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Capt Vivek Kumar Singh



"Incentivise Coastal Cargo Movement"
Vinita Venkatesh



Banking Big on Rail Business
Ashish Kumar Gupta



Expanding in North East
Rathendra Raman

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maritime gateway

APRIL 2018

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**Time and Cost Efficiency:
Eastern Region Issues**

₹ 100



Coastal shipping has very obvious advantages over all other modes when it comes to costs. However coastal shipping has not had a smooth sailing so far. The government has announced a plethora of incentives and policies to promote coastal shipping. But these have not translated to realities on the ground.



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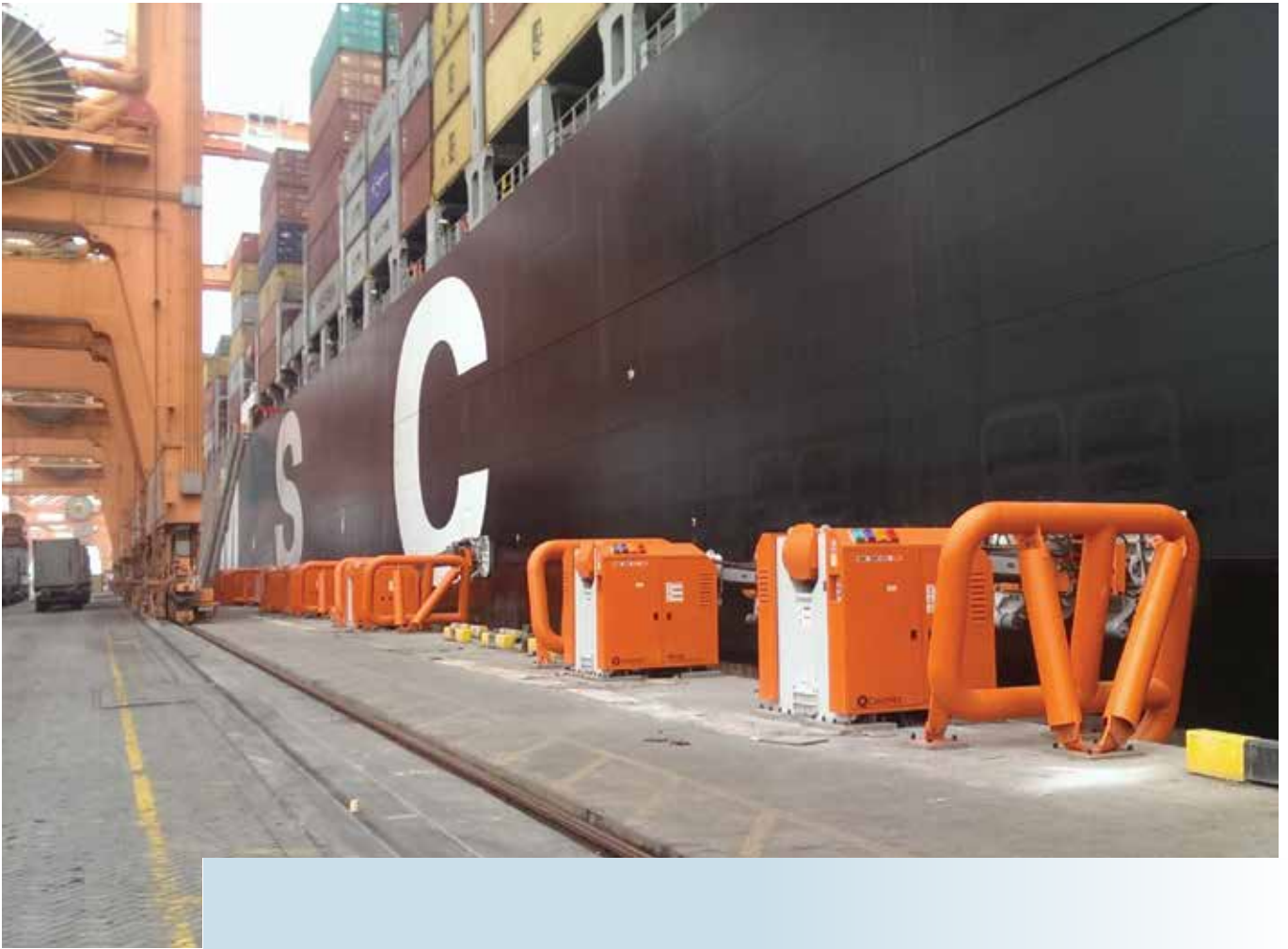
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Election Fever Sets in Early

There is a sense of deep somberness in the air! It is that stillness that the country experiences months before the general elections. But this time it looks like the poll fever caught up a little early. They say cricket is an unpredictable game, and no one can be sure of victory till the last ball. Election outcomes are no less capricious. The restlessness in the political arena can be felt through the swings of Sensex. From a high of 11,000 in January 2018, the NIFTY has come down to 9000-odd and even the market pundits are unable to predict when the free fall would halt. The logistics sector cannot remain indifferent to the market sentiment.

In the last couple of years logistics sector has been arguably the core focus sector for the Government. In a limited timeframe a string of reforms had impacted this sector. Till last year there were a spree of big ticket policy decisions been announced be it Sagarmala, Coastal Shipping, Inland Waterways, Make in India, Infrastructure Status to logistics sector, GST, which have directly and indirectly benefited the logistics sector. With the cacophony of announcements now subsided, industry feels sluggishness in the activities at the ground level. Since the election is imminent in another 12 months or so, the focus has shifted to populist schemes to raise the popularity quotient. The industry in general that rallied behind the government in the beginning is now skeptical and reluctant to move ahead with investment plans. The market is in a mood to wait till end of elections and watch for a roadmap.

On the other hand, Make In India

programme which was designed and launched with lot of fanfare to boost manufacturing and aid the EXIM and logistics sectors, has not yielded desired results. Under the aegis of Make In India programme the manufacturing sector was supposed to expand the sector's share in GDP from 16 per cent to 25 per cent by 2021, which appears difficult to deliver. Its effect is being felt on India's merchandise trade also. India's latest foreign trade report states that trade deficit has widened in current fiscal in comparison to previous year. Between April-February FY2017-18 India's imports have doubled as compared to exports.

The Union Budget tabled in February 2018 had little to cheer for the shipping sector. This sector was left high and dry with no significant improvement in allocation of funds to Sagarmala projects. While the fund allocation for shipping sector has been revised to about ₹1,568 crore for the current fiscal, the allocation has been revised to ₹480 crore for Sagarmala. Inland waterways have also not been able to get the much needed financial thrust that it requires. The challenge before the government is that the business community has pinned high hopes on them. Market sentiment will remain lackluster until the vagueness is cleared and the industry gets confidence in delivery of the promises made.

R Ramprasad

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The market seems to be getting into a mood of wait and watch.



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ANALYST VIEW

Export Import Imbalance widening!

India's container EXIM trade balance has been going through downward spiral and negative trend in the last few years. Is this alarming every state to expedite implementing initiatives planned in its export strategy? The answer is "Yes". This is the time to press the panic button and work towards achieving a collective improvement in Indian EXIM trade..



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AMTOI DAY

Toast to Rising North East
AMTOI DAY 2018 brought the investment and trade potential North Eastern India offers into lime light.

SLS KOLKATA REVIEW

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Eastern Region Hinterland: Turning Vibrant

The success of SLS Kolkata can be appraised from the fact that even on a busy Tuesday, the summit witnessed a footfall of more than 200 delegates from various sectors including logistics service providers, shippers, industry bodies, and public sector enterprises.

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Time and cost efficiency: Eastern region issues

Kolkata is an important link not only to the immediate domestic hinterland but to far east and north east India. And the session focussed on the role of efficient logistics system to bring down transit cost for shippers.

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Challenges in Cargo Movement

The domestic, EXIM and transshipment cargo moving from the hinterland is on the rise, but various infrastructure bottlenecks have not allowed the trade to flourish upto its potential. The industry discussed various inherent and man-made barriers that can be eradicated to allow free-flow of cargo movement in the region.

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Coastal Shipping and Transshipment

Despite the potential of trade growth between Bangladesh and India due to the bi-lateral coastal shipping agreement, the restrictions on transshipment is a hindrance. Panellists opined Bangladesh exports should be allowed to be transhipped via any of the ports on the east coast of India which are naturally close to the country.

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COVER STORY

Coastal shipping has very obvious advantages over all other modes when it comes to costs. However Coastal shipping has not had a smooth sailing so far. The Government has announced a plethora of incentives and policies to ease coastal shipping. But these have not translated to realities on the ground.

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BANKING BIG ON RAIL BUSINESS

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EXPANDING IN NORTH EAST

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CGM, CONCOR - EASTERN REGION



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"INDO-BANGLADESH COASTAL SHIPPING HAS ENORMOUS POTENTIAL"

AMLAN BASU

DIRECTOR, AVS RIVERLINE PVT LTD





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Indian base in Antarctica built using shipping containers



India's National Center for Antarctic and Ocean Research has built a base in Antarctica made from 134 shipping containers wrapped in an insulating skin. The Bharathi Indian Polar Station withstands winds of

up to 200 mph (321 km/h), and temperatures reaching minus 40° F (minus 40° C). It's designed to be easily disassembled and removed without leaving a trace when its operational life comes to an end. Spread on 27,000

sq.ft, the work space has been constructed as per the Antarctica Treaty System that requires any research facility constructed in the region should be designed in such a way that it can be completely disassembled and removed from the landscape without leaving any traces. The base has three floors - The third floor has AC systems and terrace while the second floor is mainly residential offering 24 single and double rooms. The first floor is dedicated to all the experiments and workshop.

Deendayal Port expects to handle 108mt by 2017-18

Deendayal Port has handled 88.86 lakh tonnes of cargo (Kandla and Vadar) during February 2018 as against 78.66 lakh tonnes in February 2017, thereby achieving an increase of 10.20 lakh tonnes or 12.97 per cent. During the current fiscal up to the end of February 2018, the port handled 998.75 lakh tonnes of traffic as against 963.36 lakh tonnes during the corresponding period of the previous year, up 35.39 lakh tonnes or 3.67 per cent. Deendayal Port is all set to handle cargo throughput of more than 108 million tonnes during 2017-18.

100 per cent land for DFCs acquired

A total of 98.1 per cent of the land required for the Eastern and Western DFCs (except for the Sonanagar-Dankuni section) has been acquired. For acquisition of the remaining land, all the necessary processes have been completed by the Dedicated Freight Corridor Corporation of India Ltd.

All civil engineering contracts of Eastern Corridor have been awarded. All system contracts on Eastern Corridor too have been awarded, except for Khurja-Dadri, Khurja-Ludhiana, Durgawati-Karvandia sections. For these, tenders for contracts have been invited.

First vessel of IAGX service arrives at KICT

Kandla International Container Terminal (KICT) has handled the first exim container vessel of IAGX service, the *MV Victor 1809W*. The IAGX service



has come into being with the joint efforts of Samudera Shipping and Tehama Shipping, and has the following routing: KICT-Mundra-Hamad-Dammam-Umm Qasr. The service will also carry cargo to Shuwaikh and Shuaiba via Dammam on through basis. The service would help cargo in the western and northern Indian hinterlands connect to the Upper Gulf.

Karaikal Port offers container services through coastal movement

Karaikal Port berthed a container vessel through coastal movement from Chennai Port. The containers were loaded on *MV Chowgule 8* River Sea Vessel, Class 4 for coastal movement at the port. *MV Chowgule 8*, operated by Sai Ramnarayan Enterprises, will handle traffic of 80 teus per voyage from Karaikal to Chennai, roundtrip basis.

The port is expected to initiate regular feeder services to Colombo in the coming months. The vessel will facilitate roundtrip traffic of 600 containers. Karaikal Port terminal plans to sustain regular feeder service through Colombo Port.

Maersk Line accepts export cargo at Valsad and ICD Sachana

Maersk Line has commenced export cargo acceptance at Valsad (ICD Tumb) for Hazira and Nhava Sheva.

The Shipping line has also commenced export cargo acceptance at ICD Sachana (near Ahmedabad) for Mundra and Pipavav on carrier haulage. Both the above services went into effect from March 1, 2018.

Milaha inaugurates Phase 1 of Logistics City for cold chain solutions in Qatar

Milaha has inaugurated Phase 1 of the 400,000 sq. m Milaha Logistics City, with a 35,000 sq. m warehousing facility dedicated to temperature-controlled cargo. The new facility will cater to the food industry, pharmaceuticals, and other FMCG. The facility is divided into a frozen storage area, a chilled storage area, and a temperature-controlled storage area, ranging from -22° to +22° Celsius. The new facility is also one of the highest in Qatar, with 22 metres, which allows more storage per sq. m than many existing facilities in Qatar.

Gateway Rail's service from Mundra Port to ICD Sanehwal

Gateway Rail recently achieved another milestone by starting a weekly, dedicated train service, for Khanna Paper Mills Ltd, from Mundra Port to its ICD Sanehwal, Ludhiana. The first train was flagged off on March 7, 2018. This is a collaborative effort between Gateway Rail, Khanna Paper Mills, DP World Mundra and Adani Ports & SEZ at Mundra Port towards a scheduled service regime. Gateway Rail has commenced this dedicated service as a strategic partnership with Khanna Paper Mills, to strengthen ties with the manufacturing company. This is the second such service introduced by Gateway Rail for a major customer in the import direction.

ADB to help improve rail infra

The government of India and the Asian Development Bank (ADB) have signed a \$120-million loan agreement for completion of works for double-tracking and electrification of railway tracks along high-density corridors to improve the operational efficiency of Indian Railways.

The tranche 3 loan is part of the \$500 million multi-tranche financing facility for Railway Sector Investment Programme approved by the ADB Board in 2011. The loan amount will be used to complete the ongoing works commenced under earlier tranches.

IWAI planning freight village in Varanasi

IWAI proposes to develop a "freight village" in Varanasi. The objective of the project is to support economic development in the hinterland of the multimodal terminal at Varanasi and reduce logistics cost in the Eastern Transport Corridor and its influence zone. It envisages the establishment of a multimodal logistics hub in Varanasi to promote the use of waterway transport on the river Ganga (NW-1) between Haldia and Varanasi, and of rail transport on the Eastern Dedicated Freight Corridor (EDFC) in the north-bound direction which facilitates movement of freight from road to water and rail.

Financial Assistance Policy for shipyards

The government has introduced ₹4,000-crore Financial Assistance Policy for Indian shipyards for a period of 10 years, for contracts secured between April 1, 2016 and March 31, 2026. Under this scheme, financial assistance equal to 20 per cent of the lower of "Contract Price" or the "Fair Price" will be extended to Indian shipyards for each vessel built by them. This rate of 20 per cent will be reduced by 3 per cent every three years. Provided that at the time of release of financial assistance, if the actual payment received for a vessel is lower than the contractual price or fair price, then financial assistance will be given on the actual payment received.

Suzuki Motorcycle planning a plant in AP or Telangana

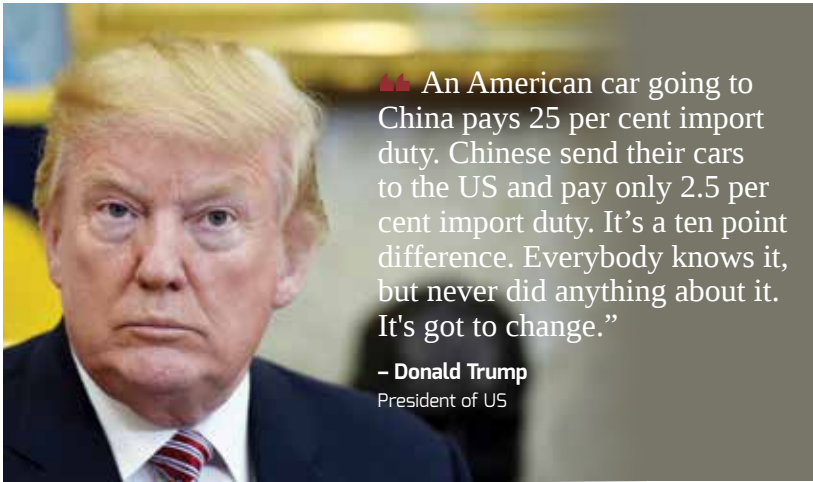
Suzuki Motor Corporation is in talks with the governments of Andhra Pradesh and Telangana for setting up its second two-wheeler plant in India. At present, its scooters and motorcycles roll out of a facility in Gurugram, Haryana. "The South is a large two-wheeler market and it makes sense to have a location there to complement our operations in the North," said Sajeed Rajasekharan, Executive Vice President, Suzuki Motorcycle India. It now remains to be seen which State will eventually bag the Suzuki mandate though AP has the upper hand going by its recent track record of attracting a host of automotive brands.

Bharat Mumbai Container Terminals enhances Nhava Sheva connectivity

Bharat Mumbai Container Terminals Private Limited (BMCT) continued to improve connectivity and ease of doing business for JNPT users with its first barge and train volumes last week. A 90-teu block train departed for Mandideep on March 13, 2018, while a second train left for Nagpur on March 16. Both trains were operated by Concor. On March 18, there were both barge and rail movements as Shahi Shipping's "Royal Hugli" barge loaded 75 teus at BMCT for the short marine transit to Mumbai Port Trust; while an export train operated by CONCOR arrived from Boisar, carrying containers for other terminals in JNPT. Containers for other JNPT terminals arriving by rail at BMCT will be trucked less than 4 km via JNPT's South Gate, to connect with export vessels berthed at those terminals.

