Digitalise Processes, Develop Infrastructure
Mahbubul Anam, MD, Expo Group

Odisha – Unleashing its Potential
Sanjeev Chopra, IAS, Principal Secretary, Department of Industries, Government of Odisha

CROSS BORDER TRADE
Indo-Bangla Trade: Road Movement Takes the Lead

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Expanding on the Land Side
Mahesh Sivaswamy
Chairman & CEO
Transworld Group Singapore

A DISCONNECTED REGION WITH IMMENSE POTENTIAL

South Asia has the potential to boost intra-regional trade to $100 billion in near future. This can be realised by shedding tariff and non-tariff barriers and improving logistics infrastructure


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Clouds of uncertainity

The much delayed Chabahar Port is once again in the dock. The US President's decision to pull out of the Iran nuclear deal and re-impose fresh sanctions on Tehran has left India's investment in the country in a limbo.

Chabahar is not just another overseas infrastructure investment for India to build goodwill with friendly nations, rather the port is way more important from geopolitics, energy security and foreign trade implications point of view.

In the politically turbulent GCC region, India has always been heavily dependent on Iran as a rather more reliable partner for fuel security. Surrounded by hostile neighbours, Chabahar is being looked at as a counter balancer to Pakistan and China, and Gwadar Port in particular. It also has a key role to play to offset CPEC, and the very reason for which China despite Pakistan's opposition has invited India to be part of the CPEC project.

Moreover, as India aims to expand market for its goods, Chabahar is the key to reach out to Eurasia, politically important Afghanistan, and if ever there is an emergency to bypass Suez canal, Chabahar could be an alternative to reach out to the West Europe. India has committed $500 million for Chabahar. With much hiccups the first phase of the project was completed in late 2017 increasing the port capacity to 8.5 billion tonnes from 2.5 billion tonnes.

In mid-2017 in anticipation of a sanction on Iran, American and other western companies have held a 'wait and watch' stand on supplying equipment for Chabahar. Some major firms in cargo-handling and terminal equipment making business have stayed away from bidding process.

The US President on May 8 warned to withdraw from the Iran Nuclear Deal and has threatened to impose "the strongest sanctions in history." It may put New Delhi in a tricky situation which is already struggling to complete the project. In 2011 at the peak of tensions between Iran and the US, India under pressure from the west trimmed down oil import from Iran but in April 2018, imports touched highest level since October 2016. India's trade with Iran stands at around $12 billion. A part from oil, other major imports from Iran are fertilizers and chemicals, and exports include food items, chemicals and iron & steel.

India will not like to upset President Trump given the high stake on trade and defense ties between the two countries. But Chabahar is no less crucial for New Delhi as well. India has already called for peace.

If we go by past record, India is one of the handful of countries that continued trade links with Iran, and the second biggest oil importer after China. A lot is at stake, and it all boils down to Prime Minister's more than just diplomatic relation with President Trump to chalk out a middle path for Chabahar. Given the project's importance to check-mate China, President Trump may take it easy for Chabahar as an exception.

Till then let's keep the fingers crossed and hope for the best to come out!!!

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Chabahar is not just another overseas infrastructure investment for India

India's premier maritime business magazine
maritime gateway

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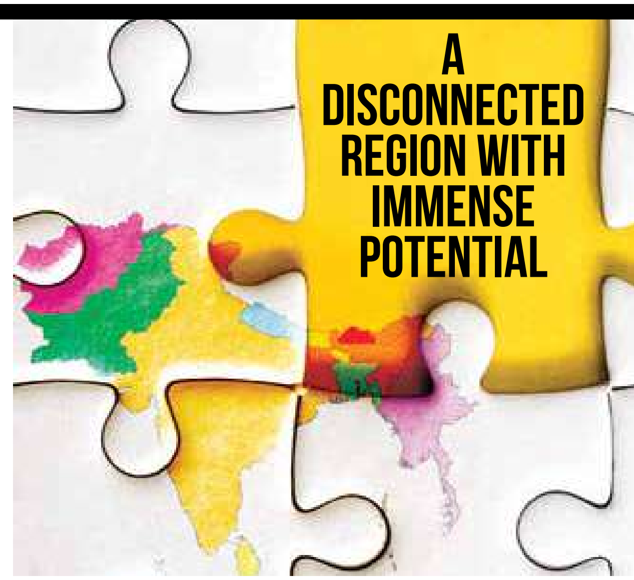

INTERVIEWS

Affordable container homes in Bengaluru

SquarePlums is a real estate company founded by Hemant Attray and Rajesh Kotta in Bengaluru in 2016 for providing affordable housing. It takes between 18 months to 3 years to construct a new building. And this is the reason that the company has not been able to match their construction speed with the growing demand for affordable housing. "Whenever we open up a new property…immediately there is a kind of mad rush, "reveals Attray. The company has cut down their construction time to two weeks by using custom made shipping containers. A fully furnished studio apartment measures around 200sq. ft and a fifty apartment complex can be made ready in just two months. Proper insulation is used in these container homes to prevent heating up during summer.

India-UK trade up 15 per cent

Despite the uncertainties around Brexit, trade and investment between India and the UK increased by 15 per cent. Bharat Joshi, British Deputy High Commissioner in Chennai says, "India is fundamentally important to the UK and we see our relationship growing and we are working together on many fronts. We have seen a 15 per cent increase in trade, which is £18 billion worth." TVS Logistics has invested in the UK, while a recent investment of £25 million is made by UK Company Scapa to set up wholly-owned subsidiary in Chennai to produce bonding products and adhesive components.

20 proposed national waterways not feasible

Based on a feasibility study on national waterways, IWAI has found that 20 proposed national waterways are technically not feasible. These include five in Tamil Nadu, four in West Bengal, two each in Odisha, Karnataka and Maharashtra and one each in Assam, Andhra Pradesh, Gujarat and Goa besides one jointly in Assam and Arunachal Pradesh. An expenditure to the tune of ₹98 lakh was done on the feasibility studies.

Uzbekistan to collaborate with Indian textile firms

One of the world's largest cotton exporters, Uzbekistan is looking at Indian textiles companies for a possible collaboration. The former Soviet republic is likely to ink an agreement with the Union Textiles Ministry in this regard. Uzbekistan grows long-staple quality of cotton - equivalent to Egyptian cotton that matches the requirements of luxury garment brands. However, industrialists raised concerns about the country being land-locked and far from a port thereby making it difficult for bulk goods industries to trade.

PSA secures two wins at AFLAS

PSA International Pte Ltd (PSA) has been voted "Best Global Container Terminal Operator" while PSA Antwerp received the "Best Container Terminal – Europe" title at the 2018 Asian Freight, Logistics & Supply Chain Awards (AFLAS). This would be the 13th time PSA has been named "Best Global Container Terminal Operator" and the second time PSA Antwerp has won the "Best Container Terminal – Europe" award. The gala dinner awards ceremony was held on 15 May 2018 at Wanda Reign in the Bund, Shanghai.

Cargo traffic at major ports rises 1.7 per cent in April

The major ports recorded a 1.7 per cent growth in cargo traffic at 56.81 million tonnes (MT) in April, as against 55.82 million tonnes handled during the corresponding period of previous year. The highest growth was registered by Kolkata (12.56 per cent), followed by Kamarajar (12.08 per cent), New Mangalore (11.41 per cent), Paradip (11.12 per cent) and Chennai (7.55 per cent). In Kolkata Port, overall growth was 12.56 per cent, it added.

NSICT strengthens connectivity to China and Singapore

Nhava Sheva International Container Terminal (NSICT) hosted the maiden call of APL's new weekly service – Asia Subcontinent Express 3 (AS3). The first vessel to call under AS3 service was APL Japan. This service strengthens India's connectivity to China and Singapore. The service will be deploying vessels of more than 5000 teu capacity and will follow the below port rotations: Shanghai – Ningbo – Xiamen – Singapore – Nhava Sheva – Karachi – Shanghai.

OOCL sees rise in volumes, revenues in Q1

OOCL has registered an impressive all-round performance for the first quarter of 2018 (ended March 31, 2018). Total volumes were up 7.5 per cent from the same period last year, while total revenues increased by 16.3 per cent to $1,378.6 million. Loadable capacity increased by 16 per cent and the overall load factor was 6.4 per cent lower than the same period of 2017. However, overall average revenue per teu increased by 8.3 per cent compared to the first quarter of last year.

A.P. Møller - Maersk A/S begins 2018 with strong revenue growth

In Q1 2018, A.P. Moller - Maersk had a revenue growth of 30 per cent to $9.3 billion, 10 per cent excluding Hamburg Süd. The volume growth in ocean - excluding Hamburg Süd – was at 2.2 per cent, as expected slightly below estimated global demand growth of 3-4 per cent. The non-ocean businesses reports a revenue growth with 6 per cent in logistics and services and 11 per cent in terminals and towage, reflecting strong growth in volumes mainly driven by commercial wins and new terminals and services. EBITDA increased by 5 per cent to $669 million.

Chennai Port reports new record performances

Chennai Port recorded another landmark performance by handling 4,257 tonnes of project cargo in a single day on May 13, 2018 from the vessel *m.v. Lady Celine* at SQ I berth. This surpassed the previous high of 3,531 tonnes from the vessel *m.v. Yin Shun* at WQ 3 on November 5, 2014. This latest achievement has reinforced the expertise of Chennai Port in handling project and over-dimensional cargo. The cargo was imported by BHEL and stevedoring service was offered by Seagreen Stevedoring and Logistics.

On a separate note, *M. T. ALICE* (LOA-183.2 m) called at Chennai Port on her maiden voyage and berthed at WQ2 with 36,500 tonnes of crude sunflower oil. This was the highest parcel size of edible oil ever handled at the port, surpassing the previous high of 35,000 tonnes of palm oil handled by the vessel *M. T. AZOV SEA* (LOA-182.5 m) on September 15, 2016. The entire consignment was imported by KTV Health Food Pvt Ltd.

Adani Ports' FY18 revenue up 34 per cent

In FY18, APSEZ consolidated revenue from operations on YoY basis was up by 34 per cent at ₹11,323 crore. Consolidated PAT on YoY basis was ₹3,683 crore. EPS for FY18 was ₹17.74 per share. Consolidated cargo volumes on YoY basis increased by 7 per cent from 169 MMT (FY17) to 180 MMT (FY18). Container volumes crossed 5 million teus, an increase of 20 per cent on YoY basis, to 5.11 million teus. The profit after tax would have been higher but for higher tax incidence of ₹1,544 crore in FY18 from ₹287 crore in FY17.

Hapag-Lloyd focuses on growing market in Africa

Hapag-Lloyd recently opened its new office in Tema, the most important port city in Ghana. Hapag-Lloyd will manage all its activities in West Africa from this location. Hapag-Lloyd has massively expanded its presence in Africa over the last two years and established a fast connection from West Africa to Europe via what are now two services: the West Africa Express (WAX, Hamburg – Casablanca – Tangier – Dakar – Tema – Abidjan – Tangier – Antwerp – Hamburg) and the Mediterranean West Africa Express (MWX, Tangier – Algeciras – Cotonou – Lagos (Apapa & Pipan) – Tema – Tangier).

Adani Ports sees 42 per cent rise in throughput at Kattupalli in 2017-18

APSEZ registered an impressive 42 per cent increase in throughput at Kattupalli Port by successfully handling 493,260 teus in 2017-18. With an annual handling capacity of 1.2 million teus, a draught of 14 metres and two berths of 710 metres length each, Kattupalli can handle the largest vessels calling the southern coast of India. The quay side infrastructure constitutes 6 QCs and 15 RTGs. With 360 reefer plug points, the port can accept and handle reefer cargo as well.

karaikal port

THE GATEWAY FOR CEMENT INDUSTRIES

Known for its speedy evacuation and faster turnaround of vessels, Karaikal Port handles cement and associated cargoes, with adequate infrastructural facilities like abundant warehousing spaces. The congestion - free port handles the export and import of cement related cargoes, for the industrial belts in Central Tamil Nadu and International destinations.

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- 61,000 m^2 COVERED WAREHOUSING SPACE
- 18,200 CBM LIQUID STORAGE CAPACITY
- 5 OPERATIONAL BERTHS
- 13.5 m DEEP DRAFT
- 3 HARBOR MOBILE CRANES
- 3 RAILWAY SIDINGS
- MECHANIZATION
- PROPOSED PORT CFS

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"In an environment where the order book- to-fleet ratio is at historical lows, global container shipping demand will likely outpace global supply in 2018."

– Nicolas Sartini
Group Senior Vice President of CMA CGM and CEO of NOL

"Uzbekistan is a changed country now. They have 100 per cent convertible local currency, besides that, banks are supportive and quick to respond to the needs of trade and industry. The biggest advantage is the access to a huge market of former USSR or the CIS countries as there is a duty-free trade agreement with them."

– Rajiv Vastupal
Chairman of FICCI-Gujarat State Council.

"We should be able to facilitate seamless digital and physical logistics for all aspects of global transportation. Efficient business should offer seamless service to customers and visibility in supply chain."

– Soren Skou
CEO, Maersk

"The shipping freight market is turning the corner after some trying times. The sector will see fortunes turning better. Freight charter rates have seen an increase of 35 per cent in the dry bulk segment and of 30-35 per cent in the container segment."

– Binaifer Jehani
Director, CRISIL.

"On balance, Brexit brings more opportunities. There is obviously uncertainties for companies that are investing in the UK. All that will become clear in the next few months. We have confirmed that we will retain the same trading relationship till March 2020."

– Bharat Joshi
British Deputy High Commissioner in Chennai.

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ESCALATING US-CHINA TRADE DISPUTE (TRADE IN GOODS - $ BILLIONS)

U.S. Exports to China	Year	Chinese exports to U.S
91.9	2010	304.9
104.1	2011	399.4
110.5	2012	425.6
121.7	2013	440.4
123.7	2014	468.5
115.9	2015	483.2
115.6	2016	462.6
130.4	2017	505.6

JAN 22
President Trump Slaps **30%** tariff on Solar panels and **20%** tariff on washing machines from China

FEB 16
U.S. Considers **24%** tariff on all steel Imports and **7.7%** on aluminium. **Move will hit several U.S. allies**

MAR 7
European Union threatens to retaliate with tariffs on U.S. import, including Peanut butter and fruits juice

MAR 8
U.S imposes **25%** on steel and **10%** on aluminium. **Mexico and Canada are granted exemptions**

MAR 22
Trump plans annual tariffs on **$50bn** of Chinese imports, including robots and high-speed trains

MAR 22
China announces tariffs on **$ 3bn** worth of U.S. goods in response to March 8 steel and aluminium tariffs

MAR 23
Trump grants exemptions on steel and aluminium tariffs to EU, Australia, Argentina, Brazil and South Korea

APR 2
Beijing Imposes **25%** tariffs on U.S. pork. 15% on wine, fruit and nuts, steel pipe used in oil industry

APR 3
U.S. targets **$50bn** worth of Chinese electronics, including flat-screen televisions, aircraft parts and batteries

APR 4
China responds with tariffs on **$50bn** of U.S. exports.
Aviation*- **$16.3bn**
Soybeans*- **$13.9bn**
Motor vehicles*- **$10.1bn**

APR 5
President Trump escalates trade dispute with threat of additional $ 100bn in tariffs on Chinese goods

GLOBAL CHEMICAL LOGISTICS MARKET 2018-2022

The market will be ACCELERATING growing at a **CAGR of nearly**
14%

INCREMENTAL GROWTH
$18,339.13bn
2017 2022

The market is **FAIRLY FRAGMENTED** with quite a few Players who occupy the market share

58%
of the growth will come from the APAC region

The year -over-year growth rate for 2018 is estimated
11.79%

One of the **KEY DRIVERS** for this market will be the growth of the chemical industry

GLOBAL ON-TIME PERFORMANCE IN 2018-Q1

Top 17 Carriers	2017-Q1	2017-Q4	2018-Q1	Q/Q	Y/Y
Wan Hai	78.5%	83.9%	80.6%	-3.3%	2.1%
Evergreen	76.4%	80.1%	71.3%	-8.8%	-5.1%
APL	68.0%	80.4%	71.0%	-9.4%	3.0%
Maersk Line	74.2%	81.7%	70.4%	-11.3%	-3.8%
ZIM	72.8%	79.2%	79.0%	-9.2%	-2.8%
OOCL	70.6%	80.7%	69.5%	-11.1%	-1.0%
MSC	68.9%	82.6%	69.4%	-13.2%	0.5%
COSCO	76.4%	77.3%	69.3%	-7.8%	-6.9%
Hamburg Süd	79.0%	83.3%	69.3%	-14.0%	-9.7%
CMA CGM	75.4%	78.4%	69.0%	-9.4%	-6.7%
PIL	75.3%	71.5%	68.8%	-2.9%	-6.7%
Hapag-Lloyd	73.7%	75.3%	65.6%	-9.7%	-8.1%
HMM	70.8%	82.9%	65.5	-17.4%	-5.3%
NYK	71.4%	73.4%	64.2%	-9.2%	-7.2%
MOL	72.4%	69.1%	62.8%	-6.3%	-9.6%
K Line	73.5%	71.4%	61.2%	-10.3%	-12.4%
Yang Ming	73.2%	70.0%	58.8%	-11.2%	-14.3%

LOGISTICS

Railways targeting more of automobile traffic

Railways has the potential to become the most preferred mode of transportation for automobiles, given its low cost, faster service, reliability and safety. This is the reason railways is targeting more of automobile cargo. Member Traffic, Mohd Jamshed said, "In the latter half of 2017-18, we decided to liberalise Automobile Freight Train Operator (AFTO) policy to encourage more private investment in special wagons for moving automotives, procurement of our own BCACBM (high-capacity railway wagons) and NMG wagons. In April 2018, we have taken two game-changing decisions to allow handling of automobile from all container terminals and to allow loading automobile and auto spares in privately-owned wagons in different directions for optimal utilisation of stock. 28 routes have been notified for operation of BCACBM rakes."

