INTERNATIONAL CORRIDORS
LIFELINE FOR TRADE

SAHIBGANJ MMT
A GAME CHANGER

TECHNOLOGY: **DIGITALISE, DON'T JUST DIGITISE**

COUNTRY FOCUS: **BANGLADESH**
MONGLA PORT FLEXING CAPACITY

south asia's premier maritime business magazine

maritime gateway

₹100

NOVEMBER 2019 WWW.MARITIMEGATEWAY.COM

RNI NO: TELENG/2009/30633
DATE OF PUBLICATION: 26/10/2019
POSTAL REGISTRATION NO: HD/1137/2019-2021
DATE OF POSTING: 28/10/2019

A RAPIDLY CHANGING MARKET
BILL SMART
CEO, BENGAL TIGER LINES

CEMENT LOGISTICS A COSTLY AFFAIR

Deprived of automation and thriving on rather uneconomical modes of logistics the Indian cement sector has for long been burdened with high logistics cost. The sector now seems on its way to optimise its logistics value chain

DLDS
Logistics Redefined
Now keep an eye on your container
WITH LOGISTICS DATA BANK (LDB) SERVICES
TRACKING YOUR CONTAINER MADE SIMPLE
www.ldb.co.in
You can track the movement of your container through a single window: www.ldb.co.in
Mobile App
You can also track your container through the LDB Android/IOS app
Toll Free
24x7
1800 572 8314
For any query, contact 24x7 Help Desk
Share your feedback
Unit No. B - 602, 6th Floor, Tower - B, Advant Navis Business Park, Plot No. 7, Sector-142, Expressway, Noida, Uttar Pradesh - 201305
0120 - 2459 753
contactus@dldsl.in
www.dldsl.in

Bringing North East closer

North Eastern states are perceived as psychologically distant from mainland India due to their geographical isolation. After the partition, most of the conventional surface transportation routes including roads and railways have become non-operational thanks to border related issues. With this, the core connectivity to seven sister states of India had been narrowed.

Fortunately, during the last couple of years, things are changing dramatically. India and Bangladesh have been taking several proactive steps to cementing ties further. With these measures, connecting North East states with rest of India via Bangladesh will not only ensure better connectivity but also can boost bilateral trade, as these states are sitting on huge natural resources like oil, coal, limestone, bamboo, medicinal plants and base for tea, citrus fruits, banana and spices production.

The two friendly neighbours have signed coastal shipping agreement and several other protocols to allow Indian goods to travel to and from North East states and also opened Chittagong and Mongla Ports for this purpose.

Recently the government of Assam has brought a proposal before the Ministry of External Affairs and Niti Aayog for revival of old railway routes – Chittagong to Makum, Cox Bazar to Ledo and Golakgung to Moirabari – that connect Bangladesh with Assam which can facilitate assured connectivity to North Eastern states along with Bhutan. In this direction, the state government has last week conducted a meeting with all the stakeholders where a delegation from Bangladesh and a team from the Indian government also took part to discuss various possibilities to restore the connection.

Setting up a multimodal transshipment hub at Jogighopa in Assam for movement of cargo to and from Arunachal Pradesh, Nagaland and Bhutan will be a nice idea.

The recent agreement which facilitates LPG bulk import from Bangladesh to IOCL in North East is a win-win for both the nations. While it reduces significant transport cost for India and increases employment opportunities for Bangladesh.

Like this arrangement, India and Bangladesh should explore more viable options to boost bilateral trade further. Despite sharing over 1470 kms of border with Bangladesh, the contribution of North Eastern states in India-Bangladesh bilateral trade is dismal at less than 1 per cent. The bilateral trade is estimated at around $10 billion during 2018-19. Hence, connecting this region effectively by rail, road, air and water can significantly help both the nations to leverage each other's strengths efficiently.

R Ramprasad
Editor-in-Chief and Publisher
ramprasad@gatewaymedia.in

> The contribution of North Eastern states in India-Bangladesh bilateral trade is dismal at less than 1percent.

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.

Your Trusted Partner For
Warehousing & Distribution
Of Your Products

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

SPEEDWAYS

Branches open in Nagpur, Mundra, Krishnapatnam, Delhi

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

www.speedways.biz

south asia's premier maritime business magazine

maritime gateway

Editor and Publisher
R Ramprasad
ramprasad@gatewaymedia.in

General Manager - Operations
Ravi Teja
raviteja@gatewaymedia.in

Associate Editor
Omer Ahmed Siddiqui
omer@gatewaymedia.in

Senior Editor
ASL Narasimha Rao
narsimharao@gatewaymedia.in

Design Team

Sr Designer
Vijay Masa

Designers
Nagaraju N S
Nadeem Ahammad
Potha Naresh Kumar

Digital & Web
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*

PHONEX LOGISTICS PRIVATE LIMITED

CONTAINER FREIGHT STATION -KOLKATA

OPERATION

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

INFRASTRUCTURE

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

EQUIPMENTS

- Reach Stacker (TIL Brand) – 3 Nos.
- Fork lift – 12 Nos. of Various Capacity.
- Trailers – 60 Nos. of 60 Mts capacity.
- Mechanical Crane – 35 tons capacity.
- Hydra – 3 Nos.   JCB – 1 Nos.

PHONEX LOGISTICS PRIVATE LIMITED.

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

Management
Gulam Ashraf, Managing Director
M + 8582993709, md@phonexgroup.com
phonexlogisticsprivatelimited@gmail.com

Executive Director
Vidyanand Singh M +91 9830520429
vidyanand@phonexgroup.com

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

www.phonexgroup.com

CONTENTS

VOLUME 12 | ISSUE 02 | NOVEMBER 2019

OIL SPILL RESPONSE

Helix Skimmers
This circular brush skimmer

DBD Skimmers
The DBD excels in a wide range of oils from light to heavy

The Most Experienced Manufacturer in the World

Giant Octopus
The GIANT OCTOPUS offers high capacity skimming

DESMI
PROVEN TECHNOLOGY

DESMI India LLP
IP Nadergul, SY No.519, Nadergul Village
Saroor Nagar Mandal, Ranga Reddy Dist
Telangana State 501510
Phone : +91 8790122223
Email: srai@desmi.com

- ✓ Advanced Sweep Systems
- ✓ Booms
- ✓ Skimmers
- ✓ Pumps
- ✓ Power Packs
- ✓ Workboats
- ✓ Etc.

MARINE & OFFSHORE | INDUSTRY | OIL SPILL RESPONSE | DEFENCE & FUEL | UTILITY

"Technology adoption and innovation will play a strong role in building an integrated logistics platform which offer end-to-end solutions for cargo owners."

- Rizwan Soomar
Chief Executive and Managing Director, DP World Subcontinent

"BIMCO takes cyber security very seriously and we are continually working on raising awareness among shipowners about cyber risks and how to prepare for cyber incidents."

- Aron Sørensen
Head of Maritime Technology & Regulation at BIMCO

"While the movement of goods is a major problem in most exports, temperature-controlled facilities are key for agricultural goods and pharmaceuticals. So, by and large, the issues are same for most exports."

- Ajay Sahai
Director General, Federation of Indian Export Organisations

"India is certainly not immune to global economic headwinds. However, it's a positive sign that export of manufacturing goods such as textiles, fabrics and the like remain stalwart sectors that continue to uphold the country's economy."

- Niki Frank
CEO, DHL Global Forwarding, India

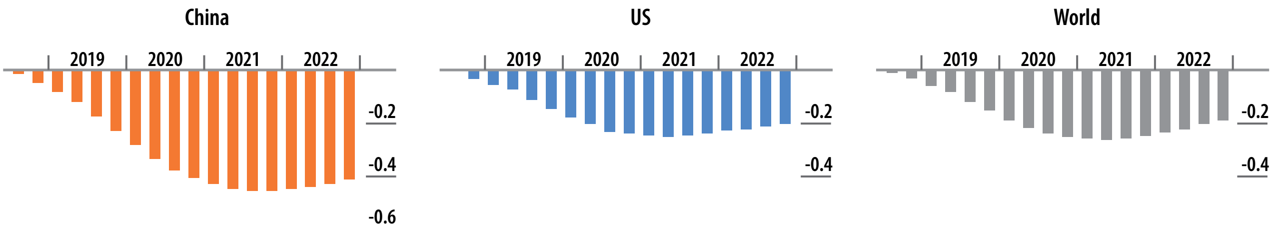
"We are convinced of the potential of hydrogen as the key to sustainable shipping and making the energy transition of a reality. The expertise that we acquire with the Hydrotug will enable us to further develop the use of hydrogen as a ship's fuel."