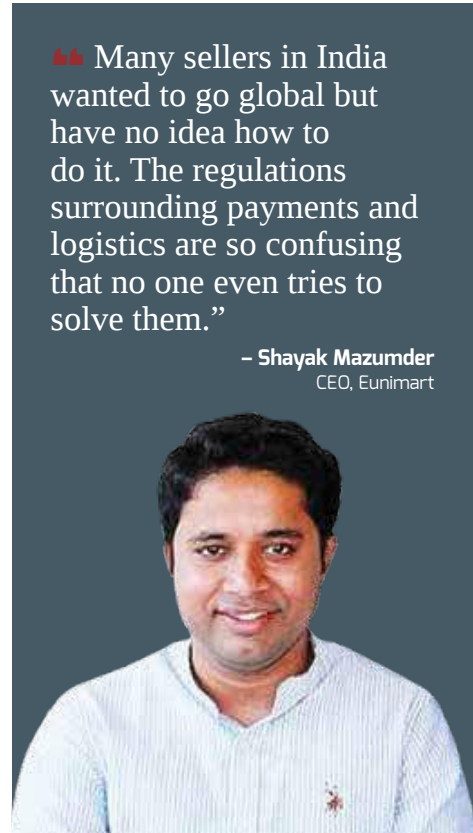
Courier terminal ops to resume at Thiruvananthapuram airport

A new international courier terminal is ready for operations and awaiting mandatory clearances from customs authorities at Thiruvananthapuram. "At present, it would take at least six to seven days for an international courier to reach the destination here. Once the terminal becomes operational, we could reduce the delivery time to two days," said All Kerala Customs Authorised Courier Association president Hari Raj. The new ₹1.25 crore, 700-square metre facility is coming up near the international terminal building at Chakkai. Airports Authority of India's subsidiary AAI Cargo Logistics and Allied Services would be operating it.



“An American car going to China pays 25 per cent import duty. Chinese send their cars to the US and pay only 2.5 per cent import duty. It’s a ten point difference. Everybody knows it, but never did anything about it. It’s got to change.”

– Donald Trump
President of US



“Many sellers in India wanted to go global but have no idea how to do it. The regulations surrounding payments and logistics are so confusing that no one even tries to solve them.”

– Shayak Mazumder
CEO, Eunimart



“The real challenge so far has been to have enough IT connectivity between ship and shore. Now shipping has made this ‘big leap’ towards more stable and improved IT connectivity, the ships are able to react more in the same way its terrestrial counterparts have reacted over recent years.”

– Morten Lind-Olsen
CEO, Dualog



“Business models to move cargo in defined period of time to either domestic hub airports or through AFSs (air freight stations), which can coexist with MMLPs and CFSs, should be evolved.”

– Peeyush Naidu
Partner, Deloitte Touche Tohmatsu India LLP.



“We’re looking forward to building capacity for not just Kenya but for the African region in general – to reduce greenhouse gas emissions, to improve air quality in our port cities.”

– Nancy W. Karigithu
Principal Secretary Maritime and Shipping Affairs,
Kenya.

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karaikal port



SHORTEST DISTANCE BY ROAD TO KARAIKAL PORT

*In Kms

Ariyalur - 125	Pondicherry - 142
Coimbatore - 345	Pudukottai - 165
Cuddalore - 123	Salem - 260
Dindigul - 242	Thanjavur - 95
Erode - 285	Tiruchirapalli - 148
Karur - 225	Tirupur - 317
Mettupalayalam - 375	Tiruvannamalai - 213
Nagapattinam - 10	Villupuram - 174

KARAIKAL PORT - GATEWAY TO GROWTH

A deep-draft port with advanced infrastructure.

Known for its faster evacuation and diverse cargo handling facilities, Karaikal port offers reliable services. The port has received over 1313 vessels since commercial operations and has handled over 50 M MT of various cargos till Dec 2017.

EXCELLENT CONNECTIVITY

Strategically located, the port is 10 km from the NH-67 highway in Nagapattinam and 1 km from the NH-45A serving the Tamil Nadu and Pondicherry industrial belts and markets. The port has rail link to Thiruvarur – Karaikal broad gauge section that connects it to important industrial destinations. These features drive the port ahead!

CONTAINER SERVICES

The port has initiated regular coastal container movement and expected to have new feeder services to Colombo in the coming months.

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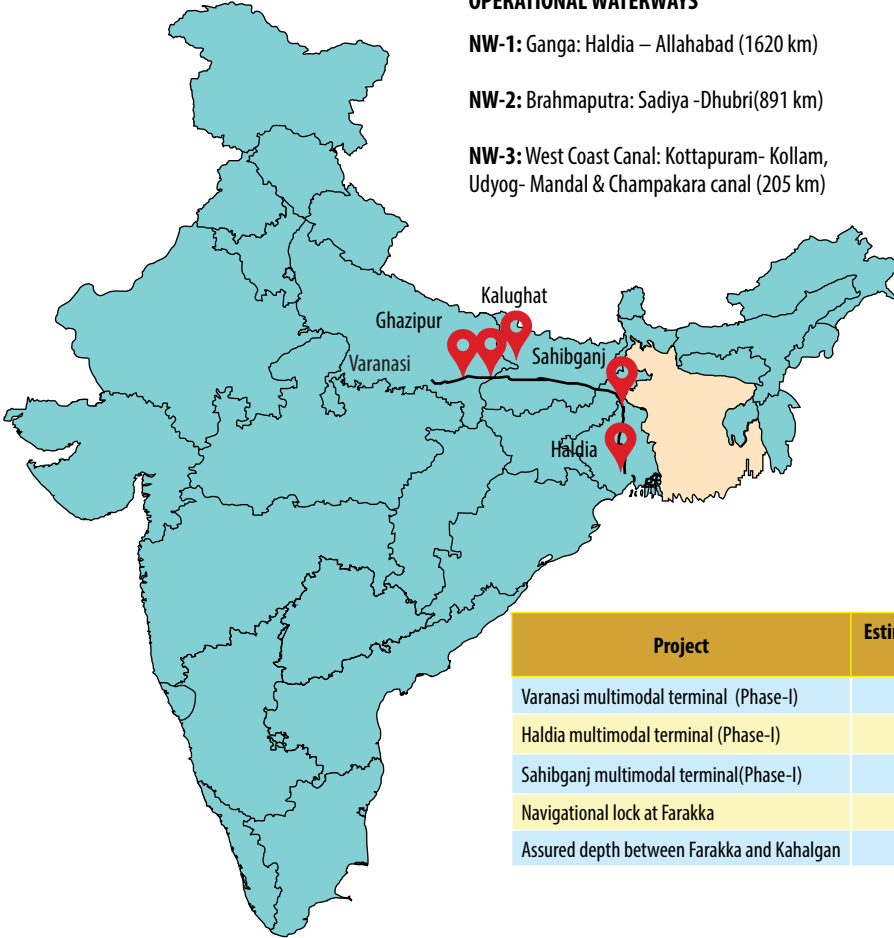
DECADE
OF DEVELOPMENT

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JALMARG VIKAS PROJECT - UPDATE



OPERATIONAL WATERWAYS

- NW-1:** Ganga: Haldia – Allahabad (1620 km)
- NW-2:** Brahmaputra: Sadiya -Dhubri(891 km)
- NW-3:** West Coast Canal: Kottapuram- Kollam, Udyog- Mandal & Champakara canal (205 km)

UNDER DEVELOPMENT

- NW-4:** Godavari, Krishna rivers and Buckingham Canals (1078 km) in A.P., Telangana & Tamil Nadu
- NW-5:** Brahmani & Kharsua river + East Coast Canal (588 km) in Odisha & West Bengal

- 3 Terminals at Kalughat, Ghazipur & Tribeni/ Kalyani
- 24 hours automated navigational aids
- 5 new Ro-Ro jetties
- Bank protection works upto 50 kms
- 22 new low draft self propelled vessels including LNG operated vessel

Project	Estimated cost (Cr)	Status	Completion date
Varanasi multimodal terminal (Phase-I)	169.7	Contractor mobilized at site	Aug'2018
Haldia multimodal terminal (Phase-I)	465	Bid Evaluation for EPC in progress	Mar'2019
Sahibganj multimodal terminal(Phase-I)	292.8	Contract awarded	Dec'2018
Navigational lock at Farakka	380	Contract awarded	Mar'2019
Assured depth between Farakka and Kahalgan	162.93	Bid Evaluation for EPC in progress	Dec'2020

ON ROAD TO FUNDRAISING

9 National highways in Gujarat and Andhra Pradesh auctioned recently to be leased out

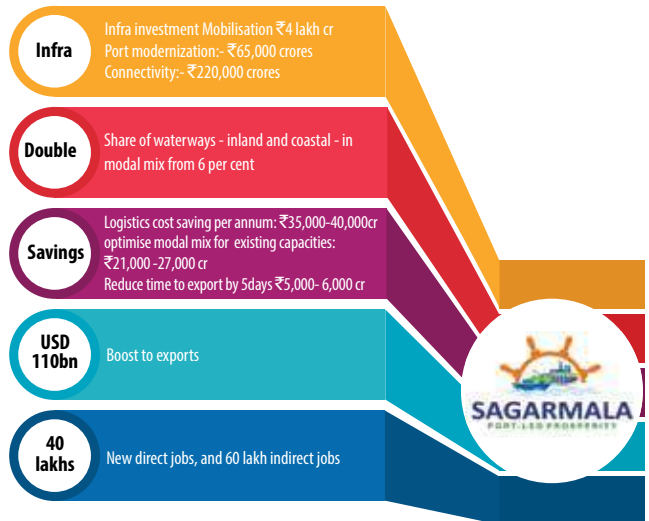
The second round Will also take place under the toll- Operate-transfer (TOT) model

TOT Model

- Developed to encourage Private participation in the highways sector
- The concessionaire pays a one-time concession fee upfront
- This allows him to operate and toll the project stretch for the pre-determined 30- year concession period
- Govt looks to raise about ₹2 lakh cr via TOT in the next five years



IMPACT OF SAGARMALA 2025



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SHIPPING

Notional charge makes coastal shipping costly



The government's practice of continuing to charge notional labour cess on coastal cargo operations, despite the fact that most ports are now mechanised and do not require manpower for loading and unloading, is taking a toll on the country's coastal shipping operators. In some cases, the levy for a single labour job is as high as 265 times the total labour cost. Some ports have reduced it to 150 times, but others like Kolkata, Cochin and Mumbai continue to charge the cess in the absence of other sources of revenue. The coastal cargo industry feels the levy should be completely scrapped instead of bringing it down, as the cess makes ferrying good through ports less viable compared to rail and road. Currently, all major ports barring Kolkata, Mumbai and Cochin are charging the levy only on bulk cargo and coal and have removed it for other commodities.

ONE announces new services

ONE has launched two new direct services covering Indian Ocean, Middle East and Europe. The two products will offer new port coverage, competitive transit times and the added

reliability of a wider range of direct port call options to customers.

IOS: Indian Ocean Service rotation: Jebel Ali - Karachi - Nhava Sheva - Mundra - Jeddah - Tangier - Rotterdam - Hamburg - London Gateway - Antwerp - Le Havre - Tangier - Jeddah - Jebel Ali (fixed-day weekly service, 56-day rotation)

IO2: Indian Ocean Service 2 rotation: Port Bin Qasim - Nhava Sheva - Hazira - Mundra - King Abdullah - Gioia Tauro - Tangier - Southampton - Rotterdam - Antwerp - Felixstowe - Dunkirk - Le Havre - King Abdullah - Djibouti - Port Bin Qasim (fixed-day weekly service, 56-day rotation).

CMA CGM Group enhances EPIC1 & EPIC2 services

The CMA CGM Group is reinforcing its offer from Indian Sub-Continent, in a partnership with HLC, MSC, COSCO and ONE.

EPIC 1 service

Rotation: Port Qasim, Nhava Sheva, Hazira, Mundra, King Abdullah, Gioia Tauro, Tangier Med, Southampton, Rotterdam, Antwerp, Dunkirk, Felixstowe, Le Havre, King Abdullah, Djibouti, Port Qasim. 2 vessels operated by the CMA CGM Group to service UK and Benelux markets. Weekly direct call in Hazira, offering a complementary offer to Nhava Sheva or Mundra and Port Qasim.

EPIC 2 service

Rotation: Jebel Ali, Karachi, Nhava Sheva, Mundra, Jeddah, Tangier Med, Rotterdam, Hamburg,

London Gateway, Antwerp, Le Havre, Tangier Med, Jeddah, Jebel Ali. 3 vessels operated by the CMA CGM Group to match the requirements of the German & Scandinavia/Baltic markets. It offers shortest transit time for the transportation of grapes and reefer products from India to North Europe. The service makes a weekly direct call in Jebel Ali to cater Gulf import.

Inter-ministerial committee formed to boost coastal shipping of coal & other commodities



An inter-ministerial committee on augmenting coastal shipping of coal and other commodities has been constituted. The Ministry of Shipping is the nodal Ministry for the committee. The terms of reference of the committee are as follows: Review and approve the strategy for coastal shipping of coal, including annual targets for volumes of coal, which can be transported by rail-sea-rail route. Periodically review and approve the implementation roadmap and associated projects for achieving the agreed targets. Approve actions for addressing issues related to inter-Ministry or inter-agency coordination. Periodically collect feedback from all relevant stakeholders to fine-tune the strategy and roadmap.

DFCs expected by 2020

The Eastern Dedicated Freight Corridor (DFC) is targeted for commissioning in phases by the year 2020 and will connect the mineral and industrial belts of Eastern India with North India. The Western DFC connects the ports on the western coast to the hinterland in Northern and North-Western India. It is also envisaged to accomplish by 2020. These DFCs are expected to be a game changer in reducing the logistics cost and promoting industrial output.

MOL introduces stowage planning system



MOL has introduced an upgraded stowage planning system for car carriers called "MOL-CAPS". The MOL-CAPS system generates a voyage-by-voyage stowage plan that determines where to stow specific vehicles in consideration of different factors, such as the onboard structure, the type of vehicles being transported, and calling ports. The company introduced MOL-CAPS in 1999, and will adopt this new version for the next-generation car carriers, the FLEXIE series.

The new version of the system allows optimal stowage, with maximum use of the FLEXIE series' new deck structure, which offers a greater range of adjustment in the liftable deck height.

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SM Line launches new East India service

SM Line will cooperate with global shipping companies such as Cosco and OOCL to launch an additional East India service.

The new route has been named 'EI2' (East Coast India 2 service). Operators on the route are Cosco, OOCL, Wan Hai, Inter Asia Line and Xpress Feeder, among others, which provide shipping services to major ports between Asia and East India by deploying vessels over 4,000 teus. SM Line operates routes by purchasing slots from the shipping companies. SM Line will now have two East India routes, including the existing East India Service.

Evergreen initiates electronic documentation

Evergreen has introduced two new Intelligent Services – the intelligent i-B/L (Bill of Lading) and i-Dispatch that deliver documents associated with such transactions. These services lower shippers' costs while making data transfer more accurate, efficient, reliable and secure. Accessed via the line's ShipmentLink portal, the ability to achieve paperless data exchange for all parties concerned in a shipment will significantly simplify supply chain linkages.

The advantages of this new integration for container shippers start with the rapid issuance and transmission of the i-B/L. This is particularly helpful for short-sea shipments when a paper B/L arrives later than the vessel, making it difficult for importers to pick up cargo on a timely basis.

LOGISTICS

Bharatmala to develop international connectivity roads



It is proposed to develop 1,911 km of international connectivity roads and 3,319 km of border roads under the Bharatmala Pariyojana. In the first phase, it is proposed to develop 2,000 km of border and international connectivity roads with an outlay of ₹25,000 crore over a period of five years i.e. from 2017-18 to 2021-22 in a phased manner.

Recently NHAI has awarded L&T ₹7,500 crore Dwarka Expressway project in Haryana. The package to build eight-lane expressway from Basai RoB to NH 8 – SPR intersection in Haryana will be executed at a cost of ₹1,047 crore under EPC mode.

TN govt requests quick approvals for industrial corridor projects

The Tamil Nadu government has asked the Centre to provide speedy approvals for the Chennai-Bengaluru and the Chennai-Kanyakumari industrial corridor projects to boost manufacturing activities in the state. The state government will set up an aerospace park

in about 250 acres near Sriperumbudur. JICA and Asian Development Bank are working with the state government on developing the trunk infrastructure for these projects. The state ranks third in terms of FDI inflow into the country and cumulatively FDI inflows in Tamil Nadu from April 2000-September 2017 stood at USD 25.92 billion.

Chandigarh-Baddi railway line to start soon



With land acquisition in final stages, the work on Chandigarh to Baddi Railway line will be started soon. The railway authorities have completed the final location survey of 33.5-km long Chandigarh to Baddi railway line and alignment fixed on ground. With nearly 2,000 industrial units located in the Baddi-Barotiwala-Nalagarh industrial area, the rail link is a dire necessity and its significance has enhanced after the Container Corporation of India had set up an inland freight station.