Auto hubs are now functional at Walajabad (Southern Railway) and Farukhnagar (Northern Railway). Conversion of 17 additional NMG rakes has been approved, of which 4 rakes have already been inducted. 10 BCACBM rakes have been included in Railways' RSP for 2018-19.

Texmaco bags Agartala-Akhaura rail project

Adventz Group's Texmaco Rail & Engineering Limited has bagged the ₹200 crore project to construct the 45-km dual gauge line between Agartala in Tripura and Akhaura, a sub-district of Chittagong in Bangladesh. The project is scheduled to be completed in 18 months. Part of India's $4.5 billion third line of credit extended to Bangladesh for its infrastructure and social sector development, the Agartala-Akhaura rail project will lend full connectivity from east to west of Bangladesh, apart from enabling trade relations between the two neighbours. The railway link is expected to cut the distance between Agartala and Kolkata by more than 1,000 km.

Flexible coal linkages for power plants

The government has approved the inter-ministerial task force's recommendations on coal linkage rationalisation for private power plants, which, apart from yielding savings to power plants from lower coal transportation costs, might also ease railway infrastructure by reducing coal ferrying distance.

Private power developers have welcomed the government's latest decision to allow independent thermal power plants to transfer existing coal linkages to their nearest mines, although some feel that since savings on this account has to be passed on to discoms, there is not much they could gain. Power plants with lower costs go up in the merit order list, which increases their chances of being selected by state-owned discoms for electricity procurement.

Gateway Distriparks Limited announces Q-4, FY 18 results

CFS throughput was up 8.2 per cent to 105,066 teus. EBITDA decreased 2.5 per cent to ₹21.5 crores. PBT went up 3 per cent to ₹14.7 crores, while PAT increased 12.4 per cent to ₹11.3 crores.

Rail throughput was up 0.3 per cent to 58,908 teus. EBITDA (Exc. exceptional items) decreased 2.6 per cent to ₹34 crores. PBT went up from ₹18.5 crores to ₹47.8 crores while PAT was up from ₹17.6 crores to ₹39.2 crores.

Cold Chain revenue went up 4 per cent to ₹51.8 crores. EBITDA went down 4 per cent to ₹12.6 crores. PBT went up from ₹0.3 crores to ₹3.1 crores (inc. profit on sale of asset ₹3.0 crores), while PAT was up from ₹0.3 crores to ₹2.1 crores.

DP World Cargospeed launched

DP World Cargospeed is a new global company created through a partnership between DP World and Virgin Hyperloop One, to provide hyperloop-enabled cargo systems to support the fast, sustainable and efficient delivery of palletised cargo. This new cargo logistics mechanism is designed to move cargo at a very high-speed and in a secure manner.

DP World Cargospeed will provide exceptional service for high-priority, on-demand goods, delivering freight at the speed of flight and closer to the cost of trucking. Vice President and Prime Minister of the UAE and Ruler of Dubai His Highness Sheikh Mohammed bin Rashid Al Maktoum graced the launch ceremony.

He said, "The UAE is keen to be a leading player in shaping the future of the world. Being a pioneer means taking bold decisions that open the way for adopting innovative solutions. We have big aspirations because we have unlimited mind sets and the confidence that we can achieve whatever we set our minds to."

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WHO WE ARE

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

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

WHAT WE DO

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

CUTTING EDGE

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

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

MISSION

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

VISION

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

WHY SPEEDWAYS

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

CHAIRMAN SPEAKS

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

SPEEDWAYS LOGISTICS PVT LTD has come into being with a view to provide the EXIM trade with "Total Logistics /solution" including "Containerised and Project Sea freight Consultancy and Forwarding", with allied services being provided for Transportation, Warehousing, Packaging, Stuffing/ De stuffing, Ship Chartering, Handling of project machinery originating from anywhere, or destined to anywhere in the world, and delivering it up to the shippers/ consignees door.

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Cogoport collaborates with FIEO

FIEO and Cogoport have entered into MoU to collaborate for deployment of high performance technology to offer fundamental cargo management service to enable members for their mutual benefit to foster a collaborative framework operating in logistics space. FIEO will partner with Cogoport to educate the exporter fraternity across the country to help exporters save time and money.

Technology driving business growth for MSMEs

Shipa Freight's global study of 800 SMEs shows that smaller companies are remarkably upbeat about their ability to expand through trade. 89 per cent of SMEs say their export revenue will grow over the next three years. 71 per cent say they are concentrating more on international markets. The survey included SMEs from the UK, USA, Germany, Italy, China, India, Indonesia and UAE. Toby Edwards, CEO of Shipa Freight says, "SMEs are not naïve about the obstacles to unlocking new markets. They use online tools to conduct transactions and gather market intelligence."

FFFAI promotes "FWC 2018" at global road shows and conferences

Amidst the registration process at its peak, FFFAI, a very important member of FIATA has launched effective marketing exercise in different parts of India and abroad to script an astounding success story of the forthcoming FIATA World Congress 2018 that is scheduled to take place at Aerocity in New Delhi from September 26-30, for the first time in India.

On April 17 the National Association of Freight & Logistics (NAFL-UAE) welcomed the Indian delegation of FFFAI at the Dubai World Trade Club. The Geneva-based International Freight Forwarders Association represents more than 40,000 companies in the industry worldwide and FFFAI delegates headed by Chairman Ashish Pednekar showed them economic opportunities available in the country which is fast becoming one of the world's biggest economies. Apart from Nadia Abdul Aziz, President NAFL and Shankar Subramoniam, ED, NA FL the FFFAI Team also had detailed meetings with representatives from Abu Dhabi Airport and leading freight forwarding & logistics companies based in UAE.

Snowman Logistics announces results for Q4 FY18

For the quarter ended March 31, 2018, Snowman Logistics Ltd recorded revenue of ₹51.82 crores as against ₹44.57 crores for the same period in the previous year, registering a 16 per cent growth. While EBITDA increased to ₹12.55 crores from ₹6.13 crores registering a 105 per cent growth for the same period in the previous year, PBT increased to ₹3.15 crores from a loss of ₹7.19 crores in the corresponding quarter of the previous year registering a positive growth of 144 per cent.

On an annual basis, sales during 2017-18 was ₹194 crores as against to ₹189 crores during the previous year. PBIT increased to ₹ 8.30 crores from ₹1.42 crores, registering a growth of 685 per cent, while PBT for the year was a loss of ₹3.56 crores as against a loss of ₹15.48 crores during FY17.

First parcel cargo train from Guwahati to Maharashtra

Indian Railway in a leap forward, has connected Northeast to West Coast (Mumbai/Gujarat), by commencing operations of running a PCET (Parcel Cargo Express Train) for transportation of Agricultural produce of Northeast (pine-apple, ginger, turmeric, tea, cane, wax) and industrial finished goods from New Guwahati Yard (NGC), Guwahati to Kalyan (Maharashtra). The maiden train had its journey in May ex-NGC (New Guwahati Yard) to Kalyan (Maharashtra). PCET is a unique arrangement where even very small quantity of goods can be easily booked to destinations. The train runs on a definite path, is accorded top most operational priority and rates are cheaper than other modes.

One Asia, Unity in Diversity

The Asian Shipowners' Association held its 27th Annual General Meeting in Hong Kong, China, hosted by the Hong Kong Shipowners Association. Jack Hsu, the 27th ASA President, welcomed delegates of member associations and called members to proactively work together to take a leading role in international maritime matters affecting Asian shipowners. Key discussions included: protection of seafarers in abandonment, complying with 2020 Sulphur cap, need to respect and maintain international conventions, need to uphold free trade and enactment of Hong Kong Convention.


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6 sept Offshore Dialogue
6–7 sept MS&D, international conference on maritime security and defence
7 sept Maritime Career Market
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Safmarine ships 80 cryogenic tanks to US

This shipment paves the way for swifter out of gauge (OOG) cargo flow from Tamil Nadu to Charleston, USA. Under a behemoth project for Cryolor Asia Pacific, Safmarine will be delivering 80 cryogenic tanks from India to Charleston, USA by December 2018. Low availability of low bed trucks along with the height of rail over bridges has been a constant challenge in the smooth flow of OOG shipments via Kattupalli. To overcome this, Safmarine undertook a feasibility study to overcome the infrastructure hindrances posed by rail over bridges to transport OOG shipments.

Raghava Warehousing & Logistic Services branded as Exceed Logistics

Raghava Warehousing & Logistic Services Pvt Ltd and related group of companies will be branding as Exceed Logistics going forward, positioning the Hyderabad-based firm as a "Global Logistics" company. "We are now Exceed Logistics (brand of Raghava Warehousing & Logistic Services Pvt. Ltd.). This new brand identity is an important step in positioning us as a distinctively global logistic service provider that represents our vision and our forward looking initiatives," Marketing & Strategy Head of the company, Siddharth Y said.

PORTS

APM Terminals Pipavav facilitates time & cost savings through digitisation

APM Terminals Pipavav has developed an online version of Form 13 (gate-in permits issued by terminals) required for each import/export container. Known as e-form 13, it will save close to 3 million km of road trips and their associated carbon emissions each year.

Earlier at APM Terminals Pipavav, shipping lines would collect multiple documents to issue completed Form 13 for each import/export container. The truck arrived at the pre-gate waiting area and handed over the documents required to obtain Form 13 to gate in the container. The Customs House Agent then took the documents on a 14 km round trip to the shipping line's office to submit the documentation and wait for a manual Form 13. Once the trucker had Form 13, the details had to be entered in the Terminal Operating System by a pre-gate clerk. Only then could they enter the terminal.

NSICT and JNCH improve ease of doing business

The DP World-operated Nhava Sheva International Container Terminal (NSICT), in collaboration with Jawaharlal Nehru Custom House (JNCH), has become India's first terminal to introduce 'on-wheel examination and sampling' for Full Container Load (FCL) shipments under the DPD scheme. This initiative aims to reduce dwell time, save costs and improve ease of doing business at JN Port.

As part of this service, the terminal has earmarked an 'on-wheel examination and sampling' area wherein samples under the scope of the DYCC Lab Customs and Textile Committee will be drawn by the participating government agencies. This will ensure faster delivery of DPD containers needing sampling, thereby making the supply chain more efficient and lean, substantially reducing inventory cost and transportation time from the terminal to the importers' factory/warehouse.

Ennarasu Karunesan takes charge as CEO, APSEZ - Southern Ports

Ennarasu Karunesan has assumed charge as CEO - APSEZ (Southern Ports), based out of Chennai. He took over charge from G. J. Rao who played a key role for more than two years in the development of Adani Kattupalli, Adani Ennore Container Terminal and Adani Murmugao Port Terminal. Rao is moving on to take over port projects related responsibility within the Adani Group, based out of Ahmedabad.

Ennarasu, with his rich experience having served in leadership positions for more than three decades in major ports, international, multinational ports in India and abroad, will now spearhead the South Ports businesses of APSEZ Ltd, viz. Adani Kattupalli Port, Adani Ennore Container Terminal at Kamarajar Port and Adani Murmugao Port Terminal in Goa.

SHIPPING

DP World Nhava Sheva handles highest tonnage break-bulk cargo at JNPT

DP World Nhava Sheva recently handled the heaviest single-lift project cargo at JNPT. The cargo, weighing 100 metric tonnes, was loaded onto *MSC Sola* deployed under the Himalayan Express (HEX) service connecting Europe and India. It is reported that DP World Nhava Sheva is the only terminal at JNPT equipped with infrastructure to handle cargo at this scale. With this, DP World Nhava Sheva has achieved a major milestone for the heaviest-ever cargo to be loaded on a container vessel.

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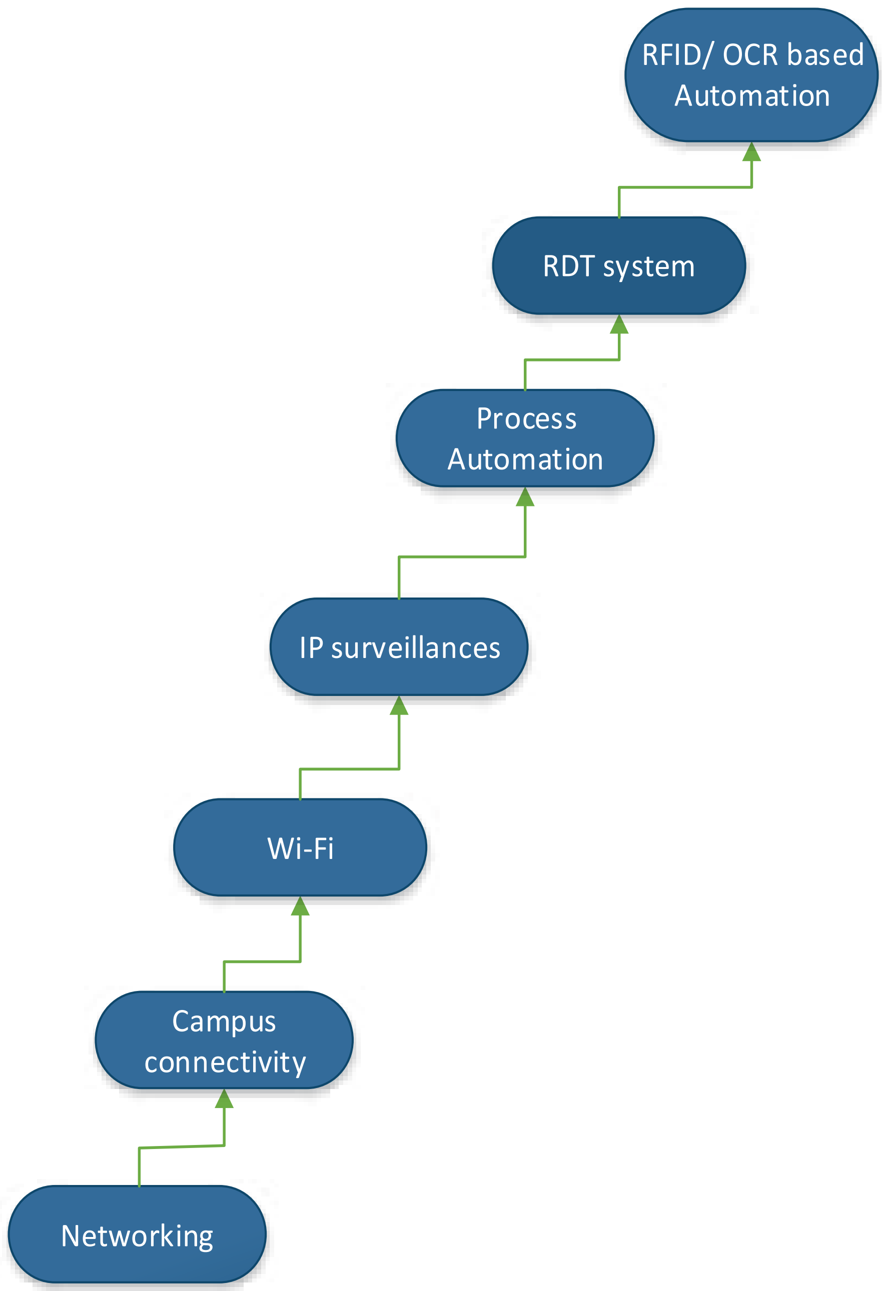

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Schenker India appoints Vishal Sharma as CEO – India & Indian Sub-continent

Schenker India Pvt Ltd announced that Vishal Sharma has been appointed as the new CEO – India and the Indian sub-continent. He will be succeeding Oliver Bohm who has taken up a new role as Europe Chief Commercial Officer after spending 20 years in the Asia Pacific region.With over 17 years of experience with Maersk, Sharma held various strategic leadership roles in Europe & Asia, and is also well versed in the 3PL and SCM Industry, where he in particular was Area CEO for India, Bangladesh & Sri Lanka of a 3PL. Apart from this, he also has a wealth of entrepreneurial experience in start-ups and business incubation.

