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RNI NO: TELENG/2009/30633
POSTAL REGISTRATION NO: HD/1137/2019-2021
DATE OF PUBLICATION: 26/04/2019
DATE OF POSTING: 28/04/2019

Focused to be 'Future Ready'
Sanjay Sethi, Chairman, JNPT

Agenda Ahead: What The Incoming Government Should Deliver?

More consultation with trade, industry bodies and also with private enterprises can help the incoming government align policy initiatives with industry expectations.


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How we respond to challenges defines our future

Singapore Maritime Week has always been a great forum with global heads of carriers, ports, government leaders from maritime nations, technology professionals gathering annually to deliberate and discuss the challenges that face our industry and put forward futuristic solutions. I have been attending SMW since 2004 and it has been a very enriching experience year-after year. Impressed by the quality of people that gather at this great global platform we were prompted to launch our SINGAPORE edition during 2011 on the side-lines of SMW.

As always, this year also it was no less eventful. Discussions about IMO sulphur regulations which will come into force from 2020 took centre stage. Though most of the carriers are geared up to meet the deadline and comply with the guidelines, the astronomical cost involved in this preparation is a serious concern. It is a writing on the wall that carriers will pass on all this expenditure down the line which will result in escalation for freight costs. The panel discussion at SMW was quite insightful as it brought to the fore changing global market dynamics: The consumption pattern is changing and is moving to Asia including India and China. China will no longer be the global factory and manufacturing hubs will shift to Latin America, Africa and South Asia.

Another major focus area this year is the technological changes that are engulfing our industry. Technology has emerged both as an enabler and a disruptor. Tan Chong Meng, Group CEO of PSA International rightly observed, technology is remixing and reshaping the world and global supply chains need to play catch-up.

At the 13th Singapore Maritime Lecture Mr Chan Chun Sing, Minister for Trade and Industry, Singapore spoke about broadening and deepening of maritime service offerings by strengthening complementary adjacent sectors such as finance, insurance, commodity trading and logistics, which needs to be done to retain the status of future maritime hub for Singapore.

This should be a wakeup call for our industry and policy makers who still are struggling with basic problems in spite of having an ambitious agenda. There is a saying among seafarers, "One ship sails east and another west, by the same winds that blow. It is the set of the sails and not the gales that tells the way we go." We have long been known for the challenges at our ports, but its time our future should be defined by how we respond to these challenges. In the cover story maritime leaders have listed the priorities which should be the guiding light for the government to adjust its sails.

Ramprasad

R Ramprasad
Editor and Publisher
ramprasad@gatewaymedia.in

> The consumption pattern is changing and is moving to Asia including India and China from where largest growth in population and demand is coming.

south asia's premier maritime business magazine

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Editor and Publisher
R Ramprasad
ramprasad@gatewaymedia.in

General Manager - Operations
Ravi Teja
raviteja@gatewaymedia.in

Associate Editor
Omer Ahmed Siddiqui
omer@gatewaymedia.in

Senior Editor
ASL Narasimha Rao
narsimharao@gatewaymedia.in

Contributing Editors
Vijay Kurup
Hemang Palan

Design Team

Sr Designer
Vijay Masa

Designers
Nagaraju N S
Nadeem Ahammad
Potha Naresh Kumar

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

Research
Rakesh Oruganti
rakesh.oruganti@gatewaymedia.in

Events
Mayuri - Manager
mayuri@gatewaymedia.in

Administration
Kishore P
Chief Manager
General Administration

Finance
C K Rao – General Manager
Rakesh U

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

Sharmine Moss

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

Feedback

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

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VOLUME 11 | ISSUE 08 | MAY 2019

DESMI

"India's SME sector continues to play a significant role in economic development. As the sector is gearing up for digital transformation, the rapid technological advances are putting trade finance in the spotlight and playing a significant role in changing the way global supply chains are managed and monitored."

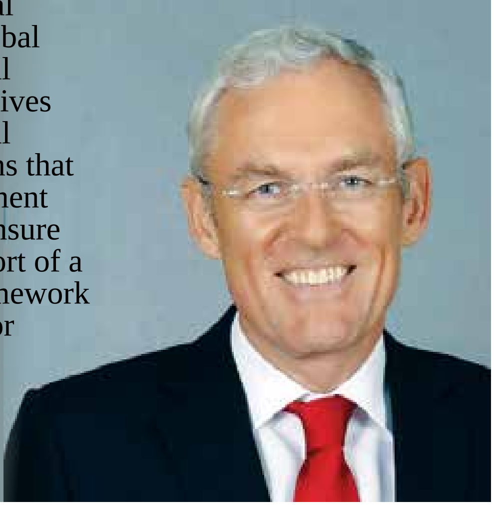
- Vipul Sardana
Global Head for Trade Finance, Maersk

"For the first time in 20 years, the container shipping industry has come together with a common goal to move the industry into the digital era. With the regulatory approval in place, we look forward to collaborate with stakeholders across the entire value chain."

- André Simha
Chairman of the Supervisory Board of DCSA.

"Shipping is a global industry requiring global rules. It is only natural that as the representatives of the world's national shipowner associations that we should further cement our relationships to ensure that we work in support of a global regulatory framework and oppose regional or unilateral initiatives."

- **Esben Poulsson**
ICS Chairman

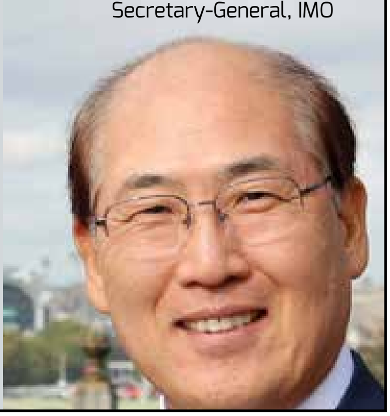


"If there is a breakthrough in the tariff situation, there's actually pent-up demand for US exports to China. A more permanent pact could lead to a return of US exports on a stronger basis to China especially on agricultural products."

- **Jeremy Nixon**
CEO, Ocean Network Express Pte

"The new Facilitation of International Maritime Traffic (FAL) Convention requirement for all public authorities to establish systems for the electronic exchange of information, reduces the administrative burden and increases efficiency of trade."

- **Kitack Lim**
Secretary-General, IMO



SPEEDWAYS LOGISTICS PVT LTD

WHO WE ARE

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

WHAT WE DO

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

CUTTING EDGE

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

MISSION

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

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

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.

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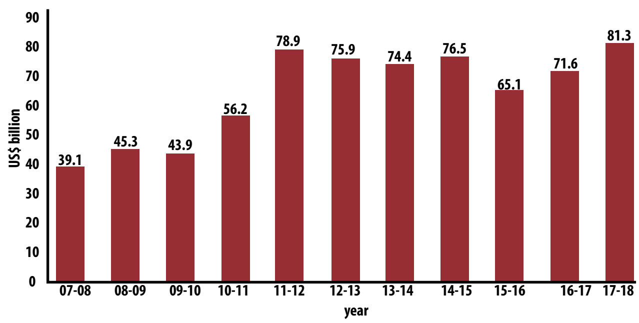
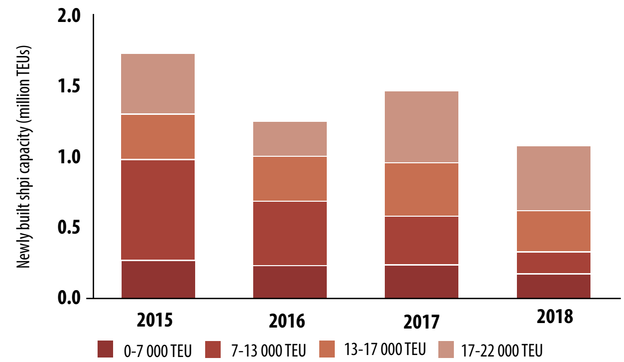
NUMBERS & GRAPHS

TOTAL TRADE BETWEEN INDIA AND ASEAN

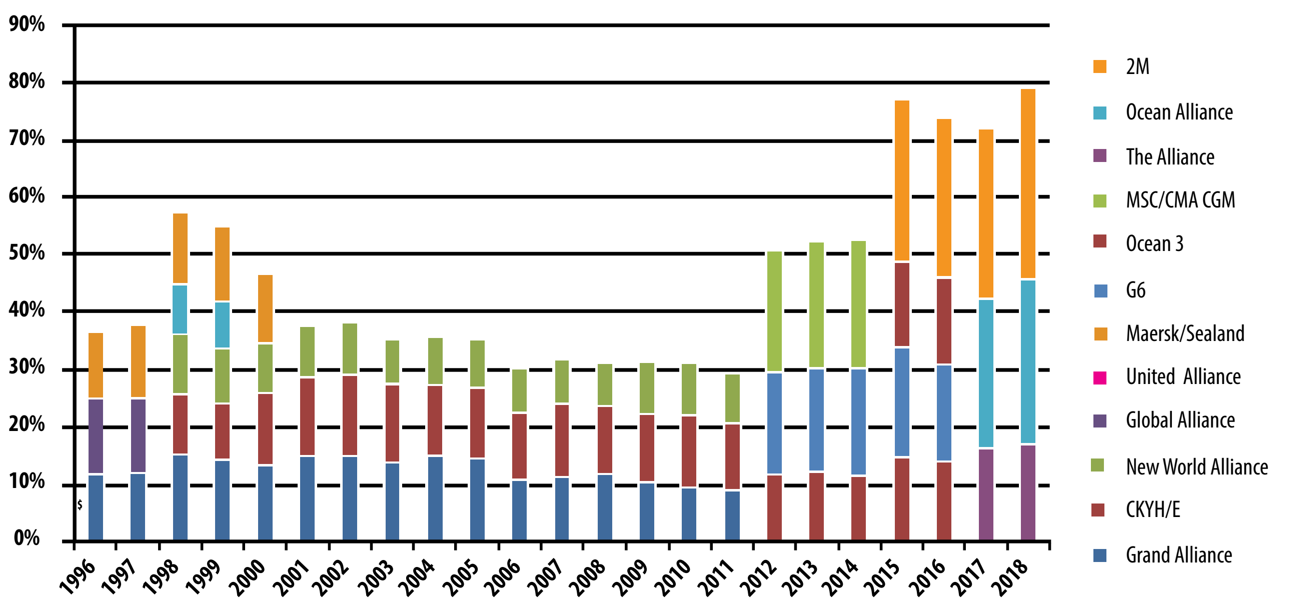


MEGA-SHIPS' SUBSTANTIAL SHARE OF CONTAINER SHIP ORDERS

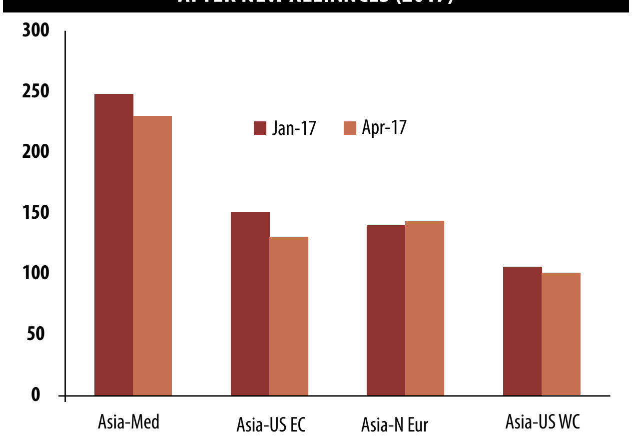


Source: Clarksons Research

GLOBAL MARKET SHARE (CONTAINER CARRYING CAPACITY) OF GLOBAL ALLIANCES (1996-2018)

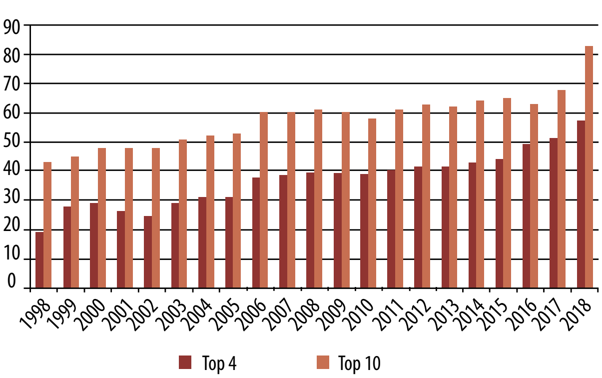


DIRECT PORT-TO PORT CONNECTIONS BEFORE AND AFTER NEW ALLIANCES (2017)



Source: SeaIntel

CONCENTRATION RATE (%) IN CONTAINER SHIPPING 1998-2018



Source: Alphaliner

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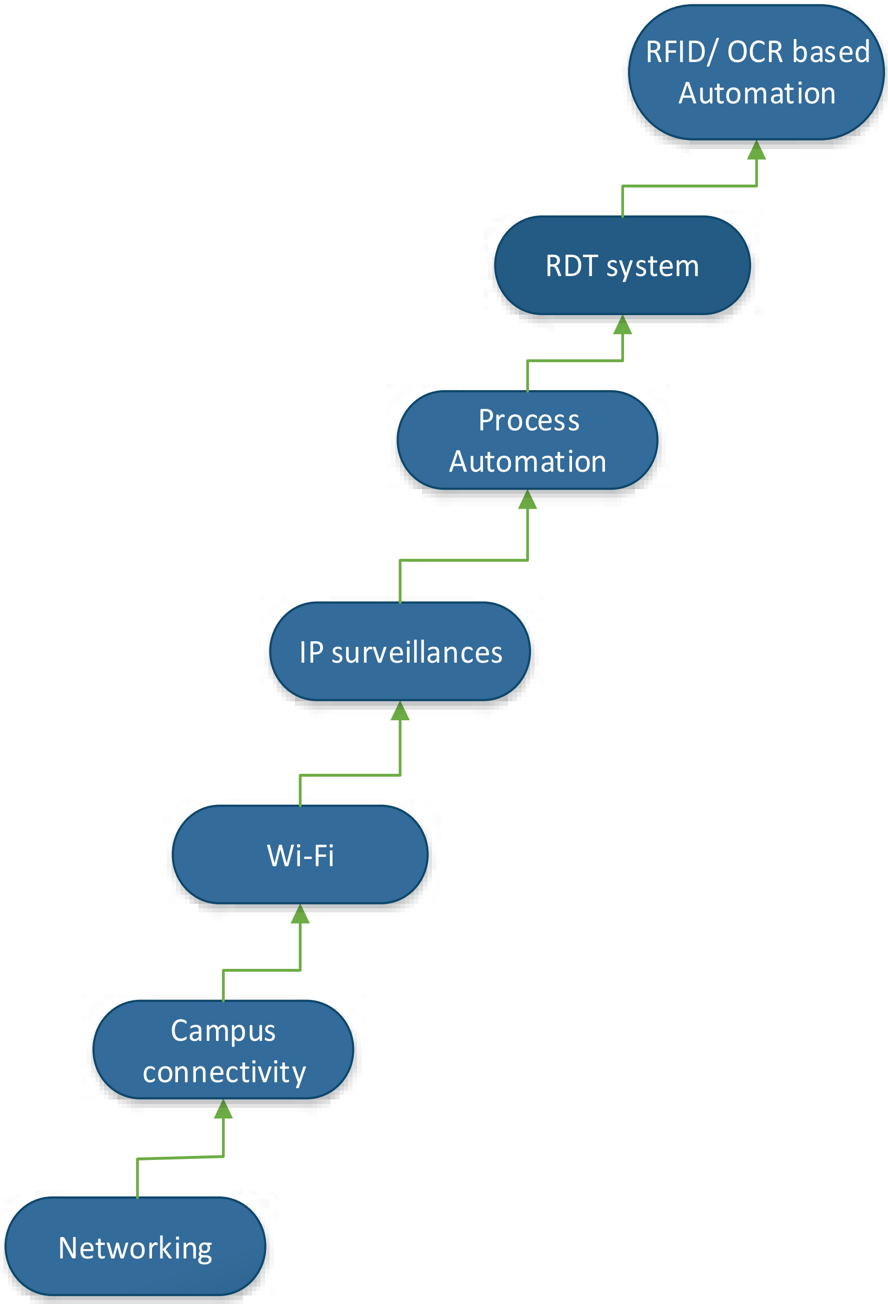

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Stories of the homeless travel in a museum

There are almost a million homeless people in America. A new travelling museum, called the Dignity Museum, tells the stories of these people who are often overlooked. The founder of the museum is Terence Lester, who also co-founded Love Beyond Walls. Lester, along with his wife, Cecilia, started the non-profit organization in College Park in 2013 to raise awareness about homelessness as well as to serve the homeless community. The purpose of the museum is to help visitors understand the systemic causes of homelessness, including injustice and poverty.

In one of the three rooms, the museum uses virtual reality to give visitors the experience of being on the street. An app shares stories told by homeless people. Visitors can read data about homelessness and learn about issues such as affordable housing. A monitor on the wall prompts questions like, “What if you were known for the hardest time in your life?” The last of the three rooms is a call to action. Visitors learn about different non-profits and how they can take some responsibility and help the cause. The museum is built in a single shipping container divided into the three rooms. Admission is free, but donations are accepted and go toward housing for the homeless.

Mitsui O.S.K. Lines Ltd. to acquire stake in six group companies

Reliance Ethane Holding Pte. Ltd. (“REHPL”) (incorporated in Singapore, a wholly owned subsidiary of Reliance Industries Limited (“RIL”), having 100 per cent holding in six limited liability companies which own Very Large Ethane Carriers, Mitsui O.S.K Lines Ltd and a strategic minority investor have signed binding definitive agreements for a strategic investment by MOL and minority investor in the six special purpose limited liability companies (“SPVs”), each owning a VLEC. P.M.S. Prasad, Executive Director, RIL, said “Given MOL is currently the operator of all the six VLECs, investment by MOL will deepen our relationship with them and ensure continued safe and efficient operations of the VLECs. We welcome MOL as a strategic partner into the SPVs as they move beyond the current operator role to joint owner and operator role in the SPVs.”

GRSE becomes first Indian shipyard to deliver 100 warships

Garden Reach Ship Builders and Engineers Ltd (GRSE) became the first Indian shipyard to build and deliver 100 warships. GRSE formally handed over the 100th warship - *IN LCU L-56* to the Indian Navy in April 2019. The 100th warship, a Landing Craft Utility (LCU), is the sixth of an order of eight such vessels from the Navy. GRSE had handed over its 99th warship, '*ICGS Priyadarshini*', an advanced 'Fast Patrol Vessel' to the Indian Coast Guard in March 2019.

