Unmatched Connectivity to EU and CIS Markets
Ravindra J Gandhi

SKILL BUILDING
What's Your Playbook?

NEPAL
Develop Inland Waterways

REVIEW
NISAA Business Forum 2019

south asia's premier maritime business magazine

₹ 100

maritime gateway

APRIL 2019 WWW.MARITIMEGATEWAY.COM

RNI NO: TELENG/2009/30633
DATE OF PUBLICATION: 26/03/2019
POSTAL REGISTRATION NO: HD/1137/2019-2021
DATE OF POSTING: 28/03/2019

NATIONAL LOGISTICS POLICY
On the Drawing Board

Shed inefficiencies, grow competitive

Inefficiencies have remained a drag on the Indian textiles sector. Plugging in new technologies, streamlining production cost and favourable trade agreements can enable the industry increase its share in the world market

Economic activity comes to a lull, its election fever again

India is getting ready for the general elections again, but one thing peculiar noticed every time ahead of this mega event is that the economy typically slows down, even as government interventions turn opportunistic. This particular period marks a lull as new project additions dry up and more importantly investors and businessmen postpone key decisions, while keeping their fingers crossed on the future policy environment. Let's take a bit of rewind, when the NDA government came into power in May 2014 with full majority, a policy blitzkrieg of sorts was unleashed, at the forefront of which was the ambitious 'Make in India' programme aimed to accelerate the domestic manufacturing sector. But Four years on, Make in India's impact on job creation is unclear and growth in the manufacturing sector has been sluggish, partly due to a lack of land and labour reforms. The government's much vaunted New Industrial Policy (that would have subsumed the 2011 National Manufacturing Policy), appears to have been put on hold.

A major show stopper has been the implementation of GST, the biggest tax reform founded on the notion of "one nation, one market, one tax" that brought a lot of relief to the trade community by dismantling all the inter-state barriers with respect to trade. Though initiated with noble intentions, but a rather loose execution of both demonetisation and GST have taken the trade community through a rough ride.

On the contrary, the shipping and logistics sector has seen many 'thumps up' with capacity expansion at major ports, cabotage relaxation, growing cargo movement on the inland waterways and coastal shipping which will improve connectivity and trade with the neighbours. The logistics sector has been crowned with infrastructure status and the draft of the National Logistics Policy is placed open to the exim community to share their suggestions. The Port Community System has also been put on trial upto March end to get user feedback for further improvement of the portal. These are two unprecedented moves by the government to encourage stakeholder/user engagement and the result will surely come out in the form of a comprehensive National Logistics Policy which will play a crucial role in tuning our logistics cost at par with the developed world.

R Ramprasad
Editor and Publisher
ramprasad@gatewaymedia.in

> The draft of the National Logistics Policy is placed open to the exim community to share their suggestions, an unprecedented move by the government to encourage stakeholder/user engagement

south asia's premier maritime business magazine

maritime gateway

Editor and Publisher
R Ramprasad
ramprasad@gatewaymedia.in

General Manager - Operations
Ravi Teja
raviteja@gatewaymedia.in

Associate Editor
Omer Ahmed Siddiqui
omer@gatewaymedia.in

Contributing Editors
Vijay Kurup
Hemang Palan

Design Team

Sr Designer
Vijay Masa

Designers
Nagaraju N S
Nadeem Ahammad
Potha Naresh Kumar

Research
Rakesh Oruganti
rakesh.oruganti@gatewaymedia.in

Digital & Web
Susan Vengala, Manager-Digital & Web
susan@gatewaymedia.in

Swapna
swapna@gatewaymedia.in

Marketing & Sales

National
Satish Shetti, Manager – Sales
satish@gatewaymedia.in
+91 99207 05534

South & International
Vinod G, Sr Manager – MarCom
vinod@gatewaymedia.in
+91 99498 69349

East
Nikhil Doshi, GM – Sales
nikhil@gatewaymedia.in
+91 98369 96293

Events
Mayuri - Manager
mayuri@gatewaymedia.in
Praveen - Asst Manager
praveen@gatewaymedia.in

Finance
C K Rao – General Manager
Rakesh U

Administration
Madhukar – Manager
madhukar@gatewaymedia.in
+91 93937 68383

Sharmine Moss

Kishore P
Chief Manager
General Administration

Maritime Gateway is printed by R Ramprasad published by R Ramprasad on behalf of Gateway Media Pvt Ltd
D.No. 6-2-984, #407, 5th Floor, Pavani Plaza
Khairatabad, Hyderabad – 500 004
Telangana, India

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

Published at Gateway Media Pvt Ltd
D.No. 6-2-984, #407, 5th Floor, Pavani Plaza
Khairatabad, Hyderabad – 500 004
Telangana, India

Regd. Office: D.No. 6-2-984, #407, 5th Floor, Pavani Plaza, Khairatabad, Hyderabad – 500 004, Telangana, India

CIN: U74900TG2007PTC054344

Editor: R Ramprasad

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

Feedback

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

CONTENTS

VOLUME 11 | ISSUE 07 | APRIL 2019

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.

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

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

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.

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.

Your Trusted Partner For Warehousing & Distribution Of Your Products

Shipping + Transport Operator + Warehousing + Custom Clearing + Crane Hiring & Allied Logistics Services.

SPEEDWAYS

Branches open in Nagpur, Mundra, Krishnapatnam, Delhi

www.speedways.biz

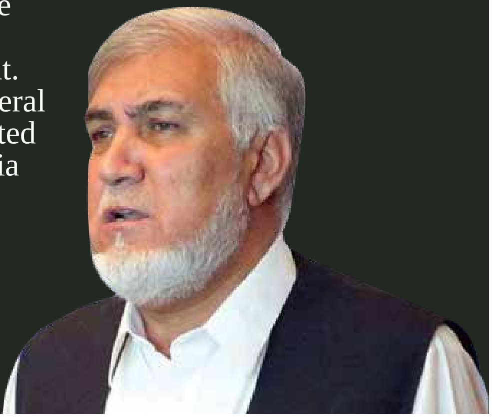
Office: P-66, Circular Garden Reach, Road, Kolkata - 700 043
Phone: 2439-4587, 6724, 3473 | Fax: 91-33-2439 1417
E-mail: info@speedways.net.in | Web: www.speedways.biz

"Exports will be difficult in 2019 due to various non-tariff barriers for Indian products as also the removal of GSP benefits by the US. Due to uncertainty in the market, buyers across the globe are reducing orders and hence exporters may be forced to send multiple consignments with limited time for delivery."

- Israr Ahmed
Chairman, Southern Region, FIEO

"Rail network between Afghanistan and China would bring down trade cost with China by a phenomenal 50 per cent. Afghanistan's rich mineral resources can be exported to China much faster via this route."

- Khan Jan Alakozay
Deputy President, Afghanistan Chamber of Commerce and Industries.



"Achieving zero emissions for container handling equipment is a challenge. The highly demanding duty cycles make battery recharging time a critical factor. These and other technical limitations have obstructed the electrification of container handlers or large lift trucks until now."

- Jan Willem van den Brand
Director Big Truck Product Strategy and Solutions at Hyster Europe

"What's more, the share of Saudi ports handling transshipment containers will be increased, the production capacity within the terminals will be optimised, and new horizons will be opened for promising investment and commercial partnerships by 2020."

- Saad bin Abdulaziz Al Khalb
President, Mawani

"Many may think that women do not have the ability to work on a powerful tug boat, but our crew has shown that this type of work is not exclusive to a specific gender. With dedication, it is very possible."

- Maria De Los Santos
Captain, Svitzer Monte Cristi

OPERATIONAL STRAIN IN THE OCEAN SUPPLY CHAIN

A FULLY-FUNCTIONING SUPPLY CHAIN REQUIRES VISIBILITY OF ACTIVITIES AND CONNECTIVITY BETWEEN STAKEHOLDERS, BUT.....

82% Feel the level of connectedness and visibility needs to be improved

12% Feel there is virtually no visibility

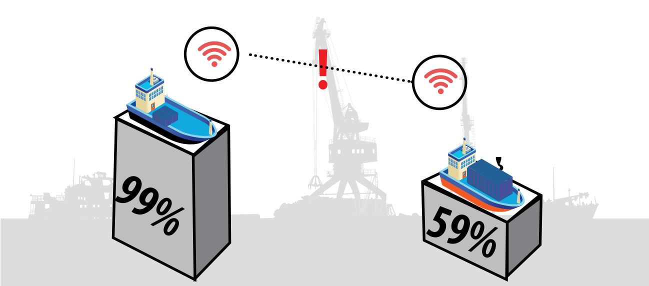
THEY SAY THE BIGGEST CHALLENGES PLAGUING THE INDUSTRY INCLUDE:

57% Poor coordination between Partners

50% Too little transparency and visibility

37% Inefficiencies within the supply chain

DESPITE HURDLES, STAKEHOLDERS AGREE THAT REAL-TIME ACCESS AND SHARING OF INFORMATION IS VITAL:



99% feel this is important

59% feel it's extremely important

THE AREAS MOST IN NEED OF PROCESS IMPROVEMENT ARE:

- **35%** Carrier to terminal coordination & planning
- **35%** Supply chain visibility and information sharing
- **24%** Terminal operations
- **24%** Cargo flow visibility and predictability
- **24%** Coordination across carrier and Shipper alliances

BUT MANY ROADBLOCKS IMPEDE THE TRANSFORMATION

- **54%** Industry slow to change
- **49%** Cost and complexity of legacy systems
- **44%** Lack of data sharing between partners
- **42%** Lack of standards and industry-wide agreement
- **34%** Security concerns

TO OVERCOME THESE HURDLES, KEY TECHNOLOGIES WILL DRIVE THE TRANSFORMATION:

- **53%** Big data and analytics
- **47%** Automation
- **39%** Industrial IOT technologies
- **39%** New software management systems
- **31%** Cloud Services

THEY BELIEVE THESE TECHNOLOGIES WILL MOST IMPROVE:

- **65%** Operational processes
- **60%** Real-time decision making
- **58%** Faster end-customer delivery time
- **57%** Increased cost efficiencies
- **55%** Greater transparency and visibility

ABOUT THE STUDY

The insights within this infographic are based on a new BPI Network report, titled "competitive Gain in the Ocean supply chain: Innovation that's driving Maritime Operational Transformation."the report findings were gleaned from a survey of over 200 executives and professionals across the ocean supply chain. The resesarch was conducted in partnership with Navis and XVELA.

Svitzer hires first all-female tug crew in Latin America

Towage operator, Svitzer has hired its first all-female crew in the Dominican Republic. The Svitzer Monte Cristi, a 70-tonne tugboat, sails the waters of Rio Haina and Caucedo helping maneuver larger vessels so they can dock, undo or be driven through the channels. Svitzer Monte Cristi is led by Captain Maria de los Santos, accompanied by Chief Engineer Marysabel Moreno and supported by sailors, Paloma Montero, Loreanni Torres and Juana Custodio. The General Manager of Svitzer Caribbean, Captain Dickson Rivas and members of the executive board of the company pursued the project for two years, focusing their energy on training. Captain Eduard Medina said that the group was encouraged to live up to Svitzer standards, and today, all see the reward. "These women have become local icons for others and have proven to be an efficient and hardworking team," he said.

Avvashya CCI sets up hi-tech warehouse at the Cargill India plant

Avvashya CCI has commenced operations at its first hi-tech food warehouse. Set up at the Indian plant of US-based Cargill at Kurkumbh near Pune, Maharashtra, the state-of-the-art warehouse will operate on the automatic storage and retrieval system (ASRS) technology. Operations have commenced with the first palletized cartons of bottled vegetable oil moved from the production lines of Cargill, duly checked and received at the warehouse and stored on the racks.

Spread over 60,000 sq.feet, the warehouse is connected to the existing packaging area of the plant. The warehouse is equipped with PEB structure with clear height of 11 m with natural daylight by means of skylight and air ventilation through Turbo Ventilators. It is provided with 4 m canopy at docking side. A semi-automated racking system is being erected at the warehouse with 7,200 pallet positions comprising a G+4 rack with Orbiter system, 300 pallet positions for Pallet Live Storage, inbound staging and 100 pallet positions for Selective Pallet Racking, outbound staging

New rule encourages use of ECTS

In a bid to facilitate the implementation of electronic cargo tracking for third country imports, Nepal Rastra Bank has allowed commercial banks to issue payment instruments in foreign currency for cargo transported by railway to Birgunj dry port and Biratnagar customs point only. Earlier, banks were allowed to issue payment instruments for cargo dispatched to other customs points on the Nepal-India border too. Currently, electronic cargo tracking and transshipment facilities only apply to shipments transported by Indian Railways to Birgunj and Biratnagar.

Robinsons Global Logistics Solutions comes to India

Robinsons Global Logistics Solutions (RGL), an integrated warehousing and distribution solutions company, recently launched its operations independently after being spun off from its parent company Robinsons Cargo & Logistics, to offer solutions to customers in Indian market. With a strong network of 40 warehouses in 20 states RGL aims to offer expert warehousing and distribution solutions. With over half a million square feet of warehousing space under its management, RGL is among one of the modern and technologically enabled warehousing and distribution service providers in the country.

Ship owners worry about clean fuel bill

More ports around the world are banning ships from using a fuel cleaning system (open loop scrubbers) that pumps waste water into the sea, one of the cheapest options for meeting new environmental shipping rules. The growing number of destinations imposing stricter regulations than those set by the IMO are expected to be a costly headache for cruise and shipping firms as they face tough market conditions and slowing world trade. They might have to pay for new equipment and extra types of fuel and adjust their routes. Singapore, China and Fujairah in the United Arab Emirates have already banned the use of the cleaning systems, called open loop scrubbers, from the start of next year when the new IMO rules come into force.


MAERSK LINE

Maersk starts to enjoy startups' solutions

AP Moeller Maersk announced that its first cohort of seven Indian startups have graduated from its accelerator program OceanPro. Zasti, Inatrix, MintM, KrypC, LinkedDots, LaVela Pictures and Zasti are the seven startups, which are focused on using machine learning, AI, VR and Internet of Things (IoT) to overcome and solve difficulties and problems in logistics and shipping sector. Maersk has already signed a contract with LinkedDots to take advantage of its solution to track containers in Europe, Africa and North America. Another solution Maersk is aiming to scale is Zasti's tracking solution that uses Artificial Intelligence to scan images of container wear and tear.

CMI Industry Metals bags order from JSW Steel arm

CMI Industry Metals, a division of CMI FPE, has bagged an order from JSW Steel Coated Products, subsidiary of JSW Steel, for supply of a continuous annealing line (CAL) to be erected at its Vasind Works. This new line will produce 0.5 mta of annealed steel. The CAL is scheduled to start operations by the beginning of 2021.

VOC Port reports increase in container traffic

VO Chidambaranar (VOC) Port in Tuticorin has surpassed the previous financial year's container volume of 6.97 lakh teus. The number of teus has crossed 7.03 lakh with an increase of 6.46 per cent over the corresponding period in 2017-2018. The Port authorities hope to climb in the third position in container handling among the 12 major ports in India. The Ministry of Shipping had fixed container traffic target for the port at 7.67 lakh teus for this financial year.

APM Terminals Mumbai & CMA CGM Group sets a new national record

APM Terminals Mumbai has set a new national record for handling largest volume exchange in a single port call - 11,026 TEUs on March 12, 2019 onboard CMA CGM owned M.V. APL New York. Ugo Vincent, Managing Director, CMA CGM Agencies India, added: "The CMA CGM Group, is proud to achieve this national record-breaking number of 11,026 teus (7179 Container moves) of cargo handling with the APL New York, in close association with APM Terminals. This achievement confirms the Group's commitment to India's economic development and to spur the country's growing role in world trade."

Indian Customs Intelligence Officers in China to check financial frauds

India has decided to post Customs intelligence officers in China in its effort to check black money, trade-based money laundering and other financial frauds. Two posts of the Customs Overseas Intelligence Network (COIN) have been created in the Indian Embassy in Beijing and in the Consulate General of India at Guangzhou. The move has been initiated by the Directorate of Revenue Intelligence (DRI), the lead agency to check Customs frauds and smuggling, to curtail incidents of trade-based money laundering and other financial frauds originating from China.

Wilhelmsen launches drone delivery

Launched in partnership with Airbus, Wilhelmsen's shore-to-ship Singapore pilot project, marks the first deployment of drone technology in real-time port conditions, delivering a variety of small, time-critical items to working vessels at anchorage. Lifting off from Marina South Pier in Singapore with 3D printed consumables from Wilhelmsen's onshore 3D printing micro-factory, the Airbus Skyways drone navigated autonomously along pre-determined 'aerial-corridors' in its 1.5km flight to Eastern Working Anchorage. The drone landed on the deck of the Swire Pacific Offshore (SPO)'s Anchor Handling Tug Supply (AHTS) vessel, M/V Pacific Centurion and deposited its 1.5kg cargo without a hitch before returning to its base. The entire delivery, from take-off towards the vessel, to landing back at base, took just ten minutes.

Bengal clears two new ports

Mamata Banerjee-led West Bengal government's move to build two new ports in the eastern state, one on its own at Tajpur and the second through a partnership with D P World at Kulpi, will give exporters and importers alternate gateways to ship cargo without the problems associated with the Central government-owned Kolkata Port Trust. The construction of Kulpi and Tajpur ports are expected to cost over ₹6,000 crore. The development of these two ports may impact Haldia Dock Complex (HDC). Tajpur is located on the sea in West Midnapore district around 50 kms away from Haldia Dock, while Kulpi is on the Hooghly river as Haldia but on the opposite side.

PORT

RCL's total liftings from two core businesses increased in 2018

Thai-based RCL Group's total revenues in 2018 have increased to THB 12,262 million, which has grown by 5 per cent against 2017. The company has also managed to show a year-on-year growth of 6.3 per cent in freight income totalling THB 11,962.5 million. The total liftings of the company in two core businesses including Shipper Owned Container (SOC), and Carrier Owned Container (COC) for the year 2018 were 869,325 teus and 1,241,57 teus respectively. The year-on-year growth in SOC was 9.7 per cent, while for COC it was an increase of 11.9 per cent. RCL's SOC liftings for the fourth quarter of 2018 was 249,792 teus, while the COC liftings for fourth quarter of 2018 was 320,807 teus.