INSA calls for use of Indian ships and ports for transshipment to Bangladesh

INSA has called upon the BIMSTEC Secretariat to promote the usage of Indian ships and Indian ports on the East Coast of India for the purpose of transhipment of Bangladesh exim cargo. “This is a win-win situation for all concerned, Indian ports will benefit through increased traffic and the Bangladesh box trade will be connected faster and at a cheaper cost,” said Capt. Vivek Kumar Singh, MD, Shreyas Shipping.

India’s first FSRU based LNG Terminal at JSW Jaigarh Port

H-Energy Gateway Private Ltd launched India’s first Floating Storage Re-gasification Unit (FSRU) based LNG terminal at JSW Jaigarh Port in Ratnagiri District. The LNG terminal was inaugurated by the Hon. Chief Minister of Maharashtra, Devendra Fadnavis. H-Energy's LNG Terminal is developed in accordance with world-class engineering and safety standards with an annual capacity of 4 MMTPA. It is scheduled for commercial operations by Q4 2018 and will be capable of reloading LNG into other vessels.

The LNG terminal will offer storage, re-gasification, re-loading, fuel bunkering and truck loading facilities to cater to the growing energy demand of Indian industries. When operational, the re-gasified LNG will be supplied to customers, through a 60-km tie-in pipeline which shall be connected to national gas grids at Dabhol.

Commenting on the inauguration event, Capt. BVJK Sharma, Joint Managing Director & CEO, JSW Infrastructure said, “JSW’s collaboration with H-Energy and the launch of India’s first FSRU-based LNG Terminal reiterates our commitment to enable development of state-of-the-art maritime infrastructure facilities in India. In the near future, Jaigarh Port is getting ready for a giant leap to handle 80 MTPA of cargo and is aiming for direct berthing of next generation vessels i.e. largest dry bulk carrier (Vale Max), LNG carrier (Q-Max), largest container vessels (EEE Series) and very large crude carriers. This LNG terminal will enable development of local port-based industries in Maharashtra region.”

Niranjan Hiranandani, Chairman, Hiranandani Group congratulated everyone and expressing his views said, “Setting up India’s first FSRU is an honour for our company. We are pleased that the first of our LNG ventures is getting completed on schedule; we also continue to work on our other projects at a steady pace. We would like to reiterate our commitment towards creating infrastructure that will help improve the lives of the people.”

Speaking on the occasion, Darshan Hiranandani, MD & CEO, H-Energy said, “We are happy to see our vision turning into reality. Inaugurating the first FSRU project and Jetty infrastructure is a key milestone towards completion of this LNG terminal project. The FSRU-led approach will usher a sectoral change in terms of reducing the time taken for commissioning such re-gasification projects. This project enables H-Energy to become a large scale provider of natural gas to India, a much desired green fuel. My sincere thanks to Government of Maharashtra, Ministry of Petroleum and Natural Gas, Ministry of Shipping and the Petroleum and Natural Gas Regulatory Board, for their continued help and guidance. I also congratulate my team on the dedication and hard work put in to achieve such a feat.”

NEW ERA IN TRANSSHIPMENT

The new law on transshipment of Indian EXIM containers is going to have a long lasting impact in boosting transshipment at Indian ports and reducing overall freight forwarding cost for exporters and importers

by Sisir Pradhan

In a bid to check outflow of Indian EXIM cargo to foreign ports and to boost transshipment at Indian ports, the government has declared new policy giving relaxation for coastal movement of EXIM transshipment containers and empties on foreign carriers. A notification released on May 21 by ministry of shipping states that it is necessary to put in place effective policy measures to reduce and eliminate transshipment of Indian EXIM containers through foreign ports and to reduce cost of repositioning of empty containers.

Earlier as per sub-section (1) of Section 407 of Merchant Shipping Act, 1958 foreign container lines were restricted from moving tranship EXIM containers or empties from an Indian port to another. A special license issued by DG Shipping was needed by a foreign carrier to load empty or loaded container. Due to which EXIM containers largely transshipped through foreign ports. Over the years containerized EXIM cargo movement grew in volume but at the same time the imbalance in India's merchandise trade remains prevalent as a result there has been disparity in availability of empty containers at Indian ports. It requires repositioning of empty containers between Indian ports as per requirement at a competitive rate to keep overall freight costs low for exporters and importers.

However, as per the latest notification the restrictions under sub-section (1) of Section 407 of Merchant Shipping Act, 1958 on foreign container carriers is abolished if they are fully or partly engaged in transportation of empty or loaded exim containers meant for transshipment. Meanwhile, the foreign carriers availing the relaxation will have to adhere to the guidelines that the loaded containers should be consigned through Bill of Lading to or from a port outside India for the purpose of transshipment at an Indian port. Also the laden containers are loaded or unloaded at an Indian port for transshipment purpose. Additionally the loaded containers should be covered by the arrival or departure manifest for transshipment.

Deepak Tewari
MD
MSC Agency India Pvt Ltd

"it brings competition within the exim feedering trade around the Indian coast, which will drop the feedering rates. Secondly, this will encourage use of Indian ports for aggregation and transhipment."

Julian Bevis
Senior Director
Group Relations
Maersk South Asia

"it brings greater competition to the feeder market, benefitting exim. Indian ports can compete for container traffic currently handled in regional hub ports."

Vinita Venkatesh
Director
Krishnapatnam Port
Container Terminal

"It will induce higher cargo throughput at Indian ports. KPCT is well equipped with large land area, deep draft, high speed operations and competitive tariff to service the requirements of the transhipment cargo of both the Indian flag as well as the foreign flag carriers."

Meanwhile in a dynamic international business scenario where international shipping tariff is highly competitive, in order to achieve better economies of scale, container business has rapidly evolved from point-to-point to hub-and-spoke model. Such a model has not fully evolved in India and this has resulted in almost 33 per cent of Indian container cargo getting transshipped at foreign ports. The latest decision will further pave way for growth of transshipment hub ports in India as a result it will help in reducing logistics cost for shippers and plug loss of foreign exchange to overseas ports. The ease of movement for foreign carriers will not only help growth of India's very own transshipment hub ports, but it will also lead to higher competition amongst shipping lines.

Sensing a change in cabotage law Indian fleet operators had already threated to dump local registration. While the government has been encouraging coastal shipping that prompted domestic operators like Shreyas to invest heavily to add capacity will now have to compete with foreign lines that have cost advantages owing to tax and other benefits. It is to be seen what will be the next course of action by Indian vessel owners, and will foreign carriers invest enough in Indian shipping industry to improve the situation. Industry pundits opine improvement in cargo volume will attract much needed investment in shipping fleet, if so it will be a win-win situation for the sector. mg

All Roads lead to Dhaka

South Asia Maritime and Logistics Forum 2018 curtain raiser event was held in Dhaka among guests from ministry, trade associations and industry.

Government representatives, trade associations and industry leaders in South Asian maritime sector will head to Dhaka in October as the Capital city of Bangladesh will be hosting the 2nd edition of South Asia Maritime and Logistics Forum (SAMLF) on October 9-10, 2018. The forum is being organized by Maritime Gateway and CIMC Events in association with Ministry of Shipping, Government of Bangladesh.

SAMLF aims to bring together governments, trade associations and industries in South Asian region in contact with leading business enterprises from Europe, Middle East and South East Asia and beyond. Last year, the debut edition of SAMLF was held in Mumbai, where for the first time, all the countries in South Asia came together to see how they can all work jointly as a region that is shaping up to be a driver of economic growth, trade and market expansion for the entire world, and in the process creates bigger opportunities for the entire region.

In a bid to reach out to the trade in each member country of South Asia, the annual summit is planned to be organized in a different country each year. The first edition of SAMLF was hosted in India with the support of Minister of Shipping, Govt of India. Considering the huge response received by the debut event and given the immense maritime and EXIM trade potential of Bangladesh, the Ministry of Shipping, Government of Bangladesh has come forward to host the 2018 edition of SAMLF.

This forum will play a key role in bringing deep insights into maritime infrastructure, focus on investment opportunities and bring meaningful relationships to the table. It will explore opportunities, find solutions for the existing challenges, share best practices and identify ways to collaborate. This forum will provide each of the South Asian countries with an opportunity to market collectively as well as individually. New business and investment opportunities in the region and respective countries can be promoted to a global audience.

The changing face of Bangladesh beckons rising opportunities for logistics industry. It's time that global players and investors in international trade, shipping, logistics and infrastructure development look at Bangladesh anew and make deeper inroad to this emerging land. Transformative developments are underway within Bangladesh, focusing on the development of the local economy. All these promise significant positive yield to most. mg

Mahbubul Anam
President
Bangladesh Freight Forwarders Association

"There should be a strong focus on developing economic and diplomatic ties between south Asian countries in terms of maritime and logistics. Increased trade in South Asia will help to pave the way for maritime development within the region."

Md. Abdus Samad
Secretary Shipping
Ministry of Shipping, People's Republic of Bangladesh

"For connectivity to China, Asia and Middle East we have the Silk route. We are well connected to Europe and have some connectivity to India and Sri Lanka as well. But we need to build direct connectivity with Nepal and other neighbours."

H.E.M Riaz Hamidullah
High Commissioner
Bangladesh High Commission to Sri Lanka

"It is not just about connecting physical infrastructure, the bigger point is to connect the bilateral FTAs and regional frameworks to promote increased trade among the countries in the region, while bringing down the logistics cost."

NEPAL

Infrastructure Development Bank to be established

Nepal Rastra Bank issued a Letter of Intent to Emerging Nepal to establish Infrastructure Development Bank (IDB) which will focus on financing mega infrastructure projects. The IDB will be Nepal's first infrastructure bank. It has nearly 40 promoters. NRB gave the go-ahead in principle after the IDB deposited 50 per cent of its ₹20 billion paid-up capital. This allows it to proceed with setting up the infrastructure. The IDB is expected to start operations in six months.

INDONESIA

Logistics woes of Indonesia

Indonesia's logistics sector is under the microscope, with companies from countries around the world trying to solve its 'unique' delivery issues. The market is forecast to grow from about $7 billion in 2017 to $63 billion by 2027. The World Bank claims logistical costs take about 25 per cent of Indonesia's gross domestic product because of bottlenecks in supply chains, long dwelling times in ports and lengthy trade clearances as well as delivery challenges. Despite that, Morgan Stanley says delivery times of all types across Indonesia are down to about three days from 10 days, while deliveries in big cities can take 24 hours or less

MYANMAR

Singapore tops investment in Thilawa SEZ

Till late April, the total investments of 17 countries in Thilawa Special Economic Zone reached over $1.374 billion, with Singapore topping the list with over $503 million, followed by Japan with $425.54 million and Thailand, with $151.80 million occupying the top three positions. More than 57 per cent of the first phase of a 101-hector project in Zone-B of Thilawa Special Economic Zone has been rent out to investors. The construction of Zone-B has started and the Thilawa SEZ management committee has granted permits to seven companies for Zone-B. The opening of the first phase of Zone-B project (101 hectors) was held on February 24, 2017. The project is expected to complete in mid-2018.

AFGHANISTAN

US sanctions on Iran threaten Afghan trade

US President Donald Trump's decision to pull out of the Iran nuclear accord and re-impose sanctions on Tehran threatens to derail a project to help build Afghanistan's economy. The Chabahar Port Complex is being developed as part of a new transportation corridor for land-locked Afghanistan that could potentially open the way for millions of dollars in trade and cut its dependence on Pakistan. But Trump's decision to re-impose sanctions on Iran and penalize financial institutions for doing business with Tehran is clouding Chabahar's viability as banks are nervous they could be hit with crippling penalties and are pulling back from financing.

BANGLADESH

Need to diversify jute export market

Bangladesh has to diversify jute export destinations to expedite growth of this vital sector. Fearing a setback in Bangladesh's exports of jute to India, a major destination of the items, it has planned to launch a campaign to explore newer markets for jute products in other countries including Africa and Australia. Bangladesh may face huge economic loss as India recently imposed an anti-dumping law against import of jute from Bangladesh. For jute yarn, Bangladeshi exporters face anti-dumping duties between $19 and $162 per tonne, while the amount is $352 for per tonne of jute Hessian, and amount between $125 and $139 for each tone of jute bags.

SRI LANKA

India remains Sri Lanka's major trading partner

Sri Lanka's exports surpassed $1 billion for the fifth time in 2017, propped up by apparel which topped $5 billion and considerable growth of 42 per cent in seafood. India remained Sri Lanka's major trading partner last year, followed by China and the US – all these three countries contributed to around 40 per cent of total trade with island nation. Trade between Sri Lanka and India surpassed $5 billion in value in 2017 recording a share of 16.1 per cent of the country's external trade. Trade with China and the US exceeded $4 billion and $3 billion respectively during the same period. In addition trade with countries like UAE, Singapore, the UK and Japan exceeded $1 billion.

MALAYSIA

DHL invests RM11m in Johor logistics centre

DHL Express (M) Sdn Bhd will invest RM11 million for its gateway and service centre in Johor to boost its logistics capabilities in Malaysia and support global needs. The company said the Southern Malaysia Gateway will be purpose-built to meet the growing demand of Malaysia's logistics sector, especially within the southern region. It will serve as a gateway and service centre for the import and export of shipments between Southern Malaysia and the world, while facilitating customer pickups and deliveries within Johor. Construction of the logistics centre is to start this year and it will comprise a 50,000 sq ft warehouse. The facility is scheduled to be completed by the first quarter of next year.

Transworld Group Singapore celebrates entering into 20th year of operations

The Transworld Group Singapore held a strategy meeting and trade get-together in March at the Radisson Resort Temple Bay near Chennai, to mark the group's entry into its 20th year of operations. Themed "Springing onto the 20th year," it saw the participation of group heads and employees from all over India and abroad as well as representatives from the group's key customers and associates.

One of the highlights of the strategy meet was the felicitation of key employees, with Mahesh Sivaswamy, Chairman and CEO of Transworld Group Singapore and his wife Ms Mala, Director of the Group, presenting "Pillar of Strength" trophies to important personnel for their contribution to the growth and success of the group over the years.

The strategy meet assessed the performance of the group in the year gone by and discussed and finalised future plans. The main Transworld Group companies are Liberty Navigation, Orient Express Lines, BLPL Singapore, Transworld GLS, Providence Ship Management and TG Terminals.

Addressing the gala trade get-together in Chennai, Mahesh Sivaswamy reminisced about the group's humble beginning nearly two decades ago with a feeder service connecting South-East Asia and the Indian subcontinent, to the commencement of its first CFS at Dadri and foray into verticals like ship management, among others. It was highlighted that the group today has pan India presence as well as operations in the wider Indian Subcontinent, South-East Asia and the Far East.

Timothy Sun, Center Director Chennai, North and South Asia Group Enterprise Singapore, too graced the occasion. He described Transworld group Singapore as one of singapore's leading companies, which will continue on the growth path.

The group has been bestowed with Singapore's prestigious enterprise 50 award, given to the country's top companies, five years in a row, it was highlighted.

IRAN

China launches new Iran train route

China has sent an inaugural train to Iran carrying 1,150 tonnes of sunflower seeds. The freight train connects China's northern regions to Tehran and offers vital connectivity for trade between the countries. The freight train would take cargoes from Bayannur in the Inner Mongolia Autonomous Region to Tehran. It would travel a distance of around 8,000 kilometers through Kazakhstan and Turkmenistan and would arrive in Iran within two weeks.