- Alexander Saverys
CEO, Compagnie Maritime Belge (CMB)

Demand disruption/trade uncertainty

Trade has remained subdued: US-China trade 'war' introduces further threats... and opportunities

Current Tariff Levels Forecast percent impact on quarterly GDP

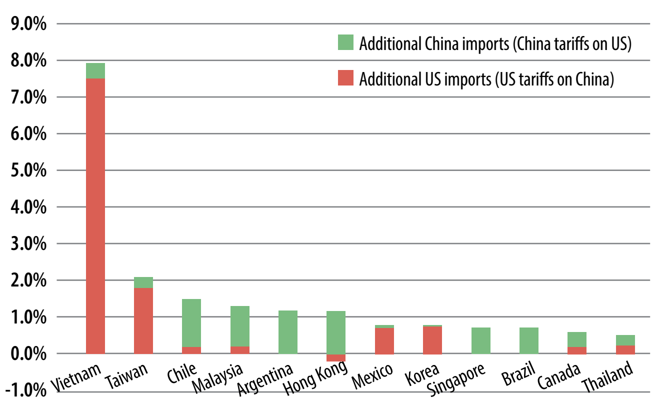


Source: EY; Bloomberg; The Edge;Reuters;Financial Times / Ingram Pinn

Demand disruption/trade uncertainty

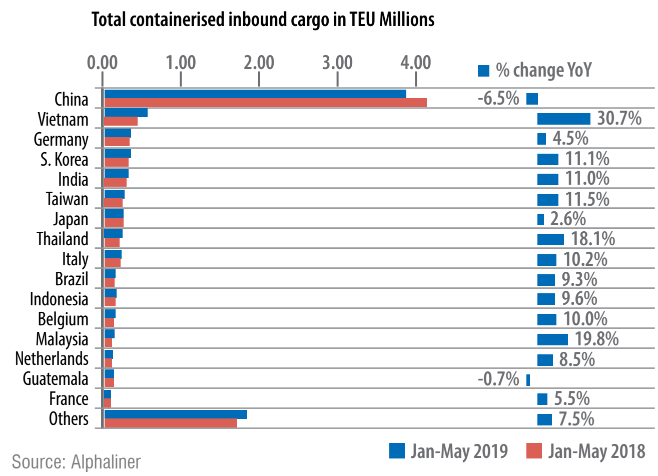
Winners and Losers?

Estimates of trade diversion beneficiaries by country (percent of country 2019 GDP)



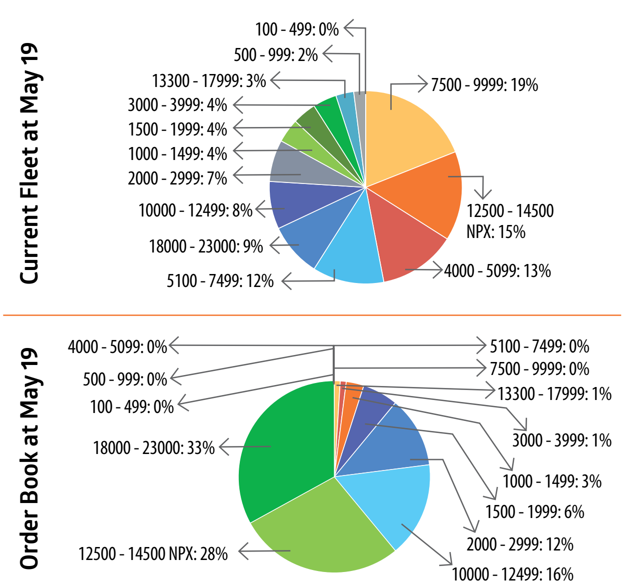
Notes: based on 12 months data to Q1 2019
Source: US Census Bureau; China General Administration of Customs; Nomura

US Containerised Imports: Jan-May 2018 vs Jan-May 2019

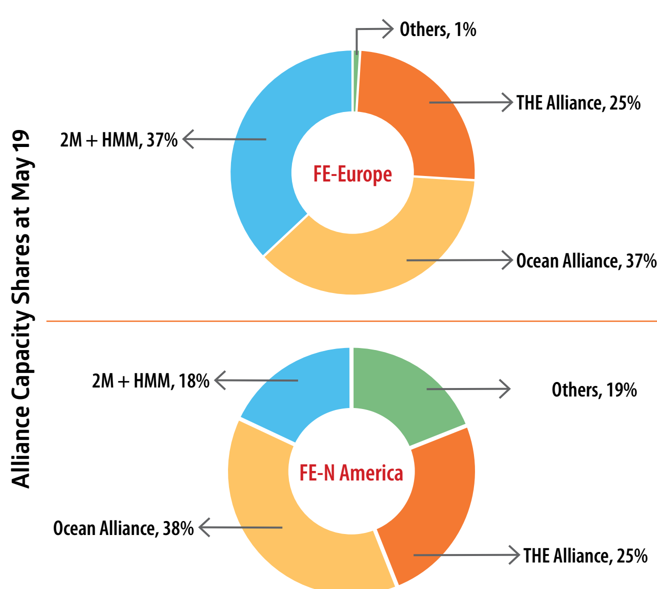


Source: Alphaliner

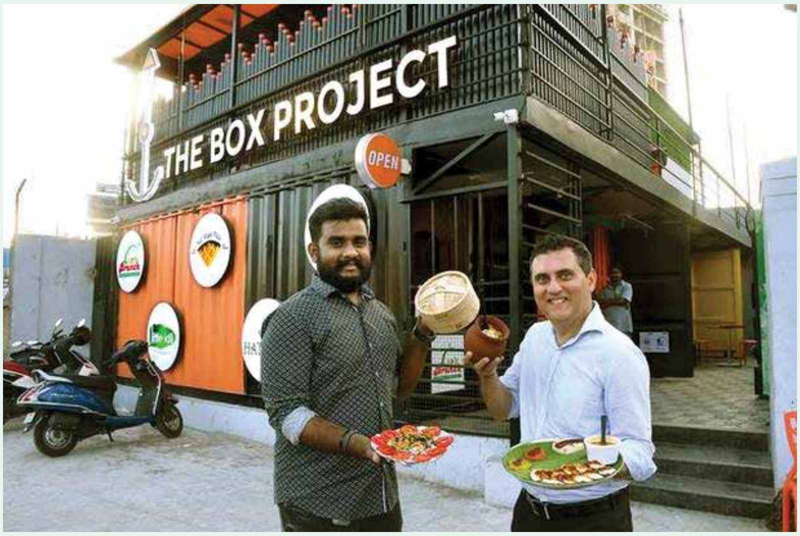
Bigger variety of vessel sizes (in TEUs)



Alliances



Source: Alphaliner; EY



The box project restaurant in Chennai

The box project is a restaurant at the Woods road in Chennai, but unlike others it is made of brightly painted shipping containers which causes many a passing vehicles to slow down to have a glance out of curiosity. The box project is spread across two levels and is inspired by a similar concept at the Box Park in London and also the Downtown container park in Vegas. Procured from a container yard in Manali, this 2800 square feet container restaurant is painted in vibrant shades of yellow, orange and black. Its eco-friendly and was erected in just 2 months. It houses 5 kitchens each taking up one container and has an open air dining at the top to seat 70 people.

Railways freight loading dips 6.6 per cent in September

Freight loading of the Indian Railways has declined for second straight month at record high pace of 6.6 per cent in September 2019 over September 2018. Also, the monthly freight loading has dipped to 36-months low level of 88.55 million tonnes (mt) in September 2019. Earlier, the freight loading had declined 6.1 per cent in August 2019. The freight revenue also declined for second straight month at 4.4 per cent to ₹8716.34 crore in September 2019. The net tonne kilometers (ntkm) dipped 11.2 per cent to 49355 million in September 2019. The revenue per tonne improved 2.3 per cent to ₹984 while the revenue per ntkm rose 7.6 per cent to 177 paise.

Port unions flag acute manpower shortage

Cochin Port Joint Trade Union Forum, a combine of trade unions at the port, has appealed to the Union Minister for Shipping, Mansukh Mandaviya to help solve the problem of “acute shortage of manpower” and “revival and redevelopment” of Willingdon Island. The trade union forum said the total employee strength at the Kochi Port had come down to 1,300 as against the previous 6,880. There have been a big number of employees retiring, and there are no fresh recruitments. This has led to a situation where the operations of the port trust are affected. The migration of container handling business to Vallarpadam in 2011 has resulted in Willingdon Island going “dormant.”

India to allow Nepal to use three rivers for inland waterways

India has agreed in principle to allow landlocked Nepal to use three inland waterways, thus expanding its transit options to the sea. Nepal will be able to operate its own vessels on the Ganga, which runs parallel to the southern border of the Himalayan state. A draft letter was finalised during the bilateral trade talks held in Delhi in October 2019. India consented to grant access to the Kolkata-Kalughat, Raxaul; Kolkata-Sahebgunj, Biratnagar and Kolkata-Varanasi-Raxaul routes.

CMA CGM launches SHIPFIN trade finance

The CMA CGM Group launched SHIPFIN Trade Finance, its new range of financing services dedicated to importing and exporting, in partnership with Incomlend, a global invoice finance platform. SHIPFIN Trade Finance offers importers and exporters a range of simple, reliable and rapid financial services to consolidate and support their international growth. It is based on two initial products dedicated respectively to importing and exporting customers: Supply Chain Financing and Cargo Financing. They will be available on the CMA CGM, ANL, APL and CNC platforms and initially available to customers based in India, Dubai, Singapore, Hong Kong, Malaysia, Indonesia and the Philippines before gradually being deployed to other countries.

Ground broken on Singapore's Tuas Port

Ground was broken on Tuas Port by Singapore's Prime Minister Lee Hsien Loong on October 4, 2019, which at 65m teu when fully completed is expected to be the largest fully automated terminal in the world. The first berths at the port are due to come onstream in 2021 with PSA transferring all the business from its Tanjong Pagar, Keppel and Brani city terminals to Tuas by 2027. Tanjong Pagar terminal closed to container traffic at the end of 2016. Traffic from Pasir Panjang Terminal will be consolidated in Tuas Port by 2040, which is slated to have a capacity of 65m teu. The port will have 26km of deepwater berths. The terminal will feature automated quay cranes with an outreach of 25 containers and a lifting height of 55 metres.