MICT achieves the highest berth productivity

Mundra International Container Terminal (MICT) has registered highest berth productivity of 179.38 in 2019, while handling four vessels deployed under a service connecting Europe. The terminal has also set another record for the highest berth productivity of 207.06 for another vessel which was put into service connecting East Africa. MICT plans to focus more on enhancing productivity by upgrading terminal infrastructure and IT systems for the speedy and efficient flow of cargo.

Ever since its establishment in June 2003, MICT has handled over 11 million teus in the trade route gateway for Gujarat and the North Indian hinterland. The company has the World's best average Gross Crane Rate (GCR) of 34.29 per hour.

VOC Port Trust plans to add two more container terminals

The V. O. Chidambaranar Port Trust is planning to expand the port by developing two more container terminals at the port in order to meet the increase in container traffic.

VOC port sought expression of interest from container terminal operators and shipping lines for the conversion of berth IX into third container terminal. The terminal will be developed on Own, Operate, and Maintain (OOM) basis for a period of over 20 years. Construction of berth X and conversion of berth IX will increase the total container handling capacity of the port from 1.01 million teus to 2.49 million teus. The port's entrance will also be widened from the existing 153m to 230m.

Multipurpose berths at Deendayal Port inaugurated

Nitin Gadkari, the Union Minister for Shipping, Road Transport and Highways, Water Resources, River Development and Ganga Rejuvenation, inaugurated the Multipurpose Cargo Berths No. 14 and 16 at Deendayal Port through video-link from Transport Bhawan, New Delhi in March 2019.

The Multipurpose Cargo Berths No. 14 and 16 have been constructed ahead of schedule in 22 months and will add 9 MMTPA to the port's capacity. Entailing an investment of ₹280 crore, the berths have been designed to handle 75,000 DWT vessels with a draught of 13m.

Four Major Port Trusts will purchase govt's stake in DCI

Four major port trusts of the country including Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust will buy the Central government's 73.47 per cent stake in Dredging Corporation of India Ltd (DCI) for ₹1,056 crore at ₹510 per share. Visakhapatnam port will hold 19.44 per cent stake and the other three ports will hold 18 per cent stake each.

The Securities and Exchange Board of India (SEBI) has exempted the deal from the mandatory open offer under the Take Over Code. The four major port trusts have sought the exemption from the open offer provisions citing the deal between Central government-owned entities will not result in change of management control.

Indonesia to develop Tanjung Sauh Container Port

Sungjee Construction Co. has signed a MOU with Indonesian state-owned port company PT. Pelabuhan Indonesia 1 (Persero) for joint development of Tanjung Sauh Container Port. The project calls for building a container port on Batam Island in the southeastern part of Indonesia. The port is scheduled to start commercial operation in 2022. The total project cost is estimated at about $2 billion. Indonesia plans to develop Tanjung Sauh Container Port as the biggest logistics hub in Southeast Asia. It will make a massive investment to improve the port's infrastructure and grow it into an industrial center.

Eight metro coaches from China delivered at Kolkata Port

M. V. Han Zhang heavylift carrier brought eight metro coaches weighing 40.9 tonnes to 42.9 tonnes each and 42 spares weighing 364 tonnes to Kolkata port on March 3, 2019. CRRC Dalian Co. Ltd shipped the coaches from Dalian Port in China. The metro coaches were meant to reach Noapara.

Academic activities at Gujarat Maritime University started

Gujarat Maritime University (GMU) started academic activities for the academic year 2019-20 through the launch of its website. The university commenced its School of Maritime Law, Policy and Administration offering two post-graduate courses including LLM in Maritime Law, and LLM in International Trade Law.

The university in the first phase will offer programmes having commercial aspects of maritime value chain like maritime law, shipping finance, and economics, maritime management, logistics, ship broking, ship finance, chartering, and ship management. It will also include short-term executive development programmes and management development programmes. The second phase will focus on technical aspects.

Paradip Port touches 100 mt throughput mark once again

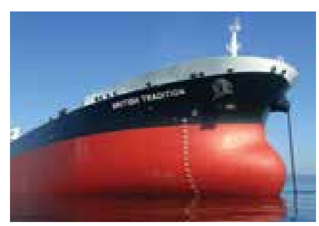
Paradip Port accomplished a throughput of over 100 million tonnes (mt) for the second fiscal year in succession on March 5, 2019. The port achieved a growth rate of 5.86 per cent over the corresponding period of 2017-18. The increase of 5.57 mt over the last fiscal is the highest amongst the Major Ports.

POL and coastal thermal coal are the two major cargo growth drivers for the port in this fiscal year, which have increased up 9.86 per cent and 20.49 per cent respectively.

Allcargo will supervise Multi-Skill Development Center near JNPT

Allcargo Logistics Ltd will oversee the operations, maintenance and management of Multi-Skill Development Center (MSDC) located at Bokadveera, Uran, near JNPT. The centre established under the Pradhan Mantri Kaushal Kendra (PMKK) programme will enhance the efficiencies of maritime logistics in the country. The centre is situated on ground plus two structure facility which was built on a plot area of over 4,000 sq. m, and equipped with computer lab, classrooms, staff rooms, experienced faculty. It will offer skills training and placement to over 1,000 students every year in the port and maritime sector.

The first tanker at new LNG terminal at Kamarajar Port



GAC has handled the first tanker to berth at the newly constructed Liquefied Natural Gas (LNG) terminal inside Kamarajar Port, Ennore in Chennai. The Marshall Islands-flagged LNG carrier *LNG/C Golar Snow* carrried the first consignment of $78,037 m^3$ of LNG from Ras Laffan in Qatar for the commissioning of the terminal. GAC Shipping (India) Pvt. Ltd handles all types of vessels, including tanker, break-bulk, cruise and naval.

Rotterdam Port announces incentive to liquid bulk tankers

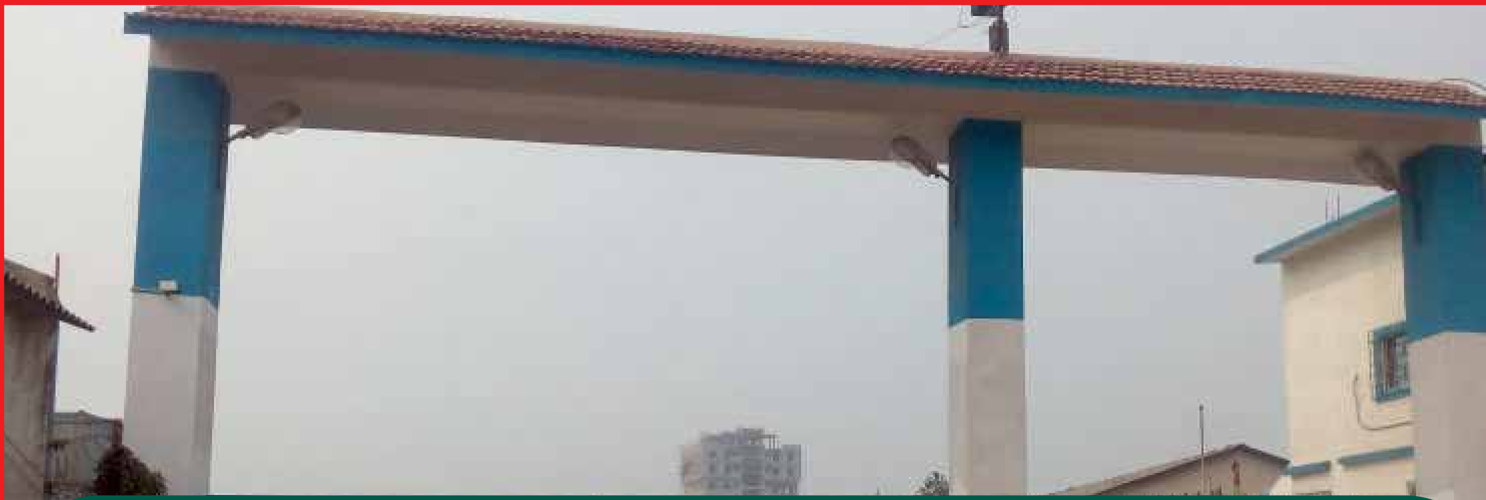
The Port of Rotterdam Authority has decided to offer discount to all oil, chemical, products, LNG and LPG tankers holding the Green Award certificate. All liquid bulk carrier of any size enrolled to Green Award will now get benefits from a discount on the vessels' port dues when calling at Rotterdam. A discount of 15 per cent on the vessels' port dues related to the GT-size will apply. The port authority has also facilitated the pay-out process and will introduce a new system which makes claiming incentives unnecessary. The incentive will soon be automatically awarded upon notification by the agent that a vessel with a Green Award certificate is calling at the port.

Green Award is a certification and incentives programme for shipping that was established in 1994.

JN Port handles record cement in February

Jawaharlal Nehru Port Trust (JNPT) continuing its growth trajectory achieved another milestone and handled over 1,13,560 MT of coastal cargo cement at the shallow water berth in February 2019. The port handled this record cement in a month, exceeding the earlier highest of 1,03,500 MT achieved in the same month of 2018.

The record handling was possible due to the efficient bowsers movement by UltraTech Cement, vessel agent J. M. Baxi & Co. and the operational excellence of the Traffic Department at JNPT, which enabled faster turnaround of the vessel and maximised the output at the shallow water berth.



PHONEX LOGISTICS PRIVATE LIMITED

CONTAINER FREIGHT STATION -KOLKATA

OPERATION

- Movement & Handling of Export/ Import/LCL & Project Containers & Bulk Cargo from Kolkata/Haldia .
- De-stuffing /Stuffing & Storage Cargo.
- Door to Door Delivery Facility available for Corporate Houses.
- Offers Lashing, Choking, Dunging, Sink Wrapping & Repackaging of Cargo.
- Separate -3Nos of warehouses for Export, Import & Transhipment.

INFRASTRUCTURE

- Flood lights/ High mast towers for round the clock operations.
- Modern Fire fighting equipments.
- ERP Based Computerized documentation
- App based Tracking of Containers.
- Separate stack yard for Hazardous & Reefer Containers
- Generator facility (Power Backup).
- Canteen Facility separate for offices & staff.
- Dedicated office for Users/CHA's.
- CCTV Surveillance 24/7

EQUIPMENTS

- Reach Stacker (TIL Brand) – 3 Nos.
- Fork lift – 8 Nos. of Various Capacity.
- Trailers – 60 Nos. of 60 Mts capacity.
- Mechanical Crane – 35 tons capacity.
- Hydra – 3 Nos. JCB – 1 Nos.

PHONEX LOGISTICS PRIVATE LIMITED.

A-1/46/1, PAHARPUR ROAD, RABINDRANAGAR, KOLKATA-700066
Phone No. : 033-2491 9508/9509/9510/9511

Management
MD Ayub, Managing Director
md@phonexgroup.com

Business Development
Vidyanand Singh M +91 9830520429
vidyanand@phonexgroup.com

Help Desk- (24X7)
helpdesk@phonexgroup.com
033-2491-9508/9509/9510/9511

www.phonexgroup.com

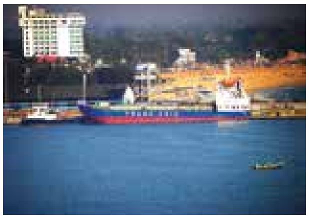
DP World announces financial results for 2018

DP World has announced financial results for the year ended December 31, 2018. The revenue of the company grew 19.8 per cent and adjusted EBITDA increased 13.7 per cent with adjusted EBITDA margin of 49.7 per cent. On a like-for-like basis, revenue grew 4.2 per cent, adjusted EBITDA increased by 6.6 per cent with adjusted EBITDA margin of 54.1 per cent, and earnings attributable to owners of the company increased 7.6 per cent.

DP World acquired the integrated multimodal logistics player Continental Warehousing Corporation (CWC) in India, Cosmos Agencia Marítima in Peru, and the Unifeeder Group in Denmark, which operates the largest container common user feeder and growing short-sea network in Europe. It also announced the acquisition of the pan-European logistics business, P&O Ferries.

SHIPPING

Container barge service to Kottayam Port flagged off



A new milestone was achieved in the history of inland movement through National Waterways 3 and 9 when the first barge, KPACT-1, with four teus of import loaded containers was flagged off on March 9, 2019, from ICTT Cochin by the Chairman (I/C), Cochin Port Trust, in the presence of the Chief Commissioner of Customs, officials of the port, DP World, Customs, the shipping line and Kottayam Port.

A regular service between ICTT Cochin and Kottayam Port and ICD will greatly benefit importers and exporters by way of reduced haulage for the last and first mile connectivity. It is expected that the cost of movement by waterway will be 30 to 40 per cent cheaper compared to road movement.

Maersk introduces Value Protect

Maersk introduced Value Protect, which is an extended liability solution. It provides customers a substitute to cargo insurance, and chance of receiving full compensation in case of any damage to the cargo in transit.

Value Protect covers cargo loss or damage in cases such as fire, accidents due to danger of the sea, theft, natural disasters, cyber incidents, cargo damages caused by delay and contributions in General Average, all of which would be excluded under the conventional terms for carriage. The coverage is applicable and valid to customers while the cargo is in the care and custody of Maersk.

Fixed-day direct service between China and Cochin

Wan Hai Lines (WHL) India has announced a fixed-day direct service between China and Cochin called the China India Service II (CI2). It would facilitate a direct mainline call at Cochin for South-East Asia, the Far East and China. The port rotation is Qingdao-Shanghai-Ningbo-Shekhou-Port Klang-Cochin-Nhava Sheva-Tuticorin-Penang-Port Klang-Hong Kong-Qingdao. The maiden call at Cochin would be on April 9, 2019 with the arrival of *Wan Hai 510 Voy. W119*. WHL hopes to offer the capacity for import and export to the Far East and South-East Asia sectors required urgently by the trade through this service.

Höegh Autoliners sets new RORO record transporting break-bulk unit

Höegh Autoliners has set a new record by transporting 107.4MT break-bulk unit shipped by a RoRo vessel from India. The single-heaviest generator unit was loaded in Port of Ennore, which will be used for power generation plant in Barcelona in Spain. The heavy break-bulk was rolled on board the vessel with the help of 30ft roll trailer, which was designed specifically to avoid the damage risk involved in lifting the unit, and to ensure smooth and safer transport. The company has earlier transported 94.3 MT mill shell from Mumbai to Dakar.

Maersk to unveil new virtual assistant named Captain Peter

Maersk will introduce a new virtual assistant named as Captain Peter, which will enhance its Remote Container Management (RCM) platform. The RCM platform is currently being tested with new design and product features integrated with enhanced virtual assistant, will be released in the first half of 2019.

Captain Peter will send the latest information related to contain temperature and atmosphere conditions, and timeline on its end-to-end journey to customers. The RCM integrated with Captain Peter will gather enough information which can help in predicting potential cargo damage and provide configuration suggestions before the containers are shipped.

Norms for setting up LNG FSRU at major ports

The Shipping Ministry has issued guidelines for setting up FSRU for handling LNG cargo at major ports. Land license model will be followed under a single stage e-tendering for implementing FSRUs with private funds wherein the bid reserve price will be the water area charges set as per the land policy prevailing at a particular port. The entity quoting the highest premium above the reserve price to be paid to the port will win the contract.

IRClass wins Indian Navy order

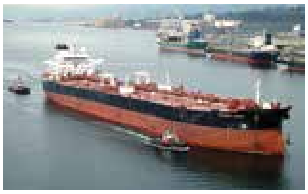
IRClass has won order for providing classification services for a series of eight anti-submarine warfare corvettes to be constructed for the Indian Navy. The ships will be constructed at Garden Reach Shipbuilders & Engineers Ltd and will be built to IRClass' Naval Rules 2015. These ships are designed for combating threats posed by submarines and special underwater craft operating in relatively shallow waters. The ships will be equipped with advanced sensors

Hyundai Heavy Industries to buy Daewoo Shipbuilding

Hyundai Heavy Industries (HHI) Group and Korea Development Bank (KDB) have inked a definitive agreement for the acquisition of Daewoo Shipbuilding & Marine Engineering (DSME).

Under the deal, HHIG will set up a joint shipbuilding venture with state-run Korean Development Bank, Daewoo's largest shareholder. The bank has agreed to transfer its entire 55.7 per cent stake in Daewoo to the joint venture in exchange for 7 per cent stake in the new company, with preferred shares worth 1.25 trillion won ($1.12 billion). HHIG will have a 28 per cent stake in the joint venture. The new company will be known as Korea Shipbuilding & Offshore Engineering (KSOE).

Global tank container fleet reached 604,700 units in 2019



According to the International Tank Container Organisation's (ITCO) 7th Annual Tank Container Fleet Survey, the global tank container fleet had reached 604,700 units worldwide by January 1, 2019. The year-on-year growth registered in 2019 is 10.8 per cent, as on January 1, 2018 the global tank container fleet was 552,000.

As per the survey, the industry continues to be dominated on a global level by a relatively small number of major tank container operators and leasing companies. The top 10 operators account for over 225,000 tanks, representing nearly 60 per cent of the global operators' fleet of 381,700 units. The top 10 leasing companies account for 227,000 tanks, about 82 per cent of the total leasing fleet of 286,000. The top three leasing companies account for 150,000 tanks, almost 55 per cent of the total fleet.

NYK's system assists with vessel berthing

NYK and NYK Group companies, MTI Co. Ltd, and Japan Marine Science Inc. (JMS) have developed a system which can assist with vessel berthing. The system developed by NYK assesses a vessel's controllability and visualises the risk in the berthing operation to reduce the burden on the operator and eliminates accidents caused by misjudgement.

The system's new software evaluates ship's controllability and can detect accident risks in real-time by examining information like distance to wharf, ship speed, ship-performance parameters, tug boat arrangement, and weather data. The ship operator can use a tablet to confirm the relative position and approach speed of the vessel, and assess accident risk.

