INTERVIEW
Inna Kuznetsova
President and COO, INTTRA

PORT
Turnaround of a Riverine Port

INTERVIEW
Vinit Kumar, Chairman
Kolkata Port Trust

INFRASTRUCTURE
Unlocking the Landlocked

south asia's premier maritime business magazine

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maritime gateway

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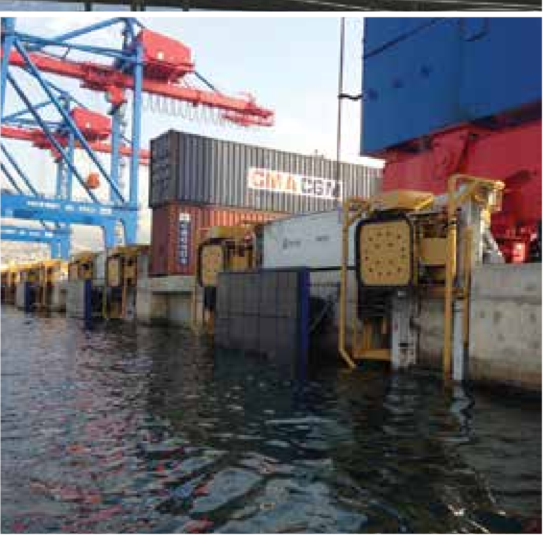
e-Sealing of Containers
SEALING INEFFICIENCY

SLOW AND STEADY REVIVAL

Industry leaders look forward to better days as the maritime sector treads on the revival track slowly, supported by favourable policies and focus on infrastructure development



A resurgence of hope

As we draw close to the end of 2017, we realize how eventful a year it was. At global level from Donald Trump swearing in as US president to North Korea war threats and on the home front demonetization to implementation of GST – we have survived all the vagaries!

In 2017, dark clouds have appeared on the horizon for the global container shipping market. The Hanjin bankruptcy in combination with recent mergers, such as Maersk's acquisition of Hamburg Süd, can be seen as indicators of the lack of certainty, which is roiling the industry.

It is predicted that consolidation, whether through alliances or mergers and acquisitions (M&A), will continue apace in the container shipping industry into 2018, as companies try to boost market share, improve efficiency, and handle intensifying competition and persistent oversupply.

Although there are still some key challenges to be faced in the coming months, after a period of significant change, the container shipping industry is now moving towards a state of stability and growth.

On the terminals side we have seen capacities growing faster than trade volumes. Several seaports have contributed to an imbalance between supply and demand. Carriers are now forced to decide which ports to invest in, and at the same time, there is a risk with only a few big ports controlling the logistics flows.

Although "digital transformation" has become somewhat of a buzzword as of late, enterprises certainly accept the idea behind it – and with a greater sense of urgency. According to Gartner, as many as two-thirds of business leaders are concerned that their companies aren't moving fast enough on the digital transformation front, leading to potential competitive disadvantages. In 2018, companies will increasingly feel the pressure to speed up digitization efforts and will accelerate their journey through containers.

At Maritime Gateway, it was an exciting year for us! We could successfully launch a global conference - South Asia Maritime and Logistics Forum. Another interesting series initiated was our regional conferences which made a deep dive into the hinterland of India to connect shippers with service providers has progressed well with five cities covered in the first leg.

As we flip the calendar to a new year, we see new opportunities before us to serve you.

We wish all our readers, advertisers and supporters a very Happy New Year!

Ramprasad

R Ramprasad
Editor and Publisher
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"After a period of significant change, the container shipping industry is now moving towards a state of stability and growth."

India's premier maritime business magazine

maritime gateway

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Feedback

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

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Football stadium built with shipping containers

Modified shipping containers are being used to construct Fenwick Iribarren Architects' Ras Abu Aboud stadium in Doha for the controversial 2022 FIFA World Cup Qatar. The Spanish architecture practice's modular design means the stadium can be dismantled and moved to a new location after the football tournament.

Repurposed steel containers will be arranged in an "elegant curved square" and each will be modified to contain elements of the 40,000-seat stadium, including removable seats, concession stands and bathrooms. The venue is designed to be effectively recycled after the 2022 FIFA World Cup, either by being moved to a new location to host future games or repurposed into several smaller sports and cultural venues.

Box shipping showing positive signs

Most container shipping lines have posted much improved results in the third quarter of 2017, driven by higher demand, Alphaliner has reported in its analysis. It highlighted that this was their best showing since the first quarter of 2015. For the 11 carriers that reported third quarter results, the average operating margin was 5 per cent, compared to 2.8 per cent in the second quarter of this year and -7.8 per cent in the third quarter of 2016, Alphaliner said. Meanwhile, Drewry's Container Forecaster has projected that loaded box shipments will cross 200 million TEUs for the first time ever in 2017, as the container shipping industry limps its way back to recovery.

Coal India makes another record

Coal India and the Railways created a new record by loading 257 freight rakes of coal in a day for power plants. The previous record had been 250 rakes achieved just a few days back. This was necessitated by a sudden rise in coal demand from thermal power plants. Loading of more than 250 rakes with coal is considered a very challenging task.

APM Terminals opens ICD

APM Terminals Inland Services has inaugurated a new Inland Container Depot (ICD) and supply chain solutions facility designed to serve the Pune district in Maharashtra state, one of India's fastest-growing industrial and manufacturing centres. The recently opened ICD, located around 150km inland from Mumbai, covers an area of more than 12 acres and is designed to handle more than 60,000 containers annually. Services provided at the facility include customs clearance, bonded and non-bonded warehousing, empty container acceptance, transportation and container repairs.

India's containerised trade posts huge growth

India's containerised EXIM recorded its highest growth in the last year at a strong 10 per cent in Q3 2017. Exports to Mediterranean led India's overall export growth, registering 14 per cent increase. Exports to North America increased by 8 per cent. Turkey emerged as the largest trade partner for Indian exports in volume terms, due to growing demand for textiles. Exports to Algeria posted the highest jump at 28 per cent, up from 12 per cent in corresponding period of last year.

DICT moves Polymer Express to Pipavav

In exports through Pipavav, Delhi International Cargo Terminal (DICT) has added one more feather to its cap by sending a dedicated rake of Indian Oil Corporation, in association with NYK Line and in-house firm Boxcoworld Logistics. The block train (Polymer Express) was flagged off with its rake TXBT-2. The containers will move to China on an NYK vessel from Pipavav.

Pilot transports under TIR between India and Iran set for early 2018

To offer time savings of 40 per cent with a 30 per cent reduction in the cost of trade, the first pilot transports under TIR (Transports Internationaux Routiers or International Road Transport) between India and Iran along International North South Transport Corridor have been set for early 2018. Efforts are also being made to establish cooperation between representatives of the public and private sectors in order to activate the use of TIR along the INSTC.

Maersk Line brings top notch logistic solutions to Kerala

Maersk Line has announced key offerings for Kerala including easy access to Maersk team round the clock, consistent supply of equipments for dry and reefer cargo, remote container management and easy trade finance. The company is leading the way in creating integrated logistical solutions for the Indian marketplace to help facilitate and add momentum to trade. Managing Director of Maersk Line (India, Sri Lanka, Bangladesh, Nepal, Bhutan and Maldives), Steve Felder said, "We constantly work towards simplifying trade through our efficient service offerings and add value to our customers. We will continue to make a difference in shipping, a difference based on a distinctive personable approach to business relationships. We look forward to offer our services to the strong EXIM trade community in the region and facilitate seamless trade."

Indo-Russian trade looking up

India's trade with Russia has increased by almost a quarter in the first six months of this year. "The early operationalization of the International North South Transport Corridor can play a significant role in achieving our bilateral trade targets,"said Ram Nath Kovind, President of India. At the moment, Russia is pushing to cut the share of the US dollar in its trading with India.

Cruise connectivity to Singapore

Keen on promoting cruise tourism on a mega scale, Union Minister Nitin Gadkari said talks are on with Singapore for cruise connectivity. India has huge potential for cruise tourism and efforts in this direction could boost it from 80 ship per annum to 900, the shipping minister said. "The cruises from India could go to Singapore, Philipines and Thailand and the projects will be developed on PPP (public private partnership) mode," the minister said. Cruise terminals are being built at major ports and in Mumbai alone ₹1,000 crore is being spent to build a cruise terminal. India saw 1.76 lakh cruise passengers in 2016-17, a merely 0.5 per cent of the global pie. Domestic cruise passengers are estimated to grow to 1.5 million by 2031-32.

Inter-state e-way bill compulsory from February

Ferrying goods across states may get quicker as the GST Council decided to make rollout of all India electronic-way bill compulsory from February 1, two months ahead of the earlier plan. "The rules for implementation of nationwide e-way bill system for inter-state movement of goods on a compulsory basis will bring uniformity across states for seamless inter-state movement of goods," said the Finance Ministry. Ferrying goods worth more than Rs50,000 within or outside a state will require securing an e-way bill by prior online registration of the consignment.

Simatech adds Vizag call to its FME service

Simatech marked the maiden call of its FME service to Visakhapatnam Port with a welcoming ceremony for the Tianjin Bridge on November 21, 2017 at the Visakha Container Terminal (VCT). This direct, weekly mainline service facilitates enhanced worldwide coverage connecting Visakhapatnam and its hinterland to the key markets of Korea, China, the Philippines and South-East Asia, offering onward connections to other worldwide destinations in Africa, Europe and America.

CMA CGM upgrades MIDAS Loop 1

Striving to serve South African exporters' needs during the peak reefer season, CMA CGM has announced it will upgrade the South Africa export coverage on Midas Loop 1 service dedicated to Indian Subcontinent and Middle East Gulf destinations.

Effective December 22, 2017 with m/v ROBIN HUNTER, MIDAS Loop 1 port rotation includes a direct weekly call at Cape Town for a reliable and competitive service offering. Middle East Gulf destinations are reached with competitive transit times: Cape Town to Jebel Ali in 18 days, Khorfakkan in 20 days and Dammam in 22 days.

Mundra is reached from Cape Town in 23 days, Nhava Sheva in 25 days and Colombo in 28 days. South Africa coverage with Durban export call should resume in May 2018; the West bound call remains unchanged.

Odisha no.1 in investments

Even as Maharashtra and Gujarat are the leading States as far as investment is concerned, Odisha has taken a lead in investment implementation rate and is the No.1 in the country. The investments are mainly going into food processing and infrastructure sectors and will create more value addition for the state. Odisha has notified 14 non-major ports of which two are functional at Dhamra and Gopalpur. The cargo handling capacity of the two ports has grown from five million tonnes to 25 million tonnes in the last five years.

“The Asean-India maritime transport cooperation agreement is being negotiated. India-Myanmar-Thailand Trilateral Highway (TH), extension of TH to Cambodia, Laos are planned.”

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

“The regulatory framework for shipping must be based firmly around goals and functions rather than prescriptive solutions. This is the only way to ensure that measures adopted by IMO are not rendered obsolete.”

– Kitack Lim
Secretary-General, IMO

“Many ships will remain dependent on fossil fuels probably at least until around 2050… But the momentum created by the Paris Agreement on climate change means that the wholesale switch to alternative fuels and propulsion systems will be relentless and inevitable.”

– Simon Bennett
Director of Policy, ICS

“As Bangladesh and Pakistan will need time to replicate the improvements in India, it follows that India is now in an ideal position to accede to Hong Kong Convention, bringing forward the day the ship recycling industry will be regulated globally by a practical and workable international standard.”

– Dr. Nikos Mikelis
Non-executive Director of cash buyer GMS

“An effective regulation is one that rewards early adopters. At the moment, it could be argued that those who adopt last get the best financial return. Instead, let us embrace the opportunities which arise from the digital transformation and be proactive in addressing challenges.”

– Knut Ørbeck-Nilssen
CEO, DNV GL – Maritime and Chairman, IACS

nTRACKLIVE

VEHICLE AND FLEET MANAGEMENT SYSTEM

nTrackLive enables efficient real time monitoring of your fleet using GSM/ GPRS technology to keep you informed of its whereabouts, giving you the insight you need, improve your fleet utilization and help reduce overall operational costs. nTrackLive is easy to use, feature rich web based application, with no down time, accessible from any computer without any hardware or software installation. The nTrackLive tracking and monitoring functionality is supported by comprehensive reporting with capability to export in PDF, Word or Excel formats. nTrackLive provides comprehensive administrative features to help customers easily manage various information and features which also include threshold values for all alarms.

THE KEY FEATURES

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

BENEFITS TO CUSTOMER

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

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GLOBAL OFFICES: USA, MIDDLE EAST & AFRICA

INFRASTRUCTURE PROJECTS CONNECTING SOUTH EAST ASIA

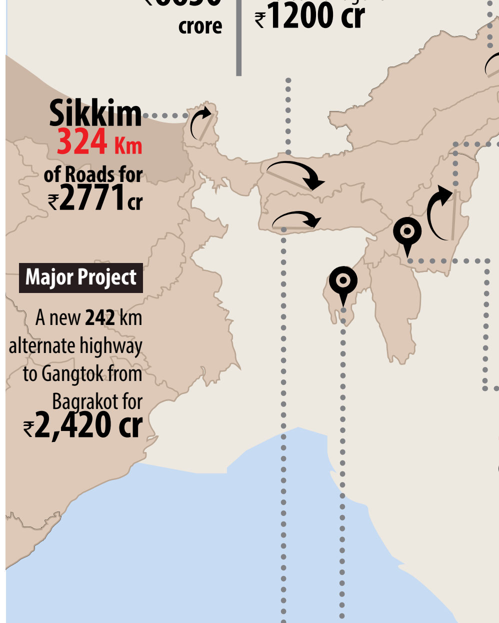
10,000km
Total Length of Projects

3,586km
In First Tranche

34,300 km
Value of First Tranche

500 Km Of Roads in NE And-North Bengal For International Trade Funded by ADB

UNDER EXECUTION



Assam
443 Km of Roads for ₹6630 crore

Major Project
A 20 km bridge between Dhubri and Phulbari bridge for ₹1200 cr

Arunachal Pradesh
822 Km of Roads for ₹7988 crore

Major Project
Demwe To Hawai Two Lane Road ₹1098 cr

Sikkim
324 Km of Roads for ₹2771cr

Major Project
A new **242** km alternate highway to Gangtok from Bagrakot for ₹2,420 cr

Nagaland
189 Km of Roads for ₹1250 crore

Major Project
NH 39 Between Imphal and Kohima to be improved

Manipur
488 Km of Roads for ₹5859 crore

Major Project
improvements on 220 km Imphal Jiribam highway for ₹2200 cr

Meghalaya
664 Km of Roads for ₹3,092 crore

Major Project
Improving the Ranikor Baghmara road for ₹695 crore

Tripura
255 Km of Roads for ₹1,943 crore

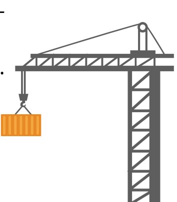
Major Project
Improvements on the NH 44 from Agartala ₹880 crore

CONNECTING SOUTH EAST ASIA

The govt has identified critical road projects that will connect india's south east Asian neighbourhood. opening up trade opportunities. The most critical are being done through funding by the Asian development Bank (ADB)

Imphal to Myanmar
ADB funds to be used to connect Imphal to the neighbouring nation by an alternate route to the border town of Moreh. Project cost is estimated to be ₹869 crore

Assam/Meghalaya to Bangladesh
The govt is planning to use JICA funding for a project to connect the Assam/Meghalaya Border to Bangladesh to Dalu with a 161 km road. Also, improving the road from shillong to another border crossing at Dawki (Bangladesh) with a JICA funded bridge for ₹200 crore



THE UNDERSEA CONNECTION

The NHIDCL Is Also Planning India's First Under Sea Tunnels With These 2 Projects

ANDAMAN & NICOBAR
A **1.5 km** undersea tunnel in Port Blair to connect Chatham island with Bamboo flat. The Project is estimated to cost **₹1000 cr undersea connection the only option given heavy naval activity**

WEST BENGAL
An ambitious **3.5 km** long under sea project to connect the Sagar Island with Kakdwip. Estmated to cost ₹**2000 crore**

LOGISTICS

Bengal to be minor partner in Tajpur Port project

Tajpur Port will be developed as a major port in West Bengal's West Midnapore district with private funds. Bhor Sagar Port Ltd will develop the port. It is a special purpose vehicle originally formed by the Central government-owned Kolkata Port Trust and the State government as a 74:26 joint venture to build a new major port at Sagar Island. Sagar Island and Tajpur are located just 50-60 km apart.

Bhor Sagar Port Ltd has sought bids from consulting firms to write a techno-economic feasibility report, detailed project report, environment impact assessment and environment management plan as well as to prepare bid documents for the port.

Major Ports register growth of 3.46 per cent during April-November 2017

Major Ports in India have recorded a growth of 3.46 per cent and together handled 439.66 million tonnes of cargo during the period April to November 2017 as against 424.96 million tonnes handled during the corresponding period of the previous year.

The highest growth was registered by Cochin Port (17.93 per cent), followed by Paradip (13.13 per cent), Kolkata (incl. Haldia) (12.64 per cent), New Mangalore (7.07 per cent) and JNPT (5.69 per cent). Cochin Port's growth was mainly due to increase in traffic of POL (25.15 per cent) and containers (10.46 per cent). There was decrease in traffic of other liquids (-26.24 per cent), fertiliser raw materials (-23.33 per cent), finished fertilisers (-11.76 per cent) and other misc. cargo (-1.19 per cent).

Cargo handling at CQ3 terminal of Essar Ports rising

Essar Ports' Bulk Terminal in Paradip has achieved an average productivity of 90,000 tonnes per day, registering an over 20 per cent rise in cargo handling so far this fiscal. The CQ3 terminal handled 2.8 MMTPA till November this year as against 2.3 MMTPA during the same period a year ago. The terminal is able to load vessels with turnaround under two days.

Essar Ports' terminals in Paradip also received appreciation from Paradip Port Trust for loading 100,000 tonnes equivalent in a day, with a peak load rate of 4,500 tonnes per hour, the highest loading rate achieved till date in Paradip Port for iron ore and pellets.

