INTERVIEW
Ashok Kumar Temani
Time to Invest in Nepal

INTERVIEW
Rubal Jain
MD, Safexpress

LOGISTICS
Goldhofer's Faktor 5 Girder Bridge Proves its Might

TRADE FINANCE
Ease Your Cash Flows

south asia's premier maritime business magazine

₹ 100

maritime gateway

FEBRUARY 2018 WWW.MARITIMEGATEWAY.COM

RNI NO: TELENG/2009/30633 POSTAL REGISTRATION NO: LII/RNP/HD/1137/2016-18
DATE OF PUBLICATION: 26/01/2018 DATE OF POSTING: 28/01/2018

CEO CONCLAVE 2018
Integrated Logistics Infrastructure: Time to Invest

JSW JAIGARH PORT

A YOUNG PORT WITH VIBRANT HINTERLAND

Foreseeing the immense opportunity that the hinterland has on offer, way back in 2009, JSW Infrastructure had commissioned a port at Jaigarh, and now it has set sight onto become the leading port operator in India with a formidable presence in India and beyond, tapping opportunities in port-led development, connectivity and infrastructure sectors

www.krishnapatnamport.com

KRISHNAPATNAM PORT | THE PORT OF PROMISE

IF YOU LIKE HIGH-SPEED LOGISTICS, YOU'LL LOVE

KRISHNAPATNAM PORT

Narain Karthikeyan
The fastest Indian

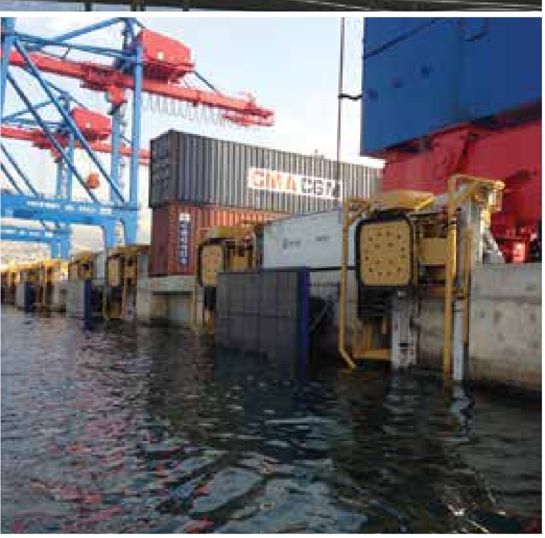
With Asia's fastest cranes. High-speed connectivity to NH 16 via a dedicated 4-lane highway. And 42-km of internal rail network, Krishnapatnam Port is always on the go. Strategically located and equipped with world-class infrastructure, it's all you need to take your business to the next level.
Really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

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

KPCT
KRISHNAPATNAM PORT
KRISHNAPATNAM PORT CONTAINER TERMINAL

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

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



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

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

CAVOTEC
Inspired Engineering

All Roads lead to Hinterland

"The thirsty man goes to the well, the well doesn't go to the thirsty man."

This seems to be the new mantra for the shipping and logistic industry in India if its grand investment plans is any indication. All the major players are making a beeline to build infrastructure deep into the hinterland and right at the doorstep of the shippers. The next phase of economic growth will be driven by consumption in Tier-II, Tier-III cities and rural markets. Companies who realized this are moving ahead to invest in digital and physical infrastructure in an effort to reach out to the hitherto neglected hinterland.

Under Sagarmala Programme, Government has made plans to provide enhanced connectivity between the ports and the domestic production/consumption centres. More than 150 connectivity projects at an estimated investment of more than ₹2 lakh crore have been identified. Logistics companies are planning to leverage on this by dovetailing their facilities in to this mega plan.

The concept of integrated logistics infrastructure is donning on the industry. When you look at the logistics landscape of India first-mile and last-mile connectivity is what needed most. AP Moller-Maersk has set up a chain of eight ICDs across India. Similarly, CMA CGM has six CFS in India, mostly around port terminals and it is looking to invest in the warehousing and cold chains. DP World has plans to invest around $1 billion in India with logistics infrastructure being the major focus area. Similar trend has been witnessed in case of other industry heavy weights like APMT, AllCargo, JM Baxi and many other institutional investor backed investments have ambitious plans chalked out to invest into hinterland infrastructure.

However, these trends don't mean investment in port sector is getting dried up. A positive sign is around 13.71 million teus of containerized cargo was moved by India in FY17, an impressive upward growth of 11 per cent vis-a-vis FY2016. India's total installed capacity now stands at 21mn teus with average capacity use of 65 per cent, on par with industry standards. In the last few years everyone went ahead and built ports. Definitely it has slowed down but still both government and private sector have grand plans to build more ports in future, which eventually we will need to keep pace with future growth. But for now, industry focus seems to be on identifying gaps in hinterland infrastructure and seize the opportunity to built infrastructure, which is urgently needed to support the growing needs of cargo movement.

This is definitely good news for shippers who often suffer because of poor infrastructure and bad connectivity. Meanwhile, the buzz of Indian logistics sector was also echoed at Davos World Economic Forum where Prime Minister reiterated, "Our objective is to reduce the logistics cost and transaction time for various activities."

R Ramprasad
Editor and Publisher
ramprasad@gatewaymedia.in

> Ambitious plans chalked out to invest into hinterland infrastructure to serve the land locked regions.

India's premier maritime business magazine

maritime gateway

Editor and Publisher
R Ramprasad
ramprasad@gatewaymedia.in

Associate Editors

Omer Ahmed Siddiqui
omer@gatewaymedia.in

Sisir Pradhan
sisir@gatewaymedia.in

Design Team

Sr Designer
Vijay Masa

Designers
Nagaraju N S
Nadeem Ahammad

Digital Media
Mounika
mounika@gatewaymedia.in

Conferences
Meenakshi
meenakshi@gatewaymedia.in
+91 77029 50879

Research
Rakesh Oruganti
rakesh.oruganti@gatewaymedia.in

Web
Swapna
swapna@gatewaymedia.in

Marketing & Sales

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

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

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

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

Events
Praveen - Asst Manager
praveen@gatewaymedia.in

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

Finance
C K Rao – General Manager
Rakesh U

Sharmine Moss

Kishore P

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

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

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

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

CIN: U74900TG2007PTC054344

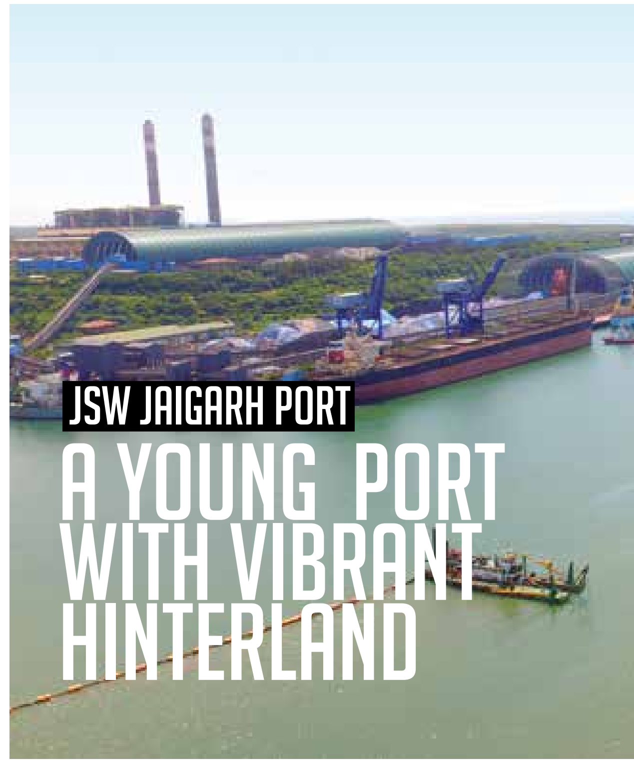
Editor: R Ramprasad

Feedback

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

CONTENTS

VOLUME 10 | ISSUE 05 | FEBRUARY 2018



Toilets made with used containers

Thoothukudi in Tamil Nadu has been accredited with the status of 'open defecation-free,' city and the Thoothukudi Corporation has devised strategies to make the city cleaner. The city corporation has introduced a new concept, 'container toilets,' a first of its kind in Tamil Nadu. As the first step, two containers were converted into toilets and kept open for public use at Sathya Nagar along Tiruchendur Road and Rajapandi Nagar. Apart from the local community, Tiruchendur-bound passengers were also using them. Four more container toilets would be made available soon. Over the last one year, 1,600 individual household latrines and 73 community and public toilets were constructed in various parts of Thoothukudi.

Largest fleet of dredgers at Adani Ports

Adani Ports and Special Economic Zone has added two new 8000m3 Trailing Suction Hopper Dredgers and this makes APSEZ the owner of largest fleet of dredgers in India with a total strength of 19. The newly added dredgers are also among the largest in Indian fleet of Trailing Suction Hopper Dredgers and are built by the Royal IHC.

3 GENMA mobile harbour cranes on the way to India

3 units of mobile harbour cranes are travelling for Paradip Port, from Rugao Port at Jiangsu. Prime features of the cranes include full-rotation chassis, less mobile space required and more flexibility; automatic centering and self-aligning function of the spreader means higher efficiency and easier operation; self-levelling system installed that makes automatic levelling of the whole machine available.

Essar Ports unveils major investment plans

Essar Ports is planning to invest ₹3,200 crore to expand its terminals in Salaya and Hazira in Gujarat and set up a new coal terminal in Mozambique in the next 30 months. The company is about to complete ₹2,800 crore expansion of Salaya and Vizag terminals started six years back. "The existing capacity of our terminals at Salaya and Hazira will be augmented. We have signed a memorandum of understanding for a new terminal at Salaya in Gujarat," Rajiv Agarwal, chief executive officer, Essar Ports, said. It plans to have a mix of dry bulk, LNG and liquid cargo terminal at Salaya.

JSW Infrastructure-Srei to buy Sterling Port

A consortium of JSW Infrastructure and Srei Infrastructure Finance Ltd is set to acquire the upcoming Sterling Port in Dahej. The JSW-Srei combine has reached an agreement with lenders of Sterling Port to whom Sterling Port owes ₹300 crore and has an additional ₹80 crore in dues to the Gujarat Maritime Board (GMB). Lenders to Sterling Port plan to bring a strategic investor to replace the existing concessionaire. Sterling Port promoters hold close to 74 per cent equity in the port project, while the remaining stake is held by Sterling Biotech Ltd, the group's publicly listed flagship company.

Adani Ennore Container Terminal commences operations

Adani Ennore Container Terminal at Kamarajar Port has commenced operations with berthing of the vessel '*MV SSL Kochi*'. The weekly service will operate with four vessels, three from Shreyas Shipping & Logistics Ltd and one from Shipping Corporation of India, in the weekly service. The port rotation of the service would cover Ennore – Kattupalli – Tuticorin – Kochi – Jebel Ali – Mundra – Krishnapatnam – Ennore. The terminal capacity in the first phase involves 0.8 million teus with quay length of 400 meters, 15 mtrs draft, 4000 ground slots, four super post panama cranes, 12 e-RTG's and on-dock rail connectivity.

Tiger Logistics ties up with Compass Forwarding

Tiger Logistics (India) Ltd has signed an exclusive agreement with USA based M/s Compass Forwarding Co. Inc and its subsidiary M/s Falcon Maritime & Aviation Co Inc to service the markets of USA, Saudi Arabia and India on exclusive basis. The agreement also provides for mutual support to each other on non-exclusive basis for Brazil-India trade line. The agreement will help to generate robust order-book in the coming quarters and opens doors for Tiger Logistics to be a significant player especially in Indian Imports and Indo-US trade line which is at a nascent stage currently.

Railways freight revenue rising

The revenue of the railways from freight movement has gone up by more than eight per cent between April-December 2017 as compared to the same period previous year. Mohd Jamshed, Member, Traffic, Railway Board, said earning from freight in 2017 (April- December) were ₹80,691 crore, while in the same period in 2016, it earned the railways ₹76,288 crore. Railway Minister Piyush Goyal recently said that the railways had set a target to triple its freight traffic to three billion tonnes by 2030 from the existing 1.1 billion tonnes.

Review of stalled projects

A high-powered committee chaired by Finance Minister Arun Jaitley will look into the issues plaguing stuck shipping projects worth up to ₹20,000 crore. About 12 shipping projects, including in Deendayal Port and Visakhapatnam Port, have been stuck for long on account of various problems. The committee will comprise the Law Minister, Shipping Minister and a Niti Aayog representative.

Skeiron Logistics to offer chartering services

Skeiron Logistics enhanced its high-quality service offerings by foraying into chartering services. This new service includes international vessel chartering, inland waterways, coastal shipping and Ro-Ro services. It includes handling commercial dry and liquid cargo as well as installing fixtures for both cargo and vessels. It provides appropriate tonnage and the right type of vessel from vessel owners globally, based on cargo type, ranging from Handysize to Capesize.

Issues with Chabahar Port sorted out: Gadkari

Nitin Gadkari, Minister of Shipping, Road Transport and Highways, Water Resources, River Development and Ganga Rejuvenation, held bilateral talks with Dr Abbas Akhoundi, Iranian Minister of Roads and Urban Development. The talks were preceded by an Indo-Iran Joint Business Seminar. Gadkari informed that the two countries have sorted out all issues pertaining to Chabahar Port in their discussions. He also said that the Indo-Iran Joint Business Seminar was a fruitful exercise for exploring business opportunities in the two countries.

HAROPA to attain new highs in 2018

With a 6 per cent rise in overall seaborne trade (92.64 million tonnes) and over 15 per cent in container traffic, HAROPA recorded the best figures among North-European ports for 2017. For the first time in its history, HAROPA handled 3 million teus over the year on import and export, proof of its customers' confidence.

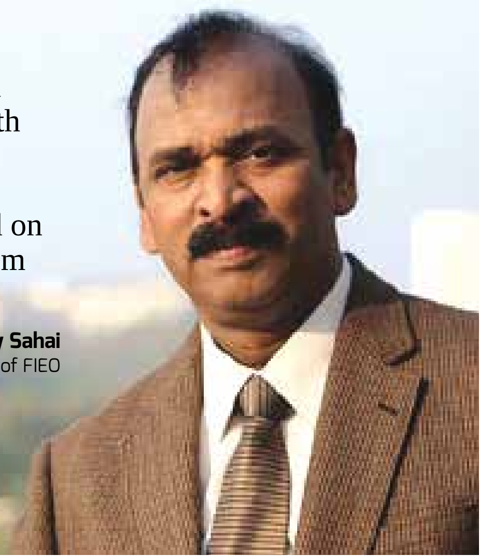
HAROPA has accommodated since April 2017 the three alliances, 2M, Ocean Alliance and The Alliance, grouping together all shipping lines on transatlantic and Asia-Europe trades. In addition, The Alliance has just announced the arrival, in April 2018, of a new Asia-Europe service placing HAROPA as the first port of call on import, which means that further traffic rise is expected. The rising strength of the multimodal terminal in Le Havre in 2017, with 145,000 teus handled, is a support for the development of new rail and river services.

CMA CGM adds new Hazira call to INDIAMED

CMA CGM has enhanced the INDIAMED service, effective 7th January, 2018. New 42 days rotation will have additional port calls of AQABA, HAMAD, HAZIRA.

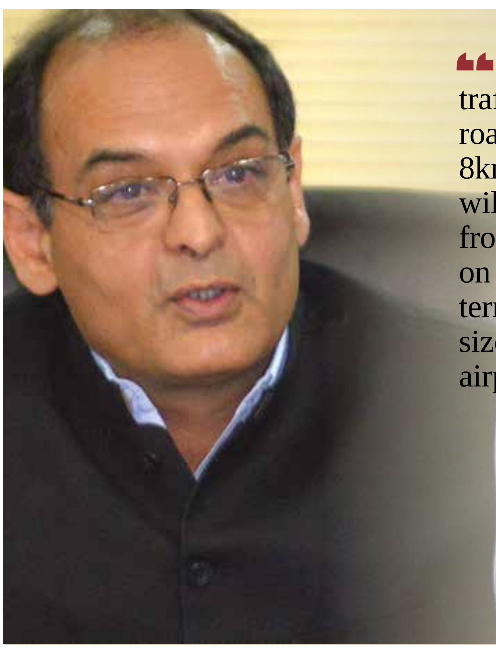
New loop includes: Jebel Ali, Hamad, Karachi, Mundra, Hazira, Nhava Sheva, Djibouti, Jeddah, Damietta, Piraeus, Malta, Aliaga, Mersin, Port Said West, Aqaba, Jebel Ali.

CMA CGM will be accepting West Med, East Mediterranean, Red Sea, North Africa, Black Sea, Adriatic, Latin America, East coast of South American destinations Ex Hazira on INDIAMED service.



“The budget should focus on logistics, with substantial allocation for shipping and road infrastructure to build on gains to the sector from GST and e-way bill.”

