



**INTERVIEW**  
**Andreas Bullwinkel:**  
**The German Connection**



**INTERVIEW**  
**Bhavik Mota:**  
**Customers want Reliability**

**LOGISTICS**  
**Logistics at**  
**Loggerheads!**

**COLD CHAIN**  
**In Pursuit of Unbroken**  
**Cold Chain**

south asia's premier maritime business magazine

# maritime gateway

MARCH 2018

WWW.MARITIMEGATEWAY.COM



₹ 100

RNI NO: TELENG/2009/30633

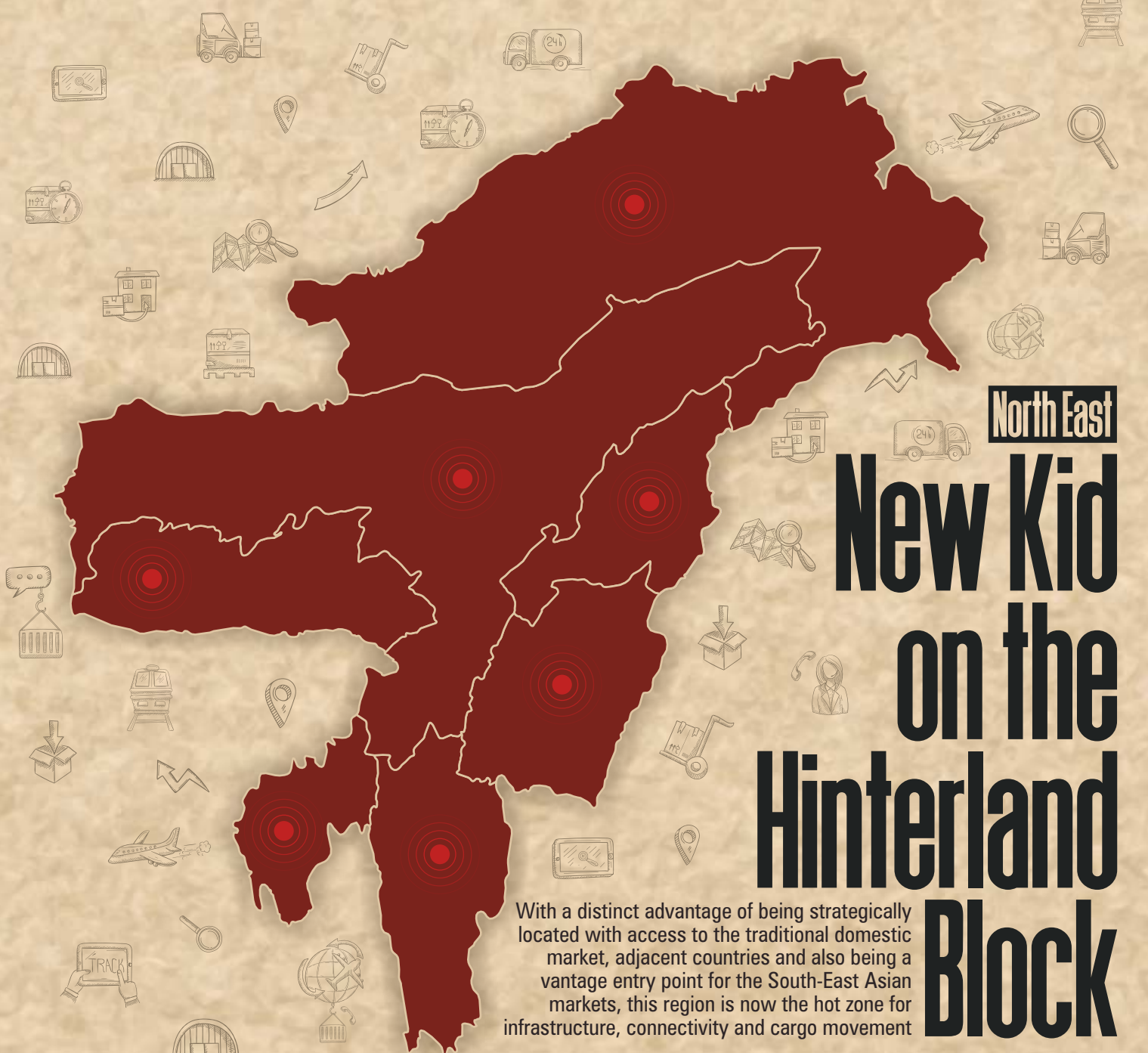
POSTAL REGISTRATION NO: LI/RNP/HD/1137/2016-18

DATE OF PUBLICATION: 26/02/2018

DATE OF POSTING: 28/02/2018

**STATE FOCUS**

**SUNRISE STATE READY TO SHINE**



**North East**

# New Kid on the Hinterland Block

With a distinct advantage of being strategically located with access to the traditional domestic market, adjacent countries and also being a vantage entry point for the South-East Asian markets, this region is now the hot zone for infrastructure, connectivity and cargo movement

# Minimise Your Cost Optimise Your Efficiency

## GPU Series Pneumatic Ship Unloader

- ◆ 80-600t/h, single pipe
- ◆ Multi-stage turbo blower system, efficient & energy-saving
- ◆ Closed-loop conveying, protect your cargo
- ◆ Appropriate for various bulk cargos



- ◆ Totally new polygonal tower structure
- ◆ Lifting capacity: 50-210t
- ◆ Applicable to bulk, general cargo and container handling
- ◆ Local sales and service team, 100% guarantee your application
- ◆ Low maintenance cost

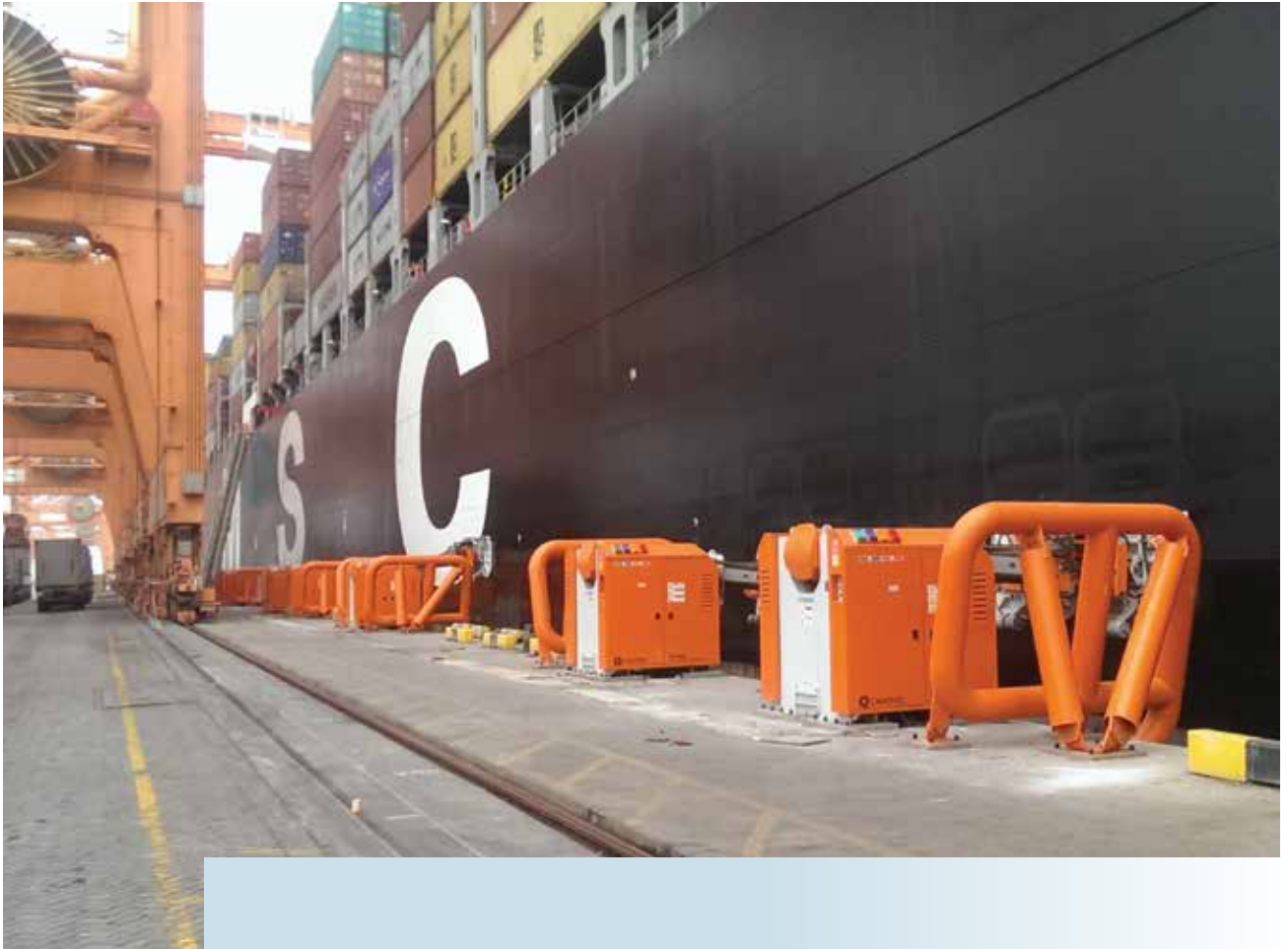
## GHC Series Mobile Harbor Crane, Second-generation

Remark: the right picture shows the 2 of 3 machines we delivered to Paradip Port in India

Contact: Suryansh Verma    Mobile: +91 75 230 85578

Tel: +86 21 6333 3037    Email: [genmabulk@rainbowco.com.cn](mailto:genmabulk@rainbowco.com.cn)    [www.genmabulk.com](http://www.genmabulk.com)

[www.genmasolution.com](http://www.genmasolution.com) (New homepage valid from Mar. 2018)



## Automate and electrify your terminal.

**MoorMaster™** automated mooring, **crane electrification system**, **shore power system**, and **Automatic Plug-in System** for E-RTGs: just some of our innovative technologies that ensure ports worldwide operate safely, efficiently and sustainably. We call this inspired engineering.





## From Hype to Reality

In recent times my inbox is flooded with invitations to numerous trade and investors summits. Being a witness to the trends in maritime trade, I try to get a sense of how the investments are going to impact the growth in the manufacturing space. While in the past the trade meets were mostly organized by the trade bodies, but now it has become a regular platform for states to showcase opportunities and market themselves to the world to attract investment. Years back Vibrant Gujarat set the trend of shifting the goal posts for the trade meets and make them rather platforms for investors to have a firsthand experience of the state's resources and conduciveness for the growth of their business. Over a period of time this business model has been picked up by most of the states in the country. While there are some states with emerging economy like West Bengal (Bengal Global Business Summit), Odisha (Invest in Odisha), Uttar Pradesh (UP Investors Summit 2018), Andhra Pradesh (The Partnership Summit) which are scouting for investments to keep up the momentum of economic and trade growth, other states like Jharkhand (Momentum Jharkhand Investors Summit) and Assam (Advantage Assam) with relatively smaller economic growth also joined this bandwagon with lookout for fresh investments. But what surprises me is the fact that states like Maharashtra (Magnetic Maharashtra summit), Karnataka and Tamil Nadu with fairly established manufacturing sectors still remain in the race.

The positive trend about these summits is that it has made the policy makers much more responsive to the changing dynamics

of trade and industry. The amount of investments committed and MoUs signed at these summits are astonishing. This hype of MoUs is now infectious. Take the example of Advantage Assam, which announced signing of 200 MOUs and investment proposal to the tune of ₹1,00,000 crore was committed. Similarly, Magnetic Maharashtra Summit witnessed 4,106 MoUs worth ₹12.10 trillion. The list is endless. But the million-dollar question is how much of it is getting translated into reality? How many of these enthusiastically announced projects are grounded!?

The reality dawned on one of India's most showcased state events Vibrant Gujarat Summit where the word 'investor' was silently dropped. Reports indicate that many of the tall investment claims made at these summits remain rhetoric and void of action. In some cases it is to the extent of recycling the MoUs year-after-year.

If the manufacturing growth and job creation has to be a reality, states should take a more pragmatic approach towards converting the investments into reality by creating a better ecosystem resolving the challenges of regulatory framework, land allotment and skilled manpower.

Otherwise soon the euphoria will die down and the growth momentum is unlikely to sustain.

**R Ramprasad**  
Editor and Publisher  
ramprasad@gatewaymedia.in



The million-dollar question is how much of it (MoUs signed) is getting translated into reality? How many of these enthusiastically announced projects are grounded!?



## CONNECT WITH MARITIME GATEWAY



Now you can read your favorite magazine on the move.



Download Magzter app from android apple store



follow us on [twitter](#) @maritimegateway

### Editor and Publisher

R Ramprasad  
[ramprasad@gatewaymedia.in](mailto:ramprasad@gatewaymedia.in)

### Associate Editors

Omer Ahmed Siddiqui [omer@gatewaymedia.in](mailto:omer@gatewaymedia.in)  
Sisir Pradhan [sisir@gatewaymedia.in](mailto:sisir@gatewaymedia.in)

### Design Team

**Sr Designer**  
Vijay Masa

**Designers**  
Nagaraju N S  
Nadeem Ahammad

### Research

Rakesh Oruganti  
[rakesh.oruganti@gatewaymedia.in](mailto:rakesh.oruganti@gatewaymedia.in)

### Conferences

Meenakshi  
[meenakshi@gatewaymedia.in](mailto:meenakshi@gatewaymedia.in)  
+91 77029 50879

### Web

Swapna  
[swapna@gatewaymedia.in](mailto:swapna@gatewaymedia.in)

### Marketing & Sales

#### National

Satish Shetti, Manager – Sales  
[satish@gatewaymedia.in](mailto:satish@gatewaymedia.in)  
+91 99207 05534

#### South & International

Vinod G, Sr Manager – MarCom  
[vinod@gatewaymedia.in](mailto:vinod@gatewaymedia.in)  
+91 99498 69349

#### East

Nikhil Doshi, GM – Sales  
[nikhil@gatewaymedia.in](mailto:nikhil@gatewaymedia.in)  
+91 98369 96293

#### Client Relations

Santosh – Executive  
[santosh@gatewaymedia.in](mailto:santosh@gatewaymedia.in)  
+91 96665 86476

#### Events

Praveen - Asst Manager  
[praveen@gatewaymedia.in](mailto:praveen@gatewaymedia.in)

#### Administration

Madhukar – Manager  
[madhukar@gatewaymedia.in](mailto:madhukar@gatewaymedia.in)  
+91 93937 68383

#### Finance

C K Rao – General Manager  
Rakesh U

#### Sharmine Moss

Kishore P

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

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

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

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

CIN: U74900TG2007PTC054344

Editor: R Ramprasad

Views expressed in the articles are those of the writer(s) and may not be shared by the editor or members of the editorial board. Unsolicited material will not be returned.

### Copyright

No material published here should be reproduced in any form without prior written permission from Gateway Media.

### Feedback

Readers are advised to send all feedback and comments to [editor@gatewaymedia.in](mailto:editor@gatewaymedia.in)

## EDITORIAL ADVISORY BOARD

### Sabyasachi Hajara

Former Chairman, SCI  
Chairman Editorial Advisory Board

### Joachim von der Heydt

Chairman, Bengal Tiger Line, Singapore

### A Janardhana Rao

Managing Director, Indian Ports Association

### Julian Michael Bevis

Senior Director, Group Relations, South Asia  
A.P.Moller-Maersk

### Capt Deepak Tewari

Chairman, Container Shipping Lines Association (CSLA)

### Anil Singh

Former Sr VP & MD, DP World, Subcontinent

### Anil Yendluri

Director & CEO, Krishnapatnam Port Company Ltd

### Adarsh Hegde

Joint Managing Director,  
Allcargo Logistics

### P Jairaj Kumar

Chairman & MD, Ocean Sparkle Limited

### Shardul Thacker

Partner  
Mulla & Mulla & Craigie Blunt & Caroe

### Dhruv Kotak

Director, JM Baxi Group

### Manish Saigal

MD, Alvarez & Marsal

### Jasjit Sethi

CEO, TCI Supply Chain Solution

### Capt Dinesh Gautama

President, Navkar Corporation Limited

### Capt Sanjeev Rishi

Advisor, Worlds Window Infrastructure & Logistics Pvt Ltd

### Navin Passey

Managing Director, Wallem Shipmanagement (India) Pvt Ltd



32

**STATE FOCUS**

**Sunrise state ready to shine**

Having notched the third position in the national logistics index within just four years of formation, the sunrise state is now chasing a larger vision to be among the top 15 states in the Global Competitiveness Index.



35

**JET CITY**

**Changing logistics landscape**

Based on the concept of inclusive lifestyle and industrial solution, Jakkampudi Economic Township, one of the 100 Economic Cities proposed for Andhra Pradesh aims to bring together housing, employment, social amenities, manufacturing and integrated logistics into one space.

36

**JNPT**

**PSA expands capacity on the west coast**

PSA is expanding capacity to be future ready and provide world class logistics infrastructure on the west coast.

38

**INFRASTRUCTURE**

**DTDC in the driver's seat**

DTDC is getting agile as it grows. The new transshipment hub in Samalkha is equipped with state-of-the-art equipment to boost throughput efficiency, as the volume of cargo grows.



44

**COLD CHAIN**

**In pursuit of unbroken cold chain**

Agility India organized a one of its kind industry summit on Cold Chain dedicated to the pharmaceutical and life sciences sector, their challenges and achieving objective solutions through collaboration, awareness, education, and implementation of technology and best practice.

46

**DIGITALISATION**

**A digital platform**

**connecting all stakeholders**

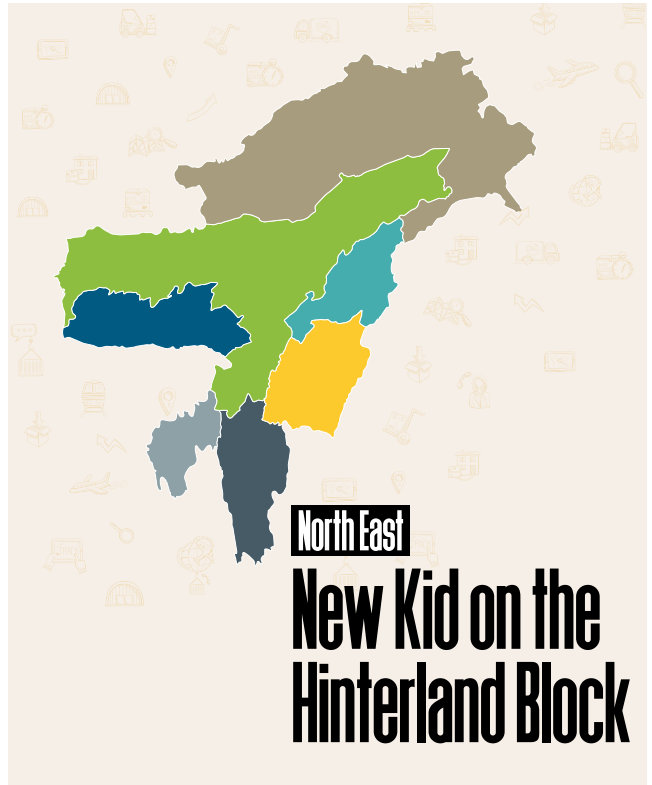
ODEX helps the maritime industry swiftly ride the digital wave as it connects stakeholders to manage their workflow and collect payments.

48

**WISTA DAY**

**High Five to WISTA India**

WISTA members came together to celebrate fifth anniversary of WISTA India. The event also reflected the visibility WISTA has gained in the maritime industry.



24

**COVER STORY**

With a distinct advantage of being strategically located with access to the traditional domestic market, adjacent countries and also being a vantage entry point for the South-East Asian markets, this region is now the hot zone for infrastructure, connectivity and cargo movement.

**INTERVIEWS**

37

**RELIABILITY IS WHAT CUSTOMERS LOOK FOR**

**BHAVIK MOTA**

HEAD, TRADE AND MARKETING, MAERSK LINE INDIA



40

**THE GERMAN CONNECTION**

**ANDREAS BULLWINKEL**

MD, CONTAINER TERMINAL, WILHELMSHAVEN  
JADEWESERPORT MARKETING GMBH & CO. KG



49

**MORE AND MORE PROCESSES NEED TO GO ON EDI**

PS ATREE, PRESIDENT, DELHI CUSTOMS CLEARING AGENTS ASSOCIATION (DCCAA)



**OTHERS**

- 08 News in Brief
- 10 Point Blank
- 12 Numbers & Graphs
- 14 News



## Supply chain costs. The only part of your business that shouldn't grow.

Whether you're big, small or in-between, your business can't run efficiently without a well-organized supply chain. Agility specializes in managed warehousing and distribution services to keep your operations lean and optimise performance. Discover how our systems, tools and people can cut costs by connecting you seamlessly to suppliers, vendors and customers.

**Logistics to connect your world**



[www.agility.com](http://www.agility.com)

## Water sports centre made from containers



A project named Water Sports Center Halsskov, is located in a former ferry port in Korsør, Denmark. Its most defining feature is a diving tower made from three

recycled shipping containers. The containers are painted bright yellow and stacked atop each other. Holes have been made in the containers to aid ventilation and stairs

within provide access to diving points at heights of 4 m (13 ft) 8 m (26 ft) and 11 m (36 ft).

Sweco, the architect firm has installed a building with toilets, changing room, storage and outdoor showers. This is also made from shipping containers that are painted yellow but the exterior is lined with low-maintenance heat-treated sustainably-sourced wood. Both the facilities and diving structure are illuminated with low-energy LED lighting.