Former FCL Head of Allcargo Logistics Joins FreightBro as COO

FreightBro appointed the Head of South Region, Allcargo Logistics, Kathiresan Eswaramurthy as Chief Operating Officer. In his previous role, Kathiresan headed the Corporate FCL Division for South region at Allcargo Logistics. Having worked as Regional Head for companies like Damco, Toll Global Forwarding, and DHL for 20+ years, Kathir joins team FreightBro at the time where automation and digitization are set to change industry dynamics. FreightBro is a Chennai-based freight technology start-up aiming to revolutionize the trillion dollar forwarding industry by digitizing the manual processes in shipping.

APM Terminals Inland Services’ Garment-on-Hanger service

A specialised service that allows clothing manufacturers to ship garments on hangers (GOH) has helped APM Terminals Inland Services’ Indian container services division cater to leading global apparel brands. APM Terminals Inland Services fabricates and modifies standard dry shipping containers, enabling them to conveniently and swiftly carry coats, dresses, jackets and blazers and any other clothing necessary. With the GOH system, the garments are individually placed on hangers, covered with plastic and the hangers are then hung in the specially-designed and fabricated garment-holding system inside the container. Contrary to the traditional method of transporting apparels which involved packing into cartons and stuffing into containers.

Maersk expands trade finance in India

Maersk Group is broadening its trade finance services in India, ostensibly buoyed by the emerging market economy's bullish containerized trade outlook. Of the total $500 million worldwide disbursement target programme for 2019, it plans to provide $200 million in finance to India-based businesses during the year. The company began offering finance to Indian exim community in 2016 and underwrote credit to the tune of $150 million against goods shipped out of the country last year, a 53 per cent jump from 2017 when its global financing stood at $700 million.

Wan Hai adds China-India Express 2

ICTT Vallarpadam has added a new weekly mainline service – China-India Express 2 run by Wan Hai Shipping Line. The service will strengthen direct connectivity from Kochi to Far East locations, benefitting customers with faster connections ensuring timely loading and delivery as per schedules. With this major development ICTT reinforces its position as South India's transshipment hub. The service will provide direct connectivity to Kochi-Penang-Port Klang-Hong Kong-Qingdao-Shanghai-Ningbo-Shekou. Wan Hai maintains regular services to Australia, Far East, South East Asia, Middle East, Europe and the Mediterranean.

Marken introduces container for cell and gene therapy shipment

Marken, the clinical supply subsidiary of UPS launched accustom-designed thermal box. It is designed to provide the best protection available for high value shipments of clinical drug products, clinical drug substance and cell & gene therapies. The new Smart Box will also provide 24/7 tracking visibility using any one of three different GPS tracking devices. The box provides location, temperature, movement, and shock information as often as once per hour. The box can also accommodate Bluetooth technology for temperature monitoring and identification.

Summit LNG FSRU Reaches Bangladesh

Summit LNG, Bangladesh's second floating storage and regasification unit (FSRU), has arrived in the Bay of Bengal in April 2019. The unit reached the island of Moheshkhali carrying 138,000 cubic meters of Qatari LNG. Summit LNG is now moored six kilometers off Moheshkhali in Cox's Bazar. Summit LNG Terminal (SLNG) is a subsidiary of SPI and is a company of Summit – Mitsubishi consortium. Japanese Mitsubishi Corporation (MC) acquired 25 per cent of SLNG in August 2018. The remaining 75 per cent is owned by Summit. The FSRU will send out regasified liquified natural gas (RLNG) via subsea pipeline connected to the national grid.

Ship recycling activity picks up

Ship recycling activity has picked up considerably as a result of upcoming Easter Holidays and the Monsoon season in the Southeast Asian peninsula. In its latest weekly report, shipbroker Clarkson Platou Hellas said that "the latest spike in price levels appears to stem from an incentive from the end users in Bangladesh to place tonnage on their yards prior to their budget announcement in the first week of June. The rumors from the waterfront suggest that heavy import tax increases will be imposed which is pre-empting the local recyclers to continue their aggressive stance to ensure they have tonnage on their yards in case these rumors bear fruition. This position currently being experienced is also not just buying the vessel, but having a unit delivered to a recycling yard prior to the budget date.

Dabur, Emami, Iffco to use waterways

IWAI is looking at an increased pace in business activity and infrastructure expansion at the multi-modal terminal (MMT) in Varanasi, following completion of the first phase. Along with the initial cargo movers PepsiCo and Maersk, now Dabur India, Emami Agrotech and Iffco have come to use the NW-1 and the water terminal at MMT. The Jal Marg Vikas Project from Varanasi to Haldia on NW-1 would have an Economic Internal Rate of Return of 21.40 per cent, as calculated by the consultants engaged to carry out "detailed feasibility study for capacity augmentation of NW-1 and detailed engineering for its ancillary works."

IFC plans a big loan for Visakha terminal

International Finance Corporation (IFC), the World Bank's private-sector investment arm, plans to arrange a loan worth $103 million (₹710.7 crore) for Visakha Container Terminal Pvt. Ltd. IFC said in a disclosure that $46 million will be contributed from its own resources and $57 million from elsewhere. Visakha has been awarded a 30-year concession by Visakhapatnam Port Trust to develop, operate and maintain a 395-metre extension of an existing 449-metre berth. Visakha is a 74:26 joint venture between International Cargo Terminals & Infrastructure Pvt. Ltd and Hindustan Ports Pvt. Ltd, a unit of Dubai-headquartered DP World Ltd. The investment proposal will be placed before IFC's board on 27 May

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Port visits, Free Zone visits etc

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SHIPPING

Cosco Shipping Ports to develop huge logistics park in Guangzhou

Cosco Shipping Ports has plans to develop a 254,000sq. m logistics park in the southern Chinese city of Guangzhou which boasts one of the world's busiest box ports. It has signed an investment agreement with the Guangzhou Nansha Economic and Technology Development Zone Commercial Bureau, which operates the Nansha free trade zone that includes a 15sq. km port cluster.

Bhushan Kumar's lateral entry as Joint Secretary in Ministry of Shipping

Bhushan Kumar has been appointed as Joint Secretary, Shipping Ministry. Bhushan was CEO and MD at Diamond Shipping, which is a part of Dubai-based Sharaf Group from January 2008 to July 2009.

He was the vice-president/ GM-legal at Maersk India Pvt Ltd in Mumbai from 2004 till 2007. Prior to this, Bhushan Kumar worked as General Manager at Caleb Brett India Pvt Ltd, Jamnagar and as Nautical Officer at *TS Chanakya*.

Bhushan Kumar has 20 Years of experience in shipping and related projects. Recently he was working as General Manager in GSPC LNG, a Gujarat State Petroleum Corporation. He is Head of Shipping, Business Development and Contract departments. He has vast experience in shipping and related projects. He has played key role in several projects at different ports in India.

Chinese govt to limit coal imports in 2019 to help domestic producers

In a bid to safeguard the interests of domestic producers, the Chinese government plans to cap coal imports this year at 281.23 million tonnes, equal to the 2018 quantity, including for thermal coal, coking coal and anthracite. The shipments from top supplier Australia had already slowed sharply because of lengthy checks at Customs, and China barely allowed any coal imports in December last year, delaying Customs clearances in an effort to meet a 2018 import quota restricting shipments to 2017 levels. Rising domestic coal prices have pressured profit margins at Chinese coal-fired utilities.

CMA CGM signs two strategic partnerships with CSSC

CMA CGM Group signed two strategic agreements with the China State Shipbuilding Corporation (CSSC) in the presence of French President, Emmanuel Macron, and Chinese President, Xi Jinping.

CMA CGM Group ordered ten new 15,000 teu containerships measuring 366 m in length, which will be delivered from 2021 in replacement of ten other vessels, and will be used on the Asia-Mediterranean lines. The CMA CGM Group has chosen to power half of these new builds with liquefied natural gas (LNG), which allows for a significant reduction in CO_2, sulphur, fine particles and nitrogen oxide emissions.

MSC improving network to provide better service

Mediterranean Shipping Company (MSC) is updating its network to better serve shippers moving cargo between East Africa and the Middle East, India and Sri Lanka. As part of the renovation of its East Africa-Middle East Network, MSC is launching a new service, Mogadishu Express, a direct service connecting Jebel Ali to Mogadishu and Kismayu in less than one week. Rotations of Petra and East Africa Express services have been revised to enhance schedule reliability, while ensuring that transit times remain competitive in those regions, to ensure it matches customers' expectations.

The implementation of the updated network is planned for middle April 2019 and remains subject to further updates.

NMPT records tepid traffic growth

New Mangalore Port Trust handled 42.5 million tonnes (mt) of traffic in 2018-19 as against 42.05 mt in 2017-18, recording a growth of 1.07 per cent. Cargoes such as crude oil and containers contributed significantly to the traffic during 2018-19. The container cargo handled at the port recorded a growth of 13.95 per cent in terms of teus and 10.10 per cent in terms of tonnage. The port handled 1,31,613 teus of containers during 2018-19 as against 1,15,498 teus in the previous fiscal. In terms of tonnages, it stood at 1.91 MT (1.74 MT) during the period.

COSCO has designs for a 25,000teu megaship

COSCO Shipping Lines has designs for its record-breaking 25,000 teu megaship. The project, named the '25,000-Class Container Ship Type Development,' is a significant part of China's goal of becoming a global maritime superpower. According to Shanghai Ship and Shipping Research Institute, the plans for the new vessel were approved earlier this month.

SCI receives 'Most Compassionate Employer of Indian Seafarers' award

The Shipping Corporation of India Ltd (SCI) was conferred the 'Most Compassionate Employer of Indian Seafarers' award by the NMDC Central Committee at the 'Grand Finale' of the 56th National Maritime Day Celebrations 2019 held on April 5, 2019 at the Y. B. Chavan Auditorium, Mumbai. SCI was recognised for being the pioneer and for continuing to make special efforts for the welfare and development of Indian seafarers.

COSCO Shipping Lines implements fast transhipment and shipping strategy

COSCO Shipping Lines has been implementing the 'Ocean & Plus' strategy with the objective of further enhancing its service quality in 2019, including its transhipment services. In order to optimise transhipment services, COSCO Shipping Lines has taken a series of new measures including improving the accuracy of space management and establishing the priority principle of transhipment cargo, optimising transhipment routes, balancing allocation and cargo flow, improving the quality of documentation to eliminate pending transhipment caused by documentation issues, and cooperating closely with ports to enhance operational efficiency and improving the timeliness of terminal operation and terminal transfer.

Fairfax India invests in Seven Islands Shipping

Fairfax India Holdings Corporation has announced that it has invested approximately $72.1 million in the Mumbai-headquartered Seven Islands Shipping Ltd. The investment was completed through a direct subscription and secondary acquisition of Seven Islands shares. Following completion of the various transactions, Fairfax India owns 41.4 per cent of Seven Islands. Seven Islands will use the proceeds of the direct subscription to expand its ocean-going fleet by acquiring additional vessels and for general corporate purposes.

Seven Islands is the second largest tanker private shipping company in India, which transports products along the Indian coast as well as in international waters. It owns 14 vessels with a total deadweight capacity of approximately 1 million tonnes.

Wan Hai Lines opens office in Visakhapatnam

Wan Hai Lines (India) Pvt. Ltd has opened its office in Visakhapatnam, which is an important cargo and industrial hub located on the east coast of India. The launch of the new office was marked by the traditional pooja, and was followed by the ribbon-cutting ceremony. Participants at the ceremoony included key Wan Hai officials based in India as well as the headquarters in Taipei (Taiwan), besides invitees from the cargo and logistics fraternity.

ZIM becomes part of blockchain-enabled digital shipping solution

ZIM Integrated Shipping Services has announced that it has signed on as a member of TradeLens, a blockchain-enabled digital shipping solution jointly developed by A.P. Moller - Maersk and IBM. TradeLens uses blockchain technology to enable trust between multiple trading partners – from carriers to freight forwarders, Customs officials, port authorities and more – when transacting in a digitised global trade documentation process. TradeLens ecosystem members get a single shared view of a transaction without compromising details, privacy or confidentiality and can collaborate more efficiently and with greater certainty through real-time access to shipping data and shipping documents.

Srinagar is expected to have a dedicated air cargo terminal

Construction of a dedicated air cargo terminal has commenced at Srinagar Airport, which is expected to help ease the movement of goods to and from Kashmir. A project being undertaken by Airports Authority of India, is expected to be ready in 15 months. The state-of-art new terminal buildings are expected to facilitate the doubling of tonnage in the coming decade. Some of the proposed facilities at the general cargo terminal are truck dock area, acceptance, delivery, storage and a holding area, dedicated office space for airlines, notified car and truck parking area, all the necessary latest equipment like X-ray machine, weighing machines, forklifts and trolleys, etc.

Global container rates witnessed improvement in March 2019

According to the latest XSI® Public Indices report from Xeneta, the increased Far East imports and continued growth in US exports have fuelled a moderate improvement in long-term global container rates in March 2019. The improvement in rates have effectively halted a decline underway since August 2018. The Xeneta data covers over 160,000 port-to-port pairings, with 110 million data points, enabling the report to deliver unique insights into the very latest global freight rate developments.

IRClass continues to boost its operations in Asia Pacific

Indian Register of Shipping (IRClass) continues to develop steadily in the Asia Pacific region, enhancing its presence in key Asian shipping markets, including Malaysia, Indonesia and China. The classification society had earlier received authorisation as Recognised Organisation (RO) from the flag administrations of Malaysia and Thailand, and expects to attain recognition from other key nations in the region. The Singapore office remains the classification society's regional headquarters as it strengthens its operations in this region. IRClass has secured newbuilding projects in China, Japan, Korea and Malaysia.

APL increases services on vital trade lane

APL announced the introduction of the new Central China - Loop 3 (CC3) service, and enhancement of the South China - Loop 3 (SC3) service, both serving the Asia-North America trade lane. The new CC3 service will be providing direct connectivity from the Chinese ports of Lianyungang, Ningbo and Shanghai to the US West Coast ports of Long Beach and Seattle. APL's weekly South China - Loop 3 (SC3) service will be calling the additional ports of Haiphong and Oakland as part of its service rotation. Both SC3 and CC3 will commence sailing on April 30, 2019.

PORTS

JNPT posts record performance

JNPT registered an all-time high bulk cargo throughput of 8.5 million tonnes in 2018-19. This was a 5.58 per cent increase over 2017-18. Its total overall throughput was over 70 million tonnes in the just-concluded fiscal, inclusive of bulk and liquid. Meanwhile, in its core competency, the port ended FY 19 on a high note by handling 5.13 million teus, which also included 4.71 lakh teus in March 2019, the highest in a month. It had handled 4.83 million teus in 2017-18.

Jawaharlal Nehru Port (JN Port) became the first Indian port to cross the 5-million teu throughput mark in a fiscal last week. Maintaining and consolidating its leading position, the port is now set to end 2018-19 with a volume of 5.10 million teus. This is significantly higher than the 4.83 million teus it had handled in 2017-18. According to sources, the port's APM Terminals Mumbai was projected to end 2018-19 with a throughput of 2.04 million teus, followed by the Port Trust-run JNPCT with 1.05 million teus.

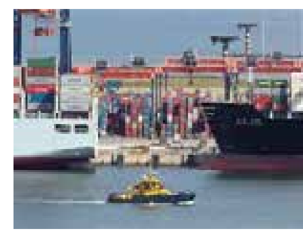
ICTT Cochin Port registers improved performance in Q1 2019

The DP World-operated International Container Transhipment Terminal (ICTT), at Cochin Port, delivered a growth rate of 14 per cent in the first quarter of 2019, surpassing the average industry rate of 9 per cent. South India's premium transhipment terminal recorded the highest quarterly throughput of over 1.6 lakh teus and recorded its all-time highest monthly throughput of more than 56,000 teus in March 2019. The terminal also witnessed a 48 per cent improvement in transhipment volumes during the first three months of 2019. This is due to the excellent feeder connectivity the terminal boasts to the major as well as minor ports and inland waterway ports in India.

GMB ports handle 400 mmt of cargo in 2018-19

Gujarat Maritime Board (GMB) ports handled a new high of 400 million metric tonnes (mmt) of cargo in the 2018-19 fiscal year, as against 371mmt in 2017-18. Mundra Port registered a throughput of 137 mmt, including 4.54 million teus. DP World Mundra handled 8,15,700 teus. Deendayal Port's volumes in 2018-19 were a record 115.40 mmt, including the 5.7 mmt handled at Tuna Port which is operated by Adani.

Rotterdam Port signs an agreement for container movement



The Port of Rotterdam Authority, Multimodal Coordination Foundation and Brabant Advice Centre have signed a partnership agreement to realise increased container transport via inland shipping between Rotterdam and North Brabant.

The partnership agreement builds on previous Port of Rotterdam Authority initiatives to bundle more container freight and to transport this using a fixed sailing schedule via point-to-point connections. This resulted in the establishment of the West-Brabant Corridor in 2018.

This connection between the deep-sea container terminals on Maasvlakte and the Brabant inland shipping terminals and Tilburg has already resulted in 20 per cent more freight via inland vessels.

SCI increases its coastal presence

The Shipping Corporation of India (SCI), the country's national carrier, now commencing a dedicated service on the east coast, namely, the East Coast of India Express Service (ECX Service). SCI, at the request of various valued customers, decided to introduce this service, which will facilitate more shipping solutions for the Indian trade and further enhance connectivity on the country's east coast from various locations. The service commences with port rotation of Kattupalli – Krishnapatnam – Haldia – Paradip – Visakhapatnam – Kattupalli. SCI, which already has an established coastal market covering the east and west coasts, will be further strengthened with the introduction of the ECX Service which will help in increasing inter-connectivity.

Deendayal Port achieves No. 1 position again among major ports

Deendayal Port has retained the No. 1 position among the Major Ports for the 12th year in a row by handling a record volume of 115.40 million tonnes in the just-concluded 2018-19 fiscal year.

This was a 4.82 per cent increase in throughput over the 110+ million tonnes handled in 2017-18. Meanwhile, with Adani Mundra Port handling 137 million tonnes, the Kandla/Mundra region has achieved a notable throughput of over 250 million tonnes in 2018-19. The total cargo, including containers handled by the 12 major ports, rose 2.9 per cent to 699.048 million tonnes in FY19 from 679.371 mt in FY18.

Navayuga Container Terminal (NCT) touches 500,000teu milestone

Navayuga Container Terminal (NCT) reached an important milestone on March 27, 2019, by handling 500,000 teu for the first time in a Financial Year. The half-millionth teu was handled on vessel *M.V. SSL Kutch*. NCT witnessed stellar volume growth of almost 9-fold increase in the 5-year period starting from a modest 58,577 teus in FY 2013-14.

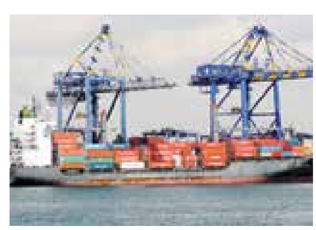
JNPT fortifies maritime business partnership with UAE

Jawaharlal Nehru Port Trust (JNPT) continues to scale up its growth trajectory with new business initiatives between friendly neighbouring countries.