Trials on actual vessels have been conducted and NYK plans to introduce the system to its managed ships, and JMS will offer it for sale within the industry.

CMA CGM Group launched its first double-stack dedicated block train

The CMA CGM Group commenced its first double-stack block train service running from Mundra Port to Garhi, Piyala and Ludhiana on February 28, 2019. The train has a capacity of 180 teus double-stack one-way and it runs every Monday and Thursday offering a reduced three-day transit providing dedicated connections between the port and inland container depots (ICDs).

The train services operated at the CMA CGM Group's terminal at Mundra CT4 eases transhipment operations and also provides transition from sea to rail and vice versa.

IRClass wins five-year contract from SCI

Indian Register of Shipping (IRClass) has secured a five-year contract from the Shipping Corporation of India (SCI) to undertake Emergency Response Services (ERS) for 33 vessels. The contract effective from end of February 2019 will cover multiple types of vessels including oil tankers, bulk carriers, and container ships. IRClass will conduct mock drills periodically for reliability as part of the contract.

The classification society's ERS is aimed at providing round-the-clock technical support by way of speedy assessment of the impact or damage stability.

Lift & Shift transports ODC

Lift & Shift Pvt. Ltd has transported two heaviest and widest columns on Indian roads, as part of HPCL's Visakha Refienery Modernisation Project. The columns having 990 tonnes and 728 tonnes of weight were manufactured by L&T Ltd at the Hazira yard, and transported by multimodal route to Vizag. The columns were loaded at L&T Hazira yard using 64 SPMT axles of LSPL having 512 tyres.

EXIM

Indonesia considers to reinforce ties with India

A senior delegation from the Indonesian Ministry of Foreign Affairs visited Jawaharlal Nehru Port Trust (JNPT) to explore potential cooperation opportunities in the maritime sector between both countries. The visit is part of their annual study programme with the theme, 'Connecting the connectivities in Indo-Pacific: Indian Ocean and Rim chapter'.

Both the countries are maritime neighbours and seafaring nations who share synergies in the evolving maritime environment in the region. A collaborative effort from both nations will strengthen the maritime business and will also facilitate stability and robust economic growth to the Indo-Pacific region.

Regional air connectivity infrastructure catches attention

The Cabinet Committee on Economic Affairs has given its approval for extension of time and scope for revival and development of un-served and under-served air strips of state governments, Airports Authority of India (AAI), civil enclaves, CPSUs, helipads and water aerodromes at a total cost of ₹4,500 crore budgetary support allocated by the government of India.

The Ministry has received overwhelming response from airlines in two rounds of RCS bidding held so far. The operation of flights to under-served/un-served airports will enhance economic development in small cities and towns and its surrounding areas, in terms of economic development, job creation and related infrastructure development.

Bangladesh expects to import 50,000t of milling wheat

Bangladesh has tendered to import 50,000 tonnes of milling wheat. According to the Directorate-General of Food, Bangladesh's state grains purchasing agency, the deadline set for submitting offers is March 25, with validity up to April 4, 2019.

The wheat for import with 12.5 per cent protein has been sought for shipment within 40 days after the contract signing. The offers should be on C&F liner out terms which includes provisions for ship unloading.

First Afghan shipment to India arrives via Chabahar port

The first Afghan shipment to India via Iran's Chabahar port arrived at Nhava Sheva port in Mumbai on March 13, 2019. The shipment contained 570 tonnes of Afghan exports in over 20 containers including 130 tonnes of mung beans and 440 tonnes of talc.

In May 2016, India, Iran and Afghanistan had signed a business agreement on the establishment of a Transit and Transport Corridor among the three countries using Chabahar Port as the regional hub for sea transportation. Chabahar port route gives direct sea access to Afghanistan, and boosts trade and economic cooperation in the region.

On October 29, 2017, the first wheat shipment of the Indian government to Afghanistan through Chabahar Port reached Zaranj province.

Cotton exports to China rise

The demand for cotton exports from India to China has been on the rise, especially when cotton exports to Pakistan have come to a halt due to the tensions between the two neighbours. The Indian traders have contracted to export five lakh bales to China in the next two months. The Indian exporters also received demand from Bangladesh, Vietnam, and Indonesia.

Indian exports up in February 2019

The Indian exports in February 2019 were $ 26.67 billion against $ 26.03 billion in February 2018, which have exhibited a positive growth of 2.44 per cent. The exports in rupee terms were ₹1,89,931.49 crore in February 2019 as compared to ₹1,67,583.64 crore in February 2018, registering a growth of 13.34 per cent. The major commodity groups of export which showed positive growth in February 2019 over the corresponding month of last year were drugs and pharmaceuticals (16.11 per cent), RMG of all textiles (7.17 per cent), organic and inorganic chemicals (4.14 per cent), cotton yarn/fabs/made-ups, handloom products, etc. (2.25 per cent), and engineering goods (1.73 per cent).

According to the estimates India is expected to achieve record exports of about $325-330 billion in 2018-19.

Containerised trade grows in Q4 2018

According to the fourth quarter of 2018 trade report released by Maersk, the containerised trade of India with the world has grown and recorded an overall import-export trade growth of 6 per cent. Increasing demand for refrigerated cargo from India, and its improved trade relations with China with introduction of favourable trade policies, have driven exports to grow a healthy 3 per cent in Q4 2018. The demand for India-made vehicles, cereals and rice, supplemented by refrigerated cargo including fish, seafood, vegetables and pharmaceuticals saw maximum growth.

GAC India hones attention on project logistics & breakbulk

GAC is focusing on tapping the growing project logistics and breakbulk business potential in India. The company has appointed industry veteran Mr Jayakumar Gopalakrishnan to spearhead its efforts in the country's growing sectors. The launch of 'Make in India' has resulted in a significant increase in the project logistics business with the movement of construction equipment and manufacturing materials, among other over-dimensional cargo.

GAC Shipping (India) Pvt. Ltd is one of the country's leading shipping and logistics services providers with 26 offices nationwide.

Dachser India receives AEO certification

Dachser India received official certification to be an Authorised Economic Operator (AEO) in the country. The highly sought-after certification was granted by the Central Board of Indirect Taxes and Customs (CBIC). The AEO certification confirms Dachser India's status as a reliable, financially sound and trustworthy partner for international goods management. AEO certification programme is globally recognised quality mark that shows commitment towards security and efficiency in international supply chains. Compliance is, therefore, the most important aspect for qualification.

For logistics providers, privileges include reduced examination and inspection which translates into faster transit of goods without case-by-case permission. In all, the certification serves to enhance competitiveness through swift Customs clearance and simplified international trade, the release added.

Transworld Terminals CFS commences operations in Kolkata

Transworld Terminals CFS in Kolkata commenced operations on February 20, 2019. The facility is spread over an area of 10 acres, is strategically located in Khidderpur, just 0.9 km away from the port. It provides a state-of-the-art facility which has been exclusively designed with the enriched experience and expertise of Transworld in the CFS business. Transworld Terminals offers container tracking through RFID and website, real-time updation of operational activities through tablet in a wi-fi enabled environment, software and weighbridge integration.

Chennai port sets new record in box handling

The Chennai port has surpassed its own record in container handling. The East Coast's gateway port handled 15.70 lakh teus as on March 21 – 10 days ahead of the fiscal closure. The previous record of 15.65 lakh teus was achieved in 2015-16. The Chennai port has two private container terminals – Chennai International Terminals Pvt Ltd, a subsidiary of PSA International, Singapore, and Chennai Container Terminal Pvt Ltd of DP World, Dubai. The port handles around 1.5 million teus a year. It serves Chennai, special economic zones around the city, Bengaluru, southern Andhra Pradesh and parts of southern Tamil Nadu. Nearly 50 per cent of the container traffic is transshipped from Chennai to ports in South-East Asia.

The Port also handles a major part of the automotive exports and imports in India.

Foundation stone laid for the CICMT

The Union Minister for Shipping, Road Transport and Highways, Water Resources, River Development and Ganga Rejuvenation Nitin Gadkari laid the foundation stone for the Centre for Inland and Coastal Maritime Technology (CICMT) at IIT Kharagpur under Sagarmala programme.

The CICMT at IIT Kharagpur will provide technological support, research, testing and experimentation facility to the Ministry of Shipping and its subordinate offices such as Inland Waterways of India, Cochin Shipyard Limited and major ports.

The centre will be a hub for latest technology tools for maritime sector and reduce India's dependence on foreign institutions. It will also reduce the cost of research drastically and result in cost and time savings for work in the Port and Maritime sector.

IKEA, CMA CGM and The GoodShipping program to test marine fuel

IKEA Transport & Logistics Services, CMA CGM, the GoodShipping Program and the Port of Rotterdam have announced that they will cooperate in a first of its kind partnership to test and scale the use of sustainable marine bio-fuel oil. The test commenced with a landmark bunkering of the marine bio-fuel oil on a CMA CGM container vessel on March 19th, representing a major step towards the decarbonisation of ocean freight. It is being facilitated by the GoodShipping Program, a sustainable initiative dedicated to decarbonising ocean freight, and is the latest step in the scaling of low carbon marine bio-fuel oils for wider commercial use in maritime industry.

Vizhinjam project awaits green nod

Though Adani Vizhinjam Port Private Limited (AVPPL) has promised completion of the first phase of Vizhinjam International Seaport by October 2020, achieving this mainly depends on environmental clearances from state-level committees required for operating the company's own mines to source granite for construction of the breakwater. AVPPL had recently resumed the construction of the 3.1km breakwater by sourcing rocks from far off places like Mundra. But 30,000 tonnes granite brought from Mundra Port or 6000 tonnes brought from Thoothukudi in separate barges is miniscule against the total requirement of 70 lakh tonnes of granite. AVPPL claims to have completed 65 per cent of first phase of this multi-purpose port.

Relief for older BOT cargo terminals at major ports

Most of the older cargo terminals, run by private firms at major ports under a restrictive rate regime finalized in 2005, are set to win "substantial tariff hikes" after the Government framed new rules that alter the way rates are computed. The rate hikes will incentivise some of these terminals including the Nhava Sheva International Container Terminal at JNPT to start handling more containers than the minimum volumes mandated under the contract. With the exception of PSA Sical Terminals at Tuticorin port, all the other 14 BOT terminals will be able to charge customers more than what they are getting now. They should now approach the Tariff Authority for Major Ports (TAMP) with rate revision proposals which will be appraised by the rate regulator under the new norms and get higher rates.

Road connectivity to north-east

In a boost to north-east road connectivity, Union Minister of State (Independent Charge), Jitendra Singh dedicated two Inter-State road projects in the North-Eastern Region. The 17.47 Km-long Doimukh-Harmuti road links Assam and Arunachal Pradesh while the 1.66 Km Tura-Mankachar road provides connectivity between Assam and Meghalaya. It may be noted that the construction work for both the roads has been implemented by the National Highways and Infrastructure Development Corporation Limited (NHIDCL). The Doimukh-Harmuti Inter-State Road has been constructed at a cost of ₹58.25 crores. The length of road in Assam is 7.87 Km and remaining 9.60 Kms in Arunachal Pradesh. The construction of the road was started in September 2017 and completed in January this year.

APSEZ to step up cargo handling at Kattupalli Port

Adani Ports and Special Economic Zone (APSEZ) has drawn up plans to replicate its success at Mundra port in terms of cargo handling, at the Kattupalli port as well. On an average, Mundra port had handled over 100 million tonnes of cargo for three years in a row since 2016. "Our vision is to have 30 berths at Adani Kattupalli port to handle all types of commodities including coal, liquefied natural gas and liquefied petroleum gas, including chemicals," said Ennarasu Karunesan, CEO — Southern Ports, APSEZ. The Kattupalli Port has capacity to handle nearly 25 million tonnes of cargo, which is to be enhanced soon. Currently, the port has two berths that handle containers, bulk and break-bulk cargoes, and automotive vehicles. A third berth is under construction.

China to fund new highway in Sri Lanka

China has agreed to provide a loan of $989 million to Sri Lanka to build an expressway that will connect the island nation's tea-growing central region to a China-run seaport on the southern coast. The Export-Import Bank of China has agreed to provide a loan covering 85 per cent of the contract price for Central Expressway Project – Section 1, whose total cost is $1.16 billion. The loan is the single largest loan approved by the bank for Sri Lanka. The expressway will create "an uninterrupted connectivity" among Hambantota district towns with the China-run port, an airport near Colombo, and Kandy in the central region, where the famed Ceylon tea grows.

DGFT unveils online facility to obtain import licence

The Commerce Ministry's foreign trade arm DGFT has come up with a new online facility for obtaining import licence for restricted category goods, a move aimed at promoting paperless work and Ease of Doing Business. Currently, importers need to obtain licence for certain goods such as gold dore, some pulses, plastic waste, and bio-fuels. Online application format for obtaining import licence for restricted items is notified. In the online application, importers would have to provide information such as Import-Export Code, total CIF (cost, insurance, and freight) value of consignment and details of imported items.

Indian-flag vessels to call Sri Lankan and Bangladeshi Ports with coastal and EXIM cargo

INSA has lauded the recent move by CBIC to permit Indian-flag vessels to make calls enroute at Sri Lankan and Bangladeshi ports during their EXIM and domestic services. Anil Devli, CEO, INSA says the move will help the Indian-flag vessels engaged in the shipping of both the EXIM and domestic cargo on the Indian coast, including between the East and West coast of the country, to make optimum use of their space and reduce the cost of transportation for all including the trade. This would go a long way in encouraging modal shift.

GMB Ports handle 7 per cent higher cargo during Apr-Feb 2019

The Gujarat Maritime Board (GMB) Ports registered a strong growth of over 7 per cent between April-Feb of FY19 compared to the same period of the preceding year. During the period GMB Ports handled 360.63 mmt of cargo. Nearly 91.97 per cent of crude oil was handled accounting for about 25.5 per cent. During 2016-17 Non Major Ports of Gujarat handled about 31per cent of total national traffic. During the same period, share of Major Ports has decreased from 94 per cent in 1982 to 57 per cent in 2016-17, whereas Gujarat's share accounts for 71.3 per cent of traffic for Non-Major Ports of India in 2016-17.

Future Supply Chain Solutions runs an all women facility in Nagpur

Future Supply Chain Solutions has established an all-women run distribution centre 'Shakti' in Nimji, Nagpur. The DC is fully equipped with transportation management system and warehouse management systems softwares. All the employees working at the facility have received formal training on warehouse management system, including other technologies and automation operations at the existing facility – The Multi-modal International Cargo Hub and Airport (MIHAN) at Nagpur. P V Sheshadri – CEO, Future Supply Chain Solutions Ltd said, "We have been positively surprised by the high productivity, low absenteeism and low attrition ratio in this DC. While it was a well-thought move to run Shakti, the success wouldn't have been possible without the passion of the women."

DP WORLD to invest in Kazakhstan infrastructure

DP World signed two framework agreements with the government of Kazakhstan for developing SEZ in Aktau and Khorgos. DP World has been providing management services to the Port of Aktau, Kazakhstan's main cargo and bulk terminal on the Caspian Sea, and Khorgos SEZ and ICD, which is strategically situated on the China-Kazakhstan border and has been acting as the primary transit point for trans-Eurasian cargo trains.

Adani Group places order with VAHLE to upgrade Kattupalli Port

The Adani Group has placed an order with VAHLE for the retrofit of 18 aisles and 15 RTG for the Port of Kattupalli. The project includes 3 kms of the 4-pole vCONDUCTOR U35 conductor system as well as 3 km of positioning system. The modification including commissioning is planned for late summer 2019. In the meantime, the Adani Group has commissioned the retrofit of 14 further aisles. The Trimotion system is remote control ready and only the vCOM data rail SMGX needs to be added. After retrofitting of 15 RTG cranes, the Port of Kattupalli, Member of Adani Group, is the first container terminal of its kind in India. From now on it is possible to handle fully automated and remote control the containers inside the alleys.

South Central Railway registers record freight traffic volume

The South Central Railway (SCR) has registered a highest-ever freight traffic business so far. The freight loading in the current financial year as on March 18, 2019 was at 117.16 million tonnes. Previously, the zone had set a record in freight loading at 116.80 million tonnes in 2014-15. "The best ever freight traffic record of SCR's achievement has been possible to a significant extent on account of the heavy rise in demand for coal from power houses in the region,'' SCR said. The transport of coal to various destinations for Singareni Collieries Company Ltd (SCCL), handling of freight loads to and from the Krishnapatnam Port Company Ltd (KPCL) located in South Coastal Andhra Pradesh, among others were instrumental in achieving higher freight traffic business by SCR.

India is building maiden deep sea Port in Indonesia

India is developing its maiden Deep-Sea Port in Indonesia's Sabang close to Andaman and Nicobar Islands making its maiden foray in the Southeast Asian amid China's slew of connectivity plans for ASEAN under BRI. The Sabang Port is being developed in partnership with neighbour and strategic partner Indonesia. An Indian Coast Guard Ship Vijit, was on a visit to Sabang, Indonesia, from March 17-20. The Deep Sea Port will give India wide access to Southeast Asia as a counter-balancing force. The port will be a key element in India's Indo-Pacific strategy.

NEPAL

WFP to build logistics base

WFP signed an MoU with the Civil Aviation Authority of Nepal (CAAN) to build a Forward Logistics Base (FLB) in Nepalgunj airport – Province 5. This facility will be the first of seven planned logistics staging areas at the provincial level and will hold 2,000 metric tonnes of cargo and other deployable logistics equipment including those used in search and rescue and emergency operations. The logistics base will play a key role in delivery of rescue and first aid services in case of natural calamities in Nepal, in situations where connectivity to certain parts is completely cut in the Himalayan nation.