## DP World Intermodal adds block train

DP World operated Container Rail Road Service (CRRS) and leading CHA and freight forwarder AR Shipping together flagged off maiden export block train from Ludhiana to Mundra. The fully loaded train was flagged off by HK Khatana, Deputy Commissioner of Customs from ICD Dhandari Kalan, Ludhiana. Through CRRS, DP World continuously works towards providing supply chain solutions that enhance reliability within the trade community and work as a catalyst towards increasing rail volumes.

## CI1 service makes maiden call at APM Terminals Mumbai

The 4,051-teu *XIN NAN TONG* operating on COSCO's CI1 service made its maiden call at APM Terminals Mumbai, adding another important Far East service for India's importers and exporters. Far East trade services comprise 62 per cent of the terminal's throughput. The CI1 service will call on Pipavav, Shanghai, Ningbo, Shekou, Nansha, Singapore and Penang. The service consists of five COSCO vessels and one from Wan Hai.

## Barges to move containers from JNPT to MbPT

The Ministry of Shipping is considering a plan to soon ferry containers by barge from JNPT to MbPT instead of the longer land route. The aim is to bring down congestion in Mumbai, Thane and Bhiwandi. The plan encompasses developing a large size go-down in Mumbai to store the containers, the process for which will begin soon. When implemented, it will bring down the total number of trailer trucks entering the city by 1,000 daily, in addition to the hundreds of smaller trucks and tempos.

## Govt may allow foreign vessels in coastal waters

The government is considering a proposal to permit foreign vessels to operate in Indian coastal waters with a view to reduce logistics cost, enhance port efficiency and boost domestic shipping industry.



The move would facilitate transportation of cargo between different ports along the country's coastline. Currently, the Cabotage rules, which governs this activity, make it difficult for foreign flagged vessels to handle cargo between two domestic ports. The move would also help cut shipping rates and transportation time. According to traders, there is a scarcity of Indian mainline vessels in the country and it impacts smooth movement of cargo and consignments.

## ONE offers extensive liner network

Ocean Network Express Pte Ltd, or ONE, the new merged container liner business entity of MOL, "K" Line and NYK, plans to offer an extensive liner network service portfolio covering over 100 countries internationally. Its key focus will be on enhanced service and innovation. Some of the salient features of ONE are a global fleet of over 250 vessels, active participation in all major global trade lanes, deployment of the latest IT systems and an extensive terminal ownership portfolio. Bookings have commenced. ONE starts operations from April 2018.



## APM Terminals Pipavav adds Maersk FM3 service

The FM3 service connects India's customers with key global markets. The 9662 teu capacity *Maersk Salina* arrived at APM Terminals Pipavav on January 15th representing the first call of Maersk Line's FM3 Service to APM Terminals Pipavav. The service links India to key markets through port calls in Tanjung Pelepas, Colombo, Nhava Sheva, Singapore and the Chinese ports of Dalian, Xingang, Qingdao, Busan, Gwangyang and Ningbo. The *Maersk Salina* loaded seafood, polymers, chemicals, dyes, tires etc. for export. Imports handled included home appliances, auto parts, machinery, plastic items, electrical/electronic goods and furniture.

## TCI revenues and margins looking up

The company's standalone revenue and net margins grew by 24.5 per cent and 65 per cent respectively in Q3 2017. Transport Corporation of India's financial results for the third quarter ended 31 December 2017 reveals total revenue for the quarter registered a growth of 24.5 per cent over corresponding quarter last year while the Profit after Tax registered a growth of 65 per cent during this period.

## Indian refiners to raise capacity by 2030

Refiners in India are planning to raise their capacity by 77 per cent to about 8.8 million barrels per day by 2030 in order to meet the country's rising fuel demand. According to a government report released by the Ministry of Petroleum and Natural Gas, this expansion plan will ensure the nation's surplus production of diesel and gasoline will last until 2035, although it is expected that by 2040 it will turn into a deficit. The report also recommended refiners to set up petrochemical projects and to cut their production of petcoke and fuel oil. India's gasoline, diesel and jet fuel demand up to 2030 is set to grow at a rate of around five per cent each year.

## A. P. Moller-Maersk grows revenue

A.P. Moller-Maersk has made a fourth quarter profit of \$386 million, attributing the rise in earnings primarily to its container shipping business. Underlying profit for the continuing operations was \$356 million, compared to a loss of \$496 million in 2016. The profit consisted of \$1 billion related to the transport and logistics business. Highlights from 2017 include \$14 billion worth of M&A transactions, including welcoming Hamburg Süd to the A.P. Moller-Maersk family, agreement to sell Maersk Oil, sale of Maersk Tankers and Mercosul – the Brazilian container line – as well as the sale of the remaining 19 per cent stake in Dansk Supermarked Group.



## BMCT's second service with Hapag-Lloyd

PSA's Bharat Mumbai Container Terminals Pvt Ltd (BMCT) is continuing on the growth path with the arrival of Hapag-Lloyd's *Express Rome* at the terminal, marking BMCT's second weekly service call and its first direct Europe service. The vessel operates on the Indian Ocean Service (IOS) linking India and the Middle East directly with the North European ports of Antwerp, Hamburg and London. Its inaugural call at BMCT will be followed by three sister ships from Hapag-Lloyd, plus three and one vessel(s), respectively, from service partners Hamburg Süd and CMA CGM. Approximately 3,700 teus were handled during the call at BMCT.

## Congestion at Kolkata Dock System

The recently introduced Direct Port Delivery that aims at facilitating trade has



led to severe congestion at the Kolkata Container Terminal. Kolkata Dock System, being one of the oldest city-based ports in the country, has considerable space constraint at the terminal, besides lack of infrastructure. Moreover, the Kolkata Police authorities have imposed road restrictions of almost 7 hours a day on a staggered basis since a year on the movement of heavy vehicles around the port area, thus restricting the movement of cargoes/containers to/from the port. Vessel turnaround time continues to increase, considering pre-berthing delays and period towards berth occupancy for cargo operations.

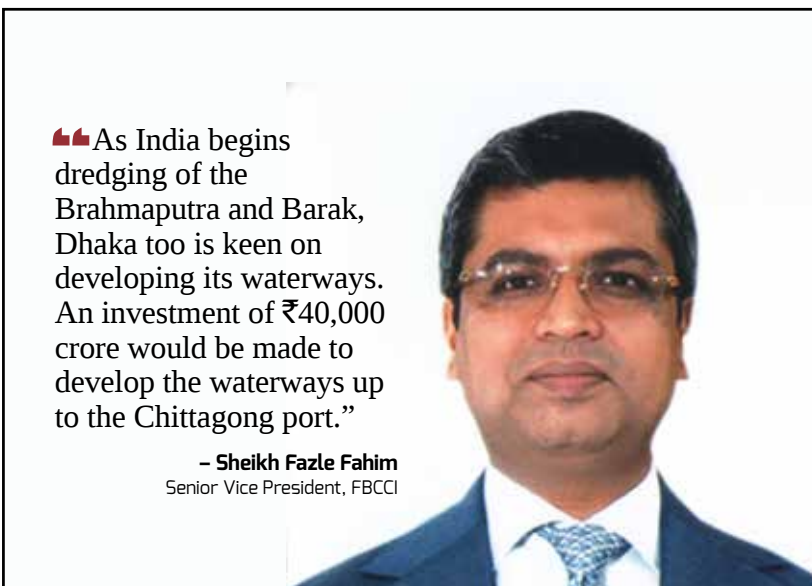
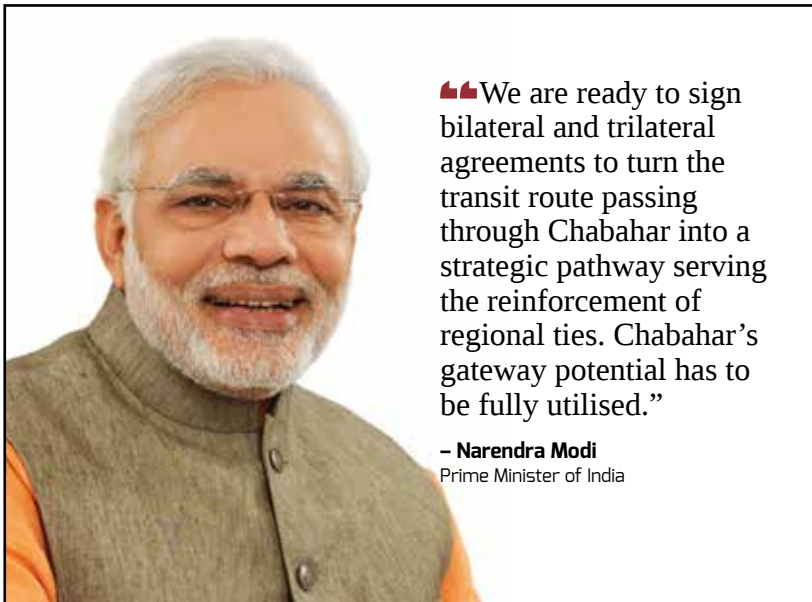
## ODeX receives investment from Invoice Bazaar

Invoice Bazaar, a FinTech Supply Chain Finance platform with presence across Asia, announced an undisclosed investment in online document exchange platform ODeX. As part of ODeX's proposition, it already works with Invoice Bazaar in India for enabling payment settlements to shipping companies. ODeX along with Invoice Bazaar is working on solving the Supply Chain Finance problem in the shipping industry. The investment will be used towards expanding ODeX's footprint in Middle East as well as towards product development.

## New service connects Haldia and Chittagong Port

Haldia International Container Terminal has achieved another milestone with the commencement of a new Bangladesh service under the Indo-Bangladesh Coastal Protocol. Located 90 km from Kolkata, the Petrapole-Benapole border handles \$3.4 billion of the \$6 billion bilateral trade with Bangladesh. In 2016-17, Indian exports accounted for more than 70 per cent of the trade through this gate.

However, due to the slow pace of border clearance, a truck normally takes 22 days, including two weeks on the Indian side, to complete its trade run. The Bangladesh trade was eagerly seeking an alternate efficient mode, delivered by a short coastal route with reliable vessel service, delivering goods right up to Dhaka and Chittagong ports.





# CENTURY-CFS<sup>®</sup>



Century Container Freight Station, a new addition in the CENTURYPLY family, is first privately held CFS in Kolkata with the capacity to handle more than 14000 TEU's per Month. Century CFS is the first and the only CFS in Eastern India to be C-TPAT compliant. We have been accorded the status of "Container Freight Station" at Sonai Kolkata in the Nov 2008 and are leading in CFS business with the

help & acceptance of shipping fraternity. In June 2010 we expanded our capacity by acquiring value added services in a bigger facility at JJP in which we are handling Import Laden Containers, Break Bulk/Project Cargo, Export Containers Warehousing and Stuffing inside CFS, Empty Depot with M&R Facility for both Dry and Reefer. We are the leading CFS Operator in the Kolkata Port for last seven years in terms of volume moved to CFS's.



## Salient Features of our CFS's

- Space of 22096 Sq Mts. (Sonai) & 78150 Sq Mts. (JJP) clean and dust free full paved yards.
- 24/7 Facility.
- EDI Connectivity with fully computerized operations on software developed by CMC.
- Cargo storage facility in covered and open yard.
- Electronic Weighment facility.
- Strong Room for valuable cargo.
- Bonded Warehouse.
- Project Cargo Handling.
- Online status tracking of Containers.
- 24 Reefer Plug Points/Separate stack yard for Hazardous cargo.
- Ample parking space.
- Cargo consolidation.
- Security Services of Group 4 (G4S)
- 24/7 Dock Office open for Dock operation.
- Flood lights/ High mast towers for round the clock operations and CCTV cameras for surveillance of containers.
- Our Clientage: Maersk & Safmarine, OOCL, Yang Ming, APL, MSC, Hanjin, NYK, Evergreen, PIL, CMA-CGM, TLPL, MOL, Hapag Lloyd, Seabridge, Samudera, Hyundai, TransAsia, Pannon, CSAV, Maxicon, KMTTC, Caravel, SCI, ULA, ZIM & Star Shipping etc.

### Logistics Office:

Address : 4, Fairlie Place, 2nd Floor  
Kolkata - 70001, West Bengal  
Phone. No. :(91) (33) 30217919/20  
Fax No. : (91) (33) 4005 3931  
Email- : infocfs@centuryply.com

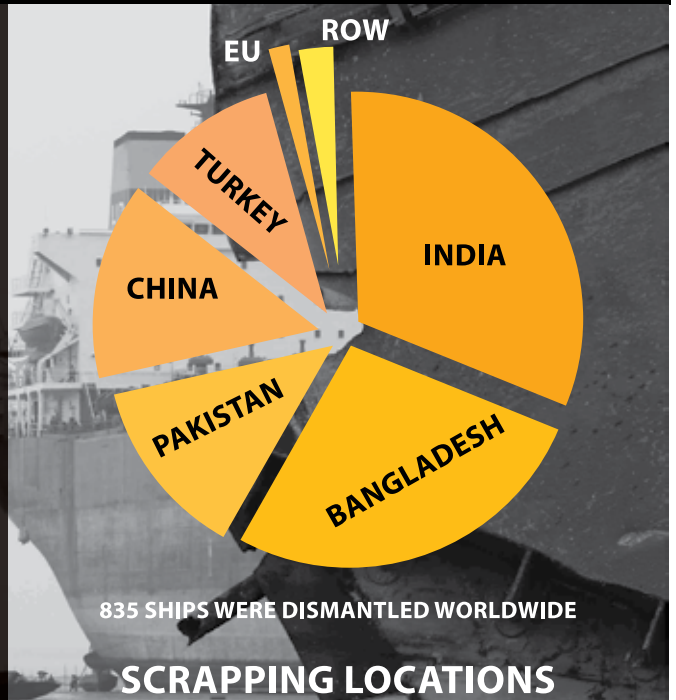
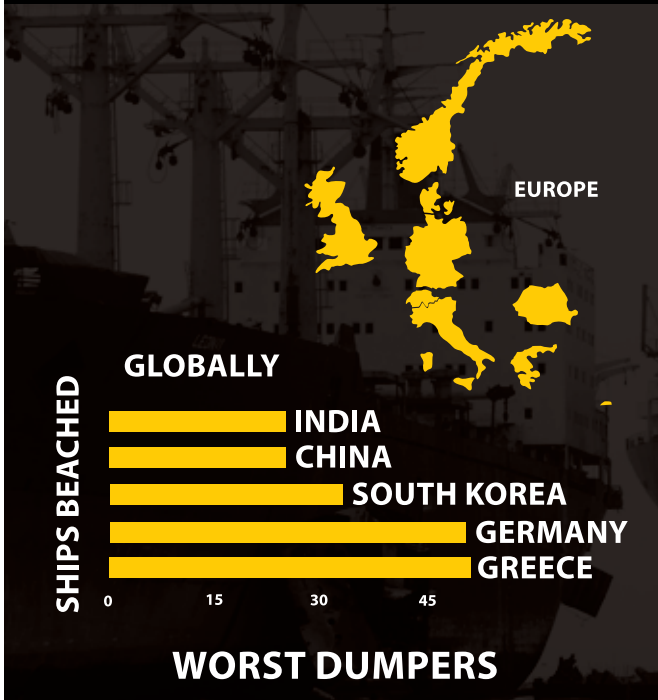
### Facility:

- SONAI CFS  
rahulc@centuryply.com
- JJP CFS  
purnabahadur.bist@centuryply.com

### Marketing:

- marketing.cfs@centuryply.com
- import.mktcfs@centuryply.com
- mrkt.cfs@centuryply.com

## 2017 SHIP DISMANTLING RECORD



## THE NEW GIANTS OF CONTAINER SHIPPING

Carriers	Vessel types					Ships		Capacities
	SNP	NP	NPP	18+	22+	Exist	Order	total TEU
CAM CGM	28	28	25	3	9	74	19	1,270,000
CoscoSL	9	39	20	28	-	67	29	1,427,000
Evergreen	-	-	20	11	-	20	11	501,000
Hapag-Lloyd	-	28	11	6	-	45	-	618,000
Hyundai	1	18	-	-	-	17	2	224,000
IRISL	-	4	-	-	-	-	4	58,000
Maersk Line	13	36	17	31	-	86	11	1,434,000
MSC	4	43	32	20	11	90	20	1,689,000
ONE	-	11	25	6	-	29	13	580,000
PIL	-	12	-	-	-	3	9	143,000
Yang Ming	1	-	20	-	-	16	5	292,000
ZIM	3	1	-	-	-	4	-	41,000
NOO	2	-	4	-	-	-	6	82,000
<b>Grand Total</b>	<b>61</b>	<b>220</b>	<b>174</b>	<b>105</b>	<b>20</b>	<b>451</b>	<b>129</b>	<b>8,361,000</b>

## CONTAINER TRADE GAINS MOMENTUM IN 2017

Two-way volume (1000 teu)	
<b>East West trades</b>	
Asia-WCNA	9,136
Asia-North Europe	7,560
Asia-Med	3,995
Asia-ECNA	3,895
North Europe-North America	2,685
Med-North America	1,105
<b>East-West Total</b>	<b>28,377</b>
<b>North-South trades</b>	
Asia-South Asia	2,659
Asia-Middle East	2,329
Asia-Oceania	1,909
Europe-South Asia	1,642
Europe-Middle East	1,548
Asia-ECSA	939
Asia-West Africa	825
Europe-ECSA	777
Asia-Southern Africa	607
<b>North-South Total</b>	<b>13,234</b>

Source: Dynaliner

## Heads you win Tails you win

It's a win win situation. Anyway you get to win. The all new Kolkata Port gives you the best advantage in the east—in price—in service.

- ▶ Primary focus on customer satisfaction
- ▶ Competitive pricing to suit customer need
- ▶ Widespread rail-road network
- ▶ Single window system
- ▶ Certified ISO 9001:2008
- ▶ Extensive storage facilities for diverse cargo
- ▶ Modern computerised container terminal, VTMS with AIS and state-of-the-art oil jetties
- ▶ India's largest Dry Dock system for ship repair
- ▶ Ideal destination for Inland Water Transport
- ▶ 50 metres draft available at Sandheads—the highest amongst all major ports in the country

**Major incentive for new & additional cargo**



### **KOLKATA PORT TRUST**

15, STRAND ROAD, KOLKATA-700001

Phone: 033 2230 6645 (Direct), 033 2230 3451 (Extn. 214)

Fax: 033 2230 4901, E-mail: [calport@kolkataporttrust.gov.in](mailto:calport@kolkataporttrust.gov.in)

Website: [www.kolkataporttrust.gov.in](http://www.kolkataporttrust.gov.in)

## LOGISTICS

## DHL Express expands in Gujarat



DHL Express has inaugurated its service centre in Rajkot. This is its fourth service centre in Gujarat, located in the Saurashtra region. The 2,518 sq. ft facility will support the growing demand for international express services in Gujarat. With Rajkot set to become one of the largest automobile zones in Asia, and exports from Jamnagar and Morbi on the rise, the opening of this facility is just in-time and reinforces DHL's commitment to connect Gujarat to the global market.

## Cochin Shipyard to construct high-tech vessels

Taking another step ahead to realize the potential of inland waterways in the country, Cochin Shipyard Limited and United Shipbuilding Corporation signed a MoU to design and develop contemporary vessels for inland and coastal waterways.

CSL & USC will collaborate for development of high-speed vessels, river-sea cargo vessels, passenger vessels, dredgers, and other watercrafts for Indian Waterways and coastal shipping.

## Coal India allocates more coal to power sector



Coal India dispatches more coal to the thermal power sector. During the period between April 2017 and January 2018, corresponding to the 10 first months of the Indian fiscal year, Coal India supplied 371.8 million tonnes of coal to the thermal power sector, an increase of 6.8 per cent year-on-year.

On that same period, the company sold 103.1 million tonnes of coal to the non-power sector, an increase of 8.8 per cent. Meanwhile, Coal India has still failed its production target by 29.2 million tonnes, ending those 10 months with an output of 440 million tonnes.

By the end of January, the pithead coal stock of Coal India stood at 34 million tonnes. In the last fortnight of the month, offtake stayed consistently at 300 rakes. Since then, the daily average has eased to 226 rakes in February, still higher than 209.8 rakes per day in October last year.

## Multimodal corridor connecting Virar to Alibaug

The Maharashtra State Wildlife Board will be setting up a special committee to study the proposal for the 126-km multi-modal corridor connecting Virar to

Alibaug. A 3-km elevated road and a 4-km tunnel of the corridor will pass through Sanjay Gandhi National Park.

The multi-modal corridor will have an eight-lane highway and a Metro line and will be built in two phases. The 80-km first phase connecting Navghar to Chirner near JNPT is estimated to cost ₹10,000 crore, with an additional environment cost of ₹10 crore. The 47-km second phase will connect Chirner to Alibaug. The corridor will have 34 bridges of varying sizes, 21 pedestrian and 34 vehicular underpasses, and four road over bridges across railway tracks.

## Allcargo bags Golden Peacock Award



Allcargo Logistics Ltd has been awarded the prestigious Golden Peacock HR Excellence Award. It was presented at the 12th International Conference on Corporate Social Responsibility organised by the Institute of Directors.

The Golden Peacock HR Excellence Awards are presented to organisations who have displayed a consistent track record in achieving excellence in their HR policies and people management practices. Allcargo has been recognised for constantly implementing newer HR excellence benchmarks.

## Gateway Distriparks announces Q3 FY18 results



Comparing Q-3 FY 18 Vs Q-2 FY 18: revenue from operations went down 2.0 per cent to ₹340.2 crore. EBITDA (Exc. investment income) increased 2.5 per cent to ₹70.0 crore. Profit before tax increased by 0.8 per cent to ₹33.0 crore. Profit after tax went up by 10.0 per cent to ₹27.9 crore.