Indian operations at Chabahar Port to commence this year

Indian-managed operations at Shahid Beheshti Port at Chabahar in Iran will commence after about nine months. At present, Indian Ports Global Private Ltd is in the process to procure machinery and install it at the port. India has to equip and operate two berths in the Phase I with a capital investment of $85.21 million and an annual revenue expenditure of $22.95 million on a 10-year lease.

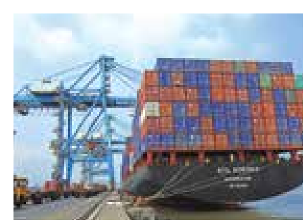
"We plan to start marketing the port from January first week. The first event will be in Delhi, followed by other cities of Iran, Central Asia and Afghanistan," said Arun Kumar Gupta, Managing Director, IPGPL. Adani Ports and Special Economic Zone Ltd, J M Baxi Group and JSW Infrastructure Ltd – have been shortlisted on a tender floated by IPGL to manage, operate and maintain the container and multi-purpose terminals at Chabahar.

Drewry forecasts growth in Container port demand

In the global container port and terminal industry, the projected port capacity expansion is 2.7 per cent per annum, so average utilisation levels will rise. Neil Davidson, senior analyst ports and terminals at Drewry, pointed out that there is a strong focus on optimisation of existing facilities as opposed to building new ones and that terminal operators are focusing on cost control and efficiency to maintain project margins. The global port throughput index fell in September 2017 but was 10 points up on September 2016 and 12 points up on 2015.

Davidson said that the growth rate in 2017 showed a sustained upward trend. North America and Latin America showed the highest annual increases, 12.6 and 11.1 respectively, while Europe had the lowest increase at 4.4per cent.

Indian port capacity way behind China



The total containerised cargo capacity at 12 major ports is less than a quarter of containerised goods handled at Shanghai port in China, stated the latest study by Assocham. The capacity of all 12 major ports of the country stands at 8.75 million teus, Shanghai port alone handles around 36.5 million teus.

Though India's ports have met in rapidly expanding traffic, handling more than a billion tonne of cargo in 2016-17 and the capacity is expected to increase to 2.5 billion tonnes by 2025, the freight mainly comprises petrol, oil, and lubricant besides coal, iron ore and other commodities.

Kochi refinery becomes India's largest public sector refinery

The `16,500 crore Integrated Refinery Expansion Project of the BPCL-Kochi Refinery (BPCL- KR) is ready for formal inauguration. Construction of component units of the expansion project has been completed. Once fully operational, the capacity of the BPCL- KR will rise to 15.5 million tonnes per annum (mtpa) from 9.5 mtpa at present, making Kochi Refinery the largest public sector refinery in terms of capacity and complexity.

With the capacity expansion, BPCL- KR will be able to produce eco-friendly auto fuels complying Bharat Stage-VI, while Cochin Port can earn extra income by handling 7.8 mt products annually. The expansion project is also beneficial for the Fertilisers and Chemicals Travancore Limited, which will be able to source the sulphur required for production of fertilizers locally.

Indian shippers want IOC to ease tanker hire condition

Indian Oil Corp and Bharat Petroleum Corp recently floated tenders for hiring of VLCC and Suezmax tanker, respectively, for a contract period of five years. Among the several terms, the refiners have a new clause that the vessel's age should be not more than 10 years on the date of delivery. Out another way, a maximum age of 15 years at the end of the contract. Domestic shipping companies are asking for an easing of the vesselage criteria to increase their chances of bagging the tender.

In the case of Suezmax tankers, Shipping Corporation of India and Great Eastern Shipping have tankers under 10 years in age. For the VLCC tender, SCI is the only one eligible among domestic companies to participate.

Essar Shipping to expand fleet

Essar Shipping Ltd is weighing plans to expand and diversify its fleet by acquiring a panamax size bulk carrier, a medium range oil tanker, and a Suezmax carrier, said Ranjit Singh, Executive Director and Chief Executive Officer. The expansion plan, focussed more on the liquid side, though, will be subject to securing long-term cargo transportation contracts. "That's the ideal way to expand tonnage on the back of long-term contracts," he stated.

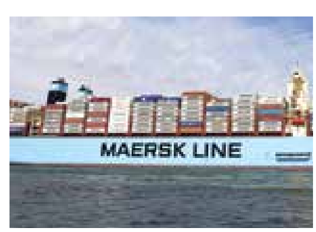
Essar Shipping will bid on the tenders issued by Indian Oil Corporation Ltd and Bharat Petroleum Corporation Ltd for hiring a very large crude carrier and a Suezmax tanker for five years with options for two more years from Indian fleet owners. "If we win the contract, we can look at buying an additional VLCC or a Suezmax tanker," Singh said.

EC approves COSCO Shipping's purchase of OOIL

The European Commission (EC) has approved COSCO Shipping's purchase of Orient Overseas International Ltd (OOIL). Although the deal would have "very significant" effects on the Northern Europe to North America trade routes, the EC concluded it led to no anti-trust concerns due to the "presence of significant competitors post-merger" and the lack of existing competition between COSCO and OOCL.

The transaction would affect eight trade routes, among them being both legs of the Northern Europe to North America, Northern Europe to the Far East, Mediterranean to the Middle East and Mediterranean to the Far East trade routes.

Maersk Line completes divestment of Mercosul Line



CMA CGM and Maersk Line in 2017 announced a binding agreement whereby CMA CGM would acquire Mercosul Line. The agreement was subject to Brazilian regulatory approval and the closing of Maersk's Hamburg Süd acquisition, both of which have now been finalised.

The transaction will ensure that the cabotage sector in Brazil remains competitive and that customers continue to benefit from a comprehensive choice of carriers. Maersk Line is strengthening its presence and strong value proposition in the sector through Hamburg Süd's subsidiary, Aliança, Brazil's leading cabotage carrier.

LOGISTICS

India proposes credit line to boost ASEAN connectivity

India has proposed extending a $1-billion line of credit to promote sea, air and road connectivity projects in southeast Asia, announced Union Minister Nitin Gadkari. India has set up a $77-million fund focused towards developing manufacturing hubs across the region. A prime example for the government's focus on building connectivity is the agreement to set up a maritime transport working group comprising India, Myanmar, Thailand, Cambodia and Vietnam to examine the feasibility of shipping networks.

Gadkari said better connectivity would be a core factor in strengthening Asean-India relations. Around 2,000 km of roads will be built at an outlay of ₹25,000 crore to connect India's major highway corridors to international trade points in the Bharat Mala project.

Iran plans to connect Chabahar with Gwadar Port

Iran government has announced plans to connect Chabahar Port with Pakistan's Gwadar Port. Iran has a broader vision of linking the Indian Ocean port with a railway through Zahedan on the Pakistani border up to Mashhad in the northeast. But the project, aimed at facilitating trade with Afghanistan and Central Asia, has been slow to get off the ground.

Iran also plans to link the port to the country's railroad network to facilitate transit of goods to neighbouring landlocked Central Asian countries, as well as open a route to eastern and northern Europe through Russia.

JNPT posts record container handling in November

JNPT handled 3.9 lakh teus in November 2017, recording growth of 5.76 per cent in container handling for the Apr-Nov2017 period compared to same period last year. Among the four terminals at JNPT, JNPCT handled 1.18 lakh teus, APM Terminal's total stood at 1.66 lakh teus, DP World (comprising NSICT and NSIGT) together handled 1.06 lakh teus.

The DPD initiative under 'Ease of Doing Business' has been steadily going up and in November 34.73 per cent of cargo was cleared through DPD, helping Trade save significantly in the transaction cost and time. Another important initiative-Inter terminal movements of TTs was used by 15,267 trucks completing 19,279 transactions in November, helping fuel saving of ₹7.12 crore since start of this initiative.

JNPT aims to number among global top 10

With excellent co-operation from all stakeholders, JNPT is aiming to be among the top 10 ports of the world. The port has implemented many measures such as paperless transactions and DPD to promote the ease of doing business. Current DPD volumes are consistently over 30 per cent, RFID based gate systems, separate parking lots for terminals, conversion of parking lots into Customs processing zones, inter-Terminal Trailer movement are some of the steps implemented to achieve efficiency at the Port."

JNPT handled a record traffic of 4.5 million teus in the last financial year. JNPT is collaborating with Port of Singapore Authority to create another world class container terminal. The first phase of the proposed container development is in full-swing and should be operational by January 2018 which will add another 2.4 million teus capacity to the Port. With another 2.4 million to be ready by 2022, JNPT capacity will double to 10 million teus.

Wardha Dry Port to drive growth in Vidarbha

Wardha Dry Port being developed by Jawaharlal Nehru Port Trust will generate direct employment to about 1,000 persons, said Neeraj Bansal, Chairman in-Charge, JNPT. The port will come up at Sindi Station and will be developed in three phases and tenders for the first phase of the work will be floated soon. The dry port will be spread over 346 acres when fully developed will connect to the hinterland and offer huge relief in transporting domestic cargo.

Wardha enjoys excellent connectivity both land and air and the proposed dry port will assist many industries located around Wardha and Vidarbha region. Proximity to Nagpur will provide seamless connectivity to North-South and East-West and would also develop as logistics hub for domestic cargo distribution. This will connect many parts of the Country and facilitate faster movement of goods. Many industries like steel, food products, units located in the special economic zone and agriculture and food processing sectors too will benefit after the development of the dry port.

APM Terminals puts on-hold selling of facilities at Pipavav Port, JNPT

APM Terminals Management BV has backed off from an exercise to sell its facilities at Pipavav in Gujarat and JNPT. "We looked at the two facilities for a potential acquisition. But, APM Terminals decided to put it on hold," said BVJK Sharma, Joint Managing Director and CEO of JSW Infrastructure Ltd. "We did due diligence of the two facilities. However, APM Terminals withdrew the process without assigning any reasons," Rajiv Agarwal, CEO of Essar Ports Ltd, revealed.

New service quay for barges at Antwerp Port

Barge operators in the port of Antwerp can now make use of a brand new service quay in Kallo, on the Left bank of the Scheldt. The quay includes a waste collection park, a drinking water point and a long-term car park. The service quay in Kallo is the third such service point for barges in the port of Antwerp, following those in Lillo and at quay 75. The park on quay 1550 replaces the old service park at 1103. The move to the new location has also made it possible to provide additional holding berths for "blue cone" barges.

CMA CGM in agreement with Total

Total and CMA CGM have signed an agreement covering the supply of around 300,000 tonnes of LNG a year for 10 years starting in 2020. This unprecedented volume in the history of LNG bunker will fuel CMA CGM's nine new build container ships, scheduled for delivery beginning 2020 onwards.

CMA CGM, the first shipping company in the world to equip its giant container ships with LNG propulsion, has selected Total Marine Fuels Global Solutions, the Total affiliate responsible for marketing marine fuels worldwide, for these future supply operations.

Seaplane to take off soon

The first seaplane to take-off from the Sabarmati river travelled a distance of 180 km, to Dharoi dam. The passenger was none other than Prime Minister, Narendra Modi. A test ride with Setouchi's 10-seater Kodiak Quest 1000 seaplane was taken by Nitin Gadkari, the Minister for Shipping and Road Transport. The potential for seaplanes has been recognised by both the Ministers. A team has been assigned to inspect how feasible the operations of seaplanes are in India.

Maersk to add 200 techies in India

A.P. Moller-Maersk said it is planning to hire more than 200 engineers at its new Centre of Excellence in Bengaluru as part of its digital transformation. These engineers would work on technologies such artificial intelligence and big data analytics to mine hidden insights, drive automation and improve customer experience.

"We will invest in world-class talent around data and digital engineering and automation. We are aggressively hiring for those roles," said Navneet Kapoor, head of the Global Service Centres, A.P. Moller–Maersk. Initially we are looking for experienced engineers. Later we will go to the college campuses," said Kapoor.

India elected to Council of IMO Assembly

The Assembly of the International Maritime Organization (IMO) has elected India in Category (b) to be a Member of its Council for the 2018-19 biennium. Category (b) comprises 10 states with the largest interest in international seaborne trade. They are Australia, Brazil, Canada, France, Germany, India, the Netherlands, Spain, Sweden and the United Arab Emirates. Among the other categories, Category (a) has 10 States with the largest interest in providing international shipping services. They are China, Greece, Italy, Japan, Norway, Panama, Republic of Korea, Russian Federation, the United Kingdom and the United States.

Category (c) has 20 States not elected under (a) or (b), which have special interests in maritime transport or navigation and whose election to the Council will ensure the representation of all major geographic areas of the world. It comprises Bahamas, Belgium, Chile, Cyprus, Denmark, Egypt, Indonesia, Jamaica, Kenya, Liberia, Malaysia, Malta, Mexico, Morocco, Peru, the Philippines, Singapore, South Africa, Thailand and Turkey.

Hapag Lloyd and UASC integration

Hapag-Lloyd announced the successful completion of the integration of UASC into the Group. Hapag-Lloyd merged with the United Arab Shipping Company on May 24, 2017. Within the subsequent six months, the operating businesses, the IT systems, the different fleets, and the corresponding departments and country organisations were brought together. With more than 12,000 employees in five sales regions and 126 countries, as well as a fleet of 215 modern containerships, Hapag-Lloyd is now the fifth-largest liner shipping company in the world with one of the youngest and most competitive fleets in the sector.

Ship operating cost increasing

The cost of operating cargo ships rose marginally in 2017 following two consecutive years of falls, but shipowners should prepare for higher costs led by a spike in insurance premiums, says Drewry.

Average vessel operating costs stabilised in 2017 as pressure on owners was lifted by a nascent recovery across most cargo shipping markets. Trends in ship operating costs are heavily linked to developments in the wider shipping market, external cost pressures notwithstanding.

But the recovery has not been uniform across all sectors, and risks remain. Despite a brighter economic outlook, the industry is still weighed down by excess capacity, poor profitability and high levels of debt and many owners are struggling to survive. Poor financial returns have kept the pressure on costs and Drewry expects this to remain the case for the foreseeable future.

BIMSTEC promote coastal shipping

Member States of BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) met in New Delhi to discuss modalities for promoting coastal shipping in the region. The member countries discussed the draft text of BIMSTEC Coastal Shipping Agreement drafted by the Ministry of Shipping, Government of India. The objective of this agreement is to facilitate coastal shipping in the region, thereby giving a boost to trade between the member countries.

The meeting of the Working Group is a follow up of the BIMSTEC leaders' call at the retreat hosted by Prime Minister Narendra Modi in Goa in October 2016, to enhance connectivity in the region. India is the lead country in BIMSTEC for cooperation in transport and communication.

India to ratify Hong Kong Convention

India has drafted legislation to implement the 2009 Hong Kong Convention for the safe and environmentally sound recycling of ships. The Convention is yet to come into force and has only been ratified by Norway, Congo, France, Belgium, Panama and Denmark. It will enter into force when ratified by 15 states, representing 40 per cent of the world merchant shipping.

In India, the Ministry of Shipping has already introduced the Shipbreaking Code 2013, replicating the full requirements of Hong Kong Convention in its domestic legislation. Even earlier, Gujarat Maritime Board had organized the setting up of facilities for the disposal of hazardous waste materials and for the provision of training for all ship recycling workers.

India establishes centre of maritime excellence

A new Center of Excellence in Maritime and Ship Building (CEMS) is being set up by India's Ministry of Shipping in collaboration with Siemens and the Indian Register of Shipping (IRS). CEMS will have campuses at Vishakhapatnam and Mumbai, and will provide industry-relevant skill development, equipping students with employable engineering and technical capabilities.

CEMS is being set up to meet the domestic need for skills in various port and maritime sectors, including ship design, manufacturing and operating as well as maintenance, repair and overhaul work. It aims to become a leading regional training centre in South Asia, attracting students from neighbouring countries including Sri Lanka, Bangladesh, Thailand, Malaysia and Indonesia.

EXIM

GAIL to import 5 MT LNG from US

GAIL India Ltd will import about 5 million tonnes (MT) of LNG from the US next fiscal, replacing the volumes it buys from the spot market. GAIL has contracted 5.8 MT per annum of LNG from the US, some of which it has swapped – either by exchanging the gas with someone having it nearer to India or by time-swapping it. "Out of our LNG buying of 33 million standard cubic meters per day, only 17-18 mmscmd comes from long-term contract with RasGas. The rest is all spot or short term contract, which we hope to replace with US LNG," a GAIL official said.

Mauritius imports fuel from Middle East

Mauritius has started buying fuel from Saudi Aramco after a court ordered a ban on Indian fuel supplies because of a dispute between the country and a shipping firm. For years, Indian oil refiner Mangalore Refinery and Petrochemicals Ltd has been the sole supplier to Mauritius of fuels such as gasoline and diesel. It exports about 1.2 million tonnes of refined fuels to Mauritius a year.

A plan to boost Indian exports

The Ministry of Commerce and Industry is in the process of preparing a proper business plan, based on scientific market research, to promote Indian goods and services globally. For each of the markets, proper market segmentation is needed to understand where there is the possibility of penetration of goods and services globally, said Suresh Prabhu, Union Minister for Commerce and Industry. "We are also trying to create a new industrial policy and trying to create new markets for Indian products globally. Also trying to create demand for all kinds of products," he said.

Government to restrict pet coke imports

Union Petroleum and Natural Gas Minister Dharmendra Pradhan said the government is planning to curb the imports of petroleum coke, also known as 'pet coke', which is believed to be a major polluter. It is said that US-based oil refineries are exporting pet coke to India as there aren't many takers for it in their country. Recently the Supreme Court banned the use of pet coke in three states surrounding the Delhi-NCR. Consumption of pet coke is around 25 million tonnes in our country. Of this, around 13 million tonnes is produced by Indian refineries (rest is imported). Pradhan said a policy is being framed by various stake-holder ministries to put curbs on its imports.

At its very first customer meet JSW has unveiled a grand vision of becoming one of the biggest port operator

L to R: Capt. Ravi Chander, Unit Head, Jaigarh Port; Devki Nandan, Head – Business Development and Mergers & Acquisitions; Capt. BVJK Sharma, JMD & CEO JSWIL

JSW celebrates the bond with stakeholders

JSW Infrastructure Limited (JSWIL) organized their Annual Trade Meet "Confluence 2017" on December 1, 2017 at Taj Santacruz, Mumbai.