Blockchain project in Hong Kong fails due to lack of interest

Hong Kong-based 300cubits, one of the pioneers in the application of blockchain solutions to the container shipping market, has decided to suspend the operation of its Booking Deposit Module effective October 1, 2019. The lack of clarity in regulatory regimes surrounding digital currencies has proved to be the greatest hurdle in the 300cubits' marketing efforts. What is more, the lack of liquidity for the teu tokens and the volatility of all crypto currencies in general also cast a constant doubt among the users on whether the value of the tokens could be realized. The cloud-based system built on blockchain started accepting trial shipments in March 2018 and was launched into live production in July 2018.

Prologis Freight completes 1 year of operations in India

Prologis Freight has completed 1 year of operations in India. Prologis Freight started with the New Delhi Office in 2018 and now has 5 offices in India covering all the regions. It started by offering limited Container Ocean Freight services for importers and exporters but has now expanded to its full range of services including air freight, Customs clearance, warehousing, transportation and 3PL services, bulk and break bulk services. To mark the occasion countrywide celebrations were held which included a blood donation camp in New Delhi where employees of the company donated blood for a good cause.

Steel exports up during first 6 months

It is seen from JPC reports that finished steel exports from India during the first 6 months have reached 3.9 million tonnes (mt) at a growth rate of 21.8 per cent over the same period of last year. Finished steel imports at 4 mt have grown at a rate of 0.4 per cent. For September 2019 alone, steel exports went up by a whopping 73 per cent compared to August 2019.

Maersk to only charge customers for 'cost recovery' to comply with IMO 2020

AP Moller-Maersk says customers should expect to pay more due to the higher pricing of IMO 2020-compliant low sulphur fuels, and that Maersk was only focused on recovering costs and will only charge for the 'extra cost of compliance'. Maersk will adjust its bunker adjustment factors (BAF) based on the price of low sulphur fuels from January 1 for long-term contracts of more than three months. For spot business and shorter contracts of less than three months, the carrier is introducing on December 1 an environmental fuel fee (EFF), a mechanism intended to recuperate the higher costs of the more expensive fuel needed to meet the International Maritime Organization's new low sulphur cap rule.

Centre to bring law to fix minimum distance between ports

The government will soon bring a law, which will empower the Centre to fix minimum distance between two ports or to alter the limits of any port in the country. In recent years, competing ports have come up close to each other and it has become a major cause of concern, particularly for the government-owned ports. Ensuring minimum distance will help major ports under government compete with the private ones in the region. The issue was discussed in detail at the 17th Maritime State Development Council meeting held on October 15, 2019, which was chaired by Union Shipping Minister Mansukh L Madaviya.

Kia Seltos exports commence from India

Korean auto manufacturer Kia Motors, has begun its export operation from India at the Chennai Port. The company will be shipping out made-in-india Seltos SUV to other parts of the globe. The first shipment of 471 Seltos SUV units has been shipped from the country in September and is headed to the Middle East and South Asian countries. It is also expected to be shipped to the South American market as well. Chennai Port Trust and Kia Motors India had signed a Memorandum of Agreement on September 5th, for the export of cars through Chennai Port. The logistics for Kia's export operation in India will be handled by Glovis India Anantapur Pvt Ltd.

SHIPPING

MSC launches two new intra-Asia services

Mediterranean Shipping Company (MSC) has launched two new services, beginning mid-October 2019. MSC is bringing new capacity into the market at a time when customers are showing increasing demand for new services to move cargo between key locations in Asia. The Orchid service and Lang Co Express service will bring six vessels into its intra-Asia network, offering comprehensive port coverage and competitive transit times between Greater China, Vietnam, Singapore and Tanjung Pelepas. The new services will link seamlessly to other intra-Asia services and its global ocean liner network, as well as to its overland and barge services within South-East Asia.

A. V. Vijaykumar takes charge as Chairman of FFFAI

At its 56th Annual General Meeting, FFFAI elected new office-bearers of the Executive Committee for the period 2019-2020 and 2020-2021. A V Vijaykumar, who earlier was Chairman-elect, has taken over as Chairman of FFFAI and Shankar Shinde has been elected as Chairman-elect for the ensuing two years. P. S. Atree, Rajesh Verma and Sudip Dey have been re-elected as Vice-Chairmen while Vinod Sharma, Alan Jose and Mandava Satyanarayana have become the newly-elected Vice-Chairmen of the Federation. Dushyant Mulani and Sudhir Agarwal have been elected as Honorary Secretary and Honorary Treasurer, respectively.

Gwadar Port officially opens for commercial shipping

Gwadar Port, a key part of the China-Pakistan Economic Corridor, has officially opened for commercial shipping and is expecting its first vessel this month. The announcement was made by Pakistan's sub-Committee of the Senate Standing on Maritime Affairs. The sub-Committee also concluded that the main competitors to Gwadar would be the major transshipment hubs of Dubai and Singapore. Consequently, it has dispelled with demurrage charges and offers favourable warehouse storage deals to attract business.

Ships plying in local waters may be spared IMO's green norm

India is toying with the idea of not imposing the International Maritime Organisation (IMO)-mandated stringent green norms on ships plying in domestic waters. The new norms will kick on in less than four months. The Indian shipping sector, however, is confused as to how this can be achieved as some other countries such as Indonesia, which tried this strategy, had to retreat within a few days. Starting January 1, 2020, ships globally have to use bunker or fuel oil with low sulphur content — set at 0.5 per cent against the present norm of 3.5 per cent.

Maersk to develop eco-friendly fuel in Rotterdam

Maersk Oil Trading has signed an agreement with Koole Terminals to develop an IMO 2020-compliant fuel at the Port of Rotterdam. The production will take place at the Petrochemical Industrial Distillation (PID) unit, located at Koole's Botlek site in the heart of the Port of Rotterdam. The toll distillation deal allows Maersk to Very Low Sulphur Fuel Oil (VLSFO) bunker fuel and will enable it to expand its bunker supply volumes in Europe; Maersk expects annual production to cover 5-10 per cent of Maersk's annual fuel demand.

Harjeet Kaur Joshi appointed as CMD of SCI

Harjeet Kaur Joshi has been picked by the government head-hunter, the Public Enterprises Selection Board (PESB), to lead Shipping Corporation of India (SCI). Harjeet Kaur is currently the Director Finance at SCI and, since September 12 has been holding the additional charge of the Chairperson and Managing Director of the navratna PSU. Harjeet Kaur becomes the first lady to head SCI, which is 63.75 per cent owned by the government. Kaur taught commerce and business management in Delhi University before joining ONGC, India's biggest oil and gas producer and spent 31 years there.

Seaways Shipping successfully ships live animals

Seaways Shipping successfully handled the clearance of a special cargo – live animals, in the third week of October 2019. A total of 30 live animals consisting of rare species like Wallabies (found primarily in Australia), Llamas and Alpacas (found mostly in South America) were transported from Netherlands to Hyderabad, India. These animals have found their new home in a Zoo located close to the recently erected world-famous Statue of Unity, in Gujarat. The Seaways team carefully planned every aspect of the cargo and arranged for clearance immediately after the arrival of the aircraft. Preparation of the extensive documentation and briefing the Customs officials and regulatory authorities prior to the arrival ensured that everything went according to plan.

India looks for wider access to Chinese market

India is looking for greater access to the Chinese market to arrest the fall in farm commodity exports. While China has already allowed its market access to many of India's farm commodities including rice and sugar, the country is looking at including many other products, especially marine and other items. India's Dhampur Sugar has signed an MoU with Chinese importers for shipment of 50,000 tonnes of sugar. Exports of buffalo meat are routed through Vietnam, despite having received formal approval for direct entry into China. While China has already started importing limited quantities of rice from India, there is further potential of around $500 million worth of rice trade.

DP World to leverage Hyderabad operations

DP World plans to make Container Multimodal Terminals Ltd (CMTL), its Hyderabad Private Freight Terminal as a multi-modal distribution hub for South India cargo by leveraging its rail-road transport connectivity and warehouses. Showcasing, its multi-modal logistics capabilities in India during the conference themed “India’s Logistics Sector on the Path of Transformation,” DP World said that Hyderabad will act as the catalyst to drive more trade in the state of Telangana. CMTL is equipped with a Multi-Modal Logistics Park at Thimmapur with proximity to National Highway 7. The MMLP is equipped with a railway siding and over 250,000 sq.ft of warehousing to cater to the needs of both domestic and EXIM trade.

PORTS

New Mangalore Port cargo handling down 11 per cent

The New Mangalore Port witnessed a decline of 11.49 per cent in cargo handling in the first six months of 2019-20. The port handled 17.86 million tonnes (mt) of cargo in the first half as against 20.18 mt in the corresponding period of 2018-19. According to AV Ramana, Chairman of NMPT, the decline is due to factors such as the shutdown of MRPL (Mangalore Refinery and Petrochemicals Ltd) refinery units for some days during the period. He said water scarcity in Mangaluru had forced MRPL to shut-down some units in the refinery complex. The refinery was also shut-down during monsoon as there was landslide in its premises. He said the cargo handling has come down by around 11 per cent due to a drop in crude intake by MRPL.

High ambitions for Dhamra port

APSEZ plans to invest as much as ₹48,933 crore to scale up its port at Dhamra to handle 314 million tonnes (mt) of cargo. The expert appraisal committee (EAC) in the Ministry of Environment, Forest and Climate Change has recommended environmental and coastal regulation zone (CRZ) clearances for the expansion of Dhamra on a revised master plan filed by APSEZ. As per the revised master plan, APSEZ will expand Dhamra’s capacity first to 169.5 mt with an investment of ₹17,518 crore over the next five years and then to 314 mt by investing additional ₹31,415 crore by the end of 30 years. The expansion includes container handling facilities with an initial capacity of 3.1 million teus which will be expanded to 4.66 million teus.