– Ajay Sahai
CEO and Director General of FIEO



“We will reduce traffic congestion on roads by starting an 8km sea route. Trucks will be transported from JNPT to MbPT on barges. The new terminal will be the size of the domestic airport terminal.”

– Sanjay Bhatia
Chairman, Mumbai Port Trust

“West Bengal is standing at a turning point of logistics revolution with lot of opportunities knocking the doors with large scale infrastructure developments like DFCs, MMLPs and Sagarmala aiming to integrate multiple modes for seamless logistics.”

– Ramesh Nair
CEO & country head, JLL India

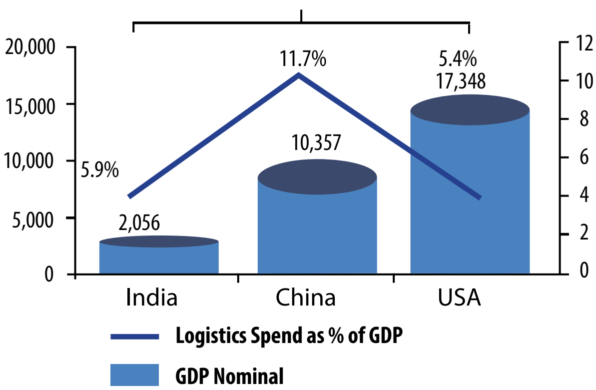
“India has increased the size of its oil and natural gas resources by 50 percent. There are about 222 billion barrels of oil and oil equivalent gas yet-to-be-found resources, leaving scope for new players.”

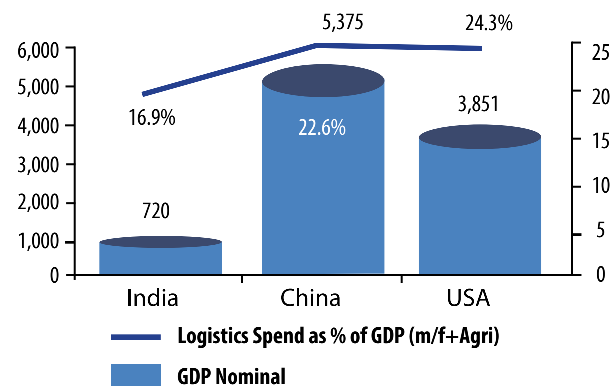
– Atanu Chakraborty
Head of the Directorate General of Hydrocarbons

“Savings can be as much as 50-60 per cent for a plant that is located near a port in Tamil Nadu or Andhra Pradesh, and sources coal from a mine in Odisha using a 45,000 dwt vessel.”

– Prasad Koparkar
Senior Director at CRISIL Research

LOGISTICS SPEND AND PERFORMANCE OF INDIA

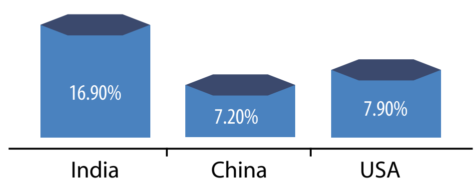




India is inefficiant as compared to China and the US

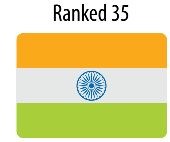
Logistics Spend - % of GDP Indexed by Country Size

Valid inferences can be made by adjusting for topography and product based economy



Logistics Spend - % of GDP Indexed by size of the country

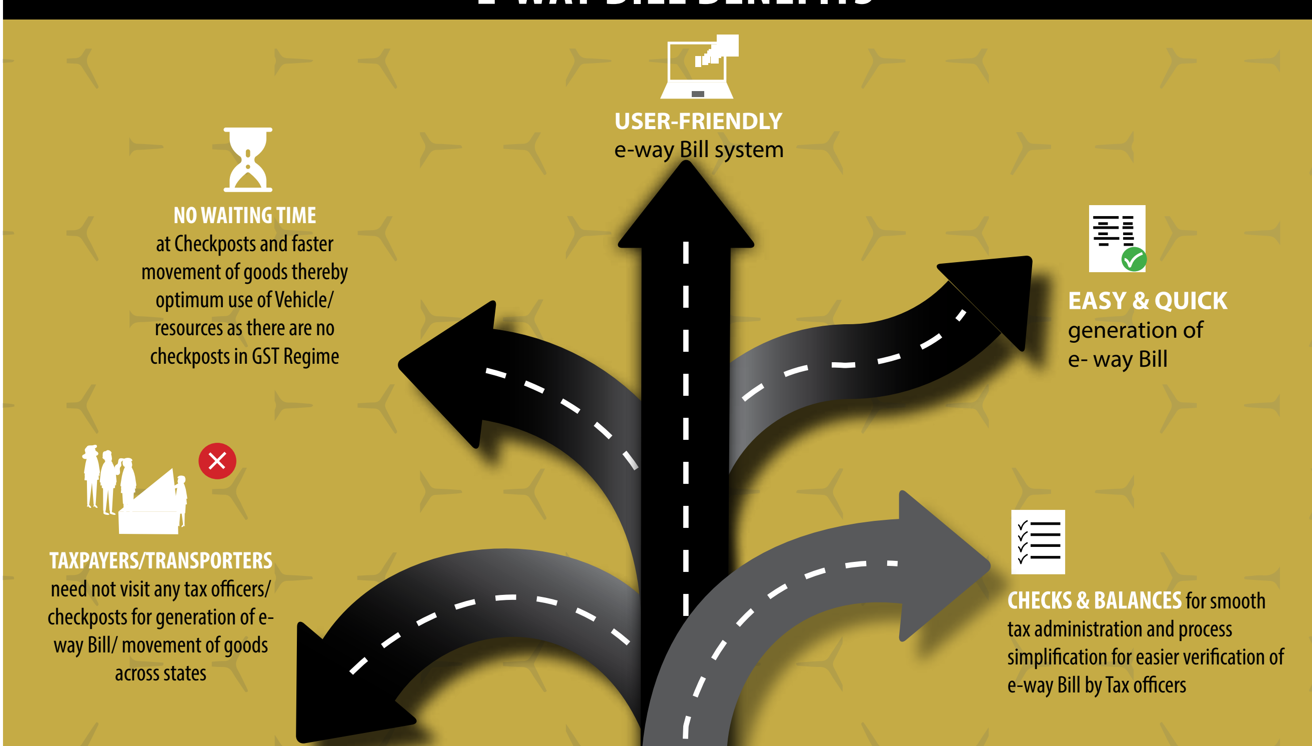
World Bank Logistics Performance Index 2016

Ranked 10	Ranked 27	Ranked 35
		
Automation and IT Adoption	Large Scale of operations	Low level of IT Adoption and small scale of operations

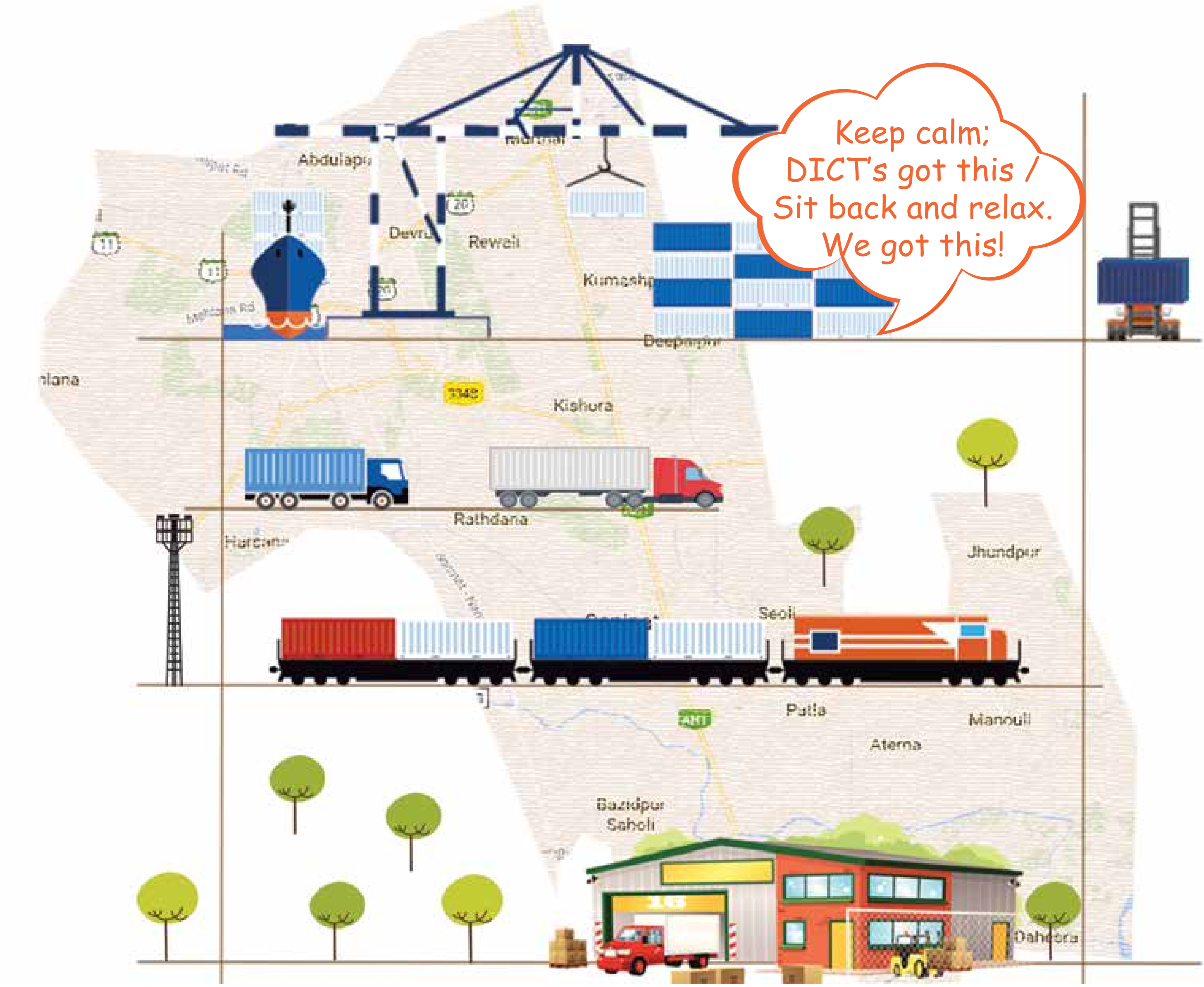
Courtesy: Alvarez & Marsal

India is inefficient as compared to China and the US

E-WAY BILL BENEFITS



DELHI INTERNATIONAL CARGO TERMINAL AT SONEPAT



Isn't it difficult to hire different sets of people or agencies for different sets of activities? And then to manage them all when you know they are all inter – linked? Wouldn't it be ideal to have a one stop shop of all your needs and that too a reliable one at that?

Well, that's which Delhi International Cargo Terminal is. An award-winning ICD in NCR, DICT is strategically located on NH1 with effectively connects them with every conceivable location in North India, 24x7 operations, owned rail rakes, excellent connectivity to gateway ports, excellent handling equipment; basically, multiple services under single contact. A one stop shop. Need we say more?

We believe in utmost customer satisfaction and peaceful transactions. Just one call to DICT and your needs will be managed efficiently. Put up your feet and relax!

Delhi International Cargo Terminal Pvt. Ltd.
Panchi Gujjaran, Ganaur, Sonepat - 131 101. Haryana. INDIA.
B: +91 . 130 . 3053400 | F: +91 . 130 . 3053401 | E: dictsales@ict.in | W: www.ict.in

J M BAXI GROUP

LOGISTICS

Uttar Pradesh to prepare its own logistics policy

The Uttar Pradesh government is for the first time, drafting its own logistics policy, as higher industrial activity, economic growth and the government's recent policy decisions are triggering unprecedented growth in the sector.

"With both the eastern and the western freight corridors and several industrial corridors passing through Uttar Pradesh, we are at a good position to take advantage of this logistics revolution which we expect to see in the next two years," Rajiv Kumar, Chief Secretary of the UP State Government said. The policy will entail the establishment of at least five industrial parks across the state, the smallest with an investment of ₹200 crore. The policy will also include various incentives for logistics players if they invest in this sector in the state.

Railways launches SFOORTI application

In a major digital initiative to help plan the traffic flows and optimise freight operations, the Ministry of Railways has launched Smart Freight Operation Optimisation & Real Time Information (SFOORTI) app for freight managers, which provides features for monitoring and managing freight business using Geographic Information System (GIS) views and dashboard.

The salient features of the SFOORTI application are:

- Movement of freight trains on Geographic Information System view can be tracked.
- Both passenger and freight trains can be tracked over Zones/Divisions/Sections in single GIS view.
- Freight business can be monitored
- Comparative analysis of Zonal/Divisional traffic.
- Analysis of new traffic captured and traffic lost.
- This app provides a bird's eye view of all freight assets in a single window.

Multi modal transit centres for Haryana

The Haryana Government has floated a proposal to set up Multi Modal Transit centres (MMTC) at Gurugram, Faridabad, Bahadurgarh and Kundli.

The sites selected in Gurugram include Kher ki Daula near the proposed metro station, Regional Rapid Transit System (RRTS) station and bus stand adjoining the junction of Chhapra and Naihati, on the land of Haryana State Industrial and Infrastructure Development Corporation acquired in transport and communication zone. Similarly, the second site of MMTC would be near Panchagaon Chowk adjoining the proposed metro station and RRTS station, where the panchayat land is available. He said the site in Faridabad was near Ballabhgarh Metro Station, bus stand and railway station on the land of state transport department.

Indonesia to import raw sugar from India

Indonesia, the world's second-largest sugar importer, is exploring the possibility of buying raw sugar from India. India, too, is keen to export a bigger quantity, preferably through barter trade.

A delegation from Indonesian Sugar Association met representatives of the Indian sugar industry in New Delhi recently. As India imports most of its edible oil from Indonesia, the industry is keen to do barter trade of the sweetener in exchange for oil.

The domestic sugar industry has already demanded removal of the 20 per cent export duty on sugar. Indonesia being closer in distance to India as compared with Brazil, is expected to reduce cost of imports for the country.

SAIL targets Japan and Korea for exports

Buoyed by a recent order that it has won in Japan, Steel Authority of India Ltd (SAIL) is now aiming to increase exports to the country as well as to Korea. The steelmaker has widened its product portfolio to export finished steel as well.

This is in tune with SAIL's new marketing policy which aims at increasing its footprint in overseas markets. Recently, SAIL received an order for supplying 5,000 tonnes of wire rods for Japan's Funabashi Port. Alongside, SAIL is also exploring the Korean market and has already won an order to supply HR coils to Vietnam. The firm exported about five lakh tonnes of steel between April and November 2017 valued at ₹1,400 crore. This marks a 16 per cent growth in value.

National Logistics Plan announced

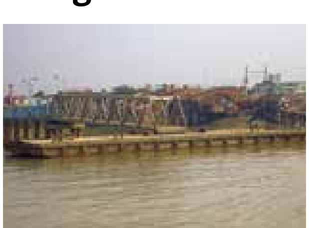
India has kicked off an ambitious National Logistics Plan to allow seamless movement of goods across the country. The government aims to come out with the most cost-effective method to transporting goods till 2035 to provide a competitive edge to the Indian industry.

In a first-of-its-kind move, the newly setup logistics division in the Commerce Department is in talks with logistics providing Ministries of Railways, Roadways, Shipping, Inland Waterways and Civil Aviation besides the logistics using Ministries including food processing, coal and mines to chalk out the plan. "We are making the plan without intruding in others' territory. The idea is to have various means of transport to complement each other and not compete," said a Commerce Department official.

Rajesh Krishnamurthy joins CMA CGM

The CMA CGM Group has appointed Rajesh Krishnamurthy as Group Senior Vice President IT & Transformations, to accelerate its transformation and to deliver on its ambition to become the industry's leader in new digital solutions. Among Rodolphe Saadé's 5 strategic priorities, digitalization is considered as a lever for growth, differentiation and performance. Numerous initiatives have already been launched as part of a global strategy: the appointment of a worldwide team of Chief Digital Officers, the establishment of CMA CGM Ventures, the corporate venture structure dedicated to investments in innovative technologies, the development of partnerships with major e-commerce groups, etc. To accelerate this transformation, CMA CGM is recruiting the best specialists in the field and that is why CMA CGM is recruiting Rajesh Krishnamurthy to drive this strategy.

Improving national waterway-1 navigation



The government has approved ₹5,369-crore Jal Vikas Marg Project (JVMP) for enhanced navigation on the Haldia-Varanasi stretch of the National Waterway-1. The project spans Uttar Pradesh, Bihar, Jharkhand, West Bengal and the major districts under its ambit are Varanasi, Ghazipur, Ballia, Buxar, Chhapra, Vaishali, Patna, Begusarai, Khagaria, Munger, Bhagalpur, Sahibganj, Musrhidabad, Pakur, Hoogly and Kolkata.