CFS: Throughput was down 4.7 per cent to 97,104 teus.

Rail: Throughput was down 4.1 per cent to 58,720 teus.

## JNPT to launch Uber-type model to reposition empties

In a bid to cut congestion and bring down logistics cost for the trade, JNPT will commission an Uber-type model to evacuate empty import containers for repositioning. Neeraj Bansal, Chairman in-Charge, JNPT said, "The court has given a verdict in our favour and the tender process has received response from 13 operators and we will finalise a few operators shortly." The tender involves selection of large transporters who will deploy tractor-trailers both owned and aggregated for evacuating empty containers from a distance between 40-1,100 km.

## Bangladesh seeks access to Kolkata Port

Bangladesh has sought access to Kolkata Port to carry out EXIM activities. The access may help Bangladesh to attract Indian investments in SEZ on the West Bengal border. A formal presentation in this regard was placed during Commerce Secretary-level bilateral talks in Dhaka. The proposal, will contribute to the BBIN (Bangladesh, Bhutan, India, Nepal) sub-regional initiative. BBIN initiative can help both the countries access the Chittagong and Mongla ports. Chittagong port is battling with capacity constraints. Poor rail network and over dependence on road adds to logistics cost in Bangladesh. As a result, industrial and commercial activities are mostly centered around Chittagong and Dhaka. By claiming access rights to Kolkata port, Bangladesh is trying to correct the policy gap. Better connectivity and access to Kolkata can add to the potential of Indian investments in Bangladesh.

## Arshiya sells six warehouses to Ascendas, leases them back



Moving towards an asset-light business model, Arshiya has monetised its six warehouses in Panvel near Mumbai by selling them to Ascendas Property Fund for ₹534 crore and leasing them

back. Ascendas India Trust has acquired long-term leasehold rights in the warehouses spread over 800,000 sq ft and leased them to Arshiya Group's subsidiary Arshiya Lifestyle Ltd at pre-agreed rentals. Arshiya Lifestyle would operate and manage the warehouses retaining the surplus income from rentals and value-added services post payment of pre-agreed rentals.

The deal for these warehouses located in the Arshiya Free Trade and Warehousing Zone has been concluded at price of around ₹6,500 per sq ft. It also has additional development potential of 2.8 million sq ft and that will also be sold to Ascendas India Trust.

## E-way bill rollout deferred

On the day the Union Budget 2018 was presented in Parliament, technical glitches in the e-way bill system disrupted the movement of goods across states. The electronic bill system was inaugurated on February 1 after undergoing trials.

CBEC announced that the trial phase would continue until further orders. In collaboration with GST Network, the NIC had been conducting trials for e-way bill system since January 16. The deadline for implementation of e-way bill was brought forward from April 1 to February 1 after GST revenues began to slide in last October. GST council asked states to choose their own deadlines for intra-state movement of goods before June 1, 2018.

## APM Terminals Pipavav adds new Far East Service "C11"

M. V. XIN NAN TONG of the Far East C11 service operated by COSCO and Wanhai made its first call to APM Terminals Pipavav. The C11 service links India to key markets globally and will facilitate a direct connect to Malaysia. It will also add to the liner options that serve the ever-growing markets of the Far East sector. The ports of call for this line are Pipavav-Penang-Shanghai-Ningbo-Shekou-Nansha-Singapore-NhavaSheva-Pipavav.

In the vessel's first call, APM Terminals Pipavav handled key imported commodities such as polyester fabric, LED tube lights, SS pipe, PVC resin & auto solar cells and loaded major exports of castor seed meal, raw cotton, vinyl sulphur ester and seafood.

## Single GST rate for multimodal transport



The Commerce Ministry has pitched for a single GST rate for multimodal transportation of vehicles to improve logistic services and reduce the compliance burden on automobile manufacturers. Society of Indian Automobile Manufacturers (SIAM) had approached the logistics department of the Ministry raising issues faced by companies due to lack of

a clearly defined multimodal GST structure. Currently there is no clearly defined multimodal GST structure where vehicle makers could hand over finished goods through a single document to a third-party logistics service provider.

## JFC Finance to acquire Palogix Infrastructure

ICICI Bank and HDFC Bank have approved JFC Finance (India) Ltd's bid to acquire the insolvent Palogix Infrastructure, a 20-year old firm in railways logistics. JFC Finance has proposed to acquire close to 80 per cent in Palogix for ₹100-crore. While the liquidation value available to the operational creditors is zero, but JFC Finance has proposed to clear all dues to the government, the operational creditors and employees.

## Emirates Logistics expands network in India

Dubai based Emirates Logistics is focusing on the high-potential Indian logistics industry with a mission to be a dominant player as it expands its operation and network in all major business districts in India. Emirates Logistics will focus on both First mile and Last mile logistics along with warehousing and supply chain. In fact, they will be a 3rd party solution for all the logistics needs of customers. Emirates Logistics comes with a proven capability of successful operations with global giants like IKEA, Unilever, DAIKIN, Adidas, etc. and is confident of creating relationships with many big brands in India.

## Snapdeal sells logistics arm to Future Group

Snapdeal's parent Jasper Infotech has sold its logistics arm Vulcan Express to Future Group's supply chain solutions subsidiary for ₹35 crore. The acquisition will help Future Group to boost its last-mile capabilities for its e-commerce and retail business. This transaction will also help Future Group to work on its new vision of Retail 3.0, where the group plans to up its e-commerce game.

## Highest ever investment in infrastructure



Infrastructure continues to be on top of the government's agenda to boost investment cycle. Finance minister Arun Jaitley proposed to raise the total allocation for the sector to ₹5.97 lakh crore in 2018-19, up by over ₹1 lakh crore in the current fiscal. This is highest ever allocation for the sector and the government is committed to raise it further.

Terming infrastructure as the growth driver of economy, he said the country would need massive investment in excess of ₹50 lakh crore over the coming years. This will increase growth of GDP, connect and integrate the nation with a network of roads, airports, railways, ports and inland waterways.

## Samir J. Shah conferred "WCO Certificate of Merit"



Samir J. Shah, Partner of JBS Group of Companies has been conferred the "World Customs Organization (WCO) Certificate of Merit" representing India on the occasion of International Customs Day 2018 for rendering exceptional service to the International Customs Community. The selections for 2018 were announced by the International Customs Division, Central Board of Customs and Excise, Ministry of Finance. The WCO Certificate of Merit was awarded by Shiv Pratap Shukla, Union Minister of State for Finance, Government of India.

## Impetus being given to highway projects

Including Bharatmala Pariyojana Phase-I, 83,677 km of highway sector projects are proposed to be implemented with an overall cost of ₹6,92,324 crore over a five year period. The Cabinet had accorded approval to the investment proposal for the umbrella highway sector programme Bharatmala Pariyojana (BMP) Phase-I on October 24, 2017 for development/upgradation of 34,800 km of National Highways with an outlay of ₹5,35,000

crore for over a five year period, i.e. from 2017-18 to 2021-22.

In addition, 48,877 km of projects under other ongoing schemes like NH (O), Special Accelerated Road Development Programme in North East (SARDP-NE), Externally Aided Projects (EAP) and roads projects in Left Wing Extremism Affected Areas (LWE) are also to be implemented during the same period. This has an approved additional outlay of ₹1,57,324 crore.

## National Logistics Portal to be developed



The Finance Minister, Arun Jaitley, in his Budget 2018-19 presentation, has announced that the Department of Commerce will be developing a National Logistics Portal as a single window online market place to link all stakeholders. It proposes to link all the seven different relevant ministries, including shipping, road transport and highways, railways and civil aviation, which is expected to significantly benefit the logistics industry. The Finance Minister said that to carry the business reforms for ease of doing business deeper and in every state of India, the government has identified 372 specific business reform actions.

## Assam Summit sees huge investment commitments



Assam's investment scouting exposition "Advantage Assam" attracted series of investment proposals. In the two day event as many as 200 MOUs were inked and investment proposal to the tune of ₹1,00,000 crore were committed. Reliance Group of Industries announced an investment of close to ₹2500 crore in next three years. Assam Finance Minister, Himanta Biswa Sarma said that ₹1500 crore investment is coming in tourism sector. Mahindra will invest in tourism infrastructure in Assam. World Bank is offering ₹1,000 crore and Ministry of Shipping has sanctioned ₹1,250 crore, thus total of ₹2,250 crore is ready for investment in developing inland water transport in Assam and N.E.

Government of India has sanctioned ₹250 crore for dredging some parts of Brahmaputra and Barak which fall in Bangladesh. The government has also sanctioned 6 modern ports on the bank of river Brahmaputra and 56 modern jetties which will start its service very soon.



## PORTS

### Major Ports handle 560.97 mt during April 2017 to Jan. 2018



Major ports have recorded a growth of 4.58 per cent and together handled 560.97 million tonnes of cargo during the period April 2017 to January 2018, as against 536.41 million tonnes handled during the corresponding period of the previous year. For the period from April 2017 to January 2018, eight ports, i.e. Kolkata, including Haldia, Paradip, Visakhapatnam, Chennai, Cochin, New Mangalore, JNPT and Deendayal have registered positive growth in traffic.

Port (Apr 2017- Jan 2018)	Traffic growth (per cent)
Cochin Port	18.36
Paradip	16.01
Kolkata [incl. Haldia]	13.47
Kolkata Dock System	1.12
Haldia Dock Complex	19.63
New Mangalore	7.37
JNPT	5.95
Cochin (mainly due to POL)	24.54

### OOCL announces WM3 for Asia-Europe trade

OOCL is extending its Mediterranean service network to the Middle East and Indian Subcontinent by introducing its new Middle East/Pakistan/India - West Mediterranean Service (WM3) that provides direct linkage between the Middle East, Pakistan, India, Italy, Spain, France and Egypt, offering more competitive and reliable services than transshipment options. It also provides the fastest transit time to the West Mediterranean, particularly to the Italian market.

In addition, the strategic hubs in Khor Al Fakkan and Jebel Ali will allow it to further connect its services to various OOCL networks in the region, thus offering exceptional flexibility and more shipping options to customers. WM3 port rotation: Khor Al Fakkan - Jebel Ali - Karachi - Mundra - Nhava Sheva - Jeddah - Suez - Malta - La Spezia - Genova - Barcelona - Valencia - Tangier - Fos - Genova - Malta - Damietta - Suez - Jeddah - Khor Al Fakkan.

### Siemens to help Navy modernise old ships

Siemens Ltd has teamed up with the Indian Navy to modernise its fleet of ageing diesel-mechanical turbines propelled war ships. Siemens has set up a medium voltage lab at INS Valsura, the Indian Navy's oldest training establishment near Jamnagar, to train navy engineers and technical seamen on electric propulsion technology engines.

### Montreal Port Authority & Mundra Port ink Cooperative Agreement



During its ongoing trade mission to India, the Montreal Port Authority has signed a cooperative agreement with Mundra Port. This agreement aims to develop cooperation in marketing and business development while sharing information on marine operations and industry best practices.

The Port of Montreal and Mundra Port both receive containerships, notably from major international shipping lines such as MSC and Hapag-Lloyd, CMA CGM, OOCL and Maersk. They ensure connections between ports on North America's East Coast and Mundra through transshipment ports in the Mediterranean.

### Security clearance for bidders valid for 5 years

Security clearance granted to companies bidding for port projects, and those taking up dredging work in domestic ports, will be valid for five years, according to the new rules framed by the government. Earlier the clearance was valid for just three years. For port projects, the Shipping Ministry will share the list of bidders with the Home, Defence and External Affairs Min-

istries on a case-by-case basis to seek security inputs. The security agencies will provide the inputs in 12 weeks and price bids will not be opened till security clearance is accorded by the Shipping Ministry.

### New IAGX direct service connects Upper Gulf & Iraq from KICT and Mundra



Prime Maritime has announced a new joint service with Tehama Shipping Services to operate the India Arabian Gulf Express (IAGX) service connecting Kandla International Container Terminal and Mundra directly to Upper Gulf and Iraq, on weekly basis. The IAGX service will provide an optimal link with the quickest transit time from Kandla and Mundra for all import volumes from the Indian Subcontinent, South-East Asia, Far East, the Mediterranean, Europe and North America into Hamad, Dammam and Umm Al Qasr.

The service strengths include: accepting all kinds of cargo, including DG, ODC and reefer; regular weekly sailings on fixed days; direct service with the shortest transit times; weekly transshipment service to Shuwaikh, Shuaiba and Umm Qasr South; accessible, responsive and dedicated customer service.

## Cruise terminal at Chennai Port soon



To lure tourist operators, the Union Shipping Ministry has offered them special rates for a cruise call. Within a month, construction of the cruise terminal at Chennai port is set to be complete. A cruise liner from the US is set to make first use of the terminal when it arrives here in April. "Cruise operators prepare schedules two years ahead of time. The positive impact of the concessions offered to the cruise operators will be felt in two years from now," said a Chennai port official. Chennai port, on average, receives less than 10 cruise vessels a year. In comparison, Mumbai receives more than 50 vessels.

## Deendayal Port set to cross 106mt this fiscal

The Deendayal Port Trust has handled 101.78 lakh tonnes of cargo (at Kandla and Vadinar combined) during January 2018, as against the previous best of 98.20 lakh tonnes in July 2016. The traffic handled during the period was made up of dry cargo at 30.988 lakh tonnes (30.438 lakh tonnes last year), an increase of 2 per cent; liquid cargo – Kandla at 12.144 lakh tonnes (10.584 lakh tonnes), an increase of 15 per cent; and liquid cargo – Vadinar at 47.385 lakh tonnes (47.079 lakh tonnes),

an increase of 0.65 per cent over last year.

During the current fiscal up to the end of January 2018, DPT has handled 909.89 lakh tonnes of cargo, as against 884.70 lakh tonnes during the corresponding period of the previous year, up 25 lakh tonnes/2.85 per cent. The Port is thus set to cross last year's throughput as well as the target given by the Ministry of Shipping of 106 million tonnes during the current fiscal.

## JNPT introduces PAPs policy



Keeping in line with its focus on supporting the Project Affected People (PAPs), JNPT has put in place a transparent system, which gives a clear roadmap to concessionaire and PAPs for recruitment. Accordingly, at least one member of each PAP family will get employment with JNPT and other terminals. A well thought out employment policy has been framed:

**Category A:** Priority given to candidate whose family members have not been given employment in JNPT, NSICT, GTI

**Category B:** Valid multi PAP certificates issued to one family. Once Category A is exhausted, candidate who hold PAP certificates may be considered under this category.

**Category C:** One valid PAP certificate and one job has been provided. They would be considered after Category A and B are exhausted.

## Lease contract agreement inked for Phase 1 of Chabahar Port



During the visit of Iranian President, Dr Hassan Rouhani, to India, among many agreements signed was the lease contract for Shahid Beheshti Port- Phase 1 of Chabahar during the interim period, between Port and Maritime Organisation (PMO), Iran and India Ports Global Ltd (IPGL). Both Prime Minister Narendra Modi and Dr Rouhani welcomed the lease contract. They further directed that the Coordination Council should meet within stipulated time.

Iran welcomed Indian investment to set up fertilisers, petrochemicals and metallurgy plants in Chabahar FTZ on terms mutually beneficial. To fully utilise the potential of Chabahar Port and its connectivity to Afghanistan and Central Asia, India conveyed its readiness to support development of Chabahar-Zahedan rail line. IRCON, India and CDTIC, Iran were tasked to finalise technical parameters and financing for the project in time-bound manner. Both leaders called greater efforts for cooperation in railways, including supply of steel rails, turnouts and locomotives.

## SHIPPING

## IWAI inks project agreement with World Bank



Inland Waterways Authority of India (IWAI) signed a project agreement with the World Bank. Notably World bank has even entered into a US\$375-million loan agreement with the Department of Economic Affairs for the Jal Marg Vikas Project (JMVP). The signing of the agreement follows the approval of the Union Cabinet Committee on Economic Affairs, Government of India, for the implementation of the \$800 million JMVP for capacity augmentation of navigation on National Waterway-1 (River Ganga) from Varanasi in Uttar Pradesh to Haldia in West Bengal. Of the remaining amount, US\$380 million is to be sourced through the government of India counterpart funds from budgetary allocation and proceeds from the bond issue. Another US\$45 million of fund will come from private sector participation under the public-private partnership mode.

The JMVP, which is expected to be completed by March 2023, is being implemented with the financial and technical support of the World Bank. The project will enable commercial navigation of vessels with capacity of 1,500-2,000 tonnes on NW-I.

## The Port of Antwerp conducts steel session

The Port of Antwerp organised a session for Indian steel companies at the Taj Palace hotel in New Delhi on 16th February, in partnership with the Indian Steel Association. The objective was to showcase Antwerp as the gateway port for steel exports and imports between the India-Europe corridor. Antwerp logistics companies offering terminal handling, value added logistics and steel service centers discussed their offerings with leading steel players in the Indian industry.

Luc Arnouts, Director International Relations, Antwerp Port Authority highlighted Antwerp as Europe's leading steel port backed by some very impressive figures for steel. In 2017, the Port handled 223.6 million tonnes of freight volumes of which conventional break bulk rose by 6.6 per cent to 15.3 million tonnes of which steel was 8.2 million tonnes. A significant portion of this was contributed by Indian steel thereby demonstrating the confidence of Indian steel traders in the Port. He outlined that the port's focus is to be a reliable partner to shippers offered through its regular break-bulk sailings to global markets and excellent quadrimodal options available in rail, road, barge and pipeline operations connecting to the European hinterland. Ann



DeSmet, Commercial Manager, Antwerp Port Authority presented the positive outlook for Europe in 2018 at 1.9 per cent driven by the automotive, construction and mechanical engineering sectors, thereby presenting Indian steel exporters with a strong market opportunity. She also highlighted Antwerp's offer for steel supply chains by pinpointing the port's accessibility by the largest record breaking container vessels, ample choice of multipurpose terminals handling conventional and containerized steel, state of the art handling and storage through the presence of all-weather terminal for weather sensitive steel, steel service centres and multiple logistics service providers offering one stop shop for forwarding, transport, logistics and warehousing, customs formalities and fiscal representation.

## Mahindra Logistics opens largest multi-user facility in Chakan



Embassy Industrial Parks has signed Mahindra Logistics as its client in their project based in Chakan, Pune. Mahindra Logistics has signed one of the largest spaces, which is now ready to lease for warehousing purpose. Embassy Industrial Parks invested ₹350 crore to build a 1.1-million sq. ft. industrial park at Chakan. The project mainly comprises built-to-suit facilities ranging from 50,000 sq.

ft. to 2lakh sq. ft. in size. Embassy Industrial Parks plans to invest \$250 million to build seven industrial parks in major cities and has already invested in Pune, Haryana, Delhi, West Bengal & Chennai further to MOUs signed with the governments of Haryana & West Bengal.

## Russian industries seek special industrial zone in Maharashtra

The Russian Federation is keen to establish a special industrial park/earmarked industrial zone for Russian companies in Maharashtra to take advantage of the "Make in India" and "Ease of Doing Business" initiatives. Nikolay R. Kudashev,

Ambassador of the Russian Federation to India, had discussions on this with Devendra Fadnavis, Chief Minister of Maharashtra, seeking the state government's support to work out the special facility for Russian companies to set up industries in earmarked zones. Vijay Kalantri, President of AIAI, stressed that trade between India and Russia, which currently stands at \$6 billion, needs to be doubled in the next three years.

## UP Investors Summit attracts huge response

The Uttar Pradesh Investors Summit 2018 began with Prime Minister Narendra Modi announcing the country's second defence equipment manufacturing corridor with an expected

investment of ₹20,000 crore in the state, covering parts of the industrially backward Bundelkhand region, and Chief Minister, Yogi Adityanath announcing the signing of 1,045 MoUs worth ₹4.28 lakh crore. Modi also launched Nivesh Mitra, an entrepreneur friendly application to enhance ease of doing business in UP. The digital portal has features such as one payment gateway that will quicken digital clearances. On the first day of the Summit, as many as 25 Memorandums of Understanding (MoUs) worth ₹55,000 crores were signed with various companies. Renewable energy sector has attracted the highest amount of potential investment during the investors' summit with entrepreneurs evincing interest in this relatively new field.

## Indonesian palm oil imports rising

Palm oil exports from Indonesia to India, the world's biggest buyer, will probably climb to the highest ever this year as strong demand counters higher import duties. Shipments of palm and kernel oils to India climbed 32 per cent to record 7.6 million metric tonnes in 2017 from a year earlier.

India, which relies on imports to meet about 70 percent of its total vegetable oil requirements, doubled the levy on crude palm oil to 30 percent in November and increased the duty on refined palm oil to 40 per cent from 25 per cent. The move, coupled with high inventories in top producers Indonesia and Malaysia, resulted in palm oil prices dropping 19 per cent last year.

## Soymeal exports decline in 2018

A sudden spurt in soybean prices has made Indian meal exports uncompetitive over the past one month, prompting exporters to forecast a 50 per cent decline in shipments this oil year (November 2017–October 2018).

According to Soybean Processors Association (SOPA), India's total soymeal exports skyrocketed to 2 million tonnes for oil year 2016-17 from a mere 320,000 tonnes during the previous year, when its shipment was hit due to crushing disparity. Soymeal has become expensive because of rising soybean prices. India's cost of soymeal production works out to \$500 a tonne as against exports from Argentina and the United States at \$400 a tonne.

## MOL and NCC form alliance



Mitsui O.S.K. Lines (MOL) and Nippon Concept Corporation (NCC) have formed a capital and business alliance agreement with the objective of developing a comprehensive two-way strategic partnership, including both partners' group companies, and steadily enhancing their businesses. For example, the agreement gives Nippon Concept Corporation the opportunity to globally increase its name recognition and enhance its competitiveness by integrating MOL Group companies' overseas networks with its existing networks. For MOL, it will be an opportunity to expand business in liquid chemical product transport business, which requires considerable expertise and has the potential to generate stable profits for the company in the near future.