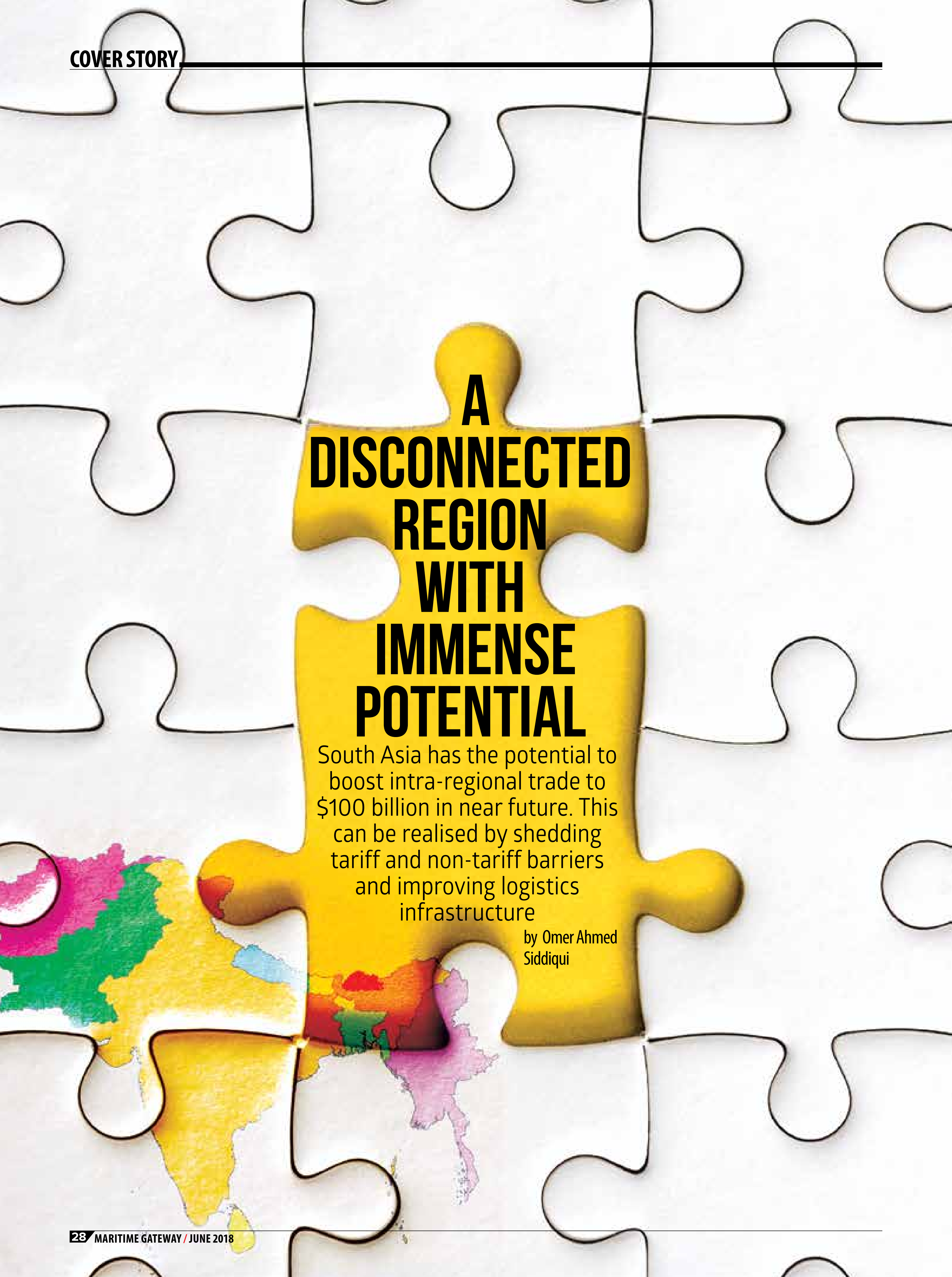
PAKISTAN

Logistics parks in China-Pakistan SEZ

Sindh Board of Investment (SBI) and National Logistics Cell (NLC) have signed a MoU to create a logistics park within the proposed China-Pakistan SEZ in Dhabeji-Thatta. The Dhabeji SEZ is spread over 1,000 acres and is located 55kms outside Karachi. Chemicals, pharmaceuticals, garments and steel enterprises from China have expressed interest to invest in the SEZ. Economic activity at the zone would create output worth $2billion.

WISTA Singapore celebrates 20th anniversary

More than 100 senior professionals from the shipping and related industries gathered on 10 May 2018 to mark the 20th anniversary of WISTA in Singapore. Themed "Unlocking Asia – Opportunities and Threats," the conference took place at the historic Hotel Fort Canning and focused on significant issues impacting ports and terminals, cyber security and Belt and Road Initiatives. The guest of honour at the conference was Ms Tan Beng Tee, the Assistant Chief Executive (Development) of Maritime and Port Authority of Singapore (MPA), who gave the keynote address. Tan said: "The theme of today's conference is relevant, as the centre of economic gravity increasingly shifts towards Asia. The industry is also seeing unprecedented consolidation within the liner segment, greater emphasis on technology and new business models being formulated." Participants also heard from an impressive line-up of speakers including Lim Sim Keat, Managing Director (Transport Logistics) of IMC Industrial Group, Vivian Ang, Partner of Allen & Gledhill LLP and Karin Orsel, CEO of MF Shipping Group. The conference concluded with an insightful and interactive panel with input from successful "role model" women in the maritime industry discussing how they got to be where they are, the challenges they face as well as the outlook for the industry and the role women must play in future.



A DISCONNECTED REGION WITH IMMENSE POTENTIAL

South Asia has the potential to boost intra-regional trade to $100 billion in near future. This can be realised by shedding tariff and non-tariff barriers and improving logistics infrastructure

by Omer Ahmed Siddiqui

Almost 30 years ago the South Asian Association for Regional Cooperation (SAARC) was formed to bring together the South Asian nations, but South Asia still remains the least integrated regions in the world. A strong evidence to support this fact is that the intra-regional trade among the South Asian countries is just 4-5 per cent ($28 billion) of their total trade with the world. Less than 4 per cent of the FDI in each of the South Asian countries is from the member countries in the region. Currently, 95 per cent of India's FDI goes to markets well beyond South Asia. While some countries like Nepal, Bangladesh and Sri Lanka have received a reasonable level of Indian investments, these are insignificant in relation to the large volumes invested outside South Asia by Indian firms.

South Asia is one of the fastest growing regional economies with a potential for intra-regional trade to peg at $100 billion in the coming 1-2 years. At an impressive 6.7 per cent year-on-year growth in GDP in 2016, it outstripped East Asia, which notched at 6.3 per cent. Notwithstanding sub-regional variation, most countries have registered growth, Bhutan, Bangladesh and India being the fastest growing economies.

The current trade scenario in the region is rather polarised with South Asian countries trading more with China than with each other. Enhanced trade in the region is constrained by a number of factors including tariff and non-tariff barriers, weak infrastructure, poor awareness among stakeholders, a lack of political will, and low levels of investment. Though tariffs continue to be reduced bilaterally, regionally, and even globally, the burden of non-tariff barriers remains a serious challenge in South Asia.

South Asia has one of the most restrictive trade regimes of any region, with relatively high and dispersed tariff rates, and this keeps overall trade volumes lower than they would have been otherwise. Tariff rates range between 5-50 per cent among the countries.

Key challenges to integration among South Asian nations

High costs of trading within the region: A key obstacle to regional trade is the high cost (it currently costs more to trade within South Asia than with countries in Latin America). Poor trade and transport infrastructure and restrictive rules and regulations for border trade are key reasons for high trading costs and resultant low levels of trade in South Asia.

Absence of a Regional Value Chain (RVC): A major reason why the region has not kept up with the rest of the world in terms of regional and global trade is the lack of a RVC network. The absence of value chains has prevented the region from generating stronger gains in terms of exports and employment generation.

Regional value chains (RVCs) can play an important step towards fulfilling the untapped intra-regional trade potential of South Asia. The region should first target the formation of an RVC and then aim for linking up to a Global Value Chain.

Non-tariff barriers (NTBs): The presence of non-tariff barriers in South Asia decreases trade by nearly 8 per cent and if NTBs and tariffs were to be removed altogether, intra-regional trade may increase by 12 per cent. There are primarily three types of NTBs; first, export barriers which include export subsidies, prohibitions, and quotas; second, import barriers which include import licensing, import bans and customs procedures; third, rules and regulations, like restrictive product standards, quality specifications, and labor and environmental standards, etc. In South Asia, most of the concerns center around the last category.

Lack of intra-regional Foreign Direct Investment (FDI): Trade and investment go hand in hand. While there are general constraints to investment in South Asia, there are also non-economic undertones that restrict intra-regional investment, which have held back major as well as small and medium size companies from investing in the region.

While FDI inflows to South Asia increased from $36 billion in 2013 to $50 billion in 2015, it is significantly less compared to East and Southeast Asia where these numbers stand at $350 billion and $448 billion for 2013 and 2015, respectively. South Asia's share in world FDI inflows in 2015 stood at a meagre 2.9 per cent whereas East and Southeast Asia attracted 25 per cent of world FDI flows.

Regulatory and other constraints: These constraints include licensing requirements, visa procedures and other regulations.

There is large trade potential in products included in the sensitive lists of South Asian countries – this is the reason why they have been protected. Hence, to be meaningful, the sensitive lists would need to be reduced as a priority, in a phased and time-bound manner.

Logistics challenges

Due to lack of integration of the transport system in South Asia, the logistic costs are very high and ranges between 13–14 per cent of GDP, compared to 8 per cent in USA. This means that the region has not been able to use its proximity advantage to create regional value chains or regionally-based platforms for exports.

Bureaucratic challenges and excessive paperwork make cross-border trading cumbersome. Vineet Agarwal, Joint Managing Director, Transport Corporation of India (TCI) points at time-consuming document verification process and security checks at the border and too many restrictions for trucks crossing the border. For instance, it takes 21 days for processing of documents for movement of cross border trade between India and Bangladesh through the Benapole-Petrapole border. Further, it takes 35 days for a container to go from Delhi to Dhaka because it has to go via Colombo or even Singapore whereas it can reach in five days if there is direct connectivity between New Delhi and Dhaka through rail.

"South Asian countries need to find a way for free transportation of goods across borders. Trans-shipment is not available at the borders and drivers lack facilities and support. The best possible way to overcome this challenge is by creating a regional rail network," opines Vineet.

Trade also has to pay the price for border conflicts among the countries that complicate logistics. Goods move from Lahore to Dhaka via a 7,200 km sea route that circumvents India, whereas they could be moved by land over a 2,300 km stretch cutting across India, thereby reducing cost and time of trade.

Swarnim Wagle, Former Vice Chairman of the National Planning Commission, Government of Nepal says, intra-regional trade and investments will grow if the governments pro-actively promote FDI, regional connectivity, regional value chains, and demonstrate openness to experiment. He called on South Asian countries to adopt 'Make in South Asia' initiative. Focusing on regional connectivity, Nitin Gadkari, Minister for Road Transport, Highways and Shipping had recently announced plans for setting up of two subsidiaries of NHAI - NHAI Express Highways and NHAI International. NHAI International would execute projects in Sri Lanka, Nepal, Bangladesh, Iran and African nations.

Need to facilitate trade

Lack of economic integration in South Asia is due to lack of progress in trade facilitation measures (customs, transport, checkpoint procedures, logistical bottlenecks etc.). Particular focus should be given to easing trade through existing land routes and opening new routes. A recent study reveals that under an India-Bangladesh FTA and improved connectivity between the two countries, Bangladesh's exports to India would increase by almost 300 per cent.

High transport costs are one of the major reasons holding back economic cooperation in the region – it currently costs more to trade within the region than with Latin America. During 2006-14, South Asian import costs rose more than 50 per cent for all countries except for India, where the cost of imports declined. Similarly, export costs rose for all countries except Pakistan and Sri Lanka. The landlocked countries (Afghanistan, Bhutan, and Nepal) face the highest trade costs in the region. There is also increasing divergence in trade costs among South Asian countries.

The region can reduce trade costs through four elements of trade facilitation: (i) simplification and harmonisation of rules and procedures; (ii) modernisation and harmonisation of trade compliance systems; (iii) harmonised standards; and (iv) monitoring trade costs through institutional mechanisms.

Joint border posts with neighbouring countries where customs and other clearance functions of both countries are co-located in the same facility need to be established. This will allow joint clearances or enable mutual recognition of clearances conducted by the other country, and allow data to be shared across the border avoiding duplication.

Develop economic corridors

The most obvious and important corridor that can be developed is the SAARC Road Corridor 1, going from Lahore, Delhi, Lucknow, Kolkata, Dhaka to Akhaura/Agartala. This corridor encompasses the heaviest economic activity in the region.

Promote Services Trade

South Asia has a vibrant services sector that contributes to more than 50 per cent of the region's GDP, and is growing faster than manufacturing and agriculture. Yet, trade in services remains very low. To redress this, SAARC formed the SAARC Agreement on Trade and Services (SATIS), which came into effect in 2012.

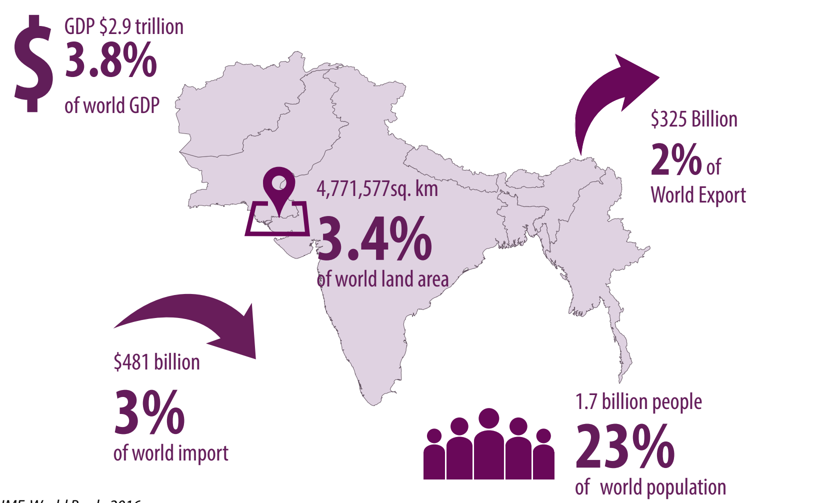
India taking the lead

India's trade and business relationship with its immediate South Asian neighbours is enjoying a period of revival, in large part due to the endorsement by the Modi government's 'Neighbourhood First' policy. Since 2014, the Indian government has announced several massive infrastructure projects in the north eastern border states. These projects will improve transport and logistics for traders and businesses in the region.

Indo-Bangla trade

Bangladesh plays a key role in India's sub-regional connectivity plans, which include the Bangladesh, Bhutan, India and Nepal (BBIN) Motor

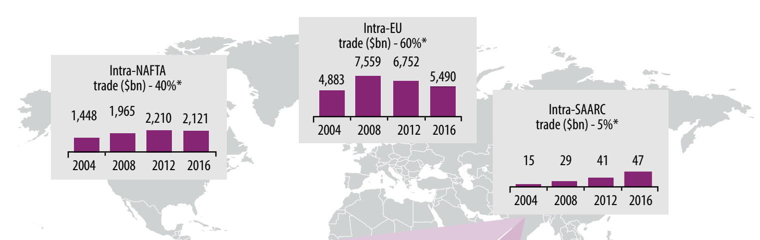
SOUTH ASIA OVERVIEW



Source: IMF, World Bank, 2016

INTRA REGIONAL TRADE

Intra-regional trade in South Asia has remained below 5% of the global trade whereas intra-regional trade within other major regional trading arrangements have achieved very high share of their global trade. In South Asia, small countries like Nepal and Bhutan are mostly dependent on their neighbours for both imports and exports. Large economies like India and Pakistan are more dependent on countries outside the region.



Country	Export market	Import source
Afghanistan	84%	21%
Bangladesh	3%	15%
Bhutan	99%	91%
India	6%	1%
Maldives	11%	20%
Nepal	60%	71%
Pakistan	12%	5%
Sri Lanka	10%	24%

* Share of Intra-regional trade in global trade

Source: Uncomtrade & IMF

Vehicles Agreement (MVA). Bilateral trade between India and Bangladesh accounted for $7 billion in 2016-17. The two countries have signed a bilateral trade agreement, which is renewed every five years.

