



**Logistics Sector to Witness Greater Growth**  
S Ramakrishna, Chairman, FFAI

**INLAND WATERWAYS We are Sailing, Finally**

**TRANSSHIPMENT Quick Passage for Bangladesh Exports**

**SLS AMARAVATI Global Logistics Hub: Destination Andhra Pradesh**

south asia's premier maritime business magazine

# maritime gateway

JANUARY 2019

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## Delivering Deep into the Hinterlands

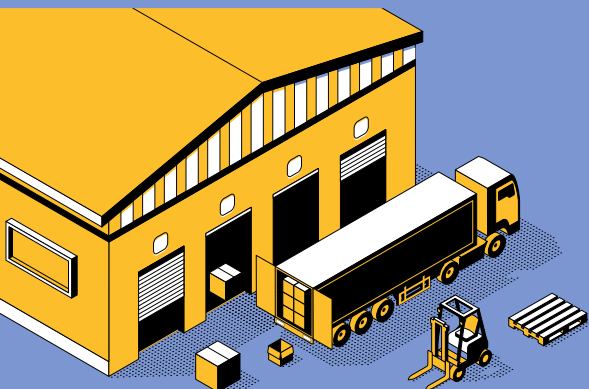
**Ajit Venkataraman, MD**  
APM Terminals Inland Services South Asia



## OUTLOOK 2019

# POSITIVE AFTER A CHALLENGING YEAR

After a difficult and challenging 2018, industry foresees a further push in digitalisation, more initiatives from Government on ease-of-doing business and greater investment into logistics infrastructure

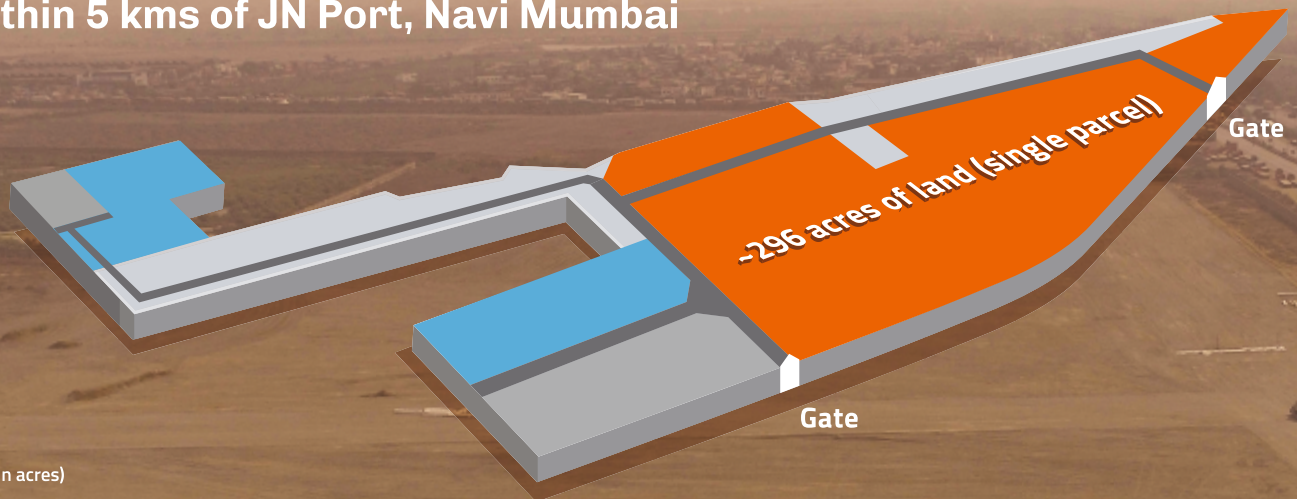


# Opportunity to set up your manufacturing hub at JNPT SEZ.

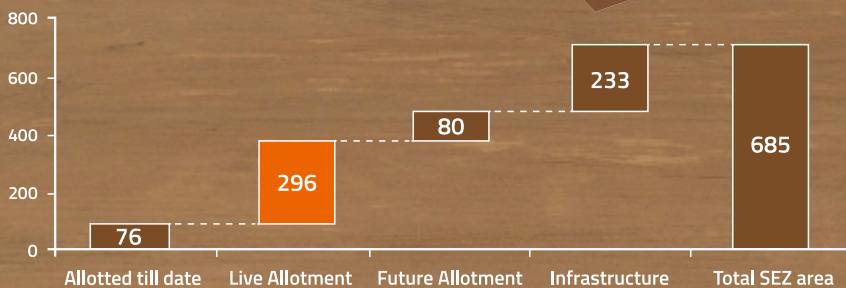


सत्यमेव जयते  
Ministry of Shipping  
Government of India

Within 5 kms of JN Port, Navi Mumbai



Area (In acres)



~296 acres of land for setting up a manufacturing hub  
 Allotted land

- JNPT Multi-product SEZ has witnessed unprecedented interest from investors till date.
  - ~75 acres of land has been allotted for setting up manufacturing units and FTWZ facilities.
  - Key industries in Phase 1 include Pharmaceutical, Auto components, Food and Marine processing.
- In phase 2, JNPT invites investors to set up a state-of-the-art manufacturing hub on ~296 acres of land (single parcel).
- Land allotment at JNPT SEZ is done through a paperless, transparent E-tender-cum-E-auction process.

## JNPT SEZ is a 685 acres multi-product SEZ:



Unmatched connectivity to the world and to the hinterlands



Adequate supply of skilled manpower



Execution Certainty with construction infrastructure available on-site



Single window clearance with Special planning authority (SPA) status to JNPT



Special SEZ incentives like duty-free imports, Income tax exemptions & zero-rated GST



**Mr. S. Sittarasu (CEO, JNPT SEZ)**

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**JNPT SEZ**



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# Be optimistic, but watchful on the variables

This is the time of year for annual reckonings and predictions by industry experts. There are many reasons to be optimistic about 2019. The domestic economy will continue to do better across the next 12 to 24 months, providing conducive environment for companies to scale up operations. But the depreciating Rupee will play the spoilsport making a rough impact on the businesses. In India, governments at central and state level will be more willing to revisit policies for the sake of promoting business. Infrastructure investments made so far will start delivering results in later part of 2019. The Indian growth story will continue to grow logistics sector.

Coastal shipping and Inland waterways will pick up steam and more investments will go into developing highways to improve connectivity to the ports. Ease of doing business will be a major focus of the governments to invite foreign investments and grow trade.

Trade tensions between China and the US continue to escalate, slowing US GDP growth to 2.75% for the year, but it will be strong enough to push oil prices higher than current levels. China will move away from being the world's factory for goods towards being a consumption country. The ongoing trade war between the US and China has made importers realize that they MUST have an alternative to China. Southeast Asia will emerge as the new production powerhouse, especially for labour-intensive products. Malaysia, Vietnam, Bangladesh

and Indonesia may be the frontlines to benefit due to availability of cheap labour. Amid a gloomy global economic outlook and rising commercial trade tensions, the forecast for container transport demand will be reduced over the next few years. During 2019 and 2020, capacity growth in shipping lines will be lower than demand growth, but carriers will face increases in costs due to stricter 2020 fuel standards.

We may see further vessel-sharing agreements. Smaller and independent carriers will particularly be a big target for larger carriers. Shipping lines will strive to keep up with increased demand for better service. Premium services, such as guaranteed loadings, faster unloadings, and guaranteed transit times will be more on offer. For instance, Maersk has worked on being an end-to-end logistics provider and more will follow suit. Technology will make further inroads into the shipping industry as there are multiple developments underway by both established players and new startups. 2019 will be a turning point for supply and demand balance in the tonnage. Still, fuel costs, trade discussions, disruptive entrants, and industry consolidation will remain the big unknowns that can bring a paradigm shift.

To sum up, an exciting year ahead!

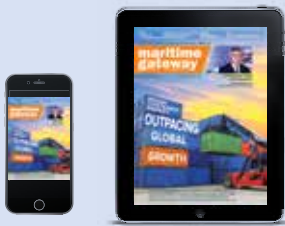
**R Ramprasad**  
Editor and Publisher  
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Southeast Asia will emerge as the new production powerhouse, especially for labour-intensive products such as textiles, apparels, footwear, and furniture.



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## INLAND WATERWAYS

### We are sailing, finally

IWAI has revamped the inland waterways by installing ultra-modern cranes, jetties and has deployed barges that can sail in lesser draft, to ensure logistics happens in the waterways round the year.

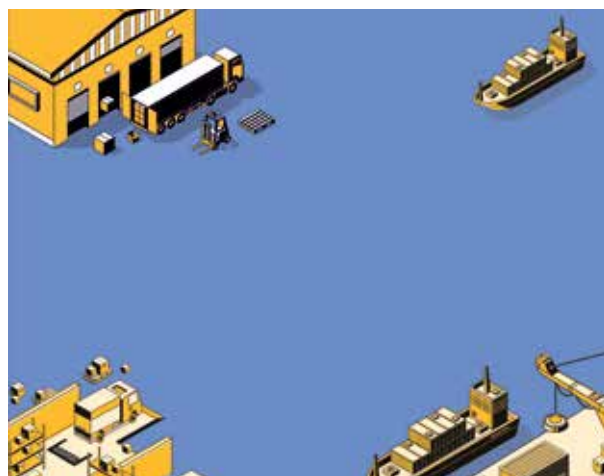


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## TRANSHIPMENT

### Quick passage for Bangladesh exports

Transshipment through Indian ports can enable Bangladesh expedite its cargo movement, provided the bottlenecks at land customs stations are resolved.



## INDUSTRY OUTLOOK 2019

### STEVE FELDER

MD, (INDIA, SRI LANKA, BANGLADESH, NEPAL, BHUTAN AND MALDIVES), MAERSK LINE

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## SLS AMARAVATI REVIEW

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### Global Logistics Hub: Destination Andhra Pradesh

Initiatives being taken by formulating policies and developing infrastructure to reduce production and logistics cost for making Andhra Pradesh a logistics hub were detailed.

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### Building an Ecosystem for Global Logistics Hub

Development of infrastructure and connectivity, formulation of logistics policies, skill development and need for promoting digitalisation was voiced by the panel members.

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### EXIM Growth, Cargo Transportation and Connectivity

Shippers of major commodities from the state voiced their logistics concerns and improvements needed in infrastructure and connectivity were highlighted.

## OUTLOOK 2019

# POSITIVE AFTER A CHALLENGING YEAR

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## COVER STORY

After a difficult and challenging 2018, industry forseees a further push in digitalisation, more initiatives from Government on ease-of-doing business and greater investment into logistics infrastructure.

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### DELIVERING DEEP INTO THE HINTERLANDS

AJIT VENKATARAMAN, MD, APM TERMINALS INLAND SERVICES SOUTH ASIA



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### LOGISTICS SECTOR TO WITNESS GREATER GROWTH

S. RAMAKRISHNA, CHAIRMAN, FFFAI



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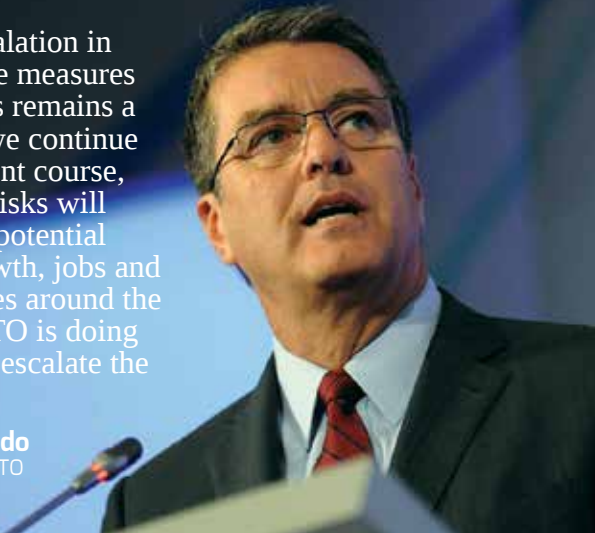
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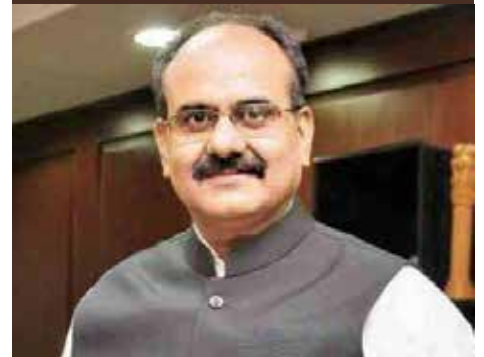
“ Further escalation in trade restrictive measures by G20 nations remains a real threat. If we continue along the current course, the economic risks will increase, with potential effects for growth, jobs and consumer prices around the world. The WTO is doing all it can to de-escalate the situation.”

**- Roberto Azevêdo**  
Director General, WTO



“ The key challenge for Customs today is creating a convergence of facilitation and enforcement. Leveraging digitisation and technology for non-intrusive operations is vital for a data-empowered and digitally-enabled Customs. WCO should be proactive in harnessing Blockchain and big data.”

**- A B Pandey**  
Revenue Secretary



“ Import of cargo which are meant for consumption in the heartland of India, especially from the Far East, can now move in a very economical manner through waterways. This shall save cost and Kolkata Port will be an added advantage for these imports.”

**- Sudip Dey**  
Vice Chairman, FFFAI



“ Maharashtra and Gujarat account for 52% of the total coastal cargo while the rest is spread across the remaining coastal states due to absence of mapping the infrastructure and missing railway links to manufacturing hubs.”

**- Capt. Amit Wason**  
President, MANSA.



“ West Bengal should see a maritime revolution given the new potential in inland waterways and a deep sea port at Tajpur in progress. The target is to bring down the logistics cost to 10 per cent for the industry from 14 per cent now.”