INDONESIA

Trade deal with Australia

Greater access to the Australian market is expected to spur Indonesia's automotive and textile industries and boost exports of timber, electronics, and medicinal goods. Indonesia and Australia signed a long awaited multibillion dollar trade deal in Jakarta. It includes improved access for Australian cattle and sheep farmers to Indonesia's 260 million people, while Australian universities, health providers and miners will also benefit from easier entry to Southeast Asia's biggest economy. Bilateral trade was worth $11.7 billion in 2017, but Indonesia is only Australia's 13th-largest trading partner and the economic relationship has been viewed as underdone. Indonesia's trade balance is showing signs of recovery as the country recorded $329.5 million surplus in February, thanks to a steep drop in imports. These figures mark a turnaround from a trade deficit of $1.06 billion booked in January.

MYANMAR

Foreign trade increases

Myanmar's foreign trade has reached over $12.65 billion as of Feb. 15 in present fiscal year (FY) 2018-2019 which started in October last year. From Oct. 1, 2018 to Feb. 15 this year, the country's export amounted to over $5.86 billion and the import reached $6.79 billion. During the period, the border trade between Myanmar and trade partners totalled $3.6 billion. The total foreign trade of this FY till now increased by $355 million, compared to the same period of last FY 2017-2018 when it showed $12.3 billion. Myanmar mainly exports agricultural, animal, fisheries, mineral and forest products, and imports capital, intermediate and consumer goods.

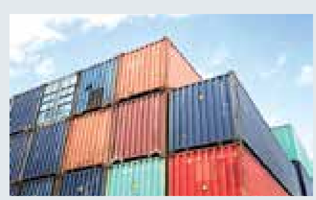
AFGHANISTAN

Kabul Operation Center opened for trade

Landlocked Afghanistan aims to lift its exports to $2 billion by 2020. As part of the multi-billion dollar Belt and Road initiative, the landmark Kabul Operation Center was inaugurated in Afghanistan with a maiden export consignment leaving for China. Opening of the Kabul Operation Center and Milepost of China – Afghan Freight Train has been sponsored by various official trade departments of China, Uzbekistan, Kazakhstan and Afghanistan. Afghanistan is striving to end its reliance on Pakistan for international trade routes. Representatives of Chinese companies in Afghanistan said Uzbekistan has decreased the fee for the railway and it will help traders to use the trade route for exporting and importing goods.

BANGLADESH

Benefitting from US-China trade war



According to ADB Chief Economist, Yasuyuki Sawada, under the current scenario, China's export to US will go down as it will lose competitiveness and the supply chain will be affected. Bangladesh merchandise exports will increase additional $400 million and its GDP will go up by 0.19 per cent by next one to two years, if the prevailing international trade conflicts involving the US and China escalates. Bangladesh's exports especially readymade garment products will grow further, while China stands to lose business of $126.4 billion and GDP can fall by 1.03 per cent.

SRI LANKA

Sri Lankan logistics major starts work on Abu Dhabi expansion

Dubai-based Trustworthy.ae Group has announced the ground breaking of its first ICD and a third-party CFS in Khalifa Industrial Zone Abu Dhabi (KIZAD). Sri Lanka's Hayleys Advantis Limited will operate and manage both the ICD and CFS that are located in close proximity to the Khalifa Port. These infrastructure projects will serve the expected rise of container volumes to 8.5 million teus from existing 1.5 million teus per annum over the next five years. The ICD will become operational in June 2019 while the CFS will be ready by the first quarter of 2020.

MALAYSIA

Iskandar growth corridor size doubled

The Malaysian government has doubled the size of the Iskandar Malaysia growth corridor 13 years after its inception. The region that currently encompasses most of southern Johor totalling 2,217 sq km - about three times the size of Singapore - is being expanded to cover an area of 4,749 sq km. The new areas will include parts of Kluang in central Johor, Kota Tinggi in the east and Pontian in the west. Since its 2006 beginnings to the end of last year, Iskandar has seen total investments of RM285.34 billion, including in infrastructure.

MALDIVES

Relocation of the Malé commercial port

Maldives Ports Limited (MPL) will begin work on relocating the Male' Commercial Harbour to K. Thilafushi this year, in order to expand capacity of the port. Congestion was leading to an increase in time spent on unloading cargo at Male' Commercial Harbour, which needed three to four times its current capacity to resolve the issue. "There are always at least three ships waiting in queue at the harbour. Services can be provided to only two ships at a time. We prioritise perishable cargo in our service," said Shahid Ali, CEO, Maldives Port Ltd. The relocation will be completed within three years. The port authorities are also busy acquiring spare parts as five of the cargo moving machines at the port are damaged and need urgent repair.

IRAN

Improving connectivity with Iraq

Iran and Iraq have agreed on no-fee visas, construction of border railway connecting the two countries, establishing joint industrial parks, oil and gas cooperation as well as dredging a border river. Iranian and Iraqi authorities discussed and signed MoU on issues such as oil, trade, health and rail transit via Shalamcheh-Basra. The railroad, some 35 kilometers long, connects the Iranian border town of Shalamcheh to the Iraqi city of Basra. The route is meant to further speed up bilateral export and import in a bid to rapidly reach the target of 20 billion dollars of annual trade volume.

The Arvand River, also known as Shatt al Arab, is one of the natural frontiers that separates Iraq and Iran. It has not been dredged during the last 43 years. Now, the two sides have 'decided to rapidly start joint dredging operations in Shatt al Arab in a bid to restore the thalweg in the main channel in which ships can sail.

THAILAND

Thailand Myanmar friendship bridge

The second Thailand-Myanmar Friendship Bridge linking Thailand's Mae Sot district and Myanmar's border city of Myawaddy on the Thai-Myanmar border has been officially opened to facilitate cross-border transport of goods and people. Spanning the Moei River between Ban Wang Takhian in the Tha Sai Luat subdistrict of Mae Sot with Myawaddy in Myanmar, the bridge has been constructed at a cost of around Bt4 billion and consists of a bridge, a 17-kilometre road in Thailand and a four-kilometre road in Myawaddy, as well as border control facilities.

Thai authorities expect the bridge to help connect the Kingdom's economic zone with Myanmar, facilitate convenience in logistics and transportation, promote tourism, trade and investment, as well as reduce traffic congestion in the first Thailand-Myanmar Friendship Bridge.

PAKISTAN

Indo-Pak trade grows amidst tensions

The volume of trade between India and Pakistan posted a growth of nearly five per cent in the first seven months of the current fiscal year from a year ago despite border tensions. The total aggregate volume of bilateral trade between July-January 2018-19 has reached to $1.122 billion, up by 4.96 per cent from $1.069 billion over the corresponding period of last year. The first seven-month data of this fiscal year shows that Indian exports to Pakistan constitute 79.33 per cent of the total bilateral trade volume. Pakistan imports from India between July-January 2018-19 have reached to $890.05 million from $871.71 million over the corresponding period of last year, showing an increase of 2.11 per cent. Pakistan's imports have already entered negative growth with almost all countries except India.

SINGAPORE

JTC Corp. issues tenders for industrial projects

JTC has launched a tender for a site at Tampines North Drive 3 (Plot 2) under the first half of the 2019 Industrial Government Land Sales (IGLS) programme. The land parcel spans 0.48 hectares and has a gross plot ratio of 2.5 and a tenure of 20 years. It is zoned B2, which means the site may be used by heavy industries that have a greater environmental impact. As the second of five Confirmed List sites for the first half of the 2019 IGLS programme, the launch of the site is part of the Government's efforts to offer more choices for industrial development, said JTC.

VIETNAM

Direct shipping route to Australia

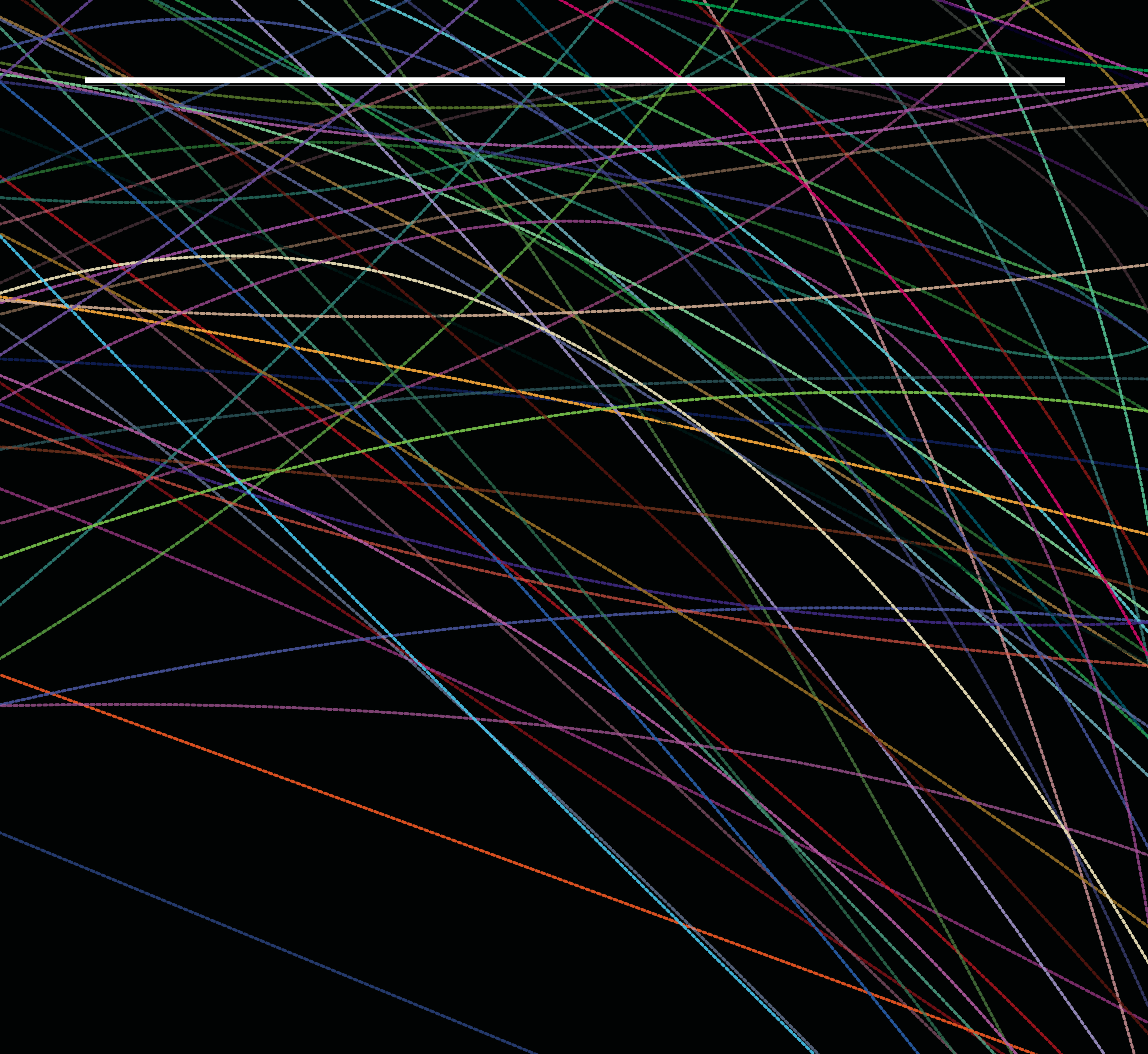
Morotai, a container ship owned by CMA CGM Group Agencies (Australia) Pty Ltd., docked at the SP-ITC International Container Terminal in District 9, Ho Chi Minh City, on March 15, following the route from the city to Australia and vice versa.

Explaining the reason for selecting SP-ITC Port, the CMA CGM Group said that SP-ITC is a deep-water port located along the Hanoi Highway, the HCM City-Long Thanh-Dau Giay Expressway and National Highway 51, thus making it easy to connect to industrial parks in the provinces of Binh Duong, Dong Nai and Ba Ria-Vung Tau in transporting cargo from HCM City to the provinces. Furthermore, SP-ITC has been installed with a modern equipment system, meeting high technology standards in Vietnam. The port is mostly congestion free and offers excellent connectivity to major cargo destinations and hinterland in the interiors of Vietnam. The connectivity is expected to boost trade between Vietnam and Australia.

Shed inefficiencies, grow competitive

Inefficiencies have remained a drag on the Indian textiles sector for long. Plugging in new technologies, streamlining production cost and developing favourable trade agreements with global markets can enable the industry significantly increase its share in the world market

by Omer Ahmed Siddiqui



Textiles is the second largest industry in India after agriculture, in terms of providing employment as more than 35 million people earn their bread in this sector. Indian textile industry contributes about 7 per cent of the country’s total industrial output in terms of value, accounts for 2 per cent of India's GDP and 15 per cent of country's export earnings. The major textile production centres are in the states of Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh and Punjab. In addition, Telangana, Rajasthan, Madhya Pradesh and Karnataka also produce raw materials used in textile manufacturing. Ministry of Textiles has so for approved 59 textile parks in India. Currently 35 parks are in operation and 24 parks are about to complete. India's overall textile and clothing exports during the year 2018 stood at $36.92 billion, a slight decline from $38.41 billion recorded in 2014. Exports of manmade fibre textiles valued at $6024 million in 2017-18, compared to $6219 million recorded in 2013-14. In FY2017-18 readymade garments topped the total textile exports posting $16,664 million in revenues. Textile yarn occupied the second position with revenues of $5,487 million, followed by fabrics that recorded export revenues of $4,349 million.

India's share in the global textiles exports is not more than 5 per cent, which is very minuscule compared to China's share of 38 per cent. Other competitors include the US, Turkey and South Korea. Much smaller players like Bangladesh and Vietnam have a share of 3 per cent in global exports and are increasingly threatening India's exports. Indian textile exports are cost competitive as compared to exports from China, Bangladesh and Vietnam. However, Free Trade Agreements and duty preferences for countries like China, Bangladesh and Vietnam in major markets like EU, Australia etc. make exports more viable for them as compared to India, reveals Dr Siddhartha.

Indian government needs to carefully evaluate the various trade agreements with global markets. Our textile companies face higher trade barriers compared to other competing countries like Bangladesh, Vietnam and Pakistan in key markets such as the USA and EU. Average tariff on textile products faced by India vis-à-vis competing countries in EU and USA are as shown in table above.

The Indian textiles industry needs to move up the value chain. India has a high share in global export market in upstream products, such as fibre and yarn (14 per cent each). However, India has a low share in value-added downstream segments. Most of the textile exports take place through Mundra Port, Pipavav port, Mumbai Port Trust, JNPT, Tuticorin Port, Visakhapatnam Port, Kandla Port, Chennai Port and Kolkata Port.

A major advantage that India enjoys in this sector is the presence of the entire value chain – from fibre, yarn, fabric and apparel – apart from the availability of cheap and abundant labour. "Indian textiles are known throughout the world for their quality. India ranks number one in terms of supplying cotton yarns to the world and the global market share is approximately 26 per cent. Fabrics and home textiles are also known for their finishing and printing qualities," informs Dr Siddhartha Rajagopal, Executive Director, TEXPROCIL.

Obsolete technology

The textiles industry in India is highly fragmented and mainly dominated by small scale and unorganised players – small and medium-sized enterprises (SMEs) make up around 80 per cent of the industry. These SMEs find it difficult to invest in the latest technological innovations. In fabric manufacturing and processing, these units use second-hand machinery that is imported. Dismantled looms in China find their way into India and it is no surprise that Chinese machines make up nearly one-third of textile machinery imports into India. Shuttle-less looms that help weave fine fabrics make up only two lakh of the nearly two million looms in the country – a clear indication of Indian inefficiency.

According to one estimate about 60 per cent of the spindles operational in India are more than 25 years old. Only 18 per cent of the total number of looms operational in the country are automatic looms as against the world average of 62 per cent and 100 per cent in the United States. It is here that technology upgradation schemes will help Indian players to increase both their productivity and competitiveness.

TARIFFS ON TEXTILE IMPORTS

	EU	USA
India	**5.9%**	**6.2%**
Bangladesh	0.0%	3.9%
Vietnam	6.1%	5.5%
Pakistan	0.0%	5.3%

Source : ITC TRADEMAP

Dr Siddhartha Rajagopal
Executive Director, TEXPROCIL.

> **Indian textiles are known throughout the world for their quality. India ranks number one in terms of supplying cotton yarns to the world and the global market share is approximately 26 per cent. Fabrics and home textiles are also known for their finishing and printing qualities.**

To support the industry government announced a special package for garments and made-ups sectors, offering Rebate of State Levies (RoSL), labour law reforms, additional incentives under ATUFS and relaxation of Section 80JJAA of Income Tax Act. The rates under Merchandise Exports from India Scheme (MEIS) have been increased to 4 per cent from 2 per cent earlier for apparel, 5per cent to 7per cent for made-ups, handloom and handicrafts w.e.f. 1st November 2017.

In the textile value chain, production and export of fibre, yarn and fabric is being strengthened and made competitive through focused schemes: Powertex for fabric segment, Amended Technology Upgradation Fund Scheme (ATUFS) for all segments except spinning, Scheme for Integrated Textile Parks (SITP) for all segments, etc. Market Access Initiative (MAI) Scheme has been introduced to support exporters. Further, Government has enhanced interest equalization rate for pre and post shipment credit for the textile sector from 3 per cent to 5 per cent w.e.f. 02.11.2018.

High production cost

It is really paradoxical that in a country where wages are low and cotton is internally available, production cost is high. In spite of having the largest area under cotton cultivation (about 26 per cent of the world acerage), India falls short in production of long- staple cotton which is imported from Pakistan, Kenya, Uganda, Sudan, Egypt, Tanzania, U.S.A. and Peru.

The major costs involved in the production of textiles are the costs associated with raw materials, processing (like dyeing, finishing, printing), packaging and logistics. "Two important raw materials for textile industry are cotton/natural fibres and manmade fibres (Viscose staple fibre, Polyster staple fibre, and Acrylic staple fibre). India is one of the largest exporters of cotton and price of cotton has increased by almost 6 per cent from April 2017 to ₹118.2 per kg. in December 2018. Prices of two important manmade fibres i.e. VSF and PSF have also increased by approx. 11 per cent and 50 per cent, respectively during the same period. Prices of this first essential raw material, particularly

AN APPROXIMATE BREAKUP OF THE VARIOUS ELEMENTS INTO THE COST OF TEXTILES

Activity	Percentage share
Cost of procurement of raw material on an average	45-55
share of logistics cost in the raw material procurement cost	1
Production cost of textiles on an average	20-25
Storage and warehousing cost	1
Logistics cost for moving textile cargo from factory to seaport for exports	2-3

Sanjay K Jain
Chairman, CITI.