The project is expected to be completed by March, 2023 and will provide an alternative mode of transport that will be environment friendly and cost effective. The project will contribute in bringing down the logistics cost in the country.

Gujarat tops logistics index

The Logistics Ease Across Different States (LEADS) index, a composite indicator to assess international trade logistics across states and union territories, based on survey conducted by Deloitte, has put Gujarat on the top rank, followed by Punjab and Andhra Pradesh respectively. Logistics, or the management of the flow of resources such as cargo, documents, information and funds through a range of activities and services between points of origin and destination, is a key parameter in deciding the trade competitiveness of a state or country. LEADS is based on eight parameters such as infrastructure, services, timeliness, track and trace, competitiveness of pricing, safety of cargo, operating environment and regulatory process.

PORTS

Container traffic grows at India Gateway Terminal

India Gateway Terminal Pvt Ltd at Vallarpadam has registered 11 per cent growth in container traffic by achieving an annual throughput of more than 532,000 teus between January 1 and December 31, 2017. The terminal also recorded its highest monthly throughput of more than 51,000 teus in October.

The company provides smart trade solutions adding value to the supply chain. It has successfully introduced a new digital portal by Bharat Trade which enables smooth paperless transaction and offers a single window to customers and ensures digital exchange of data on real-time bases. The improved hinterland connectivity has benefitted local importers and exporters from the Kerala, parts of Tamil Nadu and Karnataka, said Jibu Kurien Itty, CEO, DP World, Cochin. The terminal continues to be highly efficient and productive with truck turnaround time on an average of 27 minutes and records an average Gross Crane Rate of 31 moves per hour.

Kochi Port's record traffic growth

Kochi Port has emerged as star performer among major ports with a cargo traffic growth of 17.27 per cent between April and December 2017 as compared to the same period in 2016. The growth in cargo traffic was largely due to crude oil and petroleum products.

Kochi has had the second highest rate of growth in cargo traffic among major ports during the April-December period, with Haldia Dock Complex topping with a growth of 17.67 per cent. Kochi Port witnessed its traffic grow from 1,82,35,000 tonnes to 2,13,84,000 tonnes during the period.

The other ports that have made considerable growth are Paradip with 14.59 per cent and JNPT with nearly 6 per cent. While most major ports appear to have had a difficult 2016, Mormugao Port has seen cargo traffic go down by more than 16 per cent.

Maharashtra gets 13 port projects under Sagarmala

The Minister of State for Shipping, Road Transport & Highways and Chemical & Fertilisers, Mansukh L. Mandaviya, has informed that steps have been taken by the government of Maharashtra for the development of Rewas port, Vijaydurg port, Redi port, Vadhavan port, Trombay port and Karanja port through private sector participation. A total of 13 port projects (₹410.51 crore) have been sanctioned.

Revised model concession agreement for major ports

The union cabinet chaired by Prime Minister Narendra Modi has approved amendments in the Model Concession Agreement to make the port projects more investor-friendly and make investment climate in the port sector more attractive. The amendments in the agreement envisage constitution of the Society for Affordable Redressal of Disputes - Ports (SAROD-PORTS) as dispute resolution mechanism similar to provision available in highway sector.

The agreement provides exit route to developers by way of divesting their equity up to 100 per cent after completion of 2 years from the commercial operation date. This is now similar to the MCA provisions of highway sector.

Kalmar inks maintenance agreement with PSA Corporation

Kalmar, part of Cargotec, has been awarded a contract for the maintenance and repair of mobile equipment from PSA Corporation for the next 3-year term. The contract supports the overall maintenance of a fleet of up to 700 prime movers and trailer sets at Pasir Panjang Terminal. The contract has been booked into Cargotec's 2017 fourth quarter order intake.

Peter McLean, Senior Vice-President of Kalmar Asia-Pacific, said: "We have been working with PSA on the maintenance of their equipment for more than 11 years. With Kalmar Care quality maintenance, we are able to extend the lifetime of our customer's equipment fleet, reducing their total cost of ownership."

Cochin Port expects 28 per cent growth in FY 2018

The Cochin Port Trust, which registered the highest growth rate in the first two quarters among major ports in the country, plans to clock 28 per cent growth by the end of this fiscal. "Although the target is set at 28 per cent, we are working hard to make it 30 per cent," Cochin Port Trust Deputy Chairman A V Ramana said. The company registered the highest growth of 17.93 per cent in the first two quarters of FY18 by handling 8.95 million tonnes of cargo over the corresponding period of FY17. What helped the Port register the highest growth is the increase in traffic of POL, and containers during April- November. While POL traffic increased 24 per cent, container traffic grew 11.35 per cent.

MbPT new initiatives

The Mumbai Port Trust (MbPT) is planning new citizen-focussed facilities being built at a cost of ₹300 crore over the next six months. "Many projects are in different stages of development and nearing completion. Works of around ₹250-300 crore will be opened before the onset of the monsoon," Sanjay Bhatia, IAS, Chairman, MbPT said.

The port is starting the ropax ship, which ferries both passengers and motor vehicles, from Mumbai to Mandwa for which a separate jetty and breakwater is being built. A ferry service connecting south Mumbai with Belapur in the satellite city of Navi Mumbai is planned and beautification of the waterfront at Princess Dock is in progress.

A domestic cruise terminal with restaurants will also be inaugurated, which is slated to handle a cruise service between the financial capital and Goa. Mumbai Port Trust is also working on starting a jetty on Marine Drive to aid seaplane services and also water sport activities off the Western coastline. Recently, Minister for Road Transport, Highways and Shipping, Nitin Gadkari also checked the feasibility for seaplanes.

JNPT handles highest ever cargo throughput in 2017

JNPT handled approximately 4.66 million teus for the calendar year 2017. JNPCT handled almost 1.49 million teus in current calendar year. APM Terminals Mumbai (GTI) handled approximately 1.94 million teus. DP World operated Nhava Sheva International Container Terminal (NSICT) handled approximately 0.64 million teus in 2017 while Nhava Sheva International Gateway Terminal (NSIGT) handled approximately 0.59 million teus.

Phase-I construction of Bharat Mumbai Container Terminals (BMCT) has been completed as per schedule. The facilities offered include: a 1000 meter long quay with 5 approach trestles, a huge storage facility comprising 9336 ground slots with rail/road connectivity, state of the art container handling equipment - 12 quay cranes, 04 RMGCs and 36 RTGCs, 324 reefer container ground slots that include 1620 reefer plugs and 4 railway lines.

BMCT's rail facilities will be the largest terminal rail infrastructure in India. The on-dock dedicated freight corridor compliant facility in JNPT- BMCT is capable of handling 1.5km long, 360 teu container trains on completion of the DFC.

Infra improvement in 300 dry ports

The government plans to overhaul 300 dry ports to resolve infrastructural constraints faced by exporters and importers to give a fillip to India's foreign trade. The Commerce Ministry has set the ball rolling to assess the laws governing dry ports, their subsidies and funding patterns, and streamline them with other ports in accordance with global practices. "We are planning a comparative assessment of regulatory mechanism for dry ports including laws governing their functioning," an official in Commerce Ministry said. The assessment will compare ICDs, which are considered dry ports, and their functioning in nearly 10 countries.

Adani to develop Bhavanapadu Port

Andhra Pradesh government has finally approved lone bidder Adani Ports and SEZ Limited as the developer of Bhavanapadu Port project after negotiating for a higher revenue share with the company. The port would serve the hinterlands of Odisha and Chattisgarh and nearby districts in AP. It would also help expand the company's footprint in South on the eastern sea coast. "As per the revised proposal, the company would give 2.3 per cent of the port revenues as a share to the government for the first 30 years and 4.6 per cent share for the next 10 years," Ajai Jain, principal secretary, department of Infrastructure and Investments revealed.

Nepal cargo moves via Vizag Port

More traders from Nepal are using Vizag Port for third country trade. In the last six months, the dry port in Birgunj, received 19 railway rakes of goods from Vizag Port. Each rake contains 90 containers. The number of rakes dispatched through Vizag Port is still small considering 16 rakes that Kolkata Port sends to Nepal per month. But concerned stakeholders consider rise in movement of cargoes from Vizag Port a good sign for Nepal's third country trade, as it will exert pressure on Kolkata port to improve its services.

Kolkata Port to lease land

Kolkata Port Trust is leasing out about 93 plots of land over the next few months, starting with 26 for which bids are to be received this month. These plots are to be leased for 30 years and can be developed into anything other than houses. About 50 potential bidders attended the pre-bid meeting. To encourage wider participation the port trust has also eased several conditions. Previously, the trust would insist on bidders having a net worth of at least three times the minimum annual rent of a plot, or the reserve price. But this time, bidders' minimum net worth requirement has been lowered to not less than the annual rent.

PIL upgrades services on Far East-Red Sea route

Pacific International Lines (PIL) has announced two upgraded weekly services on the Far East-Red Sea route. Done in collaboration with Ocean Alliance, the routes, named RSS and RES, will commence operations in March 2018, superseding the current three services RSS, RS3 and RS5. The route will be operated with a series of 17 x 11,000 to 14,000-teu vessels, including its latest new builds, the 11,923-teu P Class, in the service. The enhanced Red Sea service will extensively cover North Asia and South-East Asia with direct connections to the main Red Sea markets. It will also feature a new direct call from Korea to the Red Sea.

Districts will be made export units

The Union Commerce Ministry has decided to make the country's districts as the operative unit as part of a revamped strategy for boosting exports that would incentivise the states, and has asked them to appoint nodal officers at district level towards this end. It has also been decided that all the states should have their individual export policies. "We are in the process of preparing a strategy whereby 40 per cent of our GDP should come from global trade and half of that from exports," said Suresh Prabhu, Commerce Minister.

"India needs to incentivise states to promote exports. We have asked the states to appoint at least one nodal officer at the district level, which is the closest to the local market," the Minister said, elaborating that although the Centre is responsible for the country's foreign trade, the actual sourcing is done at the state and local levels.

Concor to open two logistics parks

CONCOR is ready to commission two multimodal logistics parks in Central India, one at MIHAN in Nagpur city and other at Naya Raipur. Mihan's MMLP would be biggest ever by Central Railway.

While the MMLP at Naya Raipur is complete and custom notification too is going to be out in next fortnight, the one at Mihan is a soft launch as the cross overs from Khapri stations are not in place as yet. The Mihan and Naya Raipur MMLP are both having identical area, about 120 acres that is quite huge and would tend to both internal as well external bound cargo.

Warehousing boom in Bengal

Demand for quality warehouses is set to emerge as the new driver for the real estate industry in Bengal. Implementation of GST and growth of e-commerce is fuelling demand for warehousing. The adjoining areas of Kolkata alone can absorb over 10 million square feet of space in the next three years if developers build top-grade warehouses, a real estate management firm predicted.

An investment of ₹4,300 crore in the warehousing market is predicted in Kolkata alone and the amount will be much higher if important centres such as Siliguri, Durgapur and Haldia are considered. 22 million square feet space of Grade A & B warehouses will be developed in and around Kolkata by 2020 compared with 11.6 million square feet available now.

DP World & NIIF create platform for investments in ports

DP World and India's National Investment and Infrastructure Fund (NIIF) have announced the creation of an investment platform to invest in ports, terminals, transportation and logistics businesses in India. The platform will invest up to $3 billion of equity to acquire assets and develop projects in the sector.

The partnership follows the MoU signed in May 2017 and the visit to India of Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi. The platform will also look at opportunities beyond sea ports such as river ports and transportation, freight corridors, port-led special economic zones, inland container terminals, and logistics infrastructure, including cold storage.

Rules for issuing CDC for seafarers eased

The government has eased rules for issuing a so-called Continuous Discharge Certificate (CDC)-cum-Seafarers' Identity Document, removing the hurdles for those intending to work on ships but faced hurdles in obtaining the certificate.

Without a CDC, a person is not eligible to work on ships. If an Indian national of 18 years, holding an Indian passport and a Class 10 pass certificate, completes the five basic STCW safety courses spread over two weeks, he is entitled to apply for a CDC. The International Convention on Standards of Training, Certification and Watch keeping for Seafarers (STCW), 1978, sets qualification standards for masters, officers and general-purpose ratings on seagoing merchant ships. The new rules on issuing CDC took effect on January 14.

Allcargo Logistics focuses on e-commerce

Allcargo Logistics Ltd plans to transform into a business-to-customer company with a focus on e-commerce from its traditional business of port-based logistics. The company is investing in new warehouses and will consider acquiring technology-driven logistics players, chairman Shashi Kiran Shetty said. "With smartphones penetrating deeper into the country and e-commerce expected to grow from the current 60 million users to 200 million users over the next four to five years, there will be an opportunity," Shetty said. "All smartphone users are likely to use online services for their day-to-day as well as business requirements, so that is a growing space, which we don't want to miss."Allcargo is building large hub-warehouses in four Indian cities and reworking its existing storage facilities near ports to provide services to e-commerce companies as part of the restructuring.

Summit LNG International contracts PSA Marine

Summit LNG Terminal Co. has awarded a 15-year contract with PSA Marine Bangladesh Pte Ltd for berthing, mooring, pilot and personnel transfer services to LNG ships calling at Summit LNG FSRU terminal, using PSA's three escort tugboats, one fast crew boat and one offshore supply vessel.

Peter Chew, MD of PSA Marine said, "We have an excellent track record of providing towage services to LNG terminals. We are honoured to work alongside Summit Power International and this win is a vote of confidence for our capability as the preferred marine services partner for LNG terminals."

Coastal service commences from Kandla

SCI Mumbai V386 of Shipping Corporation of India called at Kandla International Container Terminal, marking the first coastal service call into Kandla. The vessel has loading capacity of 48,000 MT, which gives leverage to the trade to utilise vessel space optimally. At 262.07 metres, it was the lengthiest vessel to call at KICT and Deendayal Port.

The SMILE service now connects south and north India and makes Kandla International Container Terminal the best positioned gateway given its natural geographical proximity to the cargo generating areas of Morbi, Surendranagar, Rajkot, Rapar, etc. in Gujarat.

RCL launches Colombo to Tuticorin Service

RCL has launched Colombo to Tuticorin service, providing twice sailings per week, with Service Code RTC. RTC (RCL Colombo-Tuticorin) Service commences her maiden voyage in January 2018 with *M.V. Charlie voyage 001N* calling CMB (Mon/Tue) – TUT (Wed/Thu) – CMB (Fri/Sat) – TUT (Sun/Mon).

Mr. Charlie Chu, EVP Business said "Introducing this new service to the market is in response to main line operators requesting for more feeder options. Being a feeder company, we have been strongly encouraged by main line operators forecasting an increase in volume who are using Colombo as a transhipment hub, which prompted this move."

Cargo movement on Brahmaputra flagged off

Union Shipping Minister Nitin Gadkari recently flagged off cargo movement on the Pandu-Dhubri route along the Brahmaputra. He also said that five bridges will be constructed on the river to ease transportation. The bridges will connect Jorhat with Nematighat, Disangmukh with Tekeliphuta, Louit with Khablu, Numaligarh with Gohpur and North Guwahati with Guwahati.

Ro-ro ferry service to transfer passengers and vehicles in large numbers will also start here soon, the Minister said. Well-equipped river ports will be established along the banks of the river. Transportation of cargo through the National Waterway 2 - from Pandu in Guwahati to Dhubri along the Assam-Bengal border will reduce logistics cost saving 300 km road travel.

Yang Ming's new Asia Subcontinent Express Service

Yang Ming Marine Transport Corporation has introduced a new Asia Subcontinent Express service (AS1) that connects North China and Pakistan. Other five loops covering the Pakistan and India markets include:

CPX: Shanghai-Ningbo-Shekou-Singapore-Karachi-Mundra-Port Klang-Singapore-Hong Kong-Shanghai

CIX: Xingang-Qingdao-Kaohsiung-Singapore-Port Klang-Nhava Sheva-Mundra- Colombo-Port Klang-Singapore-Xingang

WIN: Shanghai-Ningbo-Shekou-Singapore-Port Klang-Nhava Sheva-Pipavav -Colombo- Port Klang-Singapore-Cai Mep-Hong Kong-Shanghai

SKS: Singapore-Port Klang-Kolkata-Singapore

SBS: Port Klang-Singapore-Kolkata-Haldia-Port Klang

The Mother of all Logistics events is here!

A platform for global logistics industry leaders to gain remarkable insights into industry challenges and offer sustainable solutions

"THIS WILL BE THE BIGGEST LOGISTICS EVENT AND WE ARE FORTUNATE TO HOST IT IN INDIA. EVERYONE SHOULD FEEL THIS AS NATIONAL EVENT. A GREAT OPPORTUNITY FOR EXIM OPERATORS TO MEET GLOBAL PLAYERS."