A new direct service, Sharjah Container Terminal (SCT)-JNPT-Kandla-SCT, for cargo shipment, has been added to the existing shipping service operating between the UAE and India.

The vessel *M.V. Port Klang*, from Sunmarine Shipping Services, made its first voyage from Sharjah Container Terminal (SCT) to JNPT (JNPCT) on March 17, 2019. This vessel is said to offer the fastest direct express service between Sharjah's Port Khalid and JNPT and other ports in the Western India region, with only three days transit time from the last port in India to Sharjah.

Visakhapatnam Port extends existing rebates on vessel related charges



In order to attract more vessel operators, Visakhapatnam Port Trust (VPT) has extended the existing rebates on Vessel Related Charges (VRC) till March 31, 2020 at Visakha Container Terminal (VCT). The highlights of the rebates on VRC are as follows: To extend 50 per cent rebate for a further period of one year on Port Dues and Pilotage for vessels having less than 50,000 GRT. To extend 70 per cent rebate for a further period of one year on Port Dues and Pilotage for vessels having more than 50,000 GRT.

Visakhapatnam set to become the hub of medical device manufacturing

Andhra Pradesh Medical Technology Zone (AMTZ) was initiated by the government of Andhra Pradesh at Achuthapuram near Visakhapatnam's hinterland, which is spread across 270 acres. The AMTZ will specialise in testing, manufacturing, policy making, incubation, skill training and various others. The facility has space for 240 companies and 85 companies have their presence in it already of which 22 companies started production. The accessibility of the facility is seamless to the world class container terminal, Visakha Container Terminal (VCT) with excellent road / rail connectivity. Exports from Visakhapatnam through VCT are poised to grow at a greater pace. VCT is all set and geared to handle the envisaged EXIM traffic

Kolkata Port achieves highest-ever cargo throughput

Kolkata Port Trust (KoPT), which includes Kolkata Dock System and Haldia Dock Complex, has achieved its highest-ever cargo throughput in FY 2018-19 by handling 63.7 million tonnes (mt), an impressive 10 per cent growth over the 57.9mt it handled in 2017-18. KoPT is now the 5th largest in terms of cargo handling among the Major Ports and the second fastest growing port in the country. Haldia Dock Complex too handled its highest-ever throughput of 45.2mt during the fiscal, surpassing the previous high of 43.6mt in 2007-08.

Adani Ports achieves a new milestone in cargo movement

Adani Ports and Special Economic Zone Ltd (APSEZ), India's largest private port operator which runs these ports, recorded cargo movement of more than 200 million metric tonnes (MMT) in March 2019. It became the first Indian port operator to achieve the milestone in a fiscal (2018-19).

Adani Ports embarked its journey in 2001 when it was unheard of for private players to enter into the port sector. Driven by its strong conviction, APSEZ took the leap and within a span of two decades it has become one of the largest port operators in the world.

LOGISTICS

Vamaship joins hands with PikMyBox to reinforce e-commerce exports

Vamaship and PikMyBox have formally announced a partnership to promote e-commerce exports through India Post starting from April 2019. The tie-up will stimulate the growth of Indian e-commerce exporters by providing them with both export documentation as well as logistics solutions. PikMyBox will bring its knowhow and technology in export documentation, an important component for e-commerce export, as well as provide customised applications to online retailers for data management and document processing. Vamaship will manage door-to-door logistics operations and clearance procedures to provide a complete integrated shipping solution to exporters that prefer to ship through India Post. Together, Vamaship and PikMyBox are committed to driving exports from Indian entrepreneurs.

Increase in container trade between India and China

During the first nine months of FY 2018-19, the exports from India to China have shown an impressive growth of 34 per cent as against 10 per cent overall. India's overall exports is driven by reefer cargo like seafood and agro products like vegetables, fruits, nuts, cereals and rice.

Visakha Container Terminal (VCT) has been witnessing continuous growth in Ferro Alloys followed by reefer exports towards China that has picked up quite impressively and similarly the imports of refractory material, chemicals & Machinery from China has been growing too.

Future Supply Chain signs multi-year deal with Benetton India

Future Supply Chain Solutions Limited India's leading third-party supply chain solutions specialist and logistics service provider, signed a multi-year agreement with Benetton India Private Limited (Benetton India) to provide Contract and Express Logistics services.

FSC will manage Benetton India's supply chain requirements from a large built-to-suit, multi-customer distribution centre in North India, as per the terms of the agreement. This will cater to its pan India requirements, including reverse logistics. This is in addition to the Express Logistics services that FSC has been offering to Benetton India for the past few years.

BVC Logistics launches BVC WeddingSHIP

BVC Logistics, the most trusted name in Diamond and Jewellery logistics has announced the launch of a new service, BVC WeddingSHIP. It is a unique service that is launched for the first time in India targeting the needs of the families of the bride and groom in a destination wedding. The service entails transporting valuable jewellery between locations securely and also dealing with the innumerous cumbersome customs clearance related processes when the wedding destination is outside the country. The new service from the stable of BVC Logistics will currently offer this in 7 select countries like Thailand, Dubai, Antalia - Turkey, Hong Kong, Singapore, USA, Switzerland, and London.

Singapore upholds its top maritime capital position

According to the Leading Maritime Capitals report for 2019, Singapore maintained its top position at the head of the 15 leading maritime capitals. The country was able to retain its lead in three of the five pillars of the ranking including Shipping, Ports and Logistics as well as Attractiveness and Competitiveness. In the two remaining pillars, London is number one in Maritime Finance & Law, while Oslo is number one in Maritime Technology. On the overall ranking, Hamburg remains in the number two spot, while Oslo drops from third to seventh. Rotterdam and Hong Kong show the biggest improvement, climbing to third and fourth, respectively, with London rounding out the top five, and Shanghai at number six.

Exports showed best ever performance in 2018-19

The cumulative value of Indian exports during the 2018-19 fiscal (April-March) was $331.02 billion (₹23,14,429.08 crore) as against $303.53 billion (₹19,56,514.53 crore) achieved in 2017-18, registering a positive growth of 9.06 per cent in dollar terms (18.29 per cent in rupee terms). Exports in March 2019 were valued at $32.55 billion, as compared to $ 29.32 billion in March 2018, exhibiting a positive growth of 11.02 per cent. In rupee terms, exports were ₹2,26,138.76 crore in March 2019, as against ₹190,619.25 crore in March 2018, registering a positive growth of 18.63 per cent.

Chennai Port accomplishes a new high in container handling

Chennai Port has surpassed its own record in container handling by crossing 1,565,346 teus on March 21, 2019, 10 days ahead of the conclusion of the current financial year. Its earlier record had been 1,565,130 teus during 2015-16. Appreciating the achievement, Mr P. Raveendran, Chairman, Chennai Port Trust, congratulated all the stakeholders, including importers and exporters and the terminal operators, for their efforts towards the port attaining this new high. He stressed that the port would continuously strive to achieve improved performance and productivity in order to attract more volumes.

CONCOR moves a record cargo by rail

The Container Corporation of India (CONCOR) of the Ministry of Railways has achieved 43.32 million tonnes of cargo by rail, 8.4 per cent higher than the previous year 2017-18 of 39.97 million tonnes. There has also been a 30 per cent increase in double stack trains from 2,303 trains to around 3,000 trains in 2018-19. CONCOR also entered the coastal shipping arena with the first voyage flagged off earlier this year in January from Kandla Port to Tuticorin Port. A container train service was started to Bangladesh, and a train with 90 containers was flagged off to Nepal with electronic cargo tracking system.

Kamarajar Port's strategic disinvestment process commences

The Department of Investment and Public Asset Management has commenced the process of strategic disinvestment of Kamarajar Port Ltd. The Cabinet Committee on Economic Affairs had on February 28 given approval for strategic disinvestment of 100 per cent equity shares of the government of India in KPL to Chennai Port Trust in a single stage process by following 'Arm's length' principles.

Thailand looks for Indian investment in Eastern Economic Corridor (EEC)

Thailand seeks the partnership of India, especially the business community of Maharashtra, to transform its country into an innovative society under its ambitious Thailand 4.0 initiative. The 13,000-sq. km upcoming Eastern Economic Corridor (EEC) will be the future economic and logistics hub of Asia, which is being developed as part of Thailand 4.0 initiative. The corridor will attract $43 billion worth public and private investment in various sectors, including upgradation of three international airports and three deep sea ports. EEC is being positioned as a gateway to the Asian market.

India's trade deficit with China declines

India has managed to bring down its trade deficit with China by $10 billion to $53 billion in 2018-19 year on year, thanks to efforts by New Delhi to get greater market access to the latter's markets and take benefit out of the current Washington-Beijing trade war. India's exports to China rose to $17 billion during the year from $13 billion during 2017-18, while imports declined to $70 billion from $76 billion. India is the seventh largest export destination of China, while China is the fourth largest export destination of India. On the other hand, China is the top import source for India, while the latter is the 25th largest import source for China.

"BOXBAY" – intelligent container storage

A new international joint venture that aims to change the way containers are handled in ports has been launched by DP World and SMS Group. "BOXBAY" represents a new and intelligent High Bay Storage (HBS) system that will be ready in time for the Dubai Expo 2020 with a pilot project scheduled at Jebel Ali Terminal 4.

The patented design and rack structure of the system creates unique advantages with containers stored up to eleven stories high, delivering the capacity of a conventional terminal in a third of the surface area. By being fully automated it has direct access to each container, eliminating unpaid and unproductive reshuffling. It also features significant gains in handling speed, energy efficiency, safety, and operating costs.

IRAN

Iran approves double taxation avoidance agreement with India

The Parliament of Iran has recently approved the Double Taxation Avoidance Agreement (DTAA) with India. Both the countries are also negotiating trade agreements to reduce Customs and tariffs. The newly-built Chabahar Port and Makiran Port will promote India's trading ties with Iran, West Asia and Central Asia. The current volume of bilateral trade stands around $11 billion, which is below the potential. India and Iran have potential for cooperation in oil and gas, renewable energy, mining, copper, aluminium and other sectors. The construction of Chabahar Port has opened new vistas of trade and investment opportunities between both the countries.

SINGAPORE

Malaysia and Singapore suspend implementation of their overlapping port limits

Singapore and Malaysia have mutually decided to suspend the implementation of their overlapping port limits, going back to the port limits in place prior to October 25, 2018, and December 6, 2018, respectively. Moreover, both countries have also agreed not to authorise and to suspend all commercial activities in the area, as well as not to anchor any government vessels there.

It may be recalled that the two countries have been involved in a dispute over Singapore's territorial waters off Tuas after Malaysia unilaterally extended the Johor Baru port limits last October. At that time Singapore had responded by extending its port limits within its territorial waters. However, in March, both sides agreed to de-escalate tensions by jointly suspending their overlapping port claims and reverting to their ports' former limits.

CHINA

Shanghai remains world's leading container port

According to Alphaliner report, Shanghai port has maintained its position as the world's leading container handling facility. Its box throughput in 2018 totalled 42.01 million teus, a 4.4 per cent growth over 2017, while Singapore handled 36.6 million teus, up 8.7 per cent. Singapore was, however, the largest-growing port globally in terms of volumes, followed by Shanghai. The world's top 120 box ports together handled 654 million teus last year, an increase of 4.9 per cent over 2017. Of those, 104 ports saw volumes grow while 16 saw a decline, among them being Hong Kong and DP World's flagship Dubai facility.

MALAYSIA

Treaty for enhancing free flow of maritime trade ratified by 123 countries

The IMO treaty enhancing communication between ships and ports to help shipments move more quickly, more easily and more efficiently has been ratified by Malaysia. This brings the number of contracting states to the Convention on Facilitation of International Maritime Traffic (FAL Convention) to 123. IMO's Facilitation Committee met during the period, coinciding with the entry into effect of the new requirement that all public authorities introduce electronic exchange of information between ships and ports.

BANGLADESH

Bangladesh cement exports reduced in FY19

Bangladesh's cement industry recorded a reduction of 16.4 per cent in export revenue to $8.16m during the first nine months of FY18-19 (July 2018-March 2019) compared to $9.76, earned in the equivalent period of the previous financial year, according to the Bangladesh Export Promotion Bureau. The export figure also includes a minor amount of salt, stone and related products. For FY18-19 (July 2018-June 2019) the country's government has set an export target of US$14m for cement industry, against US$12.59m from the previous fiscal year. The target is based on the government's anticipation of 11.2 per cent growth in cement exports. Cement from Bangladesh is exported to India, Myanmar, Nepal, Maldives and Sri Lanka.

PAKISTAN

Pakistani cement despaches down by 9 per cent in 2018-2019

Cement despatches fell by 9 per cent year-on-year to 34.6 mt in the nine months to the end of March 2019 from 34.8 mt in the same period to March 2018. Data from the All Pakistan Cement Manufacturers Association (APCMA) shows that despatches and exports fell in north of the country but that despatches fell and exports rose in the south. Exports more than doubled in the south to 3.14 mt. This was due to a reported start in seabourne clinker sales in the 2018-2019 year. Otherwise, overall cement exports to Afghanistan and India declined.

JAPAN

NYK becomes first Japanese shipping company accredited to conduct IGF Code training

A training programme for seafarers responsible for liquefied natural gas (LNG) and other low-flashpoint fuels on board NYK Group-operated ships has been accredited by Nippon Kaiji Kyokai (ClassNK), making NYK the first Japanese shipping company to obtain an international institution's certification in the field of IGF Code training.

To enhance safety and minimise the risk of the rising number of LNG-fuelled ships, the International Code of Safety for Ships Using Gases or Other Low-flashpoint Fuels (IGF Code) has been adopted by the International Maritime Organisation (IMO) and requires seafarers to receive training certificates by a maritime institution in their own country or the flag state.

INDONESIA

Indonesian textile export may surpass $30 billion by 2025

According to Indonesian Textile Association (API), the apparel and textile sector in Indonesia is expected to witness a growth of 7 per cent this year. The export sector, meanwhile, is expected to contribute to the growth of 6 per cent. Most of the textile and garments in Indonesia are exported to USA (36 per cent) followed by Europe. Asian countries China and Japan (15 per cent each).

If the Indonesia-European Union Comprehensive Economic Partnership Agreement (I-EU-CEPA) is formalised, and ratified by the House of Representatives in 2020, the country's textile sector may surpass $30 billion by 2025 as the European export market will grow by leaps and bounds.

VIETNAM

Port of Oakland adds shipping service to Vietnam

The Port of Oakland announced that it will add a direct service to Vietnam by late April 2019. Pacific International Lines (PIL) will launch direct Vietnam links using vessels that can carry up to 11,900 20-foot containers. PIL's new service is called AC5 and is in partnership with COSCO and Wan Hai. The new Vietnam-US West Coast service will be a Haiphong, Vietnam loop — Haiphong, Nansha, Hong Kong, Yantian, Long Beach, Oakland, Yantian, Haiphong (AC5). In 2018, Vietnam was the Port of Oakland's third-largest import market and fifth-largest export market.

MYANMAR

Maritime trade down by over $50 million

According to the Ministry of Commerce, Myanmar's maritime trade as of 29 March this 2018-2019 Fiscal Year has touched $12.09 billion, down by over $50 million or 0.44 per cent, matched against the corresponding period of the last FY.

In the first six months of this FY, the country's total maritime exports include almost $4.6 billion in exports and nearly $7.5 billion in imports. During the same period in the previous FY, Myanmar's maritime trade stood at $12.14 billion, with exports worth about $4.2 billion and imports worth $7.9 billion. When compared with the corresponding period last FY, this FY saw an increase in value of exports by $400 million, however, import value declined by over $460 million. Roughly 80 per cent of the country's total trade is conducted through the maritime routes.

NEPAL

Nepal and China to sign at least half a dozen deals

Officials from Nepal and China are working to sign at least half a dozen agreements during the first visit of President Bidya Devi Bhandari's visit to Beijing beginning April 24, 2019. Bhandari will be leading a Nepali delegation to Beijing in the second international conference on the Belt and Road Initiative, a flagship foreign policy initiative of Chinese President Xi Jinping, which kicks off on April 25. Nepal signed up to China's BRI in 2017, but no substantive progress has been made so far. The main focus of the meeting between Bhandari and Xi, according to officials, will be expediting the Kerung-Kathmandu Railway project, by preparing its detailed project report.

THAILAND

Thailand's PTT plans up to $11bn investment in LNG and infrastructure

Thai energy company PTT Pcl plans to invest up to 354.7 billion baht ($11.3 billion) over the next five years to boost its natural gas portfolio and energy infrastructure. PTT plans to invest 167.1 billion baht from 2019 to 2023, of which 44 per cent will be allocated to expand its gas business and firm up infrastructure. Natural gas is becoming a primary energy source for Thailand because it is easier to transport, cleaner and has lower costs. PTT also set aside an additional 187.6 billion baht to invest in new technologies and expand its core business. Other investment areas include expansion of petrochemical products capacity and its electricity business.


GOVERNMENT

AGENDA AHEAD: WHAT THE INCOMING GOVERNMENT SHOULD DELIVER?

More consultation with trade, industry bodies and also with private enterprises can help the incoming government align policy initiatives with industry expectations.

by Omer Ahmed Siddiqui

The past four years of the NDA government have been quite eventful and have seen the maritime and logistics sector grow from strength to strength. The major ports have flexed their capacities, transhipment on Indian coast is growing, coastal shipping and trade with neighbouring nations has seen a heads-up and cargo movement on inland waterways has seen a clear boost. The award of infrastructure status to the logistics sector, Cabotage relaxation, Direct Port Delivery and draft of the National Logistics Policy have been the most noteworthy developments that have catapult the shipping and logistics sector into a different orbit altogether.

While a rather loose implementation of demonetisation and GST has made the trade suffer a rough ride, but the nation has stood together to tide over it. The major ports have seen more sunshine, notching up on efficiency parameters and throughput. In the three fiscal years 2015-2018, the cargo share of major ports remained steady at 57 per cent. GDP growth hovered around 7per cent, exports jumped back to $300 billion after a slight dip in 2015 to 2017 and imports increased slightly at $450 billion. India's ranking on ease of doing business increased from 134 in 2014 to 100 in 2018.

Though there were a lot of structural changes done, but the industry still seeks that the transformation did not happen as expected. The industry has not picked up momentum as expected in a fastest growing economy. Reformative process has been slow, mainly because the steps are being taken on piece meal basis and not as a comprehensive Policy. The share of Indian shipping in the global scenario is still miniscule. Shipping is still to figure as one of the main industry that needs mention in any budget or government agenda for long term development. Every port in the country functions as a silo and all communications by the authorities are subject to interpretation by the users. There is an unacceptable level of variation in processes across ports as well as within port operations. There is still no definitive blue print for the growth of ports. None of the major shipping lines is flagged in India and this makes us think, are our policies and regulations shipping and trade friendly? The Indian logistics sector has traditionally been manpower-driven and underleveraged by an unorganised and fragmented structure.