Bangladesh has excellent rail connectivity with India at 5 locations: Ranaghat – Dhaka; Bongaon – Khulna; Old Malda – Ishurdih; Barsoi – Parbatipur; Karimgunj – Kulaura. Planning is in progress for rail connectivity at Badarpur and Bhairab. Dhaka-Ishurdih-Darsana-Gede is a main trans-Asia route that can be extended beyond Dhaka to Imphal.

India's main exports to Bangladesh include food and processed items, intermediate goods, textiles, small machinery and consumer goods. Under SAFTA, India provides Bangladesh with duty free access for all goods, except tobacco and alcohol. Bangladesh offers preferential tariffs to Indian traders, except for the 993 items on its sensitive list. The Protocol on Inland Waterways Trade and Transit (PIWTT) permits the movement of goods at eight specific points in the river system shared between India and Bangladesh. The Coastal Shipping Agreement enables direct sea movement of cargo between ports in the two countries, reducing shipping times from 40 days to just 5 days.

India-Bhutan trade

Both the countries enjoy a free trade regime since 2006, which was renewed again in 2017. Through the India-Bhutan Trade and Transit Agreement, India allows duty free transit of Bhutanese goods to third countries. However, Bhutan does not allow tariff concessions for about 150 items on its sensitive list under SAFTA. India imports about 82 per cent of Bhutan's total exports. Electricity constitutes one-third of Bhutan's exports to India. Bhutan also exports minerals such as ferro-silica, cement, and dolomite.

Bhutan has no rail connectivity. Nearest rail head is 18km away from its border point in India at Hashimara, from where both bilateral and third-country cargo is transhipped for road carriage via Jaigon-Phuentsholing border post till Thimpu. Current movements are road based between Kolkata-Thimpu.

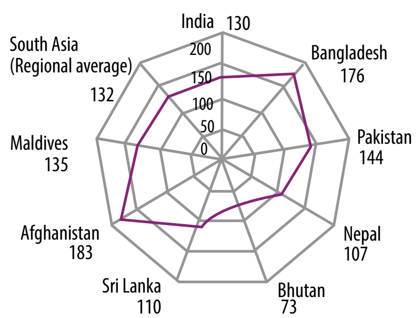
Indo-Nepal trade

The volume of bilateral trade between India and Nepal hit nearly $6 billion in 2016-17. India's main exports to Nepal include petroleum products, motor vehicles and spare parts, paddy, machinery and spare parts, medicine, electrical equipment, cement and agricultural equipment. Nepal's main exports to India include fruit concentrate, oil cakes, jute goods, handicrafts, noodles, wool and spices.

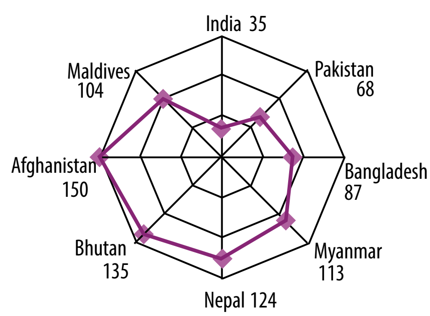
Nepal's small enterprises enjoy similar benefits as Indian SME products. Under SAFTA, Nepal does not allow tariff concessions for about 1,295 items on its sensitive list. The two countries signed a Power Trade Agreement (PTA) in 2014 with the aim of strengthening cross-border electricity transmission, grid connectivity, and power trade.

Nepal has rail connectivity with India at two locations – Kolkata-Birgunj and Jayanagar-Janakpur. Nepal has 5 dry ports of which only Birgunj is rail connected, while Biratnagar, Bhairahawa and Kakarbhitta are connected by road.

EASE OF DOING BUSINESS RANKING - SOUTH ASIA



LPI RANKING - SOUTH ASIA



Indo-Pak trade

India and Pakistan make up 90 per cent of South Asia's GDP, more than 80 per cent of the region's intra-regional trade and 86 per cent of the population. Even though India's trade with Pakistan is less than half a per cent of its total trade and Pakistan's trade with India is about five per cent of its total trade, the potential is much higher. Various studies indicate that trade can increase by 10-27 times of the current level of $2.6 billion. Both trade policy as well as trade facilitation measures are needed in order to realise this potential. Pakistan has 13 dry ports most of which are rail connected.

Trade between the countries primarily occurs on land. Pakistan does not allow tariff concessions for 936 items on its sensitive list.

Informal trade between India and Pakistan is at $250 million to $4 billion. The main import items from India that come through informal channels are cloth, tires, pharmaceuticals, textile machinery, while Pakistan's informal exports mostly include textiles. Most of this informal trade happens through third countries, i.e., Singapore, UAE, Iran and Afghanistan.

Lack of transit facility

There is also need for countries (India and Pakistan) to allow transit of goods. Due to the lack of transit, India's exports to Afghanistan and Pakistan's exports to Bangladesh and Nepal are very costly. The WTO Bali Package (2013) contains provisions that require countries to provide transit facilities to other countries. Under the agreement, countries including India and Pakistan would have to provide seamless transit facilities to each other. This would benefit both countries as India would gains access to Afghanistan and central Asia, whereas Pakistan gains access to Bangladesh, Bhutan and Nepal.

India-Sri Lanka trade

India is one of Sri Lanka's biggest trading partners. In 2016-17, bilateral trade between the two countries stood at $4.65 billion. The India-Sri Lanka Free Trade Agreement came into effect in 2000. However, while Sri Lankan exports to India have greatly benefited from the FTA (by about 70 per cent), Indian imports remain mostly outside the agreement. Further, under SAFTA, Sri Lanka does not allow tariff concessions for about 1,042 items on its sensitive list.

Mahesh Sivaswamy, Chairman & CEO, Transworld Group Singapore

Expanding on the land side

Mahesh Sivaswamy, Chairman & CEO, Transworld Group Singapore, details on the shipping line's strategy to expand into land side operations, more so into warehousing and cold chain

Q How has been the business last year?

A Business has been good last year and we added four ships to our fleet. This expansion has helped us to keep our costs under check. Compared to the previous years, the cost kept on escalating in the last year and somehow we have maintained the balance. This is in particular to OEL, while other companies have done fairly well.

The growth on the east coast is faster than on the west coast. We are putting in a lot of containers and ships covering the east coast and connecting to Myanmar, Bangladesh and South East Asia. There is also a lot of growth happening in the North East. In fact we are starting our own CFS in Kolkata to be operational by July this year.

Q Will you be further moving into land side operations?

A We will be doing so on pan India basis. Starting from Dadri about 15 years ago, we extended into Mundra, Nhava Sheva and in fact very close to JNPCT. We are also working in Tuticorin and very soon we will be opening in Kolkata. In Nepal we have a joint venture with Concor. In Chennai we have 17 acres of land which we have preserved for future opportunities. There is lot of warehousing and cold storage opportunity coming up in Chennai. Work is in progress for developing cold storage facility in Chennai. On pan India basis we will be moving into cold storage operations. We have also forayed into 3PL, which is another major initiative.

Q What is your take on Bangladesh?

A If we look at the past decade, the country had slow growth but is progressive. Initially all the cargo movement used to happen through Singapore, then Port Klang was the addition there. In the last 8-10 years we are seeing cargo moving via Colombo as well. Volumes are growing and the garments manufactured in Bangladesh are largely made for companies in the US and Europe. This industry per se has been growing very substantially. China has gradually become expensive and even Tirupur cannot match Bangladesh when it comes to supplying cheap garments. OEL has very large services connecting Singapore, Port Klang and Colombo. We are the largest operator for trade in and out of Bangladesh.

Q How are the other countries – Myanmar, Vietnam shaping up?

A These are also strong economies on the east. In the past 4-5 years we have found the need to open our own offices as "Transworld GLS" in all these countries. We are present in China, in Vietnam we operate from two offices (Hi fong and Oh Chi Minh), we are also present in Thailand and in Vienna we are present for the past 16 years now. We have three offices each in Malaysia and Indonesia. We are present in Singapore as well and in India we have 26 offices. In Myanmar we are growing on the land side as well. In Vietnam we have a very big facility in Hi Fong. We are currently operating through a network across 10 countries.

Q How do you see the general economy and container growth happening?

A Since the end of last year, the freight rates have been taking a beating. There were expectations that after the Chinese New Year, things would turn around, but it doesn't seem to be the case. The ships coming out of China are not moving full load which is why the rates are going down. And I don't see it quickly turning around. The point here is that costs are going up as the charter rates are going up. Bunkers have touched $400 per metric tonnes now. It's not going to be an easy sailing quarter-by-quarter. As a service provider I would say the customers have really shrunk. May be in the long-term it will be good for the shipping industry, but at this point of time it is not the case.

Do you see any effect of the sanctions imposed by US and China on each other?

A There has not been any effect particularly on us, but it could be a reason for the shrinking of cargo, which is the reason for freight rates going down. But the major impact will be on the bigger lines. Expansion on the land side will help the group to have multiple revenue areas. Particularly in India that is the way forward.

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INDO-BANGLA TRADE: ROAD MOVEMENT TAKES THE LEAD

Traditionally Petrapole-Benapole border route has been the preferred means for cargo movement. But high pilferage and long delays at border is an opportunity for coastal shipping to become an alternate gateway for the trade

by Sisir Pradhan

With the rise of Bangladesh as one of the largest manufacturers of readymade garments, and boost in construction sector due to various infrastructure projects in the country, India's trade with Bangladesh has grown rapidly during the past few years.

Bangladesh is now India's largest trade partner in South Asia with significant movement of raw materials like cotton, cement and steel from India to Bangladesh. As per estimates about 17,088,384 tonnes of goods move between the two countries, however only 0.6 per cent of these goods is moved by waterways and sea mode while roughly 91 per cent of cargo is transported by road. As a result it puts lot of load on the highways and land ports, leading to inordinate delays and congestion at the border.

Coastal shipping remains a non-starter

It has been about 3 years since India and Bangladesh signed the agreement in May 2015 to promote coastal shipping. India and Bangladesh in fact agreed upon standard operating procedure (SOP) in November 2015 to operationalize agreement on coastal shipping. As per the SOP, India and Bangladesh need to render equal treatment to each other's vessels as done to their national carriers. Though it paved the way for direct connectivity through sea route with Bangladesh bypassing ports of Colombo and Singapore, but still the coastal shipping route has failed to make a significant cargo shift from road to sea route.

One of the major flaws has been restriction on movement of third-country transshipment cargo on coastal vessels. Another reason for which the quantum of cargo has not picked up is low draft in the upper reaches of Bangladesh rivers and also because of certain non-trade barriers.

There is no significant cargo movement between sea ports of Bangladesh and India as it is not profitable for the big vessels to operate between these ports. Under such circumstances there is a need for smaller ships to provide direct connectivity between Indian sea ports and Chittagong and other ports in Bangladesh. It besides improving the connectivity will also provide competitive freight rates. The biggest impediment in commencing coastal shipping between India and Bangladesh is lack of sufficient river sea vessels.

The road advantage

Shippers despite the undue delays at land custom ports have little alternatives, and continue to show their patronage towards movement of cargo by road. Coastal shipping is beleaguered with various issues and some inherent challenges, but in case of road transport the operators have much longer experience of dealing with the trade on the route.

The over dependence of trade on the Petrapole-Benapole land border route results in delays in excess of about 20-25 days to move cargo from Kolkata to Dhaka. All the cargo on Indian side is handled by a lone warehouse run by Central Warehousing Corporation which is also operating as an integrated truck terminal. As a result the ICP is one of the busiest Land Customs Stations in Asia and handles about 70 per cent of total trade between the two countries.

Meanwhile, some of the infrastructure upgradation at the ICP has added to the popularity of the border passage. ICP Petrapole is located just about 80 kms from Kolkata. A new cargo complex commissioned in 2016 with all amenities has added to the convenience. Since the cargo is moved in open trucks, it gives the choice to shippers to place orders even in very small parcel size. Shippers also shy away to use sea ports due to various procedural

Trade Volume in Thousands

Exports	2015-2016	2016-2017	Imports	2015-2016	2016-2017
Salt, Lime and Cement	72,76,573.97	1,11,53,976.01	Salt, Lime and Cement	7,44,438.05	3,68,682.77
Iron and Steel	6,57,402.55	10,70,287.69	Yarn and Woven Fabrics	2,31,464.97	2,47,709.77
Edible Vegetables	4,42,201.74	8,98,150.21	Textile Articles and Clothing	1,16,944.58	87,579.18
Cotton	8,09,495.91	7,40,984.98	Apparel and Accessories	28,914.35	37,172.19
Other Manufacturing Articles	13,44,632.04	5,91,278.86	Organic and Inorganic Compound	40,549.72	27,797.60

Number of cargo vehicle movements through ICP Petrapole

Year	Vehicle Movement
2014-15	117526
2015-16	128995
2016-17	146706

issues and multiple handling. On the other hand open truck cargo movement leads to high pilferage. Though the trade realizes that conversion of road traffic to rail and containerized form and multi-modal transport can reduce the logistics costs but the delay at Chittagong makes clearance through the port more time consuming than Petrapole route.

Lack of adequate vessel capacity is another reason for over dependence on road. Indian vessels find it difficult to compete with Bangladesh flag vessels in freight rates because cost of shipbuilding and investment is higher in India. Since August 2017, India and Bangladesh have started round the clock customs clearing facility which has added to faster clearance at Petrapole.

The much publicized Bangladesh, Bhutan, India and Nepal (BBIN) Motor Vehicles Agreement after the trial run of cargo movement on trucks in August 2016 has so far failed to see the light of the day.

Sanjeev Kejriwal, MD, Petrapole Benapole Logistics and **Ashok Transport of India**, explaining reasons for preference of road over sea said that Petrapole is the only Customs EDI-enabled land port for cargo movement between the two countries. Hence, if a trader looks to avail any export incentive it is the only land port on offer. Additionally there is support infrastructure across the border such as availability of bonded warehouse at Benapole which makes it easy for truckers to handover cargo there and return back to India.

Similarly, it is easier for importers in Bangladesh to release cargo from the bonded warehouse at Benapole. While on the Indian side the facility can accommodate about 2,000 trucks and the customs can clear 250-350 truck per day, but there is limited bonded warehouse capacity on Bangladesh side which leads to accumulation of cargo on Indian side. But recently the Bangladesh government allowed 24/7 customs clearance and new warehouses are under construction. Despite signing of BBIN pact, Indian vehicles are not allowed to enter into Bangladesh beyond the bonded warehouse area, and Bangladesh trucks also have similar restriction. Infrastructure is under upgradation on this route and within 1-2 year about 500 vehicles would be cleared through the route leading to shorter transit time, added Kejriwal.

Citing reasons for preference of Petrapole over other routes, Mahaveer Singh, GM (Eastern Region), CJ Darcl Logistics said that for long time it has been in use for trade with Bangladesh due to which there is an established set up for most processes like Customs and other allied facilities. There is a detention cost involved in coastal shipping as a result trade prefers road movement. Moreover, there is not much awareness about coastal shipping among importers in Bangladesh. Chittagong also has long detention time. Additionally, movement through sea port involves additional processes like CFS and customs clearance etc. Apart from poor infrastructure cargo clearing agents at the border are hurdle to the trade.

In the coming decade sea trade is likely to take away 20-25 per cent of cargo load. And in the long run most of the cargo will shift to sea.

India's trade with Bangladesh has grown to $7,521.79 million in FY2016-17. As a result it has created pressure on Petrapole border which is choking further trade growth. While the trade is bit hesitant to move out of the tried and tested route and at the same time exporters are also keen to explore sea route if it is consistent and reliable. Governments on both sides also need to ensure that processes and procedures for cargo movement by sea route should be comparative to road movement. Sea route is going to be the future for cargo movement between India and Bangladesh which will be driven by cost, time and cargo safety. mg

Mahbubul Anam, MD, Expo Group

Digitalise processes, develop Infrastructure

Mahbubul Anam, MD, Expo Group, details on the bottlenecks that delay cargo movement between India and Bangladesh, primarily among them being the tedious documentation process and lack of land-side infrastructure

by Sisir Pradhan

FY2017	By Air	By Sea	By Road	By Train	Total
Export Volume (in Tons) to India	550	30,080	876,589	20,498	907,219
Import Volume (in Tons) from India	3,450	71,648	14,686,565	1,419,502	16,181,165
Total volume (in Tons)	4,000	101,728	15,563,154	1,440,000	17,088,384

Q What is the trade happening between Bangladesh and India?