The purpose was to bring closer JSW's associated customers, business partners and prospective customers into a single forum to commemorate many years of hard work and success.

Capt. Ravi Chander, Unit Head, Jaigarh Port welcomed the guests and gave a detailed presentation on key developments at JSW Ports and Terminals, including key projects completed last year and also spoke about the multiple steps taken to enhance western coastal connectivity like strengthening last mile access through road and railways, mechanizing coastal berth, and increasing draft depth at Jaigarh Port. He highlighted the fact that the capacity at JSW ports have increased significantly to over 50 MMTPA and cargo handling volumes have reached over 30 MMTPA.

Devki Nandan, Head – Business Development and Mergers & Acquisitions gave a detailed presentation on the new projects being developed by JSW Group across the globe. He also showcased the key projects undertaken by JSWIL – coal & iron ore terminals at Paradip and Nadagaon Port in Maharashtra. He highlighted that very soon JSW Jaigarh Port is expected to start the containerized shipping operations, which will ensure logistics competitiveness in key industries in the hinterland. Other key projects that were highlighted included the development of LNG, LPG, Chemical and POL terminals at Jaigarh Port.

Capt. BVJK Sharma, JMD & CEO JSWIL, thanked the audience for being a part of JSW's journey till date and also for lending their continuous support in the company's growth story. He drew special attention to the fact that JSW Infrastructure is right on target to achieve the ambitious target of 200 MMTPA by FY 2020. Capt. Sharma spoke about how his team was working on to redefine hinterland and to extend its rail connectivity from Jaigarh to Dighni and Chiplun to Karad. Explaining JSW's initiatives to serve their customers better, he promised to set up a highly customer focused business model. The model aims towards greater optimization driven by IT enabled systems. These upgrades would enable JSW to provide customers with real time information on the port operations and cargo movement thereby focusing on efficient end to end logistics solutions. He also highlighted momentous occasion when JSW recently started the largest river sea vessels between Jaigarh and Dharamtar Ports. This shift to coastal movement helped to reduce the carbon foot print with the commitment of moving from road to rail and to water mode. Going forward, he expects the coastal volume to touch over 40 MMTPA. The presentation was followed by a Q & A interactive session Various stakeholders gave testimonies of the state of the art infrastructure and professional approach of JSW group. mg

SLOW AND STEADY REVIVAL

Industry leaders look forward to better days as the maritime sector treads on the revival track slowly, supported by favourable policies and focus on infrastructure development

by Omer Ahmed Siddiqui

"All's well that ends well," these lines by William Shakespeare sound synonymous to the current condition of the Indian maritime sector. No wonder the industry has been through a lot of turmoil in the past twelve months but towards the year-end the announcement of infrastructure status to the logistics sector gave the industry leaders a new reason to revive hopes in the new year.

The regulation will pave the way for logistics players to put their hands on easy funding. There will be more infrastructure development in the form of logistics parks, container terminals, private ports, modern warehousing etc. The logistics sector is expected to ride on a growth rate of 10 to 12 per cent in the next couple of years thanks to the major push through GST implementation.

While infrastructure development picks up steam, the pace of revival in the industry is under question right now because, shipping was on the upturn, but the most recent slide in container freight rates means the recovery which was expected will be a little delayed.

Technology will drive transformation for all kinds of businesses and 2018 promises to be a significant year in this process. The global scenario is changing its course to provide the much needed impetus and encouragement to the logistics and supply chain sector. The surge in e-commerce, the changes in trade policies across the globe and the focus by agencies like IATA, TIACA, IPSCA, IMO, WTO and the UN to push for trade facilitation as a key part of their programmes augurs well for the industry. The future of logistics will be shaped by the level of digitization and automation it undertakes.

While rail and road will remain the preferred mode of logistics atleast for some more time, the freight forwarding industry is poised for consolidation and the major players are looking for forward/ backward integration for sustainability. In general, there will be more consolidation on a smaller scale as strong owners and operators flex their muscles to acquire tonnage and smaller companies find going tough. With more visibility of departure/arrival schedules, timelines maintained by liners, relatively lower tariff offered vis-a-vis air movement, ocean movements are likely to score big time over air. E- Sealing procedure for exporters will greatly help in reducing turnaround time.

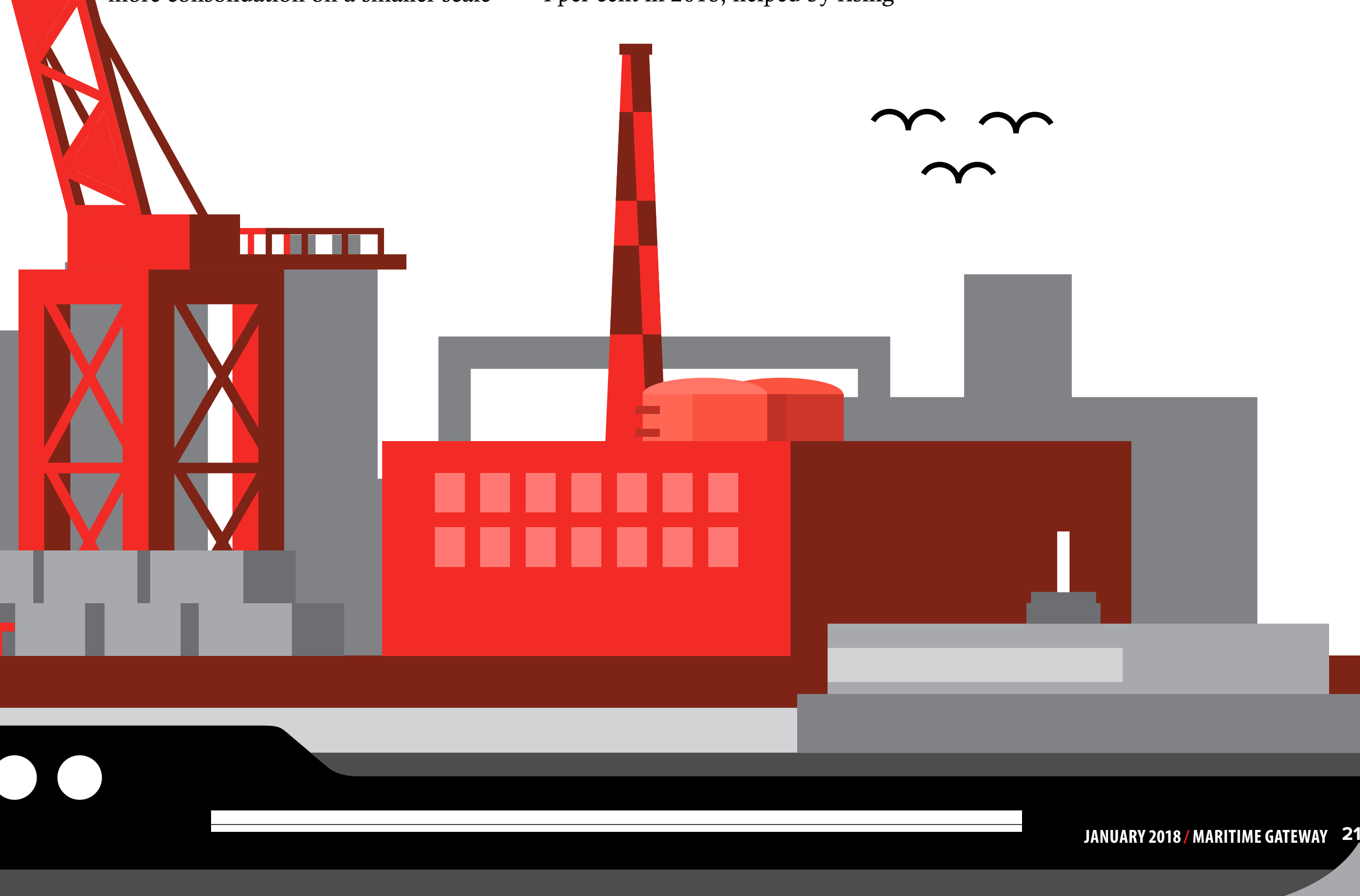
Global scenario

Coming to the global scenario, “We do not expect a material improvement in market fundamentals in 2018 due to lingering overcapacity,” revealed Fitch Ratings.

Both container and bulk show signs of revival, but the longevity of this trend remains uncertain due to limited adherence to capacity discipline in the sector. Improving market sentiment and a focus on scale and vessel size have stimulated new orders. The supply and demand dynamics are likely to support container, bulk and LNG rates, but tanker rates could remain under pressure.

The tanker shipping segment is the most exposed following a glut of new vessel deliveries in 2017. “We expect demand for tankers to grow by around 4 per cent in 2018, helped by rising global oil consumption, higher US exports and declining oil inventories. But this would still only broadly match the expected growth in tanker supply. Rates therefore may not fall further, but a sustained increase is unlikely,” reveals Fitch.

Container shipping freight rates have increased this year, but overcapacity makes this recovery fragile and previous rate increases have proved short-lived. Vessel supply growth is expected to be over 5.5 per cent in 2018, outpacing a likely over 4.5 per cent increase in container transport volume growth. A sustainable recovery in rates will need continuous and consistent capacity discipline in the industry driven by consolidation. The recent recovery in dry bulk shipping rates may also prove short-lived, although unlike for the other segments demand is expected to outstrip the growth in vessel supply in 2018. The market balance will be helped by the low level of new vessel orders for the last three years. China will remain the key driver for dry bulk commodities imports and trade, and the sector is therefore particularly sensitive to Chinese GDP growth, which is expected to be 6.4 per cent in 2018.



> Digital disruption will arrive in the shipping world very soon; and, when it does, IMO must be ready.
>
> **Kitack Lim**
> Secretary-General, IMO

Member states should seize the opportunity to set bold and ambitious goals when they adopt an initial strategy for reducing greenhouse gas emissions from international shipping in 2018. Next year really will be a time when the world will expect IMO member states to deliver a clear vision as the first stage of the approved roadmap. I urge you, be bold; set ambitious goals that really will make a difference. You have a real opportunity here to do something of lasting significance. Make the most of it.

The seven strategic directions point us now towards more effective rule-making and implementation processes by integrating new and advancing technology to respond to our challenges, among others, to increase ship safety, including addressing new emerging technologies such as autonomous vessels, our contribution to combat climate change, engagement in ocean governance, mitigation of cyber crimes, and facilitation of international trade, whilst continuing to take due consideration on the human element factor.

The aim is to transform IMO into a "knowledge-based organisation," with appropriate analysis to support and improve the already effective rule-making process and enhance implementation. The rapidly increasing pace of change in every sphere raised a fundamental issue, since technology will move far quicker than the regulatory process.

Digital disruption will arrive in the shipping world very soon; and, when it does, IMO must be ready. For me, this means the regulatory framework for shipping must be based firmly around goals and functions rather than prescriptive solutions. This is the only way to ensure that measures adopted by IMO are not rendered obsolete by the time-lag between adoption and entry-into-force. I know we have already made good steps in that direction but we must go further and faster in the coming years.

We are in the era of digitalisation and at the United Nations level we are already looking at frontier issues that include emerging technologies such as artificial intelligence, and the benefits they could have in society as a whole, and to remain relevant.

For IMO, we need to have more detailed and deeper analysis of statistics and data so that we can really understand underlying trends and causal factors behind shipping casualties; and we must make sure that additions and amendments to the regulatory framework are also based, wherever possible, on relevant statistics, studies and analysis. This would pave the way for better regulation, one that not only takes into account the work carried out to reduce administrative burdens, but to avoid disproportionate requirements, as well as addressing obsolete and unnecessary ones. mg

> Container and logistics sector will focus on consolidation and managing supply. Increasing oil prices could impact margins leading to lower profitability.
>
> **Shailesh Garg**
> Director, General Manager India
> Drewry

Q How was 2017 for the maritime sector? What were the major achievements and disappointments?

2017 for maritime sector was better compared to 2016 with some key sectors showing recovery. Container freight rates showed improvements over first 2 quarters helping carriers to reverse their losses of 2016. Similarly, Dry bulk market showed good recovery, with BDI touching a three year high. Owners have shown greater discipline in managing supply leading to narrowing of demand supply gap. However other sectors like Tanker and offshore are still under stress.

Disappointment- Subdued activity in the Indian port sector with limited participation of private players in Brown

"POSITIVE MOMENTUM SEEN IN 2017 IS EXPECTED TO CONTINUE IN 2018. ON ACCOUNT OF IMPROVED GLOBAL CONSUMER DEMAND AND INDUSTRY CONSOLIDATION THE OVERALL OUTLOOK FOR THE CONTAINER SECTOR LOOKS A LOT BETTER. INFRASTRUCTURE STATUS TO LOGISTICS SECTOR WILL LOWER FUNDING COST AND HELP IN ATTRACTING PRIVATE INVESTMENT AND INCREASE THE COMPETITIVENESS OF THE SECTOR."

and greenfield projects. Some of the new ports are struggling due to increasing competition and changing trade dynamics. This has adversely impacted confidence of banks and private investors.

Q How do you expect the industry will perform in 2018? Any significant expectations?

Positive momentum seen in 2017 is expected to continue in 2018. On account of improved global consumer demand and industry consolidation the overall outlook for the container sector looks a lot better. Similarly, narrowing gap between supply and demand should aid freight rates in the dry bulk sector. However, 2018 is expected to remain tough for tanker shipping as supply growth is expected to outpace demand growth.

Container and logistics sector will focus on consolidation and managing supply. However, increasing oil prices could impact margins and can lead to lower profitability.

Q What are your plans in the next 1-2 years?

Drewry as a leading Maritime research and advisory firm will be focussing on expanding its product and service portfolio to provide in-depth and dynamic market intelligence to various industry players. Further, we would be focussing on technology to improve our quality, productivity and market penetration.

Q We have seen some key regulatory changes? How did they impact the shipping and logistics business and moving forward what policy changes you are looking for?

GST implementation was the key regulatory change, which India witnessed in 2017. We are still in a transitional phase and businesses are facing some initial challenges in adopting the new system. However, in the long run GST should lead to lower logistics costs and reduced transit times. New tax regime will also assist in promoting Hub and spoke warehousing and distribution network to take advantage of economies of scale and to achieve optimum network cost.

Second important policy decision of the Indian government was giving infrastructure status to logistics sector. This was a long pending demand of the logistics industry. This would lower funding cost and help in attracting private investment and increase the competitiveness of the Indian logistics sector.

These policy changes should act as a catalyst and give push to Make in India initiatives as this would make Indian companies more competitive in the global market and help them in achieving higher margins and profitability. mg

2017 has seen the strongest growth in containerised trade than we have seen for about a decade. The recovery in emerging markets on the back of higher oil price will continue

Vincent Clerc
Chief Commercial Officer, Maersk

Outlook for 2018

The fundamentals for the industry have improved greatly in 2017 on the back of two trends – first is the strong demand for the service that we do, due to which trade has been growing at a pace faster than what we have seen for the past three years and we expect that to continue in the coming couple of years. The other thing is the industry consolidation with bigger players emerging out of this trend and being able to put in place networks that can generate economies of scale that we didn't have before and that can also employ the assets and the capacity that we have developed. So I think the combination of these two trends is quite positive.

2017 has seen the strongest growth in containerised trade than we have seen for about a decade. We expect the recovery that we are seeing in the emerging markets on the back of higher oil price will continue. Global trade should be growing after a few years of subdued growth. The current overcapacity will be absorbed with the growth in trade in the coming years.

Q In the current recovery phase the industry is going through, do you think the big players will add capacity again?

Earlier it has happened so, but this time we have to see if it is different or not. I think the fundamentals with respect to the consolidation may be a bit different from what we have seen in the past. We have made clear atleast that our intentions are not to order ships in the immediate future and we currently have enough capacity to cover the needs of our customers.

Q Your competitors have made recent purchases, does that make you change your strategy?

WE HAVE A VISION TO BECOME THE GLOBAL INTEGRATOR OF CONTAINER LOGISTICS TO SIMPLIFY AND CONNECT TO OUR CUSTOMERS' SUPPLY CHAIN. WE ARE WORKING TO OFFER A WIDER ARRAY OF PRODUCTS ON THESE LINES. GLOBAL TRADE SHOULD BE GROWING AFTER A FEW YEARS OF SUBDUED GROWTH. THE CURRENT OVERCAPACITY WILL BE ABSORBED WITH THE GROWTH IN TRADE IN THE COMING YEARS. THE FUNDAMENTALS WITH RESPECT TO THE CONSOLIDATION MAY BE A BIT DIFFERENT FROM WHAT WE HAVE SEEN IN THE RECENT PAST.

The order book right now is lower than what it has been in a decade, including the last few orders. So we don't believe that this alone will change the fundamentals. If the trade grows pretty strong and better than what we expect and if we get clear signals that our current fleet is falling short for serving our customers then we may very well plan for more vessels.

Q **Do you see more consolidation happen?**

Many of the recently announced mergers and acquisitions have yet to complete. We are into the day-2 of the integration of Hamburg Sud into Maersk, so this is still very much in the making. The merger of three Japanese carriers is yet to come and the merger of COSCO and OOCL is also not yet fully finalised. So whether there is going to be more activity than this is really hard to say. At Maersk all the focus right now is on making the current integration a success because it is quite fundamental for the viability of the deal.

Q **What does Hamburg Sud bring for Maersk?**

Maersk is very good on the east-west trade lanes and Hamburg Sud is good in the North-South trade lanes. We are gaining a very significant position in Latin America and Oceania where we are really able to reinforce our offering and we will be alone able to offer an array of products which will be unmatched. With the acquisition of Hamburg Sud we have a capacity of more than 750 vessels which is sufficient to cope with the demands of our customers in the next couple of years.

Q **Will the industry implement capacity restrictions?**

Well, time will tell this. Each of the players have to make decisions right for their strategy. We have a vision to become the global integrator of container logistics to simplify and connect to our customers' supply chain. We are working to offer a wider array of products.