The business alliance between MOL and Nippon Concept Corporation covers the following areas: share overseas networks and business networks, joint business and service operations, joint technology research and development, joint purchasing, proactive use of both companies' services, personnel exchange and other beneficial matters to enhance the businesses of both companies.

## HMM and AAL upgrade Asia-Middle East MPV service

HMM is beginning its cooperation with Singapore-based carrier, Austral Asia Line (AAL), for a Multi-Purpose Vessel (MPV) service. HMM and AAL will start joint service for 4 MPVs in HMM's operation as well as newly added 2 AAL A-class vessels. HMM will be deploying six vessels in the Asia-Middle East region, instead of four that is deployed at the moment. One of AAL's vessels will be deployed in March, and the other in the second half of the year.

With HMM & AAL's respective liner expertise and industry knowledge, together with the increased number of deployed vessels, the service shall develop further to encompass a wider pool of cargo (including project, bulk and break-bulk), providing service to a wider range of customers, and for engineering, procurement and construction project cargoes.

## CMA CGM introduces REEFLEX



Reeflex is an ideal alternative to break bulk for the transportation of liquids which optimally preserves the product's properties. CMA CGM launched the

most advanced solution for the transportation of liquids by controlled temperature: REEFLEX. REEFLEX is developed in partnership with Tecconja, a German expert in juices, and Liqua, an expert in packaging solutions for transporting liquids. REEFLEX allows for transporting liquids in a single bag with a capacity ranging from 12,000 to 24,000 litres. Available on Reefer containers of 40 feet, REEFLEX is installed in just 3 minutes. Thanks to its external pumping system, the bag is filled and emptied in 35 minutes thanks to its adapted design. REEFLEX represents an ideal alternative to break bulk and it will allow exporters and importers to carry their goods by containers, thus improving the conditions of transportation and delivery.

## Steel exports on the rise

A mix of policy inputs for promoting domestic steel usage, rise in global steel prices and a slew of efforts by Indian government to protect the domestic steel market from cheap imports had helped steel export growth from India to 53 per cent during April-December 2017, during which period steel output rose to 7.6 mt. Domestic consumption has increased 5.2 per cent during the period to 64.9 MT. Sale of finished steel rose 5.6 per cent to 79.3 MT during the period. India's crude steel production grew by 6.2 per cent to 101.4 MT in 2017 compared to 95.5 MT in the previous year, marking a dramatic rise in output.

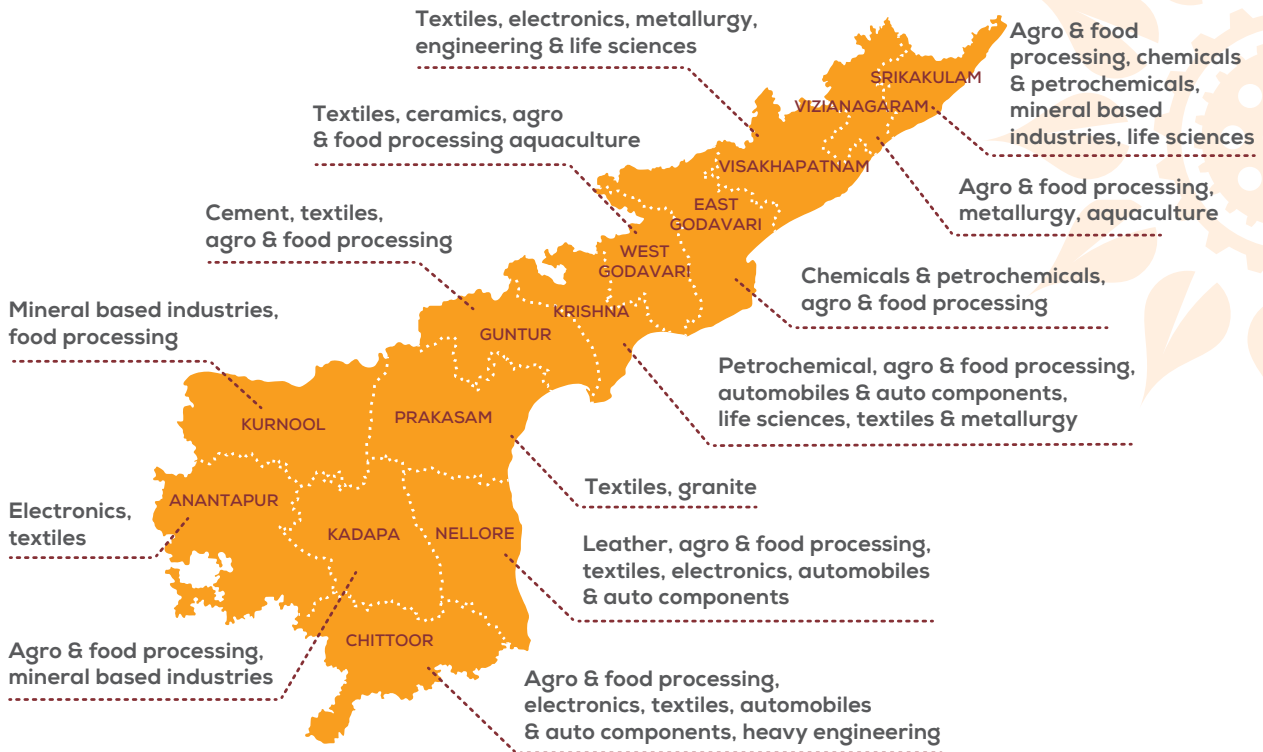


ANDHRA PRADESH  
India's Sunrise State



# ANDHRA PRADESH INDIA'S WINDOW TO THE EAST

2 Industrial corridors | 1 Coastal Economic Zone | 50 new industrial clusters in 9 thrust sectors  
300 industrial parks spread over 121,655 acres | 300,000 acre GIS-enabled land bank



## FOCUS SECTORS



ANDHRA PRADESH ECONOMIC DEVELOPMENT BOARD

AP CM's Camp Office, Vijayawada, Andhra Pradesh - 520 002, India.

M: +919986512321 | +919948099840 | E: ceo@apedb.co.in | E: helpdesk@apedb.gov.in | www.apedb.gov.in

NEPAL



## Rasuwagadhi dry port construction to begin after 4 months

Construction work for Rasuwagadhi dry port at Timure, Rasuwa, is set to kick off within the next four months. The port will be located about two kilometers south of the Rasuwagadhi border between Nepal and China. After an inspection visit of the project site, Minister for Commerce Bishwakarma said that the construction work would be carried out based on previous agreements with the Chinese side. After construction the Chinese government will rent out the port to the Government of Nepal.

INDONESIA



## Coal buyers spooked by new shipping rules

Buyers of Indonesian coal are holding back orders after the government issued new shipping rules for coal and crude palm oil that would restrict exports to Indonesian vessels. Jakarta issued rules in October 2017, requiring coal and palm oil exporters to use Indonesian-flagged vessels and Indonesian insurance companies, to boost the role of the archipelago's shipping industry. Traders described the new rules as dangerous as they could affect export volumes and state revenues if shipping contracts had to be renegotiated to shift to insurance and freight (CIF) contracts from free-on-board (FOB).

MYANMAR



## Thilawa edges ahead as logistics hub

Thilawa SEZ positions itself as the manufacturing and logistics hub of Myanmar, as Daizen Myanmar, a SEZ-based company starts providing bonded warehouse services to both domestic and international companies. Such logistics liberalisation will boost Thai-Myanmar cross-border trade and hence accelerate Myanmar's integration with the regional economy. Thilawa SEZ in southern Yangon is currently the only SEZ operating in Myanmar. The other two - Kyaukphyu SEZ in Rakhine and Dawei SEZ in Tanintharyi - are still at the planning stage. Daizen's SEZ warehouse license is a combination of bonded warehouse and general warehouse.

AFGHANISTAN



## Afghan cargo shifts from Karachi to Chabahar



Afghanistan has shifted 80 per cent its cargo traffic from Karachi Port to Iran's Bandar Abbas and Chabahar Ports. Afghanistan's decision to shift traffic to Iranian ports was triggered in part by Pakistan's move

to impose trade tariff. Over \$5 billion worth of Afghan trade will be conducted through the Chabahar Port once the International North-South Transport Corridor becomes operational. Trade between Pakistan and Afghanistan has dropped by \$2 billion in the current fiscal. Bilateral trade currently stands at around \$500 million.

BANGLADESH



## UK lifts air cargo ban on Bangladesh

The UK has lifted a ban on airfreight being transported directly from Bangladesh, but there is still work to be done before exports can resume. The ban had been in place since March 2016 because of concerns that cargo was not properly being screened. The ban has been lifted following significant progress made in meeting a number of important security conditions. The UK government will continue to work with the government of Bangladesh to support ongoing improvement in standards for all aspects of aviation security.

Biman Bangladesh Airlines, which is the main airline offering direct UK-Bangladesh services, and the export cargo warehouse still need to gain the European Union's third-country regulated agent certification before it could offer cargo services to the UK.

SRI LANKA



## Transshipment at Colombo Port up by 20.4 per cent

Cargo handling capacity of the Port of Colombo has increased significantly showing continuous growth in the container handling operations since the fourth quarter of 2017. Against 362,451 teu transshipment operations in January 2017, together with the JCT, SAGT and CICT, the Colombo Port has recorded 436,303 teu transshipment operations for the month of January this year marking a competitive increase of 20.4 per cent.

Sri Lanka Ports Authority controlled Jaya Container Terminal (JCT) which recorded 114,282 teu transshipment operations in January 2017, has recorded 164,252 teu transshipment operations in January this year marking an increase of 43.7 per cent.

MALAYSIA



## Alibaba's digital trade zone in Malaysia

An Alibaba-led digital trade zone in Malaysia is expected to boost trade between Southeast Asia and China. The "Digital Free Trade Zone," is designed to make cross-region shipments more affordable for Malaysian small and medium-sized companies. A core element of the scheme is an electronic world trade platform designed to ease trade between Malaysian and Chinese firms. The platform, due to take effect in 2019, will connect businesses, manage cargo authorizations and assist on customs.

## MALDIVES



### New cargo terminal at Velana airport

Maldives is planning construction of a bigger cargo terminal at the Velana International Airport. It is expected to open up the gateway for a re-export market in the Maldives. At a time when Maldives is fast entering into free trade agreement with various countries, the new cargo terminal will further add fillip to the growth of air cargo. After addition of the cargo terminal, about 120,000 tonnes of air cargo is expected to be processed every year at the Velana International Airport. With a FTA signed with China, Maldives can now export seafood produces with zero percent duty, which would directly benefit the Maldives economy.

## IRAN



### Border crossing activated with Turkey

Turkey is trying to activate three of its border crossings with Iran and the move is done with the aim of facilitating border transit activities and promoting trade exchanges between the two countries. Presently, Gorbolag Border Crossing is offering round-the-clock services while Kapikio Border Crossing is witnessing transit of passengers and transport of cargo similarly. Turkish Minister of Customs and Trade Bülent Tüfenkci said that Iranian side is constructing new roads for these border crossings.

## THAILAND



### Thailand and Belgian Airport to exchange expertise

Liege Airport in Belgium signed a sistership agreement with Bangkok-Suvarnabhumi airport for exchange of expertise and knowhow, with focus on cargo development. Both the airports are major cargo players in their respective regions. The Sistership Agreement is a first step towards a close cooperation between all the airports to develop cargo flows. A special focus is given to the development of perishable facilities and processes, to seamlessly connect the Asean and the European market in both directions. For the development of an e-commerce gateway, Bangkok-Suvarnabhumi Airport and Liege Airport aim to create an international network of gateways.

## PAKISTAN



### Rail infrastructure upgrade



Pakistan Railways has added 118 locomotives in its current fleet to replace old and obsolete engines, aimed at enhancing cargo revenues. Around 1,405 modern wagons for coal loading and unloading (hopper wagons) have been procured for Qa-

dirabad Coal Power Plant at Sahiwal. The proposed improvement on anvil is procurement of 820 high capacity/high speed wagons to replace old and over-age fleet of cargo wagons at a cost of ₹9516 million in next 1-2 years. During 2016-17, the freight trains from Karachi Port were increased from 182 trains per year to 3318 trains per year. Long haul long term agreements have been signed with major companies with advance payment in freight deposit accounts.

## VIETNAM



### First container train linking Russia and Vietnam

The train carrying cosmetic products departed from Vosrino station on the outskirts of Moscow, passing through Zabailkalsk-Manzhouli border gate of the Russia-China border and Piangxiang-Dong Dang border gate of the China-Vietnam border. Travel time was 23 days, including time for customs procedures at border gates. The time is only equal to half of that by sea, while the cost is much cheaper than by air. Viacheslav Kharinov, Chief Representative of the Russian Trade Office in Vietnam, termed this an important milestone in the two countries' trading as container transportation services by train will help facilitate the travel of goods, thus contributing to increasing import-export turnover.

The train route is part of an agreement between the Russian Railways and Vietnam Railways. The two sides are working to cut travel time to 18 days.

## SOUTH KOREA



### HMM to launch Asia-North Europe loop

HMM is set to launch a new Asia-North Europe loop in April, independent of its slot charter and slot and swap agreement with the 2M alliance, despite the cooperation deal having over two years still to run. According to an industry source the first sailing of HMM's new Asia-Europe Express (AEX) will be on 9 April with the service deploying panamax containerships of around 5,000 teu capacity. HMM aims to fill its standalone vessels with higher paying time-sensitive cargo and is believed to have tapped into South Korea's giant electrical manufacturers for their support.

## CHINA

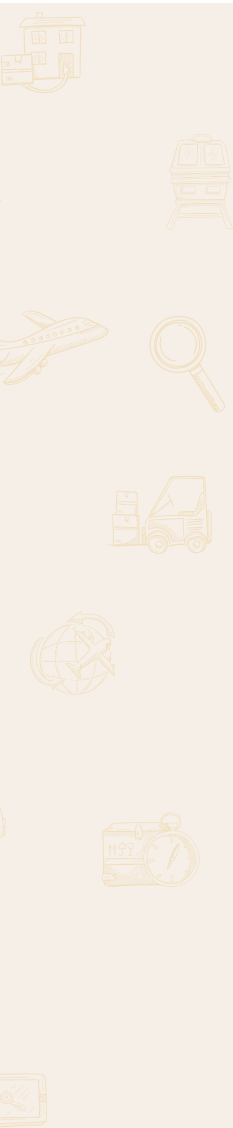


### OKH Global develops warehousing in China

Property developer OKH Global is tying up with Ping An Industrial and Logistics to develop logistics and warehousing facilities in China. An MoU has been inked and a joint venture company will be set up. "Ping An has the asset base. They have lots of warehouses and land across the whole of China that we can leverage on," OKH Global CEO Lock Wai Han said. OKH Global and its associated company, Pan Asia Logistics Investments Holdings will provide design, development, leasing and asset management expertise.







North East

# New Kid on the Hinterland Block

With a distinct advantage of being strategically located with access to the traditional domestic market, adjacent countries and also being a vantage entry point for the South-East Asian markets, this region is now the hot zone for infrastructure, connectivity and cargo movement

by Sisir Pradhan

It wouldn't be despicable to agree upon the fact that development and prosperity of a region depends on its connectivity to the outer world and within its own territory. One such region which was badly in need of an infrastructure makeover was the north eastern states of India often referred as seven sister states which pose herculean logistics challenges to move cargo even from the rest of India. But at the same time these states (Assam, Manipur, Meghalaya, Nagaland, Mizoram, Tripura and Arunachal Pradesh) also hold the key to open up greater trade opportunities with neighboring countries and with ASEAN.

#### **Topography of the North East:**

The only connecting point for north eastern states to the rest of the country is a narrow strip of circuitous landmass called as the Siliguri Corridor or the Chicken's Neck through which the surface transport takes place. Through this route of about 200-odd kms cargo movement takes place from the north eastern states to major trade hubs like Darjeeling and Jalpaiguri districts in West Bengal and to rest of India. It is the reason why Siliguri apart from Guwahati, is a hub for truckers, and plays an important role in surface transportation in the hinterland. No other region of India shares their borders with the number of countries as the seven states do, for example Meghalaya has 443 km stretch of border with Bangladesh, Assam has 263 km border with Bangladesh, and 267 km with Bhutan, Arunachal Pradesh has 217 km border along Bhutan, 1080 km with China, and 520 km with Myanmar. Similarly Nagaland has 215 km border along Myanmar, Manipur has 398 km border along Myanmar, Mizoram has 318 km border along Bangladesh and 510 km along Myanmar, and Tripura has 856 km international border along Bangladesh. Hence, these states with improved connectivity hold the key to greater market access to the neighborhood and far east.

#### **Transit mode, cargo mapping and future growth:**

While the hilly terrain poses a challenge to the land movement of goods, at the same time abundant river resources, particularly the mighty Brahmaputra offer alternate modes of cargo movement through river. National Waterway No. 2 (NW2) is



## MEGHALAYA

Exports from the state stands roughly at \$87 million. Major exports from the state are coal, limestone, boulder stone, agricultural produce and raw hides, among others. The state is connected through five national highways. The state has an Export Promotion Industrial Park at Byrnihat in Ri-Bhoi district, however it caters mainly to domestic market due to demand from local market. Meanwhile, out of 10 LCSes in the state only 8 are functional. An Integrated Check Post is planned at Dawki. One of the major hurdles for export growth is lack of port and the nearest port is Kolkata. Border Haats have been developed based on MoU between India and Bangladesh, and currently the state has a border haat at Kalaichar in West Garo Hills district and the other one is at Balat in East Khasi Hills district. Four new border haats have been approved at Bholaganj, Ryngku, Sibari and Nolikata. IWA in March 2018 had commissioned a RO-RO terminal in Assam's Dhubri district and 250 DWT Ro-Ro vessel MV Gopinath Bordoloi was pressed into service to sail between Dhubri river port and Hatsingimari, a river terminal along the Assam-Meghalaya border having a total waterway length of 29km. The new service aides to steer clear of the circuitous route of 220km to reach Meghalaya on the opposite side. Dhubri is one of the business hubs of Assam which is connected to Meghalaya through a road bridge over Brahmaputra river at Jogighopa. In December 2017, the Prime Minister had inaugurated 271-km two-lane NH connecting Tura in western Meghalaya to Shillong, and announced ₹90,000 cr for improving roads and highways.



## ASSAM

Assam is the major trade transit point to the north east and also largest economy in the region. Assam is third-largest producer of POL and natural gas in India. It is also a major exporter of tea. Other major industries are coal, cement, limestone, and food processing. The state has approved 5 Border Trade Centers at Sutarkandi, Mankachar and Golokganj in Dhubri district, Darranga in Baksa district and Jagun in Tinsukia district to facilitate border trade. CONCOR ICD Amingaon is the only ICDs in the region. There are about 47 industrial units in Amingaon Export Promotion Industrial Park. Assam has active riverways with navigation in Brahmaputra and Barak rivers. ICD Amingaon has 2 bonded warehouses of CONCOR and a private one. The state government has earmarked \$6.64 million to develop a logistic hub. The World Bank is assisting Assam to modernize water transport, ferry Infra, last mile connectivity, fleet modernization, and institutional capacity development. The state offers investment scope in development of river port/terminals, port townships, operation of river taxis, etc. The state has most developed road and rail network in the region. In the recently organized investors summit at Guwahati, Kenichi Yokoyama, Country Director, India Resident Mission, ADB had stressed that Assam could be a potential hub for trade with ASEAN due to its strategic location with multi-modal transport, and if it could develop infrastructure like Chinese trade hubs Yunnan and the Greater Mekong sub-region. The state has some ambitious plans to develop state capital region along with development of logistics infrastructure, river transport and port township. The existing river terminal at Jogighopa is going to be upgraded to a bulk cargo handling facility, and will also have MMLP. It will increase container movement. The MMLP looks to tap a potential cargo to the tune of about 12mmt and currently it is growing at CAGR of 6 per cent, which is expected to touch 34mmt in the future. The MMLP also aims to tap an estimated container volume of about 5,000 teus in the region.



## MANIPUR

The state shares border with Myanmar. Major sectors are handloom & handicraft, food processing, minerals, bamboo processing, among others. At present, nearest ICD is Amingaon, and it may be extended at Moreh-Imphal and Imphal-Guwahati to ease EXIM goods movement. Restoration of Indo-Myanmar Border Trade via Moreh and the Ganga Treaty with Bangladesh herald a new chapter for international trade through Manipur. Moreh, a border town in Manipur is the official export point and a Land Custom Station facilitates export documents. Exchange of about 40 tradable items under Barter Trade mechanism takes place through Moreh. Major exportable items include cement, engineering goods, transport equipment, motor cycles, iron & steels, medicine, chemicals and allied products, cotton yarn, etc. Import goods from Myanmar through barter are betel nuts, turmeric, red kidney beans, kuth roots, gram, resin, dry ginger, etc. The volume of trade at Moreh-Tamu Border Point is growing at double digit. Union finance ministry has cleared operation of normal trade through Moreh. There is a Land Custom Station at New Checkon in Imphal East district which acts as the central processing office for export clearance. Moreh has a 400mt warehouse for EXIM goods. An export oriented SEZ is under development in Thoubal. A cold storage chain is being developed at Nilakuthi Food Park. A major initiative to promote exports is development of Integrated Check Post at Moreh where all necessary EXIM infrastructure is planned to be installed. A cargo terminal is under construction at the Imphal airport.