Haldia-Varanasi waterway in progress

IWAI has engaged a consultant to prepare feasibility studies for development of ferry services and identification of locations in Varanasi, Patna, Munger, Bhagalpur, Kolkata and

Haldia. The government is implementing the Jal Marg Vikas Project for the capacity augmentation of navigation on the Haldia-Varanasi stretch of National Waterway-1 (Ganga) with the assistance of the World Bank at an estimated cost of ₹5,369.18 crore. Under this project, construction of three multimodal terminals, two intermodal terminals, one new navigational lock and fairway development, River Information System, vessel repair and maintenance facilities, and RoRo terminals will be completed by December 2022.

DP World registers strong financials for 2017



DP World announced strong financial results for the twelve months ending December 31, 2017. On a reported basis, revenue grew 13.2 per cent and adjusted EBITDA increased 9.1 per cent, with adjusted EBITDA margin of 52.4 per cent, delivering profit attributable to owners of the company, before separately disclosed items, of \$1,209 million, up 7.3 per cent, and EPS of 145.6 US cents. On a like-for-like basis, revenue grew 6 per cent, adjusted EBITDA increased by 8 per cent, with adjusted EBITDA margin of 53.2 per cent, and earnings attributable to owners of the company increased 15.1 per cent.



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

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- 3. CLEARING
- 4. WAREHOUSING
- 5. CRANE



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

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

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

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

VISION

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PORTS

KoPT plans economic zone cum extended terminal at Balagarh



Kolkata Port Trust (KoPT) is planning an economic zone cum extended terminal for cargo at Balagarh, using the National Waterways-1 to transport goods between Haldia and Allahabad. "We have mooted an idea to build a cargo terminal at Balagarh which is about 40-45 km from Kolkata, to overcome city congestion for North bound cargo from Haldia and Kolkata docks using NW-1," KoPT Chairman Vineet Kumar said.

As KoPT had 300 acres of land in place at the location, it can act as an economic zone and "we propose to invite industries to set up their operations here", he said. DPR for the facility will be ready by the next three months.

Govt extends period & scope of Coastal Berth Scheme

The government has extended the period of Coastal Berth Scheme beyond the 12th Five Year Plan, i.e. from April 1, 2017 to March 31, 2020. The

scope of the scheme has also been enlarged to cover the cost of preparation of Detailed Project Report and capital dredging at Major Ports.

The Coastal Berth Scheme provides financial assistance to Major/non-major ports/state maritime boards/state governments for creation of infrastructure to promote movement of cargo/passengers by sea/National Waterways. The Sagarmala programme aims to double the share of domestic waterways (coastal and inland) by 2025. The Coastal Berth Scheme is one of the key enablers towards this objective. The projects sanctioned under the scheme will create approximately 10 MMTPA capacity for handling coastal cargo.

Major Port Authorities Bill provides more autonomy and flexibility

With a view to providing more autonomy and flexibility to Major Ports and to professionalise their governance, the government has introduced the Major Port Authorities Bill in Parliament to replace the existing Major Port Trusts Act, 1963. The salient features of the Bill are as follows:

- (i) The Bill has been made compact by reducing its number of sections from the existing 134 to 65.
- (ii) Number of Board Members has been reduced to 11-13 from the existing 19-21.
- (iii) Appointment of independent members for professional and better decision making.

(iv) Ports would now be required to take Central government approval only for 8 reasons instead of the existing 32.

(v) Major Ports would be empowered to make their own master plan for areas within the port limits, to the exclusion of any state or local regulations.

(vi) Port authority would be empowered to fix tariff for its assets and services.

(vii) For PPP projects, operators will be free to fix tariff based on market conditions.

(viii) Power to raise loans/additional capital from Indian and foreign lenders.

In all future PPP projects, concessionaire shall fix the tariff based on market conditions and on such other conditions as may be notified.

Admiralty Bill 2017 gets President's assent

The Upper House of the Parliament of India passed the Admiralty (Jurisdiction and Settlement of Maritime Claims) Bill, 2017. The President of India has given assent to the Bill. The Bill is now the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017 and will come into force from 1 April 2018. In addition to the exercise of admiralty jurisdiction by the High Courts of Bombay, Calcutta, Madras, Gujarat, the Act extends admiralty jurisdiction to the High Courts of Karnataka, Gujarat, Orissa, Kerala and Hyderabad. The Act allows the Central Government to also extend the admiralty jurisdiction to any other High Court by notification.

VOC port beats last year's record



By handling 6,43,720 teus till March 7 in the current financial year, V O Chidambaram Port has surpassed its previous annual handling record of 6,42,103 teus in the previous financial year. Handling till March 7 has seen an 8.63 per cent increase compared to the handling till the same day last year. Till March 11, the port had handled 6,52,168 teus of containers. The port expects to scale further new heights with the completion of the ongoing berth works.

SWPL to import high grade iron ore



It is reported that South West Port Limited (SWPL), a unit of JSW, has asked the Goa State Pollution Control Board to let them import high-grade iron ore supposedly from Chile. SWPL was importing 5.5 million tonnes of coal per annum at berth numbers 5A and 6A. SWPL has permission to import 1 million tonnes of limestone and export 1 million tonnes of steel. SWPL has imported around half a million tonnes of limestone, and they want to import the remaining quantity of iron ore.

जब आप उत्कृष्टता में विश्वास रखते हैं तो यह आपके जीवन का अभिन्न अंग बन जाता है। यह वह प्रेरणाशक्ति है जो कॉनकॉर को लॉजिस्टिक ऑपरेशन के प्रत्येक क्षेत्र में उत्कृष्ट कार्य करने की प्रेरणा देती है। हमारा आधार भारत के रेल नेटवर्क के साथ हमारी दीर्घकालीन पार्टनरशिप रही है जो इसको वैल्यू फॉर मनी मल्टीमॉडल लॉजिस्टिक सलूशन की पहुंच एवं विश्वसनीयता को नई उंचाईयों पर ले जाती है। रेल द्वारा इनलैंड लॉजिस्टिक तथा डोर-टू-डोर लॉस्ट माइल डिलीवरी के अतिरिक्त हम पोर्ट, एयरक्राफ्ट परिसरों एवं एक कोल्ड चैन का भी प्रबंधन करते हैं। इन सबके माध्यम से हम ग्राहक केंद्रित, परफार्मेंस प्रेरित और परिणामोंमुख, सतत नवीनता की प्रक्रिया के माध्यम से हम अधिक उत्पादकता लाभ अर्जित करते हैं।

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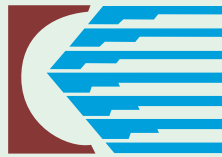
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Project UNNATI for major ports



The Ministry of Shipping's Project UNNATI to boost all-round performance of Major Ports is in full swing. A total of 116 initiatives have been identified for various Major Ports, of which 86 have been implemented so far. The aims and objectives of Project UNNATI are as follows: Benchmark operational and financial performance of the 12 Major Ports with selected Indian private ports and best-in-class international ports for identifying improvement areas. Undertake capability maturity assessment for key processes and functional capabilities (e.g., IT, HR, Environment and Health) and identify gaps and areas for further strengthening. Detailed deep-dive diagnosis and root cause analysis for the identified opportunity areas in each of the 12 Major Ports to understand underlying reasons for performance bottlenecks. Develop practical and actionable solutions on the basis of root cause findings, and develop a comprehensive improvement roadmap for each of the Major Ports.

Pakistan and China invited to participate in Chabahar Port

Iran has invited Pakistan and China to participate in the Chabahar port development and link it to Gwadar Port. India and Iran have

signed an MoU and plans have committed at least \$85 million for the development of this port. The main objective of India to build Chahbar Port was to reduce the shipping costs and time by 50 per cent for shipping cargo to Central Asia.

Fortescue steps up iron ore sales to India

Australian iron ore producer Fortescue Metals has stepped up sales to India, diversifying from the traditional market of China where sales of its low-grade fines have been slower over the past year. Fortescue possibly made sales of up to 2mn tonnes of fines to India since January, a market it had not previously made significant sales, according to shipping data. Shipments have been offloaded at Krishnapatnam port on the east coast and Jaigarh on west coast India.

Fortescue is keen to expand sales into India with sluggish demand in China where mills prefer to buy higher-grade ores to step up productivity amid higher profits and firmer demand for steel. Environmental restrictions are also prompting increased use of higher grade mainstream fines and direct charge material.

MTOs to be self-regulated

The Shipping Ministry, which is finalising the draft of the Multimodal Transportation of Goods (MMTG) Bill, 2018, proposes to bring all multimodal transport operators (MTO) under self-regulation, doing away with the mandatory registration and reducing intervention of the govern-

ment. A second round of discussions has been held with stakeholder organisations and the final draft of the MMTG Bill is expected to be submitted to the Union Cabinet for approval soon.

The proposed amendments to the MMTG Act 1993 include registration of a self-regulatory organisation. For MTOs, the proposed bill provides for compulsory registration of all of them along with their benchmarking on the basis of their turnover, infrastructure and performance, to be done by the SRO.

No more chemical imports at Cochin Port



Cochin Port Trust is no longer among the ports notified by the Union Government to import chemicals and intermediates covered under the Insecticides Act of 1968. The logistics involved in sourcing such goods from distant ports like Mumbai and Chennai is bound to push up prices, of both raw materials and finished products. The decision to de-notify Cochin Port Trust will serve as a major setback for companies in Kerala and parts of Tamil Nadu and Karnataka. Customs at Cochin Port had been collecting a revenue of around ₹100-150 crore as duty through the import of insecticides annually.

Expansion plans of Dhamra Port Company

A massive expansion proposed by Dhamra Port Company Ltd would go under scrutiny of the Odisha government. The draft of the deep water port along the coast of north Odisha is proposed to be scaled to 22 metres, making it the deepest port in the country. The port is also gearing up to have an LNG terminal. Adani Enterprises has entered into an agreement with Indian Oil Corporation Ltd (IOCL) and GAIL (India) Ltd for the terminal, estimated to cost ₹60 billion. The proposed LNG terminal would have a regasification capacity of five mtpa. It would be the sixth LNG terminal on the east coast and feed Indian Oil's refineries at Paradip, Haldia and Barauni apart from offering feedstock to some fertiliser units.

Cochin Port losing bunkering to Colombo

The bunkering activity at Cochin Port, which went down following the implementation of 18 per cent GST, is yet to reach its former glory. Earlier, at least 20-25 ships would make use of this facility prior to the GST implementation in July 2017. Two months into the GST regime, the number dropped to as low as five a month. After the GST rate was cut to 5 per cent in October last year, there was some respite with the number marginally improving to 15 ships a month. Realizing the cheaper availability of fuel in Colombo, many ships have moved away.



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Vizag-Chennai industrial corridor gets Rs 1,668 cr

Putting the proposed Vizag-Chennai Industrial Corridor (VCIC) on the fast track, the Andhra Pradesh government has earmarked ₹1,668 crore for the project in the state's budget. The VCIC, one of the key components of the East Coast Economic Corridor (ECIC) being developed between Kolkata and Tuticorin, envisages four major industrial nodes in the state – Visakhapatnam, Kakinada, Gangavaram-Kankipadu and Yepedu-Srikalahasthi with an aim of attracting an investment of ₹1 lakh crore.

Inefficiencies in logistics cost India \$95 billion



Inefficiencies in the logistics chain, resulting from its unorganised nature cost the Indian economy an estimated \$95 billion. Logistics costs in India are approximately \$309 billion, which account for 13–14 per cent of the GDP. This is higher than the global average of sub-8 per cent, as the Indian logistics sector is largely unorganised and inefficient. Transportation cost as a percentage of total logistics cost in India is 40 per cent. Inventory handling cost is 24 per cent and warehousing takes up 26 per cent. India's transportation costs are high due to bad quality of roads, intra-city traffic and regulatory delays.

Amendments in e-way bill

Amendments in the e-way bill by the government recently will significantly address concerns of e-commerce logistics, courier and cargo companies. The revised draft policy on the generation of e-way bills released by the Central Board of Excise and Customs on March 7, according to rating agency Icr, will benefit small businesses that operate on intra-state basis and the less than truckload (LTL) operators.

As per the revised norms, e-way bill generation will not be required for each consignment in case of intra-state movement of goods through e-commerce or courier companies where the value of each consignment is less than ₹50,000 but the aggregate value is greater than ₹50,000.

e-Shang Redwood enters Indian market

Global logistics developer e-Shang Redwood plans to secure almost 600 acres of land across various locations in India to set up industrial and logistics parks, and expects to launch its first project by the December quarter. The company aims to invest around \$100 million annually and is looking to either buy or form joint ventures for land parcels of 50-150 acres each with land owners or developers. The company has a mandate to be one of the largest industrial and logistics developer in India by 2022. In the first phase, it will look at Tier I cities like Mumbai, Pune, Chennai, Bengaluru, Hyderabad and National Capital Region (NCR).

Flipkart plans logistics park near Bengaluru



Flipkart is planning to set up a logistics park near Bengaluru at an investment of ₹200 crore. The proposed park will be spread over 4.5 million square feet space and the company intends to acquire around 100 acres of land on the outskirts of Bengaluru.

"The fully-integrated park, which will house several Flipkart Fulfilment Centres, will improve supply chain efficiency and reduce costs by deploying mechanised warehousing, acting as a freight aggregation and distribution hub, and by leveraging technology for intelligent transport systems," Flipkart official said.

Geographically, a logistics park near Bengaluru is ideally placed to cater to diverse industries across the 4 regional states due to its central location in Southern India. Recently, Flipkart evinced interest in acquiring at least one million square feet of space in an upcoming logistics park in Andhra Pradesh. The Visakhapatnam Port Trust is building the facility with a total investment of about Rs 600 crore.

ICP construction at Bhediari very slow

The construction of Integrated Check Post (ICP) at Bhediari of Biratnagar,

Nepal, slated to be completed by December, is moving ahead at snail's pace. The government, in December 2016, had allotted 169 bighas of land for construction of the ICP, being built at a cost of around ₹2.1 billion through Indian government's support. But so far only main administrative building has been built, whereas foundations of entry and exit ways, storage house, security check post, canteen, chilling centre, quarantine check post and laboratories have not been laid. However, construction of the same infrastructure on the Indian territory is about to be completed.

JSW Steel to buy Italy's Aferpi



JSW Steel is all set to sign a term sheet with Algeria's Cevital to buy Italy's second largest steel firm Aferpi for almost ₹600 crore. JSW Steel is also set to bag Monnet Ispat & Energy as the lenders had cleared the financial bids and were evaluating the technical bids. JSW Steel along with Aion Capital Partners had submitted a bid for ₹3,750 crore that includes payment of ₹2,500 crore to the lenders and balance to the operational creditors against Monnet Ispat's outstanding debt of more than ₹10,000 crore.

Thar Dry Port-Sanand ICD commences LCL consolidation

Thar Dry Port-Sanand has announced the commencement of LCL consolidation service. ICD THAR, in association with C. P. World Logistics (I) Pvt Ltd and CHA Pacific Maritime Pvt Ltd, moved its first LCL console on March 8, 2018 to JWR CFS at Nhava Sheva. C. P. World Logistics is the LCL consolidator working LCL boxes to/from ICD THAR.

ICD THAR plans to despatch an LCL console every Wednesday and Saturday to JNPT. There will be fixed weekly movement to JNPT irrespective of load, thereby ensuring faster movement of LCL cargo to the port. ICD THAR has earmarked separate space for LCL consolidation in its warehouses.

Hindustan Infracore to acquire 90 per cent of CWC

Hindustan Infracore Private Limited acquired 90 per cent stake in Continental Warehousing Corporation (Nhava Seva) Ltd (CWCNSL). CWCNSL's founders, the Reddy family, will retain the remaining 10 per cent shareholding and will remain involved in the business operations. The purchase consideration is below 5 per cent of DP World's net asset value as of FY2017 and it is the first investment of HIPL, the recently created investment vehicle between DP World and NIIF.

Seaways moves steel wires from Kolkata Port to Narayangunj

The Kolkata branch of Seaways Shipping and Logistics recently handled a shipment of steel wire coils to Narayangunj in Bangladesh for its customer Electrosteel Steels. The shipment, 1,482 tonnes of steel wire coils, was exported from Kolkata Port to Narayangunj via Mongla port, using the inland protocol route to Bangladesh.

The scope of work for Seaways included the entire logistics comprising shore handling – from cargo entry to loading onto the barge, overseeing the berthing of the barge, documentation, export Customs clearance, intercarting of cargo, loading on the barge, and coordination with the barge owner, among other key activities.

Centre to lease 10 more national highways



The government plans to lease out another 10 public-funded national highways to private operators to raise money to build more roads. The road transport and highways ministry expects to rake in almost ₹6,600 crore through this second round of leasing out government-owned

national highways under the toll-operate-transfer (TOT) model.

“The bids for the second tranche will be invited in April. The market has shown great appetite for investing in national highways. We are hopeful of attracting top global private equity and pension funds,” Singh said.

The government recently concluded the auction process for leasing out nine national highways in Gujarat and Andhra Pradesh. Sydney-headquartered Macquarie Group won the TOT bid of nine national highways with a total length of just under 700 km. The company placed the bid of ₹9,681 crore, as against the government's expectations of ₹6,258 crore.