**- Amit Mitra**  
Finance Minister, West Bengal





# SPEEDWAYS LOGISTICS PVT LTD



## 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.

## 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.

## 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!!

## WHO WE ARE

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

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

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*Shipping + Transport Operator + Warehousing + Custom  
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**Branches open in Nagpur, Mundra, Krishnapatnam, Delhi**

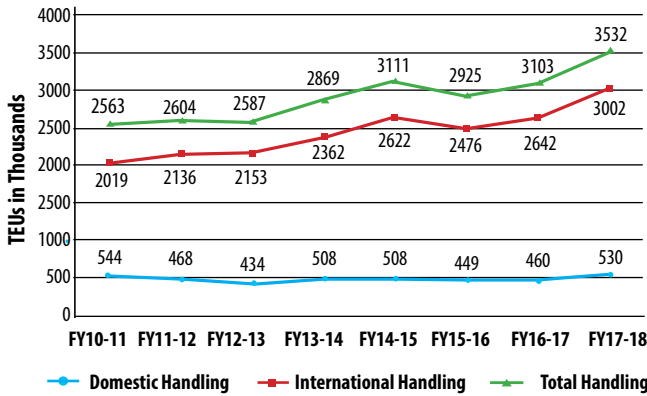
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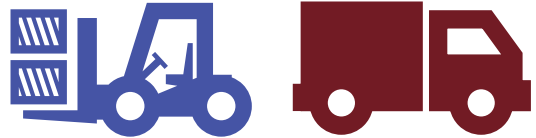
## TREND IN CONTAINERISED RAIL LOGISTICS IN INDIA

### PHYSICAL



## SHARE OF INDIA'S TRADE THROUGH LAND BORDERS IN 2017-18

Via land	IMPORT	\$ Million EXPORT	Via land
75%	685	Bangladesh 8,614	50%
53%	377	Bhutan 546	96%
99.8%	438	Nepal 6,612	97%
48%	488	Pakistan 1,924	

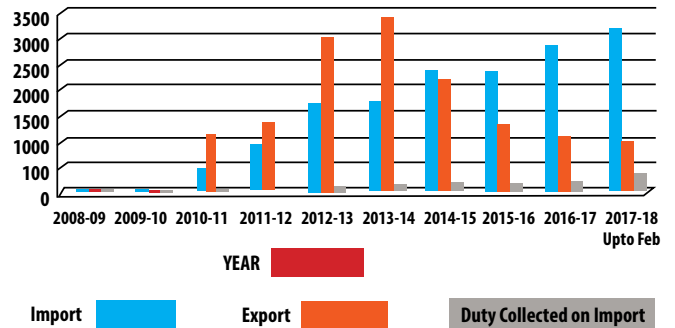


Note: India also trades with Afghanistan, through Pakistan  
Source: Directorate General of Commercial intelligence and statistics

## CARGO MOVEMENT THROUGH ICP

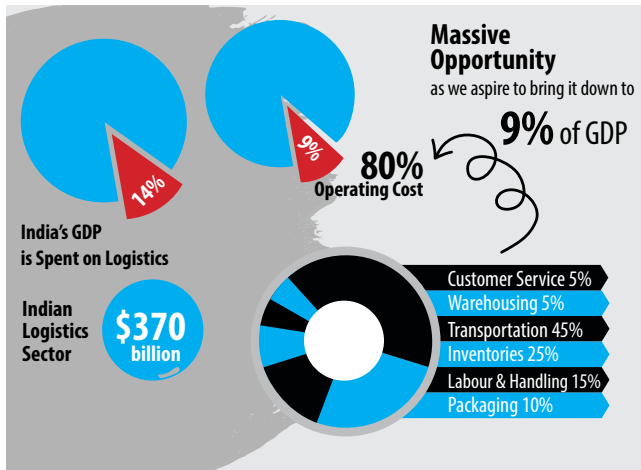
S.No	ICP	India National Highway	Asian Highway	Rail	Trade Rs. In crs	Passenger
1	Jaigaon	NH317A	AH 48 and AH2 For Connecting India, Nepal & Bangladesh		595.28	9764
2	Hili	NH512/NH27		1150.23	102476	
3	Ghojadanga	NH 19		2482.82	204391	
4	Sunauli	NH29E		7754.78	57.453	
5	Panitanki	NH27		1525.68	22.548	
6	Changrabandha	NH27		177.79	64.328	
7	Sutarkandi	NH27		114.02	5.690	
8	Rupaidiha	NH927		1407.62	546	
9	Kawrpuchhuah	NH302		-	-	
10	Mahadipur	NH27		1323.81	66.393	
11	Fulbari	NH31		114.01	16.328	
12	Banbasa	NH9		550.73	43.087	
13	Bhithamore	NH227		469.96	-	

## INDIA PAKISTAN REVENUE AT ICP, ATTARI

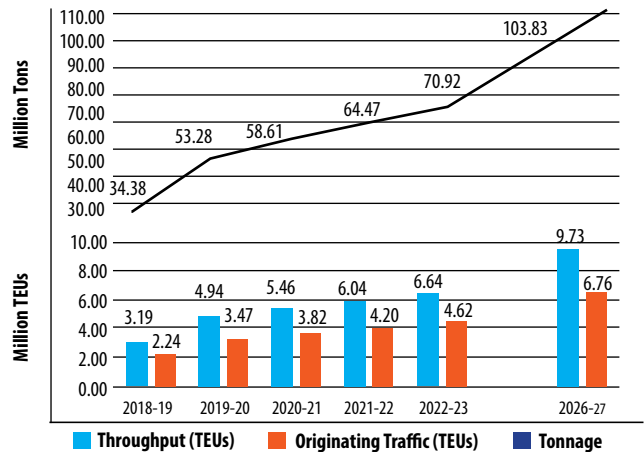


	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 Upto feb
Import	452.08	965.00	1748.10	2053.70	2367.94	2414.08	2907.36	3177.59
Export	1170.42	1375.15	3052.14	3390.02	2177.44	1328.14	1063.63	964.13
Revenue	-NA-	86.79	145.32	172.10	196.43	174.60	242.49	398.73

## INDIAN LOGISTICS COST EFFICIENCY



## CONCOR EXIM PROJECTIONS



Source: CONCOR

# JSW Jaigarh Port

Indias modernised greenfield multi cargo environment friendly deep water port regularly servicing capesize vessel



**JSW** Infrastructure

Creating world-class maritime infrastructure to 200 MTPA by 2020

JSW Jaigarh Port is poised to service:

**400,000 TONNES**

VALEMAX VESSELS

**350,000 TONNES**

VERY LARGE CRUDE CARRIERS

## Krishnapatnam Port clocks 20,600 teus transshipment in Nov 2018

Transshipment volumes at Navayuga Container Terminal (NCT), Krishnapatnam have grown steadily from 13,000 teus average transshipment volume per month in the first quarter of current financial year to 17,200 teus by second quarter, and now in the third quarter to an average of 19,800 teus per month. The transshipment volume at NCT accounts for 45 per cent of total throughput which is the industry norm for transshipment cargo handling ports in the South East Asia region.

In response to the trade need for transshipment facilities, Krishnapatnam port extended its quay length at the container terminal by 150 m to provide an exclusive coastal berth where coastal vessels can berth without window timings and use the ship's gear to load / discharge in addition to the handling by the shore-based Mobile Harbour Cranes.

## Facilitating air cargo

The government is actively pushing for establishment of air freight stations as it looks at ways to reduce costs involved in air cargo operations, the Civil Aviation Secretary, R. N. Choubey, said recently. "That is the way forward... We are committed to making air

cargo affordable," he said.

Air Freight Station (AFS) is an off-airport common user facility that offers service for handling and temporary storage of import and export cargo. Similar to the ICD in maritime cargo, it helps in de-congesting the air cargo terminals at airports. Meanwhile, the Civil Aviation Ministry is expected to soon come out with an air cargo policy that would seek to address the various problems faced by the industry players. The Ministry wants to transfer many functions related to air cargo operations offsite since space at airports is expensive.

Total air cargo at all Indian airports during 2016-17 and 2017-18 witnessed a growth of 10.1 per cent and 12.7 per cent, respectively, with 3.35 million metric tonnes cargo traffic in financial year 2018, as per a report. International cargo contributes about 60 per cent of the country's total cargo, with double the growth rate as compared to domestic cargo business.

## Rail connectivity to ports a major focus



As many as 52 projects for rail connectivity to ports entailing an investment of ₹44,605 crore are underway. These projects are being carried out jointly by the Indian Port Rail Corporation Ltd (IPRCL) and the Ministry

of Railways. Of the total, IPRCL has taken up 32 projects worth ₹18,253 crore across nine major ports, of which eight projects worth ₹175 crore have been completed.

In addition, 23 rail connectivity projects worth ₹24,877 crore identified under Sagarmala have been taken up by the Ministry of Railways. Of these, seven projects entailing an investment of ₹2,491 crore have been completed. Another 15 rail connectivity projects worth ₹4,193 were also taken up, of which three projects worth ₹52 crore have been finished.

Besides, a pact for implementation of the 362 km Indore-Manmad new railway line project has been signed between JNPT, Ministry of Railways and the governments of Maharashtra and Madhya Pradesh. The project will reduce the distance from Mumbai/Pune to key central India locations by 171 km, resulting in lower logistics costs. The new railway line will pass through the Delhi-Mumbai industrial corridor nodes of Igatpuri, Nashik and Sinnar, Pune and Khed, and Dhule and Nardana.

## New port in Prakasam district

Andhra Pradesh will soon get a new port at Ramayyapatnam in Prakasam district. The state Chief Minister, Mr N. Chandrababu Naidu, will lay the foundation stone soon. Naidu made this announcement while addressing students at Marturu in Prakasam district recently. He said

that setting up of a major port at Dugarajapatnam in Nellore district was one of the provisions of the AP Re-organisation Act, 2014 but the Union government had gone back on the promise. After the Centre found Dugarajapatnam not suitable for the port, the state government had sent the alternative proposal of Ramayyapatnam but there was no response. Therefore, the Chief Minister said that the state was going ahead with the project.

## First mainline vessel flagged off at VoC Port Terminal



Nitin Gadkari, Union Minister for Shipping and Road Transport and Highways and Water Resources, River Development and Ganga Rejuvenation, flagged off the inaugural call of the first mainline vessel at Dakshin Bharat Gateway Container Terminal at VOC Port, Tuticorin through video conference, along with Edappadi K. Palaniswami, Chief Minister, Tamil Nadu. *M.V. Wan Hai 510*, a 4,333-teu capacity mainline vessel operated by Wan Hai Lines, made the maiden voyage to the terminal. It called as part of the China India-2 (CI-2) service which connects the Malaysian ports of Penang and Port Klang as well as Chinese ports like Hong Kong, Qingdao, Shanghai, Ningbo and Shekou.

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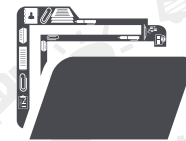
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## IPA launches 'PCS 1x' to increase ease of doing business



Indian Ports Association under the guidance of the Ministry of Shipping, has launched the Port Community System 'PCS 1x'. The url [www.indianpcs.gov.in](http://www.indianpcs.gov.in) was launched by Sanjay Bhatia, Chairman, IPA.

'PCS 1x' is cloud-based and seamlessly integrates 8 new stakeholders, besides the 19 existing stakeholders from the maritime trade on a single platform.

The platform offers value-added services such as notification engine, workflow, mobile application, track and trace, better user interface, better security features, improved inclusion by offering dashboard for those with no IT capability. A unique feature of 'PCS 1x' is that it can latch on to third-party software which provides services to the maritime industry, thereby enabling the stakeholders to access a wide network of services. The system enables single sign-on facility to provide one-stop interface to all the functionalities across all stakeholders.

## Wilhelmshaven & Mundra ports in technology collaboration

The port of Wilhelmshaven and Mundra Port are collaborating in technology and joint promotion for customers using both the ports, said Capt. Sandeep Mehta, President, APSEZ Ltd, at a function hosted by the Chairman/CEO, Port of Wilhelmshaven, Andreas Bullwinkel. Both ports are linked by the ME1 service operated by Maersk Line, which offers a weekly call from Mundra to Wilhelmshaven. The Wilhelmshaven management also toured the Mundra Port, which is the flagship port of the Adani Group, and agreed on sharing best practices and discussed synergies between the two entities.

## SCI launches coastal service linking West Bengal & Andaman ports

The Shipping Corporation of India (SCI) has introduced a regular cargo shipping service linking Kolkata and Port Blair with the deployment of MV MCP Salzburg, which will be able to carry containers as well as break-bulk cargo. SCI has already been extending its yeoman service to the people of Andamans by carrying passengers and cargo, in association with the Directorate of Shipping Service, Port Blair. But with the changing business scenario of the sector and with the mounting demand of the trade,

SCI has introduced this exclusive Kolkata-Port Blair cargo service which is expected to commence from December 17, 2018. The service will be fortnightly, with duration of 10-12 days for a round trip. It is envisaged that the service will boost the economy of the islands and provide business connectivity to the mainland.

## Revamp of Kolkata Port



Pon. Radhakrishnan, The Minister of State for Shipping and Finance, has informed that the government is preparing a plan to invest and revamp the facilities at Kolkata Port to boost industrial and commercial business in West Bengal. At Haldia Dock Complex, berth no. 3 will be mechanised on Design, Build, Finance, Operate and Transfer basis, a RMQC will be procured, an outer riverine terminal will be developed and liquid cargo handling capacity will be developed at Shalukkhali. Road connecting to general cargo berth no. 13 will be widened, road over bridge cum flyover will be constructed at Ranichawk crossing at Haldia and a second rail line will be developed from Durgachawk to HDC railway system.

## PK Das takes over as Chairman of CBIC



The Appointments Committee of the Cabinet has approved the

appointment of Pranab Kumar Das as the Chairman of CBIC from January 1, 2019. Das will take over from current Chairman S Ramesh, who retires on December 31. The Central Board of Indirect Taxes and Customs (CBIC) is the apex indirect tax policy-making body under the Finance Ministry. The CBIC is headed by the Chairman and consists of six members, who overlook various areas such as customs, central excise, service tax, Goods and Services Tax (GST), administration and budget, among other. Das is currently Member, Customs at CBIC.

## Major Port traffic up 5 pc

The Major Ports recorded a growth of 4.83 per cent and together handled 461.21 million tonnes of cargo during the period April to November 2018 as against 439.96 million tonnes handled during the corresponding period of the previous year. The highest growth was registered by Kamarajar Port (20.15 per cent), followed by Cochin (11.73 per cent), Paradip (9.73 per cent), Kolkata [inc. Haldia] (8.52 per cent) and Deendayal (7.37 per cent). Kamarajar Port's growth was mainly due to increase in traffic of containers (19.8 per cent).



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## NEPAL



### Nepal to connect Bihar through rail

A 34 kilometres (21 miles) new rail link connecting Janakpur in southeastern Nepal and Jay Nagar in Bihar is being developed. Once the new \$80 million rail line begins operations, plans call for extending the railway deeper into Nepal. For now, only a dusty trail passing through villages connects Jay Nagar and Janakpur. It's mostly used by people bringing in daily goods on motorcycles and small trucks. The new train connection is expected to give India a boost. And when it comes to railways, it already has an advantage since Nepal's border with China is mountainous while the frontier with India is in the plains.

## INDONESIA



### MOL to construct FSRU service in Indonesia

MITSUI O.S.K. Lines (MOL) has signed deals for construction of a FSRU service and financing for the Jawa 1 gas-fired project, through PT Jawa Satu Regas (JSR), a joint venture company of PT Pertamina, Marubeni Corporation and Sojitz Corporation. MOL is entrusted with FSRU construction, supervision, maintenance and operation services.

In this project, JSP, jointly established by Pertamina, Marubeni and Sojitz, will

build, own and operate a gas-fired power plant with a generating capacity of 1,760 MW in Indonesia's West Java province, while JSR will build, own and operate a FSRU at sea for storage and to regasify LNG to supply fuel to the power plant. The power plant and the FSRU will be maintained and operated in an integrated manner and the electricity produced by these facilities will be sold to Indonesian state-owned electricity utility PT PLN (Per-sero) for over 25 years.

## MYANMAR



### Bonded warehousing introduced



The customs department will introduce customs warehouses, or bonded warehouses – where goods can be stored without Value-Added Tax (VAT) or import duties. The aim is to align local customs warehousing procedures with international standards and reduce import restrictions on Myanmar goods. The tax reductions will involve lowering the advanced income tax burden and simplifying the logistics processes to save time. Customs warehousing is not new in Myanmar. Thilawa SEZ last year already introduced bonded warehouses and SEZ warehouse services for domestic and foreign companies.

## AFGHANISTAN



### Afghan connects to Azerbaijan via Turkmenistan

On 13 December, a test motorcade carrying cargo has been sent from Afghanistan's western province of Herat, to be delivered through Turkmenistan and the Caspian Sea to Azerbaijan. The transport corridor allows Afghanistan to enter global markets bypassing the traditional Pakistani direction. The cargo will pass from Turan to Turkmenbashi International Terminal, from there to the border town of Turkmenistan, then to the Turkmenbashi International Sea Port. The caravan will then be sent across the Caspian Sea to Azerbaijan - the Baku International Sea Port.

## BANGLADESH



### Bonded cargo from Bangladesh flies out from Kolkata

Bonded cargo from Bangladesh was flown out of Kolkata airport after LSP EFL created a tailor-made logistics solution to handle the very first bonded, cross-border, land-air transshipment between the two countries. The EFL offices in Bangladesh and India collaborated in handling the cargo of apparel at the point of origin. The transfer of cargo weighing 4.1 tonnes from Bangladeshi trucks to Indian trucks took place at the Benapole (Bangladesh)-Petrapole (India) border.