A India's exports to Bangladesh in FY2017 was $6.8 billion, a gain of 13 percent y-o-y, while two-way trade has touched $7.5 billion, up 11 per cent. Major exports from Bangladesh to India were woven garments, knitwear, home textile, agro-products, frozen food, leather and leather products, footwear, raw jute, jute goods, and bicycles, while Bangladesh imports cotton, cotton yarn, cotton fabrics, vehicles, nuclear reactor, boilers, machinery and mechanical appliances, cereals, edible vegetables, and iron and steel.

Q What are the major challenges faced by the trade in moving cargo between the two countries?

A Though it was agreed under BBIN pact that cargo trucks could move between the countries, but in reality there is a bottleneck in the process. Due to documentation delays cargo truck on India side has to wait upto 21 days which causes port congestion and delay in shipment. If the documentation process could be fully automated and integrated in a system among all partner countries, then cargo can move faster.

There is also lack of port and road infrastructure facilities. Especially in Bangladesh road infrastructure are going through major construction which will take time to be fully ready. There is lack of warehouse and equipment's to handle the shipment at the border port. For the development of waterways, inland river port is important where Bangladesh lacks in adequate number of vessels and also lags in inland port infrastructure. However, there are few companies who are coming up with investment to privately develop inland waterways.

Q Why does the trade prefer road transport, especially through the ICP at Petrapole-Benapole, despite the delays and congestion there?

A In the check post most of the cargo delay is at the Petrapole side which takes upto 21 days to get cleared. This is due to bureaucracy in documentation process on Indian side. The major hindrance in the Petrapole-Benapole port is inadequate infrastructure. There is lack of proper and enough warehouse in the land-port which is hindering the overall process. The system is also not automated and papers need to be manually processed through various points which consumes lot of time. The trader prefers road transport because other options are still not fully developed and there are some process complications. Land connectivity with India is also easy as there are lots of ports connecting to India.

Q Why coastal movement of cargo between the two countries using waterways/sea has not been so popular as projected?

A Though the costal agreement is in place but it's not successful because the agreement does not allow transshipment among the countries through waterways. There is a trade imbalance due to which the cargo vessels from India to Bangladesh come fully loaded but from Bangladesh there is not enough cargo for the vessel to India. Once the transshipment barrier is removed then cargo movement from Bangladesh to India will increase and this mode of transportation will be more viable.

There is also lack of infrastructure and adequate inland port facilities. If more public and private investment takes place in this sector then this mode will be popular. There is also need for adequate vessels to move goods between the countries.

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BANGLADESH: A TALE OF TRANSFORMING LANDSCAPE, RESILIENT PEOPLE AND EMERGING OPPORTUNITIES

KEY FACTS

- GDP of Bangladesh is currently the 44th largest globally.
- IMF finds Bangladesh's economy as the second fastest growing major economy of 2016 @ 7.1%.
- With Dhaka and Chittagong as principal financial hubs, Bangladesh's financial sector is the second largest in sub-continent.
- Bangladesh has jumped four spots to 23 in the annual ranking of the worlds' leading emerging markets.
- With over US$ 75 billion annual foreign trade, Bangladesh is an apparel industry powerhouse with US$ 30 billion+ exports.
- Improved business climate ranking, moved three notches up to 28th rank.
- In infrastructure and transport connections, moved three notches up to 44th rank.
- 2017 index further consolidates the position of Bangladesh as the emerging Asian market.

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Odisha – Unleashing its potential

"Paradeep, Kalinganagar and Bhubaneswar in due course will offer the least logistics cost in the country," affirms Sanjeev Chopra, IAS, Principal Secretary, Department of Industries, Government of Odisha, as he elaborates on the digital initiatives of the state government for ease of doing business

Sanjeev Chopra, IAS, Principal Secretary, Department of Industries, Government of Odisha

Q Having rich mineral deposits, how is Odisha leveraging on this advantage?

A One of the policies of the central government after the independence was the freight equalisation policy which mandated that the minerals produced will be available at the same price (landed price) across the country. This meant that the advantage that Odisha had in terms of its natural resources was lost, because whether you are setting up a plant in Cochin or Coimbatore, the cost of the mineral will remain the same. As a result the eastern states, particularly Odisha which has most of the mineral resources lost out in the value addition race. This policy was done away some time in the 1990s and then on Odisha has made strides ensuring value addition to the minerals that it is producing.

In other sectors as well Odisha has made progress. This state is number one in attracting manufacturing investments and also in fastest implementation of investments. The state also ranked first in the smart city challenge in 2016. Paradip is the second largest port in the state in terms of capacity. It has just handled 100 million tonnes of cargo this year and if things proceed in a progressive manner, then it will soon step up to the first position. Odisha is today the gateway on the east coast. If you are looking for trading or any activity, Odisha offers tremendous opportunities in terms of the ports in Paradip, Dhamra and upcoming port at Gopalpur which is just taken over by Shapoorji Pallonji.

Q Tell us about the economic growth in the state?

A In terms of the economic growth rate we are above the national average and as per the estimates of Dun & Bradstreet we will be growing by around 12 per cent by the year 2020-21. While we are aware that Odisha actually is home to major mineral deposits, but the fact that we are the only coastal state with such vast natural resources is not realised. Be it Jharkhand, Chhattisgarh or West Bengal, there is no state which has these kind of natural resources and also a coastline with three ports operational and another ten in the offing.

Q Each state in India today is flagging its ease of doing business initiatives to attract investments. How does Odisha fare on this parameter?

A In terms of ease of doing business we have actually focused on ground implementation. One of our portals "Goswift" which stands for Government of Odisha Single Window Investor Facilitation and Tracking, is the only portal of its kind in the country that serves all the G to B interaction or interface during the entire investment lifecycle.

When you plan to make an investment in the state, by answering a few questions it will tell you what are the incentives available and the regulations to be followed. Another application is "infowizard" which helps right from identifying the land to getting single window clearance, approvals and the entire gamut of activities that the investor would probably need to interface with the government. The entire thing is captured in one single portal that covers the entire investment lifecycle.

In terms of cost of doing business in Odisha, as compared to other states, (considering the cost of land, power tariffs, wages and cost of living) we are the most competitive in the entire country. Companies across sectors are now moving to Odisha because the cost of doing business is 10 to 20 per cent less as compared to the neighbouring states, and this creates a very compelling value proposition for them. To leverage technologies in the best possible manner we have made it a policy that investors should have minimum physical interface with the government. The investor need not approach the government for a meeting in-person unless required.

So most of the things regarding getting the approvals and clearances should happen online.

The state government has created a land bank of 1,21,000 acres of which 62,000 acres has been categorised into category A&B. Category A consists of land that is readily available for allotment with IDCO, the state government arm for infrastructure development and the balance land is reserved for industries. In addition to this land bank all the industrial clusters are mapped on a GIS based platform. This is the most comprehensive GIS-based land bank in the country where an investor can search for the most optimum location and its proximity to various services such as airport, railway lines.

In the eastern part of the country we are the education hub. I don't think there is any other state capital in the country with the type of higher educational and research institutions as those present in Bhubaneswar. For skill development, the state government has initiated "Skilling Odisha" programme and workers trained under this programme will get a premium in the job market.

Q How is the industrial development progressing in the state?

A In the past two decades there has been a flurry of industrial activities with huge plants for steel and aluminium coming up. We are now the number one producer of stainless steel and aluminium in the country. The state government is trying to go one step further and ensure that we are able to add value to the mineral ore.

A major initiative is to convert metal into downstream products for which one aluminium park is established in Angul with the help of National Aluminium Company. This is the only facility in South Asia where molten metal will be available to the industry. Similar facility is being made available by Vedanta at Jharsuguda. For stainless steel, Jindal Steel is setting up a private industrial park for downstream applications of stainless steel. Tata Steel is also planning a similar downstream park where hot metal can be made available at Kalinganagar.

The objective of these initiatives is that we should be able to add value to atleast 50 per cent of metal we are producing in the state. Then chemicals, plastics and petrochemicals is anchored by the IOCL refinery at Paradeep, as part of the petroleum, chemicals and petrochemicals investment region. Verticals on which the state government is giving more focus than others include agriculture, seafood processing, textile and apparel, electronic manufacturing and tourism.

One policy of the government that has got us very good results is to offer land to private sector and let them set up industrial clusters. Traditionally industrial estates are set up by the government, but we have a policy wherein we are inviting the private sector to set up industrial estates. The state government gives them land at a concessional rate, infrastructure such as road, water and power supply up to the gate of the park and for the internal infrastructure, the government subsidises the cost up to 50 per cent. The government also allows the 20 per cent of the allotted land to be used for residential/commercial complex, hospital and school, in order to promote the concept of walk to work.

For all these sectors we have framed supporting policies, put in place the infrastructure, human resources with the required skill set, the MSME promotions that are required are happening as well. By the year 2025 the state government plans to attract an investment of 2.5 lakh crore of investment.

While we are aware that Odisha is home to major mineral deposits, but the fact that we are the only coastal state with such vast natural resources is not realised. Be it Jharkhand, Chhattisgarh or West Bengal, there is no state which has these kind of natural resources and also a coastline with three ports operational and another ten in the offing.

Q How is the response in terms of investments?

A Out of the 92 MoUs that were signed in 2004-05, 46 have materialised, which translates into conversion of 50 per cent of MoUs into actual projects. In "Make in Odisha" event in 2016 we got 124 proposals worth ₹3.64 lakh crore. 76 of these proposals are now under implementation or at some stage of approval.

Q How is the logistics infrastructure being developed?

A Paradeep, Kalinganagar and Bhubaneswar in due course will offer the least logistics cost in the country. There are three large investment regions coming up – Kalinganagar investment region, PCPIR at Paradeep and IT investment region at Bhubaneswar. This will be part of the east coast economic corridor extending from Vizag to Kolkata. The spine of this corridor is the national highway connecting Chennai to Kolkata. The only commercially viable waterway no 5 on river Mahanadi will connect the coal belts to ports at Dhamra and Paradeep. The area between Paradeep and Dhamra is pitched as the first coastal economic zone in the country.

Concor is coming up with a container terminal at Paradeep and is also setting up an MMLP close to Jajpur. The National Aluminium Company has just inked a MoU with a Canadian company for setting up automotive grade aluminium plant. Rourkela Steel plant is producing automotive grade steel. Earlier Odisha could not attract auto manufacturers into the state, further the eastern part of the country does not has much auto manufacturing activity, so the effort is to attract auto manufacturers into this region.

Boosting green energy generation, Hindalco is setting up a solar power unit and many more are coming up in southern and western part of the state. We are also planning to come up with a defence manufacturing policy to promote defence manufacturing sector in the state. mg

On the growth curve

"Our strength lies in securing raw material supply," says V K Sinha, Chief Operating Officer, Paradeep Phosphates Ltd, as he elaborates on the company's expansion plans to increase output and secure raw material supply "

V K Sinha, Chief Operating Officer, Paradeep Phosphates Ltd

Q How the fertiliser market in India is and what do you see in the future?

A The fertiliser business in India is pretty good. It all depends on the government policies. The industry in our country is a bit regulated. Today India has more than double agricultural land as compared to China, but our consumption of fertiliser is almost one-fourth of China. Calculating our fertiliser consumption, the national average would be 136-140 kg per hectare, whereas China's consumption is about 400 kg per hectare. China's yield is three times more than ours.

If we look at the consumption pattern in the western zone (Haryana, Punjab, Rajasthan… etc) there the fertiliser consumption is much higher, as compared to the eastern zone where it is 65-68 kg per hectare.

Q In absolute terms what will be the consumption of fertilisers?

A In absolute terms 30 million tonnes of urea and 20 million tonnes of phosphatic fertiliser are consumed in India, and the rest is potash. DAP consumption is about 12 million tonnes, NPK will be 7 million tonnes. Direct application of potash is around 4 million tonnes. The growth in usage of urea is more or less stagnant.

Q How much urea do you produce?

A We produce 25 million tonnes of urea and 5-6 million tonnes is imported. Even if it is produced in our country, our gas prices are really high. We do not have natural gas which is essential for producing urea. We import LNG which costs about $275 per ton.

Q Are the phosphatic fertilisers completely produced in India or certain quantities are imported as well?

A About 30 per cent of the phosphatic fertiliser is imported. All the raw material for phosphatic fertiliser like ammonia, phosphoric acid, rock phosphate and potash are imported. So, while we are producing the fertiliser here, but we are importing the raw material. The freshness of the product is also very important, because we cannot store the raw material at the ports due to dust, moisture and other impurities that may contaminate the products.

Q What are your expansion plans?

A We acquired PPL in 2002 and at that time it was a sick unit. In 2014 we brought this company back into the black. Earlier PPL had never touched an output of 320 thousand tonnes of fertilizer. The same facility is now making 13 lakh tonnes of fertilizer. OCP had become our partner so they helped us with supply of raw material. We are in the process of increasing our capacity to reach 1.7 million tonnes by 2020. For this we have lined up an investment of ₹3200 crores in the next 3-4 years. By 2022 we have a plan to expand total capacity to 2.5 million tonnes. We have the required infrastructure in place.

Q Have you identified any location for this expansion?

A We already have the land and infrastructure development is in-progress. Shortly we will be placing order for equipment for first phase of expansion. In the next phase of expansion we are trying to make a backward integration plant for producing Ammonia. We have planned it because IOCL is located very close to us and it produces pet coke which forms the raw material for producing ammonia.

Cement companies have inked a MoU with us for jointly developing a coke gasification project. This requires a huge investment of about ₹6500-7000 crores and techno-commercial feasibility report is being prepared. This project will produce 650,000 tonnes of ammonia, which we will use completely and our ammonia imports will be reduced to zero. Only when we go for second phase of expansion we will need around 700,000 tonnes of ammonia and only then we may think of importing it.

We have our own dedicated berth and material unloading system, so our import process is streamlined.

Q Do you face any logistics challenges?

A We have our own dedicated berth and material unloading system for imports so our import process is pretty streamlined. We have a 3.5km conveyor belt and we can improve our capacity any time as requirements arise. Our strength lies in ensuring raw material supply security as this is the most important requirement for this business. mg

LOGISTICS CUSTOMIZED TO YOUR NEEDS

With a humble beginning in the eastern region, Inland World Logistics has expanded its network to pan India. Praveen Somani, Director, Strategy & New Business Development at Inland World Logistics, details on the unique and customized solutions serving changing customer demands

Praveen Somani, Director, Strategy & New Business Development at Inland World Logistics

by Omer Ahmed Siddiqui

Q How has been your business in the past year?

A We have registered 15 per cent growth during the last financial year. We have our presence in sundry, parcel loads, Full Truck Loads, ODC projects and 3PL warehousing. We have strategic plans to further increase our share in shipping segment.

Q You operate in the eastern and north eastern region for a long time. What are the challenges logistics service providers face in these regions?

A We started providing logistics services with good volumes in eastern region and currently we have Pan India presence in all segments. We have strong presence in Kolkata, Assam, Nagaland, Andaman & Nicobar and Sikkim. The challenges are infrastructure, law and order and their local administrative net connectivity with respect to speed.

Q Tell us about your warehousing operations? Which are the major commodities moving through your warehouses and what is the hinterland coverage?

A Inland is having a strong presence in Eastern region with 10 lac sqft of warehouse space and open space of 20 lac sqft. We are carrying all products ie: Textile, chemicals, FMCG, Industrial, Telecom, cables. Warehousing is a process and hence we are not restricted to commodities as we are a solution provider.

Q Please explain about your cargo consolidation operations?

A Inland World Logistics had started point-to-point services 30 years back from Pan India to Eastern region with a concept of Delhi/Kolkata – 72 hrs, Mumai/Kolkata - 96 hrs Ahmedabad/Kolkata - 92 hours. During those times, major locations to which goods moved were Kolkata and Eastern region on a daily basis. As the market evolved, we also added other routes and consolidation became a part of the strategy. We are expanding from West and Kolkata with our own customized vehicle for sundry cargo. Similarly for Guwahati, we utilize our own fleet or attached fleet and rail infra by millennium/Concor goods train for consolidated cargo movement from Gujarat and Delhi to Guwahati.

Q What type of "personalised services" do the customers demand?