APM Terminals Mumbai implements Vehicle Booking System



APM Terminals Mumbai (GTI) has announced a new value-added service designed to accelerate and improve turnaround time of freight arriving at the terminal. Titled Vehicle Booking System (VBS), the service entails the terminal allocating fixed time slots to each CFS every day whereby the CFS is encouraged to col-

lect its consignment during the time allocated. Once the CFS' trailers reach the Y-junction at the port complex during the allotted slot, they can approach the terminal through the empty TT lane. The trailers thus skip traffic and enter the yard in a short time. Additionally, the terminal also allocates dedicated equipment at the yard block for serving these trucks once inside the yard. With CFSs sending their trailers only during allocated slots, the terminal is able to efficiently handle import evacuations, avoiding traffic congestion outside its gates.

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I, **R. Ramprasad** hereby declare that the particulars given above are true to the best of my knowledge and belief.

Date: 2 March 2018

(Sd/-) **R. Ramprasad**
Publisher

NEPAL



Bihar to promote trade with Nepal

Bihar government has sought the Centre's help to chalk out an export strategy to promote the landlocked state's trade with Nepal in a bid to offset revenue losses it incurred due to liquor ban and slump in taxes from sand mining activities. Principal Secretary of the state industries department S Siddharth said Bihar had pleaded to the Center for formation of an inter-ministerial panel to examine import requirement of Nepal and arranging support mechanism for local traders willing to export to the neighbouring country.

INDONESIA



Iran to export first wheat cargo to Indonesia

Iran plans its first ever wheat shipment to Indonesia in a turnaround after years of being a major importer of the strategic staple crop. The Trade Promotion Organization of Iran (TPOI) said Indonesia can become a main destination for Iranian exports, given that the Islamic Republic plans to increase its wheat output. Iran's non-oil exports to Indonesia rose to \$465 million in the first 10 months of the current fiscal year which ends on March 20. Indonesia is projected to import 12.5 million tonnes of wheat, a rise of 1 million from the year before. Australia, Canada, Ukraine and the US are main suppliers of wheat to Indonesia.

MYANMAR



Foreign investment in ports sector invited

Myanmar is inviting foreign investment in its port sector to upgrade jetties along the coast into international-standard ports. Dr Myo Nyein Aye, Deputy General Manager from the country's ministry of transport and communications, said there were opportunities in ports on the Ayeyarwady and Chindwin rivers and multi-modal logistics hubs in Yangon, Mandalay and Bago, as well as in terminals in Magway, Pyay, Mawlamyine, Dawei, Thandwe and Heho. "Myanmar's transport sector lags behind ASEAN... up to \$45bn-\$60bn in investments are required by 2030," said Myo. The first initiative is expected to be a port upgrade to increase capacity at existing ports.

AFGHANISTAN



Improving air cargo exports to Kazakhstan



Afghanistan is expected to export over 10 tonnes of goods to Kazakhstan's capital Almaty on a weekly basis. Afghanistan has also accelerated efforts to open such corridors with Singapore and Indonesia. Alongside fresh and dried fruits and handicrafts,

Afghan carpets will also be exported to Kazakhstan markets via air cargo. "It is hoped that Kabul-Dubai and Kabul-Jakarta corridors become operational too, we hope that our exports to other countries in the world increase significantly in the next few years," said Mir Zaman Popal, head of Afghanistan Chamber of Commerce and Industry.

BANGLADESH



Pangaon Terminal to be included in coastal shipping protocol



In an effort to reduce logistics costs and make India-Bangladesh trade more competitive, the Union Shipping Ministry of India has proposed the inclusion of Pangaon river terminal near Dhaka in the bilateral protocol for inland water trade, during the upcoming secretary-level talks. The Pangaon container terminal is located 20 km from Dhaka. Currently Kolkata port in West Bengal; Mongla, Narayanganj, Ashugunj in Bangladesh; and Karimgunj in Assam are listed in the protocol.

"We will propose inclusion of Pangaon terminal in the protocol during the annual secretary-level meet. We expect the proposal to help transport goods at a cheaper cost between Kolkata and Dhaka," Gopal Krishna, Secretary Shipping said.

SRI LANKA



SLPA in MOU with SAGT and CICT to promote the Port of Colombo

The three terminal operators at the Port of Colombo; the Jaya Container Terminal (JCT) under SLPA, the South Asia Gateway Terminal (SAGT) and the Colombo International Container Terminal (CICT) reached into a MOU to operate collectively to promote the Port of Colombo. The meeting had been convened with the initiative of Hon. Minister of Ports and Shipping Mahinda Samarasinghe and with the participation of Dr. Parakrama Dissanayake, Chairman of Sri Lanka Ports Authority (SLPA). The new collective agreement will minimize the waiting time of all container vessels outside the port waters by allowing operations of vessels at the immediately available terminal.

MALAYSIA



CEVA Logistics expands warehousing

CEVA Logistics has doubled its presence in Penang, Malaysia, with the opening of a new 70,000-square-foot multi-user warehouse. The new facility is in the Bayan Lepas Free Industrial Zone Phase IV.

The warehouse includes temperature-controlled storage space, advanced equipment for materials handling, radio frequency warehouse management system, on-site Customs and modern office space. The facility will also include CEVA's teams for contract logistics.

MALDIVES



Diversifying imports

Maldives imported Pharma products worth more than \$30 million last year, and the major bulk of these imports (almost 70 per cent) were made from India. The government of Maldives is in an acute search of diversifying their importing sources of pharmaceutical products, where exporters could meet their quality requirements. Maldives is looking at Pakistan to diversify its import sources. "Sri Lanka is one of the major export markets of Pakistan in addition to Far East, Central Asia and Africa. The Pakistani pharma industry meets international certification criteria and import standards of recognised world bodies," said Trade and Development Authority of Pakistan.

IRAN



Growing trade with Afghanistan

Afghanistan and Iran traded 5.32 million tonnes of non-oil commodities worth \$2.48 billion in 11 months till February 2018. In terms of tonnage and value, the commodity exchange grew by 18.64 per cent and 8.92 per cent respectively, compared with last year. Iran exported 5.30 million tonnes of goods worth \$2.46 billion to Afghanistan during the period, indicating an increase of 18.79 per cent. Similarly, Iran imported from Afghanistan 22,673 tonnes of goods worth \$18.71 million during the period. Exports from Afghanistan fell by 7.84 per cent.

THAILAND



Alibaba's digital hub to start in April

Alibaba Group expects its smart digital hub project in Thailand's Eastern Economic Corridor (EEC) to get off the ground in April. The investment is part of the Thai government's effort to attract foreign investors in targeted EEC sectors. Alibaba's smart digital hub project will function as a logistics hub not just for Thailand, but also Cambodia, Laos, Myanmar and Vietnam. Alibaba has already purchased 300 rai of land in EEC areas to develop the smart digital hub, which will feature a distribution centre, logistics facility, production plant, training centre for Thailand's small and medium sized companies.

PAKISTAN



Courier and Logistics Regulatory Authority Act 2017



The National Assembly of Pakistan has passed the Courier and Logistics Regulatory Authority Act 2017, which is now pending approval with the Senate to become an act. The proposed act would regulate the functions of the courier

and cargo sector, help generate funds for the government and set tariffs for courier services in a transparent and fair manner. Currently, private couriers, cargo and logistics service providers are operating without any regulatory regime. They are free to fix their own charges and are not paying general sales taxes and other levies.

VIETNAM



High toll charges increase logistics cost

Transport costs make up 40-60 per cent of total logistics costs in Vietnam. The cost to ship one container from Hai Phong to Hanoi (100 kilometers) is three times higher than the cost to ship one container from China or South Korea to Vietnam. BOT road tax is even higher than expenses on fuel for the same section of road. When carrying goods from ports in district 7, HCMC to Vung Tau, the fuel costs VND750,000 for 60 liters of oil, while the two-way toll is VND800,000.

Vietnam trade grows with S.Korea

Vietnam will become South Korea's second largest trading partner in the next two years. Korea's exports to Vietnam will surpass \$90 billion in 2020, the second highest after China. South Korea's exports to Vietnam in 2020 will be worth \$96.6 billion, compared to \$80.9 billion to the US. Vietnam was the sixth largest destination for Korea's exports in 2014 but climbed to third position ahead of Hong Kong in 2017.

SOUTH KOREA



CJ Logistics partners with FESCO

South Korea's CJ Logistics Corp. has signed a partnership deal with FESCO, a Russian transportation and logistics firm. The deal helps CJ Logistics Corp. gain access to Russia's Trans-Siberian Railway, which will reduce cost and time in moving goods for trade with Europe. CJ Logistics and FESCO will also jointly launch logistics businesses on the Trans-Siberian route. CJ Logistics is primarily focusing on improving logistics services that link Asia to Europe.

CHINA



Building port of Sao Luis

A consortium led by China Communications Construction Company laid the foundation stone for the construction of a port of Sao Luis in Brazil. The project will strengthen economic ties between China and Brazil. The project is being undertaken in collaboration with Brazilian companies WPR and Lyon Capital, and the Chinese company holds a 51 per cent stake in it. Construction of the port will take four years and cost some 800 million reais (\$243.8 million), while generating some 4,000 jobs. The port will have an estimated annual handling capacity of 10 million tons of cargoes, of which 7 million will be grains – especially soybean and corn. Some 1.5 million fertilizers and 1.5 million general cargoes will make up the rest.



Coastal Shipping

**It's time
to walk
the talk**

Coastal shipping has very obvious advantages over all other modes when it comes to costs. However Coastal shipping has not had a smooth sailing so far. The Government has announced a plethora of incentives and policies to promote coastal shipping. But these have not translated to realities on the ground.

by Vijay Kurup

Coastal shipping was started almost a decade back amidst lot of fanfare and expectations to reduce logistics cost and move significant volume of cargo off the road. A number of schemes were announced by the government to ease coastal shipping into the mainstream, such as dedicated coastal berths, priority berthing, subsidies etc. But still the sector has not been able to pick up steam.

Road and railways still carry 60 per cent and 25 per cent of the total cargo respectively. Coastal shipping, oil and gas pipelines and Inland waterways carry the rest. POL (Petroleum, Oil, & Lubricants) and iron ore constitute 85 per cent of the overall coastal movement. The total freight transported through coastal shipping in the country during the last three years has been growing very slowly.

So why is coastal shipping not growing? What ails the industry? Have the schemes/incentives announced by the government translated to the stakeholders? Is the infrastructure in place? Let's look at these questions one by one.

For coastal volumes to be viable there has to be consistency in large volumes, says

Capt. Vivek Kumar Singh, Executive Director and CEO. "A major problem in the sector is the lack of return cargo. Ships cannot af-

ford to remain idle. While there is no difficulty with trying to encourage new startups of cruise and car carriers, the traditional cargo carriers such as mini bulk vessels or container vessels which are actually engaged in movement of

coastal cargo receive no support or encouragement."

Coastal shipping in the east coast of India has not progressed as compared to the west coast due to paucity of industrialized centers there. Most of the industrial activity in India is not contiguous but concentrated in sporadic areas such as Gujarat, Maharashtra, Tamil Nadu and Andhra Pradesh. From the eastern part of India barring Tamil Nadu, there is no return cargo. Finished products aren't many in the eastern sector. Thus far the eastern sector had tended to lag behind with the rest of the country.

That being said, GST has brought about a correction of coastal movement in east India. **Anil Devli, CEO, Indian National Shipowners' Association, (INSA)** said that the cargo is not growing per se, as economic activity is at a steady state rate.



But in fact, containerisation is increasing. Removal of GST on bunker fuel for Indian vessels led to an increase of 97 per cent in tonnage of Indian flag container fleet. Thanks to this and better freight rates offered by Indian vessels, containerised cargo that was being diverted to Colombo, Tanjung Pelepas and Singapore from the East Coast of India is now getting transhipped at ports such as Krishnapatnam and Vizag. This in reality is the cause for greater visibility to cargo on the East Coast of India.

Gujarat – A role model

Gujarat effectively uses its ports for coastal shipping and can be a role model for other states. In spite of the fact that most ports in Gujarat have vast tidal ranges, it has used its coast

for both captive and commercial coastal movement. The success of Morbi (the ceramic town in Gujarat) could in part be attributed to the movement of these heavy cargo through an efficient mechanism in coastal waters. Ceramics as a cargo is heavy and fragile. Transporting them by road across the country would not only be expensive but also susceptible to damages through knocks and jerks during road transit.

Priority berthing

Even though the government has announced priority berthing for coastal shipping, but it still does not reflect in the ground reality. Anil Devli said even before we go into infrastructure improvement, which is a long shot, what is important is that the current infrastructure be made available to coastal cargo with the same zeal that it is presented to EXIM cargo. For example, there have been reports of Indian vessels not being able to find berthing slots since they are carrying coastal cargo and are not a priority for the port. The facilities provided and the cost of providing the same need to be mapped to the reality of revenues earned by the coastal ship owner. The prohibitive cost of rendering such port services, ensures failure of a coastal service on paper itself.

The government has announced priority berthing for coastal ships but still it is not seen fully implemented at many ports. For instance, a service provider sailing from Chennai to Port Blair has to wait for 2 to 3 days to berth. What will happen when business increases, he asked? "Systems are not in place. Cargo loading is so slow. Harbour tugs provided by the government would be idling, whereas the private tugs would be operating," he said. "As much as six government





STRENGTHS

Significant volumes of cargo can be moved off the road and logistics cost can be reduced

Some of the major and private ports claim they have sufficient capacity to handle coastal cargo and do not need to construct coastal berths.

End to end multi modal transportation is also being offered for seamless movement of cargo.

Government reduced vessel related charges and terminal handling charges to sensitize the coastal operators.

Shippers are being offered varied incentives to opt for coastal movement



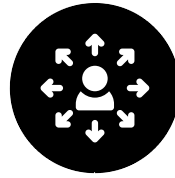
WEAKNESS

As per Sagarmala coastal berth scheme, only 5 major ports and 6 non major ports have been provided funding for developing coastal berths out of the 28 major and minor ports.

While the government has announced several incentives for using coastal route, but the channel for availing the incentives is not clearly defined

Several of the shippers' using the coastal route are not even aware of the incentives being offered by the government

Lack of return cargo is a major issue for viability of coastal shipping



OPPORTUNITIES

Coastal cargo is growing on the east coast and shipping lines need to identify this opportunity

Coastal shipping is feasible if cargo generation and consumption centers are located at 100-150 km from the port and this triggers industrial development closer to the ports.

Transshipment cargo which is being routed through foreign ports need to be tapped by Indian ports.



THREATS

Coastal operators still have long waiting time in spite of priority berthing announced by the government

GST on import of ships for coastal movement has increased the cost for coastal shipping

Multiple handling of cargo and lack of competitive ocean freight rates are the major concerns mentioned by customers for moving cargo from road to coastal route

Few coastal operators withdrawn their vessels from coastal service due to saturation in trade on West Coast.

tugs would be idling for one reason or the other. Our systems are redundant. There is lax working culture at the ports." He maintains that it's not that the port authorities are unaware of it. "You don't face this problem in Mundra or in Pipavav. Small shipping lines operating in the coastal region cannot afford to have their turnaround time increased by these petty issues."

Infrastructure development

The Coastal Berth Scheme under Sagarmala aims to create infrastructure for the movement of coastal cargo and passengers. Financial assistance would be provided to major and non-major ports and state governments. The importance of the Coastal Berth Scheme can be gauged by the government's intention not just to extend the period of the scheme beyond the 12th Five Year Plan, but also enlarge to cover the cost of preparation of Detailed Project Report and capital dredging at major ports.

But industry leaders say that infrastructure development has become difficult as the rules have been made more stringent and mostly favour the government. Coastal shipping requires smaller vessels that can be brought

at a lower cost. Small ports/jetties with 3 to 4 metres draft can be used for moving coastal cargo. Further the incentives and bouquets are only for the start-ups. The new cruise vessels which are coming into India are getting huge discounts in terms of vessel related charges, so are the one or two car carriers running coastal services.

High servicing cost

Cargo vessels find it difficult to compete with road and rail costs due to various problems. For example, carrying out a small servicing of an equipment at an Indian port costs about ₹1.0 lakh. The same service can be obtained at Colombo for about ₹40,000. Another example is sign-on and sign-off cost that small Indian flag operators spend in terms of pay offs at port gates. There are so many such hidden costs adding to the cost of operations. Further port charges in India are amongst the highest in the world; Cost of capital paid by shipowners is amongst the highest in the world – all of this adds to cost.