Ashish Pednekar
Chairman, FFFAI

Federation of Freight Forwarders' Associations in India (FFFAI), which is the apex body of 28 customs clearance and freight forwarders associations from across the country will be hosting the first international logistics congress: 'FIATA World Congress 2018' (FWC-2018) from September 26-29, 2018 at Pullman-Novotel Hotel, Aerocity in New Delhi. FIATA World Congress is the most prestigious event in Logistics & Freight Forwarding industry in the world. To provide an update about the FWC-2018 at a well-attended press conference FFFAI office bearers and FIATA leaders from abroad announced that the World Congress will be attended by more than 1500 Indian and overseas delegates from different parts of the world. The Press Conference was followed by an Industry Meet held at Taj Mahal Hotel, New Delhi, which was attended by several key logistics stakeholders and government representatives to extend their full support to FWC 2018.

"We were trying to organise this prestigious international logistics event in India for last couple of years. We are bullish about huge success of this event. Our government has promised full support to make FWC 2018 a grand success. We are happy to inform that Nitin Gadkari, Minister for Shipping, Road Transport & Highways, Government of India, has already confirmed his participation as chief guest. We are also expecting active participation from other ministries as well viz civil aviation, commerce, MSME, etc," informed Ashish Pednekar, Chairman, FFFAI.

Addressing the press Stanley LIM, Past President, FIATA and Chairman, FIATA World Congress Committee expressed full confidence about the success of FWC-2018 in India, thanks to the conducive environment for manufacturing, exim and logistics industry in India. He also commended FFFAI's leading role in developing freight forwarding and logistics industry in India. "India is well-prepared for hosting FWC-2018 in New Delhi and it would be the most exciting international logistics event," he expressed.

"FWC-2018 is a huge opportunity to Indian logistics industry to partner with overseas counterparts. FFFAI has created this opportunity for the first time in India, and industry practitioners should avail of the same by connecting themselves with world trade and logistics market," added Debashis Dutta, Past Chairman, FFFAI and Chairman FIATA World Congress 2018 Committee.

"FIATA IS GLOBAL VOICE FOR FREIGHT LOGISTICS. WE ARE HOLDING THIS EVENT AT THE RIGHT TIME WHEN THE WORLD FOCUS IS ON INDIA. AS A NATION WE CAN SHOWCASE OUR CAPABILITIES TO THE GLOBAL COMMUNITY."

Debashis Dutta,
Past Chairman, FFFAI and Chairman
FIATA World Congress 2018 Committee

"HUNDREDS OF GLOBAL FREIGHT FORWARDERS WILL BE ARRIVING TO THIS CONGRESS LOOKING FOR PARTNERS AND BUILD RELATIONSHIPS. THROUGH B-2-B MEETINGS DELEGATES CAN FIND RIGHT BUSINESS PARTNERS."

Stanley LIM
Past President, FIATA and Chairman
FIATA World Congress Committee

The western coast owing to its proximity to the Gulf of Aden has been at the forefront of port-led activities. While Gujarat with a coastline of 1,600 kms is dotted with multiple full-fledged operational ports, but its immediate neighboring state of Maharashtra on the contrary for long time relied heavily on ports off Mumbai coast and other states. With the state economy estimated to have grown at 9.4 per cent, and manufacturing and industry growth at 8.4 per cent and 6.7 per cent, respectively in 2016-17, Maharashtra needs some serious infrastructure upgradation to keep pace with the economic growth. Being the financial nerve centre of the country, and with a diversified economy consisting of agricultural, industrial, and EXIM trade, the state was in want of a modern, free-flowing and scalable port with enough draft to accommodate not only the existing ultra large cargo carriers but also be future ready to meet demands of trade growth. In later part of last decade a port with similar specification took shape at Jaigarh in Ratnagiri district. Located at around 131 nautical miles south of Mumbai and its choke a block population density, yet close enough to move cargo without any hindrance using single or multi-modal mode of transportation. Jaigarh's proximity to Mormugao Port in Goa and the state of Karnataka gives it added advantage of extended hinterland and of course rest of Maharashtra and other neighboring states.

The key to successful of Port projects lies in the ability of developers to complete the project on time to keep check on interest outflow, and acquiring cargo at the earliest helps to maintain healthy operational cost. Jaigarh Port being part of JSW Infrastructure has a number of factors going in its favor. Since JSW put its years of experience in logistics infrastructure sector to erect the port within 20 months and the port was up and running without any wait for cargo as it has to fulfill demand for importing thermal coal for group company JSW Energy. With assured thermal coal movement, now it was time for JSW Jaigarh Port to scale up. It opened two frontiers of future growth strategy by ramping up port infrastructure to handle varied cargo and on the other hand it worked on improving landside connectivity

JSW JAIGARH PORT

A YOUNG PORT WITH VIBRANT HINTERLAND

Foreseeing the immense opportunity that the hinterland has on offer, way back in 2009, JSW Infrastructure had commissioned a port at Jaigarh, and now it has set sight onto become the leading port operator in India with a formidable presence in India and beyond tapping opportunities in port-led development, connectivity and infrastructure sectors.

by Sisir Pradhan

with road and rail infrastructure up gradation to tap cargo in the deeper hinterland of central, northern and southern parts of mainland. In a bid to tap multi-modal transportation, it worked on improving vessel and inland waterways connectivity. Moreover as part of the promoter group's broader strategy to become a major port operator in India and beyond the shores of the country, JSW Infrastructure has taken up port project in Fujairah in the UAE. There are reports of JSW's envisaged interest in Chabahar Port and eyeing acquisition of port in Gujarat from a major multi-national port and terminal operator. The JSW Infrastructure has five port projects in India and is scouting for green field and brown field port development and acquisition opportunities.

Capt. BVJK Sharma
Jt. MD & CEO
JSW Infrastructure

"JSW Infrastructure is aggressively pursuing capacity expansion plans. We are working with the Government and Manufacturing Sector to develop Port based industries in the hinterland of our Ports. Our plans of creating 200 MTPA capacity by 2020 put us well on our path to become the leading player in the Infrastructure sector in India."

Aiming big

In port business size does matter, be it the size of port infrastructure, cargo volume and rate of discharge or the size of vessels that a port is able to handle. At a time when JSW Infrastructure aims to build a capacity of 200 MTPA by FY2020, Jaigarh has a key role to play to achieve the feat. Highlighting the strategy chalked out for the port and its current infrastructure, Capt. Sriram Ravi Chander, said, "With existing facility, four cape size vessels can berth at the port with ease." JSW Port aims to make it big in the sector, and it has already set some high standards for the industry by anchoring MV China Enterprise, also classified as Newcastlemax, the largest dry bulk carrier to have berthed at any Indian port till date. Now it

has set sight to handle Valemax, the largest bulk carrier in the world and it will put Jaigarh Port among the elite list of handful ports in the world to be able to do so. The port aims to achieve similar feat in container, liquid and other cargo segments as well. Located at Damankul Bay, off the cliff of Sahyadri mountain range of Western Ghats and bestowed with a deep basin on Konkan coast, it would be an easy sailing for the port as it has nature's advantage of deep draft.

JSW Infrastructure has indicated its intensions for greenfield and brownfield expansions, acquisitions and to leverage inorganic growth opportunities. The company has also been reported to be looking at taking over APM Terminals Mumbai, and it also has been evaluating to acquire Gangavaram Port. The company is also scouting for acquisition in the overseas market as well.

Capt. Sriram Ravi Chander, VP & Unit Head, JSW Jaigarh Port, talking about overseas expansion, said that Chabahar Port could open gateway to a vast market extended upto Central Europe and Russia. In Fujairah, the company will be able to handle about 1-2million tonne of international cargo per month. Over a period of time JSW Group has diversified its business beyond steel, energy and infrastructure, and has big plans for cement production, apart from other segments like paints. The group has large volume of captive cargo movement within India and globally as well. Hence, entering into Port sector is a logical step to meet the supply chain of needs of the group. Even in case of overseas projects such as Fujairah, JSW looks to use the facility to move limestone for captive use. Most of the port assets owned by JSW has got the initial momentum of cargo flow from the group's captive cargo and the strategy helps JSW ports to gain the traction, an advantage which many other ports in distress didn't had in their initial days of start resulting them to turn red. As the captive cargo allows JSW ports a healthy utilization of infrastructure and being fully operational ports with the basic ecosystem in place such as Customs, CHA, regular vessel calls, etc. give confidence to third party users to use JSW port. It seems in the long run JSW Group aims to build JSW Infrastructure, backed by a strong port-based portfolio a formidable part of the group like its other entities such as Steel and Energy. The company in March 2017 had already announced JSW Infrastructure's IPO plans for sometime in 2019-20 to raise capital for investment in port sector. The move will help JSW to strengthen its presence in port sector and secondly to venture into infrastructure sector where JSW Group companies have a strategic interest.

CARGO HANDLED AT JSW JAIGARH PORT

Year	Volume Handled (MT)
2017-18* April-December	1,05,68,542
2016-17	1,25,55,222
2015-16	82,90,782
2014-15	86,18,848

Scalability on demand

Capt. Sriram Ravi Chander further adds that Jaigarh Port is looking forward to commission its LNG facility in May 2018, which will be the first berth in India to have a FSRU alongside, and can handle Q-Max LNG carriers. A containerized cargo handling berth is under construction which can accommodate Triple E-class container ships, and it is expected to be commissioned sometime in FY2018-19. The port is open to long-term partnership opportunities with major shipping lines. A VLCC berthing facility is also on the card to tap crude oil business, and as part of this project subsequently the port channel will be deepened upto 25 meters. The company is also in talk with IOCL to start bunkering operation at Jaigarh.

The developers of Jaigarh while choosing the remote location on the southern-west part of Maharashtra far away from any major human habitat had the broader picture in mind to scale up the port with addition of humongous capacity, mechanized cargo handling and port-based industrial development. The port promoters also aim to gain from Jaigarh's proximity

to transshipment hubs of Gulf such as Port of Salalah and Jebel Ali. Furthermore, the port has a multi-modal and transshipment model in execution and to aide its strategy, JSW has acquired some of the largest river sea vessels in India, which are currently under trial sailing. Initially, two 8,000 DWT capacity vessels will exclusively sail between Jaigarh Port and Mumbai. In mid-2018 two more coastal cargo serving vessels will be pressed into service, and subsequently there are plans to add a fleet of 30 vessels. Capt. Sriram Ravi Chander is confident of the coastal cargo movement and transshipment model to be a success for Jaigarh Port and help the port to be positioned as a major transshipment port, rather than a gateway port. In fact Jaigarh has a readily available transshipment cargo of about 10-30 million tonne offered by Group company JSW Steel located at Dolvi. Jaigarh Port officials are confident that with little more effort they can gain many more third party users who would find transshipping from Jaigarh a competitively priced viable business model. One such user is Deepak Fertiliser who prefers Jaigarh over Mumbai as port charges are lower in terms of cargo handling, storage and congestion-free movement, apart from the flexibility of services in the form of moving even smaller parcels of cargo in barges. The port's export cargo basket consists of bauxite, fly ash, molasses, sugar, and container while import products are largely coal, coke, project cargo, lime stone, fertilizer, coated pipes, rock phosphate, sulfur, sugar and maize to name a few. ICDs at Miraj and Pune are the closest ICDs to Jaigarh. The company is also open to JV and long-term partnership opportunities such as it has with H-Energy, HPCL and importers of molasses and edible oil.

Simplified connectivity in a tough terrain

The Western ghats which itself act as a protective barrier for the port during harsh weather is also a challenge to the land movement of cargo. In a bid to overcome it, JSW Infrastructure has constructed a widened 42 km road linking the port to national highway grid. Additionally, a 34 km rail line connecting Jaigad to Digni on the Konkan Railway route is also under implementation. Moreover, a rail project by Indian Railway connecting Chiplun and Karad on the Deccan Plateau, will further boost cargo movement. Jaigarh Port has gradually started to tap shippers in regions such as Kolhapur, Sangli, Meruj, and other parts of Maharashtra, who are using Mumbai as gateway port and were in search of a congestion free alternative, and also the cement and other industries based in north Karnataka come under its hinterland. For land side movement of cargo, the port is dependent on road carrier and the upcoming rail line is likely to further bolster surface cargo movement. With the commissioning of the railway lines, Jaigarh Port looks to tap cargo from deeper hinterland such as Nagpur, Hyderabad, Vidarbha, among others, which could further boost agricultural product and fertilizer movement at Jaigarh.

Among the major industrial regions in the vicinity, Chiplun is a hub of chemicals which require large tank-based storage facilities. Another major project that is going to benefit the port is the pipeline project by H-Energy, part of real estate major Hiranandani Group. The pipeline project will be extended upto Dabhol and further upto Bengaluru. The project is estimated to provide 2.5 million tones of cargo to Jaigarh which is likely to grow to 10 million tonne. The port is also planning to serve HPCL which has a demand to meet its large distribution network in the region for LPG, which will add cargo of 0.6-0.8 million tonnes and gradually the number could touch 2 million tonnes. Being a coastal region, a large volume of marine food products are exported through reefer containers. Moreover, Maharashtra has the fame of exporting large volumes of horticulture crops such as grapes, mango, pomegranate, orange and banana, apart from onion and flowers. In fact the volume of fruits and other horticulture crop export from Maharashtra was 14,63,550 tonnes in FY2016-17. In fact about 20-30% of Maharashtra grape production takes place in and around Ratnagiri district and the famed Ratnagiri mangoes is a produce of the region. The immediate vicinity of the port has the ability to generate an estimated 10,000 teus per month, and with improved connectivity the number could double up. There are many other cargo which moves in bulk form such as fly ash shipment to the US can be converted into containerized mode. The Port's coastal vessels could help save cost equivalent to about 200 km of road movement for shippers, which could be a good insentive for container exporters to contemplate Jaigarh for transshipment.

Future Outlook

Jaigarh being a young port has many examples before it of how to do it right to stay at the top of the game. From the onset, it seems to be moving in the right direction and equipped with a strategy to align its infrastructure to suit the market demand, it is ideally positioned to grow by serving a vast region. The port has carved a niche for itself due to timely and diligent execution of infrastructure, and much of its success in future will lie on its ability to scale up in a time bound manner. Amid all the port assets of JSW Infrastructure, what make Jaigarh an unique asset is the immense ability to scale up vertically and horizontally, and the company aims to position itself as a model port where other nearby ports can act as feeder. It has also many avenues to diversify as with the scenic, serene and sublime beaches of Konkan, going forward it wouldn't be surprising if the port comes on the map of cruise tourism as well. mg

L to R: Binoy Kumar, IAS, Spl Secretary (Logistics), Ministry of Commerce, Govt of India in conversation with **Manish Saigal,** Managing Director, Alvarez & Marsal

Integrated Logistics Infrastructure: Time to Invest

The Maritime CEO Conclave's inaugural session discussed roadmap for reducing logistics cost, and the newly appointed, Special Secretary (Logistics), Ministry of Commerce, Govt of India revealed various reforms and policy changes that is going to take place for the benefit of the sector.

Over a period of four years Maritime CEO Conclave which started with a humble beginning has climbed the ladders of popularity and grew on to one of the most sought after events in the country amid maritime, shipping and logistics industry where top executives congregate and join hands to discuss issues and opportunities that matter the most to the industry. And in the current edition, the forum shifted base from its traditional venue, the city of destiny Visakhapatnam to the national capital. Maritime CEO Conclave is a forum which the industry heavyweights look forward to as the annual event brings together who's who of maritime, shipping and logistics sector and all come together in the best interest of the sector. The month of January is a time of the year when misty winter is at the peak in Delhi and its neighborhood but it was not a strong enough reason to dampen the enthusiasm and excitement of delegates. On the onset of Maritime CEO Conclave, **R Ramprasad, Editor-in-Chief, Maritime Gateway** magazine in his introductory remark while welcoming the delegates presented a brief background about 4th Annual Maritime CEO Conclave, and said the event was conceived with the vision to bring together senior management executives and decision makers in the industry to congregate once in a year to brain storm major challenges and opportunities before the industry, and what needs to be done to overcome. The conclave offers an interactive platform to participants. Notably, in the 3rd edition of the conclave at Visakhapatnam in 2017, based upon the suggestion of **Michael Pinto, IAS (Retd), former Secretary, Ministry of Shipping**, it was decided the Maritime CEO Conclave also needs to include senior bureaucrats and policy makers so that the industry and government can discuss the issues and make the platform more useful and beneficial for the industry. Hence in 2018 Maritime CEO Conclave shifted from Visakhapatnam to New Delhi. Around 70 CEOs and senior management executives registered for the Maritime CEO Conclave 2018 that had Alvarez & Marsal as the knowledge partner and was sponsored by APEDB. Setting the tone for the event Ramprasad said that the industry has performed relatively better in 2017 as compared to 2016, and there has been growth in overall cargo movement. In spite of the painful structural reforms that the industry has undergone in the last year, there were three significant developments in the form of implementation of GST; creation of special department for the logistics sector headed by a special secretary; and infrastructure sector status to logistics industry, are some of the decisions which will move the sector in a positive direction and it shows government's commitment towards logistics industry. Following these developments, the industry is abuzz with lot of investments pouring into the sector from domestic as well as MNC operators, especially for development of hinterland infrastructure such as warehouses, cold storages, multi-modal logistics parks, CFS and ICD, among others. In the recent past, World Bank had forecasted India's GDP to grow at a rate of about 7.3 per cent in 2018, and the economic growth of the country is going to be much more robust, and backed by the heightened economic activities logistics industry is going to grow at a rate of about 9-10 per cent.

