by the Central Board of Excise and Customs in this direction is the implementation of electronic sealing for containers by exporters under self-sealing procedure. Electronic seals replace the traditional mechanical bolt seals. All the exporters who were availing sealing at their factory premises under the system of supervised factory stuffing, will be automatically entitled for self-sealing procedure. All exporter AEOs will also be eligible for self-sealing. The announcement was made at the Annual General Meeting of National Association of Container Freight Stations (NACFS).

Under the new procedure, the exporter will be obligated to declare the physical serial number of the e-seal at

the time of filing the online integrated shipping bill or in the case of manual shipping bill before the container is dispatched for the designated port/ICD/LCS. Exporters shall directly procure RFID seals from vendors, conforming to the standard specifications. They shall provide details such as import export code (IEC) etc., at the time of purchase for identification as well as for using the standard Web application necessary to support an RFID self-sealing ecosystem.

Lauding the initiative during the NACFS AGM, Vanaja N Sarna, Chairperson, CBEC said, "I am happy to see the CFS community has once again stepped forward to support yet another ease of doing business initiative which is use of e-sealing of containers under the self-sealing procedure. A simplified procedure for sealing of export goods and containers has been laid down and will ensure safety of cargo. It is a little step forward in optimisation of global supply chain."


E-seal ensures security of cargo and traceability on intermodal transport, and is being frequently used World over to conform to WCO - AEO requirements. It is an RFID solution – both passive and active variants are available and helps identify containers that have been tampered in a discreet manner, while reducing time taken currently for manual inspection procedures.

Typical RFID solutions comprise an RFID tag, reader, antennas and middle ware applications. RFID tags can be read without line of sight requirements from a range of 5-15 metres in case of passive RFID technology and in case of active RFID tags from 50 metres and beyond. For e-seals, passive RFID variant is used.

To read the tags handheld or fixed readers are required. These readers are fixed at Customs stations in ports or custodian locations. ibTrack has operationalized this process at DP World, PSA and Adani Katupalli terminals in Chennai. Soon ibTrack will be operationalizing it at Mangalore, Cochin, Tuticorin and Vizag Ports.

The unique feature of the eSeals from ibTrack is it is tamper-proof and displays tamper status. It is highly reliable and tested at European ports.

Procedure for e-sealing of containers

To obtain an eSeal, exporters have to create a username and login password at the website www.ibtrack.net and furnish details of the exporter. For export containers, the exporter has to fill in the necessary and mandated shipment details through the application. In case of an ICD or CFS being used, there is a link for the secondary data to be filled. Details at the time of shipment and also at the time of Customs inspection at the Port will be shared with Customs house as mandated. 

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CMA CGM A STRATEGY MAKEOVER

In the spring of 2017, when Rodolphe SAADE the new Chief Executive Officer of CMA CGM Group walked in to his Mumbai office, he set a strategic course with four priorities for the group. It was every country head's mandate to ship for the future. With abundant zeal, a fool proof plan and an ambitious team, Audrey Dolhen and her agency are making India future ready for her ship.

by Deepika Amirapu





KEEPING IN MIND CUSTOMER REQUIREMENTS, WE HAVE REDRAFTED OUR STRATEGY TO INCLUDE FOUR KEY AREAS OF FOCUS, VIZ. CUSTOMER CENTRICITY, BEING AN END TO END PLAYER, REJIGGING OUR ORGANISATION AND DIGITALISATION TO GIVE ALL THE AREAS A GREATER THRUST.



Audrey Dolhen
Managing Director, CMA CGM Agencies India



Given that 90 per cent of the world's trade moves by sea, shipping lines are by far one of the oldest industry houses globally. And so, for corporations that have been in trade for many decades, being conservative is a natural trait. Change comes slowly.

However, many a line today, led by the bigger ones are making waves in international and interregional trade by taking big strides offering more services in other segments as a natural extension to their main line businesses. Slowly, but surely, carriers such as CMA CGM are moving with considered aggression to expand their products and services inland much as they introduce new ports of call to different destinations.

What do you think prompted this change? Several factors. For quite a few years after the financial blitzkrieg in 2008, shipping lines tried to stay afloat by cutting costs and capacity, attempting slow steaming and re-working their routes. Despite making

these amends, the trade's recovery was spotty because every attempt from the carriers' side was met with redoubled efforts by corporate customers to control costs. With consolidation amongst liners from all over and of all sizes, most lines ran out of premium products and differentiating services. So, clearly, market economics is one reason to move shoreward. The second influencing factor is government policy. With many neo economic powers such as India and China focussing on improving their global logistics index and rank in the ease of doing business chart, policies such as Direct Port Delivery and Goods and Services Tax have impelled lines to consider the curious case of investing greatly in inland services. Lastly, but most significantly, the Big C has been the biggest harbinger of change. Changing needs of the customers has prompted CMA CGM among others to plunge in to making the first and last mile connectivity as seamless as the main leg.

Audrey Dolhen, Managing Director, CMA CGM Agencies India said, "Keeping in mind customer requirements, we have redrafted our strategy to include four key areas of focus, viz. customer centricity, being an end to end player, rejigging our organisation and digitalisation to give all the areas a greater thrust." While these focus areas outline the mission of the French carrier, significant work in this direction began almost two years ago when CMA CGM acquired a majority stake in India's LCL Logistix.

Through its logistics arm CMA CGM Logistics, the shipping line opted to grow inorganically in many markets including the United States, Canada and East Africa to accelerate its development. France's top shipping line also increased its investment in Traxens, a firm that develops innovative containers monitoring, geolocation and multimodal coordination systems. This would help the firm not just introduce big data in to the industry but also offer unique follow-up solutions to its clients in collecting real time data on container transporter movement. Thanks to this acquisition in India, the logistics arm expands both its product offering and its geographic coverage in the country where



WE ARE OPEN TO BOTH OPTIONS ESTABLISHING ALL UNITS AROUND PORTS TO RESEMBLE A MULTIMODAL LOGISTICS PARK OR ADDING A FEW FROM THE BASKET OF SERVICES IN AREAS WHERE CMA CGM HAS ITS OWN CONTAINER FREIGHT STATIONS AND DRY PORTS.



Vibhu Prakash
Regional Head, Inland Services

logistics solutions demand is high.

The scope of services will be complementary to maritime services and will include multimodal transport, custom clearance, warehousing, cold storage and distribution. The logistics arm will both create and run these services through its own and partner owned offices across the country.

"We are open to both options establishing all of these units around ports to resemble a multimodal logistics park or adding a few from the basket of services in areas where CMA CGM has its own container freight stations and dry ports," said Vibhu Prakash, Regional Head, Inland Services. Currently, the group, runs five container stations, and one inland container depot in India. To enable these services in a harmonious manner, a new business development team is being formed to look at new avenues, both on the land and sea sides.

Even as various options are being considered, the group will deepen its presence by opening new offices in the country as required. The line has close to 30 independent locations from where shippers are offered services. Servicing the customer's hinterland will perhaps be a starting point for CMA CGM's land side operations. While the call for end to end services to be handled by one player has been a shipper's demand for long, direct port delivery has validated the need for service providers to consolidate

offering the first and last mile services. "The need to offer the entire band of services is a great way in commanding the loyalty of shippers over a protracted period." said Vibhu Prakash.

Shipping lines today are ready to take on the smaller players across the enterprise, in commercial, operations, and network and fleet activities as they see the inland side as opportunities to improve performance. This line has its work cut out for the year 2017 even on the sea side with two new services India – Asia CIMEX 2 X and India – East Mediterranean Indiamed services- being introduced from India. This increased attention to India is on account of the country's promising performance in the last few years adding significantly to the group's revenues. With more than 4,000 people working in India, the country will be key to CMA CGM's global performance because the line plans to heighten its market share in the high seas. With a double digit volume growth in cargoes to and from the United States during the last two years, and its acquisition of the container operations of APL, the French ocean carrier expects to jump ahead of industry leaders MSC and Maersk Line in the U.S. trade lanes. New services to the United States and Europe are part of the game plan too.