H-Energy signs port service agreement with Kakinada seaports

H-Energy, through its subsidiary East Coast Concessions Pvt Ltd and Kakinada Seaports Ltd (KSPL) signed a Port Service Agreement. KSPL has the concession for Kakinada Deep Water Port from the government of Andhra Pradesh. Under the agreement, H-Energy will develop LNG regasification and reloading terminal at Kakinada Port. H-Energy shall develop an LNG hub at Kakinada Port, catering to the needs of domestic customers in Andhra Pradesh and shall supply LNG through small vessels to H-Energy’s upcoming Kukrahati LNG terminal in West Bengal and neighbouring countries like Bangladesh and Myanmar.

CCI starts buying cotton from Punjab, Rajasthan

The Cotton Corporation of India (CCI) has commenced procurement of cotton in Punjab and Rajasthan since prices of the crop have come under pressure in these states. The purchase has begun in the North after a gap of nearly three years after the government has given permission for direct purchase of the crop. The procurement is in minimal quantities because the moisture content is high. The farmers have been advised to dry the cotton before bringing it to purchase centres. CCI has quality parameters of 12 per cent moisture and at present the moisture content is on the higher side.

Sagarmala aims at over 3,300 mtpa of port capacity by 2025

The Sagarmala programme aims at enhancing the country’s port capacity to over 3,300 million tonnes per annum (mtpa) by 2025. As per a Ministry of Shipping communication, this envisages 2,219 mtpa of capacity at the Major Ports and 1,132 mtpa at the non-major ports by 2024-25. This is part of Sagarmala’s special attention towards capacity enhancement and utilisation of the ports to cater to the projected traffic.

Sri Lanka's hub status grows

According to a new study conducted by the Asian Development Bank, Sri Lanka's Colombo Port status as a container hub is growing despite shipping lines making direct calls to Indian ports. The Asia–Europe shipping route passing close to Sri Lanka, enables Colombo to become the main hub port for the South Asian region. The study on maritime co-operation under the ADB's South Asia Subregional Economic Cooperation (SASEC) program, said Colombo ranks 23rd in container traffic globally, ahead of India's largest ports Mumbai and Mundra. Its annual growth was 16.8 per cent in 2017, and the transshipment activity, which represents almost 80 per cent of handling, was up by over 20 per cent.

India's parcel shipment volume up 21 per cent

Rapid growth in its e-commerce market, higher levels of disposable income and increased Internet penetration have made India among the top three fastest-growing markets for parcel shipment. India experienced high growth in parcel volumes in 2018, up 21 per cent year-over-year to 2.5 billion, and revenues achieved a CAGR of 20 per cent, according to the Pitney Bowes Parcel Shipping Index. The annual report discovered global parcel volumes reached 87 billion in 2018, up from 74 billion parcels in 2017, and the highest since the index began. Despite unprecedented global trade uncertainty, the report forecasts this figure will more than double within the next six years, and reach 200 billion parcels by 2025, with a 13.7 per cent CAGR for 2019-2023.

India mulls port pricing overhaul

The Indian government is actively considering a review of port charges for mainline ship calls to narrow the competitive disadvantages that hamper trade development efforts. It is a significant move that could cause concern for foreign hub heavyweights thriving in part on Indian transshipment cargo. The reconsideration comes after industry groups and terminal stakeholders roundly called out that high marine tariffs are eroding the primary goal behind cabotage reforms enacted in May last year – to enhance the attractiveness of Indian ports as direct ports of call, thus discouraging the costly foreign transshipment practice via short-haul relays.

Gopalpur Port receives its first capesize vessel

Gopalpur Port has joined the list of "select ports" that can handle large ships in the country, after receiving its first capesize vessel carrying 105,000 tonnes of limestone. JSPL, one of the port's key customers, imported steel-grade limestone from the middle-east in a ship, owned by Essar Shipping. Gopalpur Port has undertaken an expansion programme which amongst other things entailed dredging of the channel to enable it to receive large ships. With completion of dredging, the port is capable of receiving modern and large ships which can cater to the needs of its customers.

VOC Port records growth in cargo traffic

The V O Chidambaranar Port has recorded an 8 per cent growth in cargo traffic till August in the current financial year. The port had a 13 per cent growth in container handling so far, said TK Ramachandran, Chairman, VOC Port Trust. Ramachandran said due to various efforts, the dwell time of vessels at the VOC port is less than 48 hours as against 70-100 hours in some of the other ports. Other factors like average output have also improved considerably. Up to August 2019, the port had handled 15.15 million tonnes, an increase of about 8 per cent over the corresponding period last year. The major commodities that have contributed to increased volumes through imports are industrial coal, containers, fertilisers, rock phosphate, sulphuric acid, palm oil and timber. The commodities that have shown increased export volumes are copper concentrate, machineries and granite.

Yang Ming to Launch New India-Europe Direct Service "IEX"

Yang Ming Marine Transport Corp. (Yang Ming) will launch a new service, East India and North Europe Express. The first voyage will begin from Vizag on October 26, 2019. The new service is jointly operated by Yang Ming, COSCO SHIPPING Lines, Hapag-Lloyd, Ocean Network Express (ONE), and OOCL with a fleet of nine 6,500 teu vessels. The port rotation for the weekly service is Vizag – Krishnapatnam – Chennai – Tuticorin – Colombo – Cochin – Damietta – Piraeus – Rotterdam – London Gateway – Hamburg – Antwerp – Le Havre – Damietta – Jeddah – Colombo – Vizag. IEX is the first direct service from East and South India to North Europe. It will shorten transit time and provide more frequencies between Damietta, Piraeus and North Europe.

Oilmeal exports to fall 17 per cent

The country's overall oilmeal exports dropped to 12.51 lakh tonne for the first six month period of April-September 2019 as against 14.99 lakh tonne reported in the same period last year, indicating a dip of 17 per cent on a year-on-year basis, according to the data released by Solvent Extractors Association of India (SEA). The association's provisional data reveals that for September alone, soyabean meal exports reduced to 19,152 tonne as against 95,450 tonne in the preceding month. The dip in exports is primarily attributed to the disparity in export of oilmeals, specifically soyabean meal due to higher Minimum Support Price (MSP) in the local market.

Gujarat brings out new port policy

Gujarat government has revised its port policy brought out in 1995 and removed restrictions on 33 private jetties, allowing them to handle third party cargo. The new policy allows the captive jetties to be full-fledged commercial ports across the 1,600-km long coastline in the State. Gujarat Maritime Board is aiming at attracting approximately ₹4,000 crore of new investments in port-related infrastructure in the State. As per the new policy, existing captive jetty holders will be permitted to handle third party cargo more than 50 per cent of the total cargo on their captive jetty by paying landing and shipping fees. Moreover, the jetty holders will also be allowed to bring in additional investment for augmenting cargo handling facility and back up areas.

LOGISTICS

Automation at JNPT

DP World Nhava Sheva at JNPT is moving more of its services online to keep pace. It has set up a "paperless system" for the clearance of import cargo to further reduce truck wait times and accelerate cargo flow. Under the digital program, drivers need not present "Form 13" documents in hard copy form - a tedious task - on each visit, which can help prevent the long truck queues and congestion often seen at the port entrance. As the allotted tag is fed into the terminal operating system, the truck driver can directly approach any of the terminal gates and pick up the designated "group code" container lot. The system also offers a provision to modify truck details until the vehicle reaches the gate.

Mundra LNG terminal to be commissioned by December

More than a year since its inauguration, Gujarat government-backed LNG project at Mundra, built at an estimated cost of ₹5,500 crore, may finally get commissioned by December 2019. A commercial dispute between the partners Gujarat State Petroleum Corp (GSPC) and Adani Group had stalled commissioning of the 5 million tonnes a year liquefied natural gas (LNG) import facility. The terminal was mechanically completed in mid-2018 but the commissioning has been stalled due to delay in finalisation of certain lease and sub-commission agreements between the promoters and the Gujarat government.

Maersk deepens hinterland reach

Maersk performed its first door-to-door containerized rail operation to an interior point in India's eastern state of Odisha as part of what it called a move to "unlock new trade opportunities." Handled on behalf of Shyam Metalics & Energy Ltd., the 80-teu import movement to Sambalpur via the Jharsuguda ICD marked the addition of another promising inland market to Maersk's vast, countrywide network. Jharsuguda is said to be the second ICD in the state after Balasore. The ICD aims to reduce the complexities in the supply chain, enabling small and medium-sized businesses to multiply the benefits of trade.

Asia's biggest freight train control room

Asia's biggest control room monitoring the running of goods trains by the Dedicated

Freight Corridor Corporation (DFCC) is now ready in Prayagraj. Once functional, the control room will oversee running of all goods trains on the busy Ludhiana (Punjab) to Kolkata (West Bengal) route spanning 1,856 km. The sector forms the vital Eastern Corridor of the countrywide dedicated freight corridors. In the test phase, the newly built control room that has come up in the RPF parade ground located opposite the IOC terminal in Subedarganj, has already started managing goods trains running on the Bhadan-Kurja section of the corridor, which recently became functional. The control room keeps real-time track of all details of trains like speed, location and halts.