In this background, the theme of Maritime CEO Conclave was **Integrated Logistics Infrastructure: Time to Invest**. It was divided into four sessions **1) Roadmap for reducing Logistics Cost; 2) Transformation of Customs and trade facilitation; 3) The Changing Dynamics of Distribution Logistics; and 4) Multimodal transportation: Vision of Niti Aayog**, and four eminent speakers from the government and public sector entities were engaged in conversation with the moderators along with the involvement of the industry representatives in the way of making suggestions, comments and putting forward questions pertinent to the sector.

Roadmap for reducing Logistics Cost was the topic of discussion in the first session and **Binoy Kumar, IAS, Special Secretary (Logistics), Ministry of Commerce, Govt of India** was engaged in conversation with **Manish Saigal, Managing Director, Alvarez & Marsal**. Adding more insights into the logistics sector, Manish Saigal said that integrated logistics is the need of the hour. After years of dialogue with the government, logistics is getting its due credit and is a major area of focus. Saigal called the attention of the audience on the fact that Indian logistics industry is one of the fastest growing sector in the world now. Even being a US$140 billion sector, the segment was not recognized as a single industry and was split across rail, road and shipping to name a few. At a time when the end users were spending around US$200 billion on logistics, it is important to start thinking the entire gamut of supply chain as one industry. If one draws a comparison between India and other countries, based on the parameters of product GDP in comparison to the scale of the countries such as China and the US, India's logistics cost is possibly 16.9 per cent cost as a per cent of GDP indexed for product based GDP and indexed for the scale of a country, and this is almost two and half times more than the US and China. It is the reason why all the stake holders need to ponder about logistics as a single industry and its challenges as the shippers in India are paying two and half time more on logistics as compared to his counterparts in the US and China.


Rapt audience at the CEO Conclave

There are lot of hopes and aspiration of the logistics industry from the newly appointed Special Secretary (Logistics), under Ministry of Commerce by the government of India, and speaking about the mandate given towards the sector, Binoy Kumar, IAS, Special Secretary (Logistics), Ministry of Commerce, Govt of India said, "The government does feel the need for an integrated approach towards logistics. In July 2017 the government amended the allocation of business rule and added the subject of integrated development of logistics sector as one of the duties of the Department of Commerce, and the post of Special Secretary was created for the purpose."

Sharing his experience as Director General (Supplies & Disposals), Kumar said that all the Central government office needs were procured by the Director General (Supplies & Disposals), and the process used to take lot of time. Hence, in a bid to procure goods in an efficient and time bound manner Government e-Marketplace (GeM) was developed as a new public procurement platform. Subsequently government felt the need for a logistics marketplace in India, as a result a platform will come very soon. Kumar said logistics is the prime focus of the Government, and all the concerns of the industry will be addressed at the earliest. He added that a very tight deadline has been set by the government for the ministry to address the concerns. The decisions and policies would be made to address logistics challenges in the short and long-run. Kumar summed up that the ministry will work towards creating a single platform that will start looking at the sector in a holistic manner. Talking about the future course of action, Kumar clarified that there are three things cut out before him to create 1) Action Plan 2) Policy 3) Platform Action.

Answering a question raised by

Manish Saigal on various bottlenecks faced by infrastructure developers in executing projects and the need for creation of a single window mechanism where all clearance related to various ministries and departments can be availed, Kumar said that a lot of ground work has been done in the recent past by Ministry of Road Transport and Highways, and Ministry of Shipping with regard to infrastructure, and similar initiatives have been taken up by the Railways. These ministries have conducted lot of studies in this direction and a major challenge before the government is creation of logistics hubs or multi-modal logistics parks. A Cabinet proposal is under consideration on the key areas that should be focused in a logistics park. Kumar stressed that integrated approach towards logistics is the call by the government and platforms like Maritime CEO Conclave is an ideal place to get the feedback. Government is keen on inter-ministerial approach for development of the logistics sector, and an inter-ministerial committee under the chairmanship of Binoy Kumar is working in this direction. Various reviews are being done at the highest level by the government in the interest of logistics sector. Government has set a target to bring down the logistics cost to about 10 per cent.

> **THE GOVERNMENT DOES FEEL THE NEED FOR AN INTEGRATED APPROACH TOWARDS LOGISTICS. IN JULY 2017 THE GOVERNMENT AMENDED THE ALLOCATION OF BUSINESS RULE AND ADDED THE SUBJECT OF INTEGRATED DEVELOPMENT OF LOGISTICS SECTOR AS ONE OF THE DUTIES OF THE DEPARTMENT OF COMMERCE, AND THE POST OF SPECIAL SECRETARY WAS CREATED FOR THE PURPOSE.**
>
> **Binoy Kumar, IAS**
> Special Secretary (Logistics), Ministry of Commerce, Govt of India

Answering to a question on the government's intension in appreciating the concerns of foreign investors in getting the rightful return on their investment, Kumar said that government is working towards making logistics a centre for investment. Committee of Secretaries in its meeting in October, 2017 had decided that certain aspects of logistics sector needs to get infrastructure status, and Ministry of Finance in less than a month's time granted infrastructure status to the logistics sector. The paper that the committee is working on for the multi-modal logistics parks is more focused on attracting investment than regulating the sector. The Ministry of Commerce is working closely with Ministry of Finance and Department of Economic Affairs to attract investment.

Meanwhile, Michael Pinto, IAS (Retd), former Secretary, Ministry of Shipping raised concern about the challenges in bringing down logistics cost, which could make Indian products more competitive globally and in domestic markets. Kumar said that there is a dispute over the logistics cost and a comprehensive study is needed to find out the exact spending on logistics in India. Ministry of Commerce is keen on creating an environment for ease of communication between various departments related to logistics. **Anil Yendluri, Director & CEO, Krishnapatnam Port Company** brought to the notice of Special Secretary (Logistics) that integrated documentation is not taking place among various departments, and integrated taxation is missing even in post-GST scenario. He stressed on various difficulties due to varied tax slabs, and GST is still seen as product or service linked and not as integrated logistics-linked taxation. Irrespective of players involved in the movement of goods from factory to the destination, there is need for an uniform taxation mechanism for logistics. Clarifying the government's stand on GST, Kumar said that Multi-modal Transportation of Goods Act which was last amended in 2000, will be soon modified to address the concerns of taxation involving multi-modal transportation of goods. Kumar called the industry to contribute in terms of defining multi-modal model/transport so that there is no ambiguity in fixing taxation for goods moving through this model. Kumar added that work is going on to simplify documentation and processes. **Saibal De, Whole Time Director and Chief Executive, IL&FS Maritime Infrastructure Company** suggested that various ministries need to have better co-ordination for development of the sector. **Anil Devli, CEO, Indian National Shipowners' Association** drew the attention to the fact that while the government found multi-modal shift of cargo from rail to sea is more cost effective but in some cases the Railways in a bid to protect its interest has brought down rail freight rates which has affected the goal for multi-modal logistics.

Anil Yendluri, Director & CEO, Krishnapatnam Port interacting with the panelists

L to R: Pranab Kumar Das, IRS, Special Secretary & Member (Customs) CBEC in conversation with **Umesh Grover**, Secretary General, CFS Association of India

Transformation of Customs and trade facilitation

A lot of structural change has already been undertaken by the Indian Customs in the recent past. Pranab Kumar Das, IRS, Special Secretary & Member (Customs) CBEC, appraised the delegates on what the industry should look forward to from the department.

The second session of the conclave was focused on the role of Customs in EXIM trade, and the topic was **Transformation of Customs and Trade Facilitation. Pranab Kumar Das, IRS, Special Secretary & Member (Customs) Central Board of Excise and Customs, Ministry of Finance, Govt. of India,** in rendezvous with **Umesh Grover, Secretary General, CFS Association of India,** shared a deep insight on the evolution of Customs over a period of time. In the introductory remark, Umesh Grover underlined the fact that Customs has evolved in its role from being a regulator to a facilitator. He added that the changes undertaken by the Customs in the last couple of years has been very encouraging for the industry. Unlike earlier days, now about 90 per cent of passengers coming from abroad get a hassle free passage through the Customs at the airport, and 55 per cent of cargo is cleared through risk management system. Touching upon various structural reforms, Pranab Kumar Das said that government is putting lot of stress on logistics in a bid to facilitate trade growth. With the emphasis on Ease of Doing Business, Customs is also doing its bit to achieve the goal. He added that special arrangements have been done for even non-EDI locations to speed up Customs clearing. Moreover, Single Window Interface for Facilitating Trade (SWIFT), has been implemented where regulators pertaining to various departments and ministries submit their risk parameters and factoring in all the parameters, creation of a single document has been initiated. Currently, there are six participating government agencies that have been taken on board for creation of the platform, but gradually the number will grow to 30 various departments. Das reinstated that following India becoming a signatory to the TFA, the department has taken up reforms for the ease of doing trade. The Special Secretary & Member (Customs), reiterated the need for the industry stake holders, especially the exporters and importers to appreciate the reforms and avail various benefits on offer such as AEO program. He emphasized that though the Union government is putting lot of effort to motivate importers and exporters to register for AEO, but the number of participation is not very encouraging. Traders are eligible for three types of AEO program, and those who have already implemented the requisite mechanism and safeguard measures are eligible for Type II AEO program and can avail the benefit of deferred duty payment, exemption of bonds and bank guarantee and exemption of goods scanning at the time of clearance, among others. AEOs with proven track record in India can also avail the benefits in the partner countries as well which will help to reduce transaction cost and time. The other thrust area for the government is to widen the acceptability of DPD by the trade, and e-Seals have been introduced which eliminates the need for physical verification by statutory bodies. Similarly, for direct port entry RFID based cargo tracking system has been introduced. Customs is working towards making the sector more progressive and future looking, and the department has been pro-active on industry interaction. Commending the Customs department for the trade facilitation initiatives, Umesh Grover remarked that they will for sure help growth of exim trade and make India more competitive at global level.

Discussing more on the AEO and ACP programmes, Umesh Grover said while their acceptance is gradually increasing, but there is still a certain section of importers who are shying away from getting AEO or ACP certification. What is holding back the trade community and how will the Customs approach this section of traders? Pranab Kumar Das reiterated that as more and more stakeholders embrace AEO and other initiatives, there will be very little scope for any government official to create hindrance. Risk based automatic assessment system will eliminate human intervention helping EXIM trade to move fast. He cautioned stakeholders and service providers on the need to accept the change and realign business as per the changing business environment else it will be difficult to sustain in the long run. Touching upon various infrastructure bottlenecks at ports and terminals such as limited number of drive through scanner, Das said

Taranjeet Sambi, Additional Director
Economic Development Board, Andhra Pradesh

that more number of scanners will be installed to address these issues. Recently, various service providers have been asked to be Customs Cargo Services Provider (CCSP) as a result these operators will come under the ambit of department regulation. Some industry leaders raised concerns over the investment that has gone into CFS and ICD with a time horizon of about 15-20 years, however the issuance of restricted license for a limited period of time puts the investment at risk. On which Das said that the logistics service provider could overcome it by registering for AEO Logistics Operators (AEOLO) and build the system inline with the stator norms following which the Customs department can issue license for longer duration.

Clarifying the issues raised by some delegates regarding the slowdown of IceGate system, Das said that the government has sanctioned about ₹3,000 crore for development of a new IT platform under the project named as Saksham, which should address the concerns. **Anil Devli, CEO, Indian National Shipowners' Association** highlighted the matter related to Bangladesh Customs not facilitating entry of coastal sea cargo from India to Chittagong, to move via road onwards to the north eastern states of India. **Special Secretary & Member (Customs)** advised to raise the issue before the Commerce Secretary, GoI. Devli also insisted to look into a pending notification related to the Customs which could allow Indian flag vessels to carry both domestic and EXIM cargo on board, and Special Secretary & Member (Customs) assured to address the matter.

Vinita Venkatesh, Director, Krishnapatnam Port Container Terminal & MD, Ocean2Door, put forward the issue of varying opinions by different Commissionerates on import of certain goods such as solar panels where Customs on the east coast is asking for bank guarantee whereas Customs at Nhava Sheva has no such demand. Upon which **Pranab Kumar Das** said that the matter is under the purview of ministry of power and ministry of finance, and he will not be able to comment further. There is difference of application and classification, due to which the issues are slightly perplexed than what it looks like. There are two conflicting classifications that has come to the notice of the department as a result one classification product is attracting duty while other is duty free. He assured that shortly a decision will be taken to resolve the matter.

Dhruv Kotak, Joint MD, J M Baxi Group sharing his thoughts on the facility for AEOs to avail seamless cargo movement from a partner country into India, there is a need for creation of common documentation or template among partner countries to streamline customs procedure. On which Special Secretary & Member (Customs) said that the government has already started work on it and now very minimal documents are needed for movement of AEO goods among TFA member countries. In a bid to eliminate intermediaries in the supply chain, Pranab Kumar Das added that a regulation will soon be introduced to bring all the stake holders under the scanner. He also warned that strict action will be taken against CHAs and steamer agents who are not making their tariff public on their website. He called that it is time for the industry for self regulation in the interest of the sector.

The second session was followed by a presentation by **Andhra Pradesh Economics Development Board on "Logistics Investment Opportunities in Sunrise State Andhra Pradesh"** highlighting various initiatives taken up by the newly formed state government to attract investment in logistics, warehousing and allied services sector in the state.

L to R: V Kalyana Rama, Chairman & Managing Director, Container Corporation of India Ltd in conversation with **Manish Puri,** Managing Director, APL India Linx

The changing dynamics of distribution logistics

V Kalyana Rama, CMD, CONCOR and Manish Puri, Managing Director, APL India Linx, discuss in detail the cascading effect Direct Port Delivery will have on the supply chain and exports, especially when the share of DPD is going up at major ports. The discussion also touched upon infrastructure capacity and whether regulations are a boon or bane for the sector

When V Kalyana Rama, CMD, CONCOR and Manish Puri, Managing Director, APL India Linx share the dais, the discussion is bound to be interesting and this is what happened at the Maritime CEO Conclave as an enthralled audience witnessed a very engaging discussion presented by the dignitaries that touched several hot topics such as Direct Port Delivery, infrastructure capacity and regulations.

Manish Puri: The concept of Direct Port Delivery is actually breaking the supply chain, so are there any negative impacts that we should be looking at?

Kalyana Rama: DPD is a concept wherein we are trying to reinvent the cycle. When the ports started functioning there were no CFS and ICD as clearances were done in the port. The idea behind DPD as I understand is a just-in-time concept brought in to reduce the logistics cost. Maybe stopping unnecessary detention of cargo is one of the aims in DPD but the main aspect we have to see is the infrastructure availability.

As we are creating facilities and many facilities that are nominated as CFS or ICDs which function as processing centres for handling containers do not have adequate infrastructure. As a result the entire supply chain is getting affected. But if we are able to create facilities with proper warehousing and other essential infrastructure, then whether the cargo is cleared at the port or the hinterland the supply chain will continue to flow through these facilities only. I don't think the manufacturing or processing units will try to have their own infrastructure for doing the logistics. "Logistics has matured a lot in India, but we still have a long way to go to consider our 3PL logistics actually efficient."

"If we look at the current scenario in India there are no 3PL industrial goods as it is mostly covered in courier cargo. The sector is waiting to be explored and there is good investment opportunity if the ICDs function as real logistics centres for the support of manufacturing, assembling and processing operations, with proper distribution mechanism."

Manish Puri: What happens with DPD is that containers destined to one hinterland location, once they are cleared at the port the lines following their global practices want their container to be turned around at the port itself. We face the risk that containers which are meant to come to the hinterland, for getting returned at the port itself need to be de-stuffed at the port, the empties are handed over to the shipping lines and the cargo then reaches the hinterland in a different container. The cost and efficiency parameter of doing this cargo transhipment needs to be considered?

The second issue is that as the empty inventory starts going back from the ports, one of our objectives to increase our exports will be a problem because if we don't get inventory in the hinterland then you will have to pay for moving empty containers from the port to the hinterland for the export cargo, could that be a possible negative impact?

Kalyana Rama: The scenario you have just mentioned is about shipping lines trying to optimise their inventory and they may use this opportunity (DPD) to make the customer collect their cargo at the port itself. But again it depends on the nature of cargo and the logistics cycle the customer wants to follow. If more customers desire to collect cargo at the port then the

IF WE LOOK AT THE CURRENT SCENARIO IN INDIA THERE ARE NO 3PL INDUSTRIAL GOODS AS IT IS MOSTLY COVERED IN COURIER CARGO. THE SECTOR IS WAITING TO BE EXPLORED AND THERE IS GOOD INVESTMENT OPPORTUNITY IF THE ICDS FUNCTION AS REAL LOGISTICS CENTRES FOR THE SUPPORT OF MANUFACTURING, ASSEMBLING AND PROCESSING OPERATIONS, WITH PROPER DISTRIBUTION MECHANISM.