Together, the lines (including ANL & APL) have been able to consolidate their position helping CMA CGM Group command the top position in the key export from India, namely the USA and Oceania trade lanes

France's top container shipping company has as many as 450 vessels at its disposal carrying 20 and 40 footers across the globe. CMA CGM's constant research for high-valued innovative solutions motivated the group's decision to reinforce its investment in India on both the land side and shores. Even if the line accomplishes a little bit here and a little bit there, it would be a great start to the full program of initiatives laid out to tap the hidden potential and can boost earnings. Carriers that embrace change will be better prepared than their rivals to make the best of the current business cycle and to thrive in the next one. CMA CGM has already made the first step in this direction. [img](#)



Facilitating air-to-sea migration of pharma logistics

The pharmaceutical industry is steadily expanding its sea freight volume year by year and the Port of Antwerp is ready with customised solutions to support the 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 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. A majority of the bulk drug and active pharmaceutical industry that functions out of Hyderabad reckons that logistics play a crucial role in cutting raw-material supply and export time.

While most ports such as Chennai, JNPT and Visakhapatnam 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.

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 "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 has commenced customising services for many an industry that ship cargo to 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 meeting the specific requirements of

every product.

With a bulk of Indian pharmaceutical firms using the Port of Antwerp 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, CCO, Antwerp Port Authority said, "Ports of tomorrow will no longer be facilitators of movement alone. They have to transform to be the next generation handlers of port traffic."



Logistics firms too are extending their services 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.

The Antwerp warehouses act as consolidation and crossdock hubs where goods from various European production sites can be grouped for particular destinations. Large consignments can be broken down into smaller deliveries for different destinations. 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. 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.

"The pharmaceutical industry is steadily expanding its sea freight volume. Since our 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," says An D'hondt, head of business line Healthcare at Katoen Natie. **MB**

COAL IMPORTS DECLINE – SHOULD THE PORTS WORRY?

Ports and terminals that significantly depend on coal imports and have not diversified their cargo basket will feel the pinch as coal imports decline


by Omer Ahmed Siddiqui

The volume growth at major ports was low at 3 per cent during the first five months of current fiscal, FY2018 as coal volumes recorded 12 per cent decline during the period, even as iron ore volumes grew 29 per cent. “The continuing decline in coal volumes, at a more rapid rate, as compared to the previous periods, is a concern over the long-term for the port sector since many ports and terminals have significant dependence on coal imports. A prolonged decline in coal import requirement in the absence of diversification into other cargo categories will impact the returns for such port players,” cautions K Ravichandran, Senior Vice-President and Group Head, Corporate Ratings, ICRA.

Cargo throughput at Indian ports registered a 5.7 per cent growth to 1,133 MT during FY2017 as against 1,072 MT recorded in FY2016. The growth was supported by 133 per cent growth in iron ore cargo volumes (82 MT against 35 MT) supported by a resumption of mining operations in Goa, Karnataka and Orissa as well as healthy growth of 6 per cent in POL & liquids (Petroleum, oil and lubricants) and other cargo (9 per cent). However, volume of coal was down by 9 per cent during the period as demand side issues and higher domestic production continued to reduce the domestic demand-supply deficit.

In terms of the cargo growth outlook, port sector players will continue to experience healthy growth in cargo in the near term, albeit somewhat lower compared to

the recent fiscals, as revival in iron ore exports, pick up in POL volumes as well as impetus for coastal shipping will be partially offset by lower coal imports and slowdown in container volumes due to weak exim trade. Moreover, cash accruals of the players will be supported by steadily rising handling rates, barring the projects where the tariff setting process is mired in litigations. Over the medium to long term, various initiatives under the Sagarmala programme will aid the long-term growth trajectory of the industry.

While the keen interest of the government of India on the development of the port sector is positive, however, resolution of pending tariff related issues and faster resolution of connectivity related issues will be the key for the sector's growth over the long term. Going ahead, cargo volumes and EBITDA margins of non-major ports/private terminal operators could come under pressure on account of increasing competition from the major ports that have seen significant improvement in their efficiency parameters in recent quarters. In particular, over-capacity in the container terminal segment could result in acute pressure on the margins of the terminal operators. Ravichandran added, “Given the high leveraging of some private port sector entities (over 3x Total Debt/EBITDA) and the issues faced in achieving optimal returns (Return on Capital Employed <10 per cent) from the business, ICRA believes that consolidation trends could gather further momentum going forward. Credit profiles could come under pressure on account of any leveraged M&A transactions, recurring cargo related setbacks or any adverse movement on tariff related litigations.” 



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Exploring markets, expanding reach

Being the preferred logistics partner for industries operating in healthcare, automotive, fashion and renewables, Hellmann Logistics is focusing on expanding reach in tier II cities

by Omer Ahmed Siddiqui

Shubhendu Das, MD - India Operations, Hellmann Worldwide Logistics

Q How has been the business in the past year and through the first two quarters of the current year? Which are the major verticals you serve in India?

The last 18 months have been challenging. Though we have grown by 30 per cent in terms of volume & shipments but we are under a lot of stress to keep up to a decent profit margin. Cost of sales have gone up & constant struggle on capacity both in Air & Ocean. Retail business in Imports slowed down due to Demonetisation & Exports are still weak. Rupee getting stronger by +5 per cent against Dollar has also impacted the EPS of the Export companies mainly in Automotive & Pharma.

Our Major verticals are- Healthcare, Automotive, Fashion & Renewable

Q Tell us about your operations in India and South Asian region. How different is Hellmann from other logistics service providers?

We are young, successful mid-size company in India with a healthy bottomline. Our operations are based on providing solutions to Customer at a competitive price. We have our competency centre in Mumbai which works on solution design not only for India but for South Asia & Middle East.

Today you can sustain business only if you have a good value proposition to your customers & have your basics right. Consistency, flexibility & knowledge in Operations are the key

factors of Customer retention.

Q The Hellmann Group has recently undergone reorganisation. What changes it brings to the business strategy?

The Re-organisation was necessary to the changing market dynamics. The business strategy is now more robust & focussed which will help the Organisation move to the next level.

Q How has been your experience in moving temperature sensitive cargo through air? What are the gaps that need to be plugged?

Quite positive as we partner with our Preferred carriers to do dry run on different routes & products. Based on our study we then create solutions jointly for Customers. The infrastructure challenges we had at airports and sea ports are slowly getting better.

Q The future growth seems to come from tier II and tier III cities. Last-mile connectivity in these areas remains a concern. Your comments?

Yes agreed. As an organisation we take step by step approach. Our focus now is on Tier 2 cities and these are connected through our partners under Hellmann controlled environment.

Q Automakers in India have often complained about the high cost of logistics from Indian ports? How can these be brought down?

Our logistic cost is +13 per cent of the GDP which has direct impact on most of the verticals including Automotive. Automotive logistic cost as a per cent of sales are at least +26 per

cent higher in India as compared to other large automotive markets. The Industry has a serious challenge of the escalating cost of supply chain operations and one of the major reasons being the usage of road transport. Poor road conditions, restrictions in entering city during day time, lack of rail connectivity from plants to ports, lack of robust coastal shipping, port capacity and infrastructure and the idling of vehicles lead to cost escalation. These cost can be brought down by investing in infrastructure in all modes and improving the current capacity.

Q India has emerged as a major importer of solar panels. How is Hellmann placed to serve this market? What are the challenges involved in moving solar panels?

Hellmann India is well placed in this vertical. We have catered to some of the best Companies in India from the point of Import till installation at site. We have "One-stop shop" solutions for our customers.