> **Two important raw materials for textile industry are cotton/ natural fibres and manmade fibres (Viscose staple fibre, Polyster staple fibre, and Acrylic staple fibre). India is one of the largest exporters of cotton and price of cotton has increased by almost 6 per cent from April 2017 to ₹118.2 per kg. in December 2018. Prices of two important manmade fibres i.e. VSF and PSF have also increased by approx. 11 per cent and 50 per cent, respectively during the same period. Prices of this first essential raw material, particularly for manmade fibres, are on a higher side in India as compared to neighbouring competitive countries.**

for manmade fibres, are on a higher side in India as compared to neighbouring competitive countries," informs Sanjay K Jain, Chairman, CITI.

Mills in Southern India procured 20,000 containers of cotton bales last year. Each 40 foot container can accommodate 170 bales. About 50-60 lakh bales were procured from Gujarat. Raw material costs vary due to the volatility of the prices in the basic fibre itself. Depending on the scale and area of operation like spinning or weaving, the average raw material cost is approximately 45-55 per cent of the final sales of the product.

Power supply

Textile mills face acute shortage of power supply, frequent power cuts and load shedding affect the industry badly leading to loss of man hours, low production. Further, labour and electricity costs are quite less in African countries like Ethiopia and some of the Indian textiles companies are making investment there, reveals Sanjay K Jain, Chairman, Confederation of Indian Textile Industry (CITI).

Low productivity of labour

An Indian factory worker, on an average, handles only 380 spindles and 2 looms as compared to 1,500-2,000 spindles and 30 looms in Japan. If the productivity of an American worker is taken as 100, the corresponding figure for U.K. is 51 and for India only 13. Also, industrial relations are not very good in the country. Strikes, layoffs, retrenchments are the common features of many cotton mills in the country.

Buyer-driven commodity chains

Industries with large retail chains, big brand marketers, and trading companies often operate through decentralized production networks, mostly located in third world countries like India. So the main leverage here lies with the retailers and brand merchandisers at the marketing or retail end of the supply chain. Indian apparel industry largely consists of manufacturers who are into package supplying to foreign buyers. This lowers the bargaining power that Indian apparel sector has on global cues in the industry, thus preventing its unrestricted growth.

Impact of GST

GST is a multi-stage tax levied on every value addition and has created distortions in the textile and apparel sector. Post GST, the man-made fibre yarn is taxed at 18 per cent, while the fabric is taxed at 5 per cent. The small businesses which buy yarn and produce fabric are directly impacted by this imbalance, affecting their sustainability. In addition, delays in reimbursement of input credit, has impacted liquidity of the sector.

Duty drawback rates

Effective October 1, 2017, the duty drawback rates on garment exports were reduced. Duty drawback is the duty refund that a business gets against what it paid for importing the raw material. The sudden fall in the duty drawback rates impacted the price competitiveness of textile and apparel exports.

High costs of capital

Compared to other Southeast Asian nations, India has one of the highest costs of capital, which directly increases cost of production, severely hampering the country's competitiveness in the global market. The current lending rate in India is between 11 to 12.5 per cent, while China, Vietnam, and Turkey, offer capital at a rate of 5 to 7 per cent only.

High logistics cost

"Logistic costs play an important role in transporting textiles across India as well as in exports, and on an average it is about 7-8 per cent of the cost of production," says Dr Siddhartha. "Huge amount of job work is involved in conversion of cotton to yarn, yarn to grey cloth, grey cloth to fabric for dying, bleaching and printing, fabric to embroidery other value addition etc. Approximately, 70 per cent of value addition activities are being carried out by way of the job work through inter- industry movement of goods and services and inter dependence of organized and unorganized sector in the textile industries and hence logistics has become more challenging," reveals KMG Ganesh, Joint Secretary, South India Mills Association.

Spinning mills in Tamil Nadu consume about 40 per cent of the total cotton produced in the country, but only 2 per cent of this cotton is cultivated in Tamil Nadu and the balance requirement is bought from states like Gujarat, Maharashtra, etc. This adds to the additional cost. When the yarn produced in Tamil Nadu is transported to weaving centers like Bhiwandi, Sholapur, the cost of yarn is going up without any value addition happening in the process. The increase in diesel prices further add to the logistics cost. On the contrary, countries like China and Vietnam manage to maintain their logistics cost low in the international cotton trade. The average cotton transportation cost between Gujarat and China is far less than $200 for a 40-foot container having a capacity of 170 cotton bales each weighing 170 kgs (i.e., less than ₹100 per bale).

During the peak cotton season the cost of moving a bale of cotton through road between Gujarat ginning factory and spinning mills in Tamil Nadu is about ₹1,000 per bale. The transportation cost for imported cotton from countries in West Africa to the spinning mills in Tamil Nadu is around ₹400 per bale. The industry can opt for moving cotton through rail or coastal shipping, but the cost difference between these various modes of transport is about 10-15 per cent. It takes 3-4 days to move cotton from Gujarat to Tamil Nadu by road, but the same journey by sea takes around 15 days.

KMG Ganesh, Joint Secretary, SIMA adds, "The cost of logistic/ Kg yarn is around Rs.6.5 for transportation form CBE to Colombo. However, in respect of CBE to China the logistic cost is around ₹4.0/ Kg which is economical and viable. Currently, the ocean freight charges and the port handling charges are high compared to other countries particularly Sri Lanka. The Tuticorin Port has mother vessels calling, but it has only two terminals which is not sufficient to handle the entire port activities."

"In India cost of transportation is high which is around 1per cent of FOB value of exports. These costs are embedded since they are not refunded by the government and adversely impact on competitiveness of our exports," says Ronak Rughani, Chairman, SRTEPC. "Another concern is increasing and volatile fuel prices, poor quality of roads. In a month logistics cost account for about $30 million in the total cost of synthetic textiles exported."

Cabotage relaxation

"The Cabotage rules were one of the factors preventing Indian ports to act as trans-shipment hubs and exporters had to wait for empty vessels to load their goods. With a relaxed

Cabotage, there will be cost savings for this industry besides improving competitiveness and ensuring smoother coastal to coastal movement," expects Dr Siddhartha.

"Though the Ministry of Shipping is encouraging coastal movement, we literally find that it is very difficult at Tuticorin Port, the vessels have to wait for 2 or 3 days for container clearance. Further, during the cotton season, the availability of containers and the movement of container is also a bigger issue for transporting cotton from Gujarat to Tamil Nadu," reveals KMG Ganesh. "Sea route is not that attractive because suppliers do not prefer it as they will get the payment only after 20-25 days. On the contrary movement by road takes a week and payment to the suppliers is faster. We procure around 50-60 lakh bales from Gujarat out of which 50-60 per cent comes by road. SIMA has been asking for sales tax exemption for using coastal shipping but still it is not happening. We have also requested for sea farer tax exemption in line with foreign flagged vessels."

Warehousing required

"Many times when there is congestion at seaports or delay in shipping bill generation and customs clearance, transportation companies over charge shippers. Detention & demurrage charges further add to the cost. Therefore, adequate warehousing facilities closer to major ports would significantly help the exporters, says Rughani.

Thin profits

"This is mainly due to increasing cost of production in India and fierce price competition prevailing globally. In the MMF textile segment, huge ITC have been accumulated due to the Inverted Duty Structure in this segment because of which ITC is neither refundable nor utilisable. Under GST, duties paid on services and capital goods are not allowed refund. Further, several state duties & taxes being paid by the exporters on manufacturing fibres, yarns and fabrics are not refunded due to which production cost is very high in India as compared with any MMF textile manufacturing country in the world. Whereas, competing countries such as

EXPORTS OF MANMADE FIBRE TEXTILES

Year	Exports (In US$ mn)
2013-14	6219
2014-15	6323
2015-16	5767
2016-17	5853
2017-18	6024

Source : MOC, GOI

INDIA'S EXPORT STATISTICS TO WORLD

Commodity	Million USD					% Change 2018/2017
	2013-14	2014-15	2015-16	2016-17	2017-18	
Textiles & Clothing	**37517.11**	**37661.47**	**36751.41**	**36664.02**	**36733.73**	**0.19**
Textiles	22499.62	20811.41	19750.22	19173.33	20014.40	4.39
RMG Clothing	15017.49	16850.07	17001.19	17490.69	16719.32	-4.41
Cotton Textiles	**11550.93**	**11432.84**	**10958.24**	**10696.09**	**10715.41**	**0.18**
Cotton Yarn	4555.38	3938.19	3610.56	3352.25	3424.61	2.16
Cotton yarn (Mn Kgs)	**1310.14**	**1253.33**	**1307.11**	**1203.25**	**1097.43**	**-8.79**
Cotton Fabrics	2198.52	2443.32	2151.41	2047.91	2162.33	5.59
Cotton Madeups	4797.03	5051.33	5196.26	5295.92	5128.46	-3.16
Raw Cotton	3642.35	1900.84	1939.81	1633.59	1887.10	15.52
Raw Cotton (Mn Kgs)	**1947.68**	**1142.53**	**1347.09**	**1002.77**	**1097.50**	**9.45**

China, etc. has been giving multilayer subsidies at different levels from block to district to state level to its exporters making them more competitive globally," reveals Rughani.

"The volume of exports are generally of basic commodities having low price elasticity. There is a pressure on profit margins due to compulsion on cost competitiveness arising out of elements like advantage of duty preferences to certain textile producing countries. This makes the textile industry to operate on thin margins," shares Dr Siddhartha.

From procurement of raw material to production and export of textiles, the activities that majorly add to the rise in cost of Indian textiles is raw material procurement, says Dr Siddhartha. "As stated the raw material cost is one of the largest contributor to the final production cost during spinning and weaving. For spinning the input raw material is the fibre while it is yarn for weaving and fabric for home textiles. Bleaching, dyeing or other finishing activities like mercerising etc. add costs to yarn production while bleaching, dyeing, printing, finishing are the other major activities involved in production of fabric. For home textiles and additional activity is cutting and sewing."

KMG Ganesh
Joint Secretary, South India Mills Association.

"Approximately, 70 per cent of value addition activities are being carried out by way of the job work through inter- industry movement of goods and services and inter dependence of organised and unorganised sector in the textile industries and hence logistics has become more challenging."

Expectations from the government

Government (Central as well as state) needs to refund all the taxes and duties which it collects from manufacturing and exporting units. And the refund needs to be quick and on a time bound manner. All the accumulated ITC needs to be refunded. Further, the duties paid on services and capital goods procurement and import need to be refunded as well. There should be specific production related subsidies for enhancing efficiency of the manufacturing companies. Government should also provide support in R&D, product development & designing, Skill Development, marketing, etc.

The recent announcement by the government on the upward revision of rates under the Remission of State Levies (RoSL) Scheme for garments and made-ups will go a long way in helping the exporters overcome this disadvantage and to increase exports in major markets around the world. The government's endeavour is to extend these benefits to exports of fibre, yarn and fabrics also in future for which a committee will be set up to examine if similar incentives can be extended to these segments, says Dr Siddhartha. India also needs to negotiate some significant and important FTAs with markets like EU, Turkey, Canada and Australia so as to increase its exports.

Advantage Bangladesh

As compared to India, Bangladesh enjoys lower labour cost as well as transportation cost. Bangladesh has also put in place an efficient Customs system as far as exports are concerned. Bangladesh is mostly exporting high value added garments unlike India. Despite, most of the garments exports from Bangladesh are taking place through air cargo, it is still profitable for Bangladesh due to GSP facility extended to Bangladesh by EU and USA.

Advantage China

China also exports mostly value added items such as active wear, garments, etc. Moreover, China has an efficient logistics and transportation facility for exports. They have dedicated roads and railway services for uninterrupted transportation of goods to ports for export. Further, most of the logistics and transportation expenses are also reimbursed by the government that helps their exports to be more competitive.

Advantage Vietnam

Vietnam has also put in place a very effective and efficient logistics and transportation system to ease out export activities. Vietnam has developed major sea ports with huge accommodative capacity for mother vessels and supplying vehicles/ trucks. Moreover, its Customs system is completely digitised with very less paper work. mg

HIGH LOGISTICS COST REMAINS A DRAG

While logistics costs calculation remains anecdotal, the focus has to be on streamlining it.

by Rakesh Oruganti

It's quite shocking to know that logistics cost calculation so far has been anecdotal. The reason behind it is the logistic industry always has been working under different silos than a single entity. Deriving it from many unorganised players across the value chain of exim cycle is arduous. The value always varies based on cargo type, distance of voyage, mode of transportation, intermediary charges…etc.

In India logistics cost is estimated to be 13-18 per cent, the global average is hovering between 6-9 per cent. Newly formed logistics division under Ministry of Commerce and Industries, estimated logistic cost for some bulk cargoes like coal and cement to be 17-18 per cent. Still the research is going on other commodities. In case of agri produce logistics cost is between 25-30 per cent, and for electronic goods it is 13-17 per cent. Pharmaceutical and biotechnology logistic cost is always on upside as majority of the pharma hubs are located in southern part and cargo moves by truck to western ports with empties in return. Similarly automobile manufacturing zones are in northern part of India and consumption centres are in southern India. Deriving the logistic cost based on the available data is quite cumbersome as it depends on many variable components. Till now, logistics cost is calculated based on total GDP. Another argument raised in the industry is that it should be calculated on consignment basis. Logistics cost to the GDP in the US is (9.5 per cent) and Germany (8 per cent). If Logistics cost needs to be calculated on the basis of GDP then services industry alone contributes more than 50 per cent to the GDP, which cannot be the best practice to follow.

Even after implementation of GST to facilitate cargo producers to ease taxation, it is not helping as expected. Unless there is change in transportation system which is dominated by different agents controling the land transportation charges, the costs are not going to come down. The organised single window platform can benefit trade to track the entire spectrum of cargo supply chain.

In most of the cases, retailers bear return charges of the empty truck which is an unnecessary expense that makes logistics expensive. It results from inefficiency on the part of multiple parties and a lack of location-based planning. The current wastage or value loss in India's transport ecosystem is around $80 billion and the inefficiencies will further go up, because 90 per cent of the logistics business in India is unorganised, and is run by small truckers.

However, the logistics industry is on its way to becoming a $200-billion opportunity by 2020, and is expected to have primary warehouse hubs across India. Organised logistics ecosystem could lead to a boom in manufacturing, e-commerce and agriculture. However, this would first require estimating demand and organising the road and rail network. The railways is stepping up its act by doubling its capex plan. But the bulk of goods continue to move by road and the logistics industry continues to be dependent on small-time agents and truckers. There is a need to estimate the demand from one city to another, so that trucks and rail racks do not have to ply empty.

The situation in India will be no different. Logistics service providers/ CHAs/ small trucking and shipping firms must look to upgrade their skill for the new environment. India's logistics costs are 40 per cent higher than in most developed countries. A reduction will result in more competitive goods and services, resulting in more trade and commerce. Changes in the logistics sector will deeply integrate India with global supply chains. mg

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

When one believes in excellence, it becomes part of everyday life. It is this driving force that powers CONCOR to excel in every sphere of logistics operations. Our foundations lie in our long partnership with the rail network of India; leveraging in reach and reliability to drive value-for-money multi-modal logistics solutions. In addition to providing inland logistics by rail door-to-door last mile delivery, we also cover the management of Ports, air cargo complexes and a cold-chain. Through it all we continue to be customer focussed performance driven and result oriented. Creating greater productivity and profitability through a process of constant innovation.