Q **How do you see contract rates in 2018?**

We are seeing some increases in the negotiations currently in progress. The rise in the oil price that happened in the second half of 2017 is supporting the rise in rates. It is important for us that this is reflected in the new contract rates going forward. mg

The industry was in recovery mode, but the question now is whether the recovery will be fast and good or slow and painful.

Capt. Vivek S Anand
President, MANSA

Business in 2017

Shipping was on the upturn, but the most recent development that is the freight rates for containers are again sliding down, which means the recovery which was expected will be a little delayed. Of course we have to see whether this will be a temporary phase or is it the effect of Christmas new year plus the Chinese new year that is coming up. So all the shipments that had to move for the new year have already been delivered. So is it because of the slump in the season or is it the actual downturn due to crisis of trade. So if that prolongs to beyond the end of January then it will be a cause of concern.

Industry recovery

The industry was in recovery mode, but the question now is whether the recovery will be fast and good or slow and painful. The container industry is in a bit of a limp, but again we should remember that containerised cargo only accounts for 17 per cent of Indian trade and at the global level it is only 16 per cent of the total cargo, and the rest is bulk, break-bulk, gas and liquid cargo.

Plans for the next one or two years

I will retire as the President of MANSA in the next 8 or 9 months. In September I will hand over the baton to the next incumbent who will be elected. Our aim is to assist our members from operational point of view and at the same time try to influence the government and the authorities into further policy relaxation and for formulation of correct policies which will be friendly to the nation and the common man.

The problem is the government tends to take decisions in the form of band-aid solutions, instead of providing a wholesome thought to it. This is understandable to some extent because they are bureaucrats and politicians and not shipping industry professionals and this is the reason that I have always advocated that we should always have a maritime think-tank in the country so that trade and shipping can be given the right boost. On this, MANSA is planning a conference on "Why India is not a major maritime nation?" in spite of having such a large coast line and we are also not a major ship owning nation. Indian tonnage is just one per cent of the global tonnage.

Impact of regulatory changes

Logistics industry getting infrastructure status is a very good move by the government. The logistics providers will be able to access loans from financial and banking institutions at cheaper and more manageable rates which will actually lead to reduction in logistics cost. When business is able to find easy funding it will be able to expand and improve its efficiency.

The granting of infrastructure status for logistics is a huge boost to the sector in itself and will help it access institutional finance.

Prakash Tulsiani

Executive Director and COO, Allcargo Logistics Ltd

Business in 2017

Allcargo traversed a largely stable business trajectory across verticals in 2017. Our customers are getting settled with the changing trade dynamics brought on with the implementation of GST. As they were altering their existing models to adapt to the revised accounting standards and deal with tax compliance issues, logistics decisions have been kept on the back-burner. However this will change in the months to come.

We are optimistic on our domestic - India business. A slew of reforms for infrastructure push have been introduced by the government like Bharatmala, Sagarmala,etc. Our contract logistics segment through Avvashya CCI Logistics, a subsidiary company, has been growing at an expeditious pace. While we are on course to start a Container Freight Station (CFS) in Kolkata, approvals have been granted to rail connectivity for the upcoming Multimodal Logistics Park (MMLP) at Jhajjar in Haryana.

A slowdown in the capex cycle has led to a marginal slowdown in the growth momentum of our Projects and Engineering Services (PES) division. But in the years to come we will take a course alteration to better our ROCE.

On the international front, ECU Worldwide, one of the global leaders in NVOCC services and the biggest LCL service provider, has increased its global market share substantially and we will continue to grow both organically and inorganically in this segment.

Expectations in 2018

We foresee a positive outlook for the logistics sector in 2018. As GST-induced volatility wanes and organizations adopt GST compliant business practices, numbers are expected to improve from Q1 FY 2018-2019. The granting of infrastructure status for logistics, is a huge boost to the sector in itself and will help it access institutional finance from diverse funding instruments at concessional rates, fast-pacing its growth and development.

The impetus on infrastructure investment and increased fund allocation to large-scale infrastructure projects will not only bring logistics costs down and reduce transportation downtimes, it will also lead to improved efficiencies and asset turnaround.

The demand for seamless and diversified logistics services is expected to be bolstered owing to a recovery in capex and a consumption driven economy.

Plans for the next 1-2 years

In India, logistics sector has come to the forefront, especially in the last few months. We have already devised a forward driven roadmap to leverage this sentiment. There are definite plans in the pipeline to build multi-modal logistics parks along key freight corridor routes in the country. Upcoming logistics parks in Jhajjar outside Delhi and land banks at strategic locations – Nagpur, Hyderabad and Bengaluru – will help us further strengthen our pan-India service offerings for clients. A crucial factor here would be to bring the cost of logistics down and enhance ease of doing business since logistics parks will have the right modal mix which will bring in economies of scale.

The contract logistics segment is growing aggressively, especially with the implementation of GST. The emphasis will also be on augmenting the competencies of our contract logistics business. Avvashya CCI has a stated objective of reaching 10 mn sq ft of warehouse operating space from the current 3 mn sq ft by 2020 – 2021.

We will be focusing on expanding the efficacies of the ECU Worldwide business through a series of organic and inorganic growth initiatives. As a young and dynamic organization, we are also in the process of deploying new-age IT processes and platforms for streamlining our operations and rolling out technology based solutions to provide a better experience.

Impact of regulatory changes

2017 witnessed some remarkable policy changes. Such policy changes are long term and hence their benefits will accrue in due course. GST is a boon for logistics and a key enabler to streamline transportation.

The business momentum for us has largely remained stable in 2017 however we have robust plans to scale the business to the next phase of growth. Going ahead, we expect the government to speed up environmental clearance processes. The Sagarmala project for modernizing port infrastructure and port automation should be expedited to leverage the coastal assets of the country and transforming India into a global maritime trading hub. There should be focus on creating a digital roadmap for providing logistics services through online delivery platforms. mg

Indian Ports Association

Business in 2017

The year 2016 ended with growth of traffic at Major Ports by 6.91 per cent which was the highest growth during last 3 years and it is very similar to the average trend of the global ports. Traffic handled by major ports grew from 606.47 Million Tons (MT) to 648.40 mt. During the year 2017 ports have seen regular improvement in their performance including reduction in Turn Around Time (TAT) of ships and increase in average berth day output. The 12 major ports put together handled 439.66 mt of cargo during April to November of the current financial year as against 424.96 mt handled during the corresponding period of last year.

Achievements

Several new initiatives were launched by various ports during the year 2017:

- Eight new connectivity projects at JNPT costing ₹1117.03 Cr.
- Vizag port initiated container service to land-locked Nepal.
- First train carrying 90 containers took off from Vizag on 4th August 2017.
- Smart industrial port cities have finally started taking shape at Kandla and Paradip Port.
- Kolkata Port Trust has invited bids for outer terminal at Haldia Dock Complex.
- Starting with JNPT all major ports initiated a consulted effort to improve ease of doing business for port users. 42 specific initiatives were identified of which most have already been implemented at JNPT. The recent WB report shows distinct improvement, and this is being monitored very closely by the ministry.

> "PORT SECTOR IS OPTIMISTIC TO WITNESS FURTHER GROWTH DURING THE YEAR 2018. WITH SEVERAL NEW PROJECTS (APPROXIMATELY 55 IN NUMBER) COMING UP IN 2018 IT IS EXPECTED THAT CAPACITY OF PORTS WILL SUBSTANTIALLY INCREASE. CONSEQUENTLY, THERE WOULD BE A VOLUME INCREASE OF CARGO HANDLED. LINKAGE TO THE DEDICATED FREIGHT CORRIDORS WOULD ENHANCE REACH AND THUS IT WOULD PLAY AN IMPORTANT ROLE IN SHIPPING LOGISTICS. ADVANCED VERSION OF PORT COMMUNITY SYSTEM WILL SMOOTHEN THE ROUGH EDGES BETWEEN THE STAKEHOLDERS."

- Passenger services between Gogha - Dahej in Gulf Cambay was inaugurated on 22nd Oct 2017
- Ro Ro services started at Deendayal, Mumbai, Chennai and Kamarajar Ports
- Ro-Ro service introduced from Hatsingmari to Dhubri on NW-2 and Manihari to Samdaghat on NW-1.

However, port sector, particularly PPP operators were keenly looking forward to passage of Major Port Authorities (MPA) bill which would grant greater autonomy to ports. The bill was introduced in Parliament in December 2016, but it is still awaiting getting a proper legislative concurrence.

Expectations in 2018

Port sector is optimistic to witness further growth during the year 2018. With several new projects (approximately 55 in number) coming up in 2018 it is expected that capacity of ports will substantially increase. Consequently, there would be a volume increase of cargo handled.

As per the vision of the union government, ports are to undergo a major transformation in the years to come. From being mere gateways for export and import of cargo, ports are expected to turn into pivots of economic activity. Port led industrialization is one of the pillars of Sagarmala Programme and it is expected that the year 2018 will see Ports emerge as centers around which industrial and commercial activities will flourish.

Ministry of Shipping has already identified large number of projects centered around ports to add to economic activity and these would finally lead to more maritime clusters being created.

Plans for the next 1-2 years

Various plans and projects are in pipeline to transform India's major ports into world class facilities. These include:

- RFID systems in all ports
- Additional gates, realignment of gates and gate Automation to improve entry and exit of goods
- Streamlining of port processes to cut down time and cost
- Deeper draft at selective Indian ports to enable larger sized ships.

- Increased emphasis on mechanization and reduction of human interface.
- Improved connectivity with hinterland including road and rail corridors. Linkage to the Dedicated Freight Corridors would enhance reach and thus it would play an important role in shipping logistics.
- Advanced version of Port Community System to be made available and the rough edges between the stakeholders would be smoothened
- Introduction of Green Technologies in ports to reduce cargo footprint etc.

Impact of regulatory changes

Most of the regulatory changes are still under observation as far as their applicability is concerned. Major Port Authorities Bill has been worked upon for a long time and has been subject of intense debate and the bill is likely to come up in the parliament soon. It is expected that the new legislation will provide for redesigned role of the Tariff Authority for Major Ports (TAMP).

Also, the Model Concession Agreement (MCA) is yet to get a final shape. Once it is implemented, we expect a new era of PPP operation in ports involving more PPP operators in the port projects.

Among some of the initiatives taken during 2017 were New Berthing policy and Stevedoring policy These are likely to enhance revenues in Ports and also add transparency in administration and governance.

Competition from Foreign carriers offering cheaper rates remained a big concern. Volumes remained stagnant and Road rail has remained the preferred choice.

Capt. Sunil Thapar
CEO, Allcargo Shipping Company Pvt Ltd

Business in 2017

We as a company are mainly dealing in bulk cargo movement on and around the coast of India. In spite of major push from the GOI towards modal shift of cargo to coastal shipping, not much improvement was seen as far as commercials of the business are concerned. Competition from foreign carriers offering cheaper rates remained a big concern. Volumes remained stagnant and road rail has remained the preferred choice.

Expectations in 2018

We don't see much change happening in 2018 as far as coastal shipping is concerned, unless of course the course correction in global shipping picks up to reasonable levels. The new building orders have picked up in all segments. Nearly 28 per cent of the fleet orders in 2017 were for bulk vessels and close to similar numbers for tankers. Add to that the previous year's order and decline in scrap activity, well it is anybody's guess how the market will shape up.

Plans for the next 1-2 years

Wait and watch before investing for plying in spot market.

EXIM container trade is expected to grow 5-6% in India, and accordingly we are planning budgets to gain inline with the market growth

Bimal Kanal
Director (India & Sri Lanka), Safmarine

Business in 2017

Export and import volumes for Safmarine was very strong, and the company has achieved targets for 2017. We have also noticed positive movement in certain trade such as from Europe and China which fueled export and import for the company. The company's growth in North America has been impacted because the market has not been very strong there. Our pricing policy have been little bit restrictive, and the company has not been able to achieve target in that market. Though volume wise it could have been better but overall the company has been able to achieve good revenue performance.

Our South Asia business consists of cargo movement from India to Sri Lanka and Bangladesh. And the company has performed well in this market. Cotton movement to Pakistan was expected to take place but that trade didn't happen where the company could have gained.

EXPORT AND IMPORT VOLUMES FOR SAFMARINE WAS VERY STRONG, AND THE COMPANY HAS ACHIEVED TARGETS FOR 2017. WE HAVE ALSO NOTICED POSITIVE MOVEMENT IN CERTAIN TRADE SUCH AS FROM EUROPE AND CHINA WHICH FUELED EXPORT AND IMPORT FOR THE COMPANY.

WE ARE HOPEFUL IN PREVAILING SCENARIO INDIA WILL REGISTER A HEALTHY GROWTH OF 5-6 PER CENT IN 2018. HENCE, WE NEED TO POSITION OURSELVES TO GAIN FROM THE GROWTH MOMENTUM. WE WILL BE FOCUSING ON NORTH AMERICA, MEDITERRANEAN, EUROPE AND AFRICA, PARTICULARLY CENTRAL WEST AFRICA AND EAST AFRICA. THESE FOUR MARKETS WILL FORM THE CORE OF OUR GROWTH STRATEGY IN 2018.

Expectations in 2018

We have started to evaluate the business targets that could be achieved in the upcoming year. EXIM container trade is expected to grow 5-6 per cent in India, and accordingly we are planning budgets to gain inline with the market growth. We look to grow as per market conditions and improve market share in the prevailing market conditions.

Due to some policy decisions and actions of the government such as demonetization and implementation of GST, EXIM cargo volume was slowed down as a result the industry faced a difficult time in few quarters in 2017. In Q3 in particular was the most difficult phase for exporters and importers. But gradually towards the end of the year, the market condition has improved for the EXIM trade. We are hopeful in prevailing scenario India will register a healthy growth of 5-6 per cent in 2018. Hence, we need to position ourselves to gain from the growth momentum. We will be focusing on North America, Mediterranean, Europe and Africa, particularly Central West Africa and East Africa. These four markets will form the core of our growth strategy in 2018. Hence overall Safmarine has a positive outlook for 2018.

Infrastructure status to logistics industry

It is a good start on part of the policy makers. However, there is a lot of time lag between the time the sector gets infrastructure status and the infrastructure actually develops. The government has taken some key decisions pertaining to shipping and containerized trade which is facilitating the trade such as DPD and improving efficiency of cargo clearance. There are lot of public-private participation taking place in CFS and port sector. As a result the bottlenecks are reducing as compared to earlier time. However, the next level of growth will depend a lot on not only on the growth of physical infrastructure but IT solutions. Seamless exchange of data and clearance through various agencies like Customs, digitization, ease of container movement, etc will pave the way for the future growth of the industry. Similarly, EXIM trade also need to grow and it could be possible through simplification of export procedures such as the documentation required for an export or the number of signatures needed on a shipping bill, among others. Process, documentation and use of IT in the entire supply chain of EXIM cargo movement is going to drive the future growth of the industry. Digitization is catching up at a very fast pace in the shipping sector which is a positive trend. For example, one can transact with Safmarine and carry out entire process of cargo shipment without any face-to-face interaction and it has been possible due to IT implementation available through various platforms available through Safmarine website and apps. The customers have also positively responded to the implementation of IT-enabled service offerings. mg

Companies need to have the right levels of qualified labour, working capital, and equipment to successfully manage their growth and be profitable.

Harpreet Singh Malhotra
Chairman & Managing Director, Tiger Logistics (India) Limited

Business in 2017

The year 2017 has been a mixed year for Tiger Logistics. This quarter end results were closed with more than 20 per cent growth. The company hopes to keep the growth momentum high in the next year too. This year company has opened two international offices at Singapore and UAE respectively and expanded its footprints in foreign countries. The company has strengthened with some of new employees, a team of young professionals and individuals who have chosen Tiger Logistics from bigger MNC's. We are having many reputed agents and associates around the world. Tiger Logistics management has always been keen in growing the corporate customer base in order to give leeway to company to always reinvest its profit for the future organic growth.

Well the sluggishness in the export market remains a worry as commodity market is not picking up and the reefer business is also down. The company is looking at new avenues which could be the future growth engine for the company. Demonetisation and just after implementation of GST made market struggling. But GST would be a game changer in coming time and we are optimistic about this. Tiger Logistics is a leading logistics service provider involved in MTO (multimodal transport operations), Transportation and Customs clearance activities for handling of project cargo across North, West and East India. And it made Tiger Logistics to be a first choice of Customers. Today the company has a staff strength of 350+ persons, a fleet of 59 vehicles with 16 Pan India offices – New Delhi, Mumbai, Nashik, Pune, Kolkata, Ahmedabad, Veraval, Mundra, Hazira, Morbi, Vadodara, Veraval, Kanpur, Ludhiana, Jaipur and Chennai.

Expectations in 2018

In my point of view industry deals in the disorganized nature of the logistics. India, is a man power heavy industry and lack of adequate training institutions has led to a shortfall in skilled management and client service personnel. This can be easily underscored as a growing concern across the industry, affecting both 3PLs and shippers: a shortage of supply chain and logistics talent. The Indian consumer is in great shape and will be increasing his and her spending levels in 2018. Companies need to have the right levels of qualified labour, working capital, and equipment to successfully manage their growth and be profitable. If they aren't prepared in advance, they're going to find that these key resources (labour, capital, and equipment) are in short supply. Labour is obviously already an issue across many sectors, and you can't get new capital equipment at the drop of a hat. The companies that have to scramble to create capacity won't be as profitable as those that prepare ahead. High logistics cost reversal is also a problem in the industry. Some issues are also very vital to work on like upfront efforts and costs to implement solutions, increased emphasis on regulations and requirements and liquidity crunch. For example - the people who lead the company or sitting in senior positions are very knowledgeable and good at what they do but once you go below that top management layer, you can see many lower level people who are less confident about the skills and capabilities they have. This can be easily underscored as a growing concern across the industry, affecting both 3PLs and shippers: a shortage of supply chain and logistics talent. Hence, there needs to be a concerted effort to bring in fresh talent and also to spruce the skills of those already working in the logistics sector, so that the industry does not face a dearth of skilled workforce when demand for manpower grows in the near future.