A Customers expect real-time information regarding movement. Most sectors are forming core competencies by out sourcing their logistics activities from reverse logistics to last-mile delivery including redistribution. We are successfully handling the last-mile delivery in Eastern region with dedicated fleets on selected stations on milk run basis thus optimizing customer distribution cost. We are targeting to also provide MIS reports through auto mails and auto SMS and now submitting the bills digitally along with POD to support digital India, wherever customers accept electronic input.

Q What is the demand for Express Cargo service?

A Previously express cargo service was for selected time sensitive cargo. But, now-a-days scenario has changed and warehousing has become challenging for everyone - the service provider as well as the customer, with inventory/finance cost going high. E-commerce entry has redefined delivery concept, therefore now-a-days all customers are expecting their stock to be delivered in express mode in B2C. After GST, warehousing concept is also being redefined. Cargo movement pattern has changed and last mile delivery is going to be implemented through express cargo. Moreover, as per GST law, transporter or logistic service provider cannot hold goods in their warehouse for more than prescribed days as per law. Thus express cargo service will be increased and transporter warehouse will be minimized and inventory at the end customer will go up.

Q Tracking of cargo during road transportation is still an issue in India. How do you address this concern?

A Real-time tracking has become need of the industry and still transport industry is unorganized and many fleet operators are providing vehicles to logistic companies without GPS devices. These vehicles are plying on one way basis thus giving external GPS devices to them and getting work done is challenging for the logistic service provider. We have developed our own software for linking external devices to it and to customers' SAP, so information is shared in real time and automated within a short period of time. It will be implemented across the sector soon. mg

EXIM Cargo Growth: Present and Future Prospects

The orange city Nagpur has now carved another name for itself as the distribution hub of central India. With EXIM activities picking up pace in the region, the focus of discussion was on to map the present and future trend in export and import

L to R: K Sathianathan, Managing Director, Distribution Logistics Infrastructure; **Anup Kumar Satpathy,** CGM, Central Region, CONCOR; **Shivkumar Rao**, Director, R & Y Logistics; and **Kirti Shah**, Partner, Reliable Logistics.

In a bid to explore the challenges and opportunities that Nagpur has on offer for shippers and logistics service providers, the first edition of annual Smart Logistics Summit (SLS) was unveiled on 4th May at Nagpur. **R. Ramprasad, Editor-in-Chief, Maritime Gateway** in inaugural speech stressed on some of the big ticket infrastructure projects that have been launched or are in the pipeline for the Nagpur region. He called upon the industry representatives to look into the logistics issues faced by the trade in the region, and work collectively to find solutions to those in the interest of all stakeholders.

The first session discussed "EXIM Cargo Growth: Present and Future Prospects", and panelists for the session were **Anup Kumar Satpathy, CGM, Central Region, CONCOR**; **Shivkumar Rao, Director**, **R & Y Logistics**; **Kirti Shah, Partner, Reliable Logistics**; and moderator **K Sathianathan, Managing Director, Distribution Logistics Infrastructure**. K. Sathianathan in the opening remark said that Nagpur has registered cargo growth, and simultaneously there are also challenges faced by shippers in the region largely related to port connectivity and the other issue is rail linkages to nearby ports - JN Port on the west coast, and Visakhapatnam and Krishnapatnam on the east coast. Logistics cost is major concern for shippers because it is on a higher side that includes charges at ports, cost of rail freight or haulage charges. That is the reason for which exporters/importers look at cost first followed by other components like value added services.

Taking the discussion forward Shivkumar Rao said: In the last 4-5 years volume has been stagnant, and the reason for it is availability of alternate modes. Road freight has come down in the due course and it is attracting lot of cargo. Most of the cargo moved in and out of the region is low value cargo, hence logistics cost plays a vital role. Industrial growth didn't peak up as a result agri commodities have become the major cargo in the region. The haulage charges have influenced agro product segment like rice, which is a major export product from the region. Due to which the commodity is going directly to the port than through ICDs. Raw cotton moves directly to Nhava Sheva and then to Chittagong and Ho-Chi-Minh city. This cargo can be tapped by Nagpur ICDs if cost-efficient, better and faster connectivity could be ensured by means of alternate options such as via ports on the east coast.

Putting across views on EXIM cargo scenario, Anup Kumar Satpathy said: The rising railway freight rate is a concern. Concor in regular intervals has raised the issue before the railway board to review the tariff. It is likely that there would be price revision by the railways. There is provision for concession in tariff for movement of empty rakes but the same is not applicable on containerized trains. Container trains can be run between the central region and ports on the east coast but matching the timing of shipping lines at Vizag or Krishnapatnam port based on the commodities and requirements of the region is a challenge. There are some interests among the trade for alternate port connectivity on the east coast and soon central region will be connected by rail to these ports. Due to various issues turnaround time for rail bound cargo between Nagpur and JN Port has increased. Unless train speed is increased, transit time may not substantially come down. Followed by Concor facility at Mihan, there will also be bulk trains on offer.

Kirti Shah sharing his views on prevailing scenario said: Owing to the strategic location of Nagpur, companies like Future group have invested heavily in setting up distribution center there and in the due course saving a minimum of 1-2 percent on delivery cost. Similarly Patanjali group is eyeing more than ₹10,000 crore from their facility at Nagpur. These projects forecast a much robust cargo movement from the hinterland which is a positive sign for logistics companies. The cotton bound for Bangladesh is procured from Gujarat and other parts like Marathwada and takes a lengthy route via JN Port to Chittagong Port. While the raw material is needed at Dhaka but the congestion at Chittagong again delays the shipment. If a service could be provided via east coast port to Pangaon terminal, it could translate to savings in terms of cost and time. mg

Connecting Gateway Ports and Cargo Movement: Solutions and Service Offerings

The focus of discussion was to address challenges faced by shippers while moving cargo from Nagpur to the gateway ports and onwards.

L to R: Vinita Venkatesh, Director, Krishnapatnam Port Container Terminal & Managing Director, Ocean 2 Door Pvt Ltd; **K Srikanth**, Vice President, Liner, Avana Logistek; **Manohar Bhojwani**, CEO, Diet Foods International; **Capt Inderpal Singh**, Vice President – West, MSC Agency India; and **Aloma Fernandes**, Area General Manager – Western & Central India, CMA CGM Agencies India.

The panelists for the business session were **Aloma Fernandes, Area General Manager – Western & Central India, CMA CGM Agencies India**; **Capt Inderpal Singh, Vice President – West, MSC Agency India; Manohar Bhojwani, CEO, Diet Foods International**; **K Srikanth, Vice President, Liner, Avana Logistek**; and moderator **Vinita Venkatesh, Director, Krishnapatnam Port Container Terminal & Managing Director, Ocean 2 Door Pvt Ltd**.

Elaborating port connectivity and cargo movement scenario in Nagpur, Aloma Fernandes in the inaugural said: CMA CGM has connectivity from Nagpur and Raipur on the east coast and west coast considering the fact that the region has exports to Africa and imports from far East. Apart from shipping the container, the company also offer value added services like one stop shop for cargo protection. The company has expanded beyond shipping services and offers door to door cargo delivery.

Briefing the audience about services offered by MSC, Capt Inderpal Singh said: During 2014-16 most of the container manufacturers incurred huge losses, and slowed down production. As a result there is shortage of inventory. Due to which trade is facing shortage of containers. To tackle the situation, the company looks to talk to rail operators and offer special tariff to convert cargo which is getting cleared at Nhava Sheva and moving to Nagpur by road. Lines will not be in a position to bear repositioning cost for long. Shippers need to understand about the survival of shipping lines.

Presenting the perspectives of shippers, Manohar Bhojwani said: It is need of the hour to be competitive to survive in the business. Exporter or importer looks at each aspect of supply chain to cut down costs. Importer imports from all parts of the world, as a result moving container inventory for the shipping lines, and the shipping lines should provide some relaxation to importers or exporters to make them more competitive and transport more cargo.

Elaborating on the services offered, K Srikanth said: Cargo in the central region market has been growing consistently. Due to import-export mismatch empty box re-positioning is an issue and it adds cost to the lines. There are plans to expand liner service and offer connectivity to Chittagong, Colombo and Middle East. Using these services would lead to saving in freight. If shippers could plan out a combination of domestic movement combined with international shipment in the form of round trip arrangement, it would be beneficial for the trade and also for shipping lines.

The last presentation of the session was by Vinita Venkatesh, who explained on the infrastructure and services offered by Krishnapatnam Port Container Terminal and Ocean 2 Door. She said: The port is working on offering a rail service from Nagpur to the port, and the service is expected to begin from first week of June. One of the biggest growth drivers for the port has been transshipment business, and currently Maersk Line and Hyundai offer service to China, and Shreyas Shipping is offering Indian flagged vessel service connecting cargo from other ports to Krishnapatnam for transshipment. The port also offers direct service to Chittagong. The port will offer 40" inventory for export. Ocean 2 Door is part of the group which offer door-to-door logistics services, and it caters to every aspect of supply chain. mg

Logistics Infrastructure: Time and Cost Efficiency

In a competitive market the focus has shifted to ensure assured cargo delivery in the fastest possible timeline. The session focussed on the innovations taking place in the industry to create an efficient logistics system

L to R: Anand Verma, Senior Manager, Transworld Global Logistics Solutions India; **Nitin Lonkar,** President, Butibori Manufacturers Association; and **Animesh Gupta**, Head – Commercial, Indo Rama Synthetics India.

The concluding session for the day started with a presentation by **Harsh Kumar, Co-Founder, Cogoport**. Kumar touched upon the digitalization trends in shipping and logistics industry, and how Cogoport is acting as a freight facilitator with the use of technology to provide end-to-end solutions for exporters and importers with the support of forwarders, truckers, CHAs, among others by using real time pricing algorithm.

Lauding the platform provided by SLS Nagpur, **Animesh Gupta, Head – Commercial, Indo Rama Synthetics India** said: Logistics is not confined to only transportation of goods and it covers many aspects, and there are many areas where the cost could be brought down. The summit offered a platform where industry leaders from various verticals of logistics network came together to discuss the issues faced by the trade, and how shippers and service providers could collaboratively do business. As a shipper, there have been times when shipping lines have to be pursued intensely to maintain steady flow of raw material inventory to keep the factory running uninterruptedly. The service providers should look into the needs of clients. Exporters also need to find couple of areas where they could save on logistics cost such as automation of processes. In fact by introducing reverse auction of containers Indo Rama has been able to save in excess of US$ 70,000 over a period of 6 months. Exporters should chalk out the lanes through which their cargo moves, and could save in logistics cost by innovative ideas like carrying out reverse auction or consolidate transporters for specific routes.

Nitin Lonkar, President, Butibori Manufacturers Association: The industry is facing lot of problems in bringing down the transportation cost because there are many external factors which is governing this cost. There are many components of logistics such as services, information system which empowers tracking of containers, and infrastructure. There is scope to reduce logistics cost both for empties and full load boxes. Since the cost of fuel is increasing there is a need to look at alternate fuels as well such as vehicles running on electricity or ethanol. If these areas could be addressed it would improve bottom-line of a company. Maintaining efficiency is the most critical area in modern day logistics operation. If companies don't implement new technologies and fail to adapt new market conditions the logistics cost is not going to come down. In a globalised market, there is very stiff competition all around and at a time when expense on logistics is a vital component, companies need to look into it to remain competitive in the market.

The session was moderated by **Anand Verma, Senior Manager, Transworld Global Logistics Solutions India**. Putting across his observation on the discussion, he said that there is a need to reduce rail freight costs and other charges levied by Concor, and they need to improve upon various areas. Shipping lines have their own challenges to keep control of the turnaround time. It is very unfair to accuse shipping lines that despite having the inventory they don't allocate the empties to clients. There are various issues due to which lines at times are unable to re-position boxes. The trade needs to support the lines to offer better service. There are other challenges like lack of repair facility for damaged containers.

The session came to a closure with some optimist times for Nagpur region as Nitin Lonkar highlighted some of the major investments like investment of ₹1,600 crore by Vedanta group including plan for two captive power plants. Such industrial activities will fuel cargo growth in the region and better business for all stakeholders including logistics service providers.

Celebrating Excellence

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

Nagpur, the heartland of India's hinterland has its own set of advantages and challenges. While it has the privilege of having a number of ports at its disposal on the west coast as well as on the east coast including a number of ICDs, but due to the imbalance in import and export volume the trade has to face challenges related to inventory management. However, there are many traders and manufacturers who have identified various areas where through innovation and to some extent use of technology have been able to attain efficiency in freight movement.

Since it is the motto of Smart Logistics Summit to create a platform where all stakeholders could come together and collaboratively create an environment for smart logistics so that efficient, smooth and cost-effective transportation could be ensured. And the organisation and individuals who through their vision and innovative practises have been able to achieve excellence in supply chain were recognised by Smart Logistics Awards.

After three back-to-back brain storming business sessions to identify the bottlenecks in cargo movement, and finding solutions to bridge the gap through the joint effort of shippers and logistics service providers; it was time to unwind and network! And the celebration was multiplied when the awards night recognised the efforts of the industry for logistics excellence, innovation and efficiency. And what better podium could be than Smart Logistics Summit & Awards where fellow industry colleagues are present to cheer. Awards were given in 18 categories for their industry benchmark performance in respective segments. The awards also acknowledged the good practices the companies followed, the technological innovations they used in their business and the quality conscious systems they put in place for their firms to function as a sustainable and responsible organisation. The awards ceremony concluded with some serious business networking as glasses clinked in celebration and appreciation. mg

SMART LOGISTICS AWARDS WINNERS

Smart Container Terminal: APM Terminals Mumbai - GTI

Smart forwarder: Sigma Freight Forwarders

Smart Forwarder -MNC: Kuehne + Nagel

Smart Liner: MSC Agency (India)

Smart ICD: CONCOR Nagpur

Smart ICD - Private: DLI PVT LTD Borkhedi

SMART CHA : R&Y Logistics

Smart Transporter - Road: Premchand & Company

Smart Exporter - Rice: Shah Nanji Nagsi Exports

Smart Exporter - Yarn: Indo Rama Synthetics (India)

Smart Exporter - Steel: Sunflag Iron and Steel Co.

Innovation in Transport: JSW Steel Coated Products

Smart Exporter - Metals: Fortune Metals Ltd

Smart Exporter - Power T&D Equipments: KEC International

Smart Exporter - Refractories: Mahakoshal Refractories

Smart Importer - Pulses: Diet Foods International

Smart Importer - Chemicals: Minex Metallurgical Co.

Smart Importer - Timber: Khetani Enterprises

Smart Importer - Furniture: Future Retail Limited

Smart Importer - News Print: Rajasthan Patrika

Smart Importer - Waste Paper: Shweta Paper Industries

The week-long action packed event saw thought leaders deliberate on how we can overcome key challenges and seize new opportunities, so that we can collectively steer the maritime industry forward

THE FUTURE IS HERE

The 13th edition of the Singapore Maritime Week (SMW) saw an august gathering of the who's who from the shipping and logistics fraternity. Themed "Positioning for Future Growth – Driving Connectivity, Innovation and Talent," the event was officially opened by Dr Lam Pin Min, Senior Minister of State, Ministry of Transport and Ministry of Health, at the Suntec City North Atrium.

"The annual Singapore Maritime Week is here again. This year, it comes at a time when change to the global maritime industry has gathered pace – from the rise of disruptive technologies and the entry of non-traditional players, to the demand for better safety and environmental standards. Against this backdrop, it is timely and useful for the maritime industry to hear from thought leaders on how we can overcome key challenges and seize new opportunities, so that we can collectively steer the maritime industry forward," said Dr Lam.

The action packed week-long event saw industry leaders deliberate on the future of the industry including digitalisation, use of low carbon fuels, development of smarter ships and much more…

What will the future of shipping look like?

Optimism, said Moore Stephens partner Richard Greiner, is finally replacing pessimism. "Overall industry confidence hit a three year high in 2017. Oil prices reached a three year peak while there was a 50 per cent rise in the Baltic Dry Index over a 6 month period in the second half of 2017," he

said. S&P Global Ratings noted that demand in 2018 in the three main segments of the global shipping industry (dry bulk, tankers and containers) will outstrip supply for the first time in several years. "If owners refrain from aggressive ordering and supply tightens further, we could see momentum in charter rates continuing in 2019," it noted.