## SRI LANKA



### SAGT breaks through 2 million teu in 2018

South Asia Gateway Terminals (Pvt) Ltd achieved an impressive 2 million teu in a calendar-year for the first time on 19th December 2018. The achievement of 2 million teus in a single year is a first for the company and particularly significant considering the terminals original design capacity was assessed at just 1.1m teu. Over the last five years SAGT has averaged around 1.7m teu per annum. Its previous highest volume was 1.9m teu achieved in 2009 and 2010.

## MALAYSIA



### Penang Port may lose 20 per cent of cargo traffic

The Penang Port may be at risk of losing 20 per cent of its cargo traffic volume unless its logistics' efficiency improves, said Indonesia-Malaysia-Thailand Growth Triangle Joint Business Council Malaysia Chairman Datuk Faudzi Naim Noh.

Thailand is developing a deep-sea port off the Chana district in Songkhla province, which faces the Gulf of Thailand and the South China Sea. The port could serve as a direct seaborne gateway to China and other countries in East Asia, which means that freight traffic from East Asia would travel via the South China Sea instead of 'looping' around Peninsula Malaysia via the Straits of Malacca.



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# DESMI



OUTLOOK 2019

# POSITIVE AFTER A CHALLENGING YEAR





After a difficult and challenging 2018, industry foresees a further push in digitalisation, more initiatives from Government on ease-of-doing business and greater investment into logistics infrastructure

The year 2018 continued to be transformational for the logistics industry, buoyed by the enhanced governmental focus. Going forward in 2019, the growth trajectory in EXIM trade will see a continued upward trend with geopolitical situations getting better off to support global trade. The augment in port capacity both on the west coast and east coast and increased EXIM volumes will also augur well for the CFS business as well. The government's focus on developing logistics hubs will improve logistics reliability and reduce transaction cost. Warehousing will adapt to the hub and spoke model as fewer and larger warehouses evolve. The domestic economy is expected to do better in the next 24 months, allowing businesses to scale up and expand operations.

Inland water transport will pick up steam with NW-1,2 and 4 becoming operational. IWAI is procuring new ships that can sail in lower draft and this will also boost Indian trade with South East Asian neighbours. While the containerised trade continues to rise unabated, the liquid bulk industry will continue to perform well given the strong macro-economic fundamentals of growth, rising incomes and demographic pressure.

Technology is going to play a key role in advancing the shipping and logistics industry. It will not only change the way business is done but also the business models will undergo a paradigm shift. PCS 1.0 X in its revamped form will connect and provide real-time information to all stakeholders. Automation of processes with ICEGATE has been a phenomenal improvement by participating government agencies. More rationalization of processes and procedures will promote ease of doing business further.

As the general elections approach, the elected government should come with an agenda to create conducive regulatory environment for industry to grow further and this should be supported by a bold and progressive budget with forward looking approach. Volatile currency movements, high capex costs and event risks including Brexit will continue to pose challenges. Another concern is the trend of increasing fuel price as this is impacting logistics industries badly.

The government looks to be moving in the right direction to achieve its Maritime Agenda 2020 that promises a positive outlook of expanding India's port capacity to 3,130 million tonnes and multiplying existing port performance. We hope 2019 brings stability and economic growth for one and all.



**STEVE FELDER**

MD, (INDIA, SRI LANKA, BANGLADESH, NEPAL, BHUTAN AND MALDIVES), MAERSK LINE



**Business in 2018**

India's containerized trade with the world has witnessed a positive uptick in FY 2018. The depreciating rupee has made Indian goods' price competitive, further leading to the implementation of trade barriers that have opened new markets for India. With the effects of demonetization and GST implementation settling in, the Indian

manufacturing sector has picked up with rising imports from European and North American nations.

In terms of our operations, we have strengthened our trade lanes - we migrated port operations to Ennore, due to the congestion at the Chennai Port and started a weekly feeder service between Colombo and Male to provide a strategic trade opportunity to all the countries in South Asia. We have also undertaken digital transformation initiative in collaboration with IBM using blockchain technology to streamline the transport and logistics business for end-to-end supply chain solutions.

The need of the hour lies in developing connectivity and infrastructure between coastal areas and hinterland and remove trade bottlenecks. The road network and rail capacity across ports in India has to improve. The drafts at major ports need to be deepened to allow larger vessels.

**Trends that shaped the industry in 2018**

In FY18, cargo traffic at major ports in India was reported at 679.36 million tonnes and for April-August' 18 it grew 5.13 per cent year-on-year to 288.38 million tonnes (source: IBEF). The government has taken couple of transport and logistics friendly policies in the form of the Bharatmala and Sagarmala initiatives, relaxation of Cabotage law and abolition of TAMP to transform India into a transshipment hub. This is indeed a relief for Indian shippers – until recently, more than 30 per cent of Indian container traffic was transshipped at ports outside India – they can now increase their competitiveness. The development of non-major ports and the SEZs closer to ports are imperative since ports handle almost 95 per cent of trade volumes in India.

The push towards Digital India has increased the pace of implementation of Single Window Systems to enable efficient customs clearance. Artificial Intelligence (AI) and Internet of Things (IoT) have made a significant impact in the originally brick and mortar industry, it is helping transport and logistics companies consolidate, analyze and track through mountains of data.


Finally, the commendable efforts in bringing up India's rank to 77 points in World Bank's ease of doing business survey, by reducing the operational aspects of business or compliances.

**Expectations in 2019**

Technology is going to play a key role in advancing the shipping and logistics industry. Digital innovation is one of our focus in the transport and logistics divisions where the brands – Maersk, APM Terminals, Svitzer and Maersk Container Industry will perform better as one business with a digital-first approach. Plus, conferring industry status to the logistics sector would attract more investments in developing cold chain, industrial parks and warehousing facilities in India.

We see the depreciation of rupee as a cause of concern but we will await the cycle to turn over. Even though the impact of major policy reforms such as demonetization and GST have subsided, the backlog of unpaid claims remains a challenge and weakens liquidity in the market. In the second half of 2019, we expect global refined products and fuels to be dearer in the face of the IMO's ruling that from 1 January 2020, marine sector will reduce sulphur emissions by over 80% in international waters.

**On the regulatory front**

India's maritime sector in the shipping and logistics industry owes to 14% of the nation's GDP. The Government of India has come up with several policies to help propel the industry forward by increasing shipping fleets in the country, opting for greater manufacturing of cargo vessels and working towards developing efficient intermodal systems that would support seamless movement of cargo across ships, rails and trucks. The government's increased investments and push for 'Make in India' can increase the sector's contribution to GDP and trade volumes; undertake strategic efforts to develop its 7,500 km long coastline and expand public-private partnerships to open newer opportunities for the sector. The government's Maritime Agenda 2020 promises a positive outlook of expanding India's port capacity to 3,130 million tonnes and multiplying existing port performance. 

**CAPT. VIVEK ANAND**

IMMEDIATE PAST PRESIDENT OF MANSO & VICE PRESIDENT, FILA



**Business in 2018**

2018 has been recovery year for the maritime sector. Businesses have been consolidating and building on their strengths. The freight rates have recovered but not to the desired levels which can dole out shipping industry from the severe downturn.

Developing new business could be one major achievement and

to encourage and retain talent pool in difficult times was a challenging task for organisations.

**Trends that shaped the industry in 2018**


This year has been good for the Tanker segment as

markets have picked up. However, the bulk trade remains burdened with over capacity. Gas business has been riding a high wave and hopefully, this will continue for next couple of years. Most of the other sectors are still struggling with low freight and high CAPEX costs.

#### Expectations in 2019

Expand or venture into new businesses. We hope geopolitical situations will be better off and support global trade. In India, we hope 2019 brings stability and economic growth.

#### On the regulatory front

- Bold and progressive budget with forward looking approach
- Since, it is election year we hope whichever Government is elected, comes with a majority and with an agenda to create conducive regulatory environment for industry to grow further.
- Ease of doing business should be focus area to make Indian industry more competitive in the Global markets. 

**SHANTANU BHADKAMKAR**  
PRESIDENT, AMTOI



#### Business in 2018

India's exports have grown at a steady pace in the year 2018, hence there is a moderate growth in the logistics sector. Though the imports growth is very high, it is primarily due to high oil prices, the non-oil imports have grown moderately. This is based on the provisional statistics that are available. Consequently, the logistics sector has done

reasonably well in terms of volumes, though the growth is not all round. Further, the sector is under serious pressure of high account receivable from the customers, as almost all customers are slow payers. The industry continues to suffer the challenges of unremittingly dropping margins. The operational problems in the port and ICEGATE system have also contributed to the challenges of the Exim logistics sector. Some of the segments that have done well and have outperformed the other sectors over the past 5 years include Liquid Logistics and NVOCC, sometimes referred to as container operators, who are engaged in slot chartering.

The SME segment of the industry has not been able to grow fast due to the pressure of financial credit, late payments by the customers, particularly the big companies & high cost of energy. The logistics industry also suffers from the malady of late payments by customers. Recognising the seriousness and the gravity of the situation the government has introduced online delayed payment monitoring system called MSME Samadhaan. Delayed Payments to Micro and Small Enterprises under Micro, Small and Medium Enterprise Development

(MSMED) Act, 2006. Following the half-yearly reporting requirements, all companies who buy goods or avail services from micro and small enterprises and whose payments to such suppliers have exceeded 45 days are obliged to submit a half yearly return to the ministry of corporate affairs (MCA) stating the outstanding amount and the reasons for the delay. Besides building several checks in the tax laws including GST & Income Tax. The government has also introduced Udyog Aadhar Scheme for facilitation of recovery of overdue payments, other remedies include the petition in NCLT for winding-up of a company on grounds of its 'inability to pay debts'.

Considering the government initiative for the agricultural sector, the Reefer Logistics Sector is expected to grow fast in future.

Trade facilitation initiatives like Single Window (initiated by the World Customs Organisation and implemented by the Indian Government) and the Bali Package of World Trade Organisation for trade facilitation will catalyse growth in international trade. On the other hand, we see growth in countervailing forces of protectionism resulting in trade wars. The regional and bilateral agreements among the countries have a greater influence on trade flows than the WTO. Most regions have robust intra-region trade, the exception being the Indian subcontinent i.e. South-Asia. For the logistics sector to grow at a much faster rate, India's trade with the neighbouring countries has to grow considerably.

GST was one of the most important reforms of the government. GST being a new tax, there are several uncertainties about the interpretation of the provisions and implementation methodology.


The double taxation on import freight is also a matter of concern as import freights gets merged into the value of the goods and is subject to customs duty as goods, yet it is also subject tax to GST as a service. Similarly, some International transactions where the foreign customer is billed is also subject to GST. It creates a high resentment among the foreign customers as they cannot get an input tax credit for the same in their own country. Insofar as GST is concerned, the logistics sector expects simplification and greater clarity about the tax liability. The sector also expects the taxation structure to be compatible with the International Tax Regime for similar services rendered by the foreign freight forwarders and other Logistics intermediaries. The burden of filing numerous returns for GST and different returns in different states is also a cause of concern as it has increased the workload manifold. One more adverse impact of GST is the need for increased fund flow (cash flow) for the logistics service providers.

Among the important developments on the operational side include the launch of Port Community System (PCS) and Direct Port Delivery (DPD) of import containers. This, as expected, has expedited the dwell time and has also reduced the transaction cost.

#### Trends shaping the industry

It is expected that the digitisation of commerce will change not only the way the business is done but in addition, the business models itself will undergo a paradigm shift. The foray of e-commerce companies in logistics is going to change market dynamics considerably.

This will be compounded by some shipping lines getting engaged in the last mile solutions while rendering other logistics services. Both pose a challenge of disintermediation. The government also has been investing heavily in the logistics infrastructure, and the policy focus is on developing the logistics hubs, particularly the multimodal transport hubs. The investments will improve the reliability of logistics and reduce the transaction cost, including the overall transportation cost. However, to achieve its full potential, the connectivity and the quality of infrastructure in the port area needs to improve.

Acknowledging the importance of the sector, many states also now have published logistics policy and more are considering it. A clear and investor-friendly logistics policy will attract private sector investment in this sector. 

**RIZWAN SOOMAR**

CEO & MD FOR INDIAN SUBCONTINENT REGION, DP WORLD



**Business in 2018**

2018 has been a landmark year for us, our partnership with NIIF has made key investments with the acquisition of Continental Warehousing Corporation and won the bid to develop and operate the FTWZ at JNPT. Through these, we have enhanced our portfolio to offer integrated multi-modal

logistics solutions to our customers. Additionally, we have strengthened hinterland connectivity from our terminals and are working towards optimizing our inland assets to offer customized solutions to our customers.

There is still a need to reduce supply chain inefficiencies and leverage emerging technologies to deliver cost effective solutions. At DP World, we are working towards enabling 'smarter trade' by expanding into complementary sectors as we work to build both necessary physical infrastructure and digital platforms.

**Trends that shaped the industry in 2018**

The year has witnessed significant changes in the regulatory environment. The ever-changing industry dynamics have forced businesses to re-think their strategies and offer more value to their customers through improved service levels, competitive prices and advanced technological services.

Developments such as cabotage relaxation, implementation of GST as well as the emphasis given to reforms under Ease of Doing Business has had a noticeable impact. India has jumped 23 ranks in the World Bank Ease of Doing Business Rankings, to now stand at the 77th spot. GST has enabled rationalization of supply chains, which has increased operational proficiency. Further, DPD has resulted in reduced turnaround time for cargo.



There is a need to revamp inland infrastructure to connect with internal markets via multi-modal transport. Increased investments are needed to improve cold storage and to boost the use of inland waterways.



The country is currently one of the fastest growing economies in the world with major strides being made with the logistics sector set to reach \$215 billion by 2020, 34 mega MMLPs and over 1300 infrastructure projects underway. DP World has already invested \$1.2 billion in the last 20 years supporting 24 per cent of all container trade and we look forward to expanding our contribution to the growth of the Indian economy.


**Expectations in 2019**

It is an exciting period to be playing an integral part in the country's growth story. Numerous proactive measures have been undertaken by the government such as Make in India, Digital India and Invest India in order to boost the manufacturing sector. For these projects to be successful, there is a need to revamp inland infrastructure to connect with internal markets via multi-modal transport. Increased investments are needed to improve cold storage facilities and networks and to boost the use of inland waterways. An integrated logistics network will not just assist in ensuring just in time delivery, making cargo reach existing markets faster, but will also enable creating new markets for Indian manufactured products.

Further, growth in e-commerce will have a positive impact on the logistics sector, driving investment and development in the sector. Investments focused on development of logistics infrastructure near manufacturing hubs and ports such as – ICDs, DFCs, FTWZs and SEZs will help reduce logistics cost, making exports more competitive and imports less costly. This will further promote manufacturing and agriculture and will directly contribute in making them even more competitive in global/local markets.

**On the regulatory front**

We have been a part of India's growth story over the last two decades and are committed to the development of the port sector and have recently entered into agreements to develop efficient logistics infrastructure. India has vast economic potential and unlocking it will provide new trade opportunities. Efficient logistics is the way forward – to get cargo moving faster, safer and more cost effectively for all stakeholders.

We support the government's initiatives to encourage ease of doing business in the ports and the logistics sectors. We believe that ease of tariff regulation across terminals will provide all terminal operators a level playing field in order to facilitate trade and commerce in the country. We need a change allowing all operators, both existing and future to move towards a market-determined tariff. 

**SAMIR SHAH**  
FORMER PRESIDENT, FFFAI



### Business in 2018

The business continues to remain a bit competitive and the demands of the clients are increasing without a proper understanding of whether a forwarder can do it or not and without even wanting to compensate the forwarder for the extra work he is expected to do. In future the forwarder will have to offer a lot of extra

services within the same price. Importers and exporters are going to expect more and more services from the forwarder.