Challenges are many but that makes it more interesting if you have enough experience. The imports are in bulk so movement of average 30-100 containers in vessel especially when it is from China needs engagement with your reliable shipping line with proper planning. Road transportation to remote locations, storage at temporary sites exposed to theft & pilferage, safe handling of sensitive panels with limited infrastructure at sites are some of the challenges you encounter. [img](#)



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This sea-side project has been a head turner ever since it was awarded for development to the global port group Port of Singapore Authority in 2014. For various reasons. The Jawaharlal Nehru Port Trust, India's largest container port had to call for a re-bid after the first call ended in a limbo when a few consortia were barred from bidding and the one that won the bid broke up and backed out. However, within a very short period, PSA won the concession to build the terminal by promising to share a part of its earnings as royalty to the government, which will own the facility.

What has been a talking point among the business and bureaucratic circles is the concessionaire's promise of commencing the first phase of the project by December 2018. The new terminal's first phase includes a berth line of 1,000 meters (3,281 feet) and a capacity of 2.4 million teu per year, and at full build-out, it will have a 6,562-foot quay, a 494-acre storage yard, 24 quay cranes, and an annual capacity of 4.8 million teu when the second phase too is completed by 2021. PSA officials spoke of this staggered plan for commissioning the project to help ease the flow of traffic to the other three terminals that make this port work at an efficiency level of more than 100 percent most times.

The project to build a terminal to handle five million teu of cargo has been one of the biggest talking points because of its sheer size and work involved in getting such a mega infrastructure project work. Senior officials monitoring the project tell us that with some maintenance dredging and a few fixes, "we will be comfortably meeting our internal deadlines." There's both delight and dismay in his voice when he says this. Delight because the entire sea side story will be in place with much of the yard equipment ready to handle cargo at the three berths that will be operational. What's causing the worry lines is the dysfunctional stretch just outside the port that threatens to derail this project. Quite literally so. A patch of 432 metres of land to connect the terminal's rail services to the main line is what is causing an itch. A culvert needs to be built over an ONGC pipeline that passes along this stretch and Railways has not signed off for this construction. This bureau-



Making of a mega terminal

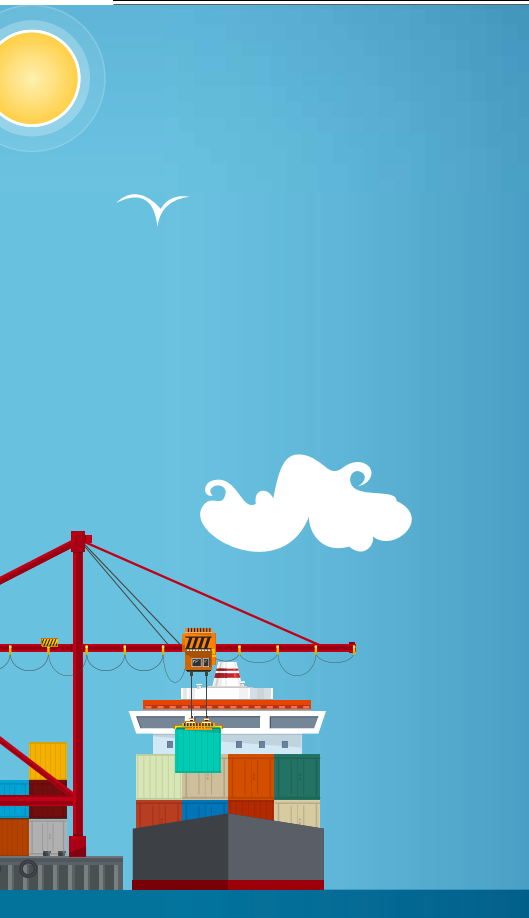
In two months from now, Mumbai will be less about the super tall tinted skyscrapers or the 16-car new bullet train that has more recently invaded the minds of its people. These will be dwarfed by a new outer borough landmark which carries the card of being India's largest container terminal.

by Deepika Amirapu

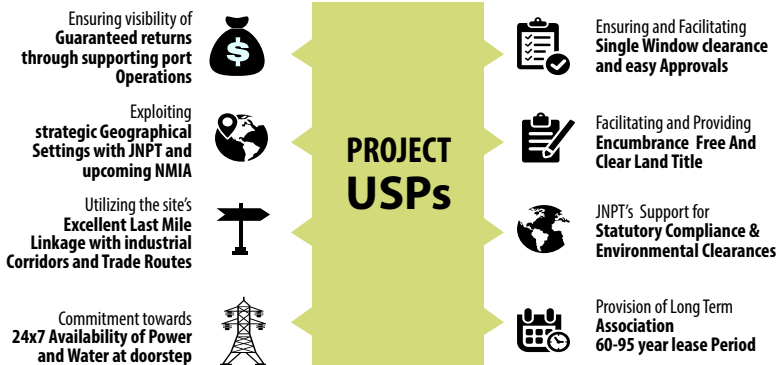
cratic delay has stalled the railway connectivity and could possibly push all the cargo making its way in and out of this terminal on to the roads. With the Dedicated Freight Corridor still remaining only a perfect plan on paper, the absence of rail connectivity could cause blockage, adding to the cascading congestion woes of the

port. The Western Dedicated Freight Corridor (DFC) was supposed to be up before the 4th terminal commences operations because of its ability to carry cargo from across seven states originating from Dadri Dry Port (near Delhi) and terminating at the Jawaharlal Nehru Sea Port.

Given that the railway line is



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threatening to go off track, one would perhaps say their prayers for the road network to be in place. Unfortunately, it is still an unanswered prayer. The Port Trust that has undertaken the task of widening the existing roadways to six and eight lanes still largely remains underway. The construction of a grid separator to streamline traffic to different western and north-bound location will not be ready before September 2018, they say. But for any truck movement out of the terminal, a connecting road has to be laid between the terminal and the main trunk lane. Given the tardy progress made by the government in implementing its own projects, it has now asked the concessionaire to complete laying the connecting stretch.

Rail and road connectivity are the heart and soul of any port project. The absence of a strong last mile connecting network could cripple landside operations. PSA, on its part, has made several representations to the government through delegations and association of private ports and terminals. But to its chagrin, no help has come yet. IPPTA frowns on this development as it calls the execution of the fourth

terminal a 'collective responsibility of all stakeholders involved'. "Private terminals are awarded such mega infrastructure projects for the speed of delivery, fast decision making and efficient operations. If the landlord port and the government do not step up to facilitate this project, it will reflect poorly on the success of the PPP model of awarding contracts," an association official said. An international consultant on ports said that Port trust will have to work more aggressively to ensure cooperation from all quarters maneuvering and accommodating the interests of all concerned to take the project to completion.

A spokesperson of the Container Shipping Lines Association attested to the government's need to step up and use its goodwill with the administrative departments to make this two kilometer linear jetty a reality. "The government should not treat this as any other BOT project. If the rail and road connectivity does not fall in to place, it is the Indian tradesmen who will be at a loss," he said. The commencement of this terminal has been awaited by the entire trade fraternity, mainly the shippers. Transporters and shippers are of the view that evacuation mechanisms have to be in place much before the project commences so that importers and exporters don't face delayed cargo delivery. Any cost levied outside the port walls is borne by the shipper and a delay in trucking time only aggravates his woes.

To ensure such mega projects are implemented on time, the government should arrest the working of departments in silos. It is incumbent on the Port Trust as well to create an environment where the entire spectrum

of service providers works in tandem with each other. Ease of doing business, until then, will remain a long-standing dream. An industry professional recalls a pertinent observation made by global tax and consulting firm Deloitte about seven years ago. In its feedback on India's method of rewarding infrastructure projects, the report published remarked that there was fundamental flaw in the manner of awarding the contract. The government or any institution commissioning a project must award the project to a company that is reputed for its quality of service, cost efficiency and timeliness in meeting deadline than on the basis of revenue share. Such a model will encourage a bidder to complete a project on time instead of working to maximise his revenue share. The PSA fourth terminal was given to the Singapore firm for willing to part with more than a third of its revenues as royalty to the government. But luckily for PSA, its concession agreement was drafted under the revised TAMP guidelines in 2013 that allows for an increase in tariff commensurate with the economic environment and the performance of the terminal operator. It is here that PSA stands at an advantage over the other three terminal operators. Other reasons cited were initiating the project on a post-facto basis where infrastructure is created when demand overtakes supply than the other favourable situation of creating supply to stay ahead of demand.