V Kalyana Rama
CMD, CONCOR

system will work well, but I think it's not happening that way because ultimately the entire cost of operation when it is done in the holistic manner, even bringing container to the doorstep is benefiting the customers. After DPD has been introduced in the past two years in India, practically what we have seen is there is not much impact on the hinterland cargo movement, except where the shipping lines are trying to outweigh the customer.

Manish Puri: One of the members from the Customs had hinted about the possibility of more regulations coming in across stakeholders. More regulations can be good and bad – focusing on both positive and negative aspects of regulations, in certain cases regulation is required because there are activities that need to be controlled and at the end of the day all of us survive on the customer and if the customer is charged more than what he should be then there is a need for regulation. But at the same time the big regulator of our times "TAMP" has shown that there have been a whole series of problems with regulators regulating private business. What will be your view on more v/s less regulation for logistics activity and especially with respect to the hinterland cargo movement?

Kalyana Rama: Regulation is booth good and bad. Too much of regulation will again lead to license raj, while the customer stands to be outweighed if there are no regulations. Regulation only to ensure smooth conduct of business is facilitation. For instance, e-sealing of containers, RFID tags and KYCL (Know Your Container Location) service that has been implemented across the country at CONCOR facilities for providing complete visibility of cargo to customers at their desktop. "We are working towards developing applications using which customers should be able to clear their cargo without the need to visit CONCOR office. Here regulations need to be in place because if CONCOR raises its charges in an unfair manner for the services offered then it results in customer exploitation." Self-regulation is the best regulation, but in the effort to maximise profits people do not follow it. But in the current scenario, government will not regulate for the sake of regulation, rather it will be a facilitation.

For instance, in the case of e-sealing of containers the regulation acts more as a facilitator. Even CONCOR is making necessary arrangement to provide e-seals to all its customers.

Manish Puri: The next issue is of matching demand and supply. On one hand we have a situation where excess capacity has been created in certain places – it can be at terminals or ports. On the other hand we also have a shortage of capacity in terms of infra-

Audience at the CEO Conclave

particular juncture regulation is very important but again regulation should not be enforced too much. Here self-regulation is necessary. Today there are about 18 players in rail logistics, but the real problem is that modal mix is not happening. It will happen when the DFCs are operational but we have to ensure proper infrastructure is in place for the modal mix which includes road, rail and waterways. Till then I feel the competition is not among the rail operators, but it is between road and rail.

Manish Puri: Which model is more feasible for India – 2PL or 3PL? Is CONCOR planning to enter these services?

Kalyana Rama: As a rail operator it is better to provide 3PL service because customers will always welcome a complete logistics solution. But what should be the business model for providing 3PL? CONCOR's business model has always been through partnership. CONCOR is planning to enter 3PL because here we find the logistics cost is increasing. In India there is no proper 3PL service, because the distribution of goods is not properly done. Providing a seamless end-to-end service can bring saving in the cost and this can be a standalone logistics service or through partnership. "CONCOR is looking for a partnership model wherein 20 logistics centres will be developed across India. These logistics centres will basically act as distribution centres which will connect to the existing centres like ICDs and logistics parks, providing a network of distribution centres to serve the customer end-to-end." This will be done in a partnership mode. We are also looking at developing integrated logistics manufacturing units where we will provide SCM. The logistics sectors will particularly help the agriculture sector which severely needs a good logistics network.

Manish Puri: High value, transit sensitive retail type of cargo still moves on road. What are CONCOR's plans to bring this cargo from road to rail?

Kalyana Rama: We are talking to many customers who are interested to come onto rail. We are developing a probability model and this will be ready in the next three years when our logistics centres will come up and we are trying to get 100 locations (ICD and CFS) by 2020.

structure and availability of rakes. Are we facing excess capacity or are we still short of infrastructure?

Kalyana Rama: "Any infrastructure facility that we are creating for logistics should not be used beyond 80 per cent. If the usage goes beyond 80 per cent it leads to congestion and inefficiency." But we also have certain excess capacity, particularly towards the hinterland in ICDs, but in certain pockets only, while certain areas again remain neglected. People are concentrating more on some markets like the NCR region, expecting them to be very lucrative. But the realisation in NCR is very less than some other parts of the country. CONCOR operates in 74 locations and I find that some of the NCR locations are not as good as the hinterland locations. This calls for an analysis of the market to find out why logistics providers are mostly concentrating on a particular region?

Coming to the railways part, the main problem in India today is network congestion. To ease the network Indian Railways have planned around ₹800,000 crores for commissioning of DFCs. What we are ultimately looking at is the transit assurance and continuous cargo visibility. While visibility can be provided by any service provider but transit assurance has to come from Indian Railways.

Again there is congestion on the roads. With transit assurance the capacity constraint will be resolved and the adequate use of infrastructure such as loading stock will happen. And further, this will also help in proper utilisation of the excess capacity created in the hinterland, as transit assurance will encourage more customers to transfer their cargo to hinterland.

Today many customers are not willing to receive their cargo at the hinterland for various reasons, be it demurrages charged by shipping lines are forcing them to de-stuff at the port. But if rail service providers assure of bringing the boxes back to the port at stipulated time then more people will prefer to receive their cargo at hinterland. Then the excess capacities today created at the hinterland will be better utilised.

Manish Puri: There seems to be over competition in the rail freight sector which can possibly bring down the profitability of the sector as a whole. So how big this sector needs to be, talking of an optimum size, and the number of operators? Have we stepped beyond the optimum size or do we have more space for players?

Kalyana Rama: Today CONCOR provides services at a fair price, but if CONCOR does not provide the service some other service provider will step in and may charge a premium price, thereby spoiling the market and making it difficult to stabilise again. At this

Dhruv K. Kotak, Joint Managing Director, JM Baxi Group interacting with the panelists

Multimodal transportation: Vision of Niti Aayog

L to R: Ravinder Goyal, IRTS, Adviser(Infrastructure Connectivity), NITI Aayog, Govt of India, in conversation with **Anil Devli,** Chief Executive Officer, Indian National Shipowners' Association

Appropriate policy framework and favourable regulations form the corner stone for the growth of any sector and logistics is no different. At the CEO Conclave, Ravinder Goyal, IRTS, Adviser (Infrastructure Connectivity), NITI Aayog, in conversation with Anil Devli, CEO, INSA, deciphers the role of Niti Aayog - a think tank driving policy formulation in India, in promoting multimodal logistics.

Anil Devli: What is your role as Advisor, Infrastructure Connectivity at NITI Aayog and what is the vision of Niti Aayog as far as maritime sector is concerned?

Ravinder Goyal: There are a lot of misconceptions about the role of Niti Aayog in the transport sector. Niti Aayog has evolved from the earlier role of planning commission which was basically appraising the state's plans and the ministries plans and regulating the funding also. Subsequently when Niti Aayog was transformed into an organisation, the role given to Niti Aayog is that of a think tank and an action tank. The whole idea is that it should be able to drive the policy of India. To this end Niti Aayog for the past three years organises workshops, writes policy papers, consults various stakeholders across industries.

Focusing particularly on multi-modal transport, the mandate for Niti Aayog is:

1. As there are sectorial imbalances and modal imbalances in the transport sector, the freight has shifted from rail to road. Earlier the road share used to be much less than 14-15 per cent at the time of independence, now the road's share is almost 67-68 per cent. this has its own drawbacks in the sense railways despite being the economical mode of transport is carrying much less freight than what it should be carrying. The result is congestion on roads, average speed has decreased and cost of logistics has gone up. One mandate for Niti Aayog is to correct the imbalances in the modal mix. For instance, coastal shipping is currently playing a very minor role in logistics. The capacity at the ports is growing at the rate of 16 per cent annually, whereas the cargo is only growing at 5 per cent. The port capacity is still underutilised, so there

is lot of scope for coastal shipping which can correct these modal imbalances and ultimately cut down the logistics cost.

2. The second mandate is to cut down the logistics cost. The logistics cost in India is almost 14 per cent of the total GDP and in a product the cost of logistics is again 14 per cent. Of this 14 per cent 40 per cent is the transportation cost. Any policy intervention which can cut down this cost will be the focus of attention and mandate of Niti Aayog.

3. Niti Aayog has been entrusted with the task of making a regulatory reform bill for the infrastructure sector. It is an umbrella bill announced in the last budget, so Niti Aayog would be driving the bill for correcting the regulatory framework. For instance, when I was in CONCOR, we were struggling with the formulation of Bill of Lading. In multimodal transport there is only one document that carries the cargo, but unfortunately that is not happening for the past 20 years. Any policy initiative which can correct these aspects would be the mandate of Niti Aayog.

Another mandate for Niti Aayog is ease of doing business. The study that we had done at JNPT has actually reduced the transit time for export and import of containers and now a similar study is being conducted for Chennai port as well. The focus of attention in multimodal transport will be correcting the regional and modal imbalances, to cut down the cost of logistics, regulatory framework and ease of doing business. We have formed think tanks and also invite suggestions from the industry in this regard.

Anil Devli: In modal shift of cargo has any plan or thought been formulated in Niti Aayog to ensure that each mode of logistics is put to optimum use?


An inquisitive audience at the event

Ravinder Goyal: We are trying to study the movement grid of every commodity. Under the Sagarmala project McKinsey has already done a study in this regard. They have studied the movement of every commodity and analysed whether it will be beneficial to transport it by rail or road. The railways is already studying the possibilities for bringing the freight cost down. Till now all the efforts made in this regard are based on market experience, but a concrete study needs to be conducted to understand the flow of every commodity. For instance, Maruti has recently started transporting cars through inland waterways. If this modal shift is based on some hard facts or studies then it would be more beneficial. One way of doing it is mapping the flow of each commodity and use the insights in policy intervention.

Anil Devli: Getting the study done for each commodity can be very cumbersome. Would Niti Aayog be willing to use the case studies already done by others in this regard for the thought process?


Session in Progress

Ravinder Goyal: Why not! Niti Aayog on its own has not done any study, they are done through consultants or industry. So any study done by industry which is based on their experience is always welcome. Of course, we will get the study vetted by industry experts again and can be used to drive the policy formation from Niti Aayog.

Anil Devli: One of the things you touched upon is public consultation and the need for formation of groups. Is it possible that the 8 or 9 associations that represent the interest from road till the sea transport volunteer to form working group to interact with Niti Aayog regularly by submitting suggestions?

Ravinder Goyal: Recently Niti Aayog has come up with a fifteen years agenda and the action plan for the next three years. So we held wider stakeholder consultation based on which the policy paper is formulated. What you are suggesting is absolutely right. If you can suggest me formation of a group then I am willing to take it up.

Anil Devli: In your short stint have you been able to take a view of Inland Waterways and personally do you have any idea about the direction in which the thought process and policies of the government are proceeding?

Ravinder Goyal: Currently the share of inland waterways is very miniscule, hardly 1 or 2 per cent in the overall cargo movement. Unfortunately there are too many authorities working in the inland waterways sector, so we need to have a sort of convergence among the authorities. The programme of Ministry is in-progress and Niti Aayog is helping in that to increase the share of inland waterways.

Anil Devli: Does Niti Aayog also involve itself in issues, for example there used to be a specialised financing organisation to support buying of ships, which over the period got lost. We have been looking for specialised financing organisation as well. Is this something Niti Aayog would be concerned about?

Ravinder Goyal: All the policies, be it relating to formulation of a particular organisation, come to Niti Aayog for approval. We study the policy and if required hold consultation with expert group as well. mg

"Road transport remains first choice"

In a candid talk with Maritime Gateway, **Rubal Jain**, Managing Director, Safexpress shares his vision for the company and transformation of logistics industry in current time

by Sisir Pradhan

Rubal Jain
Managing Director, Safexpress

Q **How would you describe the current portfolio of logistics services of Safexpress?**

Safexpress offers solutions through its fully-integrated surface, air and multimodal infrastructure, and allied facilities. We cover all 707 districts through distribution network of over 620 destinations. A fleet of over 5,500 GPS-enabled vehicles operates round the year on more than 1,000 defined routes across India delivering around 80 million packages to over 5,000 corporates. 3PL solutions supported by a total warehousing space of over 13 million sqft across India range from designing, implementing to operating the complete supply chain of companies resulting in reduced cost, streamlining of delivery schedules and enabling organizations to focus on core competencies. SafeAir is the air cargo service which provides multi-modal connectivity in association with air taxi operators like Jet Airways, IndiGo, Air India and SpiceJet.

Q **What are some of the challenges and expectations of customers in the supply chain & logistics space?**

Major challenges faced by customers include inadequate communication, slow supply chain velocity and low rate of technology adoption by the industry. Customers seek real-time information of movement and storage of their cargo. GST triggered the consolidation of warehouses, alongside streamlining various processes. It has also encouraged companies to invest in technology and align services to the widely changing logistics needs of customers.

Q **What are the specific needs of automobile logistics? Has there been any impact of RO-RO coastal shipping?**

Automotive industry ranks high on supply chain maturity. It requires round the clock monitoring of parts stock, planned replenishment of the stocks and effective coordination with the OEMs. Supplier location, product volume, packaging, transportation costs, lead time, etc., are the factors which must be considered to effectively manage automotive logistics. Government's initiative to encourage RO-RO shipping is favorable and will lead to lesser congestion on roads. However, roadways provide more extensive reach than waterways, making them first choice for the last mile delivery. Meanwhile, RO-RO shipping will take time to make a bigger business impact in India.

Q **Share some details about your partnership with Tata Motors, and what is your plan for fleet expansion?**

Safexpress has been providing an entire gamut of innovative services to major auto companies including Tata Motors. Being top players of their respective industries, both the firms have worked together to effectively streamline logistics process and finding optimized solutions for automotive logistics. A significant portion of our fleet consists of Tata vehicles. Safexpress plans to add 500 heavy duty trucks very soon. Going forward, our major focus while increasing the fleet size would be on the inclusion of hybrid and fully electric trucks owing to the firm's commitment to reduce carbon footprints.

Q **What are the company's existing and future investment plans?**

The firm offers value-added logistics services for 8 verticals such as Apparel & Lifestyle, Healthcare, Hi-Tech, Publishing, Automotive, Engineering & Electrical Hardware, FMCG & Consumer Electronics and Institutional. We have invested close to ₹800 crores in setting up country's largest network of 32 logistics parks. We are investing heavily to reduce skill gap in the industry and is providing education and training through its skilling arm, Safeducate. An organized retail food sector is surfacing up, creating opportunities in domestic market for perishable goods logistics. Time-bound deliveries are imperative for this segment. Air freight is helping to lower the transit times. Due to boom in e-commerce, prominent players are already seeing a massive growth in traffic and orders. Time definitive deliveries have played important role in shaping e-commerce market. There is a new emerging trend of same day and next day delivery, which can only be fulfilled with the help of air express. mg

A **maritime gateway** event

south asia's premier maritime business magazine

SMART LOGISTICS SUMMIT & AWARDS

KOLKATA 2018

Where shippers meet service providers

27 FEBRUARY 2018

THE OBEROI GRAND KOLKATA

PROGRAMME

13:00hrs onwards	: Guest Registrations
14:00hrs – 15:15hrs	: Business Session 1
15:15hrs – 16:00hrs	: Special Session on Nepal Cargo
16:00hrs – 16:30hrs	: Coffee Break
16:30hrs – 17:15hrs	: Special Session on Bangladesh Cargo
17:15hrs – 18:15hrs	: Session on Coastal Shipping
18:15hrs – 19:00hrs	: Networking over Cocktails
19:00hrs – 20:30hrs	: Smart Logistics Awards
20:30hrs onwards	: Cocktail Dinner

KEY TOPICS OF DISCUSSION

- Container cargo on East Coast: Opportunities for growth
- Coastal Shipping: Taking off
- Nepal Cargo: Challenges in cargo movement
- Serving Bangladesh cargo
- Identifying opportunities in Hinterland of UP, Jharkhand, Bihar and North East
- Inland waterways connecting consumer markets
- Transhipment on the East Coast
- Potentiality of barge services
- Access to growing markets in North-East region

Join us at the most thought provoking logistics conference in the state of **West Bengal**

THEME

RESURGENT BENGAL: VIBRANT HINTERLAND

WHO SHOULD ATTEND?

- **Shippers:** Importers, Exporters, Retailers, Manufacturers
- **Ports:** Bulk Ports, Container Terminals and Dry Ports
- Ocean Carriers – Main Line Operators, Feeders
- Container Train Operators
- Trucking and Haulage Companies
- Distribution Centers / Warehouses
- Government Officials
- 3PLs / Freight Forwarders / CHAs
- Technology Providers
- Port Equipment Providers
- Trade and Industry Associations
- Lawyers / Insurance Companies / Consultants

Gold Sponsor: KPCT KRISHNAPATNAM PORT – India's Largest Container Terminal on the Horizon

Silver Sponsor: Speedways Logistics Pvt. Ltd.