DP World launches Log-X

DP World launched Log-X - a technology accelerator platform for logistics. The accelerator platform was launched in partnership with Invest India, Kerala Start-Up Mission and its accelerator partner Startup Réseau, to encourage innovation and technology adoption in the Indian logistics sector. The program will focus on digital technologies like block chain, artificial intelligence, robotics, simulators and internet of things, to identify logistics-focused technology start-ups in India. Log-X plans to onboard up to ten start-ups, selected through the Startup India portal, for conducting pilots, with a long-term objective of partnerships, strategic engagements and proof-of-concept development. The finalized start-ups will be mentored by DP World leadership team and external mentors brought into the program.

Income from tea exports increases

India recorded a 13.76 per cent increase in income from tea exports till August this calendar compared with the same months in 2018. This happened because of a 13.74 per cent increase in the price realised even as volumes shipped grew only marginally during the review period. There was a general upswing in global prices, resulting in the cumulative average of Indian teas fetching ₹227.65 a kg till August against ₹200.14 between January-August 2018. This meant that every kg fetched ₹27.51 more than it did last year, making a gain of 13.74 per cent, as per the analysis of the latest data available with the Tea Board of India.

NMPT plans to create new infra to increase cruise tourism

To ease movement of cruise passengers to Mangaluru, New Mangalore Port Trust (NMPT) is planning to create a dedicated road and a new gate within the port premises to handle cruise traffic. AV Ramana, Chairman of NMPT, said that there are plans to set up a dedicated road and an exclusive gate for handling cruise passengers. The plan, which is expected to take shape from the next financial year, envisages connecting the dedicated road from the cruise lounge with the proposed new gate to manage cruise traffic. The cruise passengers will not mix with the port traffic so that it will be a completely different experience for the visiting tourists. NMPT is in touch with a consultant on the proposed dedicated road and new gate, he said both would be readied in 2020-21.

Govt to monitor logistics cost in key export sectors

Indian Institute of Foreign Trade is developing a sector-specific index to estimate the logistics cost and bring it down to 10 per cent of GDP from 14 per cent. The index that will be released early next year helps estimate the logistics cost in top nine export sectors including agriculture, leather, apparel and, gems and jewellery. The data collection for the index which was initiated 3 months ago is collected via perception-based surveys through the respective export promotion councils. The index will also serve as a common measure of logistics performance for various industries and looks at logistics issues of electronics, marine, chemical and engineering goods in India.

India, Bangladesh likely to sign MoU for new waterway

India and Bangladesh are likely to sign an MoU for a new waterway to connect Gomati river in Tripura and Meghna river in Bangladesh during a four-day trip of Bangladesh Premier Sheikh Hasina, Chief Minister Biplab Kumar Deb said. If the MoU is signed by them a new protocol route between Bangladesh and India will be opened by connecting Gomati and Meghna rivers. It would facilitate carriage of goods from Ashuganj port on Meghna river in Brahmanbaria district of Bangladesh to Sonamura in Sipahijala district of Tripura. Movement of vessels on Gomati river for providing waterway connectivity to Tripura would be possible only after the inclusion of the stretch between Sonamura in Tripura's Sepahijala district and Daudkandi in Comilla district of Bangladesh.

Goa minister promises to waive tax on ore transport barges

The Goa government will seek to waive off barge tax, a tax which is paid by vessels that transport iron ore from the mines to the port for export. Minister for Ports Michael Lobo has said that he was approached by a delegation of barge owners who pointed out that since mining truckers were granted the benefit of a road tax waiver, a similar benefit should be granted to the barge owners. The barge owners have been campaigning for a tax waiver for some time now with their demands only increasing since the hopes of a revival of Goa's once thriving mining industry are growing dimmer by the day.

Embassy Industrial Parks announces new investments

Embassy Industrial Parks is planning to develop its logistics and warehousing projects with an investment of $300 million in the next three years. The company, since its operations in 2016, has already invested $80 million in developments and is further developing industrial and warehousing parks in Chakan (Pune); Bilaspur and Farrukhnagar (NCR); Sriperumbudur and Hasur (Tamil Nadu); and Hyderabad in a phased manner.

Stake sale in PSUs

The Department of Investment and Public Asset Management (Dipam) has invited transactions, legal advisors, and asset valuers for divesting stakes in five public-sector undertakings (PSUs) – Bharat Petroleum Corporation (BPCL), Container Corporation of India (Concor), Shipping Corporation (SCI), and power companies THDC India and North Eastern Electric Power Corporation (NEEPCO). A core group of secretaries on disinvestment on September 30 gave its nod to sell all of the government's 53.29 per cent stake in BPCL. The government is working on a Cabinet note for BPCL stake sale, and the matter is likely to be taken up by the Cabinet Committee on Economic Affairs.

Indian exports shrink

India's exports contracted 6.57 per cent in September as shipments of petroleum, engineering, gems & jewellery and chemicals fell. Imports declined 13.85 per cent to a three-year low of $36.89 billion, indicating weak domestic demand in a slowing economy. The drop in shipments of petroleum, engineering, leather, chemicals and gems & jewellery made India's exports shrink to $26.03 billion. The trade deficit narrowed to a seven-month low of $10.86 billion from $14.95 billion a year earlier and $13.45 billion in August. Only eight out of 30 key export sectors showed growth in September, official data on Tuesday showed. Electronic exports rose 33 per cent.

Hong Kong-based company to invest in Pakistan's Karachi port

Hong Kong-based port operator Hutchison Port Holdings has committed investment of $240 million for the development of Pakistan's Karachi port. The investment will make available a significant amount of new container terminal capacity at the Karachi port, and increase the port operator's total investment in Pakistan to $1 billion and employees to 3,000. Group Managing Director Eric Ip, who led a delegation of Hutchison Port Holdings, apprised Pakistani Prime Minister Imran Khan about the fresh investment in a meeting.

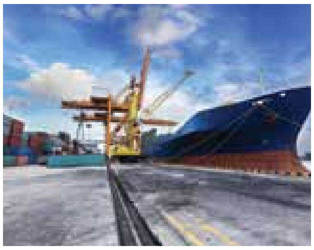
CMA CGM lays out plans for IMO's 2020 regulation

CMA CGM Group has opted to use compliant fuels with 0.5 per cent or 0.1 per cent sulphur as its main solution to be compliant with the International Maritime Organisation (IMO)'S 2020 low sulphur regulation. The group will also use liquid natural gas (LNG) powered vessels and advanced air quality systems onboard its vessels to help with the IMO's goal of having all sea-going vessels worldwide to reduce their sulphur emissions by 85 per cent. For short-term contracts of validity three months or shorter a new monthly low sulphur surcharge will be applied on top of the shipping line's ocean freight charges and is effective from December 1, 2019. On the other hand, for long-term contracts of more than three months' validity, VLSFO will replace HSFO as the price reference for CMA CGM's quarterly Bunker Adjustment Factor (BAF) effective January 1, 2020.

Adani group invited to develop major port at Machilipatnam

The State government has invited the Adani Ports and SEZ Limited to be part of the project to develop a deep sea port in an extent of 9,200 acres of the sea-front area on the Machilipatnam coast. In August, the State government had scrapped the agreement signed with the Navayuga group for development of the port and took back 400 acres of land allotted to it for the purpose. In September, MUDA prepared a report on the availability of land, earmarking nearly 1,000 acres adjacent to the proposed port area for the Integrated Logistics Management Zone (ILMZ). The government is keen on developing the port and the logistics hub only in the seafront area at Tapasipudi and not in 30,000 acres proposed earlier.

Shipping Ministry to revive non-major ports



With three-fourth of the non-major ports not operational in the country, the Shipping Ministry will conduct a detailed study to find out if those ports can be developed, and if so, how and for what purpose should they be developed. The study will be completed in six months, and the Ministry will consider making a national grid of ports so that cargo or agricultural produce located near the non-major ports can be shipped to major ports. These cargo can then be shipped for export or moved through coastal cargo. The aim is to lower logistics costs and increase coastal shipping.

New Chairman for Vizag port appointed

K. Ramamohana Rao, a Uttar Pradesh cadre IAS officer belonging to 1994 batch, has been appointed as the new Chairman of Visakhapatnam port trust. He will take over from Rinkesh Roy, Paradip port trust Chairman, holding additional charge.

Portall announces agreement with INTTRA by E2open

Portall Infosystems Pvt. Ltd has announced that it has formed an alliance partnership with INTTRA by E2open. As part of the agreement, the companies will provide seamless container booking services for stakeholders on PCS1x. With distinct and simplified features like auto population, reuse of data, shipping instructions and BL drafts, Portall enables users to fast track their interactions with shipping lines in this collaborated platform. Users can make use of services available by logging into the PCS1x account without the need to sign-in separately. Stakeholders including freight forwarders, exporters and CHAs can effect bookings, track and submit shipping instructions for their respective consignments using this collaborated booking module system.

MSC picks up MatchLog to drive efficiencies

Mediterranean Shipping Company (MSC) has taken the help of an Indian logistics start-up to cut costs, reduce wastages and drive efficiencies in the country's container logistics chain. MatchLog Solutions will enable MSC to reutilise the import containers it ships into India by triangulating the import boxes for export movements, thereby optimising on repositioning empties. The concept, if implemented on a pan-India basis, will help cut costs on container logistics by as much as $10 billion a year.

SRI LANKA

Hambantota Port ties up with Ranong Port

The Hambantota International Port signed an agreement for port-to-port cooperation with the Ranong Port in Thailand, to build synergies between these two maritime locations. Thailand is currently boosting trade with India, Bangladesh, and Sri Lanka under the BIMSTEC framework. It recently signed an agreement to facilitate a new maritime route between Krishnapatnam Port and Ranong Port. The first phase of the agreement, with Ranong Port and HIPG would be to exchange information and have cooperation in port management.