उत्कृष्टता

परिणामों की सीरीज कहीं अधिक है। यह आप द्वारा प्रतिदिन किया गया कार्य है।

एक प्रमुख मल्टीमोडल लॉजिस्टिक सेवाएं देने वाले के रूप में कॉनकॉर देश के आयात–निर्यात एवं आंतरिक व्यवसाय तथा वाणिज्य हेतु प्रभावी एवं विश्वसनीय मल्टीमोडल लॉजिस्टिक सपोर्ट के लिए राष्ट्रव्यापी 81 टर्मिनलों के नेटवर्क के साथ पूरे भारत में 8 क्षेत्रीय कार्यालयों के माध्यम से कार्यरत है। हम कौन है और हम क्या करते हैं। इसकी विस्तृत जानकारी के लिए कृपया www.concorindia.com पर हमसे संपर्क करें।

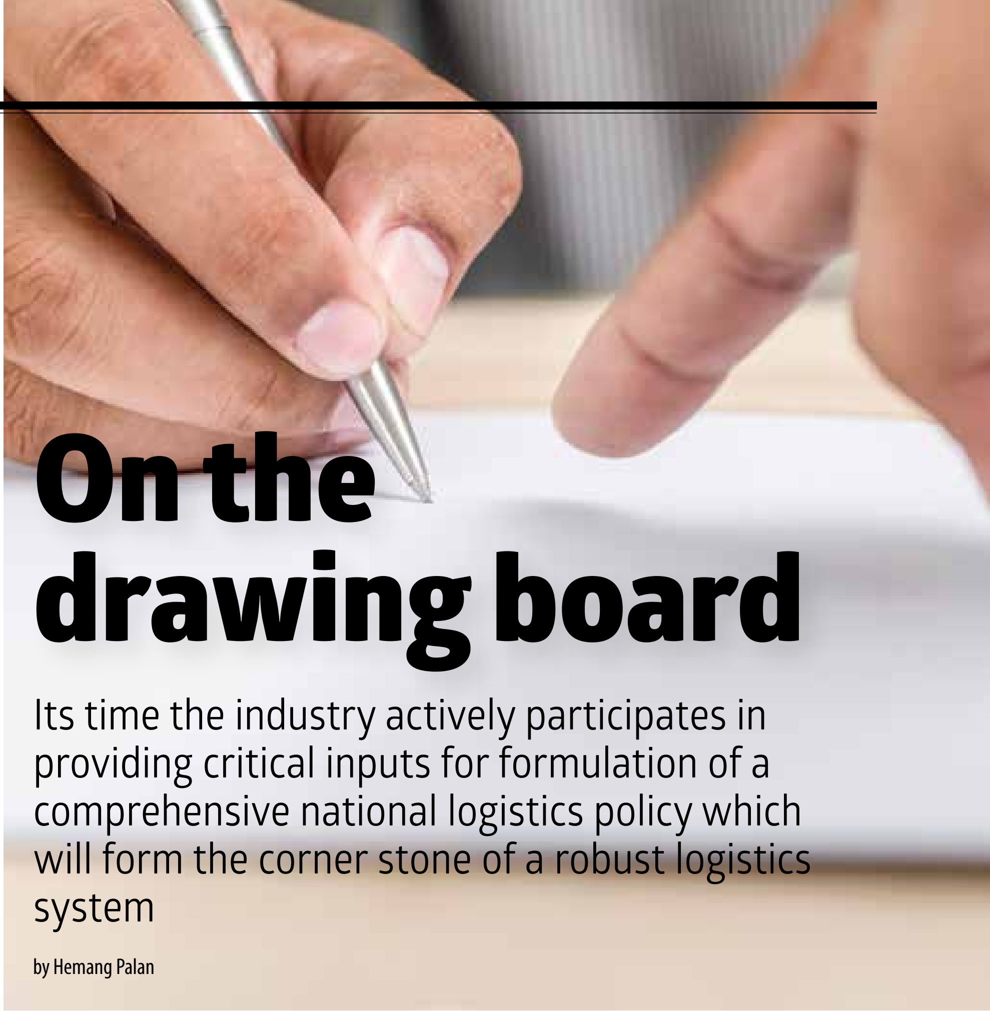
कॉनकॉर
CONCOR
(भारत सरकार का नवरत्न उपक्रम)
(A Navratna Undertaking of Govt. of India)

A premier multi-modal logistics provider, CONCOR operates from 8 Regions across India with a nationwide network of 81 terminals of provide efficient and reliable multi-modal logistics support for the country's Export-Import and domestic trade and commerce. For more details on who we are and what we offer, visit www.concorindia.com

कंटेनर की बात, कॉनकॉर के साथ

Think Container, Think CONCOR

भारतीय कंटेनर निगम लिमिटेड, कॉनकॉर भवन, सी–3 , मथुरा रोड, नई दिल्ली–110076
Container Corporation of India Ltd. CONCOR Bhawan,C-3, Mathura Road, Opposite Apollo Hospital, New Delhi-110076



On the drawing board

Its time the industry actively participates in providing critical inputs for formulation of a comprehensive national logistics policy which will form the corner stone of a robust logistics system

by Hemang Palan

The logistics division of Ministry of Commerce of Government of India has invited comments and suggestion on the Draft National Logistics Policy from the stakeholders in the logistics sector and from the public, on various aspects of the policy. The key objectives of the proposed National Logistics Policy include:

- Creating a single point of reference for all logistics and trade facilitation matters in the country which will also function as a knowledge and information sharing platform.
- Driving logistics cost as a percentage of GDP down from estimated current levels of 13-14 per cent to 10 per cent in line with best-in-class global standards and incentivise the sector to become more efficient by promoting integrated development of logistics.
- Optimising the current modal mix (road-60 per cent, rail-31 per cent, water-9 per cent) in line with international benchmarks (25-30 per cent share of road, 50-55 per cent share of railways, 20-25 per cent share of waterways) and promote development of multi modal infrastructure.
- Improving first mile and last mile connectivity to expand market access of farmers, MSMEs and small businesses.
- Enhancing efficiency across the logistics value chain through increased digitisation and technology adoption.
- Ensuring standardisation in logistics (warehousing, packaging, 3PL players, freight forwarders)
- Creating a National Logistics e-marketplace as a one stop marketplace. It will involve simplification of documentation for exports/imports and drive transparency through digitisation of processes involving Customs, PGAs, etc in regulatory, certification and compliance services.
- Creating a data and analytics centre to drive transparency and continuous monitoring of key logistics metrics.
- Encouraging industry, academia and government to come together to create a logistics Centre of Excellence, and drive innovation in the logistic sector.
- Creating and managing on an ongoing basis, an Integrated National Logistics Action Plan which will serve as a master plan for all logistics related development. Also, there will be support for states for development of respective state logistics plans aligned with the national and state priorities. An annual execution plan to continuously monitor progress against the set objectives will also be created.
- Providing an impetus to trade and hence economic growth by driving competitiveness in exports.
- Doubling employment in the logistics sector by generating additional 10-15 million jobs and focus on enhancing skills in the sector and encouraging gender diversity.
- Improve India’s ranking in the Logistics Performance Index to between 25 to 30.
- Strengthening the warehousing sector in India by improving the quality of storage infrastructure including specialised warehouses across the country.
- Reducing losses due to agri-wastage to less than 5 per cent through effective agri-logistics involving access to cold chain, packaging and other post-harvest management techniques and thereby enhance agriculture price realisation and farmer income.
- Providing impetus to MSME sector in the country through a cost-effective logistics network.
- Promoting cross regional trade on e-commerce platforms by enabling a seamless flow of goods.
- Encouraging adoption of green logistics in the country.

As communicated by the Ministry of Commerce, a ‘Framework Act on Integrated Logistics’ will be enacted to define the role and responsibilities of all stakeholders in the multimodal logistics space. This will institutionalise the defined roles of the relevant stakeholders as per the National Logistics Policy and enable the government to effectively drive the national logistics agenda while ensuring long term continuity. The Act will provide a broad overarching

national framework of general principles concerning the formulation and execution of and support for the policies and plans for logistics in India and overseas for greater efficiency in logistics, strengthening competitiveness of the logistics industry and the greater advancement and internationalisation of logistics.

The communicate further states that in order to drive the above thrust areas, a robust governance framework is critical to ensure effective coordination across the various stakeholders and track progress against the defined national logistics plan and the key objectives. The Logistics Wing under the Department of Commerce will have the primary responsibility to drive the key thrust areas as per the National logistics policy and facilitate alignment across the key central ministries. This will involve extensive coordination, data gathering and monitoring across central ministries (e.g. Roads, Railways, Shipping, Civil Aviation, Food processing and Consumer Affairs, Finance, Home Affairs, D/o Posts), Partner Government Agencies, and respective State governments.

For the above stated purpose, four committees/councils will be constituted:

- National Council for Logistics, chaired by the Prime Minister.
- Apex inter-ministerial Committee, chaired by the Minister of Commerce and Industry.
- India Logistics Forum chaired by the Commerce Secretary with representation from key industry/ business stakeholders and academia.
- Empowered task force on logistics will be created, as a standing committee chaired by the head of the Logistics Wing.

Given the complexities and inter-ministerial nature of logistics, National Council for Logistics will be set up and chaired by the Prime Minister of India. The Council would be composed of the Minister of Commerce and Industry, Minister of Road Transport and Highways, Minister of Railways, Minister of Shipping, Minister of Civil Aviation, Minister of Communications and Minister of Finance. Additionally, as required, respective State Chief Ministers shall participate on invitation basis. The Council will provide overall direction and guidance for the integrated development of logistics in the country. Further, it will review the progress made against the Integrated National Logistics Action Plan every six months. The Logistics Wing will provide secretarial support to the operations of the Council

An Apex Inter-Ministerial Committee will be setup under the chairmanship of the Minister of Commerce & Industry. This will include a core committee who will advise, provide, approve and implement projects on logistics and will comprise of Secretaries from Ministry of Road Transport & Highways, Ministry of Civil Aviation, Ministry of Shipping, Ministry of Railways, D/o Revenue, Ministry of Environment & Forests & Climate Change, Ministry of Development of North Eastern Region, Ministry of Home Affairs, D/o of Legal Affairs, D/o Posts, Ministry of Agriculture & Farmers' Welfare (FSSAI, Plant Quarantine) & Ministry of Health & Family Welfare(CDSO). Also, the APEX Inter-Ministerial Committee with constitute a group of user ministries/departments consisting of Secretaries from Ministry of Steel, Ministry of Coal, Ministry of Food & Consumer Affairs, Ministry of Agriculture & Farmers' Welfare, Ministry of Mines, D/o of Chemicals & Petrochemicals and Ministry of Power. They will attend the Inter-Ministerial committee meetings on an invitation basis, depending on the matter under discussion. Chief Secretaries of state governments will also be made a part of this committee on an invitation basis. This Committee will review the progress against the Integrated National Logistics Action Plan on a quarterly basis, with secretarial support from Logistics Wing. They would also resolve cross ministerial issues and bottlenecks, thus facilitating seamless coordination between Ministries.

A National Logistics Forum will be created to be chaired by the Commerce Secretary with representation from the government including D/o Posts, academia, industry/business stakeholders, for example, logistics service providers like fleet operators, freight forwarders, Customs agents, shipping lines, warehouse operators, 3PLs etc. as well as from users of logistics services including industry and manufacturing associations, e-commerce players, etc. The Forum will be leveraged to hear the voice of the industry on key challenges faced, as well as to understand best practices which could be implemented. Additionally, through this Forum, the Logistics Wing will facilitate industry buy-in and feedback for key interventions in the Integrated National Logistics Action Plan.

An empowered task force headed by the head of the Logistics Wing, Department of Commerce will be created and will have representation at the Joint Secretary (or equivalent) level from Ministry of Road Transport & Highways, Ministry of Civil Aviation, Ministry of Shipping, Ministry of Railways, Ministry of Finance, D/o Posts, Ministry of Food & Consumer Affairs and Joint Secretary (or equivalent) from the Partner Government Agencies (FSSAI, Drug Control, Plant and Animal Quarantine). The task force will meet on a monthly basis to review progress against the Integrated National Logistics Action Plan at each intervention level, and also enable inter-ministerial coordination/ information exchange required.

Put Logistics on Fast Track

As Bangladesh moves onto a trajectory of higher growth rates and the economy expands, where the country braces for multibillion-dollar FDIs, we will need to shift to a higher gear where efficiency will dictate operations at major ports of entry and exit, be it air or sea.

by Omer Ahmed Siddiqui

The recently released "Agility Emerging Markets Logistics Index" ranks Bangladesh at 39th position out of 50 emerging economies. The survey respondents comprised more than 500 logistics professionals who gave their opinion on the prospects and challenges of emerging markets in the years ahead. The key measures used to put the report together were based upon three broad categories: domestic logistics, international logistics and business fundamentals.

Bangladesh also slipped six spots to 140th among 169 countries in a ranking of the world's most connected nations brought out by global logistics company DHL. The Global Connectedness Index 2018 was measured by four pillars: international flow of trade, capital, information and people. Bangladesh's overall ranking fell from the 2015 edition although it improved its position in trade, capital and information pillars.

In Agility's index Bangladesh's score got dragged down in the business fundamentals sub-index that deals with some major issues like regulatory environment, contract enforcement and anti-corruption frameworks, etc. Unfortunately for the country, the report blames "weak frameworks covering finance, property rights and contract enforcement."

DHL's index ranked Bangladesh lower than its peer countries. India ranked 74th, Pakistan 127th, Vietnam 39th and Cambodia 49th. Myanmar is seven notches ahead of Bangladesh. In South Asia, only Afghanistan (167), Bhutan (150) and Nepal (151) were ranked lower than Bangladesh.

The top 10 countries ranked by their shares of Bangladesh's international flows are: India (25 per cent), the UAE (14 per cent), Saudi Arabia (7 per cent), Malaysia (7 percent), the UK (5 per cent), Russia (5 per cent), Qatar (5 per cent), the US (4 per cent), Singapore (4 per cent), and China (4 per cent).

While Bangladesh has been highlighted as one of the top performers in Asia over the last decade, with consistent annual growth rates averaging 6.3 per cent, respondents pointed out concerns over "a struggling domestic banking system" as potential red flag for future growth. Low wage has been the primary driving factor in attracting foreign investment to the country over the years but that scenario has changed with the upward movement in wages – posting the highest climb in December 2018 with the introduction of a new wage board in the apparel sector, recording a 51 per cent hike. The challenge, therefore, will be to make progress in other areas (logistics) to keep Bangladesh as a preferred destination for low cost manufacturing.

From a logistical point of view, infrastructure and its efficient operation are major cost barriers. As pointed out by the president of Bangladesh Freight Forwarders Association (BAFFA), "deficiency in infrastructure ultimately increases the cost of doing business, which badly impacts exports." This was in response to the lack of capacity and facilities in the country's sea ports and airports. Indeed, there have been calls to privatise these key facilities in order to boost efficiency, which would ultimately result in the lowering of costs of moving freight and reduce lead times.

The government is planning to cut red tape so that it takes seven days to start a business, rather than 19.5, and reduce the time it takes for a company to connect to the national grid to 28 days, from 404. As Bangladesh moves onto a trajectory of higher growth rates and the economy expands, where the country braces for multibillion-dollar foreign direct investments and the ground is prepared for some 100 special economic zones, we will need to shift to a higher gear resulting in a scenario where efficiency will dictate operations at major ports of entry and exit, be it air or sea. mg

Big ticket infra projects

Sri Lanka's logistical advantage is not confined to the Port of Colombo. A series of logistics infrastructure projects in the hinterland will ensure unprecedented connectivity

by Omer Ahmed Siddiqui

Ranil Wickremesinghe, Prime Minister of Sri Lanka in his message in the publication 'National Export Strategy (NES) of Sri Lanka 2018-2022' commented: "In addition to the mature export sectors of apparel, tea, rubber and coconut, exports of services such as ICT, tourism and logistics have grown significantly in the last decade. These sectors have proven their ability to diversify and access new market destinations."

The NES Report recognises Sri Lanka's advantageous geographical location and the beneficial impact of shipping density in the map depicted in its report. On 31 December 2018, the Port of Colombo handled its seven millionth teu. The total for the year was 7,047,486 teus of which 5,602,358 teus or 79.49 per cent of the total containers handled were transshipment cargo. Local exports were 290,223 teus and imports were 648,478 teus. Sri Lanka's local exports represented a meagre 4.12 per cent of the total containers handled at the Port of Colombo.

Local exporters are, therefore, beneficiaries of the Port of Colombo's transshipment business that has attracted all the major container carriers to the port with a multitude of shipping services. A review of the weekly shipping list reveals that the number of services available to exporters are plentiful, allowing a broad choice and presenting a highly competitive environment.

The three major carrier alliances have a strong presence in Colombo. Since the constituent partners in the alliances compete fiercely with each other, the choice of carriers available to exporters are greatly in excess of the weekly sailing opportunities.

Sri Lanka's logistical advantage is not confined to the Port of Colombo. Recently, Hayleys Advantis unveiled the country's largest distribution hub-Advantis 3PL Logistics City in Kotugoda, Ja-Ela. The completed Phase I of the facility has 335,000 sq.ft of space which would expand to 500,000 sq.ft when Phase II is completed. Other companies that have added or are in the process of introducing critical warehouse and distribution capacity are Expolanka, OVIKLO, Dart Global Logistics, Scanwell Logistics and McLarens.

John Keells Holdings is building a logistics facility in the Muthurajawela Logistics Zone in Kerawalapitiya, Wattala, north of Colombo, with an investment of $13.96 million to provide a range of services for businesses, from inventory management and value addition to managing returns. The logistics center will provide integrated logistic services, container freight station, multi country consolidation and a range of local and international logistics solutions. It will have a cargo storage capacity of 40,000 cubic meters. The facility is also capable of handling over 300,000 cubic meters of cargo per month in a single shift operating model.

"Fulfilment solutions cover the entirety of a client's supply chain including inventory management, order picking, packing, value addition, assembly, delivery, and returns management of products," said **Senath Jayatilake, Chief Executive and Vice President of the John Keells Group**.

Located again in the Muthurajawela Industrial Zone is the integrated logistics facility being developed jointly by GAC Logistics Sri Lanka and Hemas Transportation. It has a 30,000m² container yard, with a storage capacity of 6,000 teu. Built on 15 acres of land the facility is strategically located between the Port of Colombo and Bandaranaike International Airport. It is well equipped for container handling, container repairs and container washing, among other services. mg

Develop inland waterways

Developing inland waterways will help Nepal trade to cut down on logistics cost and time while simplifying trade procedures and documentation

by Omer Ahmed Siddiqui

For decades Nepal has been struggling with its inherent geographic challenges being a land-linked country dependent on the maritime infrastructure of India for connecting to the global markets. While this hilly nation is blessed with many rivers that originate in the Himalayas, yet the potential of these waterways for logistics remained unexplored. But with the new government in place the maritime sector is gradually coming into focus as Prime Minister K P Oli has recently inaugurated the the Nepal Ship Office in Ekantakuna and the Nepal flag will soon be seen sailing on the oceans. Oli also aims to buy ships for riverine trade through the mountainous country for onward shipment through Indian ports, likely by rail connections.

Among the eight rivers identified by the IWAI for development in Phase I are Gandak (NW-37), Kosi (NW-58) and Ghaghra (NW-40), which are the Himalayan rivers known in Nepal as Saptagandaki or Narayani, Koshi and Karnali, respectively. In addition, India has already initiated the construction of a multimodal terminal at Haldia and Varanasi which is one of the three gateway ports for the inbound and outbound cargo of Nepal.

Further India has agreed to incorporate Nepal's proposal to extend inland waterway facilities up to its nearest navigation points in the bilateral trade and transit treaties for third country trade via India. "India has agreed to incorporate inland water facilities in separate Trade and Transit Treaties, paving the way for us to navigate inland water facilities from Haldia to Nepal border via our two rivers. This will pave the way for our own inland waterways. This will diversify our transit facilities, as we are currently completely dependent on land transit," said Kedar Bahadur Adhikari, Secretary, Ministry of Industry, Commerce & Supply. Nepal will use the Indian facilities to import and export cargos via its two rivers – Koshi and Gandak – to reach Haldia port in Kolkata. Nepali has further proposed using two Indian transit points for inland water navigation: Sahibgunj (Jharkhand) and Kalughat (Bihar) via Haldia port up to Nepali border from Koshi and Narayani rivers respectively.