## ARUNACHAL PRADESH

Arunachal Pradesh is the largest state in the north east. The state's international borders are with China, Myanmar and Bhutan. It has 5 river valleys, offering immense hydropower potential estimated at 60,000mw or roughly 22 per cent of India's current power generation capacity. Till 2016, installed hydropower capacity in the state was 97.57 mw. With a vision to produce 30,000mw, the state is poised to be one of the largest hydro power producers in India. There are about 34 hydropower projects at various stages of implementation, and the construction work will continue till 2030. There are requirement of about 24 million tons of cement, and 2 million tons of steel. There is also need to move ODC cargo to the region. The state has good production of horticulture crops of about 481.76 thousand mt, with total production of fruits and vegetables of around 9,964.03 thousand mt and 5,124.26 thousand mt, respectively.



## NAGALAND

The state is surrounded by Myanmar on the east, Arunachal Pradesh on the north, Assam on the west, and Manipur on the south. Nagaland has rich reserve of natural resources like minerals and petroleum, and there is considerable scope for hydropower industry. The state has reserve of around 600 mmt of crude oil, and about 20mt of hydrocarbon reserves. Additionally, Nagaland also has more than 1,000mt of high chemical grade limestone and 315 mt coal reserve. Nagaland Industrial Development Corporation promoted Export Promotion Industrial Park has plans to develop SEZ spread across 400 hectares in Dimapur. Key industries in the state are agriculture and allied industries, horticulture, mineral & mining, among others.



## TRIPURA

Tripura's trade with Bangladesh is about ₹230 cr per annum, and largely organized trade is through Akhaura. Tripura has 6 Land Custom Stations, and Agartala is major Customs station. ONGC Tripura Power and other projects in Palatana require movement of project cargo. Future projects are Urea fertiliser plant and a petro-chemical hub. As per treaty, Bangladesh allows north eastern states access to Chittagong port. Tripura with access to Ashugunj port can connect to Kolkata to reduce distance from north east. Some projects underway are four-lane NH and rail from Agartala to Sabroom, bordering Bangladesh. Sabroom and Bangladesh is separated by Feni river, and India has approved construction of a bridge over the river. It will connect the region to Chittagong. But there is a need for Land Customs Station in Sabroom with facilities like warehouses, container transshipment and other freight forwarding services to encourage trade.



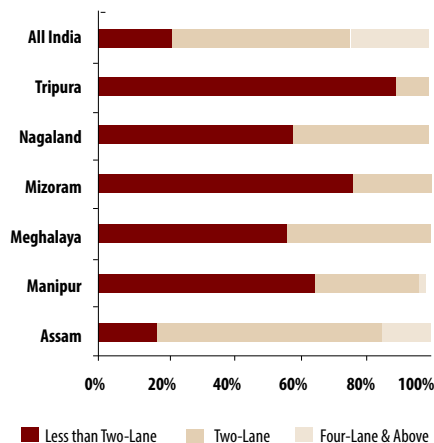
## MIZORAM

Mizoram shares its international border with Bangladesh and Myanmar. Three national highways pass through the state. An Integrated Check Posts (ICPs) at Tlabung-Thekamukh sector has been planned to facilitate trade with Bangladesh. Another ICP is located at Kawrpuichhuah along with a multi-storied Trade Facilitation Centre at Tlabung. The Tlabung–Thekamukh (Bangladesh) route connects southern parts of Mizoram to Chittagong Port. There is a potential for growth of exports from the state in agriculture, horticulture and floriculture products, besides other produce like Bamboo and teak. There is also good demand of quarry stones and stone chips from Mizoram in Bangladesh. Zorinpui is the land custom station along the Myanmar border in Mizoram for the Kaladan multi-modal project, and the nearest port for Zorinpui is 287 km away at Sittwe Port. As part of the East Policy, the Kalādan Multi-Modal Transit Transport Project, Zorinpui will be India's gateway to South East Asia. A land custom station at Zokhawthar in Mizoram was inaugurated in March 2015 which is expected to boost trade between India and Myanmar. Bairabi railway station in Mizoram, bordering Assam provides goods movement, and construction of 51-km broad-gauge line between Bairabi and Sairang, near the state capital is under construction. A survey on the proposed 272 km railroad from Sairang to Bangladesh border trade centre at Kawrpuichhuah has also been completed. There are plans to connect Kawrpuichhuah to Lawngtlai railroad, which would reach Kaladan, that would contribute in promoting trade in the state. In December, the Prime Minister had inaugurated a 60-MW Tuirial hydropower project in the state and had announced additional ₹10,000 crore for power sector to set up a state-of-the-art transmission system for the northeast. The development of the Rih-Tiddim road and the establishment of numerous rural 'haat' (markets) along the Mizoram-Myanmar border would increase trade volume in the region. The Union government has allocated ₹180 crore for expansion of Shillong airport to accommodate bigger aircrafts like Boeing 737 and Airbus 320.

located in this region. NW2 navigates through the Brahmaputra River over a river channel length of about 891 km upto the Bangladesh border and it has two floating terminals, Dhubri and Sadiya in Assam. This water channel is an all weather route and acts as an alternate to West Bengal – Sikkim narrow land corridor and shortens distance from Tripura, Mizoram, South Assam to Bangladesh for freight movement. IWAI maintains navigational channel of about 45 meters minimum width, and 2.5 meters draft in NW2 between Dhubri and Neamati. The existing river terminal at Jogighopa is planned to be upgraded to a bulk cargo handling facility, primarily to handle products like Meghalaya coal with rail connectivity to the terminal. One of the major trade facilitators for the north eastern states were the river routes which connect the region to Kolkata. The largest expected cargo movements in the hinterland will be fueled by a number of power projects being implemented by various private sector companies along with the National HPC, NEEPC, and NTPC on various tributaries of the Brahmaputra particularly in Arunachal Pradesh. These developments are expected to generate cargo movements of about 2.5 -5.0 million metric tons per year. Apart from which other identified cargo movements include coal from Meghalaya, fly ash from Farakka to various destinations in the north east, limestone for cement plants, petroleum products from Numaligarh refinery, bitumen from Haldia, and food grains from Kolkata to various depots of the FCI in the region. A multi modal transport hub is under development on the outskirts of Guwahati at a location called Pandu, which is a river port with road and rail linkage. Dhubri, Jogighopa, Biswanthghat and Dibrugarh river terminals on NW2 have GPS-aided channel navigation chart, while the waterways has 12 other locations with floating jetties. Hence, this waterways is ready for commercial cargo movement to a great extension.

Currently, major cargo moved between the seven states and rest of India are tea, oil, cement and coal (on the export side), and food grains, fertilizers, and petroleum products (on the import side). Since India has a cordial relation with Bangladesh, a multi-modal cargo transport can

#### SHARE OF LANE-WISE LENGTH OF NATIONAL HIGHWAY IN NORTH EAST STATES



benefit both the countries. IWAI has started to move 800mt of cement in January 2018 from Pandu (a river port near Guwahati) to Dhubri a small town-cum-river port and a transit station between India and Bangladesh, and looks to move 1200mt of the commodity per month on a regular basis on the route. Lack of facilities like storage, warehouse, and transportation affects movement of goods to the outer world. NTPC is another major industry which moves coal for its unit at Bongaigaon. Similarly, ONGC and Oil India move pipes and other cargo to the north east. FCI and department of food and public distribution have requirement of a significant volume of rice and food grains for public distribution in the region. North East is also growing as a major producer of organic farm products which requires streamlining of logistics to reach overseas markets.

**Surface movement:** Extreme weather conditions, with extended monsoon of 8-9 months is a challenge for cargo movement in the region. The road condition in the region can be gauged from the fact that about 30 per cent of all roads in the region is paved road whereas national average is about 64 per cent. Though the seven states have good number of national highways passing through the region but majority are poorly maintained and narrow. Meanwhile, many parts of NH in the region is under upgradation. Another thrust area is the Asian Highway (AH) network that will improve connectivity with the neighboring countries. The AH1 connects north

east to Bangladesh at Dawki on Indian side and Tamabil on Bangladesh side. AH2 connects to Bangladesh at Phulbari on Indian side and Banglabandha on Bangladesh side. Kaladan Multimodal Transport projects connects Mizoram to Kolkata/Haldia ports through NH54 and Kaladan river in Myanmar. Land Ports Authority of India (LPAI) was formed in 2012 to facilitate cross border trade. LPAI develops and manages Integrated Check Posts (ICPs) along the land borders. In the first phase, Agartala (Tripura), Moreh (Manipur), and Dawki (Meghalaya) have been identified for development of ICPs, and in the second phase Sutarkandi (Assam) and Kawrpuichhuah (Mizoram) have been identified. Indian Customs offers single entry permit system by following standard operating procedure by which vehicles from neighboring country can come up to Land Customs Station (LCS), however, seamless movement at some LCSes have not been possible as both countries need to have adequate hard and soft infrastructure. The Commissionerate of Customs (Preventive) Shillong has jurisdiction over the seven states. After initial hiccups, BBIN motor vehicles agreement has finally been put to use on the ground allowing seamless cross-border goods movement. In addition to the treaty, World Customs Organization mandated e-sealed containers need not require to stop or change vehicle or Customs inspection while crossing border. Trial runs for cargo vehicles under the BBIN agreement have already been conducted along the Kolkata-Dhaka-Agartala and Delhi-Kolkata-Dhaka routes.

Since north east shares land border with Bangladesh, Bhutan, China, Myanmar and Nepal, there have been agreements of overland trade with these countries through Land Custom Stations. India has Free Trade Agreement (SAFTA) with Bangladesh and Bhutan for border trade through LCSes. Though there are Border Trade Agreements with China and Myanmar, however, it is limited to exchange of commodities from a bi-laterally agreed list by people living along both sides of the international border. The major commodities traded between the north east, Myanmar and Bangladesh are electricity, consumer goods, construction material including steel and cement, construction equip-

ment, fertilizer, agricultural commodities, spices, fruits, medicine, bamboo & bamboo products, wooden logs, oil & gas, mineral, grain, medicinal plants, textiles & garment, electronic goods, handicraft, among others. However, due to lack of infrastructure and streamlined trade facilities, a lot of trade between the north eastern states and neighboring countries takes place through informal and unofficial modes.

Speaking about cargo trend in the region, **Atul Kulkarni, Advisor International Projects, Indian Ports Association (IPA)** said, "Inbound volumes in the north east are of fertilizers, rice and other food grains, FMCG, white goods,



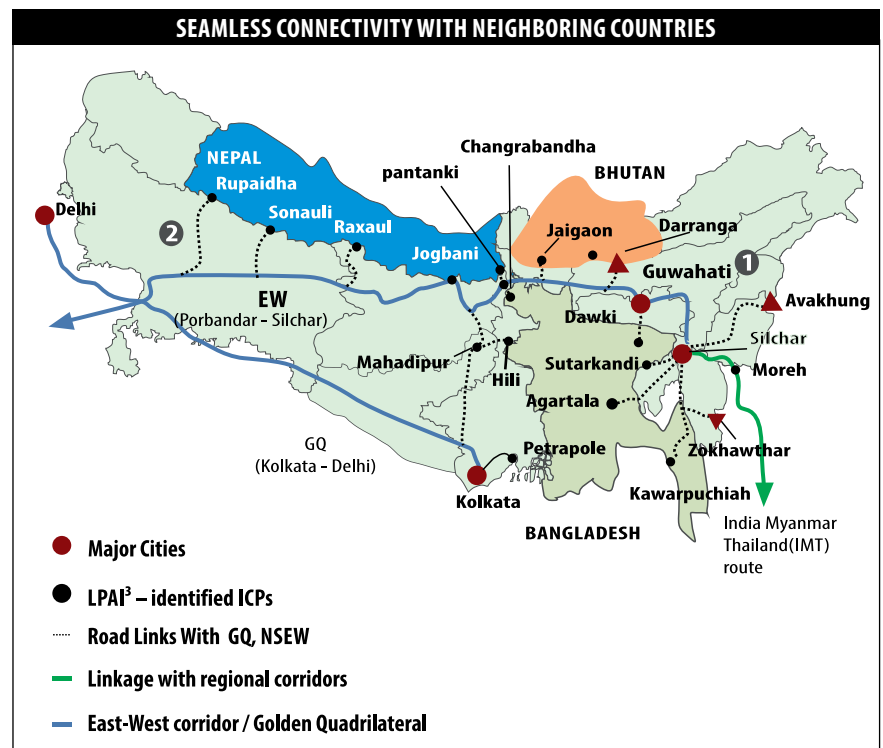
etc. Trade is growing consistently over last few years due to increased consumption. Online shopping and E-commerce activity is also on the rise. The retail business is also booming. With the focus on converting Assam into manufacturing hub for more than 50mn population of the region, there will be increased logistics activity."

**Rail:** A major rail project for the region is connecting Sittwe Port in Myanmar to Tirap in Arunachal Pradesh while passing through Mizoram, Manipur and Nagaland, and another will connect Dhubri to Silchar through Meghalaya.

**Air:** Guwahati is the busiest and the only airport in the north east region with international air connectivity, and annually handles about 11 million tonnes of cargo of which majority comes from Delhi and Mumbai airports. Ministry of Civil Aviation is developing Guwahati as the regional air cargo hub. The hub and spoke model with air cargo hubs in Guwahati, Imphal and Agartala will be key to the region.

#### Outlook

The Indian government's move to 'connect' the region to the mainland is to some extent driven by its 'Act East' policy, but to some extent the urgency is also driven by the underlined current of political motivation and China's steadily increasing activity in the region. Whatever the reason may be but the north east is fast catching up the fancy of policy makers as well as investors. It is time for the logistics companies to cease the opportunity



and start looking at the region not as a consumer market but as a gateway to the neighboring countries. With existence of rivers in abundance, the region offers perfect opportunity to implement a multi-modal mode of transport with the mix of road, rail and river based cargo movement. So far inland waterways have not achieved the desired success largely because the rivers in the plains are fast drying up and it requires lot of investment to dredge the bed to make them viable for even barge movement. Whereas with an extended monsoon which is a challenge for road construction and cargo movement by road turns out to be a boon for river based cargo movement. Road construction projects in the region are catching up pace, but it is also a fact that road projects are time consuming and in the meantime policy makers, logistics service providers and port operators should give a serious thought at putting coastal shipping to full use for cargo movement to the north east. It is high time the government should look at using ports, especially on the east coast of India which are geographically closer to the region, effectively to move cargo through ports in Bangladesh and Myanmar to reach out for the ease of cargo movement in the north east. It is

also a fact that currently due to various reasons, including lack of cargo volume surety, policy obstacles and issues with coast shipping, logistics service providers have not effectively explored the opportunity of cargo movement from the east coast ports to the north east, however, this obstacle to some extent could be addressed by the government in terms of encouraging multi-country coastal and land based cargo movement by providing policy support. Furthermore, the government should also consider the option of viability funding for a limited period of time to give initial thrust and incentive to logistics service provider. Lack of cargo mapping in the north eastern states is another reason for which logistics services providers have not shown much interest for investment in the region. Additionally, freight forwarders have to strategize to make inroads into this market, for example the trucks that move in the plains might not be suitable for the narrow hilly terrain of north east. With right kind of infrastructure and policy in place, the north eastern states have the potential to be developed inline with Duisburg Inland Container Port, and can facilitate trade and commerce between India and its neighboring countries and the ASEAN. [www.mca.gov.in](http://www.mca.gov.in)



**Mahbubul Anam**, MD, Expo Group and President, Bangladesh Freight Forwarders Association

# Need for better border infrastructure

Mahbubul Anam, MD, Expo Group and President, Bangladesh Freight Forwarders Association speaks about the infrastructure and trade facilitation measures that can help EXIM growth between north eastern India and Bangladesh

**Q** What is the annual volume of EXIM cargo movement that takes place from the seven north eastern states?

Inward and outward movement of merchandise in north eastern states and rest of the states in India through rail and river for 12 months (in '000MT) is shown in the table below:

Commodity Group	North Eastern States	
	Inward	Outward
Rice	2,914.25	156.47
Wheat	746.59	29.97
Oil seeds	0.83	0.00
Raw cotton	0.12	0.12
Fruits and vegetables	526.87	0.00
Oil cakes	14.16	147.38
Sugar	434.24	13.22
Coal and coke	32.45	6,717.15
Lime and limestone	175.82	141.84
Mineral oils (excluding kerosene)	281.67	3,176.44
Cement	1,438.77	129.80
Fertiliser and organic manure	310.69	210.63
<b>Total</b>	<b>6,876.33</b>	<b>10,723.01</b>

**Q** What are the major commodities that move between the north eastern states and Bangladesh?

Major import commodities from the north eastern states to Bangladesh are rice, coal, agarbati, bamboo, natural rubber, limestone, among others. Major exports from Bangladesh to the north east are RMG, cement, pharmaceuticals, ceramic tiles, hosiery, among others.

BANGLADESH'S TRADE WITH THE NORTH EAST IN MILLION USD		
YEAR	EXPORT	IMPORT
FY2012-13	97.22	145.02
FY2013-14	104.96	152.86
FY2014-15	112.7	160.7
FY2015-16	120.44	168.54
FY2016-17	128.18	176.38

**Q** What are the major challenges for EXIM trade in the region in general and related to infrastructure in particular?

Ensuring seamless movement through regional connectivity and multimodal transport facility is key to resolving many of the NTB-related disputes. There is an urgent need to build the necessary border infrastructure to facilitate cross-border movement of goods between the two countries. Major infrastructure facilities include development of land port

with modern warehouse facilities, development of the connecting road and bridges with India. Coordination among partner countries in terms of development of the infrastructure facilities is also critical to addressing these issues. Trade facilitation is not only important from the perspective of Bangladesh's export; but it is also important in reducing the costs of import from India which has to be borne by Bangladesh's importers. Even if import cost could be reduced by 10 per cent, importers will be able to make significant savings which will benefit the country's producers, exporters and consumers, and enhance Bangladesh's competitive strength.

**Q** What is the potential of trade growth between north eastern states and Bangladesh?

A number of initiatives could be taken to stimulate bilateral trade between the two countries. India should be persuaded to provide duty-free market access for all exports originating from Bangladesh and Bangladesh should put renewed emphasis on diversification of its export basket in the Indian market. Attracting investment from India that target the Indian market will be critical to realizing Bangladesh's export opportunities in India. North Eastern region of India presents a unique opportunity for enhancing Bangladesh's exports. [img](#)

\* Mentioned statistics are based on trend and estimation from various sources

a joint initiative by

south asia's premier maritime business magazine  
**maritime gateway**



D H A K A 2 0 1 8

**RETURNS**

**TO CREATE**

**MASSIVE**

**OPPORTUNITIES**

[www.samlforum.com](http://www.samlforum.com)

**09-10**  
**October**  
**2018**

**Hotel**  
**Le**  
**Méridien**  
**Dhaka**

**Dhaka**  
**Bangladesh**

Hosted by



**Ministry of**  
**Shipping**

Government of Bangladesh

Supported by



**Ministry of**  
**Shipping**

Government of India



**Ministry of**  
**Ports & Shipping**

Government of Sri Lanka



# SUNRISE STATE READY TO SHINE

Having notched the third position in the national logistics index within just four years of formation, the sunrise state is now chasing a larger vision to be among the top 15 states in the Global Competitiveness Index

by Omer Ahmed Siddiqui

Can anyone expect a newly formed state in a country to post a growth rate which is much higher than the country itself? Well, the sunrise state of Andhra Pradesh has achieved this remarkable feat under the visionary leadership of Chief Minister Chandrababu Naidu. The government has set a target of achieving 15 per cent CAGR in the years to come. Andhra Pradesh succeeded in achieving the double-digit growth rate from 8.51 per cent in 2014-15 to 11.37 per cent during the first half of the current fiscal, 2017-18. "Compared with the national growth rate of 5.8 per cent, A.P.'s growth rate is very impressive. But a lot has to be done, as the CAGR is still hovering over 12 per cent. We need to improve it and a lot needs to be done in the industry and services sectors," says N Chandrababu Naidu, Chief Minister of the state.

Following the bifurcation in 2014 the state was left in a very challeng-

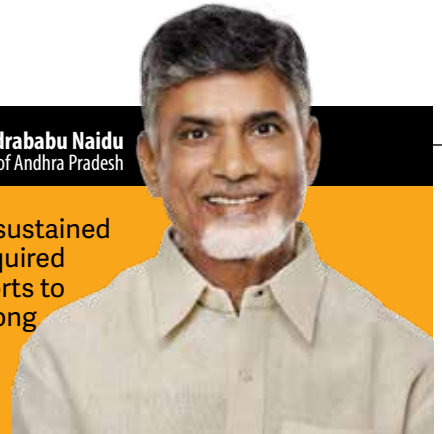
ing situation with revenue and power deficit. But within three to four years of formation the state has catapulted to number one position on various fronts – ease of doing business, attracting private sector investments, infrastructure reforms and e-governance and technology initiatives. Andhra Pradesh is today the fastest growing state in India with 10.99 per cent GSDP growth rate in FY2015-16. Andhra Pradesh is the

first state to introduce single window clearance. The government departments ensure to award all clearances within 21 days for any investment proposal through a single window.

The state government has a vision to grow at 10-15 per cent every year till 2029, in terms of GDP and the per capita GDP has to reach \$12,000-15,000 in this time frame. Since 2014 the state has already clocked double

**Nara Chandrababu Naidu**  
Chief Minister of Andhra Pradesh

“Andhra Pradesh is growing at a sustained double digit rate and has the required infrastructure of ports and airports to facilitate investments. AP is among the top three states in India to attract most FDIs in 2016.”





digit growth twice and is well on track to achieve this GDP growth.