BANGLADESH

India extends coastal reach to Bangladesh

CONCOR has deepened its new found interest in coastal shipping activity by opening a regional service between India and Bangladesh. The service will connect Krishnapatnam Port to the port of Chattogram in Bangladesh. To jump start the short-sea operation, CONCOR plans to take slots on ships operated by existing carriers on the route and use “shipper own containers” in the initial stages. CONCOR put indicative freight rates from Krishnapatnam to Chattogram at ₹32,320 ($455) for a 20-foot container and ₹40,400 for a 40-foot box on a free-in, free-out basis. The company said it will arrange port-related services for cargo unloading at the destination port.

JAPAN

Japan-South Korea container trade slumps

The trade war between Japan and South Korea has led to a boycott of Japanese products in South Korea, decreasing containers from Japan to South Korea. Container trade between the two Asian economies registered negative growth in the first half (January-June) of 2019. In January-June, 967,365 teus of containers were transported on the Japan-South Korea trade, which decreased 3.7 per cent year on year from 1,004,408 teus. In the first half of 2015, however, containers moved between Japan and South Korea nearly leveled off, only decreasing a minute 0.3 per cent.

MALAYSIA

Sabah Ports and IPC ink MoU

Sabah Ports SdnBhd and Indonesia Port Corporation (IPC) or PT Pelabuhan Indonesia II (Persero) signed an MoU on August 29 to explore business potential to enhance bilateral trade and cooperation and port related training apprenticeship, exchange of information and technical assistance for the purpose of improving port efficiency.The MoU entered into signifies a strong commitment by both parties to mutually explore investment and business potentials as well as build capacity and skills for the purpose of increasing port efficiency. Sabah Ports seeks to engage the expertise of the massive IPC, which operates 12 seaports in 10 provinces of Indonesia.

IRAN

Non-oil exports from Chabahar Port grow

Managing Director of Ports and Maritime Organization of Sistan and Baluchistan, Behrouz Aghaei announced that exports of non-oil goods from Chabahar Port has increased 100 per cent in the first five months of the current Iranian calendar year (ending on August 22), in comparison with the same period last year.Loading and unloading of oil and non-oil products have grown 41 per cent year-on-year, in the said time. Non-oil exports from Chabahar Port increased 100 per cent in the first three months of the current year (March 21 – June 21), showing a significant 100 per cent growth as compared to the last year’s corresponding period.

VIETNAM

CEVA Logistics opens new facility in Vietnam

CEVA Logistics has opened a new facility in Ho Chi Minh City, Vietnam, doubling the size of its local operation with the aim to further develop its services. The facility is located a short drive from the Cat Lai container port, close to the two cargo terminals of the country’s busiest airport Tan Son Nhat International, and will help CEVA continue to serve one of the fastest growing markets in East Asia. The World Bank has predicted that Vietnamese economic growth will continue to be around 6.5 per cent per annum mark in the coming years, particularly as a result of the free trade agreements (FTAs) Vietnam signed with the European Union and the USA in 2016. Included within these agreements is the abolishment of certain custom duties and creating easier marketing access.

OMAN

Port of Salalah sets productivity record

The Port of Salalah has recorded its highest productivity ever in the region, with its success mainly attributed to a $31million investment in asset replacement and capacity improvements. The port delivered 412.97 Port Moves per Hour (PMPH) on the vessel Cap San Tainaro, handling a total of 3,820 moves in a port stay of 9.25 hours. Located on the Arabian Sea, Salalah acts as a regional gatway port and transshipment hub for Oman and has a capacity of around 5millionteus. The $31 million investment over the past year is part of a long-term equipment renewal and deployment plan that aims to address evolving changes in the shipping industry – including vessel profiles and customers’ operational requirements. APM Terminals (APMT) has a 30-year concession agreement with the government of Oman to build and manage the port’s container facility until 2028.

SOUTH KOREA

Busan Port selects LASE safety technology

LASE unveils the new application Lase UCD – Unremoved Cone Detection, which detects whether container cones (twistlocks) are still connected to the container while being lifted up from terminal chassis by RMG or RTG cranes before they are moved into the yard. In addition the system also detects open doors of containers. After successful implementation at PNC Busan Port in South Korea, LASE has been awarded with the order of 69 systems to enhance the safety at the terminal. The system is highly recommended for automated yards, where crane drivers do not need to observe the process anymore. The system consists of two 2D laser scanners which are mounted at the sill beam of a yard crane.

PHILIPPINES

Struggling with high logistics cost

The Philippines remains the most expensive in terms of logistics costs compared to its Southeast Asian neighbours. “Logistics costs in the Philippines took up 27.16 percent of the total sales of companies, making the country the most expensive compared to regional peers,” said Marflin Chu of Transportify Philippines. He said our neighboring country, Indonesia reported 21.4 per cent; Vietnam had 16.3 per cent, while Thailand, 11.11 per cent. Based on the 2018 performance in global logistics rankings, Philippines landed 60th place among the 160 countries. The Philippines’ ranking in terms of Customs was 85th place; infrastructure, 67th spot; international shipment 37th place; logistics quality and competence, 69th place; tracking and tracing, 57th; and timeliness, 100th. The Philippine freight & logistics market is expected to reach a market value of $60.22 billion by 2023. The Philippines predominantly relies on waterways for transportation of cargo. However, improvement of road transport infrastructure is critical for strengthening the logistics service sector of the country.

SINGAPORE

Singapore’s bunkering pool gains traction

More companies are entering the Singapore marine fuel market, hunting for opportunities ahead of the International Maritime Organization’s global sulfur limit for bunker fuels that is expected to drive demand for cleaner fuels. At least two companies Petrobras and Mitsui have confirmed to Platts that they plan to expand their business activities in Singapore, the world’s largest bunkering port. Several others including Freepoint Commodities and Marubeni Corporation were also getting more active in the marine fuel market than before. The IMO regulations will cap global sulfur content in marine fuels at 0.5 per cent starting January 1, 2020 compared with the current 3.5 per cent. Singapore is already facilitating a smooth transition to IMO 2020 by readying its fleet of bunker barges to deliver an array of IMO-compliant bunker fuels.

CHINA

Cold chain market growing robust

Chinese cold chain logistics market was worth RMB295.6 billion in 2018 with an upsurge of 18.8 per cent from a year earlier, and it will keep expanding and soar to RMB522.5 billion in 2025 with an expected CAGR of 8.5 per cent between 2018 and 2025 as the cold chain standards and policy grow clear, the fresh food e-commerce burgeons and financial innovations continue. The cold storage market is scattered with a low concentration ratio and with strong regional attributes. In 2018, the top 10 cold storage operators had a total cold storage capacity of 30.89 million, commanding roughly 21.0 per cent market shares, and include the typical ones like Xianyi Supply Chain, Swire Cold Chain Logistics, and China Merchants Americold, all of which boast large cold storage network across China.

AFGHANISTAN

First reefer of Afghanistan to India via Chabahar

Afghanistan's first refrigerated cargo containing grapes was exported to JNPT through Shahid Beheshti Port of Chabahar last month. Sistan-Baluchistan Ports and Maritime Department’s Director General, Behrouz Aghaei said that Chabahar Port’s main refrigerated container site with a capacity of 150 containers for unloading and loading refrigerated goods is under construction. In the current conditions, Shahid Beheshti Port of Chabahar is equipped with a temporary refrigerator for storage of refrigerated cargocontainers with a capacity of 160 containers. The port in future will become the center for export and transit of East Axis.

TURKEY

MOL to build new port in Turkey

MOL announced an agreement with Tosyalı Holding A.S. to begin the research towards a strategic partnership, and in this respect signed a memorandum of agreement in the presence of H.E. Dr. Hasan Murat Mercan, Turkish Ambassador to Japan, at the Turkish Embassy in Tokyo in August 2019. The companies will study the possibility of a partnership in the transport of raw materials and steel products in Tosyalı’s production networks in Turkey and overseas, building a port in southeastern Turkey and further cooperation on new Tosyalı business ventures. The agreement embodies comprehensive strengths that enable the provision of one-stop solutions to the various transportation needs of customers, and looks forward to contributing to the expansion of Tosyalı’s businesses.

CEMENT LOGISTICS A COSTLY AFFAIR

Deprived of automation and thriving on rather uneconomical modes of logistics the Indian cement sector has for long been burdened with high logistics cost. The sector now seems on its way to optimise its logistics value chain.

by Omer Ahmed Siddiqui

The Cement Industry in India is more than a century old and is now second largest globally behind China in terms of installed capacity, production and consumption which is playing an important role in development of infrastructure in the country. Ask the industry experts what is driving the industry growth? And they are quick to count a bouquet of projects on their fingertips. In fact programmes such as housing for all by 2022, Make in India, creation of 100 smart cities, dedicated freight corridors, Swachh Bharat Abhiyan, water transport, concrete road projects etc. will make sure that all the production units function at their peak capacity. Increased allocation to infrastructure projects in Union Budget 2018-19 and the North-East, which is witnessing a construction boom, point at the growing demand for cement. There will be a vast requirement of cement and cement industry will be one of the most important contributing factors for the success of these projects. Housing and real estate sector is the largest consumer of cement in India, followed by infrastructure and industrial development sectors.