A governmental technical team from Nepal is conducting field visits to various Indian navigation points to figure out how Nepal can expand its transit facilities through waterways. They will particularly identify navigation points on the Nepal side as well for the cargos coming from Haldia via Sahibgunj and Kalughat. Any third country cargo will navigate via Haldia port to Sahibgunj and Kalughat and will park there. Then the Nepal-bound cargos will ferry via land route to Raxaul and Jogbani.

Cost benefit of using waterways

According to Word Bank Report over 30 per cent of Nepal's import (invoice) value goes into freight and international transport related service cost, which means approximately $3.2 billion in foreign currency is going to foreign shipping companies and service providers. Even if you consider only half of what is reported, which is 15 per cent, it is over $1.6 billion that the nation is paying every year for logistic service which can be retained within the country by managing freight issues within the country.

It costs about $1800- $1950 for moving cargo from Kolkata to ICD Birgunj by rail in 21 days using ECTS. Moving cargo through rail under ECTS but without transhipment costs $1645 and takes 21 days. Moving the same cargo by road takes 15-19 days and costs $2000 to $2150. These costs can be significantly brought down using waterways as shippers can avoid port costs by offloading cargo at Haldia on barges using floating cranes and it can be moved to Nepal using waterways in 7-10 days. Shippers can negotiate cheaper rates with ocean liners for end-to-end logistics. On the contrary, it takes minimum of 24 days and maximum of 38 days by rail for movement of cargo from Kolkata to Nepal. By road it takes a minimum of 14 days and maximum of 19 days.

Turnaround time issues with road and rail

- After a vessel arrives it takes about 4 to 6 days at port for clearing cargo to move by road and almost 8 to 13 or more days for moving cargo through rail. This delay includes time taken for document preparation, shipping liners payments, Custom's house formalities, port formalities, CFS formalities etc.
- Booking formalities with CONCOR take a minimum of 2 to 3 days if goods are to move by rail and one day if movement is by road.
- Waiting time with CONCOR is 8 to13 days after forwarding number is received at Kolkata Port.
- CCU to ICD Birgunj it takes 4 to 6 days for moving cargo via road
- Customs point at ICD Birgunj consumes one day of the transit time
- From Birgunj to CCU it takes 4-8 days by train and a minimum 4 days by road

Using waterways: All documentation can be done by shipping lines or NVOCC in Nepal; payment of insurance, ocean freight and all services in transit within Nepal will be done in NPR; dispute management process will be better as it is within Nepal; predictability, accountability and transparency in cargo movement increases; detention if any is negotiable within Nepal; benefit of delayed logistic payment which will increase money rotation to generate more income/revenue; a lot of procedures and documents will be reduced resulting in lesser transit time; huge saving on costs, liability covered under one transport document; it will increase employment generation as economy along the harbour will improve with development of infrastructure.

To make waterways a success

The private sector in Nepal needs to be encouraged to invest and negotiate with suppliers. Use of Right Inco Terms to control and simplify flow of money is needed. Regulations such as Multi modal act, Logistic act, Goods carrier acts, Insurance act and Warehouse Act need to be formulated to guide and control the movement of cargo. Remittance process needs to be kept simple with minimal documentation required. The private sector in Nepal should come forward to manage and develop logistics infrastructure such as ICDs/ICPs. Riverine routes should be maintained with sufficient draft round the year to ensure uninterrupted flow of cargo. Timely dredging and clearing of waterways should be scheduled. Facilities for providing bunker to barges and for night navigation should be made available to reduce the time taken in moving cargo through waterways. Liabilities handling regime in a multi-modal and inter-modal system, and documentary requirements with appropriate links need to be established. Skill development is extremely needed as Nepal lacks skilled manpower to operate barges on waterways and also to handle land side infrastructure. mg

MAJOR RIVERS IN NEPAL

The three main river systems of the country are the Koshi, Gandaki and Karnali rivers. The Koshi river has a total length of 720km, of which 513 km lies in Nepal. The river enters India at Bhimnagar –about 50 km from Chatara in Nepal – and finally reaches the Ganges River near Kursela. At present, water transport on the Koshi River is limited to boats used for river crossing at certain places. As of now, commercial navigation is non-existent in the Koshi River, but it may be possible after the construction of Saptakoshi High Dam.

The Gandaki River basin has a total area of 34,960 sq km of which 90 per cent lies in Nepal. At present, the rivers in Gandak tributaries do not boast any inland waterways. Besides a steamer service on the reservoir created by the construction of dam for Kali Gandaki and a hydroelectric project in Synagja.

Gateway to European and Far East markets

By being the first EU border for Russia and Far East countries and last EU border for almost all EU countries, Latvia can serve any kind of transportation flows

by Omer Ahmed Siddiqui

Ideally located on the crossroads of huge markets of the European Union (EU) and Russia/CIS (and further Far East and Asia), Latvia's privilege is its unique strategic location. Latvia is closest border with Russia and CIS countries for almost all EU countries (except Finland and Estonia). Latvia has always been a transit land of the crossroads of major trade flows and today transit and logistics sector is one of the most dynamic and fast growing sectors of the Latvian economy. By being the first EU border for Russia and Far East countries and last EU border for almost all EU countries, Latvia can serve any kind of transportation flows, including all necessary customs, veterinary and other inspections for safe entering and leaving EU market.

Transit corridor of Latvia consists of 10 ports (three major ports and seven minor ports) which are connected with TEN-T roads and railway system, two oil and one oil product trunk pipeline to Ventspils, as well as three airports from which "Riga International Airport" has become a hub in the Baltic region.

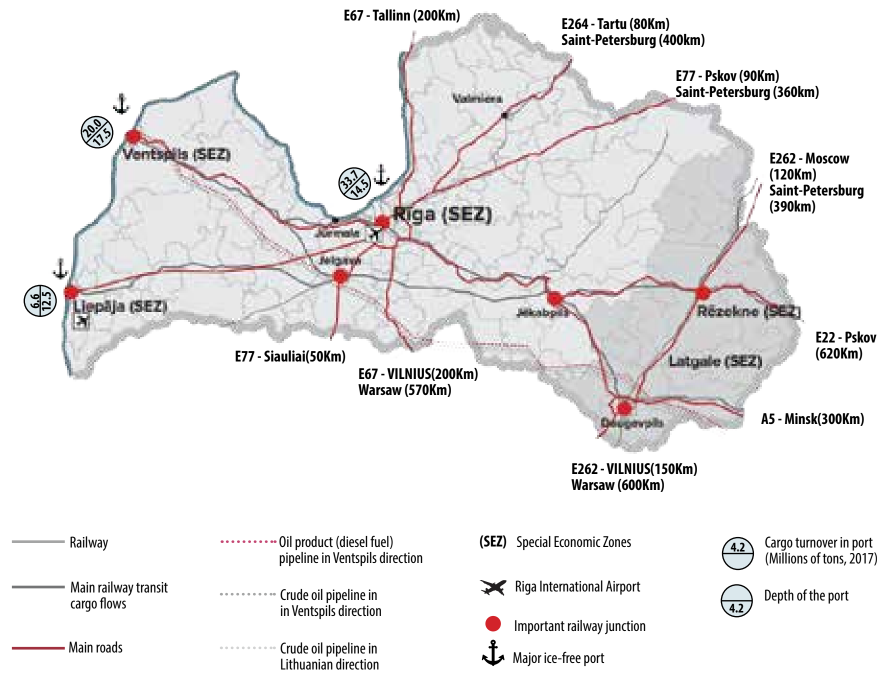
Air connectivity

There are three operating airports in Latvia: Riga International Airport, Liepaja International Airport and Ventspils Airport. A fourth airport at Daugavpils (southern part of Latvia) is currently at an early development stage. Nearly 99 per cent of all air passenger and freight transport in Latvia goes through Riga International Airport. Riga International Airport is the leading air transport and transit centre of the three Baltic States, currently serving 16 airlines including Latvia's flag carrier airBaltic, low-fare carrier Ryanair and European leaders like Lufthansa, Czech Airlines and Finnair. Latvian airline airBaltic was ranked as the most punctual airline in the world in 2017 with on-time-performance (OTP) of 90.01 per cent. The air cargo and/or express package services of international providers like SAS Cargo, Lufthansa, Fed Ex, DHL, UPS and TNT ensure one-day delivery within Europe and two days for the rest of the world.

Maritime infrastructure

As vitally important export and transit-transhipment points for Latvia itself and for several neighbouring countries, the three largest Latvian ice-free seaports provide reliable access, 365 days a year. If we consider statistical information, largest cargo flow among Baltic States is going through the ports of Latvia. Latvia's 3 ice-free international ports (all certified according ISPS Code) combined cargo throughput is 60.20 million tonnes per year (2017): Riga Free Port, Ventspils Free Port and Liepaja Free Port with the regular cargo routes, including EU routes: Bremerhaven - Hamburg - Riga – Klaipeda; Hamburg – Bremerhaven – Riga; Riga - Kiel - Bremerhaven – Kaliningrad; Antwerpen - Riga - Kotka - Helsinki - Tallinn (including Vanasadam (Old City), Muuga, Paljassaare) - Antwerpen; Rotterdam – Antwerpen – Riga – Tallinn – St.Petersburg; Ventspils - Lübeck-Travemünde; Ventspils – Nynäshamn and other. All three ports are perfectly linked with rail and road transport.

Connections to all other transport infrastructure elements, along with attractive tax-free zone incentives, have resulted in the ports becoming regional centres of industrial activity. Nevertheless, there are still a number of port locations available for businesses, within customs-free zones and with direct sea access. Latvian ports are highly export-oriented, with the proportion of loaded-on cargo being about 95 per cent of all cargo



throughput, mostly shipping cargo for transit and export from Latvia. The leading port in terms of unloaded cargo volume is Riga. RO-PAX transport connections with Germany and Sweden are important logistics services available at all three free ports. All the ports are equipped with the required infrastructure – tanks for bulk liquids, terminals, warehouses and cranes, communications infrastructure .

Rail connectivity

Latvia possesses a relatively dense railroad network, which is well connected with the Russian railway and Latvia is a perfect springboard for the export of goods from the EU to Russia and CIS. The uniqueness of Baltic States is also outlined by fact that our railway system is in compliance with the single wide railway gauge system of 1520 mm. This allows loading container on the train and transporting this container by land from China or other Far East ports to the ports of Latvia, which is already in the EU, without any wasted time on border crossings and without need to change wheels and documentation.

There are additional opportunities for trade connection with Japan and Southeast Asia. Currently, Latvian railways mostly serve as a transit trunk-line with as much as 82 per cent of total freight volume is being transit from Russia and Belarus to Latvian ports and approximately 35 per cent of freight rolling-stock being tanker-wagons. Movement in the opposite direction – to Moscow and other parts of Russia/CIS is dominated by container cargo.

Regular container train brings containers five times per week between Baltic ports and Central Asia (Kazakhstan, Uzbekistan, Kirgizstan, and Turkmenistan). This container train delivers cargos till Almati, Kazakhstan. Cargos are delivered according to door to door principle and the train performs this route in 8-10 days depending on delivery destination.

Container train "Zubr" provides cargo traffic between the Baltic and the Black Sea regions and cargo delivery from Latvian and Estonian ports to Belarus and Ukraine ports and vice versa. In order to facilitate trade flows in the north-south direction, under planning and implementation is pan-Baltic railway route, Rail Baltica, connecting Tallinn – Riga – Kaunas – Warsaw – Berlin.

Road connectivity

All main cities and industrial zones are well connected with E category road system. The Latvian road system provides direct access to destinations in the east (Russia/CIS) and south west (central/western Europe), and is, through other countries, and/or RO-PAX-capable ports, well connected to northern Europe (Finland and Sweden). With financial support from the EU, Latvia has upgraded sections of the Via Baltica – the first pan-European transport corridor, connecting Finland and the Baltic States to Poland and Western Europe. The Trans-Baltic (Via Baltica, also known as motorway E67) highway runs the length of the country, providing a north/south transport corridor, dissected by the highway to Moscow.

To divert increasing transport flows from the centre of the capital city, Riga City Council has constructed the Southern Bridge over the river Daugava and plans to construct a Riga Northern Transport Corridor – a high-speed road crossing Riga from east to west and bypassing the city's historic centre. mg

Unmatched connectivity to EU and CIS markets

Q&A Latvia's geographic position offers unique market access opportunities with shortest connectivity to the EU and CIS markets. **Ravindra J Gandhi, Public Representative – India, Investment and Development Agency of Latvia,** details on the maritime and logistics infrastructure and connectivity Latvia offers to exim community from Asia

by Omer Ahmed Siddiqui

Q Tell us about the maritime infrastructure in Latvia?

Being in the middle of the three Baltic states and located right next to the huge Russian market and just a hop away from the Nordic countries Latvia's geographic position offers unique market access opportunities. It will provide investors with both lower transportation and logistics costs and shorter delivery times and fuels their activities when targeting the Baltic, Scandinavian and Russian markets.

Transit corridor of Latvia consists of 10 ports (three major ports and seven minor ports) which are connected with TEN-T roads and railway system, two oil and one oil product trunk pipeline to Ventspils, as well as three airports from which "Riga International Airport" has become a hub in the Baltic region. Latvia's transport system provides an appropriate infrastructure base to facilitate the growing trade flows between the EU and Russia/CIS, and to serve the needs of local export/import operators:

- Free ports in Ventspils, Riga and Liepaja, with a total cargo throughput of 60.20 million tonnes in 2017, predominantly transit shipments;
- An extensive and functional road network, connecting with both European and CIS road networks, as well as Latvia's ports;
- We offer the shortest route between the EU and the CIS;
- Specialised, high-capacity railway corridor linking Latvian ports with Russia and the Far East;
- Riga International Airport is a major Baltic passenger hub and high-speed cargo distribution centre;

Q What kind of support does Latvian government offer to Indian entrepreneurs willing to establish business?

LIAA is a state agency set up to promote Latvia as an attractive investment destination. Our services include providing assistance and comprehensive information on the financial, legal, fiscal, and procedural aspects of doing business in Latvia, establishing contacts with Latvian partners, and identifying property options. We

TRANSPORTATION COSTS & DURATION TO/FROM RIGA

COUNTRY / LOCATION	EXPORT (EUR)	IMPORT (EUR)	DURATION (WORKING DAYS)
Moscow (Russia)	1180-1330	580-680	2
Warsaw (Poland)	880	830-930	2
Budapest (hungary)	1330	1330-1430	3
Amsterdam (Nether-lands)	1380	1330-1430	3
Berlin (Germany)	980	1080-1180	2
Brussels (Belgium)	1450	1350-1500	3
Paris (France)	1950	1700-1900	5
Rome (Italy)	2050	2400	5
Madrid (Spain)	3100	3100-3300	6

tailor our services to suit clients' individual needs and provide these services throughout all stages of their investment projects.

LIAA has developed the POLARIS Process to better serve potential investors, leading them from their project's original idea to full implementation using locally available resources.

These are the most frequently used criteria for selection of Latvia by investors:

- Long term macroeconomic stability and potential;
- Flexible, competitive and experienced labour force;
- Transport and warehousing infrastructure and access to other markets, especially Russia/CIS;
- Best practices in sub-sectors;
- Good availability of IT;
- Importance of local market and external trade.

Q What is the role of Investment and Development Agency of Latvia?

LIAA (Investment and Development agency of Latvia) provides assistance in export promotion, supplier finding, relevant information about foreign markets, as well as carries out different activities in foreign markets, providing wide range of services funded by EU (consultations, informational support, trade missions, national stands). LIAA foreign representatives (in 20 countries) provide information about business opportunities in Latvia, relevant legislation, the taxation system, the national economy and external trade. Representatives promote and facilitate cooperation between Latvian companies and businesses in their respective country or region and assist in identifying potential partners.

Every year LIAA provides assistance in export promotion, supplier finding, relevant information about foreign markets, as well as carries out different activities in foreign markets.

Although Latvian Chamber of Commerce and Industry (LCCI) also organise seminars and trade missions for their members– it is a voluntary, politically independent organisation which represents the interests of entrepreneurs in state and regional institutions.

Q How have the trade relations between India and Latvia improved over the years?

In 2018, Latvia's total trade in goods and services with India was €125.1 million, which ranked India in 30th place among Latvia's foreign trade partners. Total exports of goods and services to India amounted to €46.9 million or 0.3 per cent of Latvia's total exports, while imports of goods and services were €78.2 million - 0.4 per cent of Latvian imports. Compared to 2017, exports have increased by 25 per cent, while imports have increased by 3 per cent.

In 2018, India was Latvia's 37th most important export and 30th largest import partner. The trade balance with India was negative (€-31.3 million). In 2018, Latvian exports of goods to India amounted to €30.9 million, which is 26 per cent more than in 2017, and imports from India €71.2 mln. EUR - increased by 3 per cent compared to the previous year.

In 2018, Latvia's export of services to India was €16 million - increased by 23 per cent and imports of services were €7 million - unchanged compared to 2017. At the end of 2018, India's direct investment in Latvia was €2 million. Latvia's investments in India have not been registered or their total value was less than €1 million. At the end of 2018, India is ranked as the 52nd biggest investor in Latvia with a total investment of €1.7 million (244 companies).

Q In terms of time and cost efficiency what benefits does Latvia offer to Indian exporters in connecting to European markets?

Our location between European Union markets and CIS countries markets gives us an opportunity to serve different cargo flows. If we speak about cargo flows from Asia, Latvia is focusing on two logistic segments:

- Traditional route from Asia countries by sea to European ports then transshipment on feeder lines, then transit through Latvian ports (Riga, Ventspils, Liepaja) for Russian market and other CIS countries;
- Land route from Asian countries over the land routes through Kazakhstan, Russia to Latvia entering EU markets.