Cabotage

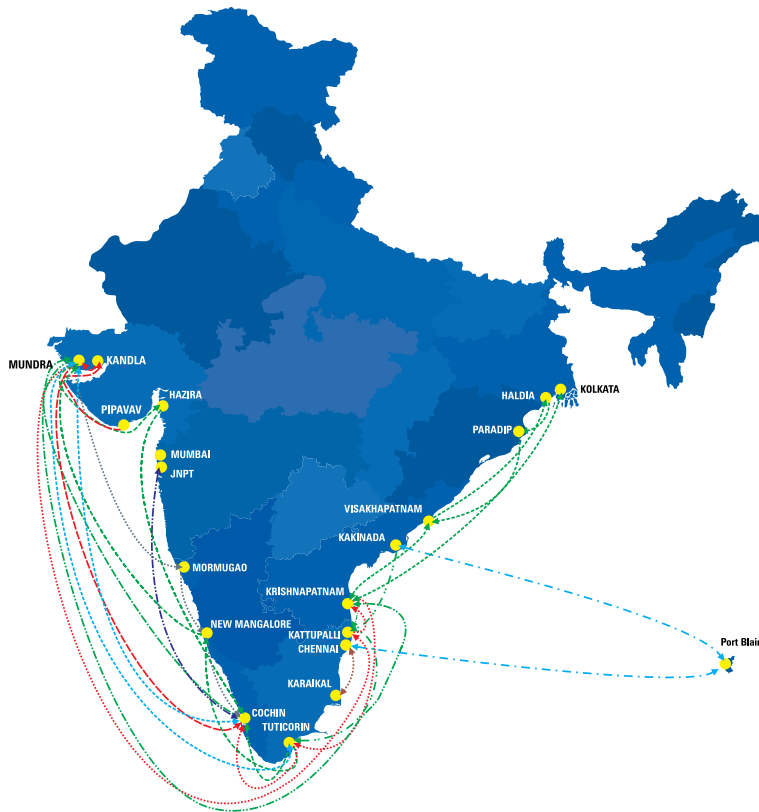
The subject of coastal shipping cannot be discussed without bringing up the contentious subject of cabo-

tage. This is the right of Indian ships to carry cargo on the national coast by paying local taxes and employing Indian seafarers. Currently only ships registered in India can provide their services on the coastal shipping route.

To cede or not to cede has been the vexing question for the Government. When US, China and other countries are fiercely guarding their turf, should India cede its coastal waters to foreign lines? Would cabotage relaxation give an impetus to coastal shipping? Easing cabotage would bring in expensive and specialised vessels to Indian coasts, which are financially beyond the scope of many Indian ship owners. These vessels would no doubt improve the quality of coastal shipping.

However Devli does not mince words. He said, "The fact of the matter is that foreign shipping companies want to carry Indian cargo and earn revenues, but not invest in the Indian flag and economy. It is our view that foreign lines should invest in the Indian flag and carry Indian cargo." He said that he was unable to understand how question can be put to them, suggesting models of business which permit generating revenues from In-

INDIAN COASTAL CONTAINER SERVICES



SHREYAS SHIPPING

- PIX 1
SSL Mumbai, SSL Kutch:
Mundra – Hazira – Cochin – Tuticorin – Mangalore – Mundra
- PIX 2
SSL Bharat, SSL Delhi, SSL Kochi:
Mundra – Krishnapatnam – Kattupalli – Tuticorin – Cochin
- ECC
SSL Sabarimalai, SSL Chennai, SSL Kolkata :
Krishnapatnam – Kolkata – Krishnapatnam
SSL Visakhapatnam, SSL Gujarat:
Krishnapatnam – Visakhapatnam – Haldia – Paradiip
– Visakhapatnam – Krishnapatnam
- SMILE
SSL Brahmaputra:
Mundra – Cochin – Tuticorin – Pipavav – Mundra

SIMATECH SHIPPING

- IWCS
Sarayu, Pamba
Mundra – Goa – Mangalore – Cochin

TCI SEAWAYS

- WEST COAST SERVICE
Tci Arjun, Tci Vijay
Mundra – Tuticorin – Mundra, Mundra – Cochin – Mundra
- EAST COAST SERVICE
Tci Lakshmi, Tci Prabhu, Tci Surya
Chennai – Port Blair – Chennai, Kakinada – Port Blair – Kakinada

TRANS ASIAN SHIPPING SERVICES

- West Coast Service
MV Karuthal
Nhava sheva – cochin – Nhava Sheva

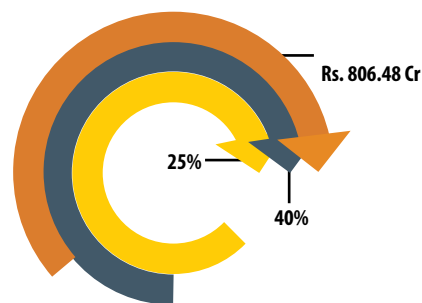
SHIPPING CORPORATION OF INDIA

- PIX 2
Lal Bahadur Shastri
Mundra – Kattupalli – Krishnapatnam – Tuticorin – Cochin
- SMILE
SCI MUMBAI
Pipavav – Kandla – Mundra – Cochin – Tuticorin – Pipavav
- SRI RAMANARAYAN ENTERPRISES PVT. LTD
MV Chawgule 8
Karaikal – Chennai – Karaikal

COASTAL BERTHS UNDER CONSTRUCTION

Port Name	Financial Year of Sanction
Porbandar Port	2016-17
Navalakhhi Port	2016-17
Cuddalore Port	2016-17
Old Mangalore Port	2017-18
Karwar Port	2017-18
Kollam Port	2017-18
V.O.Chidambaranar Port	2015-16
Jawaharlal Nehru Port	2017-18
Chennai Port	2015-16

STATUS OF GOVERNMENT FUNDING FOR COASTAL BERTHS



- Total project cost for creating coastal berths in Indian Ports
- Funds sanctioned by the government
- Funds released by the government

FINANCIAL ASSISTANCE FOR DEVELOPING COASTAL BERTH

Project	Maximum Financial Assistance provided (In INR Crores)	Remark
Construction/ Upgradation of exclusive coastal berths	25	Maximum financial assistance provided is 50% of the total cost of project
Mechanization of coastal berths	15	

dian cargo, but not investing in India? "To such proposition, he continued, is it your case, that foreign shipping companies should not be flagging in India, should not be paying taxes in India, should not be employing Indian seafarers etc. and yet have the benefit of carrying Indian cargo? If that be the case, then it certainly ruffles my feathers."

It is a catch 22 situation. The resolution would be to seek a balanced solution; the Indian government reportedly plans to seek a relaxation of the Cabotage rules whilst avoiding undue hardship to the Indian shipping sector, possibly by providing tax incentives to them.

Lack of coordination among ministries

For exploiting coastal opportunities the different ministries also need to work in tandem, but this is not exactly happening. Ministry of shipping and Rail recently came together and conceived a project for multimodal transportation of coal from rail to a combination of rail and sea which involved movement of coal from the mines in Odisha to the nearest port and then by sea to Andhra Pradesh. It was found that coupling rail with sea was cheaper than transporting coal by rail alone to Andhra Pradesh. However, before the project could be consummated the railways went ahead and reduced the rail freight thereby defeating the whole project. This lack of coordination lies at the heart of the sluggish growth of the Indian coastal shipping.

Incentives

To promote modal shift of cargo to coastal shipping the government had announced several incentives:

- (i) Transportation of bulk and break-bulk cargo including fertilisers, foodgrains, marbles, tiles, sugar, edible salt and ODC cargo is eligible for an incentive of ₹1 per tonne per nautical mile up to a maximum of 1,500 nautical miles in each trip.
- (ii) Full Container Load movement of any commodity is eligible for an incentive of ₹3,000/- per teu. Transportation of commodity through forty feet or other larger sized containers shall be incentivized based on number of times the

ADVANTAGE COASTAL SHIPPING

The cost per tonne kilometer of moving cargo by sea can be 60-80 per cent lower than by road or rail. The coastal mode of transport could deliver ₹30,000 - ₹40,000 cores in logistics savings per annum.

Coastal power plants in Andhra Pradesh and Karnataka are currently receiving coal from Mahanadi coalfields by rail. Significant savings can be made by adopting rail-sea-rail route. 100 to 130 mn tonnes of coal could move through the RSR route by 2020, with estimated savings of over ₹10,000 crores to the power sector.

Cement from Gujarat is transported by sea to Maharashtra. About 5,000 tons of cement can be transported in a vessel from Gujarat to Mumbai by consuming only 10 kilo litres of diesel while the same shipment by road trucks would take almost 2 days. Further for every 25 tonnes of cement, roughly 150 litres of diesel would be consumed. A single vessel can replace almost 200 trucks.

For regular coastal movement between two points, you only have to develop two minor ports or jetties. The advantages of private jetty is that one can avoid bunching of ships. Waiting time can be avoided.

Port-led industrialisation under Sagarmala focuses on logistic intensive industries. The proximity of these industries to the coast offers immense opportunities for coastal shipping.

Through Sagarmala there is a proposal to increase coastal movement of coal from 24 MTPA (Million Tonnes Per Annum) in FY 2016 to 80 MTPA by 2020. Other commodities too are expected to bump up from 51 MTPA to 85 MTPA in the same period. An inter-ministerial committee on augmenting coastal shipping of coal and other commodities has been constituted. The other potential commodities that can move through coastal shipping are cement, fertilizers, food grains, steel, marble, salt, sugar, cotton and automobiles.

said container size can be converted into TEUs.

- (iii) Ro-Ro movement is eligible for incentives of ₹300 per two-wheeler, ₹600 per three-wheeler and ₹3,000 for other vehicles

However, industry leaders are of the opinion that not all incentives are percolating down to the shippers.


Global scenario

The coastal movement in other nations is significantly higher. Europe, China and Japan are at 20 per cent, 30 per cent and 40 per cent respectively. There are additional schemes to bring more commodities to coastal shipping. The Marco Polo scheme of the EU is geared to eliminate 20 billion tonne-km of traffic from the roads annually. China aims to convert one billion tonnes of coal, steel, grains and fertilizers to coastal movement.

In Japan big industries have their own private jetties capable of handling multiple cargoes. A Master Mariner

once discharged iron ore in Japan. They then went out to the anchorage, cleaned the holds and came back to the same berth to load the finished products. Japan has 292 ports.

Conclusion

Much work lies ahead. Awareness of the importance of coastal shipping need to be promoted. As in any new project there would be general inertia to switch from the traditional mode to coastal shipping. Potential areas of growth, volume of cargo for coastal shipping need to be identified. Return shipments is what makes coastal shipping profitable. As far as possible integrate coastal and Inland Water Transport wherever possible and promote Rail-Sea-Rail route. Coastal shipping does involve multiple handling. But as Devli clarifies, "In a true multimodal transport, there is no option to multiple handling. What needs to be done is to bring in efficiencies and reduce costs." 



Capt Vivek Kumar Singh, Executive Director and CEO, Shreyas Shipping and Logistics Ltd

"We are committed to Coastal shipping"

Providing door-to-door and port-to-port service, Shreyas Shipping is making steady investment to serve the growth in market.

Q Shreyas is two decades into coastal shipping in India. And your investments in this sector have been steady and consistent. Why did you choose to go into coastal shipping?

Shreyas shipping is part of the 40-year old global conglomerate Transworld Group with experience of owning and operating container ships. Shreyas shipping and logistics ltd was formed with a vision to develop coastal shipping for container transshipment and domestic cargo transportation. Visualizing the potential of coastal shipping, we pioneered, nurtured, and continue to be market leader in coastal container shipping services. Our investment in this sector has been steady and consistent to service growth in the market. We are committed to enhance coastal shipping in India and we will continue with our dedication and investment to service coastal shipping customers and overall growth.

Q Are you able to provide door to door operations? What is your modus operandi?

Shreyas Shipping and logistics is only coastal operator to provide door-to-door service besides port-to-port, which makes us different from other coastal operators. On an average we handle 45 per cent of our total shipment on door-to-door basis servicing direct customers.

Q How is the flow of coastal cargo?

The main flow of cargo is from Gujarat ports, i.e. Mundra, Kandla, Pipavav and Hazira to all other ports in south and east coast of Indian. Since domestic cargo flow is unidirectional hence hardly 10 per cent volume comes on reverse legs.

Q How many ships do you ply and what kind of cargo do you carry?

We own and operate a fleet of 13 vessels of total capacity 23,143 Teus, and deadweight of 3,15,722. We carry containerized domestic cargo, Exim transshipment cargo as well as Exim liner cargo for direct port-to-port shipment. The main commodities for domestic cargo are tiles, marbles, cement, steel, raw cotton, food grain, fertilizer, mineral etc.

Q Which cargo is your mainstay?

The domestic cargo is our main stay and tiles is the main commodity carried by us.

Q Do you also carry perishable cargo and would you be investing in reefer ships?

We do carry some refrigerated cargo of fish from Pipavav to Cochin but volume will not sustain investment in reefer ships for coastal operation.

Q What incentives have been announced by the government for coastal shipping? Do they percolate to you as a shipping line?

None of the incentives announced by the government in the recent time percolate to our business and we do

not foresee any incentive requirement.

Q What policy push would you like to see for better results?

GST imposed on import of ships has increased cost of coastal shipping operation which needs to be reconsidered for waiver. Approval for routing Indian flag vessels via port of Colombo and Chittagong with domestic cargo on board as same bottom cargo is still in process and need to be cleared. Policy for moving North eastern states domestic cargo via port of Chittagong for faster and economical logistic service.


Q Do you feel there is sufficient competition in coastal shipping?

Considering a small market in coastal shipping as compared to Exim trade, I feel there is sufficient competition in coastal shipping.

Q Is coastal shipping lucrative and would you restrict operations to the Indian coastal waters?

Standalone coastal shipping is not lucrative due to mainly one-way trade, which is main reason we have not restricted our operation to Indian coastal waters but extended our service to Middle East ports for better utilization of space on both direction.

Q Will the Make in India move significantly impact your business?

Make in India may not significantly impact our business but Sagarmala project if achieved in right spirit may help in the growth of coastal shipping. 

"Incentivise coastal cargo movement"

"A policy introduction by the Government by way of subsidies provided for the movement of cargo on the sea route instead of road will be beneficial to transfer cargo from road to sea," says Vinita Venkatesh, Director, Krishnapatnam Port Container Terminal.



Vinita Venkatesh, Director
Krishnapatnam Port Container Terminal

Q You are one of the few terminals which has seen success in getting positive responses in handling coastal cargo. How is the journey?

We are very fortunate to get the support from Shreyas Shipping which is India's largest coastal operator. They are not only able to provide sufficient vessels to cater to the EXIM transshipment volume to mainline operator between Krishnapatnam and Kolkata/Haldia, but also through their NVOCC wing, they are able to provide domestic containers for carrying domestic cargo. Further, we also received good support from the mainline operators such as, Maersk, Safmarine, Hyundai Merchant Marine (HMM), ZIM Line, Shipping Corporation of India (SCI) and Shreyas Shipping who used our port for transshipment operations to/from Kolkata/Haldia.

Q How is the coastal cargo movement on the east coast? The government is keen to see it growing from the present level of 7 per cent to 10 per cent by 2020. Do you think this target is achievable considering the current growth rates?

At Krishnapatnam Port, we commenced coastal cargo movement in Nov'16 with an initial volume of 2,640 teus per month and this has rapidly developed and grown to 16,746 teus per month in Feb'18. Response from the trade to the coastal shipping is very encouraging.

Q Is your coastal berth ready for operations? How can infrastructure be improved in ports to ease coastal shipping? What infrastructure is required which is now currently lacking?

Krishnapatnam Port is ideally positioned on the East-coast of India to facilitate the coastal shipping and transshipment operation. We are today the deepest draft port with 18.5 meters draft and 16 metres draft at our container berth to handle large mainline service which is a pre-requisite for transshipment operations. We have also made available coastal berth infrastructure with 15 meters berth length with two MHCs to facilitate handling of feeder vessel from Kolkata which are unable to maintain schedule and window time due to the congestion and berthing delays at Kolkata



Port. Further, KPCT also offer a very competitive tariff to Indian flag vessel operators calling at our port.

Q What are key concerns of customers to shift cargo to coastal route?

There is a large volume of cargo which travels by road from KPCT hinterland to the north eastern states as well as to Kerala and Gujarat area. This cargo currently travels by road in trucks carrying small size consignments and crossing various state borders to reach the buyers factories. The cargo travelling for domestic distribution is chillies, granite and cotton yarn. The primary concern of customer to shift the cargo to the coastal route is multiple handling as well as competitive ocean freight rate.

Q What more policy push would you like from the government?

Currently, the cargo is moving by road for long distances into the North-East states in trucks adding to congestion on the roadways and pollution due to old and poorly maintained trucks being used. As against this, on the East-coast of India, there is large port infrastructure and sufficient port capacity to handle domestic cargo by sea route in an efficient manner. A policy introduction from the Government by way of subsidies provided for the movement of cargo on the sea route instead of road will be beneficial to transfer cargo from road to sea. [mg](#)

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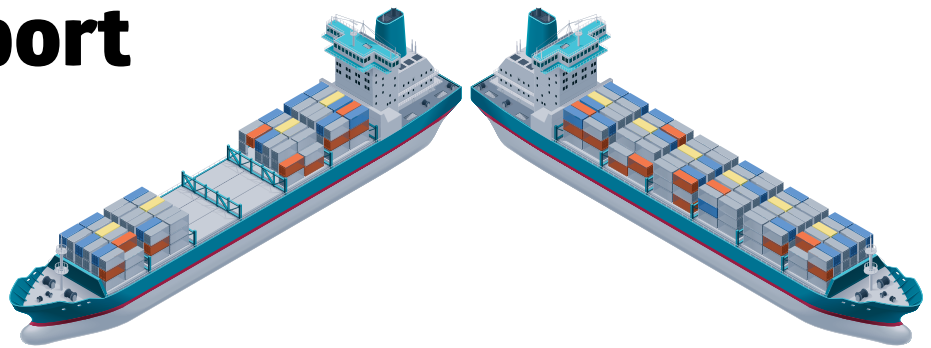
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Export Import Imbalance widening



India's container EXIM trade balance has been going through downward spiral in the last few years. Is this alarming for every state to expedite implementing initiatives planned in its export strategy? The answer is "Yes". This is the time to press the panic button and work towards achieving a collective improvement in Indian EXIM trade.

by Rakesh Oruganti

EXIM trade balance is a key indicator to evaluate the overall performance of Indian container market which is majorly aided by industrial manufacturing activities and containerization growth. Significant year-on-year growth in disparity between export and import in the last few years eventually affects the trade, container market and inflow of foreign exchange in the long run.