"Indian cement Industry has seen a fair amount of annual growth as India embarks on a massive investment in housing and infrastructure building. Capacity building, manufacturing excellence, overhaul of supply chain efficiencies and cost reductions along with market expansion including tapping rural markets are the major areas of focus for the industry. Growth in use of ready mix concrete especially in major urban metros and in infrastructure projects has given a fillip to increase in delivery of bulk cement. Slowly, India is moving the way the other major industrial countries have shifted to bulk cement from bag cement deliveries," notes **JVB Sastry, Supply Chain Consultant, Emami Cement.**

Thus it may not be too ambitious to forecast India's cement demand to reach 550-600 million tonnes per annum by 2025. Robust investments are being made by the existing players to expand their capacity. FDI inflow in the industry related to manufacturing of cement and gypsum products reached $5.26 billion between April 2000 and June 2018. Many multinational companies like lafargeHolcim, Vicat and others have invested in the Indian cement Industry. However, Ultratech cement of the Aditya birla Group has expanded its capacity to more than 100 million tonnes becoming the largest cement company in India. Vicat group has 2 production units - Bharathi Plant in Kadapa District of Andhra Pradesh with 5 mtpa capacity and Kalburgi plant at Kalaburagi District of Karnataka with 3 mtpa capacity.

Sharing more insights into the market JVB Sastry further reveals, contrary to the large size of our country, growing population and rising middle class, the per capita cement consumption in India is less than 200 kg, compared to over 1,000 kg in China and 500 kg as the global average. The total installed capacity of Indian cement industry is about 510 million tonnes and the production capacity stood at 502 million tonnes per year (mtpa) in 2018. Production during the year 2017-18 was 297.71 million tonnes (mt) and during 2018-19, it was 337.32 mt. Production during H1FY19 stood at 162.4mt, 14.4 per cent higher than 142 mt recorded in H1FY18. At present the capacity utilization is low and idle capacity of the cement production is around 170 million tonnes which comes to around one-third of total cement making capacity, underlining the recent trend of slowing activity in the housing sector and infrastructure development.

Of the total production capacity, 98 per cent lies with the private sector and the rest with public sector. The top 20 companies account for around 70 per cent of the total production. Around 210 large cement plants account for a cumulative installed capacity of over 410 million tonnes, while over 350 mini cement plants have an estimated production capacity of nearly 11.10 million tonnes. Of the total 210 large cement plants in India that manufacture all types of cement, 77 are situated in the states of Andhra Pradesh, Rajasthan and Tamil Nadu. The largest limestone (an essential raw material for cement) producing states are Madhya Pradesh, Rajasthan, Andhra Pradesh, Gujarat, Chhattisgarh, Tamil Nadu and Karnataka.

Exports

India is also a major exporter of the commodity mainly exporting to Middle East, Sri Lanka, Bangladesh, Myanmar, Nepal and countries on east coast of Africa. For instance, Bharathi Cement exports to Sri Lanka on regular basis and sometimes to countries like Bangladesh and Myanmar. We generally use Chennai seaport and Krishnapatnam seaport, informs M Ravinder Reddy.

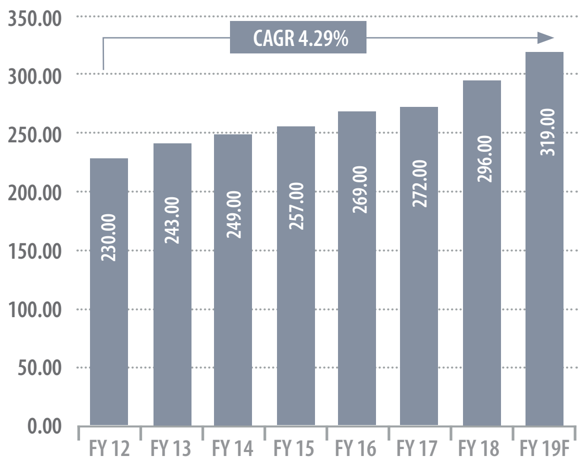
High logistics cost

Owing to its commodity nature, cement has high transport freight weight adding to the total cost. In spite of being a logistics intensive sector – both in terms of sourcing raw material and moving cement to the market, the industry has not focused much on cost-efficiency of logistics. Elaborating on the logistics cost, **M Ravinder Reddy**, **Director Marketing, Bharathi Cement Corporation Pvt Ltd** said, "If we combine both inward and outward logistics, it contributes to more than 35 per cent of total cost of cement. We manage it very efficiently by bringing synergy between inward movement (logistics for procuring raw material) and outward movement (Logistics for moving cement). We have a dedicated fleet of 300 bulkers and truck which carry 50 per cent of inward and outward movement. We also have our own specialized bulk cement rake and bulk terminal for movement of bulk cement."

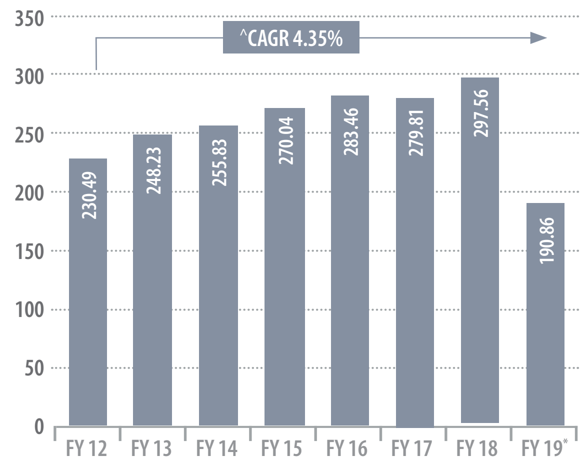
He further adds, "We use mostly road logistics. Share of road in our total logistics is 75 per cent, rail share is 20 per cent and only 5 per cent is by sea. This is because of our market and distance to serve these market. Our average distance to serve the market is only 300 km and with lower distance road is more economical."

"Cement industry is a logistics-intensive sector and inefficient

Cement consumption (million tonnes)

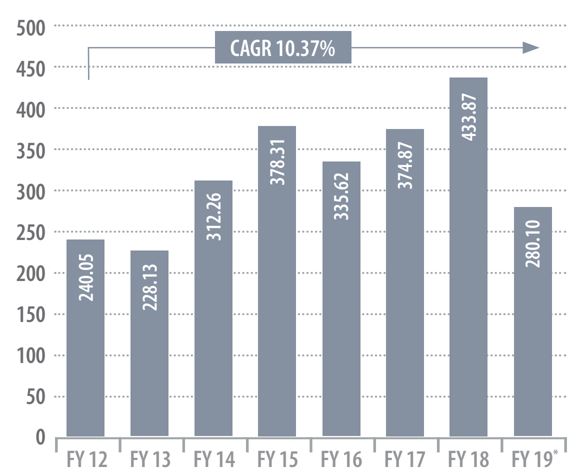


Cement Production in India (million tonnes)

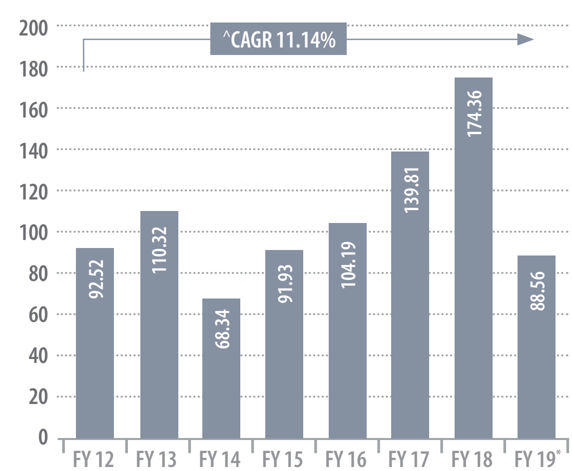


- Industry to grow at 5-6 per cent CAGR between FY17 - FY20.
- Cement production is expected to grow to 316 million tonnes in 2018-19. It reached 190.86 million tonnes between April-October 2018.
- In FY19, cement demand is expected to grow by 7-8 per cent#.

Cement Exports from India# (US$ million)



Cement Imports to India# (US$ million)



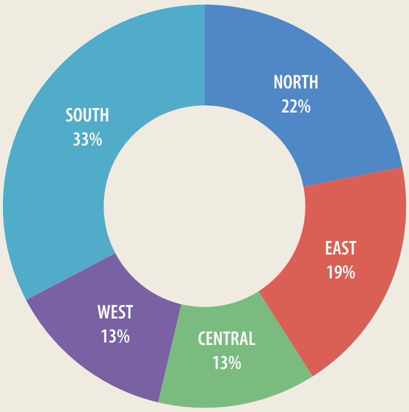
- India's exports of cement, clinker and asbestos cement increased at CAGR of 10.37 per cent between FY12-FY18 to reach US$ 433.87 million. During the same period imports of cement, clinker and asbestos cement increased at a CAGR of 11.14 per cent to US$ 174.36 million FY18.
- Cement# exports and imports reached US$ 280.10 million and US$ 88.56 million, respectively between April-October 2018.
- The Country's top export destinations for cement, clinker and asbestos cement in FY18 were Nepal, SriLanka, USA, Maldives and UK.
- The Country's top five import sources for cement, clinker and asbestos cement in FY18 were Pakistan, Bangladesh, Japan, Vietnam and Thailand.