The government has framed a vision that aims at:

- Positioning AP among the top three developed states by 2022
- Raise the GSDP to \$946 billion by 2029
- Accelerate economic growth rate to 12 per cent by 2029
- To become a leading global investment destination by 2050

### Industrial development

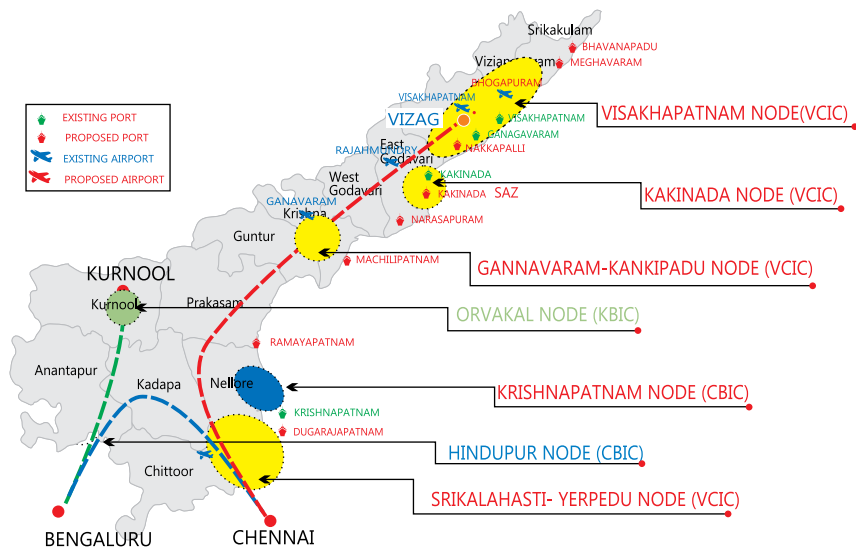
Out of the five industrial corridors proposed by the Indian government, two corridors pass through the state. The phase I of east coast corridor will be from Vizag to Chennai. The second corridor is from Chennai to Bengaluru. Development along these corridors is going to happen in a cluster based approach.

The Vizag-Chennai Industrial Corridor (VCIC) is 800-km long dedicated freight corridor passing along the NH-16 and along the Bay of Bengal in Tamil Nadu and AP. VCIC is one of the key components of the East Coast Economic Corridor (ECIC) being developed between Kolkata and Tuticorin. The 800 km long project is divided into nine nodes including two at Nakkapalli and Atchutapuram in Visakhapatnam district, Kakinada in East Godavari district, Machilipatnam in Krishna district and Prakasam along the east coast. The government ensures that proper ecosystem is provided for these industrial clusters to prosper, also offering immense opportunity for logistics players to provide end-to-end solution.

The Naidupeta cluster in Nellore district is the first major component of VCIC. Having close proximity to Krishnapatnam Port the cluster will have good rail connectivity. Spread on nearly 4,200 acres the cluster will see sizeable investment from power, automobile and bulk drugs sectors.

Automobiles, electronic manufacturing, plastics, food processing, textiles and apparels, chemicals, pharmacy and pharmaceuticals are some of the key sectors to be given priority for development along VCIC with the objective of attracting minimum ₹1 lakh crore investment in a year.

In addition, Vijayawada is growing in all directions with software companies setting up in the south at Mangalagiri in Guntur district, tourism industry is being developed in west at



### KEY PROJECTS

- CEZ in Krishnapatnam with focus on electronics
- CEZ in Vizag, Kakinada with focus on petrochemicals, food processing, cement, apparel
- New pharma city in Achutapuram
- Exclusive cluster for veterinary and biopharma at Pulivendala
- Integrated biocity in Anantapur
- Mega food park at Agiripalli
- Spices park at Guntur

Ibrahimpatnam in Krishna district, education institutions and realty, infrastructure projects are coming up in east direction at Kankipadu-Machilipatnam stretch and automobile companies are growing in Hanuman Junction - Gannavaram stretch. Mangalagiri town is being developed as an IT hub in Amaravati.

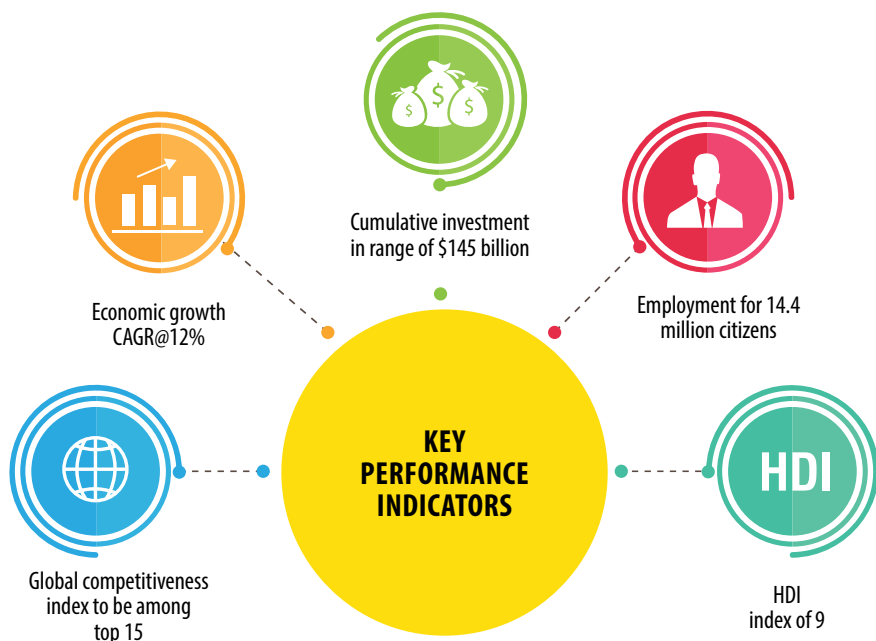
A Korean industrial hub is coming up near Krishnapatnam Port, wherein KIA Motors will be the anchor industry along with other automotive ancillary industries. APEDB has inked MoU with Tier-2 and Tier-3 ancillaries of KIA Motors. The first exclusive mobile and electronic manufacturing cluster in India will be coming up in

Amaravati. Three major Indian mobile manufacturers - Celkon, Karbonn and Lava will establish units in the EMC. Chief Minister N Chandrababu Naidu has allotted 113.27 acres of land for the new cluster. A MSME cluster is coming up near Amaravati that will specialise in aerospace components, machine spares and home appliances.

The Chennai Bengaluru Industrial Corridor passes through Krishnapatnam where a full-fledged industrial township spread over 50 sq. kms will be established. This is the first coastal Japanese industrial township in India.

The Kurnool Bengaluru industrial corridor will see development at the Orvakal node. In addition, eight mega food processing parks will come up in Srikakulam, Vizianagaram, Visakhapatnam and East Godavari and Chittoor, Kurnool and Anantapur districts. Further a CEZ is being developed in Krishnapatnam with focus on electronics, while the CEZ in Vizag and Kakinada will have petrochemical, food processing, cement and apparel based industries.

Visakhapatnam, Kakinada, Krishnapatnam, Hindupur, Srikalahasti-Yerpedu, and Gannavaram-Kankipadu are the nodes in the industrial corridors where major industrial hubs will come up. As a result, the GDP in corridor districts will increase by 6 times upto \$161.5 billion by 2035. Manufacturing output will expand by seven times to \$115 billion and an incremental employment for 14 million people will be created by 2035.



**Pharma clusters**

A new pharma city is being developed at Achutapuram in Visakhapatnam. An exclusive cluster for veterinary and biopharma will come up at Pulivendala in Kadapa. A biopharma fermentation cluster will be developed at Nellore and an integrated biocity will be established in Ananthapur. These locations offer the perfect opportunity for setting of temperature controlled warehouses.

**Textile zones**

Having a legacy of handlooms and handicrafts production, it is no surprise that Andhra Pradesh is the second largest producer of cotton and raw silk. A unique integrated apparel city 'Brandix' is being developed in Visakhapatnam, with an innovative 'Fibre to Store' concept. Further the state has a strong presence of textile-based industries in Guntur, Chittoor, Kadapa, and Kurnool. Other potential textile production zones in the state include Donnagondam in Guntur, CS Puram and Pedaganjam in Prakasam and Anantapur. As the textile industry expands there will be huge demand for warehousing and logistics service providers as well.

**Mega food parks**

Each district in the state will have one food processing park. There are four food parks already existing and nine more will be established. Krishna mega food park is coming up at Agiripalli and this will be a multi-product

food park. Spice processing and export units will be at spice park in Guntur. Godavari Aqua Mega Food Park will be located at Bhimavaram and will undertake aqua produce processing. Srinu food park in Chittoor is another multi product food park. An ultra mega food park will come in Kurnool.

**Ease of doing business**

To ensure industrial development is fast tracked, the government has initiated several measures to ensure ease of doing business:

- A single desk policy is being implemented wherein all clearances required for setting up an industry will be issued within 21 days
- Deemed approval will be issued based on self-certification
- Inspections are assigned to private technical experts
- Processing for multiple clearances will be done simultaneously
- All the applicable acts, rules and policies of respective competent authorities will be reviewed for speedy clearance
- Strengthening capacity of respective competent authorities and district industry centres
- Operations of competent authorities and nodal agencies will be streamlined and tracked

**Logistics infrastructure**

With industrial clusters cropping across the length and breadth of the state, swift cargo movement will be order of the day and requires massive

logistics infrastructure. The state has a well-established transport infrastructure with a million plus acres of land bank, enabling a conducive ecosystem for industrial growth. Blessed with the second largest coastline in the country, the state has six operational seaports with an existing capacity of 180 mmt and about 120 mmt of traffic handled. The state has proposed to set up eight more seaports. Direct shipping calls from South East Asian economies to AP ports vis-à-vis ports on west coast will save transit time of around 2-3 days

The state has 6 airports and further six airports are proposed to be developed, which include the mega aerotropolis coming up in Bhogapuram on 2,200 hectares of land that will act as India's gateway to Asia Pacific region. To ensure seamless movement of cargo to industrial hubs a road network of 1,23,334 km (4,302 km - NHs), 2,660 km of rail network and 888 km of National Waterways have been developed. To promote tourism industry a beach road from Ichchapuram to Tada is being developed. Beach corridors are being developed from Bhogapuram to Bheemli and from Vizag to Addaripeta.

**Inland waterways**

A huge potential for Inland Water Transport exists with National Waterway 4 passing through the state. Of the 1,095 km of the waterway that stretches from Kakinada to Puducherry, 888 kms lie in Andhra Pradesh. 27 locations have been identified by RITES as prioritized terminals under water transportation grid. The estimated cargo traffic moving through the waterways is projected to be about 5 MT by 2019, 10 MT by 2029, and 20 MT by 2059.

**Truck terminals**

Considering the fact that road still remains the preferred mode of moving cargo, Guntur, Tada, Ichchapuram and Jagayyapet have been identified as potential locations for developing truck terminals. Each terminal will be spread on about 50-100 acres.

Having occupied the third notch behind Gujarat and Punjab in the recently released logistics performance index by the Ministry of Commerce and Industry, the state's leadership is now chasing a much larger vision to number among the top 15 states in the Global Competitiveness Index by 2050. [mgf](#)

**P**ost-bifurcation, Andhra Pradesh government has initiated numerous projects to attract investment in the newly formed state, and one of its ambitious projects is Jakkampudi Economic Township. The project also known as JET City is based on the concept of 'Walk to Work'. The township has been designed in a way to provide housing, education, employment and other social amenities at one place. And one of the thrust areas in the project is to change the conventional way of manufacturing, storage and distribution.

**Project Background**

The state government in January 2017 issued an order for the formation of a special purpose vehicle for development of JET City projects. There are plans to develop 100 Economic Cities and 265 acres of land has been identified in the first phase Jakkampudi for development of the first Economic City. The project location is near Vijayawada and close to Amravathi with rail, road and air connectivity. Some of the existing major industries in the vicinity are Lanco Power at Kondapalli and NTPS at Ibrahimpattanam. Apart from 20,000 units of living space, JET City has two story retail and community centre in three levels, and six story industrial workspace. The city will provide integrated lifestyle solutions such as healthcare, education and also opportunity for asset and identity creation opening avenues in segments like education, hospital, hotel retail, recreation, and entertainment among others. JET City avails ready built space for MSME, service industry, electronic industry, logistics companies, and warehouses.

**Future outlook**

**V. Ramnath, Executive Vice Chairman, Andhra Pradesh Township & Infrastructure Development Corporation Ltd** said, "The government has called for expression of interest for investment from various sectors including logistics. The project has received about 265 applications from various companies, and so far about 19 lakh sqft of land has been sold to various parties. The project has generated lot of interest among investors and the government has received demand for about 400 acres of land to set up units."

Without divulging the names of interested parties, Ramnath said a



# Changing logistics landscape

Based on the concept of inclusive lifestyle and industrial solution, Jakkampudi Economic Township, one of the 100 Economic Cities proposed for Andhra Pradesh aims to bring together housing, employment, social amenities, manufacturing and integrated logistics into one space

by Sisir Pradhan



**V Ramnath**  
Executive Vice Chairman  
Andhra Pradesh Township &  
Infrastructure Development  
Corporation Ltd

“The government has called for expression of interest for investment from various sectors including logistics. The project has received about 265 applications from various companies, and so far about 19 lakh sqft of land has been sold to various parties.”

major company has asked for 200 acres of land to set up operation in the JET City. In view of the demand, the project implementing authority

has requested the state government to revisit the plan and increase the size of land parcel to meet the requirement. In a bid to increase the land parcel, the project implementing authority is looking to add another 200-250 acres of land that will be available for logistics sector in Amaravati. The project has also generated lot of interest for investment in warehousing space, and one of the major investors is Dubai headquartered Sharaf DG which has applied for 200 acres of space to develop its warehousing facility. JET City will have product specific clusters and in the first phase about 12 key categories have been included such as printing and packaging. About 5 lakh sqft of land will be allocated to industries run by women entrepreneurs. The vision for the project is to leverage from economies of scale. Gradually, the focus is to attract other industries like plastic, IT, engineering, electrical fan, and stainless steel-based ancillary industries. **MEB**

# PSA expands capacity on the west coast

PSA is expanding capacity to be future ready and provide world class logistics infrastructure on the west coast



Prime Minister **Narendra Modi** inaugurating JNPT's 4th Terminal via video link

**D**evelopment of world class infrastructure to boost international trade and give impetus to 'Make in India' programme has been among the key focus areas of the government. On this ambitious journey, JNPT is taking every step to be future ready and contribute to Government of India's vision of Port led development under Sagarmala Programme. Keeping in line with this, JNPT is all set to double its container handling capacity with addition of its New 4th terminal which has been completed in a record time. The foundation stone for the same was laid by Hon'ble Prime Minister in Oct 2015.

"We deliver as we promise! As committed by Hon'ble Prime Minister, Narendra Modi, the first Phase of the terminal is ready in a record time. Logistics plays a key role in the development of the economy and the government is committed to provide world class logistics and infrastructure facilities so that trade flourishes, says, Nitin Gadkari, Minister of Shipping, Road Transport & Highways.

The new 4th Container Terminal

will add capacity of 24 lakh containers per year in Phase-I and after completion of Phase-II in 2022 the capacity of JNPT will be 100 lakh containers per year.

The Fourth Container Terminal has been developed on Design, Built, Fund, Operate and Transfer (DBFOT) basis for concession period of 30 years with an estimated cost of ₹7,915 crore. The project is being implemented in two Phases. i.e. Phase -I and Phase -II. The indicative cost of the project for Phase - I is ₹4,719 crore. The PSA terminal will be able to dock mother vessels, handle the biggest container ships from a quay length of 1 km, and cranes that can reach 22 rows wide or greater.

This Terminal will be linked to the dedicated rail freight corridor and will be able to receive about 350 containers per rake. The facility will also have provision for storing 1,600 reefer (refrigerated) containers to handle agricultural and horticulture produce.

On a separate note, PSA's Bharat Mumbai Container Terminals ("BMCT") welcomed Hapag-Lloyd's "Express Rome," marking BMCT's

second weekly service call and its first direct Europe service. Express Rome operates Indian Ocean Service linking India and the Middle East directly with the North European ports of Antwerp, Hamburg and London. Its inaugural call at BMCT will be followed by three sister ships from Hapag Lloyd plus three and one vessels respectively from service partners Hamburg-Sud and CMA-CGM. Approximately 3,700 teus were handled during the call at BMCT.

Earlier CMA-CGM's "Centaurus," was the first container vessel to berth at BMCT. The vessel operates on the Swahili Express Service ("SWAX") linking India and East Africa on a fixed day weekly schedule, together with three sister vessels from CMA-CGM and one from service partner Emirates Shipping Line.

To meet the demands of expanding operations three more quay cranes will arrive at the terminal during first half of 2018, followed by three more in 2019. The completion of Phase 2 construction will bring the terminal to an ultimate capacity of 4.8 million teus. **MEB**



**Bhavik Mota**, Head, Trade and Marketing, Maersk Line India

# Reliability is what customers look for

Having the lion's share in moving cargo on the landside, Maersk is now focusing more on digitalisation and providing end-to-end solutions that are more reliable and transparent, reveals Bhavik Mota, Head, Trade and Marketing, Maersk Line India

by Omer Ahmed Siddiqui

## Q How was the business in Southeast Asia last year?

Last year we have grown 7 per cent in our volumes and growth has come from all the countries in the cluster, particularly India, Bangladesh and Sri Lanka. On the inland side, if you look at the CONCOR Annual Report, the container volumes moved by rail is around 19 per cent of the overall volumes handled. There is still significant volume of cargo moving by road between the hinterland and getting containerised at the ports. If you look at our market share from the hinterland it is around 20 per cent on an aggregate, making us the largest player. Also if you look at the first three quarters of the financial year, we have seen strong growth of 8-10 per cent on the inland rail transport and we expect this trend to continue.

The inland markets are growing much faster than the coastal markets. We operate container terminals in Pipavav and Nhava Sheva and our ICDs are in Jaipur, Dadri and Tuda. We have CFS in Nhava Sheva, Chennai, Tuticorin and Mundra.

## Q In the south Asian market, which of the trade lanes do you see cargo movement growing rapidly?

I think it is across all the trades. If you look at consumption and infrastructure development along with investment, you will notice more growth happening towards the hinterland. The growth rate on GDP is 7 per cent, 800 million people residing in the hinterland will see more growth fuelled by government initiatives.

A lot of vessel sharing is happening on the ocean side leaving no room

for differentiation which is already very commoditised, so our focus is now on developing and differentiating on the inland side. We have plans to take our inland business to the next level, wherein customers will have to deal with very few actors across the supply chain. Consolidation has already happened on the ocean side, now customers want us to handle their shipments completely end-to-end.

## Q What is the significance of South Asian market for Maersk?

Some markets offer you growth but no scale, while others give you scale but not growth. South Asia is a region where we are seeing both scale and growth. If you look at the market size of 6.5 million FFEs in the global scenario, India will be among top five growing economies.

## Q In Nepal traders face high logistics cost. How is Maersk addressing this issue?

We are the pioneers in addressing this issue, because the whole cargo movement for Nepal is very cumbersome and most of the customers wanted an alternative. Recently we have started a service from Vizag into Nepal, it is called Kathmandu Express. It reduces the dwell time for customers and their cost has also come down by 10 per cent.

## Q Nepal has a trade imbalance with lots of imports and very few exports. Does this cause any problem to you?

We basically triangulate and move the empty boxes to east India which is a very big market from where exports are moving out and the empties are

reused. Definitely there is some cost involved but that is the cost of doing business. We are planning out how we can help the country balance the trade.

## Q Tell us in detail about your end-to-end solutions?

Currently we have the biggest inland network. We have 59 inland acceptance points and we are connecting to 17 ports. We have seen tremendous opportunity on the inland side given the containerisation happening in our part of geography. We are like 56 per cent in containerisation whereas most of the developed countries around the world are 75-77 per cent. Today one of the major pain points of the customer in the hinterland is lack of reliability and visibility in inland cargo movement. We already have dedicated rails running between Vizag and Birgunj, another dedicated rail connects Pipavav and Dadri. We also need to expand these dedicated routes across the country.

## Q What are your services to Bangladesh?

Bangladesh is right now served by feeder ports from Colombo and Tanjung Pelepas. We are evaluating options to see if we can route cargo via one of the ports in India.

## Q What can we expect on digitalisation front from Maersk?

We are currently investing in a state-of-art software system which can offer real-time visibility and tracking to customer. To scale up our inland business we need to dispatch our first mile and last mile very effectively. These aspects will be the main focus of the software. [img](#)

# DTDC in the driver's seat

DTDC is getting agile as it grows. The new transshipment hub in Samalkha is equipped with state-of-the-art equipment to boost throughput efficiency, as the volume of cargo grows

by Vijay Kurup



**D**TDC inaugurated its largest integrated hub in Delhi's Samalkha region. In an industry where speed is an indispensable condition for success, the inauguration of the sprawling hub that would house the operation for four verticals of express delivery business i.e. air services, ground services, international business and B2C, pushes DTDC into a different league.

The 100,000 sq ft transshipment hub is equipped with the state-of-the-art equipment such as automated sorter, x-ray machines, hydraulic trolleys etc. The new hub has been the amalgamation of its multiple hubs in and around Delhi, to enhance throughput, efficiency and meet the surge in volumes post GST.

Abhishek Chakraborty, Executive Director, DTDC said, the company was expecting an annual growth of 15-20 per cent for the next 3-5 years. The Delhi and NCR is the biggest driver of growth. More than 30-35 per cent of the country's volume can either enter or exit from Delhi.