Connectivity provided by Riga Free Port, Ventspils Free Port and Liepaja Free Port with the regular cargo routes, including EU routes: Bremerhaven - Hamburg - Riga – Klaipeda; Hamburg – Bremerhaven – Riga; Riga - Kiel - Bremerhaven – Kaliningrad; Antwerpen - Riga - Kotka - Helsinki - Tallinn (including Vanasadam (Old City), Muuga, Paljassaare) - Antwerpen; Rotterdam – Antwerpen – Riga – Tallinn – St.Petersburg. mg

What's your playbook?

With gamification on mobile devices we can present our employees with engaging scenarios that allow them to test alternative solutions, learning along the way, without any fear of public embarrassment for having got an answer wrong

by Sanjay Tiwari
Partner, 21CC Recruitment and Training Pvt Ltd

Sports coaches are big on playbooks, they not only work on the physical and mental fitness of their proteges, their star performers, but they also work on 'what if' scenarios. 'What if the opposing team or player does this during the game tomorrow, how should we respond?' We've all seen these images of American football coaches with play sheets on a clipboard and now on an iPad, drawing lines in which they attempt to anticipate what the opponent will do and how their team should react, while barking instructions into a microphone.

The armed forces are of course famed for doing this, they probably wrote the original playbooks. Hannibal in 216 BC famously estimated that a much larger but also more rigid Roman army would not know how to react when surrounded on all four sides by a rag - tag army of mercenaries from North Africa and Europe.

Restaurateurs are great on practice practice practice until perfection is achieved. They coined the term 'soft launch' and keep restaurants open for days before the official launch, so as to give everyone from the chef to the server time to iron out the glitches.

Our industry on the other hand, seems to thrive on 'winging it', or so it feels at least. New stations are opened by airlines, handling companies are appointed a good ten days in advance (!) and the handling companies pull in employees off the street or from the competition, just in time for the first flight to be handled, or mishandled, as the case may be. Cargo piles up for a few days or weeks while the hapless employees figure out which way is up.

Shipping lines are marginally better, if only because they usually have more than ten days to prepare, but even then there are scenes that we have all seen of piled up containers, as trailers find their way in- and out of the port or the CFS.

I wrote two issues ago about how learning should be both pervasive and compelling so that employees can pull content when they most want to, rather than having us as employers force it on them. The huge potential of e-learning and mobile learning means that we too as an industry can create 'what if' scenarios and playbooks. I would argue that it's much much more important for us to do so, given how capital intensive our industry is, than it is for example for restaurants, no disrespect intended. It's ironic that a restaurant where the average dish costs ₹500 - ₹600, less than $10, spends more time on practice and preparation than an industry where the average shipment costs $1500 or more to transport.

With gamification on mobile devices we can present our employees with engaging scenarios that allow them to test alternative solutions, learning along the way, without any fear of public embarrassment for having got an answer wrong.

Whether you're on the commercial, operational or HR side of the logistics industry, let this be a call to action to spend more of your time in preparation and anticipation than in reparation.

Sanjay tweets on @jitiwariji, blogs on sanjaytiwari.com and can be reached on sanjay.tiwari@21cceducation.com

Waterways bridging Indian logistics – Opportunities galore

A coherent strategy for promoting the growth of India's buoyant logistics industry through optimum and efficient utilisation of waterways and DFCs as part of multimodal transport is required

by Hemang Palan

Multimodal logistics is the way forward if the complete potential of developing inland waterways and the soon to be operational dedicated freight corridors is to be explored to make logistics efficient. Flashing a concern to protect inland waterways from getting into monopolistic control, **N Sivasailam, Special Secretary (Logistics), Ministry of Commerce, Government of India** suggested a smart strategy for insulating cargo movement through inland waterways from becoming a monopoly of powerful logistics players, by encouraging all companies to move maximum cargo in huge numbers at inland terminals of their choices located at favourable and multiple locations.

Adding further to Sivasailam's views, Julian Bevis, Senior Director, Maersk Group suggested that IWAI should focus on price competitiveness, competition, infrastructure development and best regulatory procedures to allow all stakeholders to take the maximum advantage of India's inland waterways sector.

Advocating the need for "tri-modal hubs," **Shantanu Bhadkamkar, President, AMTOI** said, "Tri-modal hubs should be developed across India. Such a smart logistics strategy that capitalises on rail, road and waterways networks is essential to lower the congestion on roads in the years to come." He was addressing at a symposium 'Waterways Bridging Indian Logistics – Opportunities Galore' in Mumbai.

"Inland waterways can complement and also compete with rail transport in India. Only through the creation of tri-modal hubs, it will be possible to carry faster the goods moving through DFCs beyond the multi-modal transport infrastructure. Both, IWT and rail transport will become viable only when the cargo movement is over long distances across the country. Such opportunities may certainly emerge with the time. However, currently DFC complementing the IWT is minimal," added Bhadkamkar. Currently, cargo revenue subsidises the passenger rail traffic. Unless this policy is changed, the cost of movement of cargo using DFC is unlikely to reduce significantly, he noted.

Adarsh Hegde, Joint Managing Director, Allcargo Logistics, said: "There exists a synergy between inland waterways network and logistics in India. Growth and opportunities in both the areas need to be identified by Indian logistics industry in the interest of the nation, India's freight movement through inland waterways is merely 0.5 per cent when compared to 20 per cent in Germany, 32 per cent in Bangladesh, 8.3 per cent in USA, 7 per cent in Europe and 8.7 per cent in China. I foresee a huge growth of Indian logistics sector as IWAI has envisaged a massive development and expansion of waterways in India."

Pointing at the potential for hinterland connectivity, **Jalaj Shrivastava, Chairman, IWAI** said, "The philosophy of IWAI is to enable private sector players of the Indian logistics industry strengthen their hinterland connectivity in an efficient and an economical manner."

Pravir Pandey, Vice Chairman, IWAI, outlined an array of challenges faced in developing infrastructure. He said, "IWAI had consulted a British consultancy firm HR Wallingford. Its report reveals that over 253 million tonnes of silt settles in Ganges every year. Around 80 per cent of the silt flows in suspension and over 20 per cent accumulate as bed-load. Hence, rejuvenating the Ganges and all other waterways is a major challenge for IWAI. Our aim is to move not less than 150 million tonnes of cargo per annum through inland waterways in India."

Iran buys Indian raw sugar

Indian traders have exported raw sugar to Iran for April delivery. This is the first Indian sugar sales to Tehran in at least five years as Iran struggles to secure food supplies under sanctions imposed by the United States. Indian trading houses have contracted to export 1,50,000 tonnes of raw sugar for shipments arriving in March and April at \$305 to \$310 per tonne on a free-on-board basis. Iran could import as much as 4,00,000 tonnes of raw sugar from India in 2019. Iran usually buys sugar from Brazil, the world's biggest producer and exporter of sugar. Iran is paying a premium of as much as \$7 per tonne compared to other buyers as traders are anticipating a risk of a delay in payments. The exports will help reduce swelling sugar inventories in India, the world's second-biggest sugar producer, but could weigh on global prices that have risen 8.9 per cent so far in 2019 to 13.1 cents per pound.

Oil imports rise in February

India's oil imports rose 4.6 per cent in February from a year earlier to about 5 million barrels per day (bpd). India's February imports on the basis of tanker arrivals were at a record high although some cargoes were discharged in March. The share of Middle Eastern oil in India's imports declined to about 63 per cent in February compared with about 70 per cent in the same month last year, although Iraq continued to be the top oil supplier to India, followed by Saudi Arabia. The share of South American and African oil rose in February.

India's oil imports from Iran fell by 60 per cent in February from the same month a year earlier to about 260,000 bpd. Iran was the eighth biggest oil supplier to India in February compared with seventh in January and slipped from the third position it held a year ago.

Increase Indian exports

Worried over a slowdown in exports, the government is looking to use India's good relations with other countries to push up exports through government-to-government (G2G) trading arrangements for food products. The commerce department is exploring export of non-Basmati rice to the Philippines and Indonesia, and sugar to Egypt under this mechanism to boost exports that have been hit by rising protectionism globally and slowdown in trade.

The foreign trade policy for 2015-20 has set a target of \$900 billion for merchandise and services exports by 2020, which is seemingly unachievable due to muted growth of traditional exports such as gems and jewellery, farm and engineering, liquidity crunch stemming from the GST and global factors. Agriculture is one of the nine sectors that that the department has identified to take overall exports to \$400 billion in the next five years

Farmers halt tomato exports to Pak

Angry over Pulwama attack, traders of Azadpur mandi in Delhi and farmers of Jhabua and Mandasaur in Madhya Pradesh have stopped supply of tomatoes and other vegetables to Pakistan. This has soared tomato prices in Lahore and other cities. As per Samma Tv of Pakistan, tomato is being sold at ₹180-250 a kg in Lahore and Peshawar. Currently, tomatoes in Delhi and other metros in India are selling at ₹10-20 per kg depending on the quality and locality of the area.

Azadpur sends 35-70 trucks of tomatoes to Pakistan daily via Srinagar and there from Uri to Muzaffrabad in Pakistan Occupied Kashmir (PoK). Similarly 60-70 trucks of tomatoes come from different parts of the country including Madhya Pradesh to Pakistan. It is estimated that 2,500-3,000 tonnes tomato was being exported to Pakistan daily.

India expects increase in export of fruits and vegetables post Brexit

India exported fresh vegetables worth ₹168 crore and fresh onions worth ₹12.7 crore to the UK in 2017-18, and trade sources said about 30 tonnes to 50 tonnes of vegetables are shipped to London on a daily basis. These declined by about 20 per cent in the summer season when Indian vegetables grown in southern Europe compete with vegetables exported from India. As the uncertainty about UK's exit from the European Union (EU) on March 29 continues, Brexit related volatility on GBP is likely to have only short term impact on fruits and vegetable exports from India to the UK. The trade is confident that in the long term, Indian fruit and vegetable exports will stand to gain as UK accounts for the largest share of India's export to the EU.

Indian exporters expect that after Britain leaves EU, they may not have to face competition from southern Europe. Indian mango season is about to start and the trade expects to export good volumes. UK has the second largest share in India's mango export at 12.5 per cent, accounting for about ₹48 crore in total annual mango exports of ₹382 crore in 2017-18.

Imports of Chinese auto parts to increase

India, the world's third-largest automobile market, will rely more on China for components as the government pushes for electric vehicles. In the financial year 2018 alone, Chinese exports to India touched \$4.3 billion – up 27 per cent over FY13 – with the automobile industry executives saying that there's no sign of slowing down in the future. India imports 10 times more auto components from China than it exports. The ever growing import of auto components from China pose a threat to local auto components manufacturing ecosystem and will increase India's already huge trade deficit with China in the coming years. Chinese exports to India is driven mainly by the electronic components in vehicles, which will be used for the impending launch of a slew of new electric vehicles (EVs). Also, the practically non-existent hardware manufacturing base in India is forcing OEMs and Tier-I suppliers to import more from China.

Palm oil imports to jump record high

India's palm oil imports in 2018/19 are likely to jump a tenth from a year earlier to a record high, as a sharp fall in the prices made the tropical oil more attractive for buyers than rival soy oil and sunflower oil. Higher purchases by the world's biggest edible oil importer could support palm oil prices that are trading near their lowest level in three months. The country's palm oil imports in the 2018/19 marketing year that started on Nov.1 could jump 10.3 per cent from the previous year to 9.6 million tonnes. Palm oil's discount to rival soyoil has widened to over $200 per tonne from $133 in March 2018, according to data compiled by the Solvent Extractors' Association of India (SEA). India's sunflower oil imports are likely to remain largely steady around 2.5 million tonnes, but soyoil imports could fall slightly from last year's 3.05 million tonnes as local supplies have increased

Ban on scrap plastic imports

India has prohibited import of plastic waste into the country including in Special Economic Zones and by Export Oriented Units. Lauding the decision, experts said that it is unlikely to have a major impact on Indian plastic recycling industry. The move comes a year after China, world's biggest plastic scrap importer stopped import from western countries and southeast Asian countries becoming major hub of scrap plastic recycling. India is among the world's top 10 plastic scrap importers and the official figures show that plastic imports from 50 countries stood at ₹306 crore in 2016-17.

The Ministry of Environment, Forest and Climate Change amended the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016 in order to strengthen the implementation of environmentally sound management of hazardous waste in the country.

Demand for iron ore fines increases

Iron ore fines of inferior grade accumulated at the mines heads in Odisha and Jharkhand are finding their way into the export markets amid the global supply turmoil created by the shutdown of a string of mines held by Brazil-based Vale, the world's largest iron ore miner. The deepening iron ore deficit has swung the trade balance in favour of the Indian ore miners. The demand trigger for lower grade material might be a temporary phenomenon but it will help liquidate the enormous inventory in Odisha and Jharkhand for which there are no takers even in the domestic market.

To overcome the iron ore deficit, China has of late shown a tendency to buy even the lower grade material from India. This augurs well for the piled up iron ore fines especially in the states of Odisha and Jharkhand. China was the largest buyer of Vale's iron ore and the supply crisis at the latter's mines has sparked a huge deficit. It is not known how long the buying spree for lower grade fines will continue.

Ferrous and non-ferrous metal exports drop

Protectionist policies in EU for import of steel products from India and other markets along with shut down of the Tuticorin plant of Sterlite Copper are among the major reasons for a sharp drop in exports of ferrous and non-ferrous metal exports. Exports of primary steel fell by 10.7 per cent in January 2019 and 14 per cent in the first ten months of the current fiscal. Exports of copper and copper products dropped by 76.6 per cent in January 2019 and 69.6 per cent in the first ten months. Outward shipments of zinc and products declined by 17.6 per cent in January 2019 and 29.7 per cent in the first ten months. Despatches of tin and products fell by 54.8 per cent in January 2019 and 17.4 per cent in the cumulative months of the current fiscal.

Shrimp exports on the rise

India's shrimp exports to the US were 15.6 per cent higher in 2018 to 248,127 tonne and accounted for 36 per cent of the total shrimps imported into the nation. US imported 695,723 tonne of shrimp in 2018, a 4.8 per cent higher than the previous year. Indonesia comes second with 132,344 tonne and is followed by Ecuador with 75,891 tonne.

India is the second-largest fish producer in the world after China and accounts for nearly 6 per cent of the global fish production. In December,India exported 21,913-tonne shrimp to US, against 18,965 tonne in the year-ago period. Indian shrimp export growth is expected to slow down after four years of robust growth due to stiff competition from other suppliers.

Leather exports to US decline

Exports of certain leather goods, including handbags and accessories, to the US would get impacted due to the duty benefit withdrawal by America under its GSP programme. Council for Leather Exports (CLE) Chairman P R Aqeel Ahmed said import duty in the range of 6 to 9 per cent would be invoked on these leather goods. After withdrawal of duty benefits under the Generalised System of Preferences (GSP) programme of the US, Indian leather products would not be able to compete with items from Indonesia, Myanmar and Cambodia. GSP, the largest and oldest US trade preference programme, is designed to promote economic development by allowing duty-free entry for thousands of products from designated beneficiary countries. India's export of leather products increased by 5.25 per cent in terms of the rupee during Aril-October period of the current fiscal over last corresponding period.

NISAA Business Forum 2019

A battery of high profile speakers pulled out pertinent issues on poor connectivity to the ports, paucity of skilled manpower and imbalance of containers

by Vijay Kurup

There was a palpable sense of buoyancy and expectancy in this year's NISAA Business Forum 2019, despite the fact that a number of old issues had continued to linger. There was much discourse on the imminence of the DFCs, which would see partial operation in certain sectors soon. The near constant trickle of rail freight volumes to roadways, poor connectivity to the ports, paucity of skilled manpower and imbalance of containers were prime factors that have continued to dog the hinterland logistics fraternity.

A considerable amount of hope was being pinned on the railways to improve the logistics movement from the hinterland destination to the ports and vice versa. There was a battery of high profile speakers from the rail sector ie, two from the **Dedicated Freight Corridor Corporation of India Limited (DFCCIL) - Anurag Kumar Sachan and Biplav Kumar and three from CONCOR Kalyana Rama, Sanjay Bajpai and Sanjay Swarup.** There were galaxy of speakers from other forums too.

Sachan, IRSE, MD, DFCCIL said that at the time of independence the railways had a share of 85 per cent of freight traffic. However over the years, the volume had steadily reduced to 35 per cent. By one estimate by 2022 the total freight traffic was expected to be 5000 billion tonne kilometer. In order to increase the freight to 40 per cent, IR would have to increase the liftings from 800 billion tonne kilometer, currently, to 1900 billion tonne kilometer.

The genesis of the DFC could be ascribed to three factors. The overcrowding of the Golden Quadrilateral and along its diagonals, the average speed of the freight trains was forced down to 25 kms per hour and the levy of high haulage charges. All these factors had contributed to the eroding of the volumes from rail to road.

The DFC, with its hitherto novel features in the railways, was expected to reverse the trend and bring the rail to the forefront once again. The average speed of the DFC would be 65 kms/ hour which meant that the trains from JNPT port will reach Dadri within an unprecedented period of 24 hours. The IR was developing feeder lines in the state of Gujarat and Maharashtra from the ports to the DFC. These feeder lines would also be double stack, that would ensure end to end seamless movement of containers. From July /August they expect to commence commercial operations from Marwah to Rewari in western corridor and from Kanpur to Khurja in eastern corridor. Further by December they hope to achieve an important breakthrough when they connect Palanpur with the ports. **Kalyana Rama, CMD, CONCOR,** said that good operating procedures had been established in their hub in Khatuwas. The average detention of a container was not more than 24 hours, which augured well when double stack containers commenced movement. Further he emphatically clarified that ICD Tughlakabad would not be shut down. Tughlakabad would continue to be the main focal point from where business would be generated.

GST has had a positive effect on warehousing. India would see a 112 per cent increase in warehousing space. The future of logistic depended not just on continued development of the logistics sector, but also on the capacity of the service providers in adapting themselves in utilisation of technologies. The value added services were the need of the hour. These Services were expected to command a premium.