Plans for the next 1-2 years

Being an International logistics company Tiger logistics is one of the leading service providers involved in shipping of equipment and supplies for the project sector throughout the world. The Company plans to enter the Domestic Logistics market in the coming two years. We are in the process of setting up warehouses, participate in container freight stations (CFS), inland container depots (ICD), logistics parks, distribution centres and other facilities to leverage the abundant opportunities. Our aim is to have a 100 per cent reach anywhere and everywhere. Tiger Logistics has major expansion plans, where the company is planning to have a PAN India presence and venture majorly into domestic logistics

"THE INDIAN LOGISTICS INDUSTRY SPENDS AROUND 14 PER CENT OF THE GDP ON DIFFERENT TYPES OF COST INCURRED IN LOGISTICS OPERATION. 3PL LOGISTICS MARKET IN INDIA IS EXPECTED TO BE WORTH $301.89 BILLION BY 2020. THIS GROWTH RATE IS BASED ON THE EXPECTATION THAT THE NEW GOVERNMENT HAS IMPLEMENTED GST AND REMOVE 'CHUNGI' TARIFFS"

with warehousing distribution and transportation. The company plans to open its own offices into different countries such as U.S., China, Mexico, and Panama by 2019. Tiger Logistics has its own offices at all ICD's and ports in India and reputed agents and associates offices around all over the world. And company also plans to set up cold chain logistics warehouses in coming years.

The company plans to invest in owing the CFS (Container Freight Stations) in Gujarat Location not only to assist in doing the backward integration for our present corporate customer base but also to complement our various north India offices by providing end to end solutions for the entire cargo base moving by road to Gujarat Gateway Ports. The Company would like to enter the Defence Forces arena and be a preferred vendor for Logistics. Today the Defence Forces does not use any Private Logistics Company and spends a huge amount of money in Logistics and Transport.

Impact of regulatory changes

The Indian logistics industry spends around 14 per cent of the GDP on different types of cost incurred in logistics operation. The amount of cost incurred is very high in comparison to the logistics cost incurred by different nations. 3PL logistics market in India is expected to be worth $301.89 billion by 2020. This growth rate is based on the expectation that the new government has implemented GST and remove 'chungi' tariffs and with this help logistics companies can optimize their operations to reduce cost and increase their margins. The logistics firms are moving from a traditional setup to the integration of IT and technology to their operations to reduce the costs incurred as well as to meet the service demands. The industry as a whole has moved from being just service provider to the position where they provide end to end supply chain solutions to their customers. With the help of GST, the logistics companies, which are currently forced to set up many small warehouses across multiple cities can set up just a few, big warehouses region wise and can follow the hub-and spoke model for freight movement from the warehouses to the different manufacturing plants, wholesale outlets, retail outlets and the various POS. The Indian transportation and logistics industry is emerging rapidly to an efficient level along its growth trajectory. Rising investments, rapidly evolving regulatory policies, mega infrastructure projects, and several other developments in recent times have driven the Indian logistics market to a global extent. As the Indian Government introduces MAKE IN INDIA and PPP model program globally, our country continues to emerge as a biggest manufacturing source/partner.

UPS will provide integrated services for small package, supply chain solutions and contract logistics for faster and more efficient access to international markets

Rachid Fergati
MD Indian Sub-Continent, UPS

This year has been one of changing business and economic dynamics which presents a huge opportunity for businesses to grow internationally, going forward. UPS is an enabler of global trade for local businesses in India and is well positioned at the intersection of connectivity, technology and efficiency to provide a SMART business network to realize that goal. Therefore, our focus has been on not just business consolidation but also how we can partner our customers in growing their businesses by connecting them to the international marketplace in the most efficient way possible.

Small & Medium Enterprise (SMEs) will continue to be a key focus area for UPS in India. This year, UPS opened an integrated facility at Hyderabad to support local businesses and SMEs, looking to expand trade with the global marketplace. UPS will provide integrated services for small package, supply chain solutions and contract logistics for faster and more efficient access to international markets. It is also easily accessible for walk in retail customers.

For the industry, as part of the government's 'ease of doing business' commitment, roll out of a single tax regime in the form of the Goods and Services Tax, is a landmark policy initiative. It aims to facilitate better business conditions, increase speed to market and eliminate redundancies. We will see its impact in the year ahead. India's Make in India initiative is likely to create opportunities to invest in value-creating businesses.

We will continue to offer a smart network that combines three key areas:

a. Connectivity to 220 countries and territories worldwide,
b. Investment of over $1billion annually on an unmatched technology infrastructure worldwide that ensures the smooth delivery of 19.1 million packages daily to more than 8.7 million customers and
c. Efficiency which ensures there is no idle inventory on either the supplier or the buyer side of the business.

In terms of priorities, we have a deep segment focus in India across automotive, hi-technology, healthcare and aerospace.

In Automotive, UPS in India works with some of the prominent automotive brands in the industry. We have a dedicated task force for the auto industry in India. We offer solutions that help build efficiency and improve on a constrained supply chain. Healthcare is a sector that continues to be a focus area for us. UPS PharmaPort™ 360 provides shipment monitoring and protection for temperature sensitive pharmaceuticals and vaccines. In Aerospace we provide solutions ranging from critical part supplies, routine maintenance requirements to Aircraft On Ground (AOG) situations. This precision engineering industry needs fast, reliable and safe movement of goods, last minute deliveries and complex handling requirements.

Overall, UPS has a strong growth potential in India driven by our focus on sectors, speed to market, reduction in costs and increase in efficiencies.

There are major challenges for intermediaries and feel that we shall face fierce competition

Sailesh L. Bhatia
Managing Director
Bhatia Shipping

Business in 2017

Demonetisation was a speed breaker and has slowed down the economy though for a good end goal.

Expectations in 2018

Make In India is yet to make an impact on volumes till then we continue to live on hope. Despite this feel 2018 should be better.

Plans for the next 1-2 years

There are major challenges for intermediaries and feel that we shall face fierce competition, due to this intermediaries like us need to redefine our roles which is my goal.

Impact of regulatory changes

Demonetisation and GST both have impacted business volumes as well as profitability. I look forward to government simplifying GST rules so that cost of compliance reduces. I am particularly looking forward to government amending the act to give legality to a white paper on GST. Thereafter government along with industry associations should make and ratify a white paper for each industry which should thereafter be the bible for GST implementation. This will ensure there is no litigation between trade and government for difference in opinion on implementation. This will greatly reduce burden on trade as well and will reduce the cost of compliance for GST.

> GST WILL PLAY A HUGE ROLE IN REDUCTION OF COST IN THE LOGISTICS INDUSTRY IN 2018. WE WELCOME THE E- SEALING PROCEDURE FOR EXPORTERS THAT HAS BEEN BROUGHT OUT BY CBEC. E- SEALING WILL GREATLY HELP IN REDUCING TURNAROUND TIME FOR EXPORTERS. CUSTOMS WILL ALSO RECEIVE COMPLETE DATA OF A CONSIGNMENT FROM THE POINT OF STUFFING BY SIMPLY SCANNING THE E- SEAL.

The role of Class would expand into new verification fields, e.g. cyber safety, assurance of data quality and sensor-equipped cyber-physical systems.

Knut Ørbeck-Nilssen
Chairman, IACS & CEO DNV GL – Maritime.

The maritime world is in the middle of a period of rapid change, with increasing digitalisation, new regulations and shifting markets. Classification societies can help to remove barriers, speed up the process, and assist stakeholders make the most of the new landscape. "One of the major contributions of Class in current times of transformation is to bring familiar assurance processes to new and unfamiliar technologies. This will help to ensure a quick uptake and smoother implementation of new technologies which can enhance safety and increase efficiency.

IACS is working to adapt regulations to new needs and remove regulatory barriers. An effective regulation is one that rewards early adopters. At the moment, it could be argued that those who adopt last get the best financial return. Instead, let us embrace the opportunities which arise from the digital transformation and be proactive in addressing challenges.

Ship systems are becoming ever more complex and increasingly controlled by software. This is leading to new risks, like hacking and cybercrime. Accordingly, the role of Class would expand into new verification fields, e.g. cyber safety, assurance of data quality and sensor-equipped cyber-physical systems. Even so, the methods and processes might change but the purpose of classification remains the same: ensuring safe operations at sea while protecting life, property and the environment.

E- Sealing will reduce turnaround time for exporters. exporters will now be able to independently plan their export process and Customs will have data at their fingertips.

Pramod Kr. Srivastava
Director & CEO, PDP Group

Business in 2017

Various favourable regulatory policy changes came in to effect in 2017 and therefore it was a great year in terms of transformation of the logistics industry. We experienced a positive approach of all Government officials and we feel that the 'Ease of Doing Business' model is being thoroughly worked upon to facilitate better exports and imports and also attract foreign investments into the country. A huge potential is still present in the field of digitalisation, especially in Ports, logistics and Customs area. Digitalisation is fast catching up in the logistics sector and will help in improving efficiency while reducing the cost of logistics.

Kolkata Customs has gone ahead with usage of 'UCC' Software wherein unclaimed containers lying at CFS, ICD and Port Area can be recorded in a systematic manner. If the container is not cleared in time, proper action can now be taken with the help of the software. Kolkata Customs will now automatically receive complete records of all containers carrying import cargo which arrive at ICD, CFS and Port Area. On behalf of NACFS, I would like to thank Customs for taking this issue forward under 'Ease of Doing Business'.

One of the major disappointments has been the insistence to stick to cash payments by certain sections of the Shipping Industry.

Expectations in 2018

GST will play a huge role in reduction of cost in the logistics industry in 2018. I agree that the implementation of GST has not been ideal as the industry was perhaps not completely ready for it. However, now that the stakeholders are getting accustomed to GST, I am confident that GST benefits will assist in the development of logistics industry.

The Govt. of India has come up with a Policy wherein the Logistics Sector has been given 'Infrastructure' Status. This will help attract more investments in the sector and lead to its growth.

We welcome the E- Sealing Procedure for exporters that has been brought out by CBEC. E- Sealing will greatly help in reducing turnaround time for exporters. Customs will also now receive complete data of a consignment from the Point of Stuffing by simply scanning the E- Seal. Therefore, exporters will now be able to independently plan their export process and Customs will have complete data at their fingertips. This is a win- win situation for the trade and we expect it to positively impact the EXIM Trade in 2018.

Plans for the next 1-2 years

We see huge opportunity in EXIM Trade with Bangladesh and Bhutan. Keeping this in mind, we intend to expand our presence in the Bangladesh sector. We also intend to have a strong presence in Bhutan by the next 1-2 years. We are confident that multiple modes of transport will be available for EXIM Trade when dealing with Bangladesh and Bhutan.

Zonal Development is expected to take place in Eastern India in the upcoming years. Keeping this in mind, we plan to increase our ICD's Rake Movements to Haldia Port.

Impact of regulatory changes

Kolkata Port Trust was unable to come up with a proper Land Policy in 2017. There are various Sitting Occupants who have a Formal Agreement with their Original Tenant and are paying full Monthly Rent to Kolkata Port on behalf of their original Tenant. However, the Port is declaring the Sitting Occupant as a Trespasser. Keeping in mind the severity of this problem in Kolkata region, we strongly hope that Kolkata Port Trust comes up with a One Time Scheme for regularisation of Land for bona fide Occupants.

I am also expecting the Government to continue its strong emphasis on Digitalisation under 'Ease of Doing Business' with both Port and Customs.

We anticipate growth rate of 10 to 12% in Logistics sector in the next couple of years thanks to the major push through GST implementation.

K Swaminathan
Director [Service Business], Balmer Lawrie & Co. Ltd.

Business in 2017

The Import volumes of major PSUs/Government are on the decline due to Govt's initiative on Make in India and Import substitution. The Freight Forwarding Industry in India is overcrowded with small Freight forwarders who are offering rock bottom rates with indiscriminate credit to grab market share. This is unnecessarily causing blockage of funds for the Large Corporates thereby affecting further investment and diversification. The Freight Industry is poised for consolidation and the major players are looking for forward/ backward integration for sustainability.

Major achievement for our company has been in sustaining the business despite odds. During the year, we handled a major Ocean Charter including delivery of the cargo after crossing over 1250 kms by Road with Heavy equipment transported on Goldhofer Axles and hydraulic / mechanical trailers. Overall, business scenario during 2017 is moderate.

As a freight forwarder we felt that there is slow down in logistics activities in Europe and USA. There is no growth in Export volume.

One major concern for us was the uncertainty amongst the trade in taxability of some services under GST. To a large extent this issue has been settled with the trade taking a uniform stand.

Post implementation of Direct Port Delivery (DPD) especially from JNPT, the volumes available to the CFSs came down sharply and for some CFSs, the fall was even more than 50 per cent of their regular volume. The impact was felt from the last quarter of the last year and presently the volume through DPD is hovering around 35-40 per cent. We have not felt the impact of DPD in other major ports till now although the CFS Association is of the view that the role played by the CFS in the last few years in ensuring that the port works effectively through immediate evacuation of the loaded containers, is no longer relevant in the eyes of the Government. The government feels that DPD will actually reduce the cost of logistics for the importers / exporters by reducing the need for the cargo / container to move through CFSs. Post implementation of DPD, CFSs are trying to re-work their strategies to stay relevant in the Industry. Providing value added services, earmarking a part of the CFS for receiving DPD containers at much lower tariffs etc. are being considered by CFSs.

Expectations in 2018

The Logistics sector has witnessed two major reforms in the recent past viz., implementation of GST and awarding "Infrastructure" status to logistics industry. This will facilitate major reforms in the Industry with consolidation of activities and more and more investment in development of infrastructure like logistics parks, container terminals, private ports, modern warehousing etc. The recent incentive given to the textiles and garment for export will definitely act as a catalyst for growth of these industries which are labor intensive. Govt. should actively consider reducing the GST applicability on freight and origin charges to facilitate the exporters to compete in international markets.

We do hope that 2018 will witness growth in import as well as in export by air and sea. With the thrust on the growth of manufacturing sector and export of manufactured articles, we feel there will be adequate business for CFS and freight forwarders.

We expect growth in sea export activity with the few engineering project exports to East African countries, executions of which are likely in 2018. We also hope that exports from Garment manufacturing units will surely go up in 2018.

Govt. should encourage on a massive scale modernization of big industries and improvement of technologies and enhancement of production capacity particularly in oil refineries, water / irrigation schemes.

We anticipate growth rate of 10 to 12 per cent in Logistics sector in the next couple of years thanks to the major push through GST implementation. Many corporates have a vision to reduce the logistics costs and it appears that ocean shipments may have a different dimension in the overall perspective of the freight forwarding business. With more visibility of departure/arrival schedules, timelines maintained by Liners, relatively lower tariff offered vis-a-vis air movement, ocean movements are likely to score big time over air.

Plans for the next 1-2 years

Our company has already identified the potential of developing the Infrastructure in Logistics and invested in development of multi modal logistics hub in 53 acres of land in Visakhapatnam with state of the art facility and full-fledged railway connectivity with the hinterland. Company has also invested in temperature controlled logistics and opened its first TCW in Hyderabad in March 2016 and the second one in Rai is ready for full scale operation. One more TCW in Mumbai is in advanced stage of commissioning. Company is always on the lookout for meaningful investments in Logistics sphere to shore up its revenues and earnings. Riding on the back of the expertise gained over the years in Exim trade management through our presence in freight forwarding, CFS and warehousing, Balmer Lawrie expects to play a significant role in logistics. The company is working towards its commitment to the trade to provide a single window solution for all its requirement.

Impact of regulatory changes

Our company has always been nimble footed and molded its businesses with the changing dynamics of the Industry. We always keep ourselves updated with the changes in regulatory framework and start preparing well in advance. Accordingly, the accounting, billing and operations platform of the organization were made ready much before implementation of GST. This preparedness has enabled us to transistion smoothly our systems and operations once the GST bill was announced. Hence, we did not have to do firefighting and our system stabilized quickly after initial hiccups.

In today's business environment post implementation of GST and other customs regulations in place for a quicker release of cargo from Port/airport (which is yet to gain acceptance of trade), business has become difficult and new challenges are thrown almost nonstop to the trade. Currently trade is sulking but quickly coming to terms with the changes imposed by regulatory authorities as most of these are international best practices and India cannot be found wanting in delayed implementation of such practices. A major milestone marked last year was according of the infrastructure status to the logistics sector. The move will help logistics companies access easy finance.

Global container throughput has improved and the prospects for the small and medium-sized orders for container handling have strengthened.

Shyam Pathak
Sales Director (South Asia)
Konecranes

Business in 2017

The sales in 2017 are expected to be lower than the comparable combined company sales in 2016 (€3,278 million). The comparable combined company's operations comprise Konecranes' operations without the divested STAHL Crane Systems business, but include the acquired Material Handling and Port Solutions (MHPS) business.

Group sales in Q3 were 7.2 per cent below the previous year on a comparable combined company basis. The decrease in the Business Area Port Solutions' sales related to the timing of deliveries and exceptionally high sales of RTG cranes in the comparison period. The sales in Business Area Service and Business Area Industrial Equipment were affected by similar factors as the order intake, prioritizing the margin improvement through integration activities over the growth.

Expectations in 2018

Economic indicators related to manufacturing industries continue to be strong. Demand situation in Europe is stable within the industrial customer segments. Business activity in the North American manufacturing industry remains mixed. Demand in Asia-Pacific is showing signs of bottoming out. Global container throughput growth has improved and the prospects for the small and medium-sized orders related to container handling have strengthened.

Plans for the next 1-2 years

The integration of MHPS is running ahead of our expectations. In the third quarter 2017, we made progress in optimizing our manufacturing operations in several countries, most notably in India, Italy, and the US. We are building a good starting point for our integration activities in 2018, and laying the ground for the growth initiatives that will be started gradually during 2018.

2018 will probably be slow recovery for the shipping sector where we limp back to normalcy. Hopefully 2019, would be a fuller and more healthy recovery.

Nafeesa A. Moloobhoy
Managing Director
A. S. Moloobhoy Group of Companies

Business in 2017

2017 was a year about sustainability of business.