With just a couple of clearances pending, PSA is inching closer to completing the first phase of the project in a seemingly short deadline given to the group to commence work on this mammoth project. **DIG**

“Our growth in India is higher than the market average”



– Rolf Habben Jansen
CEO, Hapag Lloyd

Hapag Lloyd looks to support India in the growth story, Jansen added. Jansen also stressed that their confidence in India market can be gauged from the fact that it now has 35 services calling to India, of which 10 are direct services and the market is being served by 309 staff spread over 15 offices across the country. Referring to trade growth, he said it has grown from India to major markets such as Europe, North America, South America, and Africa by 8 per cent, 10 per cent, 10 per cent and 16 per cent, respectively.

Speaking about the influence of NVOCC on the rates, he said there were about few NVOCCs between 2009 and 2010, but later in 2012 freight rates came down drastically, and it forced vessel operators to think about ways to survive. The impact on the shipping industry was unprecedented, and many companies went bust.

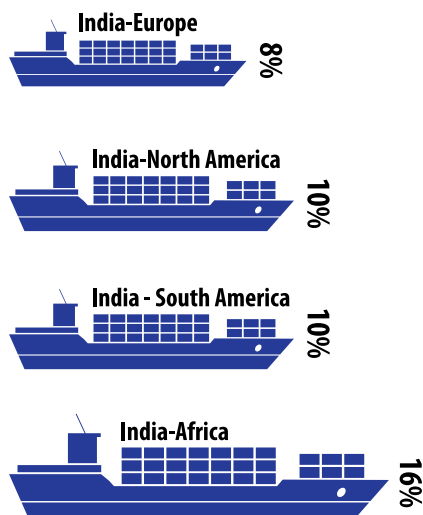
Twelve to eighteen months before there were fewer lines but still shippers had enough choice because there were presence of 5-6 global carriers who had the scale to invest in the future and offer services that was required by shippers. In the last six to seven years lines were under much stress due to which they were cutting down cost and very little investment was made into customers and better services. Consolidation is good for even the shippers. Digitisation is one areas which is going to have a deep impact because it helps to develop products and services quicker and exchange of data has become faster. The company is also investing in information and technology. It will help to improve efficiency and help provide better services. Meanwhile, the company is also cautiously optimistic looking at the future. The company explained that the gap between supply and demand is getting smaller, and there is a good chance to return to a healthy balance soon. The unprecedented consolidation wave should bring competition back to sustainable levels in most main trades. Furthermore, the reshuffling and reduction of alliance from 4 to 3 should lead to a better capacity and new order management in future. Liner shipping should have reached its turning point after the crisis and things should improve rather sooner than later. For the future, Hapag Lloyd said it has done its homework and is well positioned to benefit from future market improvement. 

In a recent interaction, CEO of the German shipping major expressed strong believe in the India growth story which will ultimately become one of the key markets in the company’s growth story

The first half of the current financial year has been encouraging for Hapag Lloyd as the company announced H1 results for 2017. Integration of business between the German shipping major and its one of the major acquisition in recent time, UASC has been on track. The company has chalked out market strategy for various regions, and India is one of the key markets for Hapag Lloyd. In a recent stakeholder and trade meet in Mumbai, the company disclosed its cards for India market. The company reiterated its strong believe in India growth story and explaining the reasons Rolf Habben Jansen, CEO, Hapag Lloyd said that in the western

part of India, Hapag Lloyd is probably the No. 3 operator and the company will work to win the trust and confidence of the trade, and convince the trade with better service. The company has registered a strong growth in India. India has immense potential, and the company’s growth in India is higher than the market average. If one looks at the future, it is one of the few markets which has great prospect. The country is fast moving forward and

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RIDING ON EXIM CARGO

ICD Whitefield is the largest contributor to Concor's revenues. It accounts for 30 per cent of the Group's total volumes, handling about 1.35 lakh teus. Anup Dayanand Sadhu, Group General Manager, Concor Karnataka speaks on new services and growth prospects for the coming year.

by Deepika Amirapu

Anup Dayanand Sadhu, Group General Manager, CONCOR

Q What commodities have contributed for Concor Karnataka's stellar performance?

A surge in EXIM cargo has been the biggest contributor to the growth in volumes from this region. Imports account for 60 per cent of goods moved. The commodities that have done well in the exports section are gherkins and granite slab exports. In the imports division, a spurt in radiator parts and furniture added to the increase in teus. Personal goods of people who are moving from cities have chosen rail containers over roadways has been a pleasant surprise for us.

Q Has domestic traffic improved as well?

Our marketing efforts are being focussed on converting break bulk cargo in to containerised cargo. We see there is great demand for cargo moving towards and from Mumbai to Bengaluru. Machinery and spares that were earlier moving as break bulk cargo now move in 25 boxes every month. We are also trying to containerise cargo moving to Mangalore. A lot of cargo from the coastal region moves to the New Mangalore Port Trust by road. With a dynamic pricing model and aggressive marketing, we expect to capture much of it.

Q A new service to Kochi was introduced in partnership with DP World. How is it faring?

We were running a connection between Bengaluru and Kochi that we are planning to extend till Tuticorin now. The idea is to tap a number of garment customers who want a service to Kochi from where there is a LIMO service to Europe. There is a lot of coastal cargo that is moving from Gujarat to NMPT. We intend to run a service to capture the chemicals and tiles that move Southward from Mangalore onwards by train. Our Bangalore-Mangalore service has already started from 01 October onwards.

Q How are these new services going to be supported by commensurate infrastructure expansion?


We are adding three terminals in Karnataka. A new terminal will also be coming up in Mysore. Companies such as ITC, JK Cements, Asian Paints, TVS Motors and Nestle have cargo to be exported from this region. These areas will have a mix of CFS and ICDs. The ICD coming up at Mangalore Port will tap inflow of cargo from Gujarat and Maharashtra moving to Tamil Nadu and Kerala through Karnataka.

Q How has Concor kept up with the changes in the logistics industry with the introduction of GST?

Post GST, truckers save 30 per cent time on their delivery speed. Every third day there is cargo reaching Delhi from Bengaluru. At Concor, we are trying to keep up with this assured time delivery. Concor has one train scheduled to Delhi every week.

On the pricing front, we are yet to be as competitive as road movement. Truck prices have fallen considerably where a 16 tonne truck for a door-to-door delivery costs only Rs 60,000. A similar movement by rail costs more than 70,000 including GST.

Q How well connected are you to other ports in South India?

We have three trains connecting to Chennai every week. This has helped us increase our volume by six per cent in the last financial year. Our scheduled services to Krishnapatnam Port thrice a week connects to cargo areas on the east coast as well. The scheduled connection between Bangalore-Kochi-Tuticorin will further enhance our connectivity to all the southern states. Once the Chennai-Bengaluru expressway is operational, we should be able to see more traction. 

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"Haldia has one of the best rail connectivity"

G Senthilvel
Deputy Chairman, HDC
Kolkata Port Trust



Q How has been the performance of Haldia Dock Complex (HDC) in the current year in comparison to previous year?

HDC has been doing very well in the current year, and has handled 18.72 per cent more cargo as compared to previous year. While between April and July in previous financial year, the port handled a cargo volume of 10.96 million tones whereas in the corresponding year the cargo increased to 13.01 million tones, and the highest growth has been recorded in containerized cargo with 46 per cent in terms of teus and 83 per cent in tonnage terms. Most of the principal cargo has registered growth except non-coking coal.