### Trends that shaped the industry in 2018

I have worked at the inland centers of India and I have noticed that there is a lot of innovation and readiness among forwarders in the smaller cities to do more and more. They are more adaptable and ready for changes than basically an older port-based forwarder. The only problem is that while they are enthusiastic and ready they don't know how to do it and they don't recognise that they should charge for these services. They are offering a lot of additional services that a port-based forwarder doesn't offer. The expectations of the exim community in terms of credits is reaching disproportionate levels. Today sales are done based on the credit capability rather than actual ability. Whereas earlier, exim community looked at the reputation of the company, the knowledge base and desired to work with people whom they were comfortable with. Today they don't mind working with anybody as long as they are getting the price.

On the other hand, the exim community's insistence on wanting to be compliant, but expecting their service provider to be non-compliant is something that doesn't balance out well.

### Catching up with digitalisation


The freight forwarding community doesn't have a choice but has to start finding solutions which are technology based. Technology to a very large extent has done away with domain knowledge. The older generation had spent a life-time in picking up domain knowledge, but the newer forwarders will not have to work that hard because they will get everything at the press of a button. So, domain knowledge is going to take a beating but people will have to learn technology more and more. It is not very far away when the forwarding community will start working with their smart phones.

### Expectations in 2019

The prices charged by freight forwarders is going to increase, because the profit margins on which they are working today are not sustainable. Either they will collectively or individually start increasing their prices or

they will have to scale down their operations. Compliance on all sides will start taking precedence. Today we are more concerned about speed than compliance, but with single window interphase of Customs everything is available at the press of a button, compliance will increase and functioning will become smoother and better.

### On the regulatory front

There is a need for change in mind-set at the bottom level. The government has a will to bring in change and they recognise that unless this change comes in development will slowdown, but this attitude needs to percolate down. At the operational level a lot of things need to be changed. If you look at Customs, different cities in India marginally follow different procedures, so it is required that senior officials of Customs implement uniform practices across the country. Manual processes that need to be phased out should be done in a fast manner as still a lot of paper work is done. 

**JAYANNT LAPSIAA**  
PRESIDENT, AILBIEA



### Business in 2018

Overall business scenario has been satisfying though the global economic landscape faced headwinds in 2018 with geopolitical tensions, sanctions, protectionism, trade war and event risks as the main feature.

While the U.S. economy performed robustly, China has markedly slowed down; and growth in Europe

and Japan continues to remain sluggish.

Despite strong headwinds the Indian liquid bulk industry has performed creditably. Import of two most essential commodities - crude oil and edible oil - has not shown any significant let up in the volume.

### Trends that shaped the industry in 2018

There was a spike in the international price of crude oil to a recent record of \$86 a barrel by early October which has fortunately eased in recent weeks to about \$60 a barrel bringing much needed relief. India's dependence on import of crude oil is to the extent of 80 per cent. At the same time, the currency (Rupee) depreciated alarmingly during the year, moving down from 65 to 73 in a span of a few months. But, notwithstanding these twin challenges, the liquid bulk industry weathered the storm admirably. This by itself should be seen as an achievement and credit should be given to corporate houses and service providers who worked in unison. I am happy to mention, the All India Liquid Bulk Import Export Association (AILBIEA) has been the focal point for much of the country's liquid bulk trade.


### Expectations in 2019

The year 2019 is going to be equally challenging.

There are signs of continuing trade tensions, volatile currency movements and Event risks including Brexit, Indian elections, early signs of El Nino weather conditions and so on. We expect the U.S. Federal Reserve to hike interest rate at least once in 2019 (most likely in March) after which there could be a pause. This may stop the dollar from gaining further strength. There is also talk of the U.S. beginning to lose growth momentum in second half of 2019. In the event, global growth may slow down and shake the confidence of investors. More so, with the general elections slated for 2019, much will depend on the eventual outcome and as to which party is going to form the Government.

Yet, in the Indian context, we believe, the liquid bulk industry will continue to perform well given the strong macro-economic fundamentals of growth, rising incomes and demographic pressure. AILBIEA will continue to play its legitimate and useful role in ensuring uninterrupted trade in liquid bulk cargoes.

**On the regulatory front**

The liquid bulk industry in our country is a self-regulated industry. We would expect further rationalization of processes and procedures that would continue to promote further easing of business which in turn is sure to improve our ranking in Ease of Doing Business. AILBIEA is constantly working towards these objectives. We expect more progressive and more facilitative measures being introduced by the Government to boost the trade and remove more and more shackles, making it much more easier to do business in a more conducive environment. 

**VIVEK KELE**

DIRECTOR, TEAMGLOBAL



**Business in 2018**

The Business was good in 2018, we launched vertical of Coastal Forwarding, our volumes in FCL forwarding grew substantially and our CFS facility at Nava Sheva, the first green CFS in the country received excellent response. Our major achievement has been Teamglobal Logistics and the CFS Division,

Globicon Terminals, both getting prestigious AEO certification by Indian Customs Authorities.

**Trends that shaped the industry in 2018**

2018 saw further consolidation in the liner trade, we will have fewer shipping lines at end of 2018 than what we had in the beginning of 2018. This happened in both box and bulk trade. The 'America First' Policy of Donald Trump saw significant rise in USA imports before the trade barriers came in to the place. Now that the trade barriers are in place, we will see significant realignment of

ocean routes.


There were no new orders for New Builds for most part of the year, only recently couple of carriers have placed order for large ships, this goes to indicate that the growth forecast is subdued, We saw relaxation of cabotage by the Govt and a big push for Inland Water Transport. These policy changes will certainly bring about changes in the Indian transport industry,

We also see digitalisation of the transactions and lots of action on that front among all quarters.

**Expectations in 2019**

We see further push in digitalisation, this will lead to disintermediation, this will open opportunities for new players, challenge for the existing players. Govt efforts on Ease of Doing business, new logistics infrastructures like IWT, DFC, New highways and port connectivities will be the growth drivers.

**On the regulatory front**

More Deregulation than Regulation is expected, we saw successful implementation of GST, that saw significant reduction of local taxes and corresponding paperwork. Going forward Govt is seriously implementing Single Window platform and making the customs 'Faceless' 

**UMESH GROVER**

SECRETARY GENERAL, CFSAI



**Business in 2018**

CFS Industry has been facing rather difficult and challenging times since 2017 as there was a sort of negative image created about CFSs attributing high dwell time and the associated costs to them. Some loose statements made by one or two over enthusiastic bureaucrats added fuel to the fire.

The timeline study done by FIEO on key

stake holders identified the average dwell time in CFSs at JNPT around 150 hrs. However, the analysts as well as the government after clarification and representations by CFSAI, recognized and accepted the fact that the dwell time of Imports are solely controlled by Importers or their agents and CFSs have really no role to play. The activity within CFS required for any importer is barely 10-12 hrs.

Our biggest achievement as CFS industry in 2018 was our ability to bring out the factual position and correct the wrong perception that CFSs are responsible for high dwell time for imports and the associated costs. Secondly, the trade and the ministry realized that the ports having been conceptualised on CFS model, en-block evacuation of the DPD imports is best done by CFSs and not by direct importers. With the trust of DPD importers and they realizing that CFSs add value, out of approx. 58000 teu DPD imports, only 13-14,000 teus are cleared by DPD customers whereas the major chunk is evacuated by CFSs.



### Trends that shaped the industry in 2018

The industry has shaped slightly better than expected at JNPT and Mundra where there is surge in volumes in 2018. The weakening of Rupee against Dollar saw an increase in exports. Though imports have become more expensive with Rupee falling, however both Mundra and JNPT saw reasonably good growth in imports as well. In JNPT, commissioning of the 4th container terminal BMCTL owned and operated by PSA has resulted in rationalisation of some services. This has eased the pressure on other 4 terminals to some extent. With GST more or less settling down, the trade has realized that their transactions are far more secured and safe.

However BMCT being standalone and not having inter-terminal connectivity with other 4 terminals, it has also posed many challenges in terms of inter-terminal movements by rail and road causing increased dwell time and cost.

### Expectations in 2019

For CFS industry, our expectations are that trade would grow further in 2019 and if the present government gets a mandate for another 4 years, the growth trajectory in EXIM trade will see a continued upward trend.


The formation and shaping of the new MMLP policy, which is on the anvil, is expected to redefine EXIM logistics to a large extent. The creation of new SWZ at JNPT and evolving of new MMLPs will also be a game changer. The Shipping Ministry's initiatives towards up-gradation of New Port Community System PCS 1.0 X in its revamped form by Portall as the service provider will connect all stakeholders and real time information to each stakeholder will be available. This will bring in efficiency and at least 1- days of transaction time is likely to be reduced in EXIM logistics chain.

The growth drivers for CFS industry would be the augment in port capacity on both coasts and increased EXIM volumes. With 4th Terminal at JNPT picking up volumes, additional capacity commissioning at Mundra and other locations will surely surge the growth in EXIM trade. With increasing volumes and existing overcapacity available in CFSs, the competition will be tough and CFSs revenue realization per teu may dip to some extent. But the additional volumes should nullify that impact.

### On the regulatory front

A series of unprecedented reforms by present Government especially by CBIC & Customs in last 2-3 years have truly made a paradigm shift in EXIM logistics and has actually benefited the trade in "Ease of doing Business." Customs have changed their role to some extent from being a "Regulator" to a "trade facilitator." However for better productivity, the Regulators (Customs / CBIC) also needs to ensure that the stakeholders, especially the CFSs created at a huge Capex are not "over regulated". Renewal of operating licence on regular intervals, hazardous cargo handling approvals and stringent audits, despite most of the CFSs following world class systems and processes need to be curtailed. Like other industry, under "Ease of doing Business," self-assessment and certification should be encouraged.

Lastly, the newly created CFSs/ ICDs as custodians have the additional burden of the staff cost under "Cost recovery" by DGHRD, CBIC. However despite completing

the prescribed norm in terms of timelines and threshold limits, cost recovery waivers are often delayed for years. This is one area where trade has been representing and a recent Gujarat High court Judgement in favour of the custodian has made the CBIC rethink and they would need to come out with new norms. 

### SUNIL NAIR

CEO, SNOWMAN LOGISTICS LTD



### Business in 2018

After the introduction of GST and demonetization, there have been several changes which companies have had to adhere to. Most of last year was spent in streamlining the IT systems and the operating processes to be compliant with these new changes. At the same time, it gave opportunity to consolidate volume to lesser number of warehouses. We

worked on this with our customers, which helped us increase our volume. As we have strategically located our warehouses, this also helped us bag more business from our existing and new customers. And opened opportunities to add a lot of value added services to our clients. We increased our utilization by around 10 per cent.

### Trends that shaped the industry in 2018

When it comes to the industry, it took a year for the implications of GST to be streamlined. Businesses had to be restructured to include GST and now we can see that most companies have firmed up their plans. This led into requirement of larger size warehouses and transportation solutions. Now companies are clear on which distribution network helps their business. Resultant, a lot of warehousing facilities are being built on a fast track. Importance of 3PL logistics companies is more visible now.

### Expectations in 2019


Government has announced that they have over achieved their GST collection target. The government should think of restructuring the GST so that the burden on corporates is reduced, while you still meet GST targets. A special focus on small and medium sized organisations would help. All recent changes have helped larger players to adapt quickly leaving smaller organisations behind.

The trend of increasing fuel price is still a challenge. This is impacting logistics industries badly. Most of the small transporters are off road now, and struggling to come back on road with business. They are completely broken after increasing fuel price in the recent past, which they could not pass on to customers, where agreements are signed with fixed pricing for a longer period. Daily price change in freight is still not an acceptable phenomenon due to administrative hassles.

### On the regulatory front

Firstly, there should – hopefully – not be any new

introductions in terms of taxation and/or logistics related laws and policies. I feel that a couple of years of stability is very important for this industry to streamline things. Maybe after that it would be ready to take on more changes. At present there are investors looking to invest in logistics industry in India, but constant fluctuations in policies showcase the industry as an unstable one and that may work as a caution to the investors.

Second important thing is control on fuel price. It will be great if government could control fuel price at lowest possible, and revert back to monthly price changes rather than daily one. Customers' agreements do not allow changing prices daily for a transporter, their frequency is, at max, monthly and hence to protect transporter's interest, reverting back to monthly price change would be of great support. 

**HARPREET SINGH MALHOTRA**

MANAGING DIRECTOR, TIGER LOGISTICS (I) PVT LTD



**Business in 2018**

2018 has been a mixed year for Tiger Logistics. The company has completed 2.5 years on Bombay Stock Exchange's main board and feeling good with a proud experience. September end half yearly results were closed with more than 15%. The company hopes to keep the growth momentum high in the next two quarters.

Tiger Logistics has become the 9th Indian company that registered itself as an AEO (Authorised Economic Operator) and got the certification. Today the company has a staff strength of 375+ persons, a fleet of 59 vehicles with 14 offices in India – New Delhi, Mumbai, Nashik, Pune, Kolkata, Ahmedabad, Veraval, Mundra, Hazira, Vadodara, Ludhiana, Jaipur, Bengaluru, and Chennai. Tiger Logistics has the best Technologies like customer redressal system, mobile applications, GPS tracking and cloud computing to improve communications, logistics, and inventory tracking. This works together to boost customer trust and brand loyalty.

**Achievements:**

Tiger Logistics has successfully operated newly opened offices in Bengaluru and Chennai locations. Tiger Logistics has covered almost entire ports of India through pan presence and agents and associates presence. We have a team of reputed agents and associates around the globe and through them we operated several successful supply chain operations. Tiger Logistics management has always been keen in growing the corporate customer base in order to give leeway to company to always reinvest its profit for the future organisation.

**Challenges:**

The company feels in the disorganized nature of the

logistics sector in India, is a manpower heavy industry and lack of adequate training institutions has led to a shortfall in skilled management and client service personnel.

**Trends that shaped the industry in 2018**

The Indian transportation and logistics industry is emerging rapidly to an efficient level along its growth trajectory. Rising investments, rapidly evolving regulatory policies, mega infrastructure projects, and several other developments in recent times have driven the Indian logistics market to a global extent. As the Indian Government implemented GST, E-WAY Bill, MAKE IN INDIA, and PPP program on a broader and bigger level, left no stone unturned, our country continues to emerge as a biggest manufacturing source/partner. It's important to know that all aspects of a business are profit centres, so be ready for the increased workload that's coming your way. The country will be a crucial part of everyone's business plan for 2021-2022. Near-shoring is a growing reality, and India is coming on very strong within that context. Con- currently, we see positive indicators for the Indian economy.


**Expectations in 2019**

By the implementation of GST, the logistics companies, which are currently forced to set up many small warehouses across multiple cities are setting up just a few, big warehouses region wise and also following the hub-and spoke model for freight movement from the warehouses to the different manufacturing plants, wholesale outlets, retail outlets and the various POS. That means the fastest growing Indian economy will be engaged in a new, rising trend that's going to make its first run in 2019.

As an economy and trade specialist, I'm looking carefully right now at the positive economic growth trends that are coming in 2019 and 2020. I expect the domestic economy to do better across this 12 to 24 month period, which means many companies should be thinking now about how to scale up for and accommodate this expansion.

**On the regulatory front**

We appreciate Government of India efforts behind implementation of GST, E-WAY Bill, paperless process in Excise & Customs and also removal of Octroi and retrieval of Ease of Doing Business ranking of India on the global front. No doubt that the India government is playing good moves to prevent tax outliers and promoting investments in India by marketing Make In India. Logistics industry is increasing and growing but at a very constant speed and the reason behind is Dollar Exchange rate. The decreasing value of Rupee is making a clear rough impact on the business and industry. The Indian logistics industry spends around 14 per cent of the GDP on different types of cost incurred in logistics operation. The amount of cost incurred is very high in comparison to the logistics cost incurred by different nations.