The fresh positive mood is a sharp reversal from just a few years ago, when shippers faced a cycle of low demand and excess capacity, leading to a massive wave of consolidation. Mega deals saw Maersk buying out German rival Hamburg Sud for €3.7 billion last year, while three of Japan's shipping lines merged to form the Ocean Network Express (ONE). Earlier in 2016, CMA CGM completed the takeover of Singapore's Neptune Orient Lines. But even as the industry starts its slow climb back up, analysts believe that the calm seas could soon be rocked by a series of changes – greening, digitalisation and automation that could fundamentally alter the way the industry will work.

Towards a low carbon future

For years, global maritime was the only major industry without a climate change plan. That changed earlier this month after the IMO agreed to limit the GHG emissions from global shipping for the first time. The non-binding deal marks a massive shift, launching the sector into a greener future. Back in 2016, the IMO had announced that by 2020 ships will have to use marine fuels with sulphur content of no more than 0.5 per cent, compared with the current limit of 3.5 per cent. LNG has emerged as a real alternative to bunker fuel, with top players like CMA CGM boosting demand for such ships. Further down the line, fully electric ships supported by improving battery technology could also become a reality. In fact, by the end of the year, electric vessels, dubbed "Tesla Ships" could be sailing.

The International Transport Forum believes that the sector could reach complete de-carbonisation by 2035, if the industry fully deploys technologies that make sea transport more efficient. But the switch to cleaner alternatives could be hampered by costs said Andy Lane, Partner at Shipping Consulting Company CTI Consultancy. "The cost of shipping will increase due to all of these issues as will consumer prices, and this will again lead to closer to point of sale sourcing," he noted.

D for Digitalisation

Another big change that is coming is the move towards digital processes and operations. This shift, said analysts, could be a major game changer for the industry, which has more or less retained similar processes over hundreds of years. For instance, most ships continue to use the paper bill of lading which should be replaced by a good block chain solution, this should also eliminate the need for paper letter of credit. It will greatly reduce back office demand as well as speed up and improve the quality of financial transactions and supply chain speed, said Lane. Port regulators such as Singapore Maritime Port Authority (MPA) are already moving towards digital processes. MPA has inked an agreement with Singapore Customs and Singapore Shipping Association to look into digitalisation of trade and maritime documentation in January. Rahul Kapoor, a Singapore-based shipping analyst with Bloomberg Intelligence, says, "The old economy shipping industry is finally gearing up for a technology boom and is set to undergo a major transformation it hasn't witnessed since the advent of containerisation," he said. A wave of innovation, big data, IoT technology adoption has the potential to propel the industry into the future, bringing productivity gains to trade, freight contracting, ship operations, safety and regulations."

Smarter ships

Similarly, observers expect technology to also transform the ship itself. Economist Martin Stopford says naval architecture and marine engineering are already mature with little potential for progress. Instead, what can revolutionise shipping is how data and information are managed on the ship itself. Some of this technology is already present – data analytics, IoT sensors and basic artificial intelligence. Another big revolution that is on its way is unmanned or autonomous ships.

Remi Eriksen, Group President and CEO of DNV GL, believes this technology is already on its way. "Unmanned ships can either be remotely operated from shore, on autopilot or be completely autonomous. However, some sort of autonomy is also relevant to manned ships and it could greatly increase safety through smart decision support," he said. But, stopford believes that a big obstacle to its implementation is the culture embedded in the industry.

"The basic technology is there but it needs an enormous cultural change in the industry to put it to work. Not all industry players are fully prepared today but they will adapt to the new norms fairly quickly. Those with agile organisations will benefit, while those with the opposite will become new dinosaurs."

Digital technologies will change the shipping game

Digital technologies will be the biggest game changer for the shipping industry, with the potential to completely overhaul the way the industry works. New technologies such as Artificial Intelligence (AI), Block Chain and Big Data will reduce delays, boost efficiencies and make ships smarter. Said panellists at the shipping forum.

"We need a steve Jobs"

One thing that nearly everyone could agree on was that the shipping industry which runs on antiquated processes is ripe for disruption in the digital era. The industry continues to rely on paper documentation in the age of emails and whatsApp messages. This has led to delays in the service that are almost unheard of in other industries. To illustrate, Claas Durach, regional head of ocean freight, crossborder at Lazada eLogistics, cited a blockchain trial by IBM and top shipping line Maersk. The test run had tracked a container of flowers that sailed from Kenya to the Netherlands, which required 39 different sets of documents for clearance on various stages of the journey. One of the documents apparently got lost – it was later found stuck to another set of papers – which delayed the journey for 10 days. This antiquated mode of documentation is something that can be improved using blockchain technology, said Durach. While digitising all paper work would create efficiencies, Stopford acknowledged that implementing new technologies in general, would spell "a steep learning curve" for industry players. This ties in with what moderator and international Journalist and Broadcaster, Teymoor Nabili said at the start of the forum: "The shipping industry needs a steve Jobs."

Shifting mindsets

AI is another area that could open up huge opportunities. Tal Drory, Senior Manager of AI – Multimedia at IBM Haifa Research Lab, expects AI to make a major breakthrough in nearly every industry, including shipping. A system that can predict factors such as weather or optimise the impact of digitalisation on the fleet, for instance, would create meaningful impact for companies, he said. A crucial ingredient for building AI systems – or for digitalisation to take off as a whole – is data. But shipping has always been a "very conservative" industry said Carl Schou, President and Chief Executive of Wilhelmsen Ship Management. "There hasn't been a lot of sharing of data for the industry to get to a point where things would progress a lot faster," he noted. That said Big Data also has its problems with risks such as frauds, added IBM's Drory.

"It's important but beyond that, you must have a level of AI that helps you work with the data, curate the data and come up with a solution to do whatever you want to do with the data," he said. For companies the key is to find something that will add value to their business, said Stopford. He pointed at price differentiation in Amazon logistics – where a customer can opt for faster delivery if he pays more – as a good model.

Digitalisation – Real of hype?

In a poll of the audience on whether digitalisation is for real or just a hype, about 80 per cent concurred that it is happening everywhere. Some 13 per cent however said it is still early days to comment, while about 5 per cent called it a hype. Kell Jay Lim, Country Head of Grab Singapore, noted that the start-up has been fortunate to be in the position to make transportation more efficient in Singapore. "If Digitalisation was hype, we wouldn't exist as a company," he said. Drory added, "It's AI helping them perform better, be more efficient, and freeing them up to do more interesting jobs as opposed to the mundane tasks." Indeed, the panel concurred that the future of shipping will still very much depend on people.

Wilhelmsen's Schou believes that finding talent is still going to be a huge challenge for many companies. Stopford, on the other hand, has a more optimistic view. Getting people to fill sea-going jobs may be an issue, but there are many other shore based roles like sea brokers that continue to attract the young ones, he said. "It's really encouraging to see kids who are really enthusiastic about the shipping industry. They see it as a global job, and that in Asia, it's tremendously exciting. What's going to happen in the maritime industry here in the next 20 or 30 years, you don't need a big imagination for that," he said.

Next-gen port will secure Singapore's maritime future

Singapore must not shy away from confronting its biggest challenges and press on with developing its port infrastructure to ensure its place in global maritime trade, said a senior Singapore Port Authority official. The republic faces the rise of alternative trade routes, intensifying competition from neighbouring ports and an industry that remains stacked with excess shipping capacity. But instead of fearing the future, the Lion City is pressing ahead with an ambitious plan to build a mega-next generation port in Tuas, said Eugene Khoo, Maritime and Port Authority of Singapore's (MPA) project director for the next generation port.

"Maritime Singapore is at an inflexion point today. To stay ahead, it has to transform. It cannot be business as usual for us," he told the audience. Located at the western end of Singapore, the port will double the city's container handling capacity, introduce data analytics and use autonomous vehicles and smart sensors, he added. Speaking at the GIA-IUMI Asia Forum 2018, Khoo said the investment in port infrastructure will prepare Singapore's maritime industry for the future by tapping on new areas of growth.

With the new port development, all container terminal operations will be consolidated at a single location. The port terminals at Tanjong Pagar, Keppel and Pulau Brani will move to Tuas, freeing up prime city land for other higher value business. New technologies and data analytics will feature heavily at the Tuas mega port, which aims to be fully digital by 2030, Khoo said.

The port will use smart sensors, radars and satellites to monitor real-time vessel traffic in Singapore, which has more than 1000 vessels either passing through or anchored at any one time. "We can mine this big data and make sense of it. Our new maritime sensemaking system will fuse data from various sources and create new information…and an intelligent system," he shared. The new intelligent system can detect illegal bunkering and entry into prohibited areas, keeping Singapore waters safe. It will also be able to predict arrival time of vessels, utilisation of anchoring spaces, congestion hotspots and potential collisions.

Dr Lam Pin Min, Senior Minister of State for Transport and Health, said the new port will entrench more container shipping activities in Singapore, creating a vibrant maritime ecosystem. This is one way the Singapore government is supporting the growth of the marine insurance sector. The government also wants to help maritime companies venture into new growth areas, he said. Dr Lam urged the marine insurance community to leverage on schemes such as the Maritime

Jeremy Nixon, CEO, Ocean Network Express, sharing how maritime industry can approach digitalisation

Cluster Fund and the Global Talent Programme to grow new capabilities and hire world-class talent. "While the industry may be facing some uncertainty now, the future offers exciting opportunities for Maritime Singapore and for the larger Asian region," he said.

Digitise, but step by step please

Companies in maritime have to go digital to solve the problems of accuracy and efficiency faced by the industry, said Ocean Network Express (ONE), Chief Executive Officer, Jeremy Nixon. But the transition cannot be done in an ad hoc manner, with each player going its own way, he added during his keynote speech at the opening of Singapore Maritime Technology Conference. Instead, the shift should take a step-by-step, organised and structured transition that would bring cheers to all the industry players. "What we need to encourage is quickly come to a single set of standards and operations so we still get the benefits through the economies of scale of having a common trade environment," he said to over 700 delegates. Over the past 15 years, he observed, the container shipping industry has seen two megatrends – companies are attempting to grow bigger, especially in terms of ship sizes, and they are trying to cut costs as well. Through measures like bunker saving. But these have done little to address the raging waves that the industry will be facing in the future, he said. Pressing issues include the markets demand for greater visibility and accuracy in the supply chain, the entrance of new industry players with digital capabilities like Amazon and continuous volatility in the industry such as bunker and freight price fluctuation.

To tackle these challenges, going digital will be key. Instead of a scattergun approach, Nixon shared a systematic way to adopt these technologies. ONE has categorised the digital approach into three segments – how the technology can be used in the short-term, middle-term and long-term development of the company. First, in the short-term space which has already allowed ONE to immediately benefit from technology, the company has been focusing on developing Electronic Data Interchange (EDI) that would improve connectivity within the industry. "We try to have EDI connections with everybody, such as operation partners, terminals and rail depots," he said. "This way, we can provide common datasets into our systems and be able to share that information in a common way across all industry players."

ONE has also been developing its e-service capabilities which would not only provide information for its customers, but also be able to address their queries and provide services such as cargo booking and tracking. Customers can do much more on the interface through the e-platform rather than go through the onshore service teams," said Nixon. Second, for middle-term developments, which are being worked on, ONE has utilised two technologies - IoT and data analytics.

For instance, IoT can be used to monitor the location of cargo which addresses visibility for customers and data analytics can be used to expedite work processes. "We need to bring data together so that the key decision makers have the information in a more accessible manner and can use the information quickly and more clearly to make the decisions," he said. Last, for long-term developments, ONE is looking to the areas of block chain technology and machine learning to see how it can be applied in the near future. Nixon shared that machine learning can be used to forecast cargo demand, and block chain technology will allow for the consolidation of the shipping processes, which will save on administrative work.

Going digital will help in two ways, he shared. It will benefit customers by providing greater visibility and more services on an e-commerce platform. in addition, it will also improve operations in terms of accuracy and speed as well as optimise asset utilisation. Ultimately, greater cooperation across companies is needed so that all can benefit. "we are all working very hard in the digital and innovation area. This is not about finding bespoke solutions, but about sharing and maintaining global trade and working together to help and assist each other as much as possible in the many areas ahead, he said.

Steering efficiencies in the container shipping market

Invigoration is on the way for the global container shipping industry, backed by a range of new measures from the Baltic Exchange. This includes an independent audited benckmark for the freight market - the first of its kind, thanks to a tie up between the London based Baltic exchange and digital container freight platform Freightos. The existing Freightos International Freight Index which reflects weekly spot rates for 40 foot containers on 12 main shipping trade lanes, will be audited by the Baltic Exchange and republished as the Freightos Baltic Indices. This will include a new headline index, the FBX Global Container Index (FBX), a weighted average of the 12 underlying route indexes. With this the world's manufacturers, distributors, retailers and logistic service providers will, for the first time, be capable of managing ocean freight rate volatility, said Freightos Founder and Chief Executive Zvi Schreiber. mg

PSA to launch new global trade and supply chain digital platform

PSA International will work with technology provider CrimsonLogic to launch a new global common trade and supply chain platform to facilitate trade and streamline work processes. Called CALISTA, (Cargo Logistics, Inventory Streamlining, and Trade Aggregation), it will merge the key physical and non-physical aspects of logistics like regulatory and financial activities, on a single platform. While the physical and regulatory flows are taken care of by logistics platforms like Tradenet and Portnet, more can be done to ease the burden on shipping lines, said PSA Group, CEO, Tan Chong Meng. Speaking at the opening address of TOC Asia 18, Tan believes that technology can evolve further to become one platform which connects the three 'flows.' "It is time for us to come together to do what we can to bring total visibility to our logistical challenges," he said. "we found that logistics is a three dimensional flow problem – physically, regulatory and financial. Ideally, we should address all three flows on a single platform, if possible."

CALISTA will bridge the physical and digital, to improve cargo flow choices, allowing shipping lines to better manage their goods finance and compliance requirements.

The PSA chief likened the past four years to a fast paced thriller with significant twists in the plot that has reshaped the shipping industry. For instance, back in 2014, the focus was on constructing megaships, but the trend has since been overtaken by the advent of industry 4.0. "The world continues to change in a way that makes it very hard for us to write the script tomorrow. But we can see the trends that are creating scenarios for the future," he said. Tan shared three changes, or what he labelled as 'hard truths' that the industry will face.

First the type of cargo shipped will change, influenced by changing consumer demand patterns, protectionism and China's Belt and Road Initiative. PSA, as a business that deals with physical infrastructure, will have to stay sensitive to these changes and respond appropriately.

Second, technology will be a critical factor in both disrupting and enabling the industry. For instance, Tan shared that the proliferation of electric vehicles will have very vast implications on the global supply chain, as they will require much fewer parts than petrol vehicles. "Some supply of today's parts will no longer be required. How is the supply chain getting prepared to cope with requirements like this, he noted?

Third, cross integration between industries is also increasing, blurring the lines between traditional sectors. For instance, retail players are becoming logistics giants. Tan cited the entrance of new e-commerce and technology players like Amazon and Alibaba in the logistics space. They have caused major upheavals in the industry and the maritime industry needs to quickly adjust to this phenomenon. "They have the experience of the marketplace and platforms which are not traditional in our space. We need to come up with a set of solutions suitable for ourselves," he said. To cope up with these megatrends, PSA will launch the Port+ initiative, which will focus on three key areas.

Tan Chong Meng, CEO, PSA International Group, addressing the conference

One: It will enable and support the growth of advanced manufacturing here. As Singapore's economy is shifting its focus to advanced manufacturing and targeting new markets with higher technology, PSA intends to enhance its future port and logistics services to serve manufacturers that are adopting industry 4.0 methods. The Tuas mega port to be opened in 2021 will play a key role here.

Two: PSA is working to create more efficient trade corridors to reach out to markets beyond the maritime interface. In February, PSA collaborated with Pacific International Lines and IBM Singapore to successfully conclude a Blockchain trial to trace cargo movement from Chongqing to Singapore through the Southern Transport Corridor. Trade corridors like these will offer time savings and more options for shippers.

Three: PSA will also explore new logistic choices by looking at different ways to transport cargo. One alternative is to use a combination of sea and air transport to shift goods. "We found that when innovating transport solutions, the problems often go beyond physical. Port+ will have to go beyond physical solutions as well. With today's technology, it is an open field for new thinking," said Tan. He also acknowledged that solid improvements have been made in the industry over the past few years but the hard work is only just starting. "We need to constantly remind ourselves that the port, being a significant hub, is not an option, it's an anchor," said Tan.