Going forward, the incoming government should act not only to sustain the changes but also be swift enough to keep pace with the global developments in this sector. More consultation with trade, industry bodies and also with private enterprise can align government policy initiatives with industry expectations.

We reached out to the who's who of the industry to know their wish list (mann ki baat), which can set an agenda for the new government for including in its broader policy framework. As the new government shapes up, read on to know more what the industry expects it to deliver. mg

Container Shipping Lines Association (CSLA)

Digitalization

Promote E-platform for the issue of various shipping operations / documents (i.e. Bill of Lading, Form 13, Delivery Order, etc.) as this will lead to increase in the record keeping, transparency, cost effective and less time consuming activity for the issue of shipping documents. Also, stakeholders therefore are not required to be physically present at the lines' offices.

CSLA member lines support the implementation of the new version of PCS i.e. PCS 1x, under the guidance of Indian Ports Association (IPA), which includes the functionality of E-Delivery Orders, E-Invoices and E-Payments.

PCS 1x is an initiative that supports green initiatives by reducing dependency on paper. Government of India should make it mandatory for all the stakeholders to process shipping operations / documents via. PCS 1x, leading to transparency and record keeping. Also, the PCS 1x should be secured from cyber threats as the services of the systems will be used by the entire shipping fraternity in India and connected through one single platform.

Separate cell for Medium and Small-Scale enterprise at Customs Commissionerate

There should be a separate cell in Customs Commissionerate for Medium and Small-Scale enterprise where all their queries with reference to clearance of Export and Import Shipments should be answered.

Also a detailed customs procedure along with process flow and various document requirement list for Export and Import shipments should be uploaded in the customs website.

In EXIM Trade of India there are a number of intermediaries whose charges are very high and are not transparent. Example of intermediaries are Custom House Agents, Freight Forwarders, NVOCC's etc.

Their charges are not transparent and are very high which increases the cost for cross border transactions. These intermediaries use the word "Shipping Company" even though they are not a shipping line and therefore confusion arises, and it portrays the Shipping lines for higher charges. To overcome high EXIM trade charges MSME exporters and importers should be given information related to different intermediaries in the trade for making them understand the role of each intermediary. Assistance during dispute or grievance with these intermediaries or different stakeholder should be provided. Any new policy announced by the customs or ministry of shipping should be informed and communicated to the MSME through this cell at customs commissionerate.

Transparency of tariff of all the service providers in the Indian Shipping Industry

Indian Shipping industry has a lot of intermediaries, (i.e. Custom house agents, NVOCCs, Freight Forwarders etc.) whose tariffs are not transparent thereby leading to confusion amongst the shippers / consignees.

Whereas, Government of India should make it mandatory for all the players in the shipping industry to be registered as well as have their tariffs displayed in the public domain (Like, Shipping lines have displayed their website tariffs links to all major ports in India which displays link of all CSLA member lines). This will help importers / exporters to have an estimate of the overall shipping cost in advance.

Port Infrastructure

Port sector in India is being driven by high growth in external trade. In FY 18, traffic at major ports of the country reached 679.36 million tones. Non-major ports of India are witnessing strong growth. Special Economic Zones (SEZs) are also being developed in close proximity to ports.

Indian Ports at present cannot handle very large vessel in absence of proper draft depth. Government should help to increase and maintain draft depth at ports and attract large vessels, enabling them to become hub ports. The increased depth will bring economic benefits like saving vessel waiting time and savings on account of transshipment. Also, larger ships are more economical to operate as their cost of operation is lesser by as much as 40%.

End result would be lower cost to the trade directly or indirectly by means of economies of scale.

Disposal / auction of un-claimed and un-cleared cargo and releasing shipping line containers

As per the current procedure for the disposal of un-claimed / un-cleared cargo with Customs, there will be auction process for the disposal of the cargo and the empty containers will be handed over to the shipping lines.

In case of the three unsuccessful auctions, the cargo is to be sold to the highest bidder in the fourth auctions. However, a Customs NOC is required for this. According to the Customs officials, this NOC, was necessary as otherwise, everyone would avoid bidding in the first three auctions and just bid some low amount in the fourth one. Hence Customs needs to check the value offered by the highest bidder in the fourth auction and approve the bid accordingly.

From Shipping lines point of view, the process should be completed in a time bound manner since containers were not meant for indefinite storage of cargo. Due to the shortage of space at the CFSs the Customs expressed helplessness for the release of shipping line containers. In this case, the Shipping lines should not be penalized for shortage of space at the CFSs. Further, Government of India should have strategy planned out for the above situation as the trade in India is ever-growing in nature. mg

SHANTANU BHADKAMKAR
President, AMTOI

The adage that 'conventional economic thinking is always wrong', is true for almost all cases of new initiatives for economic growth. Further, transmitted ideologies prevent people from being original thinkers, and even more, so the culture of conformity to western norms constrains innovative and imaginative thinking.

The success of Dubai and Singapore is attributed mainly to welcoming of new ideas, out of box thinking, thought leadership and a bold approach. We can say the same about the success of Colombo as a Maritime Logistics Hub, and on a grander scale that of China, a much larger economy. The Government should initiate bold policy measures that are transformative, instead of adopting the so-called best global practices.

Every geographical terrain and every economy has its own requirements; therefore, any country must rely on original thinking while framing new policies for the shipping and logistics sector.

Punching above the weight is always associated with some risk; however, nothing great is ever achieved without taking calculated risks. Punching below the weight does not help anyone to realise the full potential and reduces the achievements to mediocrity. We should create centres of excellence of global scale.

India has vast geographical advantages for maritime logistics; besides, India is a big market and has demographics in its favour. India has achieved all its success in a democratic framework; hence all our economic programs are both resilient and intrinsically durable. It is time for us now to pole vault into higher orbits and not leapfrog (as a frog leaps in defence).

The goal for capacity usage of the Logistics infrastructure should be optimal (60 per cent-70 per cent) usage, anything beyond that leads to bottlenecks and inefficacy; hence overcapacity utilisation or Overutilization of the infrastructure should be disincentivised.

As a policy measure, investing ten years ahead of the requirements should be incentivised. A common trait among the countries which are successful in establishing World Class Logistics Infrastructure is that at the time of the completion of the project the Logistics infrastructure is ten years ahead of the requirements.

The Policy for Public-Private Partner (PPP) also needs to be relooked.

The current model based on the highest revenue sharing based bidding has led to very high costs being passed over to the Logistics sector, and in turn to the ultimate customer. This approach is not in conformity with the stated aim of the Government of reducing the percentage of the Logistics Costs to GDP.

It is beyond doubt that national resources & private funds when put to best use with the latest technology and innovative, user-friendly commercial models as they yield more significant economic dividend in terms of growth of both GDP and revenue. In comparison to the relatively small amount earned through revenue share through current PPP models, the bonus of revenue earned due to the faster growth in the economy is always much higher.

The rent-seeking elements & models supporting rent-seeking should be weeded out at the policy framing and planning stage.

India's socio-economic conditions mandate that the Policy for almost every financial activity should be formulated or designed in a manner that it increases employment opportunities; however, the employment generation should be for a gainful employment model and a sustainable market conditions compliant model.

The sector has great potential to employ skilled Labour; however, a less discussed aspect is that it has even more significant potential of absorbing the supervisory and managerial talent.

The economic dividend for investments in skill development, higher education and original research in the logistics sector and supply chain management is exceptionally high. The benefits go beyond the sector, making entire supply chains more competitive. In future, it is not the individual firms which will compete; it will be competition among entire supply chains.

It is also essential to retain the existing workforce at all levels as while creating the new employment we should take care of its incremental employment without the current workforce becoming redundant and jobless.

According to the World Economic Forum Global Risks Report 2017, "the Fourth Industrial Revolution has the potential to raise income levels and improve the quality of life for all people. The economic benefits of the Fourth Industrial Revolution should reach the entire population by taking policy measures for proliferation as the so-called 'Trickle-Down' theory seems to have limited benefit society at large even in the long term.

The need for enhancement of skills and abilities is essential at all levels from workers to the supervisor to Managers to the Entrepreneurs. It should involve unlearning and adoption of new standards and a new outlook.

The most neglected matter in this sector is original research and studies for continual improvement for developing robust logistics infrastructure and secure and resilient supply chains. Commensurate precedence should be given to this investment to achieve cost efficiency.

For ensuring effective implementation, it is crucial to acquire expertise and develop specialist in an Institutionalized manner, as fine tuning that is required for optimisation can be done only by experienced specialists, not generalists.

Logistics Sector is one of the early assimilators of the technology, and mainly it has been one of the early assimilators of Information Technology, Digitisation of Commerce will have a massive impact on supply chains and Logistics matrices. The Fourth Industrial Revolution may turn out to be more disruptive than predicted, and it will have an enormous impact on both business growth and jobs. A collaborative approach should be adopted to deal with the challenges of disruption.

The Newly emerged models of selling goods or services below the cost price to achieve market domination can be useful for customers in the beginning. However, with time the customers will lose the bargaining ability.

The objective of market dominance is to increase the market valuation; improving the bottom line or profitability is not an objective.

Models based on eliminating the competition by selling below the cost price (sustained by substantial funding) lead to attrition, an unhealthy business practice.

Regulatory authorities in many countries are reviewing such model's conformity with the Competition law/Antitrust Law/ Anti-Monopoly Law, as these laws promote or seek to maintain market competition by regulating anti-competitive conduct by companies. A Policy to ensure healthy competition should be established as the Indian companies will continue to have lower equity base compared to the massively funded venture capitalist. mg

ANIL DEVLI,
CEO, Indian National Shipowners' Association (INSA)

The issue that is most relevant for Indian Shipping is the need to increase its market share. In order to do that Indian ships need to be competitive vis-à-vis foreign ships on the Indian coast, as well as versus other modes of domestic transportation like rail and road. There is need for policies that would harness Indian cargo on Indian bottoms stemming the outflow of the current $52 billion in freight per year out of India.

To achieve this, several structural issues need to be addressed. Some of the important issues are as follows:

1. Availability of Funding at competitive tenors and rates for acquisition of vessels;
2. Foreign flag ships coming into India are not required to pay IGST on the value of the ships, Indian flag ships have to pay IGST – there is need to remove this discrimination;
3. Similarly, the income earned by an Indian seafarer on a foreign flag ship on the Indian coast is exempt from tax while the same seafarer working on an Indian ship has to pay tax – this inequal application of law needs to be removed.
4. Indian ships currently have to pay a higher cost for its Fuel. The pricing of FO at Indian ports should be on par with international rates since Indian vessels have to compete with vessels which bunker outside India at lower costs.

Ships are undergoing programmes toward energy efficiency and Sox reduction technology. This is a huge upfront cost burden. Like other maritime nations, India should consider providing a 20 per cent rebate on Annual Tonnage Tax if vessels adopt energy efficient ship designs exceeding IMO's Energy Efficiency Design Index (EEDI) or adopt SOx scrubber technology exceeding IMO's emission requirements and a 50 per cent rebate in Tonnage tax if both are adopted. This will reward going green and make it feasible too.

Finally, it is a given that the higher cost of 0.5 per cent LSFO will increase the cost of carriage. Several container shipping lines have begun charging a surcharge for this yet to arrive increase. We expect that the GoI will draw up suitable policies which will mitigate the impact of these emission lowering technology. mg

S RAMAKRISHNA
Chairman, FFFAI

The new government should have continuity of the policy of the previous regime. GST is yet to be stabilised, the same should not be changed at the policy level. While CBIC is easing the processes for EXIM trade, the pivotal role of logistic industry should be encouraged. The Custom Brokers have the expertise on the classifications, rules of the government agencies, GST, E way bills etc, which minimises the mistakes, thereby compliance of law is assured. Business houses who are not in the profession of Custom Broking have started soliciting the business on their own name and getting the process through agencies who are less complied in laws. The strict KYC which government wants to adhere to is compromised, this process should be necessarily eliminated.

Ministry of Commerce should link the IEC with corporate affairs, banks, PAN with Aadhar, etc., for LLPs, Pvt and public limited companies.

The cost of both shipments for FOB as well as CIF should be comparable especially for LCL shipments. Shippers benefit should not be loss to consignee and vice a versa. The charges that the shipping companies or the freight forwarders charge should be determined at the time of shipment itself and recorded on the shipping documents. The E way bill should be linked to the GPS tracking system which would ensure routes and also with every toll plazas there would be recording of the vehicle along with E way bill. This would also ease the GST squad to keep an eye on the vehicles which is not on the route desired. mg

UMESH GROVER
Secretary General, CFSAI

Driving logistics cost as a per cent of GDP

Special incentive-based program for setting up logistics infrastructure in underdeveloped or remote parts of the country by government to increase industries to flourish in these areas. The incentive may be in terms of tax relaxation, single window clearance, easy access to loans and financial assistance.

Different stakeholders in the country

Central and State governments need to ensure that equal opportunities are given to private industries to setup such multimodal logistics parks across regions which will be beneficial to the end customers.

An integrated policy

Well recognised associations of logistics companies like NACFS, CFSAI, AMTOI, private rail operators should also be part of the policy making to assist them for better industry to government coordination and explain real time issues and challenges with logistics industry in Indian prospective and how these challenges are being addressed in other countries.

Driving interventions to reduce logistics cost

While identification of all such integrated rail terminals, opportunities to private industries should be equally considered for infrastructure development, setup and operation of all such terminals. It is advisable that government should develop online platform to provide details of all such terminals and form a back-end support to assist interested parties to understand the requirements.

Critical aspect of driving down logistics cost

A Common portal for KPI indicators should be made that tracks and reports the performance of various logistic service providers which can serve as metrics for comparison & can be useful for customers.

Key focus areas to reduce the logistics costs

To encourage the modal shift from road and rail, the State government may provide incentives to the shippers for moving the cargo by IWT. The operators may leverage the incentives and attract cargo shippers to IWT with cost-economical offers Which will reduce congestion and cost of bulk transportation.

Multilateral agencies like The World Bank, AIIB and ADB

Major private logistics service companies shall also be on the same platform to share their experiences, best practices and issues. This will help to understand and resolve real time industry issues and get expert advices on cross functional industrial operational problems.

Reducing dwell time for interstate cargo movement by road

Policies to encourage the use of multi-axle vehicles and tractor-trailer combination would help reduce transport costs and road pavement damage. Towards this end, incentives such as reduced tax rates and tolls favouring such vehicles could be introduced.

It is mentioned in the Draft Logistics Policy that stakeholders' participation is limited to National Logistics Forum. However it is submitted that the stakeholders' views are extremely important to drive the key thrust areas as per policy and their observations should be heard in National Council and also Apex Inter Ministerial committees. It is therefore suggested that National level Apex Industry associations such as FICCI & CII should also be invited in above forums.

While the draft logistics policy document identifies logistics as enabler to other grandiose and ambitious plans of government, and accordingly it focuses on streamlining and standardisation of procedures with an aim to reduce the cost of overall logistics in line with international trend, it has not taken into account some ground realities. It is in this light I suggest the following:

Land related Issues form the most critical source of capital in terms of setting up any logistics facility. It is in this regard we propose the following:

Enabling faster land utilisation by limiting and fast tracking of necessary permissions and approvals under single window clearance system by a nodal agency by limiting number of authorities involved for this process.

Since prices of basic land itself are very high, to make the logistics project viable and feasible, government should reduce the change in land usage change or zonal change charges to make setting up of logistics facility feasible and attractive enough for private players to come forward & set up the facility.

Railways are set to play crucial role in overall logistics sector as an enabler. However due to monopolistic policies of railways and over support to CONCOR, removes the level playing field between CONCOR and private rail freight operators.

To ensure level playing field between CONCOR and other private freight rail operators.

One of the ways of achieving this is to allow private rail operators to access rail siding facilities of CONCOR/ Railways under common user arrangement ensuring that restrictive measures/practices are not induced by CONCOR.

To remove different categorisation of scheme such as SFTO/AFTO, Steel, etc and allow private freight train operator to handle under a consolidated licence.

To increase penetration of railways and its overall share in the transport mix of country as identified as focus area of the policy, railways should permit transportation of all types of commodities without any restriction as against present where certain commodities cannot be transported even though containerised.

Warehousing:

Draft policy rightly identifies warehousing as the focus area in GST era which has diminished the state boundary and made entire country as a one entity from taxation of goods and services point of view.

However, as report mentions, warehousing today is fragmented and unorganised. This had led to blocking up of precious capital resources in building warehouse but usage of the same is uncertain since there is no organised method of knowing availability of such warehouses and specifications of the same in a given region.

Building such an information matrix on real time basis should be the priority which can go a long way in optimising warehousing as an enabler to the needs of the industry.

Infrastructure Status:

Although logistics is been classified as 'Infrastructure' by RBI, still lending to this sector is largely been driven by the credit assessment by lenders basis their own legacy methods and hence lending rates have remained high for facility developer.

Although classification as "Infrastructure" opened up option for long term funding, this has not really transmitted on ground since lenders are wary of lending long term due to host of issues such as ALM framework, macro-economic scenario, etc.

Thus intended benefits of this infrastructure status are yet to be transmitted to intended beneficiaries, i.e. logistics services developer and providers.

Since logistics is identified as enabler to the other industries, accordingly incentivising the same by providing access to cheaper credit facility will go a long way in establishing logistics as a true enabler.

Tax incentive:

To attract private investment in Logistics sector, it would be a good idea to incentivise the same by providing tax rebates, substantial tax holiday period, etc.

The policy should provide the framework towards this basis which Finance Ministry can work out relief package under Income Tax Act.

Labour reforms:

Due to divergent policies between central government and various states, hiring of labour and functioning of the same becomes a contentious matter in large number of cases.

While private sector can take care of the imparting necessary skills among the staff, government can support these efforts by allowing liberal labour policy to facilitate hiring of labour on flexible basis depending on the requirement.

Governance:

The draft national logistics policy stresses need for governance and accordingly, proposes to set up slew of high-level committees to regulate this sector.

While the attention given to sector is welcome since it may result in better coordination among various stakeholders within government machinery, there is likelihood of increased level of interference in working of the sector which will result in throttling of the sector and may delay the accrual of benefits of being an enabler to sector and will also defer benefits to other industries using logistics.

Accordingly, the government's thrust on "Ease of Doing Business" should be the guiding principle and governance policy for logistics sector should be sub-servient to this principle.

Miscellaneous:

Better coordination and faster clearance among various government agencies like customs, SIB, plant and Animal quarantine board, FASSAI, Drug control, etc for smooth and fast clearance of goods under EXIM trade.