Domestic third party logistics space is expected to grow at a 19-20 per cent Compounded Annual Growth Rate to reach ₹58,000 crore by 2019-20. This growth rate is based on the expectation that the new government improve its services and policies for 3PL players like us so we can optimize our operations to reduce cost and increase margins. 

**CAPT SUNIL THAPAR**  
CEO, ALLCARGO SHIPPING CO PVT LTD



#### Business in 2018

The dry market has been seeing ups and down this year also and the YO-YO continues unabated. On an average there has not been much change except in that tanker Market. Accordingly our business has also been flat. Same time we have managed to keep our head above water and expect to close the Financial year on a positive note.

#### Trends that shaped the industry in 2018


Like I said above the industry is still not sure if we are out of dumps. There have been some positive signs. Going forward we do expect positive developments as far as tonnage supply is concerned. January 2020 Should see some of the older tonnage going to the recycling guys. Fitting of scrubbers on such vessels may not be such a good idea. Availability of compliant fuel will be also an issue and so will be the Price differential for 0.5% IFO. How much of this will get passed on the trade and how much ship owners will have to absorb will be a governing factor.

#### Expectations in 2019

2019 will see lot of discussion and action on fitting of scrubbers and use of compliant fuel. Already there are view points on close loop or open loop scrubbers or hybrid scrubbers. Vessel owners need to shell out millions of dollars for fitting these and not fitting the right one could be counterproductive. Singapore has already said it will only allow Close loop scrubbers in its waters. With most of the East West Trading vessels using these waters, the choice seems to be obvious.

Dry Market is not expected to change much. The USA China Trade / Tarrif war will have its own repercussions and industry will be watching that. Other wise I don't expect much change.

#### On the regulatory front

The Govt is trying hard to promote Indian Shipping as well as coastal and Inland waterways. The initiatives have moved from paper to field. Proactive steps have been taken including investing in roads to improve connectivity with Ports, building inland terminals, barges for leasing out for promoting trade movement etc. What has not been acted on is how to incentivise the poor ship owner. He has been left to fend for himself and the market forces. Opening up of Cabotage has brought more challenges to Indian ship owners. We would like the authorities to realize if the ship owner does not find a particular trade lucrative, he will not invest his time and money to acquire and operate ships. No one is in the business for charity. The authorities need to work on rules and regulations applicable to coastal shipping. They must be in line with what is ground reality and focused towards ease of doing business. 

**ASHISH KUMAR GUPTA**  
MANAGING DIRECTOR, TM INTERNATIONAL LOGISTICS LTD



#### Business in 2018

TMILL group has witnessed significant growth in volumes, revenue and profits in current financial year. The railway business is in an exciting growth phase and is likely to grow further with the introduction of the GPW-IS Policy by Indian Railways.


#### Trends that shaped the industry in 2018

The industry is trying hard to become more organised and changes are visible. The approach of the companies and industry is more professional and there is resolve to change things. The most significant emerging trend is the focus on efficiencies led by digitalisation. Going digital is the way forward.

#### Expectations in 2019

Not only the central, but also the state governments are willing to look at the policy framework to promote business. There is a resolve to change and the government is willing to listen and solve problems.

#### On the regulatory front

Overall 2019 will come with its ups and downs, made more exciting by the upcoming general elections. The year is expected to have steady growth for the industry. The investments done in ports, roads and railways should start delivering results towards the later part of 2019. With rapid growth of Indian economy, the logistics sector will find it difficult to manage the rate of growth and it may expose more bottleneck and areas for redressal. While the government is trying to play its part in developing policies and infrastructure, the industry players are yet to get their act together. The scepticism of the industry has to go, it needs to be replaced with optimism, faith and positivity. 

**NAFEESA MOLOOBHOY**  
MANAGING DIRECTOR, A. S. MOLOOBHOY PVT. LTD.



#### Business in 2018

Business could have been better. However, we are grateful that we managed to come through another year safely; without being scarred by the onslaught of recession or severe cash flow problems.

Cash flows are my main worry.

Along with unprofitable business. There is too little

business being chased by too many people and this is unhealthy for all. Even the customers.

Our major achievements were winning the ONGC contract for supply and installation of Communication equipment on their rigs and platforms and entering the Charts business by winning the SCI charts tender. However, both are almost with zero profit, so the going will be tough.

**Trends that shaped the industry in 2018**

I think Defense has still been our saviour this year too. And of course Service.

We render service to a host of foreign customers who actually do pay on time, enabling us to keep our cash flows safe.


Our thrust towards quality and honest lifeboat and fire fighting services, especially putting up a state of the art hydrotesting machine is something I am very proud of. Considering all the accidents that have taken place last year, especially SCI, I do hope it encourages ship owners and vessel managers not to only go by L1 but to give due credence to quality and integrity.

**Expectations in 2019**

I do hope the offshore industry picks up and for the return of new shipbuilding orders. Shipyards have a cascading effect on the job market. Currently all private shipyards are in the doldrums.

Interesting will be the development of the Marina in Mumbai. I hope the Government has the good sense to continue with its thrust in this sector. The development of Inland Shipping should also provide an impetus for growth to our industry. Hopefully it will bring about the revival of shipyards and facilitate relatively pollution free transportation !

**On the regulatory front**

I think GST rates need to be rationalised. 18% is too high for the shipping industry especially on Services. It makes us uncompetitive as a result we lose business to counterparts in the UAE or Singapore. I am waiting for the new software from DG Shipping for liferaft servicing and supply of Pyros etc. The current scenario of spurious Pyros and unethical LSA servicing is worrying especially since the dishonesty in this segment is so blatant and obvious!!! The Government needs to step in and regulate it. 

**PIROJSHAW SARKARI**  
CEO, MAHINDRA LOGISTICS



**Overview of the year gone by and outlook for 2019**


“At Mahindra Logistics Limited (MLL) we believe that the year 2018 continued to be transformational for the logistics industry. This was due to enhanced governmental focus on the sector. The work that commenced in 2017 with GST, continued in 2018

with E-way bill, Logistics Performance Index for States, and a nodal Department for Logistics.

In addition, there is an umbrella initiative: LEEP i.e. Logistics Efficiency Enhancement Program; under which several steps are being planned by the Department of Logistics. The department has also unveiled a new logo for Indian logistics and working towards ensuring that only credible players are permitted to use the logo. The ‘National Logistics Portal’ has also been launched recently. This portal will be the market-place for all services for the entire logistics ecosystem.

One of MLL’s purpose principles is ‘Shaping the Industry’. We are working with the ‘National Council for Logistics’ under CII and ‘Department of Logistics’ on initiatives like standardization in the logistics industry.

From a contribution to GDP, logistics sector at 13-14% is almost as important as agriculture and therefore needs proper attention. Government is advocating Make in India. We believe that for this to succeed Move In India has to be more efficient. That is the importance of role of logistics sector.

In conclusion, at Mahindra Logistics, we foresee another exciting and action-filled year for logistics”. 

**K SWAMINATHAN**  
DIRECTOR -SERVICE BUSINESS, BALMER LAWRIE & CO. LTD.



**Business in 2018**

Performance in calendar year 2018 was satisfactory for Balmer Lawrie as far as Logistics business is concerned. We have done marginally better than last year; but for certain headwinds which were beyond the control of the industry, we could have done even better. We have started handling more DG cargo in the last couple of years and executed multiple shipments of IMO cargo,

the biggest shipment being that of 167 teus in one lot in 2018 so far. We have been handling a lot of International air charters and in this year, we have ventured into domestic air chartering too. The firming up of oil prices in the third quarter of the calendar year led to volatility in freight market. We also noted that many importers started converting FOB shipments to CIF shipments citing ease of transaction which is a matter of grave concern for any Indian freight forwarder.

As far as CFS business is concerned, there has been no growth and it is becoming extremely difficult to hold on to the existing volumes as DPD volumes go up and the “available volumes for CFS” is being chased by too many players leading to chaos in the market place as far as revenues and earnings are concerned.

**Trends that shaped the industry in 2018**

Year 2018 is proving to be transformative for the logistics industry. The government has given the “infra”

“

Collaborative working will be taken to the next level with the mushrooming of start-ups which will bring innovation into play in offering services. Ease of doing business will open up opportunities.

”

status to logistics enabling better access to funds at lower rates. This year has seen increased government spending in the development of infrastructure – ports, rail stations, roads, border check points etc. Inland waterways, which has been talked about for a long time has finally taken off and will go a long way in addressing pollution related ecology issues of the country. This development can lead to much reduced domestic freight charges and spare the country of a huge import bill on oil. First and last mile connectivity issues still needs to be addressed for it to be a game changer for the country. We saw enhanced focus on serving Tier II and Tier III cities by virtue of this. Technology like Blockchain offers companies and their supply chain more transparency, allowing them to work seamlessly with suppliers and logistics providers without fear of compromised information. Use of Artificial Intelligence would also help the logistics industry in a big way to meet the growing customer expectations, in the days to come.

The Government decided not to allow CFSs to be set up in four major port cities viz., Mumbai, Chennai, Vizag and Mundhra as the stated objective is to promote direct deliveries from the port without the involvement of CFSs. There seems to be some confusion in what is recorded as DPD imports. DPD has definitely changed the earning profile of the CFSs and many are struggling to stay afloat. Margins have dropped significantly and many have started providing “more value added services” to negate this impact.

#### Expectations in 2019

Continued governmental expenditure in infrastructure and key industries is what we expect. We have seen mergers and acquisitions in the past and also have seen some collaborative working where multiple service providers share common resources to provide cost effective logistics solutions to clients. The collaborative working will be taken to the next level with the mushrooming of start-ups in this domain which will bring innovation. Ease of doing business will open up opportunities with initiatives like ‘Make in India’ and ‘Skill India’ helping the industry to grow. The dedicated Freight Corridors are expected to be fully operational in 2020 and the Inland Waterways will open up opportunities for the creation of Logistics Infrastructure along the route. Technology initiatives like “portals” to find the best freight rate may pose some serious challenges to the conventional “brick and mortar” logistic companies. A bigger challenge I foresee is on the incentives being extended to the exporters particularly after the US lodged a complaint with the WTO’s Dispute Settlement Body (DSB) in March 2018,

challenging the incentive schemes for Indian Exporters.

#### On the regulatory front

The Government should figure out a way to encourage FOB import shipments to lend support to Indian freight forwarders. This will ensure that cartel formation between the suppliers and local freight forwarders in some countries is not adding to cost of imports for India. MSMEs, which happen to be the backbone of the economy, used to import on FOB terms. However, because of GST on Ocean Freight, MSMEs are switching over to CIF primarily to avoid cash flow issues related to taking credit of GST paid. Further, there is an increase in FE spend through this process. [mg](#)

#### SHAILESH GARG

MD, DREWRY MARITIME SERVICES PRIVATE LIMITED



#### Business in 2018

From our business perspective, there was no major change from 2017. Recovery in the oil prices brought back some activity in the Middle East but overall market scenario remained volatile. Changing geopolitical scenario has added to the uncertainty. One of the major challenges in 2018 has been the unpredictability of the demand, leading

to underutilisation of resources and higher overheads and lower margins.

#### Trends that shaped the industry in 2018

One of the key trends has been consolidation in the liner industry, which is changing the competitive landscape and impacting position of terminal operators and other service providers. This trend is expected to continue in coming years as supply pressure will force shipping lines to forge alliances to manage capacity and margins. In addition to this, industry is witnessing increasing penetration of IT in the form of digitalisation, e-commerce, automation, data analytics and the trend will pick –up in the coming years as players will be forced to adopt these tools to remain competitive.

#### Expectations in 2019

We expect 2019 to be bit subdued for Indian market in view of general elections. Players and investors will adopt wait and watch policy. Similarly, increasing protectionist policies is expected to add to trade war could restrict flow of goods and global trade. This would have adverse impact on demand for shipping, which is already suffering from over supply. On operational front, ship-owners are still not sure of the impact of new emission norms which will come into effect from 1st Jan 2020. There is lack of clarity on the compliance cost and supply of low sulphur fuel. However, digitalisation and AI in maritime sector is expected to provide new opportunities for various industry participants. [mg](#)



# Delivering deep into the hinterlands

❏ **How has been the business of APM Terminals in South Asia in 2018? Which of the regions have been the star performers and major revenue contributors?**

2018 has been a landmark year for APM Terminals Inland Services South Asia with the creation of an opportunity to service India's high potential agriculture, seafood, pharmaceuticals and chemical industries. South India's first integrated CFS and Cold Chain solutions facility based in Chennai was inaugurated this year and delivers services of global standards.

Broadly, APM Terminals Inland Services has performed in line with the market trend where the west region and the northern part of India have seen shipment and cargo growth. Being fairly new facilities, our business in Mundra and Tuticorin has shown an impressive pick up in volumes. Pune too is delivering on its promise of being the one-stop solution for various manufacturers in the vicinity and neighbouring regions. The receipt of AEO Certification has also helped add value to the customers' supply chains.

Our Container Services Division's performance has been significant this year backed mainly by its

Be it in the middle of the Thar Desert or a village in the interiors of Tamil Nadu, delivering into the deep pockets of the Indian hinterland has been the forte of APM Terminals Inland service. **Ajit Venkataraman, Managing Director, APM Terminals Inland Services South Asia,** details on their impeccable services backed by high-tech infrastructure and robust technology

leading expertise in refrigerated containers maintenance and repair, and thoughtful Garment-on-Hanger fabrication solutions.

❏ **What have been the major trends witnessed in 2018?**

Broadly, for India, 2018 has been a year of identifying gaps and inefficiencies across the logistics and supply chain industry, developing solutions, and executing.

While DPD, aimed at making the supply chain more efficient is the right way forward, approximately 60 per cent of the containers are still sent to CFSs that are transforming themselves and identifying avenues to add value

to the supply chain. Simultaneously, larger automated warehouses closer to manufacturing and consumption centres are replacing traditional ones.

ICDs have found an increasingly significant role to play in developing the hinterland of India – an increasing number of ICDs with better road and rail connectivity have been set up. The DFCs and Industrial corridors are the focal points around which most of the infrastructure and strategies are being developed. The cold chain industry witnessed customers showing preference for single service providers for transportation and storage.

❏ **In India which are the**

### **hinterlands served by APM Terminals and how is the inland connectivity?**

We have five facilities in Western India – two CFSs in Nhava Sheva, a dedicated reefer services facility in Dighode, an integrated ICD and warehousing facility in Chakan, Pune and a CFS in Mundra. These facilities connect the entire western region and enable connectivity between the northern and southern hinterland.

In the North, our ICD at Dadri specializes in customized solutions for retail apparel industry including - Garment on Hanger (GOH) fabrication of containers, GOH-on-wheel facility and specialized warehousing at standards conducive for global retail apparel brands. Through the two facilities in Chennai (CFS and Cold Chain) and Tuticorin - located close to the East coast, it is able to cater to the requirements of south India and beyond.

Serving deep pockets of India, APM Terminals Inland Services has made solar deliveries across states like Rajasthan, Tamil Nadu, Andhra Pradesh, Karnataka, Madhya Pradesh, other regions in Central India and even in the middle of Thar desert. These deliveries have been made from the ports of Chennai, Mundra, Vizag and Krishnapatnam.

### **Q Tell us about your last mile connectivity in India?**

We have increasingly worked on developing our Store Door or end-to-end supply chain solutions capability and it has become our forte today. Receiving the cargo at the Port, to delivering at the customer's doorstep, and everything in between; we have been offering services across the Indian hinterland – right from an interior village in Tamil Nadu to the Thar desert. Our cold chain facility in Chennai has already delivered on last mile distribution for aquaculture feed market apart from cargo pick up from source for consolidation and laden container movement for export.