Q What are the principal cargoes handled at the port, and which are the major hinterland for the port?

Primary commodities for the port are POL, vegetable oil, and liquid chemicals, and dry bulk cargo including coking and non-coking coal, thermal coal, metallurgical coke, manganese ore, iron ore, iron ore fines, containers and break bulk. Haldia is the gateway port for a large hinterland, which includes Jharkhand, Bihar,

some parts of Uttar Pradesh, West Bengal, Sikkim and other states of north east, and landlocked countries Nepal and Bhutan. Due to which vessel calls has increased, and 109 more vessels anchored at the port in the year as compared to previous year.

Major industries in the vicinity are power plants, and five vegetable oil processing units. Apart from which there are petroleum refineries by HPCL and Indian Oil, but the crude oil lands at Paradip Port, and transported by pipe. The finished products are shipped through Haldia Port. Due to the restriction on coal import, the cargo volume has been affected. Meanwhile, coastal coal movement has increased, and it has increased by 26 per cent to touch 6.63 million tones

Haldia Dock Complex has registered a rise in both cargo handled and ship calls in the current year. G Senthilvel, Deputy Chairman, Haldia Dock Complex, details on the cargo profile, the hinterland served and the excellent connectivity the port enjoys

by Sisir Pradhan

as compared to 5.24 million tonne in the previous year.

Q Which is the preferred port by traders among Kolkata and Haldia, and why?

There has been time restriction imposed by local authorities on cargo movement by road from Kolkata Port for the ease of city traffic. As Kolkata is a bustling city, the time restriction on cargo movement will further become stringent as a result it will affect cargo movement through the port. The time restriction has resulted in fall in containerized cargo movement at Kolkata while it has increased at Haldia. Additionally, tariffs offered at Haldia are less in comparison to Kolkata. But there has been synchronization between the two ports in terms cargo handled at either of the ports depending upon the advantages of respective ports. Haldia being away from major human habitat, has no restriction on cargo movement and the port is also connected well to state and national highways, apart from railways. Haldia has the advantage of a very well connected railway network, which is one of the major draws for the port to attract users. A new container feeder service, SSL Visakhapatnam has started, apart from couple of coastal vessel calls. There is no transshipment from the port, but a contract has been given to Jindal for transloading, but the service has not been feasible as the tariff offered by the service provider has not been viable for shippers. **MB**



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Haldia, a name beyond the borders of West Bengal and its immediate neighbor states, might not ring a bell for many. Unlike the lime light that hugged Kolkata Dock due to it being in a metropolitan, for long Haldia remained overshadowed by Kolkata Dock, and the labour unrest of the initial years literally raised a 'Red Flag' off the port. West Bengal's reputation is no secret, and it has added to the woes. But, those were the tales from past, once wizz past the hustle and bustle of Kolkata, and step onto Vidyasagar *Setu* one embarks on a journey of a new Bengal, a paradigm shift as contrasting as Kolkata and Haldia. For few kilometers, there are thriving new age truck terminals embracing the national highway as if making a strong statement about West Bengal's strategic importance as the nerve centre of trade in the Eastern parts of India. The time restriction on cargo movement and congestion at Kolkata has worked in favour of Haldia. The Haldia container terminal imbroglio has been sorted out after the reign of the terminal came to the hands of J.M. Baxi & Co. led Haldia International Container Terminal (HICT). Haldia Dock has registered 18.72 per cent growth in total cargo handling in the current year as compared to previous year. While between April and July in previous financial year, the port handled a cargo volume of 10.96 million tonnes

The Art of Sailing in Shallow Waters

The Haldia region being an industrial zone provides assured cargo volume for the port and many of the units are port-based industries. Unlike other traditional industrial belts of West Bengal, Haldia is still a surging economic corridor.

by Sisir Pradhan

whereas in the corresponding year the cargo increased to 13.01 million tonnes, and the highest growth has been recorded in containerized cargo with 59 per cent in terms of teus. Apart from which most of the principal cargo has registered growth except non-coking coal. Haldia Dock Complex was developed midway between the Hoogly river mouth and Kolkata Dock due to the navigational restrictions at the latter, and to cater to the requirement of growing cargo volume, especially to accommodate larger vessels carrying oil and dry bulk cargo such as grain, ore, coal, sugar, and fertiliser. Haldia's location closer to the sea, gives it a relatively better draft advantage. Haldia region being

an industrial zone provides assured cargo volume for the port and many of the units are port-based industries. Unlike other traditional industrial belts of West Bengal, like Durgapur, Asansol and Kharagpur, which are fast losing their sheen in today's highly competitive economic environment, Haldia still is a surging economic corridor. Landlocked countries Nepal and Bhutan for which Kolkata has been earmarked as the gateway port, have gradually started to shift cargo to Haldia as an alternative passage. Apart from which the landlocked states of North East, Jharkhand, Bihar, and Uttar Pradesh use Haldia as a gateway. Even though the cargo volume of 13.01 million tonne

handled at the port is comparatively low as compared to some of the other major ports, but an effective multi-modes of transportation has helped the port to evacuate cargo at much faster pace, resulting in a congestion-free environment.

Containerized cargo on the rise

Speaking about performance efficiency, **G Senthilvel, Deputy Chairman, Haldia Dock Complex** said that containerized cargo has been one of the primary growth areas and drawing a comparison between Nhava Sheva and Haldia, he said that while JNPT registered per hour crane movement of about 25, it is an average 22 moves for HICT. With steady growth in container volume, the port is planning to add one more rail-mounted quay crane. The port is in discussion with the terminal operator about the modalities of installing additional quay crane. Senthilvel said, the existing infrastructure is capable of handling a volume of 2 lakh teus, and the terminal has handled 1.35 lakh teus last year and the volume is likely to touch 1.50 lakh teus in the corresponding year. As per the current trend, the container volume is expected to reach 2 lakh teus in a year. After HICT took over the operation and maintenance of the container terminal in December 2014, the overall infrastructure and management of container handling operation has undergone a lot of improvement and terminal has started gaining traction among the trade resulting in steady cargo volume growth.

Capt Sudeep Banerjee, Asst Vice President (Terminal Head) of HICT, said that



there were multiple vendors for different operations like vessel side operation and yard operation, and trade had literally moved away from Haldia, but now HICT offers services in an integrated and efficient manner. With infrastructure upgradation, operational efficiency, and improved productivity, the terminal has gained back the confidence of the trade. Two berths have been dedicated to cater to the container vessels. Some of the major exports are petrochemical products like PET, Iron & Steel products, sugar, Ferro Alloy/Ferro Chrome, Aluminum Products, Cast Iron & Pipes, Paper products



and import goods are Refractory Materials, Newsprint, Soda Ash, Cement, Plastic Scrap, Iron and Steel Scrap, among others. Feeder service routes at the terminal are: Yangon, Chittagong, Singapore, Port Klang, Vizag, Krishnapatnam, and Colombo. Coastal cargo movement is one of the growth drivers for the terminal.