During this recessionary period we used the time to re- invest in our business and improve the infrastructure at Moloobhoys and strengthen our verticals. We bought new offices in Chennai, Kandla and Visakhapatnam (before the offices were on rent; now we own all our branch offices, except Kolkata).

We are also constructing our own office building in Turbhe which will house our state of the art Liferaft Servicing Station, Lifeboat Servicing Station and FFA Station.We revamped our Life Saving Appliances Servicing business and began Calibration of Gas Detectors. For our FFA Divison, we are going ahead with setting up of hydrotesting facilities at our stations. We sent many of our engineers for several OEM trainings; in order to empower them with the required knowledge and skill set. The disappointments were; that there aren't many government tenders and new ship building orders are few and far between. As a result of this; too many vendors are chasing too little business - the rates have come down significantly and are sometimes not economically viable. Besides, extremely low rates leads to suppliers taking short cuts - in the liferaft business it is especially appalling at how many liferaft service stations have cheated the customer and shortchanged the Authorities.

The use of date tampered Pyros in almost all liferafts is seriously worrying. Even in the servicing of FFA extinguishers - we have seen such sloppy work being undertaken and in one instance only the label was changed.

Expectations in 2018

2018 will probably be slow recovery for the shipping sector where we limp back to normalcy. Hopefully 2019, would be a fuller and more healthy recovery. However, I personally feel, recession is the best time for infrastructure building and consolidation of activity or for starting new verticals.

This lean period allows us to access good people at reasonable salaries and enlist outside third party services at affordable rates. We are concentrating on the UAE and GCC countries and establishing our subsidiary there.

Our new vertical of Maintenance of Boats is exciting and creates new business opportunities.

All this we are nurturing in a slowdown period so that when the boom comes we are well positioned to participate in the "*Ache Din*"

In terms of expectations, we believe that under the leadership of our dynamic Shipping Minister Shri Nitin Gadkari, coastal shipping will get a big boost and this will lead to small shipyards building River Sea Vessels (RSV) which will give an impetus to the shipbuilding industry. We even see the Defense Sector giving us business opportunities as it readies itself to take on the challenges of terrorism and threats from neighbouring countries.

Plans for the next 1-2 years

In next couple of years we plan to capitalize on the infrastructure that we have built; both in terms of brick and mortar infrastructure and manpower. We want to expand in the area of Boat Maintenance, since we feel there will be a huge requirement of professional maintenance of boats of the Indian Navy, Indian Coast Guard and Marine Police.

We have begun calibration of gas detectors, hydrotesting and refilling of cylinders and expanding our life saving department. We also plan to start an automation section – this will make us a one stop shop for marine customers. Our plan is also to start subsidiaries in GCC countries over the next couple of years.

Impact of regulatory changes

The "CONCEPT" of GST in particular did not affect us much; since all IGST and SGST paid to the government could be offset from the same recovered from customer.

However, the “PERCENTAGE” of GST which is a whopping 28 per cent on most goods and 18 per cent on services, serves as a major disincentive for foreign companies to undertake various jobs in India and most of them postpone their annual inspections to next port of call, which is outstide India. This has seriously affected our business.

Relatively high rates of interest make the cost of capital still unaffordable and it stymies growth.

We really wish the Shipping Ministry would relook at some of the policies; especially with regard to importing transmitting equipment. The nightmare we go through to obtain various WPC (Wireless and Planning Commission) licenses is demotivating besides being time consuming, leading to delays which result in ships picking up the equipment in countries like Singapore and UAE, and as usual Indian loses out.

What we really look forward to is that the government delivers on its promise of ease of doing business in India. As the country has significantly notched up its position in the World Bank's global index for ease of doing business in 2017, this is attracting multinational players to India for setting up manufacturing and export units which will add to the growth in India's export/import trade.

We see 2018 with a positive outcome of the regulatory proceedings that have ruled 2017 and reward the much awaited comfort zone for all the industry participants.

Unnikrishnan Nair
Managing Director & CEO, LCL Logistix

Business in 2017

LCL Logistix witnessed 2017 as an incredible ride of both ups and downs – a mixed bag. The company witnessed all - from business pressures to regulatory surprises, a lot of challenges have surfaced. We at LCL Logistix now setting our radar for all the forthcoming shifts in the logistics industry. We have achieved holding 2017 better than the last year, integrating our operational bandwidth and driving business synergies.

Expectations in 2018

We see 2018 with a positive outcome of the regulatory proceedings that have ruled 2017 and reward the much awaited comfort zone for all the industry participants. The signs till now seem to be on track and we expect it to meet the industry expectations.

Plans for the next 1-2 years

Today LCL Logistix is part of the French shipping conglomerate - CMA CGM and all set into integrating its position and driving out the synergies that will unleash its renewed long term business vision and objective.

Impact of regulatory changes

The company embraced the regulatory changes and is ready to uphold the short term shakes for a long term standing. Some policy changes like DPD indeed have taken toll in certain segments of our business, but still we are in the position to outperform taking advantage of the new outlook of the industry, especially the initiatives by the government towards 'ease of doing business'. We are glad to watch the industry slowly gaining importance in the government portfolio and rising its status carving a niche in the federal vision and perspective.

There will be more consolidation on a smaller scale as strong owners and operators flex their muscles to acquire tonnage and smaller companies find going tough.

Sanjam Sahi Gupta
Director, Sitara Shipping Ltd.

Business in 2017

This year, 2017 was a marked improvement over 2016. Failures of major players such as Hanjin posed a grim picture for containered trade. While there were no disappointments, we were careful to tread

WHILE DISRUPTIVE INNOVATION IS RISKY, IT'S NOT AS RISKY AS CLOSING OUR EYES AND STICKING TO BUSINESS AS USUAL. THAT'S WHAT KODAK AND NOKIA DID. IDENTIFYING PROBLEM AREAS FOR THE CUSTOMERS IS KEY . IF YOU MANAGE TO INNOVATE ON THOSE YOU MIGHT BE FORTUNATE TO FIND SOME FIRST MOVER ADVANTAGES.

and happily exceeded our targets. Cost cutting tools and running a zero wastage policy helped us tremendously. People management is most essential and we believe in training our people well which is essential in this ever changing industry. The survival of the containered sector is at the mercy of market forces. We have to navigate in stormy seas.

While container shipping operations seem simple enough to understand and operate, failure to read market forces can spell disaster for players-big or small. While big companies got it wrong, one wonders whether decisions are based on foresight or experience or rather both.

Expectations in 2018

There will be more consolidation on a smaller scale as strong owners and operators flex their muscles to acquire tonnage and smaller companies find going tough. This could herald the start of a series of mergers especially for companies operating mixed fleets where cash flow is tight.

Asset play is very much in evidence with distress sale acquisitions very much the order of the day.

Plans for the next 1-2 years

Sitara has always been focused on the niche market of ODC cargo. We plan to strengthen this niche, add new fleet, target more difficult to handle shipments and strengthen our clientele base. So far we were only operating between the gulf and Indian sub-continent but now we are looking at our destinations as well. Several times i have been asked why we remain of this "size" and it reminds me of what Peter Drunker says about being the "right size"

Absolute size by itself is no indicator of success and achievement, let alone of managerial competence. Being the right size is.

Impact of Technology

The shipping industry is facing more threats than ever from technology changes and from environmental regulations. We should embrace different technologies that could disrupt existing businesses.

Companies such as Amazon, Google are looking to deliver new digital technologies into the shipping sector, which could revolutionise the industry. They could become digital disruptors to the traditional shipping industry. Depending on how you approach innovation, it doesn't always have to be expensive. It's not necessarily about inventing new technology, but about smart thinking. Shipping is one of few industries yet to experience the huge digital shift, and we need to be proactive to stay ahead of new competitors from outside of our own industry.

An innovation strategy is needed for each company to take on the regulatory challenges and to find ways of being more sustainable - environmentally and financially.

The future of Logistics will be shaped by the level of digitization and automation it undertakes.

Vineet Malhotra
Director, Kale Logistics Solutions

Business in 2017

The year 2017 was phenomenally special for Kale Logistics Solutions. We have not only grown in terms of business but have also progressed as an enterprise.We have seen triple digit percentage growth in volumes across our solutions as well as customer base spread across 54 global locations.

Kale Logistics has set-up a "Centre for Innovation for IT in Air Cargo Industry" with an initial seed investment of $25,000. The objective of this 'Centre of Innovation' is to ground groom the Air Cargo industry in adopting IT for an agile, effective and equipped Air Cargo business.

Kale has augmented it presence in the Middle East and Africa with a new customer service and business development set-up at Dubai and Mauritius respectively.

Expectations in 2018

We believe that technology is meant to drive transformation for all kinds of businesses and 2018 promises to be a significant year in this process. The surge in e-commerce, the changes in trade policies across the globe and the focus by agencies like IATA, TIACA, IPSCA, IMO, WTO and the UN to push for trade facilitation as a key part of their programs augurs well for the industry.

It is amply clear that technology is going to be the key disruptor as far as the global logistics and supply chain industry is concerned. I expect the Logistics Service Providers (LSP) to come together in a unified manner to charter a plan that would focus on how to optimise the sector. Transition from legacy systems to complete digitization could be a way to attain that. The future of Logistics will be shaped by the level of digitization and automation it undertakes. However, adoption of technology on this scale will need robust technical solutions, fairly insightful research and smart financial investment.

Another expectation is an introduction of new financing schemes from policy makers for developing modes of transport and the infrastructure surrounding them. It is important for the government to facilitate development of waterways and logistics parks for faster and efficient cargo movement. Currently India spends about 14.4 per cent of its GDP on logistics and transportation. The Indian Logistics industry is expected to exhibit a robust growth of 10-15 per cent annually, leading the pace of economic growth.

Plans for the next 1-2 years

We are slated to grow significantly in the next 2 years. We have invested and will continue to invest in business development, product development and cutting edge technology. We will also be expanding our customer base and portfolio in Maritime space and aspire to become the World's undisputed best logistics technology company in the next 3-5 years' time. We will be investing more in R&D on solving the trade facilitation problems with our community platforms like UPLIFT and CODEX across the Logistics domain.

Investment in logistics infrastructure

A recent study by industry experts expects India's logistics market reach $307 billion by 2020. The government has already shortlisted about 15 locations India-wide with a budget of approximately ₹32,853 crores for setting up Logistics parks. The Railway Ministry has proposed to set up a Railways of India Development Fund with initial corpus of $5 billion, with the World Bank as the anchor investor. The fund is essentially to mobilise private participation in remunerative projects, mostly catering to freight movement. mg

Surplus capacity will moderate returns in the medium term for container terminal operators: ICRA

With surplus capacity addition of container terminals in the Mundra-JNPT (North West) and the Chennai cluster (South East) regions, container terminals are likely to witness severe competitive pressures for larger share of incremental volumes; and thereby pressure on realisations as well. As per an ICRA note, with JNPT adding large capacity over the next 3 years, there is likelihood of Mundra, Pipavav, Hazira and other JNPT terminals facing severe competitive pressures for a larger share of the exim cargo belonging to the northern region. This will not just lead to a fight for incremental volumes, but could also drive down average realisations for terminal operators as companies grapple to corner higher volumes. Similarly, the Chennai-Ennore-Kattupalli-Krishnapatnam (South East) cluster too is likely to face strong competition for volumes over the next 3-5 years, with current surplus capacity.

Commenting on this, Mr. K Ravichandran, Senior Vice President and Group Head, ICRA said "While the recent capacity creation in these regions is backed by prediction of strong demand growth, increase in exim cargo movement would be gradual and in the interim, terminals could witness pressure on volumes. Terminals with short to medium term contracts with container lines could partly address the volume risk, while pressure on realization and margins is imminent as the lines drive a hard bargain on rates."

ICRA Research further noted that in the first eight months of FY2018, volume growth at major ports has been low at 3.5% as coal volumes recorded 5% decline during the period, even as iron ore and petroleum, oil and LNG (POL) volumes grew by 8% and 7% respectively. The decline in coal volumes, notwithstanding some reversal seen in November 2017, is a concern over the long term for the port sector since many ports and terminals have significant dependence on coal imports. A prolonged decline in coal import requirement in the absence of diversification into other cargo categories can impact the returns for such port sector players.

In terms of the cargo growth outlook, port sector players will continue to experience healthy growth in cargo in the near term, albeit somewhat lower compared to the recent fiscals, as revival in iron ore exports, pick up in POL and Container volumes will be partially offset by lower coal imports. Moreover, cash accruals of the players will be supported by steadily rising handling rates, barring the projects where the tariff setting process is mired in litigations. Over the medium to long term, various initiatives under the Sagarmala programme will aid the long term growth trajectory of the industry. mg

SEALING INEFFICIENCY

The advent of TFA regime has shaken quite a few established processes which were deemed indispensable to the EXIM trade. And one such mandate is electronic sealing of containers that paves the path for secured multi-modal international container shipment while ensuring cargo traceability for shippers and Customs

by Sisir Pradhan

The Indian Customs is in a hurry! It may amaze the speed at which the department is introducing a slew of procedural changes to release cargo that seemed unthinkable for India a decade ago. If one asks the experience of old timers in EXIM trade, getting the cargo through the Customs a decade or ago used to be more taxing than the entire exercise of export or import. So like other global ports Singapore or Jabel Ali, soon officials armed with handheld RFID readers clearing boxes is going to be a common site at Indian ports as well, and all this is going to happen due to the introduction of e-Sealing. It is seen by many as the next logical step followed by DPD to speed up Customs inspection and clearing. Notably, the Central Board of Excise and Customs (CBEC) had introduced the new procedure for sealing of containerized export goods with effect from October 2017, however, only those exporters permitted for self-seal of their export containers are eligible to avail the benefit of the electronic sealing facility.

Why e-Seals

There are various types of electronic sealing mechanisms in use in different countries, but from the prospective of convenience and cost, most of it is based on the radio frequency identification (RFID) technology. With the evolution of scanning technology, it has been possible to capture information about a package without even being present at the location physically. Technologies like RFID and Near Field Communication (NFC) helps to collect information about an object without physical intervention and it significantly enhances the pace of information collection, processing and due decision is made whether to hold or release the object, hence significantly speeding up cargo clearing capacity. As global trade volume is on the rise, over a period of time it has become impossible to physically inspect each consignment, which will have cascading effect not only on congestion at container terminals but also huge losses to the economy. Thus, technology like RFID-based e-Seals help increase trade between countries, and the advantage of e-seals is since it is based on a tamper-proof sealing mechanism where through the tracking number the package could be tracked end-to-end, from the country of origin till the destination.

Moreover, unlike the rudimentary paper-based information gathering which are vulnerable to data alteration at any stage, in the e-sealing mechanism, once information is capture by the scanner it is updated across the servers of all stake-holders, hence plugging the scope of any information tampering. Paper-based information gathering has its limitations and it is time consuming. On the other hand after the introduction of 2D barcodes, it has become possible to store information as much as 7,000 characters which allow to store details of a consignment like origin/destination, expiry date, product details and much more, and all these information could be transmitted wirelessly. With the global security concerns on the rise, there will be need for processing of even more volumes of information about a transshipped package which is not possible to pen down physically. Hence, capture information on the move. Another advantage of RFID-based tags are that it can transmit information over a distance in excess of 100-meters, and it helps everyone in the process of shipment to keep track of the inventory.

Though introduction of e-sealing seems like a progressive step by the government but it is a compulsion which India is abide by as a signatory of World Trade Organization (WTO). As the world heads towards an era of borderless cargo movement and equal trade opportunity to all countries under the aegis of WTO, the Trade Facilitation of Agreement (TFA) has come into effect. Henceforth, TFA as per the mandate of World Customs Organization (WCO) is looking towards uniform Customs rules across member countries, and e-Sealing is one of the Customs clearing methodologies which is going to be adopted by all member countries. Thus, e-Seals are introduced in India.

Objective

As part of the modal shift towards the TFA regime, it was quiet clear after the introduction of trade facilitation measures like AEO program followed by DPD mandate, the future role of Customs would be more of a facilitator and supervising authority rather than to intervene physically in day-to-day cargo movement. Unlike the previous years where a department official needed to be physically present at the time of sealing of export boxes, in the present regime an exporter is allowed to seal a container, and it would be allowed upon adherence of certain compliances which are ascertained based on risk management system owning to track record of exporter, risk profiling and trust-based compliance system among others. However, to ensure there is no breach of trust or tampering of self-sealed containers either at the factory or warehouse of the exporters or en-route to the port, the export containers need to be sealed with tamper-proof electronic seals instead of mechanical bolt seals. Exporters need to obtain one time approval for self-sealing of export containers. Additionally, the existing exporters who are already performing self sealing at their factory premises and AEOs are also eligible for self-sealing, thus qualifying for e-sealing facility. Furthermore, by implementing e-seals, the exporters can save on Merchant Overtime Fee (MoT) which it used to pay for availing Customs clearance and supervision services beyond office hours, as e-sealing method allows exporters the time advantage to seal containers at any time. Due to the tracking mechanism, cargo safety and traceability also improves for exporters and government agencies from factory till port of dispatch.

Many major and private ports have RFID readers already in place which will help to facilitate passage of e-sealed containers. Currently, only a handful of RFID e-seal vendors have been able to qualify on the parameters set by CBEC. One of such vendors, ibTrack Solutions has commissioned e-seal readers in October at DP World, PSA and Adani Katupalli terminals in Chennai. The company claims that the system has functioned smoothly without any glitches at all the three terminals. Soon the company will implement the process at Mangalore, Cochin, Tuticorin and Visakhapatnam. Various vendors are in the process of installing infrastructure at all ports and ICDs. Though CBEC had ordered for mandatory e-sealing from 1st of November 2017, but keeping in view of the fact that all ports and terminals are yet to install the infrastructure to facilitate e-sealing clearing mechanism, the implementation is likely to take place in phased manner, but all exporters will need to adopt e-sealing in couple of months. The e-sealed containers will have unhindered movement to the port terminal and unless there are good reasons or intelligence to warrant inspection of such containers, the container will not be subject to any examination. However, in case of tampering of e-sealing, the containers will be subject to physical examination and it has to undergo traditional methods of mechanical sealing and related procedures.