More than 35 per cent of its total parcel volume either originated here or passed through this hub to reach different parts of the country. International volumes amount to 50



**DTDC WAS EXPECTING AN ANNUAL GROWTH OF 15-20% FOR THE NEXT 3-5 YEARS. THE DELHI AND NCR (NATIONAL CAPITAL REGION) IS THE BIGGEST DRIVER**

**OF GROWTH. MORE THAN 30-35 PER CENT OF THE COUNTRY'S VOLUME CAN EITHER ENTER OR EXIT FROM DELHI.**



**Abhishek Chakraborty**  
Executive Director  
DTDC

per cent from Delhi. With all this in mind DTDC embarked on this investment. It now has the ability to handle 100,000 parcels from this facility on a daily basis.

This facility has 20 per cent less manpower than the combined number that DTDC had in all its facilities put together. Abhishek was confident that the quality would go up the costs would mark a downward trend. To expedite the flow of information, workers use hand-held devices to transfer data directly into the system. This reduces manual intervention and manpower by 5-10 per cent. The turn around time of

trucks would be reduced from two and a half hours to less than 45 minutes. The entire design was based on the data analytics done on previous operations statistics. Considerable investments were done on data analytics which laid the groundwork for the design of the warehouse. "We looked at all our volumes and predicted future trends and basis that we made the entire design. This gave more predictability," he said.

More than 80 per cent of the parcels would go into the sorter obviating the need for human intervention. The sorter would not only scan the parcel but also capture the dimensions, weight and volumes of the boxes. The sorter can also capture the images of each box. All this information can be conveyed to the customer. DTDC aims to offer same-day deliveries in future.

Its machines are E Way Bill compliant and are designed to capture any goods worth over ₹50,000 and then automatically generate these bills.

Carbon footprints would be reduced by tapping solar energy. Chakraborty said that 80 per cent of all the energy used in this hub would be coming from renewable sources. The entire roof was covered with solar panels. Its fleet of small sized trucks runs on CNG.

Chakraborty believes that the SME group in India is a thriving market. DTDC is one of these very few players that has the bandwidth and reach to serve the micro, small and medium enterprises. With the Indian Government pushing for various initiatives, he saw SMEs becoming very strong in future. With DTDC having a network of more than 10,700 franchises across the country, it could afford to dream of ensuring that no SME would be more than a kilometer away from its nearest franchise. Looking into the future, for the next 2 to 3 years, DTDC plans similar upgrades in other locations in Chennai, Mumbai, Hyderabad and Bengaluru. [mg](#)

# SMART LOGISTICS SUMMIT & AWARDS

NAGPUR 2018

Where shippers meet service providers

13  
APRIL  
2018

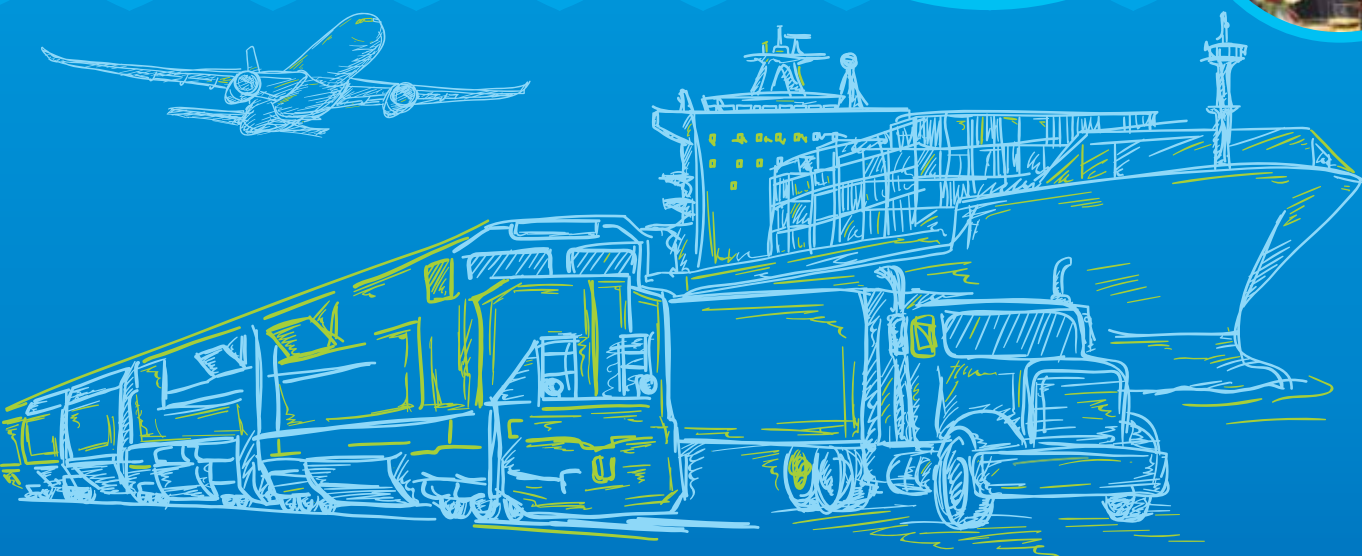
RADISSION BLU  
NAGPUR

The most thought provoking  
logistics conference in **Nagpur**

# SAVE THE DATE

## 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



# THE GERMAN CONNECTION

Having the best hinterland connectivity and infrastructure in Germany, Wilhelmshaven Port is now looking forward to increase mainline calls and connect to more destinations across the globe

## Q What is unique about Wilhelmshaven Port?

The port of Wilhelmshaven is designed for ultra large container vessels that are longer than 360 meters with a draft of 16.5 meters. We are the only port in Germany able to handle these vessels. This is no competition for Hamburg or Bremerhaven, because we have geographical advantage that these big vessels can enter our port without any problems. This is one of our USPs. OOCL is calling to our port since mid-last year regularly so far with one service and the biggest container ships of the world – “OOCL Hong Kong.”

We are a Greenfield port directly connecting to a 160 hectares of freight village which is also very close to the terminal and this is very different compared to our competition ports in Antwerp and Rotterdam, where cargo has to move quite a long way to reach the terminal area.

The fairway is 800 meters wide, it's just 23 nautical miles - the approach from open sea to the berth is one and half hour sailing time only and this is also one of our USPs. We are extremely well connected to the hinterland, we have marshalling yards that can accommodate 6 full length cargo trains at any given time. These trains can simultaneously connect to the terminal, which means there is no stopping or waiting time for trains. We have superb road connectivity with the highway ending 900 meters in front of the port. These features make us the best connected port to the hinterland in Germany.

## Q Tell us about the terminal infrastructure?

We have 30 hectares of terminal area, 1,725 meters pier length, currently operating eight gantry cranes. We are of the opinion that the terminal operator Eurogate has to increase the number of gantry cranes as more shipping lines are asking for it. Eurogate has a very fast operational system for swift handling of containers. They operate five lanes in the backyard and five lanes directly under the gantry crane. So our move counts are very high compared to other ports.

## Q What is the current draft at the terminals?

We have minimum 18 meters draft which is unique at the German coast



**Andreas Bullwinkel**  
MD, Container Terminal  
Wilhelmshaven JadeWeserPort  
Marketing GmbH & Co. KG



at low tide and at high tide we have 21 meters. Wilhelmshaven has been handling dry bulk, liquid bulk, coal, oil and chemicals. Container business is relatively new. Excluding the container business Wilhelmshaven is the third biggest port in Germany. The port has posted 12 per cent Y-O-Y growth.

**Q What is driving this growth and what is the container cargo handled at the port?**

The total capacity of this port is 2.7- 3 million teus and last year we made about 550,000 teus. Last year the number of rail connections has dramatically increased and we gained 25 new regular rail connections into the German, Australian and Switzerland hinterland. Our main customers come from agriculture, chemicals and automotive industry.

At Rotterdam they have some advantages like the connection to River Rhine into the hinterland, which is difficult for the German ports in total.

**Q Tell us about your India connection?**

Maersk visits our port regularly and we are trying to increase the number of bookings. The ME1 service of Safmarine calls on weekly basis to our port. Effective January 2018, we also have our representative in India to better understand the Indian market, making contacts.

**Q What kind of cargo moves between India and Wilhelmshaven?**

Main exports coming from India are automotives, automobile accessories and imports include chemical products. We are in talks with Volkswagen to develop a warehousing and consolidation centre in our port and this way they can save a lot of money in FOB cost. The idea is to have the warehouse close to the terminal that will save a lot of cost for them and the cargo will move to China, their biggest market. The second step would be to move Indian cargo via this warehouse. This will improve our volume to India tremendously. The third step will be to increase our volumes from Mexico.

**Q What are your plans for the open space at the port?**

A customer is planning a container storage area as shipping lines have been asking for it. We are also planning storage space for chemicals, dangerous goods and break bulk for packing and trucking. We have also



planned a container repair service.

A train connection between Western Germany and Wilhelmshaven is planned to move chemicals. An investor will develop warehouse that will be used by small companies. Small slots of 500 sq. mts will be available for them. A parking area for more than 300 trucks is developed. We are about to double the area for handling reefer cargo. About 30 per cent of the space available at the port has already been booked, another 30 per cent is under negotiation and the rest is on offer.

**Q Since you don't have much of manufacturing hinterland, how do you intend to grow?**

We intend to grow by making our land more attractive for companies to settle down in our freight village by setting up production units, warehouses and distribution centres.

**Q Have you been able to divert cargo traffic from Hamburg or any other German Port?**

We are not doing it actively, but it happens because we offer better services. Further if the cargo origin or destination is closer to Wilhelmshaven Port than any other German port, then it's a natural reflex that customers change their port of choice.

Sometimes our fellow ports in Hamburg or Bremerhaven have problems such as congestion or infrastructure issues. This causes the ships to divert to our port and here they experience their business happening quick and at a cheaper cost.

**Q Antwerp and Rotterdam boast of excellent connectivity to hinterland in Germany. Are you getting any cargo from them?**

We have solicited some accounts

from Antwerp and Rotterdam. Both these ports have excellent hinterland connections and when it comes to barge transport via river Rhine, we are lost. You cannot compete against them. What we are lacking is more shipping lines calling our port and we need a much wider offer on the destinations. Then we could easily attract a second Indian service and another service to and from the western hemisphere. Our connectivity to China is really good, but to India we have one service and we could do another easily. Big shippers like chemical and automotive industry when they build a warehouse, they look for a solution to all their destinations. So ports that have multiple connectivity will be in business and this is the advantage that ports in Antwerp and Rotterdam have. They have the whole world on offer, while we are in the beginning and mainly have India, China and little transshipment via Singapore to other Asian destinations.

We are strengthening the existing service of Safmarine, trying to attract our port to Safmarine. Our advantage is due to the three slots on the rail available so the cargo can move on any time requested. This facility is sometimes not available in other ports because they are too crowded. The rakes are heavily booked, so sometimes customers have to wait. Moving cargo through River Rhine is a good alternative, but when the river runs shallow or too high, it is difficult to move cargo. In such scenario our volumes will increase and this is a chance for us to get a grip on these cargoes. mg

Sri Lanka's pivotal logistics industry is at loggerheads over the Budget 2018 move to liberalise the shipping and freight forwarding industry. Industry groups CASA and SLFFA are opposing the decision for potential harm to local firms, while logistics experts have hailed the move expecting a multitude of benefits

**S**ri Lanka's pivotal logistics industry is at loggerheads over the 2018 Budget move to liberalise the shipping and freight forwarding industry - which contributes around \$400 million - enabling foreigners ease of entry.

Viewed as one of the most contentious proposals in the Budget 2018 presented by Finance Minister Mangala Samaraweera, the measure has been widely debated previously for many years. None of the previous governments, finance or shipping ministers have been bold enough to truly open up the shipping and freight forwarding business to foreigners due to pressure from local firms.

The 2018 Budget move is also logical since the restrictions on foreign ownership were implemented via the Exchange Control Law which is to be replaced by the new Foreign Exchange Management Act.

Though existing regulations (introduced under the previous regime) do allow foreign firms to engage in logistics, the minimum investment of \$10 million for only 80 per cent stake is viewed as a non-tariff barrier and discouraging for foreign firms.

Industry groups the Ceylon Shipping Agents Association and the Sri Lanka Logistics and Freight Forwarders Association in a joint statement emphatically stated that

the Budget move would destroy local firms.

A host of blue chip companies such as Hayleys, Aitken Spence and Hemas Holdings have big exposure to the shipping and freight forwarding business whilst there are several standalone firms of repute.

CASA and SLFFA also met Ports and Shipping Minister Mahinda Samarasinghe on Saturday to express their opposition to the move. Meetings with President Maithripala Sirisena and Finance Minister Samaraweera are being sought to lobby for a reversal.

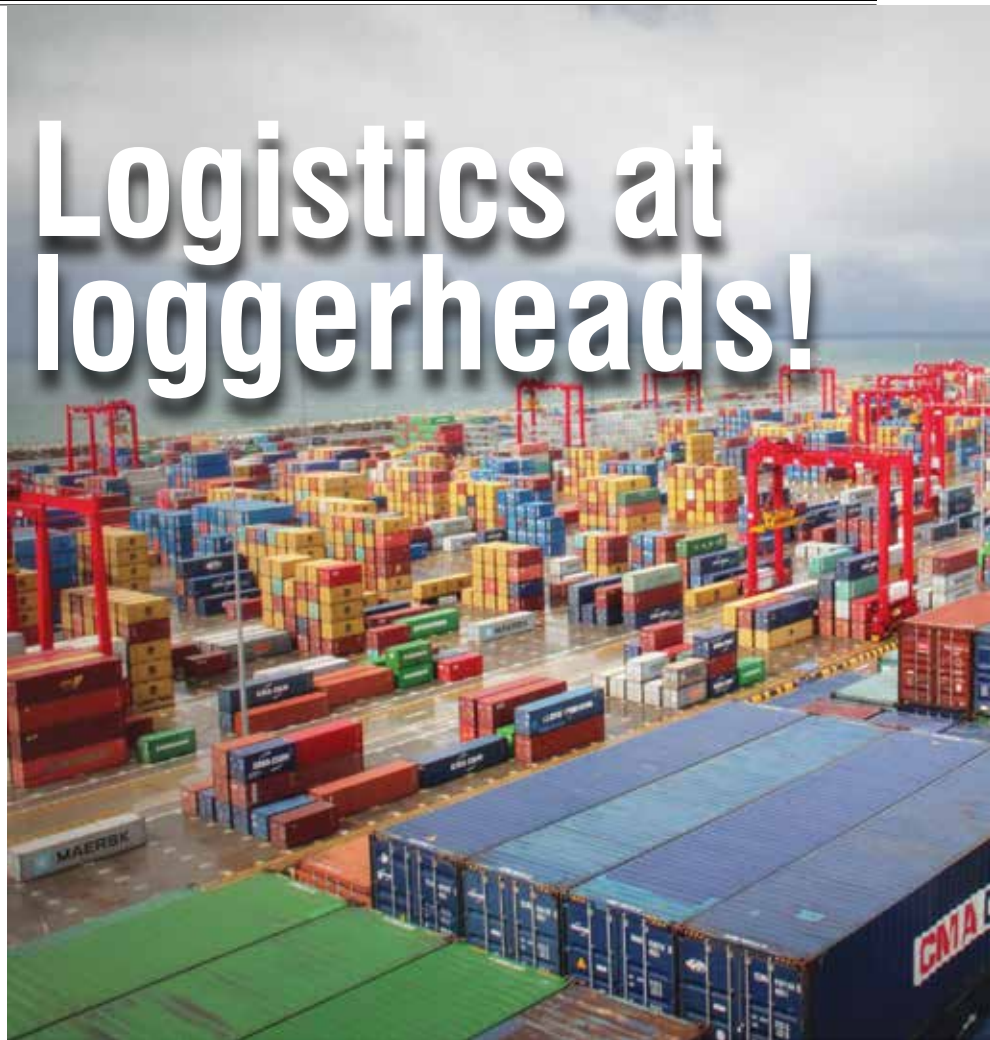
They said the Budget proposal would "not bring any significant benefit to the industries and the economy and in fact will have an adverse impact on the national interest."

There are currently in excess of 750 local shipping, freight forwarding and clearing agents employing over 12,000 direct staff and their future is

at stake, CASA and SLFFA warned, adding that management positions would be filled by expatriate staff, depriving Lankan professionals of opportunities. The move will only encourage foreign shipping lines to convert Sri Lanka a cost centre which will force the Government to lose tax revenue.

It was also claimed that the move would not facilitate knowledge or technology transfer. Shipping agents have also diversified into seafarer training and education, and over the years have produced a pool of some 35,000 employed and employable personnel for global carriers and contribute in excess of \$250 million per annum.

The groups said the restriction in foreign ownership of shipping agencies and freight forwarding had not inhibited shipping lines' interests in investing in port terminal capacity in Sri Lanka as displayed in the expression of interest for Colombo



# Logistics at loggerheads!



## LIBERALISATION TUSSLE

- Shipping agents and freight forwarders up in arms over liberalisation move
- Allowing 100% foreign ownership will make shipping lines to convert SL a cost centre
- Warn of serious loss of income to state, jobs and foreign exchange
- Concerns raised with the Shipping Minister; Plans to meet the President and Finance Minister to reverse the proposal
- Logistics industry experts say liberalisation key to truly becoming hub
- Choice of having an agency or not should be the wish of the owner of the business who brings in vessels to the ports of Sri Lanka and regional cargo to Colombo

Port's East Container Terminal. Previously, the South Asia Gateway Terminals saw investments from major shipping lines.

CASA and SLFFA said if the intention of this policy change was based on the premise of developing Colombo to be a logistics hub, the industry believed that there were more urgent and important initiatives that should be addressed such as the development of port infrastructure and measures to improve 'ease of doing business', thus removing all bottlenecks and bureaucracy throughout the supply chain which will reduce unnecessary costs and bring significant relief to the consumer or trade. Other logistics experts and firms welcomed the Budget move, calling it courageous and saying it would put Sri Lanka in the right place for maritime and aviation, bringing in a multitude of benefits.

They pointed out that at present Sri Lanka was operating far below

its potential, especially in terms of logistics. Therefore, it was important to remove all constraints that are present, which prevent the country from reaching its potential and that Sri Lanka would not be able to call itself a logistics hub, and attract business without a significant presence of global players in Colombo.

"It is nearly impossible to think of any major hub which has succeeded without substantial investments or the presence of global firms and them being active on ground. These firms will be reluctant to put money in a destination if they are only minority shareholders," experts said.

According to them one of the key factors which helps attract logistics business to locations like Singapore is the presence of leading global third party logistics firms.

"These firms also bring new technology, new knowledge about logistics and supply chain management and are experienced in

managing highly sophisticated and complex supply chains for their clients.

The 2018 Budget move is part of the Government's Vision 2025, which has made a key policy proposal to make Sri Lanka an Indian Ocean hub. At the same time, port capacities in Colombo, Hambantota and Trincomalee will be expanded to maintain a competitive advantage to increase transshipment activities.

"The choice of having an agency or not should be the wish of the owner of the business who brings in vessels to a port of Sri Lanka and regional cargo to Colombo. The Government does not want to restrict the global operators of ownership as it may deter them from looking at Sri Lanka seriously if the Government ensures agencies by law, which amounts to a protectionist measure," official sources said.

The Government believes the owners and operators have the freedom to decide on what their cost and what their operating model would be, that freedom will make Sri Lanka competitive.

"Without the owners and operators of the global shipping industry and logistics industry in Sri Lanka, the country will not move on to the next phase of shipping and logistics (as agency business is a third party service provider only)," Government sources pointed out.

Sri Lanka or other regional countries are not mega ship owners and do not have the global scale or capital to develop shipping activities as this industry is very capital intensive. Therefore, it is essential to create a conducive environment for global operators in shipping and logistics to be given a choice and a free hand to provide services to regional countries as well as Sri Lankan exporters and importers, and make Sri Lanka a maritime hub rather than a transshipment location.

Officials also said the Government's policy was to be the most liberal economy in South Asia. Already the two major maritime economies of South Asia, namely India and Pakistan, have fully liberalised the shipping sector, just as the hub of Singapore and the other regional competitor, has a very liberal environment in the Middle East. [img](#)

*Courtesy The Daily FT*



Members of the panel (left to right): **Ryan Viegas**, Head of Logistics (Asia Pacific), Teva Pharmaceuticals; **Hemanth DP**, COO (Aero Commercial, Cargo), GMR Airports; **Laurence Jacobi**, Cargo Manager (Andhra Pradesh & Telangana), Emirates Airline; **Masanari Arai**, Founder & CEO, Kii Corporation; **Eric ten Kate**, Vice President, Global Life Science, Agility; **Shanker Iyer**, Head of Cargo (Africa, Middle East & India), Swiss World Cargo India; and **Dr. Ravi Mathur**, Senior Director, SCM -Head of Logistics and Central Planning, Dr. Reddy's.

# IN PURSUIT OF UNBROKEN COLD CHAIN

**W**hen it comes to life saving drugs storage, temperature plays a critical role in preserving the medicines. Keeping this aspect in mind Agility India conducted 'The Un-broken Cold Chain event' on January 31 in Hyderabad to bring stakeholders under one platform to discuss cold chain related challenges for the pharmaceutical industry and the strategy to fix the gaps. A panel discussion was moderated by Satish Lakkaraju, COO, Agility India. Other members of the panel were Shanker Iyer, Head of Cargo (Africa, Middle East & India), Swiss World Cargo India; Hemanth DP, COO (Aero Commercial, Cargo), GMR Airports; Ryan Viegas, Head of Logistics (Asia Pacific), Teva Pharmaceuticals; Dr. Ravi Mathur, Senior Director, SCM -Head of Logistics and Central Planning, Dr. Reddy's; Masanari Arai, Founder & CEO, Kii Corporation; Laurence Jacobi, Cargo Manager (Andhra Pradesh & Telangana), Emirates Airline; and Eric ten Kate, Vice President, Global Life Science, Agility.