Key data transmission from relevant agencies to all the service partners so as to bring efficiency and transparency in work flow which will be beneficial to the end users.

Clear simplified policy for warehouse, CFS, ICD operators for clearance/disposal of abandoned cargo.

Simplification of procedures for logistics operators who are handling EXIM cargo so that within same facility non-EXIM logistics and related value added services can be provided. It will help logistics companies to consolidate various segments of business at one place and on the other hand to end users in terms of cost efficient and one stop solutions. For example, CFSs/ICDs set up at huge cost have the state-of-the-art equipment and are highly capital intensive Infra Projects. The Infra built are National Assets. As on date they are all operating at say 50 per cent utilisation. In order to gainfully utilise this infra already created, the CFSs / ICDs as CCSPs and handle EXIM Containerised cargoes, should be allowed to carry out all value addition activities, handle domestic non-EXIM cargoes and other activities which are permitted in MMLPs irrespective of the size of the unit as each unit is normally more than 15 acres.

RoadRailer, a bi-modal transportation unit, which runs as a semi-trailer on road and as a wagon on rail should be implemented to offer seamless door-door goods transportation. It works like this - Goods are loaded on to a RoadRailer unit in a godown; it travels by road, and is then directly coupled with railway wagons at the terminal. The unit (with wheels attached as in a normal truck) will be moved by rail and decoupled from the wagon at the receiving end, and attached to a truck to be moved on to the final destination.

Common portal for transporter registration should be done, also rating details should be provided to know transporter reliability and responsiveness towards consignment. mg

JAYYANNT LAPSIAA
President, AILBIEA

1. Remove all antiquated procedures, laws and regulations in customs and replace them with new ones commensurating with the new reforms.

2. Make all the Officers equally accountable and responsible for their

actions and inactions, as well.

3. Divest DRI [Directorate of Revenue Intelligence] from customs' classification and valuation issues.

4. All investigations for genuine and reputed importers should be carried out by the respective Customs Special Intelligence and Investigation Branch [SIIB] and that too, from 10 AM to 5 PM only.

5. All classification and valuation disputes should be resolved in 15 days! and NOT months and years, as it is happening now.

6. All officers of the Revenue Department, Ministry of Finance should be well qualified and well trained to carry out assessments of documents and should be well versed with the Customs Law.

7. Allocate more space for creation and setting up of additional capacities for Tank Farms and Installations for liquid bulk at all major ports.

8. Considerably reduce tariffs and port dues at all major ports and encourage healthy competition and make imports more viable.

9. Increase monitoring of customs assessments of documents and ensure that documents are cleared expeditiously. Officers responsible for delays should be penalized.

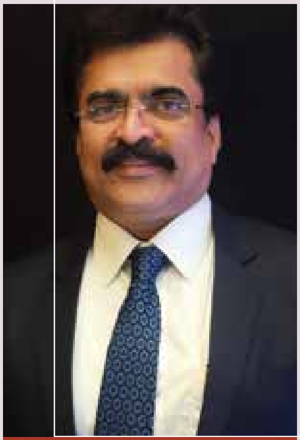
10. Accord top priority to Liquid Bulk consignments, both in Customs and Port to save on demmurage and save precious foreign exchange.

11. Customs Post Clearance Audit for AEO Status holders should be well defined and should be done in time prescribed manner and completed in 10 days maximum. The audit should be done from 10 AM to 6 PM only.

12. Officers must be more proactive and must ensure proper fostering of Ease of Doing business and trade facilitation, in true sense, and remove their negative mindset which is lopsided in favor of revenue.

13. Importers and Exporters must be registered with recognised Associations and should be members of those associations, to help in better monitoring of discipline and identifying wrong doers.

14. Quarterly Trade facilitation meetings between CBIC and members of Trade bodies to sort out long pending issues and resolve fresh issues without delays.



KARUNAKAR SHETTY
President, Brihanmumbai Custom Broker Association (BCBA)

Seeing the current scenario and development that has happened in past few years, it is clear that the entire country has a very high expectation from the new government. Under the current government regime the logistics have been given a prime importance by setting up of a separate division under Ministry of Commerce with special secretary appointed for the same. On behalf of our fraternity, the below are our few wishes that might help to make the logistics sector the most efficient one.

- The Logistics sector in our country is known to be unorganised which is one of the major concerns in drafting the standard policies. Giving an identity to our sector will be one of the landmark achievements in making the standardised processes and policies.
- The new government should create an atmosphere and path in achieving the wish of the present Hon. Prime Ministers of getting into the top 50 for Ease of Doing Business ranking.
- Currently logistics cost in India is 13-14 per cent of the total GDP whereas the logistics cost in developed economies like USA is 9-10 per cent of the Gross Domestic Product. Proper infrastructure, important measures and policies should be implemented in order to get the cost down in our country.
- Currently more than 50 per cent transportation of cargo is done through road which is major factor of increase in cost. Measures should be taken to increase and improve the transportation though waterways. The fact that clearance done to fresh water reservoir from Varanasi to Kolkata is highly appreciated and hope to see many such water routes being created for ease in movement of cargo.
- Improving the infrastructure for waterways can help in reducing the logistics cost and also help in being fuel efficiency, thus decreasing load on road transport and facilitating clean environment.
- Multiple departments and ministries involved across the logistics value chain increases the dwell time & transaction cost. An integrated department must be created for all the matters related to logistics and its stakeholders.
- The digitisation in custom clearance has got a big relief to the Custom Brokers pan India. The implementation of ICEGATE, SWIFT, E- Sanchit and Turant is the need of hour for customs. But at the same time upgradation of IT infrastructure and technology with modern hardware must be implemented time to time.
- The exports documentation and examination procedures should be further simplified. Being one of the biggest ports of India, the Jawaharlal Nehru Port Trust (JNPT) should create a robust parking plaza with examination facilities for faster movement of export containers.
- All the PGA's must be actively involved and do their day to day business on SWIFT platform to faster clearance. Adding more Participating Government Agency (PGA) in the Single Window Clearance, can help in reducing the dwell time.
- The Port Community System is underway with some more upgradation. The integration of more stakeholders at a common place will be important as it can help eliminate the dwell time and improve the overall efficiency of the logistics system.

CAPT VIVEK S ANAND
Director, NYK Line (India) Pvt. Ltd.

It may be noted that India will have the largest and the youngest population and the biggest consumer base by 2040 in the world. Also it may be noted that 73 per cent of the world's population will reside in Asia Pacific and Africa Region. If India is to leverage its position as a superpower in the region and in the world then we need to take bold policy decisions NOW…

By 2040 world population will increase by 27 per cent to 8.73 billion. Population in developed countries will increase by 11 per cent and in emerging countries it will increase by 24 per cent. Indian population will grow by 300 million by 2040, making it the biggest consumer base.

India's share in global GDP will increase from 3 per cent ($1.7 trillion) in 2010 to 8 per cent ($8 trillion) in 2025, further growing to 23 per cent ($35 trillion) by 2040. Indian trade at 1,184 million metric tonnes accounts for 11.07 per cent of the world exim trade at 10,702 million metric tonnes, but India's tonnage is merely 1.3 per cent of the world, which is a considerable proof that the Indian Maritime Policy is hugely flawed and dependant on foreign tonnage. This is causing a huge outflow of Forex from the country which is obviously impeding the growth of the Indian economy and trade. The huge import dependency on foreign tonnage is also a humongous risk that the govt. of India seems to be unaware of and this puts our country to grave risk against sanctions which can bring the country to a halt.

Lost glory of Indian shipping trade

It should be noted that in 1980's, 65-66 per cent of the world's shipping was manned, managed, owned, operated and chartered by Indians. But now it has reduced to mere 7-8 per cent, why? Basically, b'coz the British had left a legacy and foundation for good Maritime Education…however, Govt. of India (GOI) never bothered to enhance or Innovate to remain ahead of the world and therefore over a period of time India & Indians have fallen out as the preferred Maritime Nation in the World.

High logistics cost – a drag on the economy

Main reasons are economic policies, high transportation costs, port delays, poor turnaround time of ships, over-aged vessels / fleet, inadequate mechanical handling of cargo / outdated equipment.

No major shipping line

Why does India NOT have a MAERSK, MSC or a NYK, despite having the TATA's, Ambani's, Birla's? The answer is very simple & basic.... that we do not have shipping and trade friendly policies and regulations in the country. We are often held back by the Indian ship owners insecurity…I would like to ask, what have the Indian ship owners achieved in the last 72 years….is that not sufficient time…It is time Indian opened up the shipping and trade – like we did the Indian economy in the early 1990s. Everyone at that time said that we are selling the country to the World… but see the difference it has made today…Similarly, it is time to do so for the shipping, trade and logistics sector. Let us ask ourselves that though shipping Sector was allowed 100 per cent Investment ~10 years ago yet no significant investment by the foreign players has yet come in… WHY? B'coz we look at band aid or piece meal solutions, which has led to this pathetic state of affairs of the Indian shipping industry. I do not say that open the doors for foreign shipping majors…. instead I believe that if we bring the Indian ship owner to the level playing field as the foreign shipping lines and treat them equally we would make big strides in a few years.

India to become a Maritime Super Power

- What makes a nation a maritime Superpower?
- Shipbuilding facilities
- Port Infrastructure
- Self-sufficient tonnage for Export / Import Demands of the country
- Ease of doing Business
- Digital Platform
- Administrative Support and efficiency
- Simplified Tax Regime

Formulation of comprehensive master plan for the development of ports and terminals

We have been harping about this for years with our pleas falling on the DEAF ears…There is no definitive blue print for the growth of ports…. just a haphazard way of making huge capital investments in developing Infrastructure. Capacity must be planned based on study of cargo projections, mineral deposits, industrial belts, agricultural hubs…for the next several decades.

Formation of a shipping think tank for maritime professionals

Shipping professionals should be heading the policy making and administration of Port, Shipping and trade sector. The GoI or bureaucrats should ONLY be responsible for implementing the plans drawn out by the professionals, who understand the sector and have the experience to determine what is required and what is NOT required.

Privatisation and refurbishment of ports

Look at the state of any of the major ports…leave alone efficiently managing the ports they can't even achieve basic housekeeping standards. Having the port adequately manned, having world class safety standards or world class training….is a distant dream which of course will not happen within the life of the current generation and by that time all the true dreed sea farers would have long gone…

Ship finance

By Far the most important aspect for development of shipping sector is to ensure that funding is available at reasonable costs…. But GoI has money for everything frivolous which can get them Votes but not for hard core development…Shipping needs cheaper funding avenues to boost acquisition of tonnage. A shipyard requires a working capital of around 25-35 per cent of the cost of the ship.

Interest rates on working capital

India	: 10-10.5 per cent
Korea	: 5-6 per cent
China	: 4-8 per cent

Formation of independent ministry for shipping, ports, inland logistics and trade

Considering India's vast coastline and share of world's seaborne trade, it is essential that a separate ministry be established to ensure that shipping and trade is given due importance in shaping up Indian economy to become superpower.

CAPT. AMIT WASON
President, MANSA

After one nation, one tax in the form of GST (Goods and Service Tax), India needs to move on to one standardisation process across all ports in the country. Benchmarking and Standardisation of all government Ports.

- ONE NATION
- ONE GOVERNANCE
- ALL PORTS

According to Dun & Bradstreet report issued last year, port congestion, customs clearance (including scanning & ICEGATE), shipping line issues & charges, documentation & paperwork, and regulatory clearance are the most common problems across ports and out of these just 4 issues, constitute 80 per cent of total issues causing detention and demurrage. There was an unacceptable level of variation across ports as well as within port, which was one of the key findings of the report.

To my mind, every port in the country functions as a silo and all communications by the authorities are subject to interpretation by the user. Having said that, autonomy to every port is a must which would in any way be conferred with the passing of the Major Port Authorities bill pending in the upper house of Parliament - Rajya Sabha by the incoming government that will be voted to power. The bill has already been passed long back by the lower house of the Parliament - Lok Sabha.

I believe the standardisation process like the direct port delivery introduced at JNPT and Chennai port must be practiced and implemented at all ports pan-India.

Recently, the Indian Port Association launched port community system based on cloud technology with user-friendly interface that integrated 8 new stakeholders besides the 19 existing stakeholders from the maritime trade on a single platform. Logistics in India constitutes 19 per cent of the country's GDP, and remains among the highest in the world as compared to China's 12.5 per cent and average 15 per cent worldwide as per UNCTAD. It has been well documented by several studies that using coastal shipping and inland waterways would be 60-80 per cent cheaper than road or rail transport.

Under the ambitious Sagarmala plan, 577 projects at an estimated investment of $120 billion have been identified for phase-wise implementation over the period 2015-2035 of which 492 project worth $62 billion were under various stages of implementation, development and completion as of Mar 31, 2018. This needs to be further pushed by offering the right tax incentives from operations in coastal shipping and inland water transport to make it attractive for the trade over other modes of transport. The incoming government will have to build further on this momentum of Sagarmala to ensure that the benefits in terms of costs savings to the economy and trade estimated annually between $5.2-$5.9 billion by 2025 is on course. mg

CAPT SUNIL THAPAR
CEO,
Allcargo Shipping Co Pvt Ltd

The current government has announced ambitious plans and has taken many steps in promoting shipping and the maritime sector as a whole, but not much is being seen at the ground level when it comes to implementation. This is mainly because the steps are being taken on piece meal basis and not as a comprehensive policy. Shipping is still to figure as one of the main industry that needs mention in any budget or government agenda for long term development.

Some of the key issues that need attention of the incoming government are:

Recognise the importance of shipping in the growth and development of Indian trade and include its development in the policy document. Recognise the importance of role played by service providers mainly ship owners in the movement of trade. Recognise that ship owning is a capital intensive business and any adverse change can leave the industry bleeding. Recognise that industry needs level playing field, especially with foreign flag vessels. Recognise that some protection is necessary till Indian shipping grows out of the baby step Phase. Recognise that having national shipping and its growth is for national benefit and not only a commercial need.

Recognise that while incentives to trade for modal shift of cargo to coastal shipping is necessary, same time coastal ships and ship owners also need incentives to ply the trade. mg

DHRUV KOTAK
JMD, JM Baxi Group

Redefine structure and governance at Major Ports – To tackle emerging challenges by providing improved, efficient operations at reduced costs, equip them to handle super-sized vessels (deeper draft, advanced equipment, etc.), adopt advanced systems backed by Information Technology, eliminate red-tape and burdensome paper-work, facilitate creation of integrated inter-modal infrastructure, etc.

Identify two ports each in the east coast and west coast to be developed as hub-ports.

Abolish Tariff Authority for Major Ports so as to provide level-playing field to all port operators / logistics service providers to fix market-determined tariffs.

Establish Adjudicatory Board to settle disputes between major ports and PPP operators as well as complaints by users as regards the functioning of major ports or / and PPP operators.

Support a couple of Indian national port operators to take up port operations abroad, especially in the immediate neighbourhood, including SAARC and Gulf countries.

Facilitate establishment of port clusters by – Exploring free port system; introducing free trade / warehouse zones for international logistics industry; developing industry complexes around ports; and concentrating logistics related industries including ship-building, ship-repairs, ship-spare parts, maritime training centre, exhibition and conference centres, research institutes, etc.

Incentivise domestic movement of cargo through coastal mode by providing priority berthing, enhanced number of free-days for storage, etc.

Regulate vessel-related charges at major ports on cost-plus basis, to bring them down to levels prevalent in neighbouring countries and at non-major ports.

Open-up towage to private-sector in order to bring-in competition and reduce Vessel-related charges.

Extend concession in vessel-related charges to container vessels calling at ports handling less than one million teus per annum.

Operationalise National Logistics Policy.

Facilitate transformation of ports / terminals as integrated multi-modal logistics park.

Re-structure contracting of PPP projects whereby both the parties are made equally responsible for their deliverables, including attendant penalties: e.g., delays due to dredging for achieving COD or define 'port assets' to be maintained by port for ensuring the terminal access / safety (break-water / channel / turning circle, etc.).

Indian port sector has been constrained by development of multiple ports / terminals in close vicinity, handling similar cargo, leading to ports/terminals competing for same traffic. Competition, though is a welcome phenomenon, given the criticality of the sector and the dire need to healthily develop port infrastructure eco-system, it is important that, in the near term, a policy decision be taken so that specific ports in a region are developed to handle specific variety of cargo like minerals, oil, container, etc. This way, multiple stake-holders get to service a dedicated cargo variety without eating into each other's revenues besides being able to develop core competencies in the specified category. Once the port system in the region reaches critical mass, say capacity utilisation to the extent of 80 per cent, the ports / terminals be allowed to add capacity in same or other cargo segments.

HARPREET SINGH MALHOTRA
Managing Director,
Tiger Logistics

The logistics industry faces challenges such as under-developed material handling infrastructure, fragmented warehousing, multiple regulatory and policy-making bodies, lack of seamless movement of goods across modes, and minimal integrated IT infrastructure. In order to develop this sector, focus on new technology, improved investment, skilling, removing bottlenecks, improving intermodal transportation, automation, a single-window system for giving clearances, and simplifying processes would be required.

Key policies that should be implemented for industry's well-being:

- Required dedicated Minister/ Ministry for Logistics Industry of India
- Dedicated enhanced funds are required for the industry growth
- Easy banking support would be provided to private players to grow further
- Funds are necessary in restructuring and rapid growth of individual organisations
- Restructuring and attention required on this emerging and fastest growing industry
- Tax reformations are required in some import and export functions
- Logistics training should be implemented under Skill India program (Heavy manpower industry but lack of skilled man power)
- Logistics institutions are also required, logistics syllabus should be in courses.
- Focussed IT infrastructure support by government of India.

Jayyannt Lapsiaa, President, AILBIEA addressing the gathering. On the dias L to R: **Yashodan Wanage**, Dy. Chairman, Mumbai Port Trust, **N B Godrej,** Managing Director, Godrej Industries Ltd; **B Bhattacharya**, Principal Chief Commissioner of Customs, Mumbai Customs, Zone 1; **M P Taparia**, Chairman, Supreme Petrochem Ltd; **S Thirunavakarassu,** Sr. Manager-Indirect Taxation-M/s. Hindustan Unilever Ltd; **G.Chandrasekhar,** Senior Business Analyst and advisor to the Association.

AILBIEA celebrates its 20th anniversary

At the anniversary celebration, major port operators and Customs department pledged their continuous support to the liquid bulk trade

by Hemang Palan

All India Liquid Bulk Importers and Exporters Association (AILBIEA) celebrated its 20th Anniversary in Mumbai on April 6, 2019. The day-long event concluded with an Award ceremony which was attended by industry leaders, industrialists and senior bureaucrats of Government of India. Delivering his welcome address at the Awards event, AILBIEA's President, Jayyannt Lapsia said, "The time is ripe for Government of India to establish a dedicated Exim Ministry to sort out impex related issues in the country." "Many minor ports in India do not have the custom stations within port-complexes required for speedy and efficient clearance of goods. It is a major cause of concern for our association," he added.