Total container market throughput of Indian major ports in FY 17 clocked 8,446,000 TEUs with a trade balance of 262,000 TEUs, as exports are less than imports during this period. Similarly FY 16 and FY 15 followed the same trend with a trade balance of 273,000 TEUs and 246,000 TEUs respectively.

West Bengal is sharing border with three neighbouring countries Nepal, Bhutan and Bangladesh where box volume balance of trade in EXIM shows the other side of the picture. Kolkata port registered deficit of 20,000 TEUs and in contrast Haldia recorded high exports than imports with surplus of 18,000 TEUs. Chennai port tops the list among all other major ports with a deficit of 185,000 TEUs.

European Union (EU) being a major trade partner to India, has always registered trade surplus from 2006 to 2012 and turned the other side since 2013. Engineering and manufacturing goods

EXPORTS & IMPORTS: (CRORE) (PROVISIONAL)					
	Import	Export	Total	Balance of Trade(Import-Export)	Trade Balance Y-O-Y Growth (%)
FY 15	4,103	3,857	7,960	-246	-
FY 16	4,235	3,962	8,197	-273	11
FY 17	4,354	4,092	8,446	-262	-4

**values are in 000' TEUs*

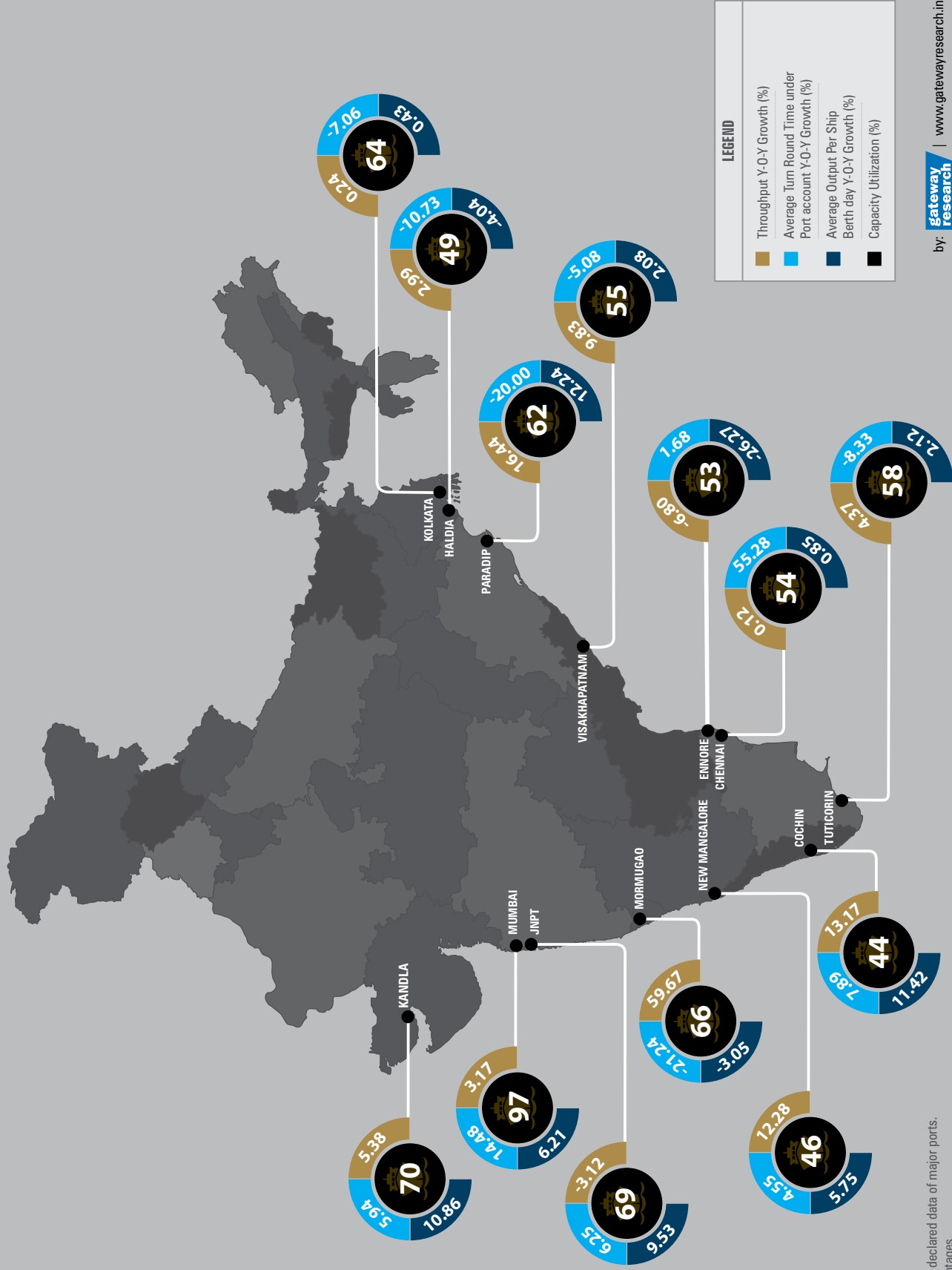
dominate majority of the EXIM trade between EU and India. Other major commodities such as gems and jewellery, chemicals, readymade garments, handicrafts and drugs and pharmaceuticals were also registered negative growth trend. Goods and Services Tax (GST) was also an impediment in the slow growth of export segment. GST implementation impacted squeeze of exporter's working capital. Otherwise, there is no other apparent reason for the exports to fall in the midst of recovery in the global markets.

Miniscule diversification of Indian export market, with high share of principal exports accounting as much as 78 per cent of the total exports is one of the major setbacks for the low growth of exports when compare with imports. United Kingdom has been one of the largest export market for India but rise in prices post-Brexit resulted in the drop of exports to this high potential market.

Adding to it, the demonetization has created a disruption and also uncertainty around implications of GST has led to slow down in the pace of exports through conservative buying patterns.

In order to achieve trade surplus in container market, the net exports stats should be positive where exports exceed imports. If it is otherwise the box trade fall under deficit. Positive net exports intensify container market to flourish. More exports from every port indicates jump in output from industrial activities. Growth in exports market triggers high inflow of forex into the country, which augment economic activities and market growth. United States being a largest trade deficit country in the world, could not face any impact on its economy because US dollar is considered as the world's reserve currency, but this is not the same case with India, thus induces government to find out an effective solution to balance the trade. [mgf](#)

Performance Indicators of Major Ports - FY 2017



Data compiled as per the declared data of major ports. All numbers are in percentages.



Banking big on rail business

Being the pioneer in moving steel products on rail under SFTO scheme, TMILL has elaborate plans to add more rakes while expand the cargo it moves on them, explains Ashish Kumar Gupta, MD, TM International Logistics Ltd.

by Omer Ahmed Siddiqui

Ashish Kumar Gupta, MD, TM International Logistics Ltd

Q You are the first company in steel products movement, participating in the SFTO scheme. How has been the experience so far?

We are the first company to operate SFTO on commercial basis for finished product movement of steel. Operations commenced from April 2017. We inducted three rakes in FY 17 - 18 and there are plans for induction of further rakes in FY 18-19 as well. In the initial days, the rake turnaround was higher than our estimate but over the next few months we worked closely with Railways to streamline the movement. We are in the process of inducting more rakes.

Q You are bringing in specialised wagons and have also increased the size of rake. What savings will it make in the cost of moving steel?

The SFTO Policy is premised on induction of specialised rakes for niche cargo movement by private operators. We initially commenced operations by inducting BFNSM 22.9 Tonne axle load design wagons for steel coil movement which carried 10 per cent more cargo than the earlier designs. This design can carry up to 2709 Tonne of cargo.

Subsequently, Indian Railways introduced a new design wagon with nomenclature of BFNSM 22.9 Tonne axle load which can carry close to 4000 Tonne of steel coil per rake. This new design not only simplifies logistics, (by using less number of rakes for same quantum of cargo), but also costs lower on per metric tonne basis when compared to the earlier design. Further the design of new wagon is such that coils

of large diameter and tonnage (30 - 32 Tonne) can be safely transported. In future all mills being commissioned in the country will produce large diameter and higher tonnage coils, which can only be transported by these rakes. We are actively looking forward to conversion of Indian Railways system to 25 t axle loads, which will augment the capacity of these rakes by additional 9 per cent.

Q Tell us about the cargo moved by TMILL at Haldia, Paradip and Gangavaram Ports last year?

TMILL operates Berth No 12 in Haldia Port for handling steel and limestone and we also supervise cargo handling at other berths in Haldia, Paradip and Gangavaram Ports, on behalf of Tata Steel. We also handle cargo for companies like Tata Metaliks and Tata sponge. In FY 16-17 we handled and managed 7.5 million tonne of cargo which was 6.9 million tonne the year before (FY 15 -16). In FY 17 - 18, we have already handled 7.7 million tonne of cargo in 11 months.

Q Beyond operating for Tata Steel, what are your plans to expand rail services?

We are planning to expand customer base for steel movement for other steel producers in India. Further, we are studying fly ash movement in special wagons between power plant and cement plants. We also plan to induct rakes for movement of iron, coal etc for steel plants. We're keen to be a large investor in rail business for bulk commodities and steel. We also want to move cars under the AFTO policy.

Q Could you please elaborate


on the port calls and cargo moved by International Shipping & Logistics?

ISL handles around 220 worldwide port calls moving an average of around 4 Million tonnes of cargo- primarily handling coal, limestone, cement, clinker, grains and various minerals. Countries of call include China, South East Asia, Middle East including Red Sea, India, East Africa & Australia

Q How is the warehousing business performing? Which are the cargo coming to the warehouses and which are the hinterland served?

Our warehousing business is focussed on Tata Steel and has historically been catering to purely warehousing solutions - dealing with storage for consumables of plant as well as project cargo. However, we are now graduating to a supply chain management model- warehousing being an integral part of the Chain. TMILL's warehousing division currently caters to Tin Plate Company and Agrico division of TSL in addition to Tata Steel.

Q Tell us about your inland logistics services?

TMILL currently executes the transportation leg of inbound containers from Ports to Tata Steel plants to both Jamshedpur and Kalinganagar. Further, we are exploring supply chain solutions wherein inland transportation (and outbound movement for finished products) will also be a part of the broader solution. We also provide end to end services for large project cargoes, including ODC shipments within India. We will formally enter road transport business in FY19. 

Expanding in North East

CONCOR has huge plans for infrastructure expansion in the north east, reveals Rathendra Raman, CGM, CONCOR – Eastern Region. These include ramping up warehousing capacity to 50 million sqft, setting up MMLPs, connectivity to the Eastern Freight Corridor and much more

by Vijay Kurup



Rathendra Raman, IRTS, CGM, CONCOR – Eastern Region.

Q Hon'ble Prime Minister, Narendra Modi, has categorically said that the north east would be at the centre of the Act East Policy. One of the features would be connectivity. What are CONCOR's plans in terms of enhancing connectivity?

We are already present in the North East through our Amingaon terminal at Guwahati and our warehouses at Amingon and Agartala. CONCOR can also operate from a number of terminals which are opened as CRT terminals over North East Frontier Railway. There are about 7 terminals currently operating as CRT terminals: New Guwahati (NGC), New Tinsukia (NTSK), Dibrugarh, (DBRG), Hasimara (HSA), BOKAJAN (BXJ), JIRANIA (JRNA) and Bathnaha (BTF).

Q Investment in the east, particularly in West Bengal is on the rise. West Bengal is expected to receive over ₹43 billion in investment over three years in warehousing and logis-

tics, according to real estate services firm JLL India. What plans does CONCOR have in this region?

We are further expanding our warehouse capacity at Amingaon and we are exploring a proposal for opening of a new terminal at Agartala if found feasible. The warehouse capacity of CONCOR is 2 million sqft and in future CONCOR is planning to increase this capacity upto 50 million sqft. Kolkata and its surrounding area is on the radar of CONCOR in a big way for the development of warehouse. We are ready to invest in Agartala for the development of CONCOR if land is provided to CONCOR by the state Government. CONCOR is also exploring feasibility of setting up Multimodal Logistics Parks near Kolkata and add some warehousing capacity.

Q Is CONCOR planning rail connectivity to neighboring countries like Bangladesh, Nepal and Myanmar or any ASEAN countries?

CONCOR does not provide Rail connectivity on its own. It runs the container trains on the existing railway lines moved by Railways. We are already moving container rakes to Nepal through HTPL terminal located at Birgunj. We have requested Nepal Government to open a new terminal to reduce the congestion at Birgunj. CONCOR has already got the permission for running of first rake on trial basis to Bangladesh up to Bangabandhu west. We serve Bhutan through a CRT at Hasimara from where road bridging is done to connect to the importers of Bhutan.

Q Indo-Bangladesh Coastal trade is looking up. Trade possibilities are


expanding due to coastal shipping. Is CONCOR exploring making an entry into this hitherto unexplored area of coastal shipping?

At present there is no plan immediately. But we are looking at the prospects and will take necessary action at appropriate time if required. It may be further noted that we are already moving Coastal Shipping at west coast from Morbi to Vallarpadam.

Q Inland Waterways is being promoted in a big way. Has CONCOR any plans to link up with the mighty rivers of the North East and the East such as the Brahmaputra and the Ganges which are prime spots for the Inland waterways plan?

There is a plan for development of an Inland Waterways terminal at Jogigopa, Assam but at present CONCOR is not associated with it but we may look at the possibility of associating with this project if we are asked. Inland Waterways will also help in increasing efficiency of cargo movement in Eastern Region and also reduce the logistics cost as this mode is cheaper compared to rail and road.

Q Would CONCOR be servicing the Eastern Freight Corridor? If so, what would be the modus operandi? Would this be domestic or international cargo?

In Eastern Freight Corridor we are already present at Ludhiana and Dadri. We are going to open a new terminal near Kanpur i.e. New Bhavpur, which will be part of DFC. From these terminals both Domestic and Exim cargo can be handled. We are evaluating the possibility of setting up a terminal near Kolkata with a view to connecting to the Eastern Corridor. 

"INDO-BANGLADESH COASTAL SHIPPING HAS ENORMOUS POTENTIAL"

"The Indo-Bangla coastal shipping has enormous growth potential and we are offering a comprehensive logistics solution instead of being a container feeder operator only," reveals Amlan Basu, Director, AVS Riverline Pvt Ltd

Q Tell us about your services between India and Bangladesh? What is the cargo moving and is the service profitable?

We had started the service around a year and a half back, moving containers between Eastern India and Dhaka. This is first ever connectivity from Kolkata Port to Pangaon Container Terminal.

The cargo used to move between Indian ports to Chittagong whereas the captive business was clustered around Dhaka and not Chittagong. It was mainly connected with road link, through Petrapole/Benapole land border. Then, we could manage to divert a significant volume towards this river sea mode of transport.

Initially we had targeted mainly fabric and cotton related commodity, but thereafter lot of other cargo started



Amlan Basu, Director, AVS Riverline Pvt Ltd

moving through our service, like motor spare parts, granites, HDPE / LDPE, Steel Products and many more.

Q What is the time and cost advantage your service offers?

When we started this service lot of people highlighted the cost factor, which was on the higher side as per their opinion. But due to ignominy at land border, along with the delay and detention has forced them to think otherwise and plan a faster route which may not be cheaper, but certainly was much reasonable to compare. We take around 3-4 days to reach Dhaka if we call Pangaon as a first port of call.

Q For coastal shipping operators return cargo is a problem. Are you facing similar challenges?

Yes it is, we are mainly loading empty in the return leg. But concurrently the laden business has also picked up slowly over a period of time. We have given a lucrative incentive to both the shipping lines and Bangladesh exporters to boost up the volume. We are offering a comprehensive logistics solution instead of being a container feeder operator only.

Q Indian government plans to open up coastal shipping to foreign vessels as well. How will this affect the coastal shipping landscape? Do you see this as a challenge?

Not really. This trade lane is completely different, and the fleets used in this sector are quite custom built in terms of Vessel Draft and DWT combination. For other options, mostly due to high capex, the overall voyage economics are unviable for the operators. The other running expenses including manning and bunker cost, is also a source to worry for other vessel owners. Hence the trade lane

in my opinion, do not have a direct competition with other coastal ships.

Q How has been the business at your CFS in Kolkata and Bangladesh last year?

A recent Customs notification requires routing the entire export cargo via CFS in Kolkata, barring a few star exporters. Thereafter most of the traders not recognized as star exporters, were forced to move their cargo via CFS. We are in discussion with private rail operators to connect the North Indian hinterland ICD to Bangladesh, through our service.

Q While the government is promoting coastal shipping to Bangladesh, there is also a BBIN motor vehicle agreement. How do you compare both the modes of logistics for cargo movement?

I am not very positive about BBIN protocol because of various reasons. It must be recognised that even within the BBIN group there is significant heterogeneity in terms of economics and level of economic development. Therefore, the political objectives and policy priorities of these countries might be very different.