## Excerpts from the deliberations:

**Hemanth DP:** The Pharma Zone at Rajiv Gandhi International Airport (RGIA), Hyderabad is India's first

Agility India organized a one of its kind industry summit on Cold Chain dedicated to the pharmaceutical and life sciences sector, their challenges and achieving objective solutions through collaboration, awareness, education, and implementation of technology and best practice

by Sisir Pradhan

pharma terminal, and it serves only pharmaceutical products with facilities like humidity control, truck dock, and Customs examination within the temperature controlled area. But many times cargo was moved in open trucks from production unit to the airport which doesn't serve the purpose of moving cargo in uniform temperature, resulting in rejection of consignment. In a bid to stop cargo movement in open truck, temperature controlled ULDs are on offer. Other initiatives in unbroken cold chain were securing the WHO GSDP Certification for the Pharma Zone and provision of a large tunnel X-Ray machine to screen full size ULDs. The airport will have cool dollies in the near future to move temperature sensitive shipments and the truck dock will be expanded. The airport now has over

1,000 air freighter movements, and it looks to handle 140,000 tonnes of cargo in the current year, and there is a master plan to increase cargo handling capacity to 1 million tonne. Cargo terminal will have separate terminals for perishables, express cargo, pack house, and a logistics park. This is the only airport in India to have a FTZ. The airport also has an aerospace and multi-product SEZ. A major pharmaceutical company is constructing a factory to generate about 2,50,000 tonne of cargo from next year, to be exported to the US and Europe. To address large size parcels which can't be fitted into scanners, shippers need to depute Regulated Agents at their premises who can certify and built large size units.

**Masanari Arai:** Kii provides IoT

platform that helps to find solutions to various problems at a much faster pace and cheaper rate. It helps to improve existing services for a user leading to better revenues. An export consignment passes through various intermediaries and the IoT platform keeps all stakeholders informed via a dashboard about critical information in real time like location of the package and the storage temperature. For example, pharmaceutical exporters face challenge of spike in temperature because many times handling staff forget to close the container doors. In such case the IoT platform can raise an alarm whenever container doors are left open. As a result the users can find solutions on their own. It helps to collect data, analyze and improve services.

Agility has started using the Kii IoT platform on trial basis at Hyderabad and Mumbai to track consignments. Another stake holder at the event was Algor Supply Chain Solutions, which is the trucking partner for Agility.

**Virendra Chaudhary, Director, Algor:** Algor is more focused into vaccination distribution, transportation of formulations, intermediates, and APIs. The company provides services at most of the pharma SEZs and nearby airports in India. It offers the option to users to keep track of GPS-enabled consignment location and temperature through mobile phone.

**Udit Mangal, Business Manager- Healthcare, Pluss Advanced Technologies:** Despite the advancement in technology globally 25 per cent of medicines are wasted. The available technologies in temperature controlled packaging are either complex or ineffective or expensive. The aim of the company was to develop device which are effective to attain the goal of unbroken cold chain by providing about 120 hrs of temperature controlled storage. The company displayed Celsure boxes which are designed to operate in tropical climate condition in India.

After the presentations, **Satish Lakkaraju** moderated a panel discussion on 'The Unbroken Cold Chain'. Lakkaraju informed the gathering that there are future plans to start similar industry initiatives in Mumbai to address challenges



Satish Lakkaraju, COO, Agility India, moderating the session

faced by ocean freighters. He said the initiative is more effective to address the issues faced by the stakeholder as it is an industry initiated event. The objective was to bring together all partners in the cold supply chain to discuss challenges and ways to resolve them. Among others, **Maritime Gateway** was one of the media partners which came in support of the event. Apart from which **ISCM** was the education partner at the event.


**Ryan Viegas:** The focus should be equally on export products and imports. A significant volume of import cargo like active ingredients require temperature controlled movement. But many times even in case of ingredients inside bottles and plastic packs are mishandled and opened which needs to stop. It is time to give importance to provide unbroken cold chain to import goods as well.

**Dr. Ravi Mathur:** A major concern for pharma exporter or importer is temperature incursion and excursion for a consignment during transit. The threat of outside temperature variation is higher as pharma products move through geographies with widely varied temperature. While the passive temperature control solutions are useful but these products are more focused on temperature excursion but

the importance is not given to address temperature incursion. The unbroken cold chain is a myth but damage could be minimized by putting in place a quality system that reacts and raises a red flag when there is an anomaly in prescribed temperature, identify the root cause and fix it.

**Laurence Jacobi:** There have been rarely any instances where all the stakeholders in the supply chain, including shipper and airport developer collectively discuss the requirements before construction of a new infrastructure. A CAPA is much more comprehensive than just the airline acting on the corrective and preventive actions. All stakeholder need to perk up service quality to achieve the goal. It should be left to the discretion of shipper to choose passive or active temperature control unit.

**Shankar Iyer:** Typically, cargo is moved from warehouse to the staging about 120 minutes before being loaded into the aircraft, and there are speed limit for vehicles moving the cargo inside the airport which result in exposing of cargo to the outside temperature. Hence, active cooling should be preferred in case of critical products like pharmaceutical. Reduction in cargo handling procedures and time, and live update about status can help to bring down number cargo rejection incidents.

**Pradeep Panicker, Deputy CEO, GMR HIAL** was the chief guest for the event and **Mohammed Esa, SVP, Global Business Development, Agility**, was the guest of honour. Some of the other key takeaways from the event were: Need for compliances, partnership between stakeholders, need for all stake holders to have an understanding of requirements of quality system. 



# A DIGITAL PLATFORM CONNECTING ALL STAKEHOLDERS

ODeX helps the maritime industry swiftly ride the digital wave as it connects stakeholders to manage their workflow and collect payments

by Omer Ahmed Siddiqui

**M**aritime industry due to its complex nature has been a late entrant to digitalisation. The opportunities clearly lie in protecting the budget while increasing the efficiency, say industry captains. Digitalization helps to deliver better business results and to better control trading and operational risks in one place. Timing is, of course, another opportunity as shipping and trading companies need to be able to react much faster today than they did in the past.

Helping the industry ride the digital wave smoothly is ODeX - An Online Document Exchange Platform to connect stakeholders, manage workflows and collect payments.

ODeX makes sure that all its stakeholders are privy to a single source of

information. With seamless tracking on its portal, stakeholders right from Custom house brokers, to importers, and everyone else in between can manage their consignment efficiently. Transparency is ensured with each consignment, so that everyone is on the same page, and everyone is updated. This is important as stakeholders need to know if their documents have been approved, and if it hasn't, they get immediately notified on the portal automatically. This saves them a lot of time. Being a pioneer in helping the shipping industry with digitalisation, ODeX ensures to remove all bottlenecks in the process such that all stakeholders have a smooth experience during the shipping cycle.

Being among the first few platforms in India to connect all major

stakeholders in ocean shipping, below is an account on how each stakeholder in the shipping cycle benefits at ODeX.

## Exporter/Importer

Exporters use the integrated VGM solution from ODeX. The platform is directly integrated with their factory weighbridges and ERP solutions ensuring that there is one single source of electronic data. Since VGM is a global IMO mandated compliance – the integrated solution from ODeX ensures error free submission – and they can rest easy knowing that compliance has been taken care of. This is further integrated with the GateIn (Form 13, Form 6) – ensuring there is no manual intervention required.

Importers use ODeX for managing the complete import workflow from

invoice release, payments to delivery order release and empty return. Importers can manage their entire process online – with transparency, reduced time in release of cargo and completely automated, end-to-end reconciliation of their transaction at any time. The whole eImports module of ODeX reduces cargo clearing costs and time by at least 30 per cent.

### Shipping lines

Shipping lines manage their complete import workflow from IGM filing to empty return – improving the turn around time, reducing all email and phone based communication – an improvement in overall efficiencies by at least 25 per cent. Exports – Shipping lines receive electronic VGM and Form 13 files. They are updated by

### ALONG THE WAY ODEX HAS BUILT MANY FIRSTS

- Real time, maker-checker enabled B2B payment solutions
- Multi-stakeholder workflow & documentation for imports
- Electronic gate-in at port terminals (Form 13)
- Electronic invoice release and delivery order release for EXIM trade
- VAN – a unique payment solution for corporates
- Short term credit solutions for the EXIM trade (with a partner)



**ODEX MAKES SURE THAT ALL ITS STAKEHOLDERS ARE PRIVY TO A SINGLE SOURCE OF INFORMATION. WITH SEAMLESS TRACKING ON ITS PORTAL, STAKEHOLDERS RIGHT FROM CUSTOM HOUSE BROKERS, TO IMPORTERS, AND EVERYONE ELSE IN BETWEEN CAN MANAGE THEIR CONSIGNMENT EFFICIENTLY.**



**Liji Nowal**  
Managing Director, ODeX India Solutions Pvt Ltd.



the parties that are using their vessels for various shipments, and have reduced or even eliminated manual data entries.

No manual data entry – since data on Form 13 / Gate In, VGM, DO are directly integrated into their systems. CFS is able to track which shipping line has released Delivery Order for a particular customer and begin the process of CFS gate out based on this information. A single dashboard saves considerable time – since they can view data for all major shipping lines and customers on a single page.

ODEX helps Customs House Agents keep their promise of prompt and safe delivery of their exporters and importers goods. They will be able to upload their documentation easily for the relevant parties to acknowledge and allow for the consignment to pass through as quickly and as seamlessly as it can. As the freight forwarders take up the consignment on their name, they have the responsibility to update their various consignment holders with the e-HBLs. ODeX helps freight forwarders endorse their HBL's

online – reducing the queues at their counters and also improving TAT for their customers.

ODEX is connected with all leading banks to enable ePayments. This helps the industry – and also enables banks / NBFC's to finance the stakeholders based on accurate transaction data. Since a lot of critical and sensitive data is uploaded and exchanged on ODeX, data security is bound to be a priority.

- Registration of company (CHAs) after KYC
- Access to ODeX is User name and password protected access.
- Data / Documents of one company (CHA / Line / CFS / etc.) cannot be viewed by any other company. i.e. Invoices / DOs / etc. issues to CHA 1 cannot be viewed by CHA 2
- Critical data are stored in encrypted format in the database
- Audit history like create user, create time, modify user, and modify time available on all transactions. Also, auditing of data change on critical fields/transactions.

- Email / SMS on registered email id for critical transactions like DO Release, Invoice Payment, etc.

### Infrastructure security

- ODeX works on HTTPS with 256 bit algorithm - It means all communications between the browser and the ODeX are encrypted
- Regular VAPT (Vulnerability Assessment and Penetration Testing) on ODeX server / application to detect any vulnerability or security threat
- Clustering / load balancing for high availability
- Disaster recovery setup with replication every 15 mins using dedicated links from primary server to DR server in another city
- Application / Server hosted in Tier 4 data center with eight zone security
- Two layer of firewall for the server with Anti Hacking, DoS defence, Malware and intrusion prevention, Ping of Death defence, etc.

### Server to Server integration security

- IP address white listing at both the ends shall avoid any unauthorised access
- Only secured transmission like https or SFTP
- Support of cross referenced master data as applicable

### ISO Certification

ODEX has completed following ISO certifications:

- ISO 9001:2015 Quality Management
- ISO 27001:2013 Information Security Management Systems
- ISO 20000-1:2011 Information Technology Service Management (ITSM)

Security is a top priority at ODeX.

It has controlled viewing of various documents that are based only on user and organization profile. While offering seamless integration with shipping lines, regular data sanctity and vulnerability audits are conducted to ensure data security. Even when it comes to documentation printing, a controlled environment helps avoid duplicity.

Today ODeX is an online community – where carriers, yards, port terminals, custom brokers, forwarders, shippers, consignees and even banks come together to get things done. A community of over 15,000 businesses and 22,000 users in India alone and growing fast. [mgf](#)

# High Five to WISTA India

WISTA members came together to celebrate fifth anniversary of WISTA India. The event also reflected the visibility WISTA has gained in the maritime industry



WISTA members come together to celebrate five years of WISTA India

The shipping and logistics sector is among the few industries where women have broken the glass ceiling and are at the helm, steering the industry towards growth and prosperity. WISTA India is a confluence of such dynamic leadership supporting women in the maritime sector. At the 5th anniversary of WISTA India, membership of the organisation came together to celebrate the important role women play in the maritime sector today.

At the outset **Sanjam Sahi Gupta, President, WISTA India**, dedicated the success of the organisation to each and every member. "The success of WISTA India is due to the members—each one of them as it is them who makes WISTA India," remarked Sanjam in her welcome address, as she requested the membership to rise amid a large round of applause, acknowledging the contribution of women in the maritime industry. "It has been an honour to serve as President and now look forward to having the young leaders and members take on the responsibility."

**Anil Singh, Former SVP & MD, DP World Sub Continent**, among the guests of honour, appealed to the industry to support WISTA and empowerment of women in the maritime industry which was a cause close to his heart. He pointed out that women have made progress in all fields and gave reference of Nirmala Sitharaman, the current Defence Minister of India who is the second woman since Indira



Dr Malini Shankar, Director General Shipping along with key dignitaries releasing the booklet on Gender Diversity

Gandhi to hold this major post.

**Capt. Anoop Sharma, CMD, SCI**, Guest of Honour at the event, congratulated WISTA India members for successful completion of 5 years and its achievements. He pointed out that in Shipping Corporation of India 20.8 per cent of the staff are women and SCI takes pride in this fact.

"We are here today not only to look back but also to look ahead," remarked **Despina Panayiotou Theodosiou, President of WISTA International**. "Our sector is faced with new realities due to the fast-technological developments and WISTA should be a part of the discussion. We are at a point where our industry is modernized and we should encompass this change and make it our own. WISTA needs to be there as a voice to be listened to. Change can be good for diversity and the purpose of WISTA must be kept relevant," mentioned Despina.

**Dr Malini Shankar, Director General Shipping**, congratulated WIS-

TA India members for this wonderful accomplishment. Maritime industry is among the few industries that actively promotes diversity and more women are breaking the glass ceiling to rise and take the lead in this dynamic sector.

A booklet on building and maintaining gender diversity on board merchant ships, jointly developed by International Seafarers' Welfare and Assistance Network (ISWAN), Anglo-Eastern Ship Management Limited and WISTA International, was released by Dr Malini Shankar.

A panel discussion on "Digital Disruption in Shipping: What happens next?" focused on the growing tech savvy workforce that expects seamless connectivity onboard. New digital entrants are transforming traditional relationships in the freight and logistics business. Their offerings built on cloud and connected platform technologies give seamless experience to consumers, resulting in new business models evolving. [img](#)





**PS Atree**  
President, Delhi Customs Clearing  
Agents Association (DCCAA)

# More and more processes need to go on EDI

More Customs operations should be brought on EDI and Custom House Agents need to enhance awareness of government rules and regulations says Atree, as he points at the need for more shipping lines should embrace digitization

by Vijay Kurup

latest information technology. They are upgrading their knowledge according to the need. The number of new measures introduced by the Government itself provide opportunities to grow. The CHAS will have to be cognisant of the policies that are being introduced by the various ministries from time to time.

**Q Do you think that the Ease of Doing business has been enhanced?**

Yes very much. The Ease of Doing Business has resulted in increase of manufacturing activities in India. To be more specific, it has improved the dwell time in clearance of exim goods. It has also substantially reduced transaction cost for the businesses.

Recently on International Customs Day two new technology platforms were introduced, namely ICETRAK and ICETAB. ICETRAK is a one-stop Portal for effective communication between the trade and the department of Customs. It is an application that facilitates tracking of export /import documents, duty calculator etc. ICETAB is a Tab with which an Appraiser in the warehouse is able to upload the report of his examination directly into the system. He can also take the photographs of the consignment and upload them directly into the system. This brings in certainty and accuracy to the entire process of examination.

**Q What is your requirement from the shipping lines?**

I require more transparency from them. All charges pertaining to a shipment should be reflected on a BL. The consignee or the shipper should not be charged anything more than what is reflected on the document. Further, their working hours should be in tandem with the Customs. If need be the shipping lines should work in shifts. A few lines have introduced E Delivery and E BL which I find very convenient. I would expect other shipping lines to follow suit. **MB**

**Q What are the challenges facing Custom House Agents?**

The most important challenge is to facilitate importers and exporters for quick and timely delivery and export of goods. The CHAs are facing a few acute problems with regard to facilitation to the industry. Firstly, at times, due to slow or breakdown of the EDI systems in the Customs, there is a delay in processing of Bills of Entry/ Shipping Bills. As a result, in imports for example, the delivery of the cargo is delayed to the consignee. Further, this delay causes an automatic imposition of penalty on us which is ₹5000 per day. Though the penalty is repeatable, the process of waiver is time consuming.

Secondly the restriction of movement of commercial vehicles, by the traffic police, in the NCR region, is further adding to the delay. Vehicles carrying heavy goods can only ply between 11pm and 7am. However, the department has launched their project

'SAKSHAM' which will definitely improve the working of the system.

**Q How do you plan to bring transparency in Customs clearance?**

Transparency is possible only if maximum processes are shifted to the EDI. There has to be minimum of direct interaction between the Government and the trade.

**Q What are the new trends in Customs clearing business?**

CBEC has recently launched e-sanchit that enables registered persons to file documents online. Any document pertaining to export or import can be uploaded on the website. This process reduces processing time and brings in transparency.

**Q Do you feel there is a lack of skill among CHAs, particularly in view of the Government going digital in a big way?**

No. Majority of the CHAs have managed to pick up the necessary skills. To remain competitive it is necessary to keep abreast with the

# “Shipping Padhao – Shipping Badhao” is the goal

The 39th convocation of NMIS saw the industry come together in support of the noble cause of the shipping institution in providing quality workforce to the sector

**N**arottam Morarjee Institute of Shipping (NMIS) held its 39th convocation and prize distribution ceremony in Mumbai at the Shipping House of The Shipping Corporation of India. Pradeep T. Rawat, Chairman, National Shipping Board, was the Chief Guest and Shashi Kiran Shetty, Founder & Chairman of Allcargo Logistics was the Guest of Honour for this auspicious event. Capt. Anoop Sharma, CMD, SCI presided over the function.

This year, the institute felicitated Arvind Parikh, Chairman, LEMUIR group and Capt. P S Barve, Ex-Nautical Advisor to Govt. of India with the NMIS Life Time Achievement Award. Capt. Vivek Anand, President MANSA; Suresh Parekh, Director, Polestar; and Atul Boda, Chairman, JB Boda Group were felicitated with NMIS Honorary Fellowship for their significant contribution to Indian Maritime industry. The Chief Guest and Guest of Honour presented the mementos to these industry stalwarts for their special contribution.

Shrikant Kher, Chairman, NMIS, welcomed the industry stalwarts and leaders from the maritime trade in his address and thanked all the benevolent donors for their generous contribution to the institute. Capt. M M Saggi, Director of NMIS presented the report card of the institute. He informed that in the academic year 2016-17, NMIS had enrolled 620 students, together in the first and second year. Invariably, NMIS students find good placements during the course itself with ship owning and management companies.

Capt. Anoop Sharma, CMD, SCI in his address said that he was honoured to be at the helm of both SCI and INSA, the founding members of NIMS. He re-assured full support from SCI and INSA in order to take NMIS



Shashi Kiran Shetty, Chairman, Allcargo Logistics delivering guest of honour address

to new height. He also informed the august gathering that along with Mr Kher, Ms. Sangeeta Sharma, Director (Liner & Passenger Service) SCI has been nominated in the Governing Council of NMIS.

**Shashi Kiran Shetty, Founder & Chairman – Allcargo Logistics** and the Guest of Honour, in his address stressed on the need to make institutes like NMIS more and more popular and market it in such a manner wherein more people across the maritime and logistics industry can take advantage of it. One of the key challenges faced by the industry today is lack of professional talent. Institute like NMIS are contributing to this cause by imparting professional knowledge of commercial shipping and logistics. He also requested the industry at large to come forward and support NMIS which is empowering students professionally in various verticals of maritime trade. He also assured the management of NMIS, the whole hearted support from the Allcargo Group in addition to providing faculty and scholarships to deserving students.

Chief Guest Shri Pradeep Rawat

presented gold medals, awards & certificates to students who excelled in the NMIS course. Shashi Kiran Shetty distributed prizes and certificates to the meritorious students. Capt. Anoop Sharma and Mr. Kher distributed convocation certificates.

**Pradeep T Rawat, Chairman, National Shipping Board** and the Chief Guest of the event lauded NMIS for its educational standards. He also pointed to the august gathering that institutes like NMIS set example before other institutes to emulate. He also pointed that it is for the first time that India is aspiring to focus on its strength of being a maritime nation due to its vast maritime resources with focus on port led development. In conclusion he said, Sagarmala that aspires to contribute 2 per cent to the overall GDP along with the capabilities of students of institute like NMIS can transform the country.

S B Sawant, Secretary, NMIS delivered vote of thanks towards all the eminent dignitaries, benevolent donors, governing council and faculty members for their gracious presence on the auspicious occasion. **MB**

# JSW Jaigarh Port

India's modernised greenfield multi cargo  
environment friendly deep water port  
regularly servicing capesize vessel



**JSW** Infrastructure

Creating world-class maritime infrastructure  
to 200 MTPA by 2020

JSW Jaigarh Port is poised to service:

**400,000 TONNES**

VALEMAX VESSELS

**350,000 TONNES**

VERY LARGE CRUDE CARRIERS



# IF YOU LIKE HIGH-SPEED LOGISTICS, YOU'LL LOVE **KRISHNAPATNAM PORT**



**Narain Karthikeyan**  
*The fastest Indian*

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

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



KRISHNAPATNAM PORT CONTAINER TERMINAL