Bronze Sponsor: कॉनकॉर CONCOR

Badge Sponsor: VIVEK Freight & Logistics Pvt. Ltd.

Delegate Kit Sponsor: SATTVA

Insurance Partner: Nrust Insurance Broking Services

Road Transport Partner: SEA PORT Cargo Logistics

Supporting Partners

FFI, NACFS, NEFFA, CFBA Calcutta Freight Brokers Association, THE MASTER STEVEDORES' ASSOCIATION

www.smartlogisticssummit.in

Time to invest in Nepal

Ashok Kumar Temani
Chairperson, Road Transport & Transit Committee and Member, Sectoral Committee, FNCCI and past president of Birgunj chamber of commerce & Industries

The new government is focusing at improving the logistics infrastructure in the landlocked nation. With favourable regulatory and business environment the time is right for FDI in Nepal

by Omer Ahmed Siddiqui

Q **How has been the year 2017 for Federation of Nepalese Chambers of Commerce and Industry (FNCCI) in terms of EXIM trade?**

Due to political instability the economy has been suffering for the past several years. The local development elections were pending from last 20 years. The year 2017 saw bringing into power a new stable government in the Federal Republic of Nepal.

If we see the exim indicator of the year 2016, the import of Nepal was $9 billion while export was just $700 million. The exim ratio was 1:13 per cent approximately in 2016, while in 2017 the exim ratio increased up to 1:15 per cent. The imports grew tremendously last year, while exports declined. In 2016 approximately 60,000 containers carried Nepal bound cargo whereas in 2017 it went up to 75,000 containers.

Q **What measures is FNCCI taking to promote exports from Nepal?**

Every year decline in exports is a serious problem for us. FNCCI is working a lot to promote exports. First we had done basic works to change old labour policy, old industrial policy and promote private sector to invest in hydro electricity. Now the industrial and business environment is very good here therefore FNCCI organises a lot of seminar for FDI in Nepal. Side by side FNCCI promotes to exhibit domestic products in various global exhibitions.

Q **Movement of goods between farm and market is slow and expensive in Nepal. How can this issue be resolved?**

I agree that movement of goods between farm and market is slow and expensive in Nepal, because Nepal is landlocked country. The road infrastructure is very poor in Nepal due to high mountains. A lot of new roads are being constructed and old roads repairing and widening work is in progress. The new government will work towards upgrading the infrastructure. If the road network connecting villages improves, the farm and market will come close.

Q **Rural road connectivity still remains a challenge in Nepal. What initiatives are being taken to improve road connectivity?**

Nepal is an under develop country that has suffered for the past 20 years with political instability. With the formation of The Federal Republic of Nepal, the local and state government will take the initiative to improve road connectivity between village and city.

Q **Road being the predominant mode of logistics, what challenges do the logistics service providers face?**

The new government is aggressively working to ensure that within the current year the road connectivity is improved throughout the country. The logistics sector is not very developed in Nepal but the future is bright. There are a lot of challenges in logistics business due to involvement of small investors without sufficient infrastructure. The time is right for corporates to enter this field. I want to develop the logistics business in Nepal, so I have recently started a logistics company named "Yash Terminal & Logistics Company (Nepal) Pvt. Ltd., which will provide all logistics services like ocean cargo movement, forwarding, terminal management handling, warehousing, multimodal services etc.

Q **What is the status of rail connectivity in Nepal for freight movement?**

The Indian railways provide connectivity only up to Birgunj. Rail connectivity to other parts of the country is in construction phase.

Q **The Road Board Nepal plans to levy toll tax on all highways, while existing toll tax on certain highways will be increased. How do you see this impact the logistics cost?**

The levy of toll tax system is not bad if the road is smooth and wide. It will save many more costs. Toll tax system is prevalent everywhere in the world.

Q **There are speculations about connecting Nepal to China through rail. How do you see Nepal's trade benefit with rail connectivity to China?**

The Chinese rail connectivity is up to shigatse (Tibet) which is 386 km far from Nepal border kerung.

It's very expensive to develop railway up to nepal border but china is going to connect in the near future. Of course Nepal trade will benefit with this connectivity. The cargo transit time will be reduced and so will be the dependency on Kolkata Port, thereby saving billions in revenue that is lost in detention charges to Kolkata Port every year. This railway network is also expected to boost Nepal's exports. mg


Expanding Logistics capabilities with
LARGEST BASKET OF SERVICES
DLI
Get an edge above the rest with fully equipped
INTEGRATED LOGISTICS PARKS
BORKHEDI • PALWAL • ANEKAL
WAREHOUSE
RAIL
CONTAINER
LIQUID CARGO
AUTOMOBILE
ROAD
BULK CARGO
3PL
CUSTOMS
A new meaning to competition with owned assets -
EFFICIENT SERVICES AT REDUCED COST

EASE YOUR CASH FLOWS

International suppliers and buyers can free up their working capital with Stenn International's cross-border supply chain financing that gives businesses extended payment terms without putting cash flow pressure on supplier or buyer

by Omer Ahmed Siddiqui

Availability of liquid cash or capital is the life blood of any business and it stands true for both - supplier as well as the buyer. Talk to any manufacturer/ supplier and you are bound to find atleast one mention about receivables stuck with the buyers, while the buyers are always on the lookout for suppliers who offer flexible and convenient payment terms.

As cross-border supply chains have criss-crossed the globe with multinational buyers on one side and an ever-expanding group of suppliers and manufacturers on the other, businesses are increasingly under pressure to free up the working capital imprisoned in their supply chains.

To ensure both manufacturers and buyers do not face capital crunch a new concept of trade financing has been rolled out by Stenn International, a UK-based trade finance provider. Stenn helps buyers by making payment to their suppliers within 5 days of shipment. There is no need for trade insurance and the risk of non-payment by customers are taken on by Stenn. The buyer can pay back to Stenn on flexible terms.

As the supplier gets instantly paid (by Stenn) for the goods it supplies to the buyer and the buyer gets more flexible terms of payment at Stenn, the concept creates a win-win situation freeing up huge working capital for both parties. Stenn does not require collateral or guarantee from the buyer. Most importantly, it saves the supplier the trouble of chasing payment from the customers.

The concept is simple, Stenn International's cross-border supply chain financing gives businesses extended payment terms without putting cash flow pressure on supplier or buyer.

STENN optimizes cash flow by permitting businesses to lengthen their payment terms, allowing the buyer to optimize working capital whilst the supplier generates immediate additional operating cash flow.

No cost to the buyer

STENN pays the supplier upon shipment by purchasing their invoice issued to buyer, at a small discount. When the invoice matures and payment is due, buyer pays STENN the face value of the invoice. Thus, the cost of STENN's financing is absorbed by the supplier.

Benefit to the supplier

Working with STENN will often lower the cost to the supplier because STENN's discount is typically lower than their local cost of financing. Predatory lenders that flourish in Asia's manufacturing regions can charge 4-6 per cent per month, making STENN a more cost effective solution that provides safe and reliable working capital to support growth.

Benefit to importers

For the importers, Stenn offers credit terms of up to 120 days. Allowing importers to defer cash outflow, improve cash position, liquidity and financial ratios. It allows importers to sell the products before paying for it. There is no need for Letter of Credit and save on bank charges. It is of no cost to the importers and allows a greater choice of suppliers globally. There is no use of the importers valuable bank credit lines. STENN offers extended payment terms up to 120 days from any supplier in Asia, Latin America or other emerging markets.

Improved credit line

When providing the supplier with a letter of credit, you tie up availability under your existing credit line. Making purchases through the use of an L/C is a cumbersome process that exposes parties to discrepancies and excessive fees. STENN allows for a simplified payment method via open account. Excessive bank debt reflects adversely on your balance sheet. When using STENN's supply chain finance program, you are able to reduce these borrowings. All purchases made through this program are recorded as trade payables.

No use of insurance limits

Suppliers that offer open account terms to their buyers often will utilize trade credit insurance to mitigate their credit risk. Unfortunately, there are not many insurers in the marketplace and there is generally a fixed capacity for credit limits granted by these insurers. A trade finance facility that relies on insurance will ultimately take up any existing insurance limits that would otherwise be available to other suppliers. Stenn however performs its own underwriting and does not rely on the approval of banks or insurance companies. Stenn does not use this insurance limit capacity.

Improved just-in-time stock management

Stenn's flexible financing system gives buyers more control of inventory management and procurement since STENN typically grants higher limits than traditional sources of financing.

> "STENN HELPS EXPORTERS BY MAKING PAYMENT TO THE SUPPLIERS WITHIN 5 DAYS OF SHIPMENT. THERE IS NO NEED FOR TRADE INSURANCE AND THE RISK OF NON-PAYMENT BY CUSTOMERS ARE TAKEN ON BY STENN. WORKING CAPITAL IS GREATLY ENHANCED BY STENN."
>
> **Vincent Lee**
> Business Development Director, STENN International

Better choice of suppliers

Many suppliers capable of giving better price and/or quality are either unable or unwilling to give delayed payment terms. STENN enables buyers to receive favourable credit terms from suppliers overseas. With STENN, importers are able to source goods directly from manufacturers without having to use agents, intermediaries or trading houses.

These intermediaries are used by factories that lack the working capital to sell directly to stronger buyers. By utilizing STENN's Supply Chain Finance solution, buyers experience increased purchasing power which allows for increased margins due to lower cost of goods.

Purchase order financing

STENN also supports its client through purchase order financing whereby a letter of credit is issued to suppliers based on confirmed purchase orders from approved buyers.

This product is best used for companies that need additional working capital during expansion or peak seasons. This is a valuable tool used by suppliers when they need pre-shipment financing for production as they are able to monetize the L/C locally to fulfil the purchase order.

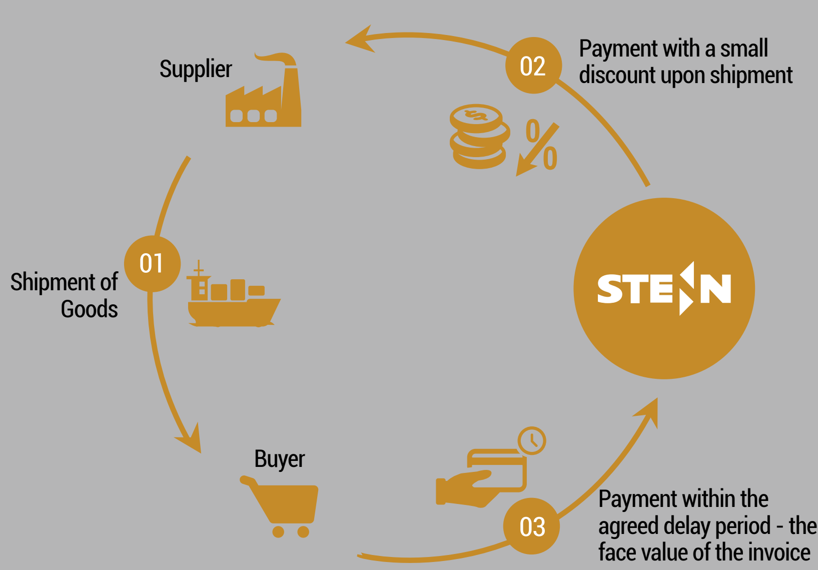
Stenn's financing process

Stenn performs credit analysis of suppliers and buyers to set a financing limit on the buyer and determines the appropriate discount rate based on sales volume, tenor of invoice and buyer credit quality.

A recent survey by international treasury specialist EuroFinance shows that of more than 200 major firms polled, 27 per cent already have a supply chain finance program in place and that figure is expected to double in the near future. Stenn has been supporting SMEs in emerging countries and MNC buyers from US and Europe. More SMEs from emerging countries are applying for invoice factoring services with Stenn.

ADVANTAGES OF STENN'S TRADE FINANCE

- STENN pays suppliers at shipment, giving buyers extended payment terms of up to 120 days.
- Buyers can now receive goods and convert them to revenue without tying up capital or lines or credit.
- STENN helps you set payment terms that best suit your business, rather than conforming to the terms offered by your suppliers.
- Being able to get extended delayed payment terms from your suppliers puts you in an advantageous position and gives you the upper hand in the battle for business in the global economy.



For further information contact:
Vincent Lee
+65 9118 4747
vincent.lee@stenn.com

GOLDHOFER'S FAKTOR 5 GIRDER BRIDGE PROVES ITS MIGHT

Lee & Muirhead moves a 409 metric tonne turbine generator from Chennai to Odisha using multimodal logistics. The land transport for the first time was accomplished on a Goldhofer Faktor 5 girder bridge

by Omer Ahmed Siddiqui

Toshiba JSW Power Systems Pvt Ltd has 3 packages to be transported of 800 MW supercritical turbine generator with overall dimensions of 10.31 x 5.928 x 4.65 Mtrs. and gross weight of 409 MT to NTPC Darlipali from Chennai. This was the heaviest package for this project. Considering 144 bridges along the route which had to be crossed safely, the logistics had to be planned very carefully by a leading haulage operator - Lee & Muirhead Pvt Ltd.

The heavy lift experts of both Toshiba and their logistics partner Lee & Muirhead conducted a feasibility study and decided the optimum route to the project site. While self-propelled barges were used for sea transport, girder bridge and hydraulic axle combination was used for road transport. The girder bridge distributes concentrated load on longer area and hence is suitable for crossing long span bridges safely.

Since there was no suitable girder bridge available in India for 409 MT generator transportation the only feasible solution was the Goldhofer factor 5 girder bridge which Lee & Muirhead decided to invest in considering the long term relationship with their customer Toshiba. Goldhofer's multifunctional "lightweight big boy" with a deadweight of just 100 tonnes is designed to handle a wide range of oversized cargos. This bridge was imported by Lee & Muirhead Pvt Ltd which is 1st in India and 7th in the world.

The complete transportation was planned in following stages:

1. Inland transportation from Toshiba JSW Power Systems-Chennai factory to Kamarajar Port on 16+1/2 hydraulic axle combination with 2 prime movers.
2. Ocean transportation from Kamarajar Port to Kusumpur RoRo jetty on Lunar river near Paradip Port through self-propelled barge.
3. Inland transportation from Lunar Jetty to Darlipali Project Site on 16+1/2 axle combination and 18+18 girder bridge axle combination with 2-3 prime movers.

The generator was loaded on 16+1/2 axle combination at TJPS-Chennai factory for road transportation up to Kamarajar Port. Roll-on operation was carried out on self-propelled barge. After lashing and securing, coastal transportation was carried out up to Kusumpur Jetty on Lunar River near Paradip Port. After successful roll-off operation, the generator was shifted to Goldhofer faktor 5 girder bridge with 18+18 axle combination for further road transportation of 496 Km up to Darlipali project site.

Goldhofer's faktor 5 high girder bridge coupled with 18 + 18 hydraulic axles has 288 wheels with transport combination length of 84 meters. Due to this long transport combination, the total weight of the generator was distributed over a longer area and safely transported the generator to the project site.

This was the first test of Goldhofer's faktor 5 high girder bridge in India. It wasn't an easy task with more than 144 multi-span long bridges and numerous other obstacles to be crossed on the 500 kilometre long route.

To safely pass through many tight bends en-route, the generator was moved onto an 18-axle split combination (1+1/2) and the Faktor 5 was completely dismantled, only to be reassembled after crossing the narrow bends and continue the journey.

At one stage there were two railway overhead bridges to be crosses where the difference between the available clear height between the bridge and road and that of the package was only 6cm. With the help of Fakto5 girder bridge which was lowered to almost 2cm above ground level, these bridges could be crossed safely. Without the Faktor 5 girder bridge, the route would have to be changed resulting in project delay and extra costs.

For the decision-makers at Lee & Muirhead, the first journey of girder bridge proved one thing very clearly: The investment is paying off. "Thanks to our Faktor 5 we are now in a position to handle such big heavy haulage jobs with outstanding efficiency," says **Pankaj Gadhia, CEO, Lee & Muirhead.** mg















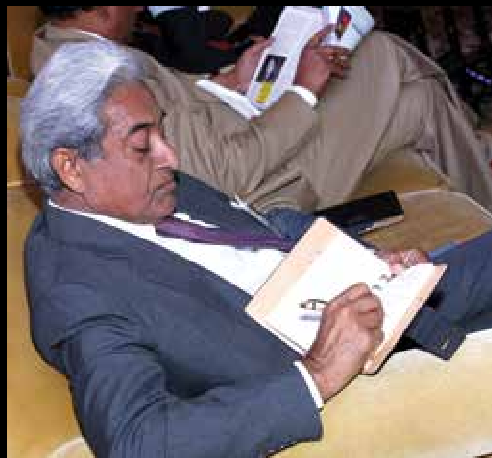


SILVER SPONSOR





PROGRAMME BOOKLET SPONSOR
DLI
DELEGATE KIT SPONSOR



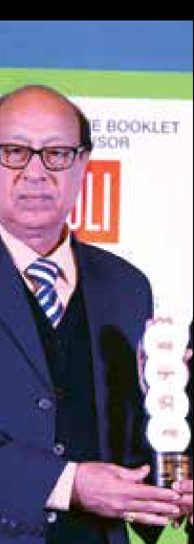

THEME
HINTERLAND INFRASTRUCTURE:
ARE WE THERE YET?