Another perfect example of last mile deliveries is our service offering at the ICD cum warehouse at Chakan, Pune. The deliveries to the customer's manufacturing unit, Just-In-Time is made possible by the location and the solutions developed to address requirements of raw material/ components.

### **Q How is APM Terminals embracing technology?**

We have constantly taken lead in introducing technology to make business easier for customers and enhance efficiencies and speed. Enterprise resource planning, supply chain management, GPS, real-time empty container management software, token management system, electronic data interchange, warehouse management, RFID, hand-held mobile solutions, online container tracking, e-invoicing and bar coding are a few of the solutions we have developed. Technology has been implemented in cold chain especially for active and passive monitoring of temperature. A recent development that stands out is the yard management automation system providing container handling instructions to Reach Stacker operators and updating container position in the yard and its status – all in real time. We are currently in the initial phase of developing an ambitious integrated facility operating system.

### **Q With DPD how has the role of CFS transformed?**

DPD is ahead of its time when viewed in conjunction with the current infrastructure, and long-established supply chain models prevalent in the country. So, while a container is supposed to be cleared within 24 hours of its arrival, consignees don't really have the expertise and infrastructure (space to hold the container/ cargo, equipment to handle the container/ destuff cargo). While DPD has brought about efficiency in customs clearance process, the overall issues related to end-to-end efficiencies are yet to be addressed.

At APM Terminals Inland Services, we have been addressing our customers' needs by providing specialized and value-added services like palletization, packaging, labelling, end-to-end solutions to customers, skilled expertise for stuffing of cargo in containers – both dry and refrigerated. We are rethinking our business models. For example, at Pune, by attaching a full-fledged warehouse to our ICD, we are enabling JIT for the auto manufacturers specifically, and multiple other benefits for other customers. Similarly, with the set-up of a cold chain facility next to the CFS in Chennai, we are able to fill in a gap for

a world class cold chain facility in close proximity to the Port as well as the market – both Chennai and Tuticorin.

### **Q Tell us about the cold chain facilities of APM Terminals?**

Globally APM Terminals operates five Cold Chain facilities at Vado in Italy, Puerto Montt in Chile, Cape Town in South Africa, Ziguinchor in Senegal and the recently inaugurated facility in Chennai, India.

Inaugurated in 2018, this is South India's first integrated CFS cum Cold Chain solutions facility. An integrated temperature-controlled facility spread across 10,000 square meters, it offers multi commodity and multi-temperature storage solutions. With a pallet capacity of 6350, the facility features reefer plugs and value-added services like customs clearance, bonded warehousing, cargo palletization, and packaging, transportation logistics to seaports and airports, and on-wheel customs seal verification – for domestic and export-import freight. A blast freezer saves the day for customers mainly dealing in seafood and ready-to-cook products. By the virtue of being integrated with a CFS, it can also offer services like management of refrigerated containers and container repair.

### **Q What will be the major trends in inland services in 2019?**

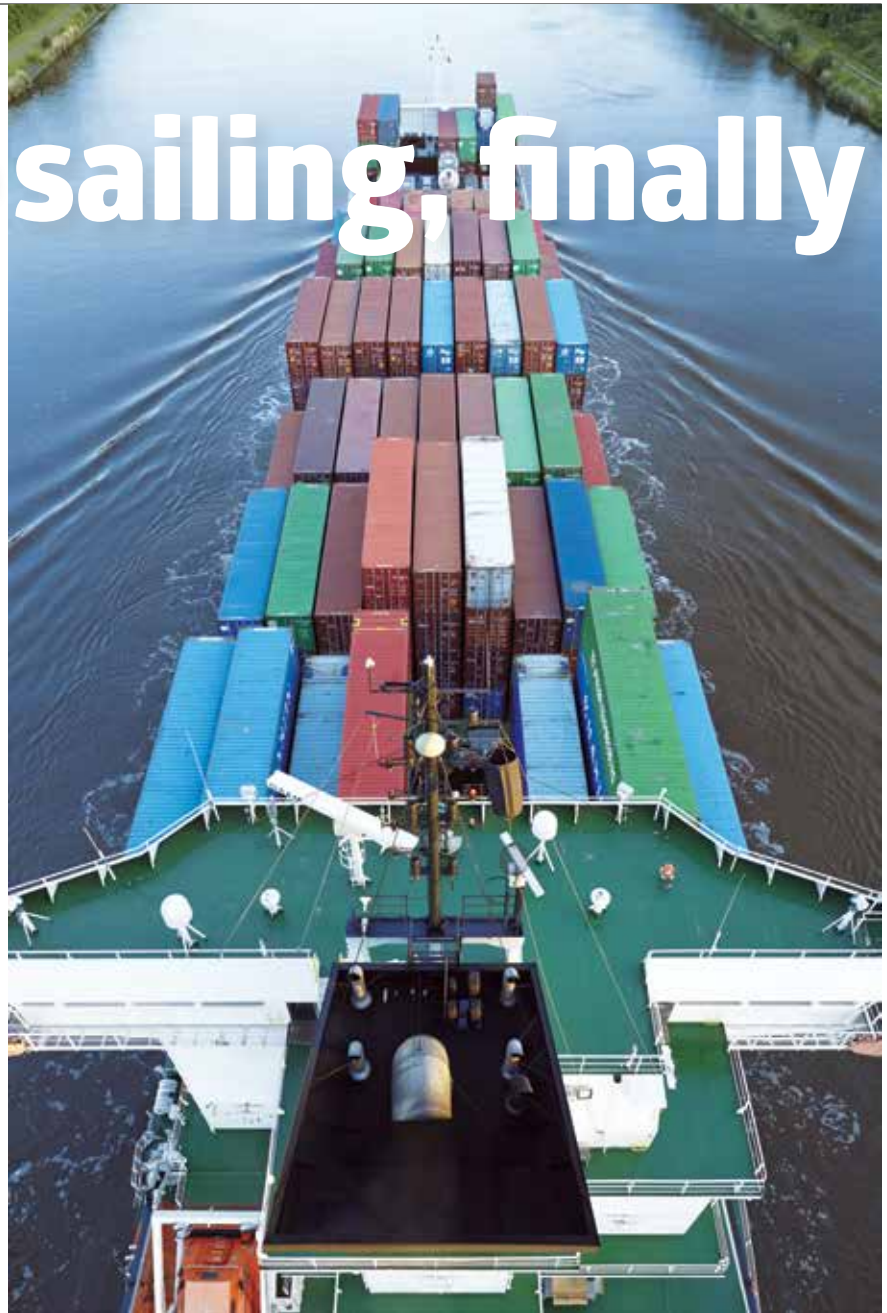
New and innovative models of infrastructure attuned to emerging multi modal logistics options aimed at addressing unique region-specific requirements will emerge. (for example, the Freight Village in Varanasi along the river Ganga). Factors like new and varied kinds of products being traded, increased awareness, higher standards, and clear focus on quality and efficiency, will herald an era of specialization; special expertise in handling different kinds of cargo will replace the age old traditional forms. ICDs will grow in significance. Three major trends that will shape the Cold chain industry will be: Enhanced focus on agricultural commodities; demand for a farm level solution

Transparency, visibility and safety will all be infused with Blockchain to achieve better standards and efficiency in temperature controlled movement, handling of chemicals, transit time, planning and scheduling a consignment. [img7](#)

# We are sailing, finally

IWAI has revamped the inland waterways by installing ultra-modern cranes, jetties and has deployed barges that can sail in lesser draft, to ensure logistics happens in the waterways round the year. Sensing the opportunity a lot of companies are migrating to this cost-effective and eco-friendly mode of transport

India has about 15,000 km of waterways which have been totally neglected since the independence of our country. Nations like Bangladesh, Vietnam, Myanmar, US, China and Argentina have made immense progress in the use of their waterways, which are used at par with other modes of surface transport. In India the share of cargo movement through waterways has increased to about 6 per cent from about 0.5 per cent few years back. Now compare this with China that has more than 17 per cent of cargo moving through waterways, while Vietnam has 45 per cent. This also translates into environmental benefits for these nations. In November 2018, for the first time containerised cargo was flagged off from Kolkata to Varanasi through river Ganga and the ship also carried return cargo of Dabur and Pepsi from Varanasi and reached Kolkata on November 27. This important milestone disproved



the notion that logistics in Ganga is not possible in the months of November and December, and can happen only during the monsoon season. Following this successful debut shipment, another cargo consignment of Emami products and Pepsi sailed from Kolkata to Patna. On 23rd November, 1,600 tonnes of stone chips were flagged off from a jetty in Pakur, Jharkhand to Bangladesh and there is daily cargo movement happening on this route. Containerised cargo movement is also happening from Haldia to Varanasi and then to Patna. Waterways are the answer to all the logistics issues such as high cost of moving goods through

road, congestion in the city and traffic restrictions.

From 2 million tonnes in 2011 and 2012, cargo movement through waterways increased to 5.8 million tonnes in 2017 and by October 2018 about 6 million tonnes of cargo has been moved through the waterways. So, people are realising the importance and efficiency of waterways and the cost of logistics will force people to use waterways, if not today, in the near future.

“Nobody ever imagined that 1,233 tonnes of fly ash from NTPC could be loaded at Kahalgaon and moved to Guwahati in 21 days through the




Indo-Bangladesh protocol route and the cost was 55 paise per tonne per km. This is one of the biggest consignments being transported on the waterways and no road or rail service can beat this cost-efficiency," revealed Pravir Pandey, Vice Chairman, IWAI. But there is a challenge of return cargo. Major brands including Dabur, Parle-G, Emami and Hindustan Lever are looking at using waterways. If night navigation facilities are developed then further logistics time can be cut down on the waterways.

Coming to the Jalmarg Vikas Project Pravir Pandey revealed, the Sahebgunj multimodal terminal in Jharkhand will be ready by March or April 2019 and the Haldia multimodal terminal will be ready by the end of 2019. IWAI has put the Varanasi terminal for bidding through the PPP mode for 30 years on operations, maintenance and development model. The bidders include DP World, JM Baxi and Adani. The government is not going to operate any terminal actively, but will undertake maintenance of the waterways. IWAI is deploying staff on water with echo sounders and other equipment for channel marking and monitoring their depths, so that uninterrupted movement of cargo and passengers takes place.

The NW-4 has become operational on Krishna River and more than 50,000 tonnes of cargo is moving on this route. 90 kms of this waterway from Muktyala to Vijayawada is being developed and in-between the new capital city of Amaravati is coming up.

Seeing the development on Ganga – NW-1, the government is planning to develop Brahmaputra (NW-2) for which the World Bank will fund Rs.3,000 crore. Moving further to connect with the South East Asian nations, the Kaladan multimodal transit project in Myanmar is being funded by the Ministry of External Affairs at a cost of ₹700 crore. The idea is to connect Kolkata and Haldia to Myanmar at Sittwe which further connects to Mizoram. The Sittwe port is now ready for operations and this project will not only make connecting the north east states easy but will also open India to the South East Asia.

Special vessels that can move on



**Pravir Pandey**  
Vice Chairman, IWAI

“  
Nobody ever imagined that 1,233 tonnes of fly ash from NTPC could be loaded at Kahalgaon and moved to Guwahati in 21 days through the Indo-Bangladesh protocol route and the cost was 55 paise per tonne per km. This is one of the biggest consignments being transported on the waterways and no road or rail service can beat this cost-efficiency.  
”

lesser draft are being designed for moving containers, bulk, break-bulk and Ro-Ro on the waterways. About 15 such vessels will be procured. 10 Ro-Ro vessels are also being procured from Cochin shipyard and the first vessels will be delivered in February or March 2019.

IWAI is very keen to use methanol as marine fuel in ships plying on waterways. Niti Aayog is piloting this movement and a committee chaired by Dr Saraswat, Member, Niti Aayog, is formed for promoting use of methanol. IWAI has given three of its boats to Cochin shipyard to redesign and retrofit its engines for using methanol. IWAI has also placed orders with Cochin Shipyard for 6 cargo vessels having 1000-2000 tonnes capacity that run on methanol. Methanol costs Rs.25 per litre as compared to Rs.65 per litre of diesel, so it can drastically bring down the logistics cost by about one third.

A concern in using methanol is for bunkering, because if a ship sails from Kolkata to Patna then it will need refuelling in the journey and methanol can't be stored in huge quantities like diesel as it needs more space onboard a ship which will reduce cargo holding capacity. So ships will need frequent bunkering, maybe after every 500km. IWAI is also planning bunkering and fuel supply strategy on the national waterways.


A lot of thought process was put for using barges from Goa that were defunct after the ban on mining there. But those barges need a draft of 2.8 meters. While waterways have a draft

of 3 meters from Haldia till Patna, but beyond Patna the draft is 2.5 meters. IWAI is also in the process of buying 25 vessels of various kind – bulk, break-bulk, container carriers, Ro-Ro, oil tankers, push tug flotilla. About 10-12 barges are already moving on the waterways. These barges will be given on lease to private companies to operate, but beyond that the private companies need to invest in barges.

Logistics service providers, instead of owning 100 trucks wherein each truck costs about ₹5-6 crores, they can invest in one vessel of 1500-2000 tonnes capacity that costs about ₹10-11 crores. Once the benefits of using waterways are realised, confidence will build up among the logistics service providers who will gradually move from trucks to vessels.

The first challenge for waterways transportation was cargo handling cost, because loading and unloading of cargo was manual due to which the cost was skyrocketing, but use of mechanised equipment for cargo handling has helped to control the cost. Today at multimodal terminals in Varanasi, Sahebgunj, Haldia, Pakur, Kalughat and Ghazipur, most modern cranes and mobile harbour cranes are being installed, the jetties are designed for high level and low level boats. For example, the Pepsi cargo consisting of 16 containers that reached Banaras was offloaded in 52 minutes.

IWAI is acquiring 100 acres land in Banaras, 350 acres in Sahebgunj for developing freight villages that will attract and aggregate the cargo. All operations from manufacturing to assembling and packaging, warehousing, bonding can happen in the freight village. These villages will have multimodal connectivity to waterways, road and rail. The shipper can choose a combination of the transport mode based on his cost and convenience.

At Sahebgunj in Jharkhand, moving beyond the freight village, an industrial hub is being planned for which 350 acres land is being acquired. These freight villages are expected to be operational by 2020. IWAI will acquire land and develop the basic infrastructure such as roads, water and electricity supply, and thereafter through PPP mode land will be given to a private operator to develop. 



# Logistics sector to witness greater growth

The Indian logistics cost will come down as the sector is all set to witness more growth in the days to come, reveals **S. Ramakrishna, Chairman, FFAI**, as he looks at the opportunities and challenges facing the freight forwarding community

Vijay Kurup

## Q What are the pressing issues that the freight forwarding industry is facing today?

The challenges are many in terms of reduced volume of business, the margins have to be compromised to sustain, recovery of dues in time etc., but at the same time the avenues are also opening up such as new MMLPs, inland waterways, AFS, where the CB and freight forwarder would get newer opportunity to work. Reduced margins and mergers of shipping lines have posed more challenges for the freight forwarding community. There are also disturbing trends of carriers getting into end-to-end solutions.

## Q How has been the business in 2018?

The business in 2018 has been slow for the various reasons, mainly due to global recession, oil prices and fluctuation in foreign currencies, but at the same time the exporters have benefited from exchange rate surge. There was also an issue about the understanding of GST which also reduced the trade in the financial year. However, the scenario has changed dramatically now with better understanding and facilitation from the government as well as due to proactive initiatives from association & stake holders. In 2019, we look forward for positive growth in industry especially with the latest accord with UAE and Iran with rupee trade agreements.