G Chandrasekhar, Advisor to AILBIEA, said, "The year 2018 was very challenging for our sector considering the trade fiction witnessed between two giant economies: USA and China. I anticipate 2019 worse than 2018. Although the growth momentum is likely to continue in India in the post-election months May 2019 onwards, the sector might face innumerable challenges. I foresee crude price to go down and settle at around $55 a barrel and $-Re rate to hover around ₹67 in this fiscal." Bani Bhattacharya, Principal Commissioner of Customs-Mumbai, said, "Our endeavour is to pursue huge reforms in our department for the benefit of impex stakeholders. Our initiatives like 'Toorant Customs' and thrust on self-assessment by Indian importers have been lauded by the industry leaders. Our target is to place our Customs among top 50 Custom departments of the world."

Yashodhan Wanage, Deputy Chairman, Mumbai Port Trust, said, "To enable speedy and efficient discharge of liquid bulk cargo at Mumbai Port Trust, we have planned a dredging exercise after monsoon at an investment of ₹100 crore. Also, plans are afoot to enhance liquid bulk storage capacity at our port complex, and more pilots are being hired under contractual obligations to address their shortage at Mumbai Port." An interesting and poetic key-note address delivered at the event by Managing Director of Godrej Industries, Nadir Godrej highlighted the pivotal role played by AILBIEA in the interest of the nation.

Prominent personalities who were honored at the Awards-night include: Ramniklal Gosalia (Founder, RSG Chemicals) and T K Kannan (CEO, Adani Wilmar Limited).

AWARDS CONFERRED AT THE EVENT

- AILBIEA lifetime achievement award to Ramniklal Gosalia, Founder of Ramniklal Gosalia & Company
- The most enterprising CEO in liquid bulk trade to T K Kannan, CEO of Adani Wilmar Ltd.

AILBIEA Stellar Awards:

- Tej Contractor - For the most promising youth in Exim Trade for the year 2018-19.
- FFFAI - Special Trophy for successfully hosting FIATA World Congress for the first time in India in September 2018.
- N Sellappan, Director-Logistics and Operations, Jupiter Dyechem Ltd, for being the outstanding officer in the liquid bulk trade
- Krishnapatnam Port Company Ltd for significant growth in the port sector.

Focused to be 'future ready'

JNPT is the only Indian port to number among the top 30 container ports globally in the Lloyds Report. Continued development of port-led infrastructure is driving the next phase of transformation at the port making it future ready. The next goal for **Sanjay Sethi, Chairman** of this major port is to number among the top 15 global ports

by Omer Ahmed Siddiqui

Q You recently took charge as Chairman of JNPT. What is the agenda before you in this role?

JNPT is on an incredible growth path which reflects in our performance, as we have already crossed the 5 million teus milestone in container handling for financial year ending 31st March 2019. We have firmly consolidated our place as the number one container port in India and are also ranked amongst the top 30 container ports across the world.

So now our focus is to enhance our operational efficiency and capabilities to be among the top ports globally and we already have taken significant steps in that direction. We have completed dredging the navigational channel from 14mts to 15mts which will allow larger vessels up to 12,500 teus capacity to dock at our Port. Even in the global market, the vessels are getting bigger to account for the increasing demand of business and this strategic move will equip us to handle these large consignments, automatically leading to more container traffic and business growth. We are also developing a 'Free Trade Warehousing Zone' at JNPT-SEZ, which will accentuate our Port based SEZ as a preferred investment destination for both domestic and global companies. The growth of the SEZ project will not only benefit the companies who are there but will also provide huge scope for employment and development for the local community, thus contribute to the nation's growth. So in a nutshell, the agenda is to sustain our growth trajectory and also focus on port development to provide state of the art infrastructure that matches global standards.

Q How has the last financial year been for the Port?

The financial year of 2018 -19 was a momentous year, both from a business perspective and for the overall port development. We continued to up-scale our growth and closed the financial year (31st March 2019) at 5.13 million teus marking a 6.2 per cent growth over the last financial year. Another feather in our cap was the container traffic handled in March 2019 alone, 4.71 lakh teus, is the record highest traffic handled for any month.

The JNPT SEZ is fast turning up from an idea into a visible realty. Spread across 277 hectare of land the multi product industrial hub was conceived under the aegis of Sagarmala programme of the Ministry of Shipping and out of the 450 acres of leasable land for development, 75 acres of land have been allotted to 16 investors and JNPT has collected a premium of ₹630 crores by allotting to successful bidders through tender procedure.

With the overall port expansion there will be increase in the container traffic on the roads, so JNPT has taken up the road widening work of NH-4B, SH-54 and Amra Marg from 4 lane to 6/8 lanes and construction of grade separators at critical junctions for smooth evacuation of cargo and least inconvenience to the non-port traffic. Other noteworthy developments include the commencement of operations at Phase 1 of the Fourth Terminal. The second phase of the terminal will be ready by 2022 and it will push the total Port capacity to over 10 million.

To boost the hinterland cargo, we also have some strategic projects like the development of dry ports at Wardha, Jalna, Sangli and Nashik, developing a coastal berth with liquid cargo handling capacity and many other port led Infrastructural projects underway, which will drive the next phase of transformation of the Port.

Q JNPT has made its place among the top 30 container ports globally in the Lloyds Report. How has the port been able to achieve this feat?

Over 53 per cent of the country's total major port's container volume and 32 per cent of the nation's overall containerised ocean trade is handled by JNPT. The main reason for the success of JNPT is our focus towards being a 'future ready' port and our commitment towards 'value-add' to our stakeholders. We are aligned to the Sagarmala Project and are focused on the five factors critical for the project - port modernisation, infrastructural development, port led industrialisation, creation of a special economic zone and community support. JNPT has systematically invested and evolved all these key parameters and developed into a port that holds a prominent place among the most modern ports across the world. JNPT is constantly innovating and up-scaling operations to not only meet global market demands but also to provide seamless customer service and ease of doing business. Being the only Indian port in the top 30 list of container ports globally is a validation to our efforts and we are now scaling-up our capacity and operational efficiency, to be one amongst the top 15 ports globally.

Q Tell us about the recent measures implemented by the port to facilitate trade under ease of doing business?

We already have a slew of initiatives under 'Ease of Doing Business' which can be segmented into three folds – digitisation, simplification of processes and upgrading infrastructure. Under digitalisation, we have implemented RFID enabled gate automation, E-Delivery orders, online un/berthing, elimination of Form 13 and Form 11, Inter-Terminal Transfers of trailer trucks (ITT) services and was also the first port in the country to implement logistics data bank tagging of containers, which helped the trade to get real time information about the location and movement of the container during transit. Direct Port delivery (DPD) & Direct Port Entry (DPE) services, encouraging modal shift of cargo movement from road to rail by rationalisation of tariffs for rail to be at par with road tariffs and gate window time reducing from 6 days to 4/3 days are some initiatives under simplified processes. While developing container holding yard, system integration for faster port clearance, developing centralised parking plaza and offering land for setting up of laboratories in the proximity of the port are some of the infrastructure upgrade in progress. In addition, for faster evacuation of cargo we have mega road infrastructure development project underway at an investment of ₹3000 crores. All of our efforts towards 'ease of doing business' to enhance the quality and efficiency of trade, was lauded when JNPT was credited for helping India leverage its position in the World Bank Ranking in trading across the borders, from 146 to 80, a jump of 66 points!

Q What measures is the port taking to scale up capacity and enhance operational efficiency?

Talking of enhancing operations, under the Ease of Doing Business initiatives we already have 48 per cent of the import cargo handled routed through DPD system and our ITT service has helped the EXIM community to save fuel worth more than 12 crore and trade cost saving of close to 211 crore, till date. We already are on-course with the development of the Fourth Terminal which will increase our capacity handling to 10 million teus by 2022. We also have the JNPT-SEZ project in progress which will set a benchmark for port led industrialisation. The development of FTWZ will further enhance SEZ as an attractive investment destination for the domestic and global players.

The ₹3000 crore road development project is in progress and 70 per cent of the work is completed and schedule date of completion is December 2019 which will help in faster evacuation of cargo. JNPT is also encouraging modal shift to rail and to promote this, we have equalized the cargo handling rates for both road and rail.

In addition to these initiatives, we also launched our App service, both iOS and Android versions to help the EXIM trade community have access to all relevant information right at their fingertips. This was an important step towards digitalisation of the Port.

Q How is the coastal cargo movement happening through the port? What are the commodities and volumes moved last year?

In the financial year ended March 31, 2019 JNPT handled 4.68 million tonnes of coastal cargo which includes POL, cement and chemicals and other liquids. It is estimated that, if coastal shipping of about 180-200 mmtpa can be achieved from current and planned capacities across coal, cement, iron and steel, food grains, fertilizers, POL by 2025, the trade can save about ₹10,000-15,000 crore annually. One major reason that coastal shipping has been unable to pick up in the country is due to the lack of suitable infrastructure supporting movement through the coast. So JNPT is developing dedicated coastal berth of 2.5 mtpa which will be ready by July 2020, to promote coastal shipping as a mode of freight transportation.

Q What is the status of Direct Port Delivery container movement at JNPT?

The implementation of DPD service has been one of the key strategic initiatives at the Port, benefitting both, the EXIM community and the Port business at large. Today we have close to 50 per cent of the container traffic routed through DPD service and this has not only reduced the transaction cost and time but has significantly increased the overall operational capability and efficiency of the Port.

Q JNPCT has recently significantly brought down its cargo dwell time. What were the steps taken to make this possible?

Services like ITT (Inter Terminal Trailer) movement, Direct-to-Port services, encouraging modal shift of transport from road to rail, automation of regular procedures and digitisation of processes in order to avoid delays due to manual intervention, are some of the key steps taken at the port to enhance the efficiency and benefit the EXIM community. mg

L to R: **Andreas Sohmen-Pao,** Chairman, BW Group and Singapore Maritime Foundation; **Edit Yeung,** Partner, 500 Startups; **Chan Chun Sing**, Minister for Trade and Industry, Singapore; **Teo Siong Seng**, Managing Director, Pacific International Lines; **Samuel Tsien,** Group CEO, OCBC Bank

13th Singapore Maritime Lecture

Representatives from government and private sector deliberated on the changing market dynamics and how Singapore should brace to retain its position as a global maritime hub

Q Andreas Sohmen-Pao, Chairman, BW Group and Singapore Maritime Foundation: The World Trade Organisation had conducted six trade rounds in its first seventeen years and it has failed to conclude a single round in the past 22 years. On the other hand there has been progress in bilateral and regional deals – EU Singapore, FTI Mercosur and ASEAN. Should we be concerned with the negative headlines or encouraged by the progress in the deals?

Chan Chun Sing, Minister for Trade and Industry, Singapore: I think we should be both. If we look at the longer term trends then we need to start from some other fundamentals. Where is the greater growth in terms of population and market demand? And that's likely to be in Asia including China and India. Where are the resources likely to come from? It will be from Africa, Australia and South America. The final demand will be in Asia and supply will be from some of those places mentioned above. And more interestingly, where are the intermediate points where the global value chains are required to trans-route? Where are the manufacturing hubs for tangible products? Where are the nodes that will provide the non-tangible services that need to accompany this?

To me answers to these questions will help to understand the global trade flows in the longer term perspective. This part I think is a positive sign and gives us a sense of optimism as many of the trade groups will have to come to this part of the world to fill the final demand. Having said that there will be some short-term turbulences because as you have mentioned there are trade issues to be sorted out between US and China, but more importantly I think the world is also seeing a change in the production chains. What previously was manufactured in China will no longer be so in future. Then the question is where will the hubs of manufacturing relocate? Will it be in South East Asia, East Asia, South West Asia and so forth? So we really need to connect those dots.

No country today would be able to produce everything by itself. So the need to trade or shift things around the world is inevitable. We need to distinguish between the trade flows which might be shifting over times v/s the overall trade bodies that will be determined by the first set of factors that I have mentioned.

My long term perspective is – the trade flows and trade bodies in this part of the world will continue to grow. In short to medium term – there will be shifts in global trade flows because of the shifts in global production chain. And for us it is not the net positive or the net negative which we should be careful about, especially for a small country like Singapore, we should position ourselves carefully in these changing production and trade flows.

Q Andreas Sohmen-Pao: How confident are you that this regional trade pact will be completed? How much do domestic elections effect the outcome?

Chan Chun Sing: I think there is no need for arguments on benefits of CPTPP or any bilateral or multilateral agreements. "If economics run the world, then the world would be a better place." The theory of comparative advantage then is almost inevitable. But economics are often defeated by politics. Trade and globalisation is a net plus for everyone, but it doesn't mean that it is a net plus for everyone in the country. There will be people who gain with more and some will gain with less. But what is inevitable and needs to come with globalisation and trade is that all of us need our domestic jurisdiction to make consequential adjustment. Many of us who don't adjust do not progress and when a broad middle class is unable to progress then they ask the question – why do

they need to support the global free trade system? They rebel against the global free trade system and will also fight against adoption of technology that caused them to be displaced from their previous jobs. For our countries to benefit from free trade, those consequential adjustment are important.

Q Andreas Sohmen-Pao: What do you see happening on the ground with regards to trade? The global trade intensity is declining. Some of the observations are: Since 1990's to 2007 trade volumes have grown 2.1 times the GDP, but since 2011 they have only grown 1.1 times GDP. Cross border bank loans have declined to less than 60 per cent of GDP?

Samuel Tsien, Group CEO, OCBC Bank: It is a good observation that growth in trade with respect to GDP has come down, but there is still growth, it is not a negative growth. And secondly it is reasonable for services trade to grow faster than commodity trade. In the world where the middle market is gradually developing, the demand for services will increase. This doesn't mean that services can only be expended by the domestic market, there are a lot of cross border services that are happening. In broader sense of cross border activities service trade has increased. Companies extending services that are not available in domestic market and exploring overseas markets is an important element of capital flow as well. Overall,

Chan Chun Sing, Minister for Trade and Industry, Singapore, shows the direction for Singapore to become the future maritime hub

Today, 70 per cent of the global maritime economy transits through the Singapore strait. But things can change very quickly tomorrow. We would be mistaken to think that our hub status is predestined. The question is – What will determine Singapore's future as a maritime hub?

As the shipping industry redesigns its business models for the 21st century, Singapore must also rethink its maritime strategy. Our continued status as a global hub port and international maritime center will depend on how well we can navigate the challenges and opportunities that come to fore with these driving forces.

We have and will continue to establish linkages with key markets. The CPTPP and our ASEAN agreements and initiatives allow Singapore based businesses to plug into the growth of the region. For instance, once the EU-Singapore FTA comes into force, qualifying exports out of Singapore will benefit from a network of 25 trade agreements with 64 trading partners. Maritime businesses can look forward to privileged access to even more markets through upcoming FTAs like RCEP and MERCOSUR.

We understood the vagaries of global trade flows, so we reimagined what it means to be a maritime city of tomorrow - Not a localised port operator, but a global maritime platform that transcends our geography. Earlier this year we launched the SWRIC (Singapore War Risk Insurance Conditions) to provide war risk insurance cover for ships, including those not registered in Singapore. We are happy to welcome new P&I (Protection & Indemnity) clubs into Singapore – West of England, Steamships Mutual and Britannia.

Training initiatives like MPAs Maritime Cluster Fund and new education programmes like SMU's Maritime Business Operations Track help to nurture a pipeline of Singapore maritime experts to support evolving industry needs. To grow alongside shipping lines and alliances, we will boost our port capacity and enhance efficiencies. The future Tuas terminal will have a capacity of up to 65 million teus. It will be equipped with higher level of automation – PSA is testing automated guided vehicles to transport containers between quayside and container yards 24X7.

Finally, we must defend the open rules-based global trading order. The multilateral trading system has underpinned global economic growth and development for the past few decades. It provides predictability and stability through a set of rules agreed by all 164 WTO members.

Data will be an essential element of the Singapore platform, which will be open and connected, as opposed to balkanized. This is so that all can participate in global connectivity. The ASEAN single window which is now live for Indonesia, Malaysia, Singapore, Thailand and Vietnam, allows traders to benefit from expedited cargo clearance and reduced paperwork. At the same time, Singapore's networked trade platform brings together government certification and third-party commercial services onto a single platform.

As more and more companies and countries share platforms to enhance B to B and B to G operations, we will reap greater efficiencies in time and cost. The networked trade platform and Calista are such examples. Regardless, if the trade flow physically flows to or flows through Singapore, they can all benefit from the network efficiencies by trading on this Singapore platform.

To truly succeed as a maritime hub, we must see physical trade not in isolation, but as part of multifaceted connectivity that includes data, talent, technology and finance flows. Our selling point has to go beyond our geographical location and our reputation as a "catch-up-port."

I will not say that this is a worrying sign, but a natural development. It is however something to watch for in the event we start seeing trade go into negative growth. We are still experiencing 3-4% growth every year, but as a percentage of GDP it has come down. Provided the GDP of major economies are growing, I think this particular point could be explained and acceptable.

Teo Siong Seng, Managing Director, Pacific International Lines: We believe in container shipping we only saw a boom in late 90's, later on there was a down turn during the 2000 financial crisis and it picked up again in 2010. Last time the growth was achieved in Asia, Europe and transpacific. I remember when I attended the box club they said that for every one percent GDP growth in North America it is 10-11 per cent volume growth. In Europe one per cent growth in GDP is eight times the volume growth. But in certain economies like Southeast Asia, Africa and Latin America, the GDP growth doesn't result in multiple volume growth. I think the economy structure is different here so the GDP growth will not be tens of times of volume growth as we have seen before.

The consumption pattern is changing and is moving to Latin America, Africa and South Asia where GDP growth is positive. It will change the size of ships being deployed. You need to be watchful as to where cargo is growing and deploy logistics assets accordingly.

Q Andreas Sohmen-Pao: Do you see more intra-regional trade as opposed to the normal?

Teo Siong Seng: The most promising market is currently in ASEAN that has 650 million population, half of which are less than 20 years old. Cargo is moving from Nigeria to neighbouring countries which has never happened before. The African countries are exporting - I see rubber being exported from Nigeria to Asia. There is lot of regional trade growing intra-ASEAN, intra-Latin America and intra-Africa.

Q Andreas Sohmen-Pao: Do you see technology changes by automation, fast fashion and e-commerce affecting trade, demand and supply patterns?