Bulk & Break Bulk

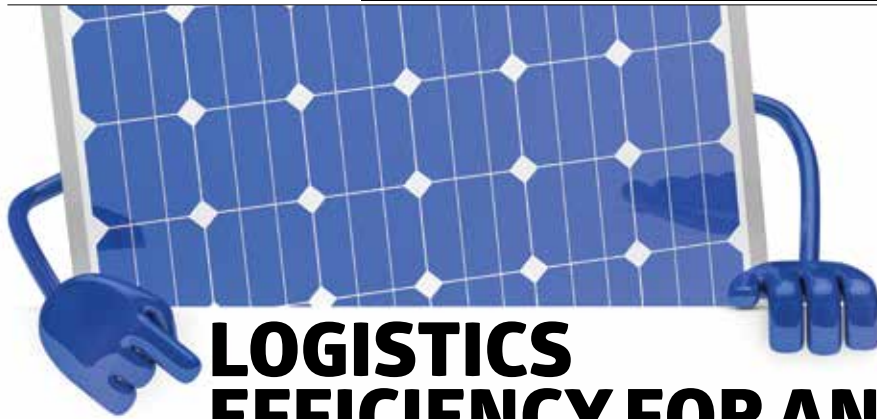
Thermal coal volume in particular is expected to increase for the port. Apart from which vegetable oil, POL products, and chemical volume is also on the rise. The port will be constructing Outer Terminal 2 to handle liquid cargo. The port will be investing about ₹150 crore to build the terminal, and the project is expected to be completed within 2 years. A liquid cargo handling jetty at Shalukkali is also on the card. Moreover, lime stone volume has increased and there has been demand coming for cement. Transloading contract has been forfeited due to lack of demand by shippers on the basis of tariff, and the port plans to allow operators to offer transload service who are able to meet the minimum requirements.

The port also looks to tap coastal cargo and automobile. To encourage coastal cargo, the port has been providing 60 per cent concession in the cargo handling charges and vessel related charges, and the concession is stretched upto 80 per cent for Ro-Ro vessels. Sical and few others have expressed interest to start Ro-Ro service. Since India recognizes cargo movement to Bangladesh as coastal, significant movement of cargo through barge is another new growth area for the port. Haldia Dock has already handed over 61 acres of land to IWAI to built a barge terminal at Haldia. It will be designed for dry bulk and liquid bulk carrying barges, and there will be floating cargo

handling jetty and a floating crane will be operationalized to offload cargo mid-sea near Sagar Island from where the cargo will be carried in barges to Haldia. The Bangladesh government has already expressed interest to start barge movement. An Outer Terminal 1 will be constructed to cater to dry bulk cargo, said G. Senthilvel, Deputy Chairman, Haldia Dock Complex. The terminal will serve companies with captive cargo who are keen to the operation the new facility at Haldia.

Time for a new beginning

Unlike earlier days of dreaded trade unionism, business environment has been on the improvement atleast in case of the strategic port and the industries in the vicinity as these have been operating in a relatively peaceful atmosphere. Haldia, being a riverine port, is dependent on high tide for smooth movement of vessels into the port. Due to draft restrictions, only Panamax or lower and Handymax vessels that too after lightening cargo at other ports, can enter it. Due to the use of lower capacity vessels, importers end up spending additional cost here, rues **Barun Kumar Sarangi, VP (Unit Head), Shree Renuka Sugar**. The port requires regular dredging due to silting, which is a perennial challenge for the port to maintain draft. Authorities have not left any leaf unturned to get the best out of existing facilities and one example was a flyover being built with a target of completing within a year and half to allow unhindered movement of road and rail bound cargo. Haldia's congestion free, higher draft availability after opening of Eden Channel, well connected infrastructure remains its biggest calling card for users, and as Bengal geared up for an image building exercise, Haldia could be its best showcase. [mty](#)



LOGISTICS EFFICIENCY FOR AN ENERGY EFFICIENT PROJECT

Greenko Energy Holdings' set up its plant in the interiors of Andhra Pradesh's Kurnool district – a place with limited road and rail connectivity. For the 500 MW power plant to come up, several thousands of containers with solar panels had to be transported to the site. Solar modules were sourced from Tier I manufacturers such as Trina and GCL and equally highly acclaimed inverter companies were chosen.

According to Greenko's officials, the logistics of moving such high-value equipment had two critical elements to it: Supply Chain and Quality Check. Ensuring the supply chain system is in place was crucial to improve efficiency and coordinate the movement of products on time and safely. And to make sure these panels could function well after travelling on choppy waters for weeks, a quality team was in place both in Shanghai backed by the supply chain team stationed in the Chinese port city to inspect dispatch. Given that Greenko was aiming to complete installation at the site much ahead of schedule, every decision had to be weighed its worth in time, amongst other factors. This applied to the choice of port too. **Vinay Kumar P, COO, Greenko** said, "Our cargo was docked at the Chennai Port initially until congestion and delays pointed to us the way to the Krishnapatnam Port." Owing to the traffic restrictions in the city, trailers could be Kurnool-bound only in the small hours leading to loss in man days at work both in transit and at the site. Moving to Krishnapatnam Port shortened the time between cargo making an appearance at the port and site.


For India's largest single-location solar project by Greenko to come up in record five months, many things should have fallen in to place. Logistics, luckily, was one of them. The port, freight forwarder, trucker and Customs have worked in tandem to ensure the project time lines are met. Read on how?

by Deepika Amirapu



The cooperation of the shipping line's willing to make an added call at the southern most port in AP made the import operation for Greenko easier. Maersk was calling Chennai and it was nudged to first consider and eventually call at KPCT twice a week for a few dollars more. This perhaps was an offer the line could not refuse given that the number of containers making their way out of Shanghai used to fill its belly on quite a number of occasions. "We booked the entire vessel a few times but it was inevitable as we used to save anywhere between ₹10,000 to ₹12,000 a container if we were shipping out of KPCT," Vinay said.

Once the containers were out of the port, for 100 days the freight forwarders deployed every truck they could to transport the light generators to the site. Each time the ship brought its load of 40 footers, they had to be cleared, de-stuffed and transported. "This required tremendous planning on our side with each of our team members equipped with an arrival plan that spelt out a clear SOP on handling the containers," said **R Ramkumar, Managing Director M+R Logistics India**. From lining up as many as 60 to 70 trucks each day, liaising with other transporters to provide their four-wheelers at a short notice, making certain the Gate In – Gate Out time remained at its lowest best always to de-stuffing at the site and finally wriggle out of the port within a week of the containers' arrival was a feat this Chennai-based firm had to pull off. For all this and managing to convincingly complete the Customs procedures on time each time, the freight forwarder gets full marks. "We wanted to be a differentiator and were, therefore, willing to go the extra mile to have a lock on the customer's requirements," Ramkumar said. For mobilising a team to be stationed at and work from Krishnapatnam for keeping the dwell time to minimum and all the add-ons, the forwarder was smartly rewarded for their service.

The port, on its part too, played the perfect facilitator to ease movement of goods. All in all, the team effort has helped Greenko Energy holdings generate 1,194 million units of clean energy helping reduce 955,000 tonnes of CO₂ from the environment. 

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Coffee exports on the rise



Coffee exports from India rose by 9.36 per cent to 3,76,873 tonne in

the marketing year that ended September 2017, buoyed by higher global prices. The country's coffee shipments stood at 3,44,613 tonne in the 2015-16 marketing year.

The export value realisation rose 7.31 per cent to ₹1,64,284 per tonne of coffee in 2016-17 from ₹1,53,089 tonne in the year ago. Total coffee exports in value terms rose to ₹6,191.43 crore from ₹5,275 crore in the said period. Normally, robusta variety comprises 70 per cent of the total coffee exports, while the rest is arabica coffee.

India looks at huge growth in shrimp exports

India is expected to be the standout performer in seafood exports in 2017 along with Chile. Exports are set to surge by 41 per cent more due to bumper harvesting of vannamei shrimp, notching an increase of \$2.3 billion in value terms. The rise in exports will provide respite to Indian exporters at a time when the European Union, the third largest market, is contemplating a complete ban on Indian shrimp imports over quality issues.

As per an earlier report of FAO, India had emerged as the largest exporter of shrimps in the world by exporting 438,500 tonnes in 2016, marking a 14.5 per cent increase over the last year. The top five shrimp exporters to the international market in 2016 were India, Vietnam, Ecuador, Indonesia and Thailand.