Whereas, in coastal route the consignments have become extremely smooth and time saving, due to germane influence from Customs, Revenue authority along with external affairs ministry.

Q What challenges do you face while providing feeder service?

Apart from return cargo, it is congestion at Ports. We do not get priority berthing as promised during signing the SOP. We are also sceptical about Monsoon season, to operate through coastal route which is very risky in those days. **MBG**

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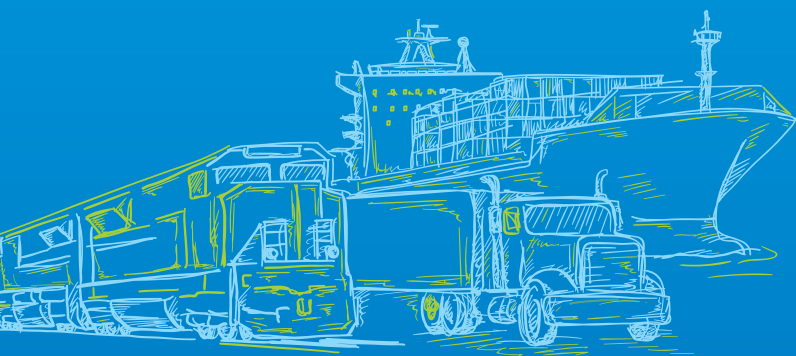
- 11.00hrs onwards : **Guest Registrations**
- 11.30hrs – 13.30hrs : **Business Session - 1**
- 13.30hrs – 14.30hrs : **Lunch**
- 14.30hrs – 16.00hrs : **Business Session - 2**
- 16.00hrs – 16.30hrs : **Coffee Break**
- 16.30hrs – 18.00hrs : **Business Session - 3**
- 18.00hrs – 19.00hrs : **Networking Over Cocktails**
- 19.00hrs – 20.30hrs : **Smart Logistics Awards**
- 20.30hrs onwards : **Networking Cocktail Dinner**

WHO SHOULD ATTEND?

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

KEY TOPICS OF DISCUSSIONS

- Connecting to Gateway Ports: Challenges
- Hinterland Cargo Movement
- EXIM Trade Growth & Future
- Rail Movement of Containers
- Warehousing: Demand and Supply Scenario



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Eastern Region Hinterland: Turning Vibrant

The success of SLS Kolkata can be appraised from the fact that even on a busy Tuesday, the summit witnessed a footfall of more than 200 delegates from various sectors including logistics service providers, shippers, industry bodies, and public sector enterprises.



Kolkata has long and illustrious history of maritime trade, and it still plays a defining role in eastern parts of India. So when it comes to converse about logistics and cargo movement in the region, there couldn't be an ideal venue than the City of Joy to be the host to the Smart Logistic Summit (SLS). **R. Ramprasad, Editor-in-Chief, Maritime Gateway**, in his inaugural address presented a quick preview about various initiatives and trade meets organised by **Gateway Media** at the interest of the maritime and logistics sector. Shedding some light on the SLS series of events, he elucidated that the summit was launched with the primary objective to focus on the hinterland, and connect the shippers from the region with the service providers. He highlighted various initiatives by Gateway Media, such as the market research division that tracks container & cargo trends; technological solutions for the industry like **VGM** and **Expressway**.

He stressed on the growing influence of the region on maritime and logistics sector in the recent years, and recalled that Gateway Media's one of the earliest industry summits was convened in Kolkata way back in 2010, and appreciated the continued support and warm response from all stakeholders.

Ramprasad shared that container volume growth and correction in freight rates are positive signs. He cautioned that every business activity is prone to disruption, and no port and terminal can claim that a hinterland is owned by them. With growing competition cargo is constantly shifting because customers are in a hurry to find time and cost effective solutions. Other disruption is coming from technology like digitalisation, block-chains and IoT. Hence it is important for the industry to be sensitive to the needs of customers. He presented an overview of the performance indicators of Kolkata and Haldia ports, such as pre-

berthing time and turnaround time.

Ramprasad also appraised the audience that on the behest of Bangladesh government, the **2nd edition of annual South Asia Maritime & Logistics Forum, 2018** is going to be hosted by Ministry of Shipping, Govt. of Bangladesh at **Dhaka on October 9-10**. **Sabyasachi Hajara, Chairman of Editorial Advisory Board, Maritime Gateway and former CMD, The Shipping Corporation of India**, in his welcome address said



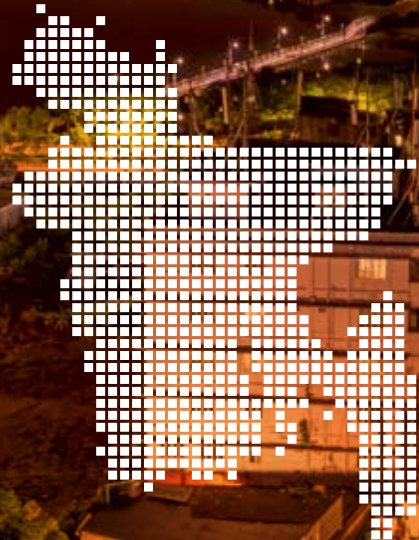
that maritime industry is a knowledge driven sector and forums like SLS are vital for knowledge sharing among maritime professionals. In terms of cargo foot print and GHG emissions, shipping sector is much more efficient compared to aviation, road and rail transport. **ME**

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- IMF finds Bangladesh's economy as the second fastest growing major economy of 2016 @ 7.1%.
- With Dhaka and Chittagong as principal financial hubs, Bangladesh's financial sector is the second largest in Indian sub-continent.
- Bangladesh has jumped four spots to 23 in the annual ranking of the worlds' leading emerging markets.
- With over US\$ 75 billion annual foreign trade, Bangladesh is an apparel industry powerhouse with US\$ 30 billion+ exports.
- Improved business climate ranking, moved three notches up to 28th rank.
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- 2017 index further consolidates the position of Bangladesh as the emerging Asian market.

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Time and cost efficiency: Eastern region issues

Kolkata is an important link not only to the immediate domestic hinterland but to far east and north east India. And the session focussed on the role of efficient logistics system to bring down transit cost for shippers



L to R: Debashis Dutta, Chairman, FIATA World Congress 2018; Syed Abdul Rahman, IRTS, Sr. GM (C&O), Eastern Region, CONCOR; Prakash Tulsiani, COO & ED(Operations), Allcargo Logistics; Vinit Kumar, IRSEE Chairman, Kolkata Port Trust; Ashish K Gupta, MD, TM International Logistics; R Desikan, COO, Sattva Logistics Group and R. Ramprasad, Editor-in-Chief, Maritime Gateway.

Speakers for the Business Session 1 were Vinit Kumar, IRSEE, Chairman, Kolkata Port Trust; Ashish K Gupta, MD, TM International Logistics; Prakash Tulsiani, COO & Executive Director(Operations), Allcargo Logistics; Debashis Dutta, Chairman, FIATA World Congress 2018; Syed Abdul Rahman, IRTS, Sr. GM (C &O), Eastern Region, CONCOR; and the discussion was moderated by R. Ramprasad. Setting the tone for the discussions to proceed, **Ramprasad** highlighted developments in dry ports, ICD and CFS serving the region, the impact of DPD on CFS, major infrastructure projects coming up in the region, among others.

Vinit Kumar: Kolkata being a riverine port has inherent draft issues and operates using lock gate system. The advantage of the port is that it is located very close to the hinterland it serves. Some of the container trade focussed initiatives are to reduce turnaround time to bring down cost to the trade. Being located in the city the port has restrictions on movement of cargo trucks, so RO-RO service is being in-

troduced to ease the flow of cargo. The BISN jetty is being developed close to the port. On Howrah side, a new jetty is coming up at Sankrail. Ro-Ro service will be operational from Kolkata to Howrah in two months. Currently around 12 documents are required for EXIM which will be replaced with just one with a software system. There are also plans for increasing the number of berths for containers. Rake availability at Kolkata Port is better for moving coal and limestone. A long-term solution to ease congestion at Haldia is either to have a second lock gate or to do away with the lock gate system.

Nepal trade has two components: container movement from Kolkata and bulk movement from Haldia. Certain concessions have been provided to Nepal traders, but there is need for better sharing of information and transparency. There is an impression among Nepal trade that the port is charging excess which needs to be sorted out through interaction. There is need for more terminals in Nepal, so that there can be more frequency of rail movement. Infrastructure at Ashuganj Port

needs to develop, which is a very logical route to North Eastern India.

Ashish Kumar Gupta: The region feeds the infrastructure requirement of the entire country with the supply of raw materials such as steel and aluminium, but it lags in infrastructure. Steel and other infrastructure industries invest to build plants but not enough thought and investments are channelized for logistics even within their own manufacturing process. Logistics is always an afterthought. Manufacturers need to invest in efficient logistic system such as faster turnaround of rakes and efficient material handling mechanism.

Another major overhead for industries is transaction cost and the cost of complexities which are difficult to calculate for a user. India lacks in strong IT backbone connecting entire freight industry. There is no freight exchange and online platform for containers. There is need for someone to act as a consolidator in the market. There are very few companies who provide end-to-end cargo delivery. Logistics service providers need to invest in inter-modal



Audience at a session in progress

operators, inter-modal connectivity, and IT technology. There is also imbalance in cargo handling capacity of ports and railway infrastructure investment is needed at the right time to debottleneck cargo movement.

Debashis Dutta: Traffic movement from the port into the city is allowed only in the night. An elevated road has to be developed from Khidirpur to Matia Buruj for free movement of city traffic, and this will make the port road available for 24X7 cargo movement. Nepal cargo has migrated to Visakhapatnam Port due to better services offered there and everyone in Kolkata should strive to get back the lost business. SAIL has brought limestone to Kolkata for its Durgapur unit. Similar bulk cargo movement should be encouraged to improve the bulk cargo scenario at Kolkata Port. The port should act as a nodal body, and all other service providers should work as a team and aggressively sell their services to users.

Prakash Tulsiani: Shipper would agree to pay little more if the service by the logistics partner is reliable and timely. In the post-GST scenario, a lot of demand will come for contract logistics, which includes end-to-end service. Currently Allcargo is the only service provider which has presence in all the ports that handle 80 per cent of India's container volume. Large companies always look at someone who can ensure seamless and reliable cargo movement for them, so that they could focus on their core activities. In the post-GST market condition those companies who had in-house logistics and warehousing solutions are now outsourcing it to experts in logistics. Kolkata being the gateway to north east

India, Nepal, Bangladesh, Bhutan and even Myanmar, will require more logistics capacity and infrastructure. More than new ports, roads, warehouses, etc, it is time to look for smart solutions that can be achieved by integrating end-to-end logistics. Use of IT networks and platforms can greatly help to find smart solutions. Logistics efficiency as a whole can be achieved only when all stakeholders in the supply chain become efficient. For example, ports should focus on the activity for which it is designed for that is ship-to-shore operation. Port should not be engaged in activities that can be done outside.

Indian ports, especially the major ports are not designed for clearing of cargo within its premises. Major Ports are located inside major metropolitan cities, and are surrounded by major human habitat. Ports should focus on bringing efficiency to terminal operation, and should allow CFS to support being the second part in the logistics chain. Moreover, movement of people at the terminal is a safety and compliance issue. While DPD is a welcome move but cargo inspection and other activities should be done at the CFS. Innovations like automation of gate and green channel system should be introduced at Kolkata Port which allows seamless movement of compliant vehicles. Kolkata Port has taken initiative to improve road condition around it, including near the CFS but there are instances of unauthorised vehicle parking which choke the transit road. Monitoring of roads, automation of gate process, and following best practises at other ports will help the logistics service providers in the region to deliver a seamless logistics experience. It is important for logistics service

provider to look at Petrapole-Benapole and make Kolkata the gateway to grow further.

Syed Abdul Rahman: In today's world information is equally important as time, and could help to improve cost efficiency. CONCOR is implementing KYCL to track containers 24X7. Real time tracking of containers helps shippers to better plan their logistics. CONCOR has introduced integrated platform with the ease of an interactive dash board which provides information on end-to-end solution, and related services. CONCOR has been adding capacity to ease congestion, and with the help of Kolkata Port, the company has introduced an alternate terminal at the port for Nepal bound cargo, and is in the process of adding other loading terminals at the port. One the major cost overheads in Kolkata is movement of cargo from one yard to other. There are capacity constrain at Birgunj ICD. There is need for addition of capacity in Nepal, and CONCOR will come up with two new ICDs, and works on the rail terminal at Jogbani is under progress and likely to be commissioned in 5-6 months, and these infrastructure would be able to meet the demand from Nepal.

The trade with Bangladesh would be served with a container train service to Bangabandhu West, about 150km from Dhaka. The logistics cost for trade with Bangladesh is more about time. For example, transport by road faces a detention of 20-25 day at the border, and waterways also suffers from delays. If Bangladesh continues with its support of providing adequate infrastructure, rail movement could significantly bring down transit time. Links and nodes play key role in logistics network, while in other parts nodes (terminals) have greater role, but in eastern India link (road and rail) is more important.

On the sidelines of Business Session 1, **Debashis Dutta, Chairman, FIATA World Congress 2018** apprised the house about the upcoming FIATA World Congress. He said the FIATA World Congress is the mother event of the logistics sector of the world, and India will be the host for the first time. The summit will take place at New Delhi on 26-29th September 2018, and the theme for this year is 'The Future Starts Here'. With the felicitation of speakers the session came to a closure. 

Challenges in Cargo Movement

The domestic, EXIM and transshipment cargo moving from the hinterland is on the rise, but various infrastructure bottlenecks have not allowed the trade to flourish upto its potential. The industry discussed various inherent and man-made barriers that can be eradicated to allow free-flow of cargo movement in the region



L to R: Ashutosh Jaiswal, President (International Business Division & Logistics), Century Plyboards; Gaurav Sengupta, GM, CMA CGM Agencies; Ashok K. Temani, Chairperson, Road Transport & Transit Committee, The Federation of Nepalese Chambers of Commerce and Industry (FNCCI); S Balaji Arun Kumar, IRTS, Dy. Chairman, Kolkata Port Trust; Adithya Manimaran, Regional Sales Manager (East India), Nepal & Bhutan, Maerskline India; Sushil Mulchandani, COO, Visakha Container Terminal; and L P Banerjee, Sr Executive, B G Somadder & Sons Pvt Ltd.

At the beginning of the Business Session 2, Neeraj Varma, Superintendent, Kolkata Customs Commissionerate, read out a note from **Manish Chandra, Commissioner of Customs (Port)**, highlighting various pro-trade initiatives carried out by the department.

Speakers for the Business Session 2 were S Balaji Arun Kumar, IRTS, Deputy Chairman, Kolkata Port Trust; Ashok K. Temani, Chairperson, Road Transport & Transit Committee, The Federation of Nepalese Chambers of Commerce and Industry (FNCCI); Adithya Manimaran, Regional Sales Manager – East India, Nepal & Bhutan, Maerskline India; Ashutosh Jaiswal, President (International Business Division & Logistics), Century Plyboards; Gaurav Sengupta, GM, CMA CGM Agencies; and the session was moderated by Sushil Mulchandani, COO, Visakha Container Terminal. The session started with the address by moderator **Sushil Mulchandani**. The session was focussed on interaction between shippers and service providers. Mulchandani apprised the delegates

about Visakha Container Terminal, its infrastructure, and various futuristic initiatives taken by the terminal to serve the trade in the hinterland.

S Balaji Arun Kumar: There are challenges in cargo movement from Kolkata Dock, and investment has been made on railway infrastructure to ease out congestion. Another investment is being done to make railway lines at the port full rake load compliant. All these efforts will speed up evacuation process from Kolkata. Kharagpur railway division has not been able to meet the demand at Haldia. On the contrary Sealdah railway division has been able to provide adequate rakes at Kolkata. Improvement of rail infrastructure will also facilitate Nepal bound bulk cargo from Kolkata.

There are discussion with Kolkata Police to allow 24X7 cargo movement between CFS and the dock. Road transporters should exercise discipline while plying to and from the port and should not hinder city traffic. In a bid to bring down turnaround time, different efficiency improvement measures have been established. Among

others, a dry port is being developed at Balagarh with an investment of ₹350 cr which will contribute to movement of barges avoiding congested roads of Kolkata, and will cater to north Bengal, Jharkhand, Bihar, and north east.

Ashok Kumar Temani: Due to some issues in Kolkata, traders in Nepal are looking at other ports. Kolkata Port should charge all fees directly from shippers instead of intermediaries, and online payment gateway should be strengthened to allow traders in Nepal to make digital payment, which would bring transparency and if the payment and reimbursement could be facilitated through Nepalese Banks recognised in India, it would immensely benefit the trade in Nepal.

Haldia Port should also be offered as an alternative for Nepal bound containerised cargo. Currently Haldia is focusing more on bulk. Nepal trade faces detention and demurrage throughout the year. Currently about 40 container rakes move for Nepal in a month, but CONCOR is the only rail operator from India. Shipping Lines should also consider to open offices in

Nepal which would allow faster resolution of cargo transit issues with the shipper. Exporters also face scarcity of empties at Birgunj due to which they fail to meet the time commitment made to clients. There is also scope for private CFS operators in Nepal. Due to bad road condition from Kolkata to Nepal, especially the stretch passing through Bihar, the trade had to pay lot of detention charges. There is also need for facilitation centres to resolve trade disputes. There is no modality for LCL cargo in Kolkata and those available are expensive. There is also no platform available for Indo-Nepal trade-transit issues, and platforms like SLS are extremely helpful for traders.