## Q How has the freight forwarding

## industry responded to automation, transparency and closer interaction with the regulatory bodies?

Ministry of Finance in co-ordination with other related Ministries have been having regular interactions to bring all agencies into the ambit of SWIFT. This is already the norm where major PGAs are online.

## Q The logistic sector is expected to grow from \$160 billion to \$215 billion by 2020. What is going to be the change?

The logistics sector will grow for sure especially with cold chain which are being set up, UDAN scheme of the Ministry of Civil Aviation, setting up of AFS to cater to the various small airports to have hub and spoke model, creating India as a major transshipment hub for nearby countries.

## Q The Western DFC should be on the rails in about a year. What potential does the freight forwarding industry see here?

DFC should reduce the cost drastically. The challenge would be disparity of imports vs exports in terms of container from hinterland to the port. DFC could also be utilised for Ro-Ro vehicular movement for air shipments apart from containers.

## Q How can FFAI contribute in reducing logistics cost?

It would be the economy of the scale which would reduce the cost, our endeavour should be to achieve that. The E Way bill and GST did reduce

the logistic cost but the surge in fuel price actually took the sheen out.

## Q Is our freight forwarding industry still unorganised? Has it evolved from being a service provider to offer end-to-end solutions?

It is harsh to say it is an unorganised community. We have been requesting the government for industry status for the entire cargo business which would help us in funding. Our sector has contributed majorly to exchequer in service tax earlier and now in GST. Service sector does dominate the GDP contribution in the Indian economy.

## Q Your expectations on the regulatory front?

The government has included logistics sector in the harmonised master list of infrastructure sub-sector and this is a very welcome step. This in fact is the first step towards recognition of logistic sector as an industry according to us.

The Ministry of Finance along with Agriculture, Ministry of Health and other government departments have joined hands in reducing the dwell time by automation process with ICEGATE which is a phenomenal improvement by participating government agencies. The Reserve Bank of India through their portal have substantially reduced the discrepancies in the transactions of exim trade by auto populating the exim data from Bills of Entry & Shipping Bills. [img](#)



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# Quick passage for Bangladesh exports



For long, South-east Asia has been marred with poor intra-regional connectivity and trade, until India and Bangladesh came together to put forward a classic example of intra-regional coordination on matters of connectivity by initiating coastal shipping which has been growing steadily. Bangladesh moved a step forward by allowing use of Chattogram and Mongla Ports for the movement of goods to and from north-eastern states of India. Reciprocating India has initiated a pilot programme for transit of Bangladesh export cargo from Petrapole to Kolkata Port and Nhavasheva Ports / Kolkata Airport.

Port congestion resulting in delayed cargo movement and longer dwell time for ships has been a perennial problem for the Bangladesh trade that has been bearing the brunt in terms of higher logistics cost and often delayed consignments shipped to their business counterparts in the west. While the Bangladesh government has taken a slew of measures to address this issue by adding infrastructure at the ports and developing new terminals, another feasible option is the new proposal which is in pilot phase for transshipment of Bangladesh cargo through the Benapole/Petrapole land customs stations to the Kolkata Port, Nhavasheva Port and Kolkata Airport.

The Pilot Program has been initiated for a period of six months during which Bangladesh cargo movement will be as follows:

- From LCS Petrapole to Kolkata Port and Air Cargo Complex, Kolkata
- From LCS Petrapole and LCS

## Transshipment through Indian ports can enable Bangladesh expedite its cargo movement, provided the bottlenecks at land customs stations are resolved


Gede/Ranaghat to Nhavasheva port by rail.

In a first of its kind move, bonded cargo from Bangladesh was flown out of Kolkata airport in December 2018. The transfer of cargo weighing 4.1 tonnes from Bangladeshi trucks to Indian trucks took place at the Benapole-Petrapole border and was moved to Kolkata airport and airfreighted to reach Europe.

While the transshipment via Kolkata airport has been successful, movement through Kolkata port is yet to take off. Elaborating on the time and cost issues that may deter the cargo movement from Kolkata Port, **Ashish Kumar Gupta, Managing Director, TM International Logistics** says, "Bangladeshi exporters have so far been moving their cargo through road to JNPT as most of the exports are destined to the west and so JNPT is a logical port of choice. So it is very unlikely for exporters to come to Kolkata Port and then move west. Further there are hardly any mainline calls at Kolkata Port and even if some RMG exports come to the port it is seasonal. Comparing logistics cost wise, it will be much cheaper for Bangladeshi exporters to move cargo via Land Customs Stations to Mumbai. Another issue is the traffic restrictions in the city of Kolkata

which makes it very difficult for moving cargo."

Pointing at another bottleneck, **Ashutosh Jaiswal, President - Intl Business Division & Logistics, Century Plyboards (I) Ltd** says, "This movement has been happening earlier as well, but the government has put a restriction that only 5 per cent of the traffic can move directly from CFS to the check post. The land customs stations at Benapole and Petrapole have a typical issue for parking of trailers. Any trailer coming for exports, except perishable goods, has to go to parking first due to which the cargo movement gets delayed and the shipper has to bear a demurrage for 11-21 days, which is around ₹20,000 to ₹30,000 for a shipment. Off late, the government has decided that any cargo coming from CFS or ICD can go directly to the check post and skip the stop at the parking. But this could not materialise as only 5 per cent of the traffic was allowed direct movement to the check post."

Ashutosh Jaiswal argues that once the cargo moves out from CFS or ICD, it is already Customs cleared and should not be delayed. If the 5 per cent restriction on cargo movement is relaxed then seamless movement of cargo to and from Bangladesh can happen at a much lesser cost. 

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(L to R) **Ramprasad Ravi**, Editor in Chief and Publisher, Maritime Gateway; **V Kalyana Rama**, Chairman and Managing Director, Container Corporation of India Ltd; **S P Tucker**, IAS (Retd), Former Chief Secretary, Government of Andhra Pradesh & Executive Vice Chairman, AP Economic Development Board, GoAP; **Dr Koya Praveen**, IPS, Director of Ports, Government of Andhra Pradesh; **K V Satyanarayana**, IAS, Managing Director, Andhra Pradesh State Warehousing Corporation

Within few years of formation the sunrise state of Andhra Pradesh is surging to become a global logistics and transshipment hub, under the visionary leadership of honourable **Chief Minister N Chandrababu Naidu**, informed **R Ramprasad, Editor-in-Chief and Publisher, Maritime Gateway**, setting the conference in context. World class logistics and storage infrastructure is being planned and developed close to the cargo generation and consumption centers, to ensure time and cost efficient logistics services are provided to the exim community in the state and the surrounding hinterland. Today globally the focus is on developing efficient infrastructure that enables ease of doing business, reduce inefficiency in cargo movement, bringing down the cost of logistics through digitalisation using cutting edge technologies such as BlockChain and IoT.

**S P Tucker, IAS (Retd), Former Chief Secretary, Government of Andhra Pradesh and Executive Vice Chairman, AP Economic Development Board**, shared the vision of Chief Minister, N Chandrababu Naidu to develop Andhra Pradesh into a logistics hub not only for India but also for South Asia. Citing example of Singapore he said, the city nation has emerged as a logistics hub decades back due to favourable policy structure, use of

## Global Logistics Hub: Destination Andhra Pradesh

Initiatives being taken by formulating policies and developing infrastructure to reduce production and logistics cost for making Andhra Pradesh a logistics hub were detailed

IT, skilled manpower and standards for logistics and warehousing were developed. Andhra Pradesh has been recording about 11 to 12 per cent growth in GDP for the past 3-4 years and will soon be the first developed state of India. The state government has linked up with Germany, Russia and US for improving the standard of education in universities. To become a hub in pharma sector, 3-4 mega pharma parks are being developed in Nellore Praksam and Vizag. To become a logistics hub Andhra Pradesh will need trained manpower, simplified laws for companies to set up base here, financial support system, faster decision making and turnaround time should be standardised for all things. State highways are planned coming from Kurnool, Ananthapur upto Amaravati. Areas where warehousing, godowns are

required are being mapped and these developments have led to the double digit growth of the state. Two support departments are planned – one for transport and another for ports. Cargo generation and export centers are being mapped and what part of it is being generated in Andhra Pradesh and can move via the state is being studied.

The main challenge before the country today is job creation, shared **Ajay Jain, IAS, Principal Secretary to Govt - Energy, Investment & Infrastructure, Government of Andhra Pradesh**. Primary sector has its own



limitations, due to mechanisation and automation not many jobs are being created in the manufacturing sector. Further our products can compete globally if their cost is less, which again points at reducing the logistics cost. This way India can also be promoted as a global manufacturing hub like China. AP has ideal location on east coast with one major and 5 non-major ports and another 4 ports are coming at Bhavanapadu, Srikakulam, Kakinada and Machilipatnam. The existing major ports have posted 9 per cent growth and private ports have put double digit growth. Along with ports MMLPs are required and CONCOR has developed facilities at Vizag, Kakinada and Krishnapatnam. The VCIC and CBIC corridors will boost further industrial growth, to support which a comprehensive logistics policy is required.

“Logistics sector has become vibrant for the past 3-4 years across the country and there has been a lot of improvement in the ports sector, connecting directly into the hinterland and waterways,” said **Dr Koya Praveen, IPS, Director of Ports, Government of Andhra Pradesh.** The cement cluster of Jaggampeta is being connected to Amaravati and Vijayawada. Six months back the first Ro-Ro in the state has been operationalized between Vijayawada and Amaravati. This is also saving the transportation cost in construction of the new capital city. To succeed as an export-led economy, a robust manufacturing sector is required which can be competitive if logistics cost is low. Logistics cost in India accounts for 17 per cent whereas the world average is 12 per cent. A comprehensive logistics policy needs to be developed for port-led development with forward and backward integration. 50 per cent of cargo movement from India is east bound but is moving from west coast of India, so Andhra Pradesh needs to be connected to Central and Northern India.

“Using the coast line and connecting it to the hinterland can help in making Andhra Pradesh a logistics hubs. Logistics cost in India cannot come down unless end-to-end

logistics is developed,” revealed **V Kalyana Rama, CMD, CONCOR.** In India logistics is disjointed and an integrated solution is required. Elaborating on logistics services of CONCOR in Andhra Pradesh he said, an MMLP is developed in Visakhapatnam on 100 acres along with road and rail connectivity at a CAPEX of 420 crores. The idea is to promote aggregation and distribution through modal shift from road to rail and reduce the logistics cost. It will have three EXIM warehouses of 5075 sq.mts each, bonded area of 1211 sq.mts and state-of-the-art cargo handling equipment. Nepal is using this facility in moving its exim cargo.

CONCOR is operating another CFS facility in Vizag since 2005, which is spread on 89.35 acres and developed at a CAPEX of 9.6 crores. An MMLP in Krishnapatnam is being developed on 153 acres, at a CAPEX of 70 crores. In Guntur CONCOR has taken over an ICD from Indian Railways. The vision of CONCOR is to graduate from terminal operations to distribution logistics, as such services are still not well developed in India. In India a lot of agri-produce is wasted and this sector is in urgent need for good distribution logistics.

Another initiative of Concor Kalyana Rama informed was to expand non-rail business of Concor by expanding warehousing. The plan is to grow warehousing operations from 3.5 million sq.ft to 50 million sq.ft on distribution logistics model. Warehouses will also be set up through PPP mode and facilities will be hired on revenue sharing basis. India still has a huge requirement for warehousing and additional one billion sq.mts of warehousing needs to be developed.

He also hinted at the need to fully exploit the potential in coastal shipping. Cargo can be moved from Kandla to Tuticorin by developing a north-south movement model using rail, road and coastal shipping. Another initiative of Concor is to develop an Integrated Logistics Manufacturing Zone (ILMZ) that will support for complete in-bound and out-bound logistics – procuring raw material and shipping out finished goods. A MoU with the government of Andhra Pradesh has been signed for this purpose.

**J Krishna Kishore, CA, IRS, CEO, APEDB & Ex-Officio Secretary to Government of Andhra Pradesh,** looked



back into the memory lane at the difficulties faced when the sunrise state of Andhra Pradesh was newly formed in 2014. The state

then had a budget deficit with only 43 per cent of its revenues and assets were lesser than the liabilities. But the state has covered a long revival journey in a short span of time and is surging to become the top state in India by 2020. By 2050, Andhra Pradesh aims to become a leading global economic destination. In the past four years Andhra Pradesh has not witnessed any power cuts which is a major achievement. Coming to economic growth, from 1947 to 2014 the state had an economic growth of \$80 billion, where as in the past four years (2014-2018) there has been a 60 per cent rise in economic growth touching at \$124 billion. The percapita income of the state has also increased by 60 per cent and by 2028 the state plans to become a trillion Dollar economy.

To develop Andhra Pradesh into one of the best logistics hub in the world, four airports are already under development, 14 seaports are being developed and 20,000km of roads are being laid. About 888kms of inland waterways are being made navigable and the state is already the no.1 in ease of doing business.

“Industrialisation is the corner stone for economic development. Industry, infrastructure and logistics need to be interconnected as growth in industries will result in more business that will generate greater profits and revenue generation,” revealed **K V Satyanarayana, IAS, Managing Director, Andhra Pradesh State Warehousing Corporation.** Most of the Indian economy comprises of informal sector (about 60 per cent), which includes logistics as well. The state government is creating a separate department for logistics sector. The state has warehousing capacity of 13 lakh tonnes and additional 5 lakh tonnes will come up soon that will house all types of cargo – containerised, bulk, break bulk, liquid. [img](#)



(L to R) **H N Ramaprasad**, Vice President - Exports & Supply Chain, ITC Limited - Indian Leaf Tobacco Division; **Jayavaradhan Sambudu**, Co-Founder & CTO, Curl Analytics; **Dr Rakesh Paras Singh**, Chairman, Institute of Supply Chain and Management; **J A Chowdary**, Special Chief Secretary & IT Advisor to the Chief Minister, Government of Andhra Pradesh; **K Sunitha**, IAS, Executive Director & Chairman i/c, Tobacco Board; **Vivek Aiyar**, Director, SATTVA Logistics Group; **Anil Arora**, Partner, Aetos Growth Partners LLP; **Surendra Lingareddy**, Director APAC, Volteo

## Building an Ecosystem for Global Logistics Hub

Development of infrastructure and connectivity, formulation of logistics policies, skill development and need for promoting digitalisation was voiced by the panel members

**T**obacco being a major export commodity from Andhra Pradesh, **K Sunitha IAS, Executive Director & Chairman i/c, Tobacco Board**, shared the challenges faced by the industry in the form of stricter regulations and taxes to discourage production of tobacco. About 45.7 million people in India are dependent for their living on tobacco cultivation. India accounts for 13 per cent of the global tobacco production and is the third largest exporter in the world behind Brazil and China, exporting to 113 countries. The highest peak in the commodity exports was recorded in 2013-14 at 1007 million tonnes, which declined to 859 million tonnes in 2017-18. The production cost of tobacco in India is less than other countries and it generates ₹20,000 crores of revenue to

the excise department.

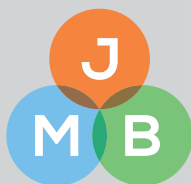
Out of the 185000 tones being exported from Andhra Pradesh, 55 per cent moves through Krishnapatnam Port and the remaining 45 per cent moves through Chennai and Kattupalli Ports. Sunitha emphasised that the cost of exporting through Krishnapatnam Port is less than Chennai Port. Major export destinations are Russia and China and the Tobacco Board is focusing more on improving exports into the Chinese market. Sunitha voiced the need for more warehouses near Krishnapatnam Port and availability of empty containers for convenience of exporting tobacco.