Pharma exports decline by 4 per cent

Indian pharma exports registered a negative growth of 4 per cent during the first five months of the current fiscal owing to increased regulatory issues coupled with pricing pressure in global markets. According to Udaya Bhaskar, Director General, Pharmexcil, the pharma exports to other countries witnessed a decline of 7.9 per cent during the April-July period while recovered to 4 per cent in August leaving the overall growth at minus four per cent till August this year. To some extent import alerts (by US FDA on Indian plants), regulatory issues and currency fluctuation, are some of the factors contributed to downward growth. India exported \$16.90 billion worth of pharma products during 2015-16 and the same was slightly declined in 2016-17 to \$16.64 billion in 2016-17.

Government cuts duty drawback on garment exports

The government has slashed duty drawback on garment exports to two per cent from 7.5 per cent with effect from October 1. The decision has hit exporters hard as they were gearing up to start booking orders for the peak season. According to Ashok G Rajani, Chairman, Apparel Export Promotion Council, the government has slashed the drawback on the pretext of GST but there are lots of taxes in the textile industry which are not covered under GST.

"The government cannot expect the industry to export our tax to other countries and still remain competitive. We have requested the government to retain the drawback at the earlier level," he said. Indian apparel exports to the US have increased just 0.21 per cent between January and July to \$2.33 billion.

FTA with Japan helps leather exports



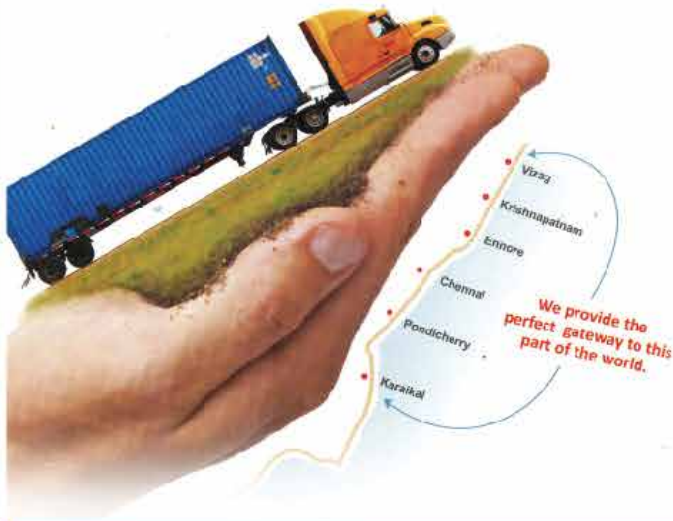
The free trade agreement with Japan has helped Indian leather industry to enhance its

exports. "The comprehensive economic partnership agreement between India and Japan has enabled reduced import duties in Japan for leather products and footwear exported from India, on account of which India has been able to considerably enhance its export to Japan," Council for Leather Exports said. India's export of leather products to Japan has increased from \$38.70 million in 2012-13 to \$63.97 million in 2016-17. Japan is the seventh largest importer of leather and leather products in the world.

Electronic exports target UAE

India is one of the top trading partners of the UAE and there is enormous potential to further enhance bilateral trade using India's IT prowess. India's total export of electronics hardware during 2016-17 is estimated to be \$5.685 billion, and that of computer software and services is estimated to be \$111 billion. It is estimated that electronics goods export to Middle Eastern countries during 2016-17 is valued at \$911 million. The UAE is the top destination for India's electronics export in the Middle East. Export of software and related services to the Middle East has reached a level of \$2,043 million estimated in 2016-17.

In FY 2015-16, trade between India and the UAE crossed \$49 billion, with Indian exports worth \$30 billion to the UAE and \$19 billion worth of UAE's exports to India, thus making the UAE India's top trading partner.



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Smart Logistics Summit Amaravati Inaugurated

A platform to identify the cargo centres, so that logistics service providers could accordingly develop solutions that could effectively serve the trade



L to R: G Sambasiva Rao, President, The Andhra Chambers Of Commerce and Industry Federation; **Koka Sudha**, IRS, Commissioner, CPC, The Commissioner of Customs Preventive Commissionerate, **Ajay Jain**, IAS, Principal Secretary, Energy, Infrastructure & Investment Department, Government of Andhra Pradesh; **J S R K Prasad**, Chairman - CII Andhra Pradesh, Confederation of Indian Industry, **Anil Yendluri**, Director & Chief Executive Officer, Krishnapatnam Port Company Ltd; **Ramprasad**, Editor-in-Chief, Maritime Gateway



L to R: C Kutumba Rao, Vice Chairman, Andhra Pradesh Planning Commission being felicitated by **Ramprasad**, Editor-in-Chief, Maritime Gateway



L to R: Devineni Uma Maheswara Rao, Minister for Irrigation, Command Area Development & Water Resources Management, Govt. of AP being felicitated by **Ramprasad**, Editor-in-Chief, Maritime Gateway

The first edition of annual Smart Logistics Summit Amaravati, one of the biggest EXIM logistics and maritime events in the region was inaugurated on October 13 at Vijayawada. The chief guest at the summit was **Shri Devineni Umamaheswara Rao**, Minister for Irrigation, Command Area Development & Water Resources Management. The sunrise

state of Andhra Pradesh under the leadership of visionary **Chief Minister Shri N. Chandrababu Naidu** is on the path to become the 'global logistic hub'.

In this backdrop, **Ramprasad**, Editor-in-Chief, Maritime Gateway magazine stressed on the fact that

logistics industry is looking at serving the end users in a more efficient and cost effective manner. The Smart Logistics Summit in Vijayawada is an effort to reach out to the hinterland from where cargo is generated, so that logistics service providers could get an opportunity to understand the



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L to R: Aravind, Principal Planner, APCRDA; **G Punnaiah Chowdary**, Hon Chairman, Andhra Pradesh Spinning Mills Association; **Dr Koya Praveen**, IPS, Director of Ports, Department of Ports, Andhra Pradesh; **Addanki Sridhar Babu**, IAS, Secretary, Tobacco Board; **V Ramnath**, Executive Vice Chairman, Andhra Pradesh Township and Infrastructure Development Corporation Limited; **Ch Sudhakar**, General Secretary, CREDAI Andhra Pradesh; **R S V Ramanamurthy**, General Manager, ITC Limited - Indian Leaf Tobacco Division; and **Ramprasad**, Editor-in-Chief, Maritime Gateway

requirements of exporters and importers, and align their services accordingly to facilitate trade growth in the region. The theme of the Inaugural Session was “Emerging Infrastructure and Logistics Opportunities”. Speaking on the topic **G Sambasiva Rao, President, The Andhra Chambers Of Commerce and Industry Federation**, highlighted the Need for Smart Logistics infrastructure for the region to thrive. He said, “There is a necessity to provide industry status to logistics sector by states and the centre for the sustainable growth of the logistics industry as it is providing lot of employment and fueling economic activities.” **J S R K Prasad, Chairman - CII Andhra Pradesh**, spoke on the Role of Industry, including Logistics Sector in the Growth of Andhra Pradesh. He said Chief Minister N. Chandrababu Naidu has set a target of 40 per cent contribution from manufacturing sector to the state’s economy from existing 8-9 per cent. Projects like construction zone at Donakonda would position the state as a construction hub. Such projects would require a capable logistics support to move goods. The other key sector is aquaculture, moreover, the state is also poised to be a food processing hub, and mega food park coming up at Mallavalli would assist in this. There is a need to map the value chain to reach out to the resources. These anchor industries would also attract ancillary industries. But for the success of these industries logistics is a fundamental enabler but unfortunately logistics has not been given the required importance. It is time manufacturers need to look at

logistics beyond just a cost component and should plan to reduce cost of logistics. **Koka Sudha, IRS, Commissioner, CPC, The Commissioner of Customs Preventive Commissionerate** speaking about Customs as a Facilitator of EXIM Trade, said the past few months has been very tumultuous for Customs after the implementation of GST leading to lot of changes in the Customs rule. Customs has been very quick to adapt change. Apart from EDI and AEO, following the implementation of risk based assessment system, large number of consignments move without physical examination. The department has done away with number of papers and now reduced it to just three documents for EXIM trade. Customs would embrace GST into Customs and after the linking of Customs ICEGATE and ICS System to the GSTN, it would significantly reduce the time taken earlier to calculate and transfer refund of taxes already paid by shippers.