DELEGATE KIT
SPONSOR
SATTVA


SILVER SPONSOR
BRONZE SPONSOR
DLI


PROGRAMME
SATT


BRONZE S
कॉनकॉर
CONCO




PROGRAMME BOOKLET
SPONSOR
DLI
SUPPORTING PAR

Infrastructure and trade practices – are they customer friendly?

The first session of Smart Logistics Summit held in New Delhi raised several concerns of the industry including the impact of GST on shipping cost, imbalance in import and export cargo moving at ports that complicates the positioning of empties, the need for establishing rail transshipment hubs to manage the rise in cargo when DFCs become operational and logistics challenges faced by customers in hinterland.

L to R: Anil Radhakrishnan; K Jaibhaskar, Head Operations – North India & Gujarat, Maersk Line; **Capt Ajay K Kaura,** President, Northern India Steamer Agents Association & Sr Vice President, K Line India; **S K Rahman,** IRS, Addl Director General GST, Directorate General of Goods & Service Tax, Ministry of Finance, Govt of India; **Sanjay Swarup, D**irector (International Marketing & Operations), Container Corporation of India Ltd; **K K Krishnadas**, President & COO, International Cargo Terminals and Infrastructure Pvt.Ltd, **N Rama Krishna**, Head Business Development & OPS CFS/ ICD'S, Kribhco Infrastructure Limited

GST tax was not a new levy, but was a combination of various taxes that had been subsumed into it. The purpose was to create a unified common national market and this move was expected to contribute to the growth of the GDP as well as increase industrial production, clarified **S K Rahman, Additional Director General of Goods and Service Tax,** as he spoke of the impact of GST on shipping industry. He stated that the the endeavor of the Government is to simplify the GST rules as much as possible.

With regard to impact of GST on shipping charges he clarified that the cargo whether export or import is taxable, the tax would be applicable on the shipping charges too. A distinction has been made on the GST rate for national and international transportation.

In order to minimize the Government interaction with the trade, a special purpose vehicle called GSTM has been created to facilitate the people.

Sanjay Swarup, Director (International Marketing & Operations) Container Corporation of India, spoke of the problems faced by the industry. He said that 60 percent of the container business were concentrated in the northern hinterland for the west coast ports. Even though there was a network of terminals, direct connectivity, rolling stocks and state of art handling equipment, they have not seen a proportionate growth of cargo by rail from this region. Reasons attributed for the laggard growth in the container business are as under.

Imbalance of cargo import and export and high logistics costs There is disproportionate movement of cargo in the ports as well as the ICDs (Inland Container Depots). Some ports are more import oriented whereas other ports have large volumes of export cargo. Due to this skewed ratio empty containers need to be re-positioned to cater to the export cargo. This incurs additional expenditure which is passed on to the customers.

The logistics cost in India was about 14 per cent of GDP, whereas in other countries it was about 8 to 9 percent. There is a need to bring down the logistics costs to make Indian exports competitive in the world market.

Swarup feels that double stack containers is a solution of bringing down the cost due to this imbalance of cargo. There would be larger movement of cargo and faster evacuation. Any reduction of costs thus achieved could be passed on to the customers. He emphasized that the double stack container would help reduce running of empty container rakes.

Related to the imbalance of cargo is the concept of Rail transshipment hub. Today the one rake carries about 90 teus. Once the Dedicated Freight

Corridor (DFC) is functional, the volume of cargo on the move would be quadrupled. Over 350 containers could be moved en masse at a time. It would be very difficult to garner this volume of cargo by a single terminal.

Multiple terminals to contribute the cargo: The solution therefore is to have a rail transshipment hub. The containers from the port would be evacuated en masse and brought to this hub from where the cargo would be segregated and despatched to various ICD terminals in the north. Advantage would be reduction of logistics costs and faster evacuation from the ports. Such an arrangement Swarup felt would reduce logistics costs as well as the evacuation from the port would be much faster.

Transit time: Sanjay conceded that at present the transit, a very important issue for customers was transit times. He said that at present many of the railway tracks were under repair. Also the container trains have to share the track with other commodities. It was a challenging time for the customers and other train operators. The DFC would be game changer and once operational would take care of all these problems.

Sharing of information with customers: Information technology tools, Swarup said, should be used in a big way. Other industries had already started using Apps in their day-to-day work with customers at various levels. Concor he said, had already commenced using APP and version 1 was going to be instated in the month of February. Basic functions would be introduced and after 2 months electronic filings would be commenced. All this was to ensure that customers have continuous cargo visibility. A customer sitting in Hong Kong or USA would be able to track his cargo.

Lastly Swarup raised the issue for last and first mile connectivity and warehousing. A new venture is being started which would be called the Distribution Logistics which would be unveiled soon.

K K Krishnadas, President & COO, International Cargo Terminals and Infrastructure Pvt Ltd. broadly endorsed what Swarup had to say. He felt that there was enough capacity. Further with the Kandla terminal and the PSA (Port of Singapore Authority) coming up at Nhava Sheva, the capacity requirements would be sufficient. He too felt that the imbalance of export and import cargo was a problematic issue.

Captivated audience at the session

N Rama Krishna, Head Business Development & OPS, Kribcho International Ltd said that there were 21 ICDs and Container Freight Stations (CFS) in the NCR (National Capital Region) and northern region. He was of the opinion that this imbalance would only be rectified with Government policies. There has been a 35 per cent increase in growth in export cargo volumes since 2016.

He felt that DFC was welcome, but after a single run of the rake, there would not be any volume of cargo to be carried from north for the next one week. It was therefore essential that there is consolidation among the like minded companies in the logistics sector.

With PSA and DP World setting up ports in Nhava Sheva, capacities will not be a constraint. Currently North India cargo is headed for Mundra and Pipavav. However with the new ports coming at Nhava Sheva, there is likely to be diversion of cargo to these ports. As far as Information Technology is concerned, there is an ever increasing dependence on it. CONCOR, DMIC (Delhi Mumbai Industrial Corridor), the Indian Railways were already embracing Information Technology.

Capt Ajay K Kaura, President, NISAA & Vice President, K Line Pvt Ltd spoke on the challenges faced by the shippers based in the hinterland destinations. He said that there is a need for faster transit times, timely connections with the planned vessels. Delays and inter terminals transfers at the port add to the delays and costs. Mishandling of containers and improper/inferior repair of containers need to be avoided which again add to delays and costs.

K Jaibhaskar, Head of Operations- North India & Gujarat, Maersk India Pvt Ltd, spoke from the perspective of a customer based in the hinterland. Delhi, he said was a market where many of the global retailers such as Walmart, Gap etc are based. Their paramount requirement was for reliability of loading of their container with the planned vessels. Some beginning has been made in this regard. Maersk has commenced a block train to cater to this demand, just as CONCOR has a scheduled train departure from Dadri. These are some of the beginning that have been made. But there is still a long way to go.

Another shortcoming which the customers in the NCR region want to be addressed is the movement of import refrigerated container to this region. Currently all import refrigerated containers are devanned at the port and brought to the NCR in refrigerated trucks. The additional handling of the cargo increases the cost for the importers. Jaibhaskar was cognizant of the problem faced by his customers.

Jaibhaskar further stated that in order to assist the customers Maersk Line had commenced end to end services ie door to door service. Maersk Line would pick up the cargo from the shipper premises and deliver the cargo to the consignee at his premises. The responsibility for the safe delivery of the cargo would rest with the line.

Challenges confronting growth in exim trade

Inland haulage charges need to be made more equitable and hub and spoke model can bring down rail haulage cost, averred the panellists. They also called for improvement in Customs procedures for cargo clearance, need for more focus on soft infrastructure such as regulatory or statutory regime and developing warehousing and better logistics network for moving agri-produce

L to R: Atul Kumar Saxena, President, Indian Importers Chambers of Commerce & Industry; **Nitin Gupta,** General Manager –Rice, Olam Agro India Pvt. Ltd; **Poroma Munshi Rebello,** Director- Commercial, APL IndiaLinx; **Vinita Venkatesh**, Director, Krishnapatnam Port Container Terminal & Managing Director, Ocean2Door; **Vikyath Kumar,** Sales Director, Hapag-Lloyd India Pvt Ltd; **Tarun Kalra**, Vice President – North India, MSC Agency (India) Private Limited;

The second session of the day focused on the growth of exim trade in north and central India.

Tarun Kalra, Vice President-North India, MSC Agency (India) Pvt Ltd, observed that the present day maritime trend of port-led development was gradually shifting the export industry to the coastal areas. The export volumes had not developed as much as imports. He however conceded that the shift to the port areas was perhaps necessary for India to remain globally competitive. However due to its demographic concentration imports, had maintained a sustained growth in the hinterland areas.

Kalra asserted that there was a requirement for the Inland Haulage charge to be more equitable to sustain cargo movement to and from the north. A brief calculation of the haulage figures revealed that the comparison of the cost of moving container by rail vis a vis road was slanted in favour of road transport.

He however was of the opinion that very little could be done with regard to reducing the rails haulage charges, but there were other factors that could contribute to reducing the charges. One such measure was to have a hub and spoke arrangement which could significantly contribute towards reduction of haulage costs. This should be available for all the train operators.

Poroma Munshi Rebello, Director- Commercial, APL IndiaLinx, the moderator, concurred with Kalra's statements. She went on to further elucidate stating that about 10 to 12 years ago the CAGR of the ICD business, north and central, was about 18 percent and north India was "jewel in the exim crown" for India. This was the reason why no shipping line could survive a mainline call into JNPT without the critical mass from north India. It was imperative to retain the ICD business and prevent it from moving away to the ports. Retaining business at the ICDs would mean more visibility and control for the exporters/importers on their cargo and would not need to depend on a third party at the far away port.

Further Rebello said that with roadways gaining traction, the carbon footprints would only result in increase. There was one third less in carbon dioxide emission if the cargo was to move by rail.

She further stated that the ports on the east coast had been trying to woo cargo from the north. However owing to high haulage charges the movement was not productive.

Vikyath Kumar, Sales Director, Hapag-Lloyd India Pvt Ltd, also emphasised that it was important for railways to take precedence in transportation of cargo to the ports to avoid congestion on the roads. He cited the example of Bangladesh which had only one ICD. Thus a bulk of the cargo perforce had to move to the port by road causing delays in shipments. He however felt that the shift of cargo movement to the road was only temporary. The movement of cargo by rail would eventually reverse and take precedence.

Atul Kumar Saxena, President, Indian Importers Chambers of Commerce & Industry said his chamber was the only organisation that looked after the interests of the importers on various issues such as measures to reduce the cost of imports inter alia. Most of the cargo coming into Ludhiana is for value addition. These products are then re-exported. If the import cargoes are cheaper it also makes the export product competitive in the international market. He sees steady increase in imports to the northern region which he felt was likely to continue.

He also felt that there should be a healthy competition with CONCOR to improve rail services. He also stated that there should be more ICDs in remote regions. Further he felt that the Customs should improve the clearance procedures since many importers continued to face problems with clearance of their cargo. Imports are important. Imports leads to investment which in turn lead to industries. Hyundai, Hitachi etc are such examples. Importers pay to the Government which forms a big source of revenue for them, he clarified.

Vinita Venkatesh, Director, Krishnapatanam Port Container Terminal & MD, Ocean2Door, talked of the port which was constructed and promoted by the CVR Group. It was a greenfield port owing to which there are no industries around it. It was therefore important for them to have very good road and rail connectivity. They were trying to promote the Krishnapatanam port as a mega transshipment port on the east coast of India so that the vessels can tranship there instead of Singapore or Colombo or Malaysia.

Currently the port has rail connectivity with Hyderabad and Bangalore. When the Banglore connection was made, there was a fear that trains carrying cargo to Chennai would be affected by diversion to Krishnapatanam. However this proved to be unfounded. Not only were the movements to Chennai unaffected, but Krishnapatanam had 4 additional trains coming to their port. It only proved, she contended that if there was a strong hinterland connectivity, the cargo would only grow.

Vinita Venkatesh stated that foreign direct investments have already started in the Krishnapatanam. She expects next automotive hub to come up in this area. She has attributed all these developments to good infrastructure and robust hinterland connectivity.

A lot of focus was placed on physical infrastructure, she felt, but no adequate attention was paid to the soft infrastructure such as regulatory or statutory regime. For instance when their port was set up, multiple permissions were required. However they were still awaiting permissions for handling of heavy metal scrap. Further it took them a considerable time to get permission to handle pharma cargo and for plant quarantine. Vinita Venkatesh felt that when a port was being set up all these permissions should come together as a package.

Poroma also weighed into this dilemma of permissions faced by the Krishnapatnam port. When she was with APL Shipping lines it had started moving rakes from Chennai to Delhi in the early 90s. It had also commenced rail movement from Haldia and Vizag into Delhi. However one of the reasons that they were not able to continue to move from these ports was because the statutory laws could not be amended to sustain the movement. She said the Customs rules and regulations were separate in these ports or were interpreted differently.

Nitin Gupta, General Manager-Rice, Olam Agro India Pvt Ltd said that his company handled agro products. Agriculture contributes 14 per cent of India's GDP. More than 50 percent of the population was dependent upon agriculture. Despite the fact that Indian agri products was feeding 17.5 per cent of the world's population, the Indian farmers face considerable difficulties in moving their commodities to the warehouses. After the harvest, the farmers have to move their produce to the Mandis which, in north India is on an average as far as 12 kms and in north east India they have to travel as much as 50 kms.

The inconvenience of transportation force the farmers to employ middle men. Gupta stated that between the farmer and the last intermediary the farmers recovery is only about 35 percent of the selling price purchased by the ultimate buyer. The rest of the money is absorbed by the intermediaries at various levels.

Once the produce has reached the Mandi, it has to be stored in a warehouse or in a cold storage. Currently there is a space shortage of 35 million mt. The shortage of space is spread unevenly across India. North India has about 60 per cent of warehouses and the balance 40 per cent is distributed across India. Thus crops produced in areas other than the northern region need to be transported here for storage. This incurs additional logistics expense and wastage. Almost 30 per cent of the cargo is wasted.

Gupta felt that the conditions at most of the ports were inadequate resulting in further wastage.

The logistics solution lies in providing: 1) single window access covering a range of issues to the farmers, 2) giving the farmers access to digital information so as to minimise dependence on intermediaries, 3) developing cold chain storage and warehouses and 4) improving connectivity in remote areas. mg


Audience at the session


Awards ceremony in progress

Three Cheers to Northern Stars

Winners of the Smart Logistics Awards of north central region walk away with trophies in their hands and a smile on their face amidst much cheers and applause from their industry peers

The piece de resistance of the of the evening programme was the Smart Logistics Awards function. The awards were conferred to logistics companies who had excelled in performance, growth and shown innovation in conducting the business of logistics in Delhi and the northern region. The glitterati of logistics world was present in full strength.

Maritime Gateway has been dispensing awards all over India. This was the first time that it had come to the capital. In the glittering hall at the Leela Palace, Chanakyapuri, the awards were distributed to Ports, Carriers and Service Providers of the Indian logistics sector.

The winners were chosen by the Gateway Research Team after scanning through a deluge of data. Experts were also consulted to come up with the final distinguished list.

The awards were given away in various segments of logistics. The awards were presented by the mandarins of the shipping industry.

The day ended with a sumptuous spread of victuals and wines. mg

SMART LOGISTICS AWARDS WINNERS (NORTH CENTRAL REGION)

Smart Container Terminal: Adani Container Terminals – Mundra

Smart Container Terminal: APM Terminals Mumbai

Smart Liner: Maerskline India Pvt Ltd

Smart Liner: CMA CGM Agencies (India) Pvt Ltd

Smart ICD: CONCOR, ICD Tughlakabad

Smart Emerging ICD: Delhi International Cargo Terminal - Sonepat

Smart CFS: CMA CGM Logistics Park Dadri Pvt Ltd

Smart CHA: IRC Supply Chain Solutions Limited

Smart Forwarder: Tiger Logistics (India) Pvt Ltd

Smart Transporter (Rail): CONCOR

Smart Transporter (Road): Maple Logistics Pvt. Ltd.

Smart Exporter (Automobiles): Maruti Suzuki

Smart Exporter (Chemicals): India Glycols Limited

Smart Exporter (Pharmaceuticals): ManKind Pharma

Smart Exporter (RMG): Richa Group

Smart Exporter (Rice): KRBL Limited

Smart Importer (Polymers): DR International Pvt. Ltd.


CMA CGM
BLUE IS
THE NEW
GREEN
CMA CGM
www.cma-cgm.com