Adithya Manimaran: There are many issues that have increased inventory cost for the consignees. Consignees who on an average maintain 15-20 days of inventory stock round the year, during festival and other peak time they would increase their inventory to an excess of 1 month to avoid any shortage of cargo as they are aware of various logistics issues in the region. From transshipment point of view during peak demand days such as Q1 and Q4 of the year, containers wait at transshipment ports Singapore and Colombo. After the introduction of transshipment at Krishnapatnam Port in 2016, and also at Visakhapatnam, the delays could be reduced by couple of days subsequently the waiting time.

Maersk Line started serving Birgunj about 4 years ago to improve the situation for Nepal but it didn't help much, and the line tried to find solution via Haldia Dock but it failed due to operational and process challenges. Trade in Nepal also pay huge detention charges, moreover they had to deal with about 5-6 vendors to transship container through India. Automation of process could eliminate all these hassles. Overall Nepal market is growing at an average 15 per cent, and majority of this is triggered by higher import but export is stagnant. The line started serving Nepal trade from Visakha Container Terminal offering them one stop model, and it was one rake in June 2017 which has grown to 13 rakes per month in January-February 2018. Similarly from Kolkata rake movement for Nepal has grown to 35 rakes per month. The line will introduce its presence in Nepal sometime in the later half of the year.



Audience at the session


The liner in co-operation with other stake holders like CONCOR is also working on to release a scheduled time table. Maersk Line looks to integrate the entire logistics supply chain, automate processes, and to capitalise on opportunity to digitalise. Kolkata offers an opportunity to use the space available with CFS present near the port. Kolkata has registered growth in import but export has been stagnant. The lines require an additional berth for evacuation. The north east India market is growing and now it needs more ICDs. Inland waterways also open up lot of scope for trade growth with Bangladesh, especially Pangaon is a key port for EXIM growth.

Gaurav Sengupta: Many times shippers rue that 21 days of detention free time is not enough for the Kolkata-Nepal trade route. In a bid to understand the actual challenges faced by the trade while moving cargo from Kolkata Port to Nepal, and it was also a part of a cost analysis study on Kolkata Port catering to the Nepal trade, a team from CMA CGM recently travelled by road from Patna to Kathmandu via Birgunj, and realised that the road condition is extremely poor for cargo movement.

The shipping lines should not be held responsible for detention which is caused due to lack of road infrastructure. ICD Birgunj has enough space but it lacks in equipment. The road condition from ICD Birgunj to Kathmandu is also extremely pitiable. Some of the Nepal trade facilitation measures by CMA CGM are offering 21 days free time at ICD Birgunj along with empty drop off and boxes are on offer at the ICD for export stuffing. There is a need to introspect the charges levied by Kolkata Port on various services. CMA CGM runs two vessels to Kolkata Port, and though it is claimed that the waiting time is

4.6 days but the actual waiting time runs to an excess of 7 days. Due to the inordinate delays at Kolkata Port, the vessels running between Singapore and Kolkata have to skip the call at Port Klang. There is an imbalance of cargo at Haldia and the port has more exports, due to which the line doesn't call the port. The Nepal cargo going to Vizag is one of the eye-opener for all stake holders in Kolkata who collectively need to introspect the reasons and fulfil the need of the trade.

Ashutosh Jaiswal: For many years Kolkata Port has been written off but it is still going strong. Century entered into the sector as an importer and exporters, but soon realised the EXIM community is not being served well by the logistics service providers. In a bid to tap the opportunity, the company entered into CFS sector. Now the company is also into shipping segment with about 15 vessels under charter. Century entered into CFS operation at a time when Kolkata Port had a throughput of 2,63,000 TEUs/annum and there were only two CFSes in operation. There was need for CFS capacity addition in the region, and the CFS turned around within 3 months because as a shipper the company was aware of various difficulties faced by the trade. The company brought in reliability and transparency to eradicate various unsolicited tariffs charged earlier.

Now Kolkata Port alone has an annual throughput of 6,00,035 TEUs, and CFSes in the region have a major contribution to the growth. CFS should be considered as a facilitator to the trade. In the coming 3-5 years Kolkata's throughput will increase to 8,50,000 TEUs. DPD wouldn't impact CFS model at city-based ports. CFSes need to look at value addition, innovation, technology, digitalisation, etc to their service offering to sustain in the business. 

Coastal Shipping and Transshipment

There is immense potential for trade growth between Bangladesh and India due to the bi-lateral coastal shipping agreement, but the restrictions on transshipment is a hindrance. Panellists opined Bangladesh exports should be allowed to be transhipped via any of the ports on the east coast of India which are naturally close to the country.



L to R: Capt Rakesh Prasad, VP, Shreyas Shipping & Logistics; Capt Bijay Shekhar, General Manager - Marketing, Krishnapatnam Port Container Terminal; Amlan Basu, Director, AVS RiverLine; Ahamedul Karim Chowdhury, Terminal Manager, Chittagong Port Authority, & CEO, PICT; Capt. S.B. Mazumder, Chairperson, Shipping Committee, The Bengal Chamber of Commerce and Industry, Mr. Ramesh V, General Manager - Kolkata CFS of Allcargo Logistics Limited.

Speakers for the Business Session 3 were Ahamedul Karim Chowdhury, Terminal Manager, Chittagong Port Authority, & CEO, PICT; Capt Rakesh Prasad, VP, Shreyas Shipping & Logistics; Amlan Basu, Director, AVS RiverLine; Capt Bijay Shekhar, General Manager - Marketing, Krishnapatnam Port Container Terminal; and the session moderator was Capt. S.B. Mazumder, Chairperson, Shipping Committee, the Bengal Chamber of Commerce and Industry.

Excerpts from the panel discussion....

Ahamedul Karim Chowdhury:

The objective behind setting up of Pangaon Inland Container Terminal (PICT) was to reduce vehicle traffic on Dhaka-Chittagong highway. Chittagong Port is the principal port in Bangladesh catering to about 92 per cent of seaborne cargo volume, out of which 70 per cent cargo belongs to Dhaka. The highway connecting Chittagong and Dhaka is about 264 km, and only 4 per cent of containerised

cargo is moved by rail from the port to Dhaka, and a very nominal volume is transported through inland waterways, and remaining cargo moves by road. PICT has gained traction after the terminal tariff was reduced. Bangladesh imports 30 per cent of its total raw cotton requirement from India, and half of the commodities are moving through Petrapole-Benapole border checkpoint and other land ports. And remaining cargo is moving through Chittagong Port. Bangladesh is keen on direct vessel service between PICT and Kolkata/Haldia.

Trade imbalance is a challenge because there are imports from Kolkata but export is limited. Both the countries have agreements on coastal shipping but it only allows movement of bilateral cargo, which means no movement of transshipment and third country cargo. Pangaon is getting imports from China by MCC but the shipping line doesn't have any network in India. Kolkata and Haldia trade have been reiterating that shipping lines are not

accepting PICT imports, which is big challenge for PICT. Though Bangladesh is a major exporter of readymade garment but it lacks forward and backward linkage for which it imports raw material like cotton, cotton yarn and fabric from India. PICT's proximity to Dhaka is an advantage for the terminal. Recently, during the inauguration of Haldia-Pangaon maiden service, the Riverline Express, it was proposed that if Bangladesh exports could be shipped to Europe via Haldia and transhipped from Colombo, exporters can avoid congestion at Chittagong. It will boost cargo volume for Haldia Dock and Bangladesh's import backlog at Colombo can come through Haldia. So India and Bangladesh need to review the coastal shipping agreement and add the provision to move transshipment cargo by coastal vessels.

Arvind, a major supplier of fabrics, has expressed interest to move cargo via Pangaon but factories in Bangladesh want shipment by road through Petrapole-Benapole which has 20-25

days of detention. On the other hand many mainline vessel operators are accepting cargo destined to Chittagong but hesitant for Pangaon. Mainlines should encourage vessel operation between east coast ports of India and Pangaon.

Amlan Basu: Significant usage of the Protocol on Inland Water Transit and Trade (PIWTT) route increased water transport trade for various bulk commodities between the two countries. Over the years cargo movement has diversified from fly ash to agricultural goods and other break bulk cargo like engineering machinery and project cargo meant for upcoming projects in Bangladesh like Rampal Power Station and Rooppur project where rail has been avoided for EPC cargo. Both the countries have signed a coastal shipping SOP to create better connectivity between 7 ports each from the territory which have been identified to be treated as coastal ports to serve coastal flagged ships. The new route depicts a smoother coastal route via Sandwip through Buriganga river and connect to Dhaka via Pangaon terminal. Riverline was the first container feeder service between an Indian Port and Pangaon. The cargo generated from the hinterland of western parts of India, especially NCR and NER, and other southern part of India moving by surface transport to Kolkata and Bangladesh could also be served by coastal shipping. North East also has potential but the region requires smaller quantity of cargo and it doesn't require a barge of 1,000-1,200 tonnes and most of the industries there are SME and MSME category. Ashuganj has infrastructure bottlenecks, hence Pangaon,



Mr Shahzad Athar, General Manager - Container Marketing
Adani Ports & SEZ Ltd

located 133 kms from Akhaura border, could be an alternative Port to serve the region where smaller parcel of as little as 1 CBM could be moved in LCL form. The major areas of concern are trade imbalance and there is no return cargo due to regulatory issue. Only Bangladesh flagged ships operate on the Indo-Bangladesh route. The route is not viable from techno-commercial point of view for Indian ships because the capex is very high as compared to Bangladeshi ship after the revocation of ship building subsidy in India. India also lags in custom built vessel building capacity.

Capt Rakesh Prasad: Shreyas Shipping & Logistics has deployed 6 vessels catering to the Kolkata/Haldia trade. The company is the largest containerized company to offer service from the east coast of India to Jebel Ali. There are 4 services named PIX 1, PIX 2, SMILE and ECC catering to the trade. The company had procured 2 break bulk carriers in 2017. Transshipment services were also on offer on regular basis between Kolkata and Visakhapatnam, and now vessels were running between

Krishnapatnam and Kolkata/Haldia for transshipment cargo. There are issues due to delay in turnaround and berthing at the port which also pose challenge to transshipment cargo. Ports need to understand that coastal vessels have to be given priority. Coastal operating vessels can't adjust speed of the ship which is not the case with regular vessels. There are plans to run barges between Kolkata and Haldia during heavy congestion which will ease out some load on Kolkata Port. There should be dedicated coastal berths for Indian flagged vessels for the sustainability and growth of the segment.

Capt Bijay Shekhar: Apart from Krishnapatnam Port, the group company has plans to develop 2 new ports at Machilipatnam in Andhra Pradesh and Astaranga in Odisha. Krishnapatnam Port always develops its infrastructure in advance to avoid any type of congestion. The port has also introduced a new service named, Ocean2Door, to cater to the need of seamless cargo delivery experience for shippers. The platform is for the use of all stakeholders, and it caters to all cargo variety and offers solution for end-to-end logistics service. In the current era, service providers needed to be transparent on tariff charged for various services and offer accountability for timely and hassle-free cargo delivery, and Ocean2Door aims to address these issues through a digital platform. With the support of other industry partners the port has started serving coastal and transshipment cargo. Initially Krishnapatnam started with a transshipment cargo volume of 5,000 TEUs and now it is 20,000 TEUs per month. In a bid to encourage coastal shipping, the port has a dedicated coastal container berth at the port which allows vessels to berth without any delay. The port that is planned at Astaranga in Odisha could be strategic to bring in north east and other east bound cargo to the port and move forward to north India because east coast is geographically closer. For example, earlier Nagpur which is centrally located used to move even the east bound cargo through JN Port but Krishnapatnam Port offered an efficient solution as it is closer to the East Asian countries. Ports should always look to make freight movement cost effective for shippers, and the final decision always lies with them to choose the right port for their cargo. [img](#)



Rapt audience at the session





Smart Business Wins!

Winners of the Smart Logistics Awards walked away with trophies amidst much cheer and applause from their industry peers

Cargo movement in the hinterland of Kolkata Port has some inherent challenges but the innovation and persistent effort of stakeholders have made it possible to meet the logistics requirements of shippers in the region. From time to time all stake holders have jointly worked out solutions to stay relevant in the ever evolving logistics space. After three back-to-back brain storming business sessions to identify the bottlenecks in cargo movement, and finding solutions to bridge the gap through the joint effort of shippers and logistics service providers; it was time to unwind and network! And the celebration was multiplied when the awards night recognised the efforts of the industry for logistics excellence, innovation and efficiency. And what better podium could be than Smart Logistics Summit & Awards where fellow industry colleagues are present to cheer. Awards were given in 18 categories for their industry benchmark performance in respective segments. The awards also acknowledged the good practices the companies followed, the technological innovations they used in their business and the quality conscious systems they put in place for their firms to function as a sustainable and responsible organisation. The presence of who's who of logistics and EXIM industry made the evening even more special. The awards ceremony concluded with some serious business networking as glasses clinked in celebration and appreciation. [mg](#)



H E Mr Toufique Hasan, Hon'ble Deputy High Commissioner of Bangladesh, Deputy High Commission for the People's Republic of Bangladesh, Kolkata.



H E Mr Eaknarayan Aryal, Consul General Consulate General Of Nepal, Kolkata

SMART LOGISTICS AWARDS WINNERS

Smart Liner: Maersk Line

Smart Liner: MSC India Pvt Ltd

Smart Container Terminal: Bharat Kolkata Container Terminal

Smart Emerging Container Terminal: Haldia International Container Terminal

Smart ICD: Allied ICD Services Limited

Smart CFS: Century Plyboards (I) Limited

Smart Emerging CFS: Phonex Logisitcs

Smart CHA: Balmer Lawrie & Co

Smart Freight Forwarder: Vivek Freight & Logistics Pvt. Ltd.

Smart Transportation - Road: Speedways (TRANSCARGO LTD)

Smart Transportation - Rail: CONCOR

Smart Coastal Shipping Operator: Shreyas Relay Systems Ltd

Importer- Pulses: Agro Corp India Trade Services Pvt Ltd.

Importer - Chemicals: Wacker Metroark Chemicals Pvt Ltd

Exporter-Rice: Jay Baba Bakreswar Rice Mill P. Ltd

Exporter -Steel: Steel Authority of India Limited

Exporter - Metal: Hindalco Industries

Exporter-Tea: Ambootia Tea Exports Pvt. Ltd.

Toast to Rising North East

AMTOI DAY 2018 brought the investment and trade potential North Eastern India offers into lime light.



The Association of Multimodal Transport Operators of India (AMTOI) celebrated AMTOI Day 2018, at the iconic Royal Opera House in Mumbai on February 23, 2018, with the theme Rising North East.

The Chief Guests of the event were H H Laishemba Sanajaoba, King of Manipur, and H H Pradyot Manikya Deb Barman, Head of the Royal House of Tripura, while Dr Malini Shankar, IAS, Director-General of Shipping, and Pandit Arvind Parikh, a doyen of the cargo and logistics industry and well known Indian classical musician, were the guest of honour.

In his welcome address, Nailesh Gandhi, President of AMTOI, emphasised that in keeping with this year's theme, AMTOI will be formulating programmes to connect with the youth in the North East and attract them to the logistics industry. AMTOI will be setting up Councils for specific logistics verticals. A beginning has already been made with the NVOCC Council and Tank Operators Council.

Besides, this year there will be special focus on the role of technology, which is today disruptive and changing the business model itself. This disruption will have to be embraced, the AMTOI President said. AMTOI has appointed a consulting firm which will

help it understand the technology related changes happening in the industry, and will come up with a white paper on the way forward for the industry with regard to technology and how AMTOI can help its SME members with this change. In this regard, AMTOI will also be setting up a Technology Council, having specialists from outside, which will guide members on the technological changes and how they can be incorporated in the day-to-day functioning.

Ravindra Gandhi, AMTOI Hon. Treasurer described the event to be a starting point for opening up new logistics opportunities in the North East. In this context, he highlighted the government's special focus on the North East, its Look East Policy for closer relations with South-East Asia and initiatives like the Indo-Bangladesh protocol for boosting trade through water and other modes. Dr Malini Shankar lauded AMTOI for its excellent initiative to focus on the North East, an integral part of India that is a land of beauty and culture.

Pradyot Manikya Deb Barman pointed out that one shouldn't look



at the North East as a neglected part of India but as a region where there are multiple opportunities. He called on prospective entrepreneurs to come to the region as it has improved road, rail and air connectivity to the rest of India. Laishemba Sanajaoba too talked about the commercial opportunities in the North East, including cultural and religious tourism, and the region being a conduit to closer relations between India and South-East Asia. He called for strengthening of the inland water routes and traditional feeder routes in the region.

A highlight of the evening was the presentation of the Lifetime Achievement Award to Padmashree Pandit Arvind Parikh. Anand Sheth of the CKB Group was felicitated for his immense contribution to AMTOI over the years. The occasion also saw the launch of the AMTOI White Paper, prepared by IIM Shillong, on the development and opportunities pertaining to logistics in the North East. [mg](#)

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