“Agriculture is the backbone of Indian economy and ITC has a vision of improving its agribusiness to ₹10,000 crore by 2030,” revealed

**H N Ramaprasad, Vice President - Exports & Supply Chain, ITC Limited - Indian Leaf Tobacco Division.** The company aims to become the largest provider and exporter of agricommodities in the state. Sharing details on the agricultural production of Andhra Pradesh Ramaprasad said, the state has a huge agricultural landscape and is the fourth largest agricultural commodity producer in India. It is also the number one producer of several commodities including turmeric and chilli. But the sector is facing certain challenges in the form of lack of skilled labour, in sufficient infrastructure like warehousing. To ensure India maintains its position in agri-exports, end-to-end connectivity needs to be provided from the source of production to the port through road and rail. This needs to be supported by formulating logistics policy framework.

Currently more than 50 per cent of agri-exports from the state of Andhra Pradesh happen through Chennai Port and dependence on feeder vessels for connecting to the mother vessels remains an issue. The government should establish FSSAI testing facilities near ports and free trade zones need to be developed in a radius of 30km from the ports where a lot of value addition can happen to





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the exim cargo. Ramprasad voiced his opinion for integration of ports in the state through formation of AP Ports Trust which will help in improving the performance of the ports.

“The exim community should focus on the value addition services the logistics service providers offer rather than focusing on the costs,” suggested **Samir Shah, former Chairman, FFFAI**. He voiced the need for recognising the logistics sector



as a stand-alone sector. In spite of the formation of the Gujarat Maritime Board and Port-led development focus of the state government of Gujarat, the state never recognised logistics as a stand alone sector. He expressed the need to define logistics and differentiate the various segments to ensure efficiency can be improved in the service offered. Development of standards and certification process for logistics service providers can help in improving the quality of logistics.

A major challenge the logistics industry is facing today is the lack of skilled workforce. He emphasised on the need to educate students at the school level about the potential employment options in the shipping and logistics sector. Promoting employment of women in this male dominated sector was another challenge highlighted by Samir Shah. He recommended the state governments offer tax exemptions to logistics companies who employ women and professional tax exemption for ladies working in the logistics sector. This will help in promoting the employment in the shipping and logistics sector.

“Technology can be used to generate trust among trading partners,” revealed **Jayavaradhan Samedu, Co-Founder & CTO, Curl Analytics**. Blockchain can play a crucial role in generating trust among known parties in the business. Using technology shippers can benefit with upto 30 per cent of efficiency gains in obtaining letter of credit. Blockchain is a platform for seamless integration of data. For instance, verification of documents at Banks is



a tedious process and involves large number of people, but this process can be simplified, made error proof using Blockchain technology. Today, drones are used in many countries for monitoring the quality of roads, similar applications can also be made in India.

**Anil Arora, Partner Aetos Growth Partners LLP**, focused on the entrepreneurial opportunities available in the logistics sector. Indian economy is growing and with it demand for logistics is also set to rise. Logistics sector in India employs 22 million people and is growing annually at a CAGR of 7.8 per cent. While we compare the logistics cost of India and manufacturing capabilities of our country with China, but a major issue in the Indian logistics sector, Anil pointed out, was the lack of consistency in transit time – be it through road, rail or ship. China has a very high consistency in the logistics services offered by all modes of transport. Another area where India lags behind is in the adoption of new technologies. Indian businesses are slow in catching up with newer technologies and one of the reasons is the inadequate technology infrastructure which leads to high installation cost and underperformance. Technology can be a major enabler in utilising the maximum potential of ports by plugging the gaps. It will help in reducing the turnaround time for ships as a result more ships will call at the ports. Towards the conclusion of his address, Anil called for scaling up infrastructure with growing demand.

“Skill development is an area neglected for long by the shipping and logistics industry,” informed **Dr Rakesh Paras Singh, Chairman, Institute of Supply Chain and Management**. In order to become a global logistics hub, India needs to

link the geographies of production, consumption and distribution. Reflecting on the Indian state of logistics, he said, our country ranks 133 out of 140 on the depth of logistics index. He pointed at the Chinese Silk Route that helps China to reach across the globe in the most cost effective manner. In similar manner to become a global logistics hub India needs to strengthen and make economical its connectivity with the global countries rather than focusing only inwards. Another area of focus he pointed was building of scale to improve the competitive advantage and this could be done by integrating ports with production clusters using technology.

“Logistics industry was never digitised before. Up to 2013-14 funding in technology startups in the logistics sector was low, but it has suddenly shot up in 2018,” noticed **Surendra Lingareddy, Director APAC, Volteo**. In the supply chain technology can help in setting things right by planning workflows, creating and assigning tasks and delegating responsibility. But while planning digitalisation one must make sure to keep the customer at the center of the strategy, else digitalisation will fail.

Towards the conclusion of the session, **J A Chowdary, Special Chief Secretary & IT Advisor to the Chief Minister, Government of Andhra Pradesh**, cautioned about the risk of



hacking and data being stolen when operations are digitalised. Hence there is need to develop trust among the user community along with firewalls. Andhra Pradesh government is the only state in India which is 100 per cent paperless and digitalisation promotes transparency. [img](#)

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(L to R) **Ramprasad Ravi**, Editor in Chief and Publisher, Maritime Gateway; **Vinita Venkatesh**, Director, Navayuga Container Terminal Private Limited; **Mittapalli Umaa Maheswara Rao**, President, The Indian Tobacco Association; **V Sudhakar Chowdary**, Managing Director, Mohan Spintex India Limited; **Shivaram M**, Chief Operating Officer, Jyothi Granite Exports

# EXIM Growth, Cargo Transportation and Connectivity

Shippers of major commodities from the state voiced their logistics concerns and improvements needed in infrastructure and connectivity were highlighted

“Guntur is the anchor cargo for Krishnapatnam Port,” informed **Vinita Venkatesh**, Director, Navayuga Container Terminal Private Limited. CVR Navayuga Ports also operates the port of Machilipatnam and Krishnapatnam, which due to their proximity serve the Vijayawada-Guntur cargo hub. The third concession agreement is for the port at Astaranga that will attract the cargo from North India and NCR region. All cargo coming from eastern locations like China, Korea and south east Asia will come to Astaranga Port. Navayuga Container Terminal is the largest terminal in AP, its container volumes moved are in fact more than Visakhapatnam Port and it is also the largest transshipment terminal on the east coast. The services coming from China and Korea are actually dropping the boxes in Port Klang and Singapore from where feeder vessels bring them to Kolkata and Haldia. But now mainlines from China and Korea are coming to Krishnapatnam Port, from where boxes are moved by feeder

service to Kolkata and Haldia. 85 per cent of all the major commodities, except tobacco, moving from the east coast are via Krishnapatnam Port.

The port has 2 sailings every week to China and Korea, four feeder services every week connect to Colombo. A door-to-door shipping company called Ocean2Door has been established that moves cargo from the door of the customer abroad to the importer’s door in India.

“Andhra Pradesh should be transformed into a logistics hub using the strengths of its coast line,” voiced **Shivram**, COO, Jyothi Granite Exports. To accomplish this vision land side infrastructure such as SEZs need to be developed near cargo generation and consumption centers, connected through rail and road to ensure cargo moves in the shortest possible time and in a cost-effective manner. Warehousing zones should be developed where a lot of value-added activities can happen for the cargo that is being imported or exported.

Explaining the scenario of the textile industry, **V Sudhakar**

**Chowdary**, Managing Director, Mohan Spintex India Limited said, cotton textiles from India are doing good globally and have a very large share. India is the second largest exporter in the world after China. Of the total cotton produced in Telangana and Andhra Pradesh, about 35-40 per cent is exported. Compared to the second half of 2017, in the second half of 2018 there has been a 3 per cent drop in exports. A major competitor to Indian textile is China which has duty free production units in Vietnam, but India has a duty of 3-5 per cent on cotton exports, which make our products less competitive. Another logistics challenge faced by cotton exporters is that cargo is not being loaded onto the intended vessel which is delaying the exports.

“Tobacco production and exports have been a vital contributor to the Indian economy,” revealed **Mittapalli Umaa Maheswara Rao**, President, The Indian Tobacco Association. But government initiatives in the form of stricter regulations to discourage tobacco farming due to health issues has put the industry in an adverse position. Earlier tobacco exports from free of sales tax and VAT, but now it has been brought into the ambit of GST, due to which exports have declined from 70 per cent to 30 per cent. He urged the government to remove restrictions atleast on exports of tobacco. **mgf**



- Shippers' Council of Bangladesh (SCB) was formed in 1979 aiming at promoting and protecting the interests of the exporters and shippers by coordinating local agents of the ocean going vessel owning companies operating in Bangladesh.
- SCB coordinates with the representatives of the port, road transport and railway authorities as well as shipping companies for the speedy and cheaper transport of export and import cargoes.
- This organization has been putting forward recommendations to resolve problems arising from goods transport at different times. It places its proposals through seminars and meeting.

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- Facilitating greater efficiencies in logistics by reducing logistics barriers and simplifying trade.
- Facilitating a level playing field by developing and promoting a code of conduct / ethics for our members.



# শিপার্স কাউন্সিল অফ বাংলাদেশ

## Shippers' Council of Bangladesh

# Winners Take it All

Industry leaders and representatives from the government stood together to cheer for the star performers who raised the bar higher in whatever services they offer



It was a windfall of some moments of glory and glamour for the logistics and EXIM fraternity of Andhra Pradesh. There was something for everyone to cherish towards the year end. It was that moment in the Smart Logistics Summit & Awards 2018 which called upon the best in the business to be recognised for what they have achieved for trade. The event was not only about some thought provoking business sessions, but there was also equal passion for some serious business networking and laidback moments appreciating the galaxy of smart achievers of Andhra Pradesh. A day filled with deliberations has to be followed by celebrations and that is what the Smart Logistics Awards were all about - to honour and encourage the movers and shakers of the industry that make logistics in the state smart. Awards were given in 18 categories to star performers who walked away with trophies in their hand and a big grin on their face. And those off the dais applauded with equal vigour every time a name was announced.

Appropriate recognition and applause was handed to the achievers not only encouraging them to move ahead, but they inspired many others to go on and achieve new milestones. 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 well-oiled machinery. The awards ceremony concluded with a sumptuous feast befitting only the best as glasses clinked in celebration and appreciation. Maritime Gateway's continual passion to strive for excellence, and its relationship with the global clientele was symbolised yet again through this event. [img](#)

## SMART LOGISTICS AWARDS WINNERS

SMART LOGISTICS  
SUMMIT&AWARDS  
AMARAVATHI 2018

**Smart Forwarder:** Leap International Pvt Ltd

**Smart Forwarder:** Seashell Logistics Pvt Ltd

**Smart Transporter:** Seaport Logistics Pvt Ltd

**Smart Exporter - Granite:** Anjalee Granites Pvt Ltd

**Smart Exporter - Granite:** Krishnasai Granites (India) Pvt Ltd

**Smart Exporter - Granite:** Jyothi Granite Exports

**Smart Exporter - Cotton Yarn:** Sri Nukala Rama Koteswara Rao

**Smart Exporter - Cotton Yarn:** Mohan Spintex India Ltd

**Smart Exporter - Cotton Linter:** Kallam Agro

**Smart Exporter - Cotton Linter:** Thirumala Cotton & Agro Products Ltd

**Smart Exporter - Chilli:** Nandyala Satyanarayana

**Smart Emerging Exporter - Chilli:** G K Trading

**Smart Exporter - Tobacco:** ITC Limited

**Smart Exporter - Tobacco:** Polisetty Somasundaram Tobacco Packers & Exporters

**Smart Exporter - Tobacco:** Godfrey Phillips India Limited

**Smart Importer - Furniture:** Daxer Trading Pvt Ltd

**Smart Importer - Bitumen:** Spads Redfields EXIM Pvt Ltd

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Smart Logistics Summit and Awards (SLSA) is a unique platform, which brings shippers in direct contact with service providers to bridge information gaps and share pain points. This forum will support the efforts of service providers to serve their customers better and also provide opportunities to find new customers.



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# Recognising excellence in maritime services

The symposium focused on the steps that could be taken to ensure Ease of Doing Business. The Awards night felicitated the best among the best in the maritime fraternity



The 6th edition of Samudra Manthan Awards 2018 was graced by the who's who in the maritime and logistics fraternity. "I am glad to be among the maritime fraternity who are the pillars of the economy," claimed Chief Guest Hon'ble Shri Deepak Kesarkar, Minister of State for Home (Rural), Finance & Planning, Government of Maharashtra. He emphasised on the importance of the maritime industry from historical times and how it has made Mumbai the economic capital of India. He further said that Nitin Gadkari, Minister for Shipping had taken the Maritime Sector to a truly different level.

The function was inaugurated with lighting of lamp by esteemed guests of honour including ADG K Natarajan, PTM, TM, CGC Western Seaboard, Vice Admiral Anup Singh, PVSM, AVSM, NM (Retd.) Former C-in-C, Eastern Naval Command, Capt. Anoop Kumar Sharma, CMD, SCI, Subhash Agarwal, Commissioner of Customs, Jawaharlal Nehru Custom House, Kailash Kumar Aggarwal, Joint Secretary, SAGARMALA, Min-

istry of Shipping, Ravindra Kumar, IAS, Private Secretary to Hon'ble Minister of Drinking Water and Sanitation in Government of India, Capt T Srinivas Deputy Conservator, Marine, Deendayal Port Trust, Dr C Unnikrishnan Nair, Chief Manager (T), Jawaharlal Nehru Port Trust and Dr K L Raju, General Manager, Zonal Head, Union Bank of India, P K Soni, DGM, Regional Head, Union Bank of India, Jainendra Kumar Prabhakar, Chief Manager, Branch Head, Mahim, Union Bank of India.

This was followed by a Symposium on "Ease of Doing Business - Propelling the Maritime Industry."

It focused on the steps that could be taken to ensure Ease of Doing Business in the shipping & logistic industry. KPMG knowledge partners also provided inputs from its analysis. The eminent panel members were: Kailash Kumar Aggarwal, Joint Secretary, SAGARMALA, Ministry of Shipping; Capt. Harish Khatri, Advisor, Maharashtra Maritime Board; Subhash Agarwal, Commissioner of Customs, Jawaharlal Nehru Custom House; Capt. Phillip Mathews, MD,

LOTS; Capt. BVJK Sharma, JMD & CEO, JSW Infrastructure; Ashish Chandana - MD & CEO- Speedy Multimodes; Vinita Venkatesh, Director, Navayuga Container Terminal Pvt Ltd & Managing Director, Ocean2Door; Sameer Bhatnagar, Global Sector Leader of Ports, KPMG and Capt. Dinesh Gautama, ED & CEO, Navkar Corporation Ltd.

The need for standardisation and transparency in training for mariners was stressed by Gen V.K. Singh, PVSM, AVSM, YSM, ADC (Retd.) Hon'ble Minister of State for External Affairs, Govt. of India.

The symposium was followed by a glittering award function recognising the best amongst the best from the industry.

#### Some of the Samudra Manthan Award winners:

- K M Sheth founder & Chairman of the Great Eastern Shipping Company was conferred the Lifetime Achievement Award.
  - Capt. Vivek Singh Anand, Director, NYK Line (India) Pvt Ltd was given the mentor of the year award.
  - Dr. Sujata Naik Tolani, Chairperson, Tolani Shipping Ltd. was given the award for Empowered Women of the Year.
  - Sanjukta Dutta was felicitated for being the first "Women Entrepreneur in the last mile delivery services."
  - Ravindra Kumar IAS "The first mariner turned IAS officer to scale mount Everest" was also felicitated.
- An IMDG mobile app of Bhandarkar Publications was launched by Chief Guest Hon'ble Deepak Kesarkar. [img](#)



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