Implementation

CBEC has directed exporters to directly purchase RFID e-Seals from its approved vendors, however till November 2017 there are only 10 vendors which have been able to comply with the norms set by the department. As a result availability of RFID e-Seals remains an issue for exporters. Speaking about the advantage and challenges in adopting the new mechanism by exporters, **Unnikrishnan K, Deputy Director General, Federation of Indian Export Organisations (Southern Region)** said, "One important issue which we see is that even though the multiple vendors are appointed, but there seem to be service deficiency from the side of vendors as most of them are

not ready, and consumables are not readily available leading to long waiting time for getting e-Seals. We have also noticed that most of them are not equipped with adequate man power to address sudden spur in demand at least in the first 6 months." Meanwhile Unnikrishnan is hopeful that the e-Sealing procedures to reduce transaction cost and time of exporters.

While e-Seals have certain advantages but its effectiveness in detecting pilferage, tampering, and wrong declaration remains the key to its future. The decision of e-sealing has been envisaged based on after risk assessment mechanism. Meanwhile, speaking on this aspect, Unnikrishnan said that e-Sealing procedure is available to select categories of exporters who are having good track record. The e-Sealing if tampered or damaged during voyage, the RFID reader can detect it and in this situation, the container will move for manual intervention and checking. The procedure has been adopted with full faith in the trade. As e-Sealed cargo do not need to go to ICD for document processing, and there will be no detention at the gates which will save lot of logistic costs for the exporters apart from helping them in fulfilling 'Just in Time' deliveries. Most of the vendors are selling e-Seal through e-commerce portals and pricing of each e-seal is around ₹250 and a minimum order of 15 units is needed.

Speaking about the new method, **M.S. Arun, Chairman, (Chennai Chapter), National Association of Container Freight Stations**, said "The e-seals have to be imported. The approved vendors do not have any estimate about the demand and therefore they import on the basis of orders placed. Hence, there

is a delay in supply. And Customs has introduced e-seals in order to secure the cargo, since e-seals cannot be duplicated. Though the method is very effective in detecting pilferage and tampering, but wrong declaration cannot be prevented. As of now the seals are not available off the shelf. The time lag is about 30 to 45 days. However, the time lag may be reduced in course of time when the demand picks up. A RFID reader may take up

GUIDELINES ON ELECTRONIC CUSTOMS SEALS

Laure Tempier, Communications Service, WCO

Customs seals are affixed in connection with certain Customs procedures (Customs transit, in particular) generally to prevent or to draw attention to any unauthorized interference with the sealed items. The use of seals is prescribed in the WCO Framework of Standards to secure and facilitate global trade.

Customs administrations should not oblige transit operators to affix an electronic Customs seal, except in cases in which ordinary Customs seals are not sufficient to ensure the integrity of the transit goods.

When Customs administrations oblige transit operators to affix an electronic Customs seal, Customs should not collect administrative/processing fees for the use of the seal, apart from the cost of the seal itself. When an electronic seal is requested by the transit operator, Customs administrations may collect fees for it from the operator.

Customs administrations are encouraged to develop regional electronic Customs seals to be used for transit operations in the region, as replacing the electronic Customs seal with another seal at the border could give rise to delays.

E-SEALING OF CONTAINERS AT A GLANCE

Step 1

Attache e-Seal to a container.

Unique seal number, Shipping Bill details, container details, truck or trailer details are saved on the e-Seal vendor's web-application.

Step 2

At Custom station the hand held device used to scan and read the e-Seal gets access to the relevant data from the vendor's web-application.

The customs officer checks the data for the correctness.

Step 3

Upon successfully scanning the data and verifying its correctness, the container is ready to be exported without being opened at the port.

ADVANTAGES

- If there is an attempt to open a sealed container the e-Seal will be tampered permanently.
- This system is effective in detecting if the container was opened after it was sealed at the factory premise.
- The cost of e-Seal with relevant software access is about ₹200-300 per seal
- Each e-Seal has an unique id which is linked to the vendor web application and corresponding to an e-Seal exporter needs to fill shipment details such as e-Seal number, shipping bill number, container code, port code with shipping bill, transporter data, among others on the web application which later transmitted to the Customs application.

to 45 days for delivery. For imports these are useful for movement from Ports to CFSs or ICDs."

Though new mechanism can significantly help in saving time and speeding up clearance process, but its success lies in the hands of vendors who will supply RFID e-Seals and Readers. Currently, the work is moving at a snail pace and there are issues related to availability of e-Seals to exporters. Meanwhile, detailed e-mail query on e-Sealing and even calls over phone by *Maritime Gateway* to nine CBEC approved vendors remained unanswered, and only one company Infotek Software & System clarified its position.

e-Seal process flow

Elaborating on the process flow of an e-Sealing mechanism, **Ashim A. Patil, MD & CEO, Infotek Software & System** explains that when an exporter attaches e-Seal to a container, they have to associate the unique seal number with the Shipping Bill details, Container details, truck or trailer details and save the data on the e-Seal vendor's web-application. When the container reaches the Custom station the hand held device used to scan and read the e-Seal gets access to the relevant data from the vendor's web-application and the data is displayed. The customs officer checks the data for the correctness to declare successful scanning or rejection. If the E-seal is successfully scanned and the data is verified for the correctness by the Customs, the container is ready to be exported without being opened at the port. The e-Seal works on RFID technology in the Ultra High Frequency (UHF) band and on ISO 18000-6C protocol. The e-Seal is meant for exporters and it looks and feels similar to a conventional mechanical bolt seal. To read the RFID e-Seals handheld or fixed readers are required. These readers have to be fixed at Customs Stations in Ports/Terminals or Custodian locations. Depending on the brand of the RFID e-Seal, its data can be captured from various distances. The e-Seal is certified under ISO 17772 (H) which means that if there is an attempt to open a sealed container the e-Seal will be tampered permanently. This system is effective in detecting if the container was opened after it was sealed at the factory premise. The cost of E-seal with relevant software access is about ₹200-300 per seal. Each vendor gives access to a Web platform to exporters where the exporter logs into the Web application by using a user name and password and as one time exercise provides the details of the exporter as detailed in the application. At the time of export the exporter has to fill in the necessary and mandated shipment details through the application. In case of an ICD or CFS being used, secondary data needs to be filled. Each e-Seal has an unique id which is linked to the vendor web application and corresponding to an e-Seal exporter needs to fill shipment details such as e-Seal number, shipping bill number, container code, port code with shipping bill, transporter data, among others on the web application which later transmitted to the Customs application. Customs stations read the data by using fixed readers or hand-held mobile readers. The shipment data will be forwarded by Customs officials to its Risk Management Division for assessment.

Future Outlook

The intension of the government to implement the e-Sealing mechanism is noble and it can significantly boost India's ranking on the charts of cross-border trade and ease of doing business. Though there will be initial implementation cost but owing to economies of scale, the initial high cost will come down over a period of time. However, like every new initiative it has some teething issues. The e-Seals are not manufactured in India and vendors are procuring it from many international OEM suppliers of ISO e-Seals. Hence, its availability remains an issue at the moment. Meanwhile, as the demand increases and it is certainly going to rise as Customs aims to make it mandatory for exports, the supply chain will be streamlined. Till that moment, exporters have to bear with the niggling issues of new process implementation.

Technology makes business lean and agile

INTTRA, a name associated with technology platforms widely used in the maritime industry, is making rapid inroads in the Asian market with its just-in-time solutions. **Inna Kuznetsova**, President and Chief Operating Officer of INTTRA, in a one-to-one with **Ramprasad**, Editor-in-Chief, Maritime Gateway, details how technology has today become the life blood of businesses, enabling them to be lean and better serve their customers.

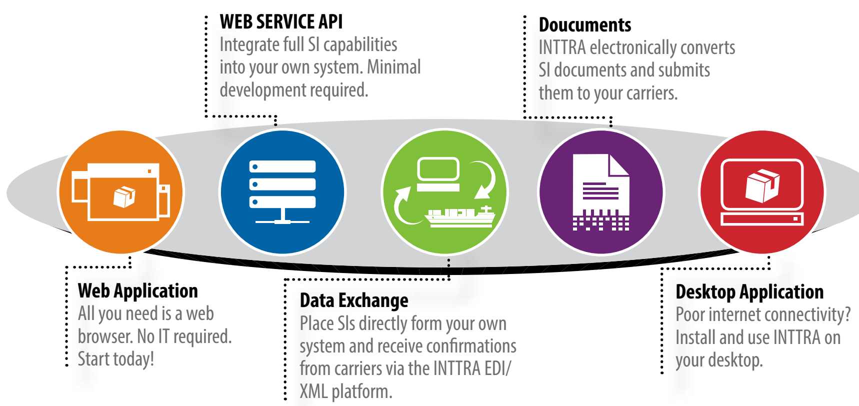
Inna Kuznetsova
President and COO, INTTRA

Q What are the apprehensions of stakeholders today in adopting technology?

The concerns are very real. Logistics companies operate on very thin margins, which means making the right decisions about allocating resources available for digitization is very important. Compare that to the financial services industry where margins are higher and there is greater capital available for pilot projects. In the shipping industry customers do not have the luxury of running many proof of concepts or trials and have to be selective in allocating resources. The industry looks at targeted solutions, one that offers quick analysis of specific problems with the ability to solve them cost effectively. Our approach is to package products taking into account the ability to quickly deliver a return on investment for customers.

In the past three years, the need for technology-driven innovation in the shipping industry has increased. Flat demand and the growing use of megaships led to overcapacity on the carrier side. It brought the volatility of prices and huge pressure on financials resulting in mergers and new alliances. When an industry is under pressure business models need to be re-evaluated. Replacing traditional methods with newer ones based on technology, innovative and cost efficient, while improving revenue traction and upgrading customer service--are key parameters to consider. In a time of lower prices, differentiation shifts to better customer service, which drives the need for innovation and better technology. Technology is now being adopted as a necessity. With tight profit margins, shipping companies make pragmatic decisions when allocating their investments. Decision makers have to choose from a number of options, such as buying a new truck, moving to a new office, hiring more people or investing in resources or tools that increase business and revenue while substantially cutting cost. This is where technology steps in to play an integral role.

LEVERAGING INTTRA TECHNOLOGY



Q Technology brings transparency in operations, but the stakeholders may not be interested in disclosing certain crucial business data. How do you deal with such scenario?

Use of technology and controlling the disclosure of business information are two different things. Technology can be used to automate operations, reduce business cost, data analytics and improve applications. Technology can improve the selection of suppliers and track containers. Transparency, on the other hand, is just one area discussed by the industry. To me it is a business decision unrelated to technology. I do understand why the carriers and shippers are very careful about it because traditionally this is the element that represents the business.

Q INTTRA has been growing fast in the Asian region. What is driving this growth?

There is a combination of reasons: INTTRA helps customers to shift from manual booking and shipping instructions to electronic submissions as the industry accelerates the adoption of technology and moves towards digitisation. Customers are able to reduce costs by up to 40 per cent when they migrate from manual to digital.

INTTRA constantly enhances its products to improve user experience, functionality and regional compliance.

Q We have recently seen cyber-security issues hitting the shipping industry as well. How does INTTRA ensure these operations are secure?

The philosophy of cyber security has changed significantly over the last few years. In the past firewalls were sufficient to safeguard business operations, but today cyber security is a very complex issue that involves a systematic and holistic approach. It starts with training the staff. Approximately 60 per cent of attacks are carried out by insiders, mainly inadvertent actors. For instance, one of our account executives received a phishing email from what appeared to be my email account asking for payslips. We prevented a cyber security problem because at INTTRA we preach a culture of security, and train our staff to deal with such scenarios. The second important step is to constantly improve security perimeters by repeated break-in testing.

One cannot assume that you will not be hit. Companies today are divided into two groups: companies that have had a security breach and companies that will. The only way to remain safe is to ensure very high level of monitoring and strict access rights to the system. So even if someone successfully breaks into the system the damage is curbed. This is where we implement a very systematic approach looking at every single application and element. Finally, another important step is to keep software constantly updated, because many cyber attacks target security gaps in out dated and unsupported versions of products.

Q How do you see INTTRA as a company today? From being an electronic platform, releasing new applications on Cloud, to bringing together partners, associations and stakeholders. Do you see change of role as an enabler?

INTTRA's mission is to drive innovation in shipping through IT solutions and better use of data. For example, INTTRA Decision Support Dashboards enable shippers to optimize planning by leveraging key performance data and shipping behaviors in multiple scenarios. Our recently launched INTTRA C-FAST provides an automated, intuitive method for freight forwarders to guide shipments through an efficient and contract-aware allocation process. INTTRA C-FAST reduces manual effort nearly 40 per cent by matching customer forecast and carrier capacity using predictive, controlled workflow.

Our new Ocean Schedules Solution, is equipped with enhanced data, a new web interface and the latest API technology for advanced integration with our customers' systems. Our enhanced data offers the best-in-class user experience for advanced ocean shipment planning with transhipment and search for cut-off dates.

Q How do you see 2018? Which direction is the industry moving?

The year 2018 will see growth of our networks, further acceleration in IT adoption, powered by the launch of new products and solutions. I am excited about the new directions digitisation will take, such as greater adoption of blockchain, better conversion of data across operational and financial streams, optimisation of shipping processes, as well as others. We hope to see better coordination between land and ocean carriers.

Q Which are the new regions you are targeting for expansion?

INTTRA has representatives in all regions. Our clients ship goods to and from over 100 countries. In 2017 we added people on the ground in countries such as Vietnam, Indonesia and Dubai. The focus is on bringing new products to market to help clients achieve operational efficiency. There is a growing convergence between land and ocean container movements as customers want to optimize costs along the entire supply chain; technology offers this opportunity. As a part of this strategy, in March 2017 we acquired Avantida, a company that offers innovative products related to the reuse of empty containers. For example, it allows drivers to search for a container nearby to avoid a trip to port and secure carrier's permission to pick up. This reduces the delivery time, with very positive sustainability benefits by reducing CO2 emissions and road congestion. Since the acquisition, we successfully expanded the service to two more countries in Europe. In 2018, we expect Avantida's solutions will be available in more countries. mg

Tailored solutions

Founded in 2016, AVA Global Logistics is a young company which was founded by people who were initially into EXIM trade on a mission to redefine logistic solution tailor-made for exporters

by Sisir Pradhan

Post-GST, Indian logistics sector has become the top pick of investors. Credit rating agency ICRA has already forecast an annual growth of about 10 per cent for the sector. The Indian logistics sector for long was dominated by unorganized and traditional companies, but as there has been pressure from the government and also from shippers to improve supply chain efficiency and bring down logistics cost, the sector witnessed entry of new age supply chain solution providers. These start-ups were either founded by people who have broken away from the traditional companies with the hope to offer better logistic solutions or people who themselves, as shippers have experienced an indifferent approach to supply chain. The vision is to look at supply chain with a contemporary view, and leverage on technology. Founded in 2016, AVA Global Logistics is one of the young companies which was founded by people who were initially into EXIM trade. The promoters claim that having been in the export industry for long, they understand the requirements of shippers better.

Growth through partnership

In a bid to differentiate from the competition, the company relies on value added services, and it is fast ramping up worldwide network. AVA Global Logistics has tied up with the world's largest network of independent freight forwarders through WCA which has helped the company to gain access to an extensive network of reliable agents across the globe to cater to the logistics requirements of the consignees. AVA Global Logistics is also ramping up its presence in India with plans to launch its own offices across the country followed by own offices in major ports of the world. The company currently offers services largely in six segments, which are ocean & air freight, bulk & breakbulk chartering, warehousing, Custom clearance and transportation, and its portfolio of major clientele are from industrial, agro, chemicals, automotive and textiles sectors.

Future ready

The intervention of mobile technology in business has reached a level where it has become mandatory to develop business platform which are compatible with mobile user interface. Keeping pace with the technology trend, the company is in process to launch an IT platform wherein the customers would have real-time information services activated on their systems as well as alerts on mobile phones to provide shippers precise and accurate information of their consignments right from booking stage to delivery. In a bid to redefine key account management AVA Global Logistics has dedicated team of trained professionals to cater to the customers irrespective of volumes and revenue generated by the client. These services are offered to domestic as well MNC clients.

The company also offers Shipper Owned Containers (SOCs) services to customers wherein it procures containers on outright basis which is then provided to the consignees as per their requirement. Notably, unlike the Carrier Owned Container (COC) model where a container is owned or leased by a shipping line, SOC has the flexibility where the cargo owner is in possession of a container and as a result the consignee is free from paying any detention or demurrage charge. Currently, AVA Global procures approximately 250 containers per month for Dangote Group in West Africa. In the future, the company envisions to enter into airfreight, pharma and break bulk logistics. **Darshan Ghodawat, MD & CEO, AVA Global Logistics** sums up: "We believe in helping our customers to overcome their logistic related challenges. We are certainly focused in having a good base of MNCs as well local customers and we are confident that we will achieve our goal." mg

From haunting past to glorious future

In the recent past Kolkata Port Trust has aggressively conditioned itself to work around challenges typical to a riverine port system, while taking advantage of its location. **Mr Vinit Kumar**, Chairman, Kolkata Port Trust in this brief interview talks about a slew of measures that is reviving the major port back to its glory days

by Sisir Pradhan

Vinit Kumar, I.R.S.E.E., Chairman, Kolkata Port Trust

Q **How has been the performance of the port so far in the current year? What are the major hurdles before the port and what is the strategy to tackle them?**

During April-October 2017-18, KoPT handled 32.134 million tonnes (mt) of cargo vis-a-vis 28.591mt in April-October 2016-17 registering a growth of 12.39 per cent. HDC handled 22.294mt in April-October'17 vis-a-vis 19.111mt in April-Oct'16 and recorded a comparatively high growth of 16.71 per cent. KDS handled 9.84mt in April-Oct'17 vis-a-vis 9.48mt in April-Oct'16 and recorded a growth of 3.80 per cent. KoPT handled 4,54,083 teus in Apr-Oct'17 as compared to 4,34,234 teus in Apr-Oct'16 registering 4.57 per cent growth. HDC handled 86,100 teus as compared to 58,341 teus in Apr-Oct'16 recording a growth of 47.58 per cent. The port is expected to handle 55 million tonnes by the end of FY2017-18. The journey of the first major as well as the only riverine port in the country continues through the tortuous process of ebb. Kolkata Dock and Haldia Dock are riddled with challenges typical to any riverine port, and one of which is inability to handle deep draft vessels due to shallow water. However, several strategies have been taken by the port to augment and improve infrastructure and capacity utilization, consolidation of existing facilities, improved storage and yard logistics. In a bid to decongest container yards, several measures have been taken up such as delivery of import containers directly from vessel hook point so that the boxes need not be grounded. Similarly, starting of an extra loading point for rail bound import containers for Nepal helps to reduce load on container terminal. Moreover, Nepal and Bhutan bound import containers, being evacuated by road, are shifted from container terminal to nearby CFS after the free storage period of 10 days. Additionally, free time for import load containers of ACP clients is reduced to 5 days from 7 days.