Edit Yeung, Partner, 500 Startups: In terms of investment we are focused at consumer Internet and technology. For any Chinese investor to invest in Silicon Valley now the scenario is different. During the Obama years about 90 per cent of investment proposals would get approved, but during the Trump years as much as 60 per cent get approved. Many of the Chinese Bank Venture Capital funding have been informed that they will not be welcome to invest in Silicon Valley. In terms of M&A, in the last 24 months Alibaba's bid to acquire Money Gram and Broadcom's bid to acquire Qualcomm have been blocked. As we invest in Internet so there are no physical assets to deprive us per say, Chinese investors will have a very hard time in investment or acquisition of anything related to ecommerce payments, which is mainly what Alibaba intends to focus on. They are not focusing on what's happening in Southeast Asia. Just to start with Alibaba acquiring LAZADA – lot of these Internet giants are first thinking about payment as infrastructure for commerce. So we will see more Chinese investments going into payment related infrastructure.

Q Andreas Sohmen-Pao: There seems to be increased centralisation in policy making and how is that affecting logistics and shipping in Singapore?

Chan Chun Sing: If we look at the Chinese economy over the past decades, we have always seen some forward-backward movement in terms of policies and that reflects in having tension in Chinese macro economy. On one hand I think it's quite clear to the Chinese leadership that they will like the private enterprises to drive the productivity and growth in their economy. They will be increasingly integrated with global economic system. The greater they rely on the private sector to drive growth the greater they will need to integrate with the global economy. On the other hand the Chinese political system is such that they would also like to find a way to manage the social issues that come with it. The longer term trend will always be that the Chinese economy will be more integrated with the world's economy.

Q Andreas Sohmen-Pao: From a lending perspective there has been a clear shift towards state-owned enterprises, so what's the impact on the private sector?

Samuel Tien, Group CEO, OCBC Bank: The Chinese government has also desired to make funding available to the local private enterprises and to SMEs. During the previous cycle the focus was to direct the growth in economic activity in the local market. And this is what happened in 2008 and 2009 when four trillion RMB was pumped into the market, banks were instructed to grant loans to all sectors and primary sectors were clearly defined. It was well orchestrated and the privately-owned and small enterprises benefited.

In the recent cycle, the private enterprises and SMEs will not be able to garner as much funding as they got in the previous cycle. In a way the centralised economy is not functioning as effectively as before. The majority of the state banks are trying to make independent decisions on credits whether to fund or not. On the other hand there is pressure from the central government to lend more money. The bank management is responsible for lending and also for bad debts, if they happen. This has triggered more corporate governance than earlier.

Q Andreas Sohmen-Pao: How do you see Belt and Road with respect to Singapore?

Chan Chun Sing: If we look at internal to China, the norm of infrastructure spending, then we can say the belt and road is expected. The belt and road initiative beyond China's border to me is again fully expected. Any growing economy will definitely try to secure its supply chains and access to markets. The execution of this project has to be based on market principles to make it a success.

Andreas Sohmen-Pao: Can we expect government will continue its proactive support to maritime sector?

Chan Chun Sing: Yes. How does a city state like us survive? Trade is our lifeline, so we need to be connected to the world just like the Internet. My hypothesis is that in the past we always had to connect by land, air and sea. Going forward we will supplement these three dimensions of connectivity with talent, technology, data, finance. Our growth will never be constrained by our geographical size or location. If we can do this, in next 50 years, there is nothing stopping us from achieving much more than what we are doing now. mg

Shipping's transition to a cleaner future will come with a costly lesson

Biofuels, batteries, or hydrogen – if you want to take the carbon out of the fuel, those are your three powers. And none of them are even close to being at the scale required to achieve our objectives (today).

L to R: **Soren Toft**, Member of the Executive Board and Chief Operating Officer, A.P. Møller-Mærsk; **Andreas Sohmen-Pao**, Chairman of BW Group and Singapore Maritime Foundation; **Erck Rickmers,** Chairman of E.R. Capital; **Tan Chong Meng**, Group CEO of PSA International; **Teymoor Nabili**, Journalist, Broadcaster and Managing Editor of The Signal.Asia (Moderator).

The global shipping industry's move towards a greener future is a step in the right direction, but it will come with teething plans. This was the consensus by the industry heavyweights at the Sea Asia Global Forum, when the spotlight inevitably fell on the International Maritime Organisation's (IMO) upcoming sulphur cap. It will start in less than nine months. Shipowners will have to comply with the new sulphur emissions limit of 0.5 per cent by January 2020, instead of the 3.5 per cent today.

Industry veterans at the discussion agreed compliant fuels are the way to go, but pointed out that the urgency of the IMO deadline is pushing shipowners towards exhaust gas cleaning systems, or scrubbers, which are not the end-solution to the carbon problem.

Price is high

The results could be costly. Soren Toft, Chief Operation Officer of Danish shipping conglomerate A.P.Moller-Maersk said the use of scrubbers neither solves the problem nor adds value to customers. He stressed that the best solution is for sulphur to be removed from marine fuel at the refining stage. But for the near term, scrubbers are "too good an economic argument" for companies to ignore, compared to other solutions, even at Maersk. While the world's top shipping line has been an outspoken critic of scrubbers, it is set to install $263 million worth of such cleaning systems on some of its vessels, as part of its overall fuel sourcing strategy to ensure timely compliance.

Group Chief Executive Officer of PSA International Tan Chong Meng also weighed in on the issue. "Since we're so close to the deadline administratively and strategically going on this desulphurisation route … is actually one fraught with a lot of lessons for all of us," he said. "Indeed the answer is to change the fuel not to change the vehicles that use the fuel" he added, noting that with scrubbers, sulphur will still end up in the atmosphere.

Pointing to the $15 billion shipping industry is expected to incur in compliance with the landmark regulations, Tan noted that better results could have come about if this money had been invested in desulphurisation efforts earlier on. "It demonstrates that the world has systemic issues … and systemic issues must be solved out of a multilateral re-writing of the rule book" he said. "This is not the case now. We will get it right on the second time, the third time, but certainly not on January 1, 2020."

Still Andreas Sohmen-Pao, Chairman of BW Group and Singapore Maritime Foundation, noted there has been good response and preparation for IMO2020, which is likely to be "less disruptive" than previously anticipated.

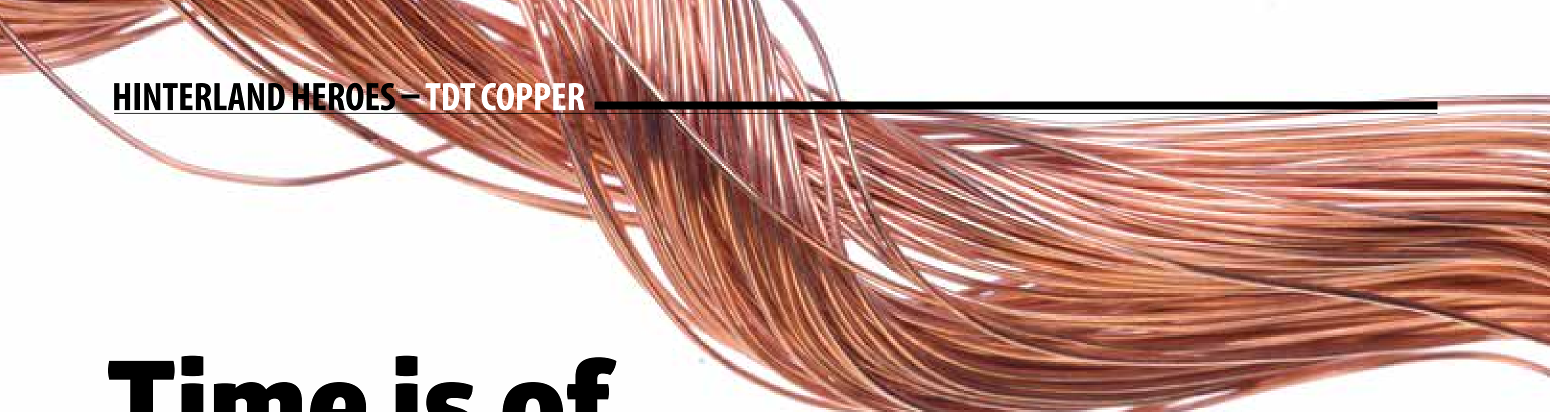
Target 2050

The bigger question, he said, was how the global shipping industry is going to get to IMO's 2050 target, which calls for shipping's greenhouse gas emissions to be halved compared to 2008, or a carbon-free future.

"Biofuels, batteries, or hydrogen – if you want to take the carbon out of the fuel, those are your three powers. . And none of them are even close to being at the scale required to achieve our objectives (today). We have to work at it" he said. Sohmen-Pao believes a carbon tax – a concept he has long mooted – can push for more decisive action on carbon emissions.

Besides environmental and regulatory pressures, panellists at the event, which is part of Singapore Maritime Week, also tackled other topics from global trade to talent to digitalisation. Erck Rickmers, Chairman of E R Capital, said technology will be a game changer for shipping. "Shipping has been lagging behind," he said, noting that one ship related obstacle is the high cost of satellite communications. "But this also increasingly is being addressed, and I see no reason why shipping won't be as digitalised as it should be."

Maersk's Toft added, "Digitalisation has finally hit shipping and it will be for the long term. There will be more transparency, everything is going to become more public, and there will be a need to collaborate with others in completely different ways. Digitalisation is a big short-term change and a long-term trend." mg



Time is of essence for high value cargo

More than the cost of logistics what actually matters is the timely movement of cargo from the factory premises till it boards the desired ship, avers **Parimal Das, Head Marketing of TDT Copper** – one of the largest copper exporters in India

by Vijay Kurup

Logistics becomes a critical element in the costing of a product, particularly when it comes to the movement of high value cargo. Parimal Das, Head Marketing, TDT Copper Ltd, was acutely conscious of this fact whose consignments were extremely of high value.

India is not self-sufficient in the production of copper ore. Copper is imported in the form of copper ore & concentrates, refined copper, copper & alloys, brass & bronze, scrap, worked (bars, rods and plates), etc. Consumption in India is set to expand by more than 15 per cent. Demand will continue rising, reaching almost 2 million tons a year in the next decade,

TDT Copper Ltd is the largest stand-alone CCCR Plant (Continuous Cast Copper Rods) in India with annual capacity of 79,200MT. They import copper in the form of cathodes which is the raw material for many downstream products which are used in telecommunications, power cables, building wires, railways and metro railways, transformers and automotive industry. After processing, the products are either exported or sold in the domestic market. Their export amount to 200 teus per month and import about 1200 teus per month.

For Das time is of essence. He can ill afford to wait for empty containers to load his cargo. He rues over the fact that there is substantial fragmentation between various stakeholders. To get an empty from a shipping line is by no means easy he claimed. The delays, more often than not, are inevitable. "It was not under a single umbrella," he claimed. There should be a single agency which looks into the availability of containers, transports it on time and makes it available to the exporter for use. "It happens in other countries, why not here?" he asked. There was no such agency here. Often he finds that the empty containers were not available at the required terminal.

Further he states that once the containers are on the move, there are still delays at various stages in the intermodal movement. The transit time for his containers from his factory premises to loading onto the vessel ranges from seven to 21 days.

Many of the maritime conference dwell on the aspect of diminishing rail movement with roadways getting a major share. Das on the other hand is not particular on either mode of movement. Cost was not a major factor. His only concern was delay - time which largely overrode his concern for the differential in transportation costs. He said that on an average the cost of his shipment was about 1.5 crores. The daily interest accrued on the shipment was about ₹3000, which made the time factor very critical.

He also bemoans the fact that some shipping lines have stringent and intransigent rules which mitigates against smooth movement of cargo. The lines needed to step in to ensure that the movement of the cargo was smooth.

Documentation he feels requires improvement. The number of documents required for export or import are still far too many, the facility of single window clearance notwithstanding.

Further, he claimed that genuine errors such as spelling mistakes, come under intense scrutiny which delays the whole clearance process interminably. Multiple documents are involved and these come from various agencies which paves way for errors to creep in. Elementary errors that have crept in should be disposed off promptly. He concedes that errors should be avoided, strictness should be there, but the redressal system should be prompt and not be punitive in nature.

Das says there is little percentage in claiming that we have reduced time from 60 days to 50 days. More importantly we need to benchmark with countries. Where do we stand vis-a-vis them? Those parameters would give us a fairer idea of where we stand.

When he gets an import shipment from japan, he is notified of the status ab initio, in every stage of the shipment, regardless of any glitch in the movement. They too have multiple agencies. If they could function so synchronously, why couldn't we, he asked? However he hastens to add that he was not a pessimist and things were not too bad in the Indian context. At least, he adds with a wry smile, the officials were willing to meet and talk and listen to you these days which itself was very positive. mg

Exploring new markets

"We have exploited only 15 per cent of the granite reserves in India, so there is huge potential to increase production and explore newer markets," reveals **Sukumaran of Sati Exports India Pvt Ltd**

by Omer Ahmed Siddiqui

Not many may know that the Vietnam Veterans Memorial in Washington DC is built with granite exported from India. "There is a huge demand for Indian granites across the globe with US being among the major export destinations. At present Indian exports cover all the major continents. The granite industry in India is valued at Rs.25,000 crores, and 85-90 per cent of the granite produced in India is exported. Approximately exports accounted for $1.6 billion during the last year," shares Sukumaran of Sati Exports, a leading granite export house in India. About 98 per cent of the granite produced at Sati is exported, while a negligible 2 per cent is distributed in the domestic market. In the domestic market demand is seen growing mostly in Western India and Southern India because of the huge construction industry.

The current market condition is good even though the industry continues to jostle with challenges like fluctuating currency market and the recent one being President Trump's announcement to abolish zero tariffs enjoyed by Indian granite exports under the Generalised System of Preferences (GSP) program.

The company operates through three processing units – two of them are located in Hosur, Tamil Nadu and one in Ongole of Andhra Pradesh.

The company is constantly on the lookout for exploring new markets and this helps to set-off the fluctuations in the traditional markets. Some of the new markets the company has ventured into recently include Africa, Libya, Lebanon, Syria, Iraq and besides Poland, Italy in Europe. Our trade to USA is also on the growth path, says Sukumaran. Majority of exports are moved via Chennai, Krishnapatnam and Mundra seaports.

Pointing at the challenges faced while moving exports, Sukumaran says, it's basically human factor resulting from lack of coordination. "All freight forwarders should complete their work in a time bound manner because delay in shipments and submission of documents adds to our costs." Availability of empty containers is a major concern and repositioning of empties adds to the export cost. Another concern that could be attributed to the nature of the business is damage to containers. "Damage to containers has been one major issue which all shipping lines tried to exploit last year. We suffered some losses in the damage issue to containers especially in Middle East market."

Detailing on how government can support the industry growth, Sukumaran says, licencing of quarries is one issue GOI can consider seriously. We have exploited only 15 per cent of the total reserves of Granite, so there is ample scope for mining. Duty drawback should be speedily given. After implementation of GST things have improved as EGMs are closed faster. GOI should enforce all Additional Collector of Customs for closure of EGM by the respective department/port customs immediately after shipment or one month after shipment. Prior to 2018, EGM closure used to be a major hurdle since exporters were made responsible for closures. There were instances when exports had taken place, realisation have come but yet EGM are not closed with remarks – Stuffing inspection pending. On priority, GOI should address closure of all SBs up to 30 June 2018 by June 2019. Any EGM pending for more than 15 days has to be in DC 's notice and remedy done. mg

Leading through innovation

Constant innovation enables Liebherr to adapt any changing market trend with ease, be it automation or emission reduction. The equipment manufacturer has become the first choice of cargo movers, be it on-shore or off-shore, reveals **Sunil Kalra, MD, Liebherr India Pvt Ltd.**

by Hemang Palan

Q Since ports and terminals on Indian coast are reaching a saturation point, where does Liebherr see business opportunities?

- Majority of seaports in India are slowly reaching saturation point, however, there is an opportunity in inland waterways terminals. Liebherr has already delivered few units of harbour mobile cranes at Varanasi and Sahibganj terminal on NW-I.
- The vessels arriving Varanasi via the river Ganges will be loaded and unloaded by Liebherr mobile harbour cranes type LHM 180. Both Liebherr mobile harbour cranes are running with a 390 kW Liebherr diesel engine and provide a maximum lifting capacity of 64 tonnes in four-rope configuration.
- Indian government has declared 111 national waterways to be developed in phase manner, wherein we see huge potential for smaller mobile harbour cranes.
- Further, there are plans for transferring outdated port areas in urban development with waterfront and warehousing functions. This is a logical development and incase port functions can be shifted in deeper water, this will be encouraged; absolute priority should be given to direct hinterland connections taken into account autonomous traffic growth.

Q Since the maritime sector is rapidly catching up with automation. How is Liebherr tailoring its products to meet these change?

Liebherr container cranes offer various levels of automation on its products from productivity aids, such as anti-sway and auto steering through to full automation packages. The level of automation supplied will depend on customer requirements and operational specifications.

Yard cranes can be supplied fully automated with a remote operator station for manual and exception handling.

Automated ship to shore container cranes typically have an automated landside with manual handling below a safe height on the seaside.

Q Global port community is moving towards eco-friendly and zero emission operations. How is Liebherr tailoring its products to become eco-friendly?

The new LPS 420 E is the latest extension of the Liebherr mobile harbour crane product range. The machine is a purely electric driven portal crane. It is a universal all-rounder and a key asset for handling every type of cargo and heavy lifts up to 124t. The LPS 420 E raises the bar in terms of electrical driven bulk handling performance. With a turnover of up to 1,200 tonnes per hour, the new Liebherr electric crane exceeds the average turnover of comparable electric driven cranes in the market. With a maximum outreach of up to 48 metres, ships with a size of up to Panamax class can be served.

Q How is the order book of Liebherr cranes for 2019 and beyond?

Despite unstable political and economic conditions, some of which are difficult to predict, the outlook for 2019 is positive. The existing order backlog is promising and indicates that the Liebherr mobile harbour crane will continue on its successful course. We would like to thank all our customers for the trust they have placed in us. We will work hard as a team to meet their expectations.

Q As the level of automation increases there will be need for skilling of workers. How is this aspect being taken care?

Liebherr has a simulator based training facility at Vizag. Based on the original Litronic® crane control system, LiSIM® is the only realistic virtual solution available on the market for learning the precise and innovative control of Liebherr maritime cranes. Wide-ranging functionality is essential for the simulation of daily routines and extraordinary situations that machine operators face in the real world of maritime cranes. Due to the flexibility of the virtual environment, users can run through any load-handling situation and simulate harsh environmental conditions when required.

Ramp up LNG infrastructure

To feed the growing energy demand Bangladesh is banking on increased LNG imports and is ramping up infrastructure to pump in more of gas into the national grid

by Narasimha Rao

Bangladesh's natural gas production currently is at around 2.75 Bcf/d against demand of nearly 4 Bcf/d. The newly formed government in Bangladesh has mooted to bridge the gap in demand and actual production of gas through LNG imports. The imports can help in bridging the gap with 300,000 Mcf/d of re-gasified LNG, which can be supplied to the national grid from the Floating, Storage and Regasification Units (FSRUs) and land-based terminals.