On this occasion, **Anil Yendluri, Director & CEO, Krishnapatnam Port Company**, speaking on ‘Ecosystem to enable Port-led Development and Industrialization’, said that in the post bifurcation scenario following the implementation of GST and demonitisation, it is the responsibility of all stakeholders including industrialists, traders, government and common citizen to put the state back on the growth path. The state has its core competencies and with a long coastline port-led development is the obvious focus area for the state government. With increasing trade taking place in the Asian region, including trade between India

and East Asian countries, Andhra Pradesh has the opportunity to take advantage of its strategic location and develop itself as the logistics and supply chain hub of the country, particularly on the East Coast. Supply chain creates more jobs than any other industry.

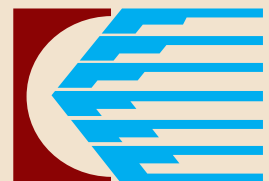
Ajay Jain, IAS, Principal Secretary, Energy, Infrastructure & Investment Department, Government of Andhra Pradesh gave examples of countries like Singapore, Japan, South Korea and China where logistics and infrastructure played key role in development of nations. Notably, reacting to a proposal by Yendluri that the state government should look at the scope of developing truck terminals across the state, especially near industrial zones and ports to keep highways free for faster cargo movement, Jain called upon the industry to come up with proposals for developing truck terminals under PPP mode since government has land banks to accommodate such facilities which will help bring down transportation cost and improve efficiency. **He called upon industry to submit proposals to develop a ‘Warehousing Policy’, so that the government could formulate a policy in this regard to promote warehousing sector to aide growth and efficiency of supply chain sector and EXIM trade.** He urged to submit a report on the suggestions made by various delegates at the Smart Logistics Summit, as the government would be eager to resolve the issues in terms of policy framework or implementation methodology to ensure prosperity of logistics sector and help growth of the state in terms of economy and employment

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generation. He also announced that the Central government and Niti Ayog has approved establishment of Coastal Employment Zones (CEZs) in Andhra Pradesh near Krishnapatnam Port, apart from other two CEZs in Gujarat and Maharashtra. The consultant has

been appointed by the Centre and availability of required land has also been earmarked. The centre is likely to allocate funds in the upcoming budget for various incentives to industries who are interested to invest in the CEZs, Jain concluded.

Government of Andhra Pradesh was the state partner of the event and supporting partners were Economic Development Board Andhra Pradesh; Department of Ports, Govt of AP; and Andhra Pradesh Chambers of Commerce and Industry Federation. **img**

Smart transport essential to retain competitive edge

The demand for smart transport was highlighted as the logistics community got the pulse of the changing logistics needs of the exim trade



L to R: Huang Hongxia, Branch Head, DGT Products (HK) Limited; M Yelvender Yadav, IRTS, Chief Manager, CONCOR; SVK Reddy, Chief Engineer, Inland Waterways Authority of India; NV Sudhakar, Chairman, IALA, Andhra Pradesh Industrial Infrastructure Corporation; Arul Rex Prashant, Regional Manager, Maersk line; Capt Bijay Sekhar, GM-Marketing, Krishnapatnam Port Container Terminal, N Krishna Kumar, Vice President-South India, MSC Agency (India)

The Smart Transport session dealt with road, rail, sea and coastal cargo movement along the east coast and the Andhra hinterland. Through thoughtful discussions and presentations, shipping lines, transporters, shippers and government representatives suggested measures to improve trade and transport activity in this region.

Each representative of the maritime and logistics industry put forth his story, stated his constraints and offered solutions when any issue was red flagged. **N Krishna Kumar, Vice President-South India, MSC Agency**

(India) spoke of the slew of measures initiated by the agency to reach out to the shipping community. New offices were opened in AP and special services were introduced to ensure cargo reaches feeder vessels on time. Another liner representative from Maersk line, **Arul Rex Prashant, Regional Manager** spoke on how lines have to step up and offer more value added services as the shipper of today competes globally. "Maersk opened an office in Guntur and today a special trade finance product has also been introduced where a shipper is sanctioned a loan with no collateral," he said.

Devineni Uma Maheswara Rao, Minister for Irrigation, Command Area Development & Water Resources Management, lauded the efforts of all the industry men in the state who won the awards for their perseverance and industrious nature. As he outlined a slew of projects, he encouraged investors to stay invested in Amaravati and spoke of how this was on course to becoming a logistics hub in a couple of years.

Andhra Pradesh state Planning Commission Vice-Chairman, C Kutumba Rao offered what the industry needed most: a boost of confidence. While mentioning the progress made on various infrastructure initiatives, Rao mentioned about how the state was readying for a new phase of digitisation and industrialisation that would help the state grow on various economic parameters.

The need for additional services was vouched for by CONCOR where a young officer outlined the train services in the region and offered a detailed presentation on the new container freight stations in Kakinada. The coastal operators too backed all reasons for all stakeholders to give a thrust to trade in the region. **SVK Reddy, Chief Engineer, IWAI** spoke of how the Buckingham Canal was being revived. The canal will play a major role in cutting the logistics cost, he said. **Capt Bijay Sekhar from Krishnapatnam Port Container Terminal** said the port's operational efficiency will help in reducing the logistics further by its ability to run dedicated feeder services to connect the east and west coasts.

The final speaker of the session stole the show with his short takes on the to-do list for all service providers. **NV Sudhakar, Chairman, IALA, Andhra Pradesh Industrial Infrastructure Corporation** said it was incumbent on all the entire spectrum of service providers from shipping lines to freight forwarders to CHA to offer service round the clock. **img**

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Recognising exceptional performers



Sustaining this robust economic growth in the sunrise state requires logistics. If the first session of the Summit dealt with improving delivery reliability and simplifying the supply chain management, the evening session showcased outstanding achievements and exceptional accomplishments of individuals and organizations in the logistics sector. These awards, 15 in total, were given away to deserving members of the trade who created a mark for themselves in the maritime and logistics community. The packed hall of almost 300 people applauded loud and cheered for the home crowd that had done them proud with their achievements, putting Vijayawada on the map of EXIM trade region to reckon with.



SMART LOGISTICS AWARD WINNERS

- Smart Liner - East Bound:** Maerskline India Pvt Ltd
- Smart Liner - West Bound**
MSC Agency (India) Private Limited
- Smart CHA:** Seashell Logistics Private Limited
- Smart Port/Terminal**
Krishnapatnam Port Container Terminal Pvt Ltd
- Smart Forwarder:** Leaap International Private Limited
- Smart Transporter:** Seaport Cargo Logistics Pvt Ltd
- Smart Exporter - Granite**
Anjalee Granites Private Limited
- Smart Exporter - Granite**
Krishnasai Granites (India) Pvt. Ltd
- Smart Exporter - Cotton & Cotton Products**
Sri Mahalaxmi Industries
- Smart Exporter - Cotton & Cotton Products**
Sri Nukala Rama Koteswara Rao Textiles Pvt Ltd
- Smart Importer - Bitumen**
Spads Redfields Exim Pvt Ltd
- Smart Exporter - Chilli**
Nandyala Satyanarayana Pvt Ltd
- Smart Exporter - Chilli**
Rama Shiva Traders
- Smart Exporter - Tobacco:** ITC Limited
- Smart Exporter - Tobacco:** Godfrey Phillips India
- Smart Exporter - Tobacco**
M/s Polisetty Somasundaram
- Smart Importer - Waste paper**
Rajahmundry Paper Mills (P) Ltd
- Smart Importer - Furniture:**
Daxer Trading India Pvt Ltd
- Smart CFS:** Seabird CFS
- Smart Exporter - Seafood**
Sagar Grandhi Exports Private Limited
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