Q **What is the future outlook for Kolkata Port, particularly for Kolkata Dock? How do you look at industrial growth in your hinterland and how much of it translates to benefit the Port? Is the port exploring any new business areas?**

Our traffic growth has been on a higher trajectory than the national average. This just reinforces the facts that despite the natural challenges of a riverine port system, the slew of measures that KoPT have taken are gradually yielding results. The resurgence of the eastern region coupled with the 'Look East' Policy of the Centre, holds enormous prospects for the port as the entrepôt for the ASEAN region. The Port is the pulsating lifeline of trade and Kolkata Port Trust has been discharging its responsibility efficiently for the last 147 years in promoting the country's maritime trade. The process of churning a new and expansive trading hub, on a port-centric customer base with matching logistics and competitive facilities/tariff structure, is one of the defining challenges the port faces in the years ahead. The host of schemes currently under formulation of the ambitious Sagarmala Project aimed to tap the coastal, inland waterways and maritime potential of the country along with unleashing of enterprise opportunities in various port-led economic clusters in an energy-efficient way is benefitting the port. The 'Look-East Policy' of India, the proposed Trans-Asian Railway corridor, opening of India-China road and proximity to Lhasa, among others is going to contribute to make Kolkata a dynamic and thriving hub port of the region. mg

Turnaround of a riverine port

There are some institutions which are inseparable to the history of Kolkata, they have survived the test of time and hold heads high with continued contribution to the economic growth of the region. Kolkata Port is one of those few forces that continues to push its limits to serve the trade despite its limitations.

by Sisir Pradhan

Kolkata, the City of Joy even after years of independence proudly flaunts its British heritage like no other colonial city. Even after numerous visits to the place, it can still grab your fancy with its anonymity as if inviting to unearth a new facet of the grand old lady. No matter whether you are a regular visitor to the metropolis or a first timer, there is something new to ponder at in this cultural and trade hub of India. Beholding its old world charm, the influence of economic resurgence is also pretty much visible, and there couldn't be a better place than Kolkata Docks to experience it. Kidderpore like many other business and trade centers in West Bengal which once feared for the strangling hold of trade unions, has gradually given way to the demands of liberated EXIM economy. With GST in place, and India etching to make a mark as economic super power at least in its immediate neighborhood, Kolkata Port, a riverine port system of Kolkata Dock System (KDS) and Haldia Dock Complex (HDC) is strategically positioned to serve the East bound cargo.

Turning the tide

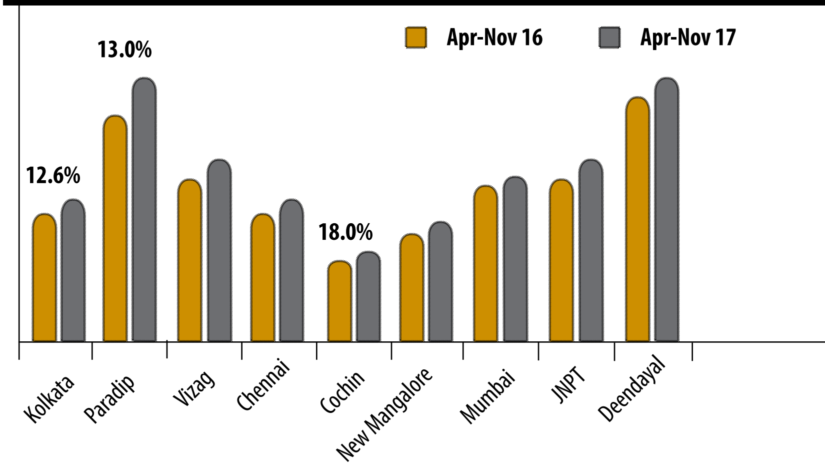
Sometime ago there was little hope for the growth of the port, due the burden of legacy issues of large work force, inability to handle modern ultra large vessels because of low draft peculiar to riverine ports, and heavy congestion of the metro city choking the road movement of goods. But a slew of policy initiatives, administrative reforms, infrastructure up gradation and market demand has brought the port back on a healthy growth track. As they say, numbers don't lie, and Kolkata Port has pretty strong performance figures to boast. During April-October 2017-18, the combined cargo handled by Kolkata Port Trust was 32.134 million tonnes (MT) registering a growth of 12.39 per cent as compared previous year, and containerized cargo was 4,54,083 TEUs registering a growth of 4.57 per cent. The port is expected to handle 55 million tones by the end of FY2017-18, says a confident

Vinit Kumar, I.R.S.E.E., the newly appointed **Chairman of Kolkata Port Trust**. A major advantage for Kolkata Port is host of landlocked regions look at the port to fulfill their EXIM needs. However, for sometime a section of service providers in Kolkata had tried to exploit the Nepal bound containerized trade but the situation has improved after Nepal contemplated Visakhapatnam as an alternate gateway port.

Policy impact

A large section of industrial and consumer cargo needs of Bangladesh is met by KDS and HDC as both the ports are nearest to Bangladesh. The government decision to treat Bangladesh cargo as coastal cargo has also helped the port to leverage from growing trade between the two countries. Due to the port's infrastructure bottlenecks, CFS have played a key role to decongest the port. Meanwhile, like other major ports KoPT has implemented DPD. Though DPD has certainly led to decrease in cargo volumes for CFS, however it is also leading to congestion of the port area and the port is very actively looking for concrete measures to reduce container and cargo dwell times. Clarifying the stand of CFS operators, **Ashutosh Jaiswal, Vice President, Century Ply**, said, "Ports like Kolkata used to handle just 2.6 lakh TEUs till 2008, however after CFS came into the picture the cargo volume increased to 5.9 lakh TEUs." While, DPD might be successful for ports located outside the city but it will affect cargo clearance for ports which located inside congested cities like Kolkata and Chennai. Some traders rue that KDS continues to face extreme delays caused by severe berth congestion and drop in productivity. Normal vessel turnaround time of 4 days has increased to current average of 7 to 8 days with no sign of improvement. Clarifying the reasons for the congestion, the port chairman said that the port faces challenges which are typically characteristics of a riverine port such as limited draft along the approach channel. The ships coming to KDS are mostly old ships, prone to engine and ship gear failure, which adversely affects handling efficiency with comparatively less parcel loads

TRAFFIC PERFORMANCE



Kolkata Port registered 3rd highest growth of 12.6% among all major ports in terms of traffic performance

and increased turnaround time. Vessel arrival and departure schedule has to be synchronized with tidal timings which also increases the cost and turnaround time. Traffic restrictions imposed by local authority adds to the woes. Meanwhile, the port has initiated measures to decongest container yards by delivery of import boxes directly from vessel hook point. An extra loading point for Nepal rail bound import containers looks to reduce dependency at container terminal. Nepal and Bhutan bound import containers, being evacuated by road, are removed from container terminal to nearby CFS after free storage period of 10 days. Moreover, free time for import load containers for ACP cargo is reduced to 5 days from 7 days. Among new services, Kolkata-Chittagong route has started from KDS to promote trade with Bangladesh. Modernization and up gradation of railway network of KDS under Sagarmala would lead improved aggregation and evacuation of rail-borne cargo. Major land parcels are also being allotted at KDS to various port based industries for setting up of bulk pulses and food-grain handling system including processing, storage and setting up of new CFS, among others.

Future Outlook

In 2016-17, KoPT registered growth majorly in POL (Crude), LPG, liquid cargo, Iron Ore, Limestone, Fly Ash, Food grains (Wheat), Thermal Coal, Dolomite, Gypsum, Salt, Sugar, Machinery, Cement Clinker, Containers, IVW Traffic, among others. Apart from connectivity to NW-1 and NW-2 through Indo-Bangladesh Protocol Route, movement of Ro-Ro vessels between the banks of Hooghly river is also likely to be developed by logistic service providers. In spite of continuous maintenance dredging, average draught of Haldia could be improved only by 0.2 m from 7.5m. KDS draught has improved marginally by 0.1m from 7.2m. Nepal cargo is witnessing a steady growth (CAGR) of around 15 per cent from FY2014-15 to FY2016-17 for Kolkata Port Trust. Trade with neighbouring Bangladesh has also grown at a comparatively high CAGR of 30 per cent from 2014-15 to 2016-17. There has been growth in cargo traffic from Bhutan and other neighboring countries of India from FY2015-16 to FY2017-18 and it is expected that the positive trend will continue in the future. Because of gradually depleting manpower at KDS, the existing Port managed operations are planned to be outsourced in phases. Further, Port owned equipment which have outlived their economic lives, are also being replaced in phases. In view of above, it appears that opportunities are available for equipment companies at KDS in the form of direct supplier to Port or contractor, as a supplier on hire, equipment maintenance contractor etc. with regard to the supply or deployment of above kinds of equipment. The potential of marine-based trade in Kolkata is immense and so do the challenges, hence it calls for some unorthodox and innovative approach to tackle challenges perennial to the Kolkata Port. mg

Unlocking the landlocked

DP World is looking to alter the way business is done in the world's biggest landlocked country. Kazakhstan quite literally is at the crossroads of the New Silk Route connecting the East and West. A port, a logistics hub and a SEZ at Kazakhstan developed by DP World will make it the most significant trade corridors connecting Asia, Europe and Africa. It will be Advantage India too.

by Deepika Amirapu

This is a story that has been in the works for almost six years now when the Kazakh Premier first approached the governments in the UAE to help strengthen the trade and logistics infrastructure of the country. Developing and strengthening road and rail networks would transform Kazakhstan in to an economic power house as it shortens movement of goods between the East and West by almost a month.

"A voyage that would take 42 days or more by sea would probably take just 13 days by road and rail via Kazakhstan," said **Anil Singh, former CEO & MD (Sub Continent Region), DP World**. When this was established as a fact both the Kazakh government that commissioned marine and inland development and DP World that was executing it swung in to action swiftly. Pacts were signed and cement, steel and equipment started moving to Aktau and Khorgos- the two border cities across the country marked for port and SEZ development.

For starters, Khorgos is on the China side of the Kazakh border and Aktau is located on the east bank of the Caspian Sea on the western side of the border. Estimates suggest that some $8 billion worth of cargo passes through this region every year. So the Silk Road, formerly known as One Belt One Road, is an ambitious plan to build a network of highways, railways and pipelines linking Asia via the Middle East to Europe and south through Africa. The economic land or "belt" takes cargo, in large part via Khorgos, through Eurasia. One the other hand, the maritime "road" links East and West via a series of ports to Africa and the Mediterranean.

Ergo, for goods to move across China westward and vice versa, Khorgos in Kazakhstan is being readied for a dry Port and a Special Economic Zone. Port of Aktau, where a new container terminal was set up is at an intersection of several international transport corridors. The port is on the Caspian Coast. For these two projects, agreements were signed between 2012 and 2017 for several value-added services to be provided alongside development of the region as a transport corridor.

"The logistics and industrial zone will also facilitate assembly of goods, packaging, labeling and other services to make the products shelf ready. Similarly, the Port of Aktau is being enhanced by implementing safety, commercial, engineering and operational procedures followed by DP World at other ports as well," Anil Singh said. From 2011 onwards, DP World developed concepts looking at various innovative solutions offering turnkey advisory services. Handling cargo across two railway lines for instance. In the middle of a desert, DP World helped lift cargo for the Kazakhstan Temir Zholy with overhead gantry cranes across gauges. The port operator's ambit of work also covers carrying cargo along the trans-continental routes where goods are moved by rail to Azerbaijan journeying on

STRATEGIC PARTNERSHIP: DP WORLD @ KAZAKHSTAN

- Kazakhstan is at the heart of trade between Europe and Asia – huge potential
- DP World develops Logistics and Industrial zone; also augments rail-road networks.
- Khorgos SEZ to facilitate assembly of goods, more VAS to be added
- PCA, container terminal for Port of Aktau
- VAS offered in : Safety, Operational, Engineering, Commercial ops @ Khorgos, Aktau
- Implementation of best practices and standards in ICD and Port of Aktau
- Training conducted to enhance local staff development
- Business process reviews improve and strengthen processes in Khorgos and Aktau

to the Black Sea towards Europe. The northern route opens in to Russia with the South-western route taking the cargo to Turkey and Iran.

DP World's engagement in the Central Asian region also comes on the back of Kazakhstan seeing transportation as a way to diversify its economy away from almost total reliance on natural resource exports. The country is among the top three Uranium producing nations and has for long been dependent on oil and Uranium to balance other imports. Lately, Kazakhstan has been on a tear to improve its infrastructure and logistical capabilities. Between 2016 and 2017 Kazakhstan jumped from 51st to 35th place on the World Bank's ease of doing business rankings, with big improvements in how straightforward it is to get construction permits or electricity.

These efforts to augment transportation would make sure more general cargo, grains, and steel move across the region. While the PCS implemented by DP World freed its trade zones from tedious documentation, long queues in administrative offices, delays and duplication, the road network hastened the movement of goods. The logistics zone and the transport hub came up in flat 16 months. The railway line was stretched and strengthened and the roadways were converted to 14- 16 lanes to ensure smooth flow of traffic. Speaking of his firm's commitment to the region, Anil Singh reiterated that DP World will continue to advise the government of Kazakhstan to realise economies of scale in the supply chain, increase rail frequency and decrease the cost of transportation for shippers and end users."

Bolstering trade and transportation in Kazakhstan will have collateral benefits to India too as better infrastructure will help carry goods from India to Europe through and the Kazakh region. Cargo moving by sea in to Central Asia and Europe has two routes. One, via the port of Bandar Abbas in Iran and then by road - rail to Moscow, St. Petersburg and beyond. A second prospective route would take goods from JNPT and Kandla Ports to the eastern side of the Caspian Sea, hitting up the new Kazakh-Turkmenistan-Iran railway in to CIS region. This international corridor could help India access these regions cutting cost and time by half, bolstering trade throughout a region that is rapidly integrating together and developing.

Regardless of geo-politics, these developments for now will be connecting nations, improving trade and cultural ties and taking smaller economies along the development path. Khorgos is the Suez Canal or the Panama Canal of Central Asia. DP World's efforts are part of metamorphosing this obscure shipping hub in the heart of Eurasia to not only come alive but thrive. For long experts have said integrating the CIS in to the broad regional networks is key to improving world trade. The transportation corridor in Kazakhstan is a step in this direction. mg

An online market place for logistics!

Web-based business platforms is the talk of the town. Start-ups like GoComet are entering into the market with fresh idea and approach to make logistics simpler, or atleast that is what they aim at!

by Sisir Pradhan

The magnetism of India's online marketplace is so much that even czar of brick and mortar stores Kishore Biyani who was some years ago an ardent critic of online selling has softened his stand on the potential. There is rarely any sector which has not been touched by web-based platform, and it was just a matter of time till the fever got to the logistics sector. The latest entrant is GoComet, founded in 2016 by four engineers from IIT-Delhi. The company grabbed the headlines for raising multiple rounds of funding from PEs even at time when fresh funding have dried up.

The company claims to be first-of-its-kind marketplace for international freight services, offering a platform for international B2B freight service providers and clients, to manage everything from booking containers to tracking and Custom clearances, all from a single dashboard. It also takes the responsibility to manage all paperwork to ensure seamless end-to-end cargo delivery internationally. It has no hidden charges and a tech-enabled system to move, track and manage cargo.

What new it has!

Highlighting its key differentiator **Gautam Prem Jain, Director and Co-founder, GoComet** says the company works on solving two major difficulties for exim, that are competitive price, and technology to leverage. It has got more than 200 freight forwarders on board to choose from by shippers, providing a comparison based competitive rate.

One of the reasons why logistics sector despite being opened for 100 per cent FDI has very limited entry from outsiders is because of the complexity of the supply chain model, and personal and professional relations play a key role in sealing a deal. However, Jain claims that the market reaction has been very positive, and a major reason was the platform helps freight forwarders in getting new business, apart from an array of services with varying costs to its clients. Multiple shipping lines are also listed on the website priced as per the rates of the forwarders providing them, and shippers can view them in real time, and can negotiate further and create auctions, and once satisfied, the shipment can be booked directly.

Time & cost benefit

The platform claims to help shippers save costs by empowering them to negotiate dynamically with a larger pool of forwarders. Moreover, it saves time by creating RFQs, comparing quotations, and booking shipments. Automatic negotiation comes into effect due to reverse auction, which reduces effort. The client also gets a wider range of services to choose from, in terms of detention free times, transit times, and better routing options.

Partnership model

The service providers submit their quotations and service levels on the Web platform which can be reviewed by shippers. After GoComet enables a transaction, the service providers take up the operational responsibility of the shipments. The online platform facilitates basic service level agreements between shippers and service providers, in a way that both of their interests are protected. "Most of the service providers on our platform are the ones referred to us by our large customers. The list of existing customers of a logistics service provider along with their reliability is extremely important factor for choosing a partner," explains Jain.

Investment

The company has aggregated an investment of $300,000 from India Quotient, Angel investor Rajul Garg, the founders of Blackbuck, and others. The company primarily operates in the China-India-gulf route, and the geographical target base is Maharashtra and Gujarat. The company although claims to have the capability to handle all types of products, but its strength lie in dealing with plastics, engineering goods and pharmaceutical products, and it aims to expand to other types of products in these sectors in order to scale up. mg