LNG Imports

The country's LNG demand is expected to touch eight million mt/year by 2023. Therefore, Bangladesh will start importing LNG with a targeted import volume of 17 MTPA in 2030.

LNG infrastructure projects

The introduction of inexpensive floating storage and regasification units (FSRUs) has been a further boon to the less-developed nations like Bangladesh. Moreover, LNG receiving terminals that use FSRUs can be installed at lower cost and constructed within a shorter period.

Bangladesh's maiden FRSU located offshore Moheshkhali Island in the Bay of Bengal was built by Excelerate Energy and it was commissioned in August 2018. It has 138,000m3 of LNG storage capacity and a base regasification capacity of 500 million standard cubic feet per day.

Excelerate Energy Bangladesh Limited (Excelerate) has awarded Svitzer a fifteen-year contract to provide marine support services at Bangladesh's first liquefied natural gas (LNG) import terminal. Svitzer will serve the facility with a suite of five vessels, as part of the contract..

The country has imported its first liquefied natural gas (LNG) cargo from Oman Trading International through LNG tanker Cape Ann, with a capacity of about 135,000 cubic metres. The tanker arrived at the FSRU Excellence, offshore Moheshkhali Island, on January 29, 2019 after loading LNG from Nigeria. The terminal has already started delivering natural gas to the Chittagong region of Bangladesh.

Another gas transmission pipeline is currently under construction, and is being set up to supply imported LNG to the terminal.

The second floating storage and regasification unit (FSRU) in Bangladesh known by name Summit LNG is expected to complete commissioning seven days after arriving to the country on 19-20 April 2019 from dry-dock in Qatar. The import terminal will have a regasification capacity of 500m cubic feet per day. The second FRSU project is being developed by Summit Corp, a subsidiary of Singapore-based Summit Power International, and partner Mitsubishi Corp.

Summit Corp. has awarded a contract to Chinese oil and gas major CNOOC to build a 7km (4.2 mile) pipeline that connects the Summit FSRU to the shore.

Both Moheshkhali and Summit FRSUs together will have 3.75 million tons of LNG per year capacity.

Land-based LNG terminal

Bangladesh has scrapped plans to build additional floating LNG terminals in favour of land-based stations after the start-up of Excelerate's vessel was delayed by several months due to technical problems and bad weather. A land-based terminal has become the top priority for the country.

The country's efforts to ramp up the LNG infrastructure has faced some bottlenecks. As Petronet LNG's plan to build a liquefied natural gas (LNG) facility at Maheshkhali island in Cox's Bazar district of Bangladesh through a government-to-government deal has been put on the back burner. Bangladesh asked India to bid in the ongoing round for an LNG regasification terminal at Matarbari, located in Cox's Bazar. An expression of interest (EoI) was floated in January 2019. However, Petronet is not interested to bid for the Matarbari project and instead wanted a bilateral deal on the Maheshkhali terminal.

The south Asian Island nation is now seeking for developers to design and build 7.5 mtpa onshore LNG terminal at Matarbari in the Cox's Bazar district, as its first imports of the super-chilled fuel through a floating platform were delayed due to the weather and technical issues. The land based terminal is scheduled to be completed by June 2023. The companies who submit their expression of interest are expected to be shortlisted by Rupantarita Prakritik Gas Co., which is part of state-owned Petrobangla, by the end of August 2019. mg

Nepal-India petroleum pipeline

Nepal and India may shortly have a cost-effective and environment-friendly alternative means of cross border fuel supply instead of transporting it by road.

by ASL Narasimha Rao

Nepal and India may shortly have a cost-effective and environment-friendly alternative means of cross border fuel supply instead of transporting it by road. Nepalese Prime Minister KP Sharma Oli and his Indian counterpart Narendra Modi have jointly laid the foundation stone for Motihari-Amlekhgunj Pipeline project in April 2018. It is the first trans-national fuel pipeline between Nepal and India.

The project was initially conceptualised in 1995, but it has gained significance and shape only after the Nepal and Indian governments signed an agreement on August 25, 2015. Nepal has identified Amlekhgunj-Raxaul-Motihari oil pipeline as a national priority project.

The pipeline project was approved by Indian Oil Corporation Limited (IOC) at a total cost of ₹324 crore in September 2015. Subsequently, Nepal and India have agreed to invest ₹2.75 billion for the project of which the Indian Government is investing ₹2 billion while Nepal will contribute ₹750 million. The 69km long pipeline will have design throughput capacity of 2.0 million tonnes per annum.

The pipeline will bring petroleum from Motihari in Bihar to Nepal Oil Corporation's (NOCs) depot located at Amlekhganj. Pumping facilities will be installed at the IOC depot in Motihari. Out of the total 69km the pipeline will have 32.7km falling in Indian territory and 36.2km in Nepal.

Indian construction company Likhiya Infrastructures has been awarded the pipeline construction project with the completion deadline of 15 months. Simlesh Limited of Maharashtra will manufacture steel pipes used in the project.

Moti Prabha Infra Techwill wet up four vertical fuel storage tanks at the Amlekhgunj depot of NOC. These tanks have a combined storage capacity of 13,400 kilolitres. Two of the tanks can hold 3,900 kilolitres each and the other two tanks can hold 1,500 kilolitres and 4,100 kilolitres respectively. Pipe laying from Motihari to Raxaul is completed.

The pipeline project was initially stalled for two years due to slow progress in conducting a detailed engineering survey, acquiring land and calling for tenders. The pipeline laying works began in March 2018. The project was stopped again due to the forest clearance issue in Nepal, as the pipeline moves through the Parsa Wildlife Reserve and a few other community forests.

Currently, pipeline laying work is being continued at full swing at the eight kilometer stretch inside Parsa National park which is expected to be completed soon.

The Motihari-Amlekhgunj pipeline project will fulfill major chunk of Nepal's fuel requirement that amounts to 7 million litres daily. The pipeline will supply around 60 per cent of the total demand for diesel in Nepal. Currently the petroleum products including motor spirit, superior kerosene oil, high speed diesel, LPG and aviation turbine fuel are carried using tank-trucks and tankers through road movement, which is often affected by frequent road blockade at the Indo-Nepal border. IOC supplies these petro products from its Barauni Refinery and Raxaul depot in Bihar to Amlekhganj depot of NOC.

The project is aimed at eliminating the vagaries of transportation by tanker truck. About 200,000 litres diesel can be imported in an hour upon completion of the project, which would help reducing the transportation and leakage costs, which total over ₹1 billion. mg

How will BREXIT impact Sri Lanka Trade?

As the Brexit deal hangs in limbo, Sri Lanka has much to worry about its future trade relations with UK and the European Union.

by ASL Narasimha Rao

As UK Prime Minister, Theresa May has failed to garner the required support in parliament for the proposed Brexit deal, leaving the country on the verge of dilemma over Brexit, Sri Lanka, the largest exporter of garments and rubber products to UK, is pondering over the consequences of Brexit on its trade. The British parliament has so far voted against the Brexit deal on three occasions, this has brought new set of concerns to Sri Lanka.

Sri Lanka exported nearly \$3.0billion worth of goods to the European Union which were largely dispatched to the UK amounting to approximately \$1.0 billion in 2018. The European Union market access for Sri Lanka is possible because of Generalised System of Preferences Plus (GSP+) concessions, which came in to effect on the January 1, 2014 for a 10-year cycle, due to end on the December 31, 2023. Sri Lanka does not have much time to be complacent of its current status, moreover, the outcome of Brexit will have a direct impact on Sri Lankan trade.

In the event of no-deal Brexit, UK will move out of the EU overnight with no safeguards or transition periods. So, UK will no longer fall under the EU GSP+ concessions, and if it imposes higher tariffs on Sri Lanka following Brexit. The tariff escalation between Sri Lanka and the UK will effect Sri Lankan trade and may reduce its exports to the UK by 3.1 per cent, and total exports by 0.4 per cent. It could offset the country's trade redirection loss of 0.07 per cent as the garments exports from the country to UK would fall by 7.7 per cent. This can also lead to loss of the country's GDP by 0.11 per cent.

The possibility of a readjusted Brexit deal or a second referendum seems very unlikely under the circumstances in Britain. Sri Lankan exports could potentially face tariffs if UK leaves EU abruptly.

The British and Sri Lankan governments have discussed implementing potential trade agreement similar to the existing GSP Plus programme following Brexit. The discussions are primarily aimed at ensuring that Sri Lanka continues to reap the benefits through an array of measures implemented by the UK Government in the form of tariff and non-tariff concessions. But the island nation has not much to be jubilant for this development, as it is very tedious process for UK to enter into trade deal negotiations with at least 52 different nations including Sri Lanka after Brexit, which will involve a lot of legislation, and bureaucracy hassles.

After Brexit, If UK standardises its GSP schemes by introducing a single preferential tariff rate for developing countries, then Sri Lankan exporters will face an increase in competition from other developing countries for the British market.

The EU employing more protectionist policies could potentially impose impediments on Sri Lanka's trade and threaten to offset the benefits from Sri Lanka's competitive advantage derived from low-cost labour.

Moreover, Sri Lanka will lose its preferential access to the EU market when it moves to an upper middle-income country, and therefore, needs to look at other ways to increase its role in the international trade system.

However, in spite of the above possible implications, some section of experts believe that Sri Lanka will not be greatly affected by Brexit. According to Asian Development Bank (ADB) trade redirection to increase agricultural and industrial exports could offset hits to the Sri Lankan economy.

The Brexit may or may not have austere impact on Sri Lankan trade, but the island nation has to reach the threshold of the World Bank ranking of Upper-Middle Income category to be free from such international shocks in future. In the long run of course, Sri Lankan interests are best served, if they can urgently look at diversifying its export markets whilst also improving its natural competitiveness in order to protect itself from specific external interruptions like Brexit.

No more temperature fluctuations!

Va-q-tainers developed by va-q-tec operate on the concept of passive cooling and can maintain a desired temperature for a specified period of time without being plugged into any external energy source

by Vijay Kurup

There are two systems for transporting temperature susceptible cargo, viz active and passive systems. The active system had an external source to provide the energy to cool the contents. However, the passive system, in very lay terms, does not use any external source to control the heat flow. Its passive thermal packaging could be transported without input of energy from outside source, thus obviating the need for any external intervention.

The passive system consist of a combination of insulated material and temperature stabilizing media. The system would be able to keep the cargo within the specified temperature range, for a pre-defined period of transport. Like ISO reefer containers, the boxes are equipped with data loggers to record temperatures and other parameters. These preconditioned containers can be taken on rent, which can maintain the required temperature for 5 days or more.

The usage too, is versatile. For example an exporter can ask for a box that would maintain a cooling of -50 degree centigrade for a pharmaceutical product A and another box that would maintain a temperature of -10 degree centigrade a pharmaceutical product B - both preconditioned to maintain the required temperature.

The company va-Q-tec, inter alia, specialises in vacuum insulation panels, phase change materials, and low or high temperature storage materials. They are one of the leading manufacturers of vacuum insulation panels and low or high temperature storage materials and had been in the insulation industry since 2001. They have developed solutions for the carriage of temperature sensitive cargo in boxes of varying sizes which have a passive mode of cooling. Sarini Sachdeva, a consultant to va-Q-tec says that it "has the concept of a flask, but at a very high quality level."

Their containers termed va-Q-tainers range in sizes from 96 litres to 2 Euro/US Pallets. They have a payload capacity ranging from 300 kgs to 1200 kgs. These boxes are now extensively used for transportation of temperature sensitive cargo by air. At the core of this technology are a few components that constitutes this unique form of temperature maintenance:

1. Phase change Material or PCM, which help in maintaining a constant set temperature for an extended period of time up to five days or more without any input from external source. PCM had the capacity to absorb and release thermal energy (heat) during the process of melting and freezing.

A commonly used PCM was ice. Ice was a good PCM for maintaining temperatures at 0°C. An ice would maintain a temperature of 0°C, till all of it had melted, after which the temperature would rise, thus making it unsuitable for most thermal energy storage applications. A PCM on the other hand is able to maintain very low temperature for an extended period of time.

2. The Vacuum Insulation Panels (VIPs) that are used in the boxes, are highly efficient thermal insulation plates. The thermal conductivity of the VIP is almost zero owing to the vacuum created inside the plates. The thermal packaging solution is environmentally friendly.

va-Q-tec in India offers services through Forwarders and Airlines. The containers or boxes are offered on a one way rental basis for a fixed period of time. The boxes can be returned to any of their service centers around the world. In India there are two such centers in Mumbai and Hyderabad.

Digitise to unlock business opportunities

ODeX today has a user community spanning 50,000 users belonging to over 22,000 organisations. Ask **Liji Nowal, Managing Director, ODeX India Solutions Pvt Ltd**, what is driving this growing user community? She quickly points at the realisation that digitisation can unlock opportunities and create more value from business

Q Tell us about the user community of Odex? How has it grown over the years?

When we launched ODeX – there was no true community platform in Shipping in this part of the world. We wanted to create a platform where all stakeholders could experience seamless trade – through digitisation. We launched ODeX in 2015 with 1 carrier and a few hundred users. Today over 50,000 users belonging to over 22,000 organisations are all a part of ODeX.

Q What are the apprehensions of stakeholders across the maritime and logistics sector while going digital?

The major concerns that stakeholders have center around:

1. Data security & privacy concerns
2. Neutrality of the solution provider
3. Community acceptance and reach
4. Scalability of the solutions

Q What are the questions that businesses mostly ask before they join the Odex platform?

Most of the questions are on how using ODeX will improve their performance – be it in terms of time, costs or revenue. They also ask about how will getting on-board ODeX improves the efficiency of their teams. In case of multinational organisations – there are also many questions related to the sharing of commercial information, compliance with International norms on data protection and security and scalability across multiple regions.

Q Have pressures of cost and competition provided an impetus to the digitisation of the Indian maritime sector in the recent years?

More than cost and competition; there is now a realisation that digitization can unlock opportunities and create more value from existing business – while simultaneously reducing the overall cost of doing business. People are now looking beyond costs and competition. They want to see how digitisation can enable collaboration between completely different business models – like fintech & transport tech coming together to provide solutions to Freight forwarders. They'd like to understand how new technology adoption can bring them non-traditional business – for instance can adopting AI open up opportunities from a completely different business vertical.

Q How does ODeX's data security mechanism insulate it from hacking threats?

We have mult-level encryption – not just for the data, but also on user roles, access levels and passwords. There is also additional multi layered access control – thus ensuring that no admin user can compromise data security.

We also adopt continuous VAPT testing and are compliant with GDPR and other global security regulations. Even when not required by law, we comply with multiple security protocols followed by the financial services industry – to ensure that user data is safe and protected.

Q How far ODeX's solution can lead to decentralisation of record-keeping networks?

ODeX has made it easier to manage 'record keeping'. And because we have digitized the "inter-stakeholder" workflow – it's now very easy for all organisations to store and retrieve data relevant to their transactions in a secure manner.

However, we do believe that the intermediaries or service providers play a very important role as they help ease trade through expertise on the subject, understanding of underlying regulations and compliances and assessment of the risks associated with various transactions. As such, I do not see any stakeholder being replaced.

Rather, over the last 3 years I have noticed that our stakeholders have become more efficient since they are not spending time and effort on repetitivetasks and can focus on the real value-added services.

Q Is integration with cyber security policies of various maritime stakeholders a major challenge?

It is – only to the extent that we have to invest in continuous learning and improvement. But I consider it money and effort well spent since it ensures that we are always forward thinking and are able to stay ahead in terms of security and compliances. mg

Managing Unconscious Bias

A few decades down the line, gender bias will not be a cause of concern considering the progressive outlook of Indian Millennial generation.

by Hemang Palan

To discuss the severe issue of gender bias in India, WISTA India and women wing of The Maritime Union of India recently arranged a seminar on 'Managing Unconscious Bias' with the support of DG Shipping. The participants of the Seminar deliberated to foster an environment in which women are identified and selected for career development opportunities in maritime administrations, ports and maritime training institutes and to encourage more conversation for gender equality in the maritime space.

Delivering her opening address at the Seminar, Saleha Shaikh, Head, Women's Wing, The Maritime Union of India, said, "Around 49 per cent of the world's population is female. Thus, empowering women fuels thriving economies across the world." "WISTA promotes diversity in the maritime, trading and logistics sectors, empowering women to lead through their unique perspective and competencies," said Sumiit Sharma, President, WISTA India.

WISTA India's founder member Sanjam Sahi Gupta said, "Over the years, the role of women in the maritime industry has evolved and women have been taking up challenging responsibilities at sea and ashore. Today there are many exciting opportunities for women in shipping sector."

The Seminar also witnessed a panel discussion moderated by Capt Harish Khatri, Nautical Advisor, Maharashtra Maritime Board.

Opening the panel discussion, Surinder Pal Singh Jaggi, Director (Personnel & Administration), The Shipping Corporation of India (SCI), said, "Around 3 per cent of the seafaring workforce comprise of women globally. SCI is proud to state that women comprise of its 15 per cent seafaring workforce. And, 25 per cent of SCI's onshore employees are women currently. And, a day will come when we will have the ships manned by an all women crew. We are already witnessing such a scenario in the aviation industry."

An another panelist and a senior woman seafarer employed with Maersk Tankers, Ms Jasmeen Kaur Gill said, "Women seafarers should first learn to address their bias attitudes first. We should not expect any additional assiatcne or special help aboard the vessel while discharging professional obligations."

Panelist Ghazalah Moloobhoy, Director, A.S. Moloobhoy, said, "Indian shipping and logistics sector is an excellent place for women to perform and excel. Unlike in countries like Dubai and Abu Dhabi in UAE, the working environment for women in India is gender free and very conducive."

Capt Rajesh Tandon, Global Director - Industrial Relations and Seafarer Development at 'V Group' revealed in the panel discussion that unfortunately gender bias does exist in the ship manning sector. "Ship owners should encourage the ship management companies to hire more women seafarers," he added.

"Empowerment of women process needs to get initiated by the members of every family as we need more enlightened men in the society to address the gender bias," said a vociferous panelist and former DG Shipping, Dr Malini Shankar.

Concluding the Seminar's proceedings, both SCI Chairman Capt Anoop Kumar Sharma and Acting DG Amitabh Kumar opined that a masculine bias does exist in our Indian society. "SCI has got 3 women directors in its Board. It's a matter of pride for us," added Capt Sharma. Amitabh Kumar said, "Statistics reveal that women's participation in the urban job market has gone down in the recent years. We should encourage more women to join the shipping industry." However, the seminar ended on a positive note as everyone opined that few decades down the line, gender bias will not be a cause of concern considering the progressive outlook of Indian Millennial generation. mg