Note: #including Cement. Clinker and Asbestos Cement, ^ CAGR is upto FY18, *upto October 2018 Source: DGCIS

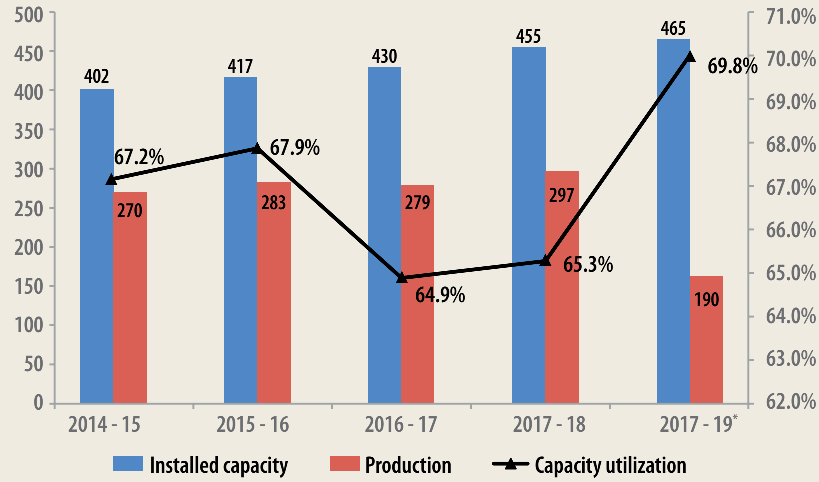
logistics has also contributed to the idle capacity of the plants," said Ashish Nainan, Research Analyst, Care Ratings. He added that around one-third of the cement plants are located in the southern region marked with inadequate demand to utilise the installed capacity. Now transporting cement to the northern parts of the country is not a cost-effective proportion. Cement plants have to be located near the limestone plants as higher logistics have resulted in the inefficiency of many cement plants in the past, some of which have already gone bankrupt, points out Ashish Nainan.

Smaller cement plants with lower production capacity often find it difficult to procure rakes or wagons, an economical mode of logistics

Installed Capacity



India: Supply, demand (in million tonnes) and capacity utilization (in %)



Source: CMIE

compared to road. Further it is uneconomical to transport this bulk commodity over long distances, which makes it a product of local sales.

Inbound movement of raw materials like limestone, coal, gypsum, bauxite and others have to be transported to the cement manufacturing plant and outbound transport of clinker to the grinding units and finished cement product to the markets are both critical. Since cement consumption is seasonal and somewhat skewed, storage of cement becomes necessary. Hence, transport, storage and onward movement of cement is essential and costly. Approximately, logistics costs constitute about 30 per cent of the total value of the finished product. Hence, cement companies focus a lot in selling closer to the plants, driving sourcing and logistics efficiencies and cost reductions. This has a direct bearing on the bottom line of the companies as the industry's ability to pass on cost increases to the markets is limited due its commodity nature.

Sourcing of raw materials, need to send cement to market over long leads, multiple handling of cement bags, storage costs, not to speak of cost of damages, railway demurrages, tolls on highways, all these add up to the cost of logistics. Rural housing, remote location of projects, also increase the transport leads for the industry. At many rail heads and warehouses, labour unions and transport unions demand very high wages and freight charges. Pre-GST times required the industry to maintain warehouses at many markets. This has eased to some extent after the introduction of GST. Another cost factor is shortage of railway rakes. Ideally transport to long lead destinations will be economical if sent by rail. However, seasonal shortage of rakes has pushed the dispatches more to the costlier road mode. All these factors are responsible for high logistics costs of the cement industry.

Logistics challenges

There are many logistics challenges faced by the cement industry:

- Demand volatility creates problems in forecasting and making supply chain planning.
- Lack of integrated end-to-end planning, as the culture of functional silos is still a major operational challenge.
- Shortage of rakes, especially during peak season, which results either in production loss or movement by costlier mode which is road
- Most of the cement plants are located in hinterland near to limestone mines, and hence are dependent on surface transport for movement of raw materials and outbound cement.
- There is very low usage of river transport.
- However, in the recent years, the Industry has rationalised the logistics footprints by setting up clinker units near to limestone mines and grinding units near to markets/coastal areas. This helps reduce the logistics costs and also open up river transport to the cement industry which will bring in lot of economics.
- Poor road infrastructure, vehicle movement restrictions on routes passing through villages and towns, add to delays and underutilisation of logistics assets, adding to cost increases.
- There is hardly any mechanisation in handling of cement at warehouses. Manual labour is both inefficient and expensive. There have been a few efforts in semi-mechanization at a few warehouses, but have not scaled up till date.

- Road transport is still not very organised. In many interior places, transport is controlled by transport brokers, agents and single truck owners. Also, infiltration of local unions add to the complexity of dealing with them.
- Logistics safety is very critical but was mostly ignored by the cement industry till recently. There has been a sea change in the mind set and compliance after many companies from abroad have entered the Indian cement industry. A lot of work on supply chain safety and sustainability has begun in the cement industry.
- Use of hooks in handling cement bags is another major issue, as there has been not much of mechanisation in handling cement. This results in spillage and wastage besides loss of brand equity for many sellers.

Initiatives to improve logistics:

The industry has taken many initiatives to improve logistics:

- Introduction of bulk cement and ready mix concrete helped reduce bag cement percentage and associated costs and logistics challenges.
- RFID and GPS in plants and trucks has improved logistics information and customer service.
- Driver training and basic truck safety norms have brought in mind set change in logistics stakeholders towards safety.
- Model warehouses are being set up with clear safety and stacking guidelines.
- Pooling of sourcing by transporters is being encouraged to reduce the input/operational costs for truckers.
- There is a shift to large size trailers and trucks, so that per ton per km costs can be reduced.
- Post GST, direct to market deliveries have increased, thereby reducing physical warehousing and costs.
- Many cement companies are purchasing railway wagons for movement of clinker and cement. This will help reduce the dependence on railways for transport and the related uncertainties.
- Shared transport network and warehouse space can go a long way in better fleet utilisation through return loads and better space utilisation in warehouses, thereby bringing in efficiencies and reducing costs.

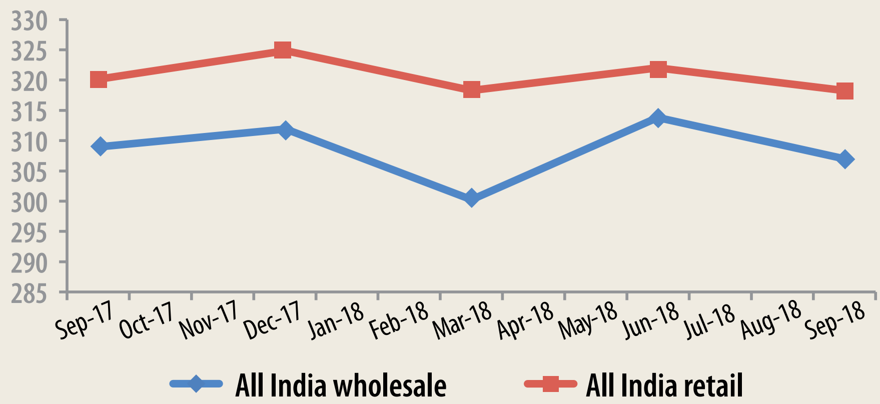
Demand scenario

The industry has registered good demand growth in the last few years barring a few hiccups in a few quarters. Demand from housing, infrastructure are important demand drivers. During H1 of FY2019 construction activity picked up in the housing segment across western, eastern and southern region. Affordable housing scheme for rural and urban areas supported demand for cement in the housing segment. Northern and central regions witnessed higher activity in the infrastructure segment, especially with elections in Rajasthan, Madhya Pradesh and Chhattisgarh. Between April to August, 2019, around 34 infrastructure projects with an outlay of over ₹150 crore have been completed across major infrastructure sectors.

Two successive years (FY18 & FY19) witnessed steady demand from housing segment especially rural housing. Real estate segment witnessed stable activity and there are signs of improvement over H1FY18 which witnessed disruption due to demonetization, RERA and GST. Affordable housing in rural areas continued to boost the demand in housing segment and the same is expected to peak by the end of Q3FY19. However, the overall demand has not kept pace with the capacity addition. Hence, the overall capacity utilisation has dropped to about 70 per cent.

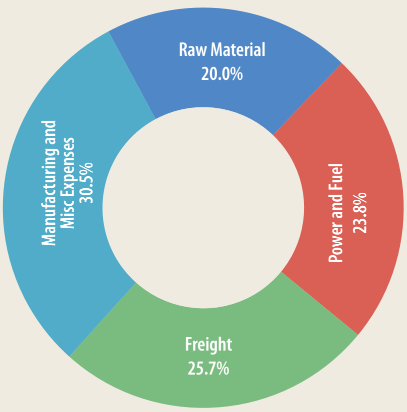
The demand has been growing by about 5-6 per cent annually. The recent quarter-1 of 2019-2020, has seen a drop in cement demand growth between 3-5 per cent. In the long run, massive investments that are planned in the infrastructure sector and the need for large number of housing units, especially in the affordable housing segment, will keep the cement demand high.

Cement prices (in Rs./50 Kg bag)



Source: CMIE

Cement industry cost break up



For FY20, expect a demand growth of eight per cent and given the limited capacity addition, this is likely to result in an improvement in the industry's idle capacity utilisation in FY20. Eastern and central regions will lead the cement demand growth with emphasis on affordable housing and infrastructure. GST implementation has also helped demand by giving flexibility to manufacturing units to move cement to different markets.

We must bear in mind that cement is a cyclical commodity with a high correlation with GDP. The housing and real estate sector is the biggest demand driver of cement, accounting for about 65 per cent of the total consumption in India. The other major consumers of cement include public infrastructure at 20 per cent and industrial development at 15 per cent. The domestic cement production rose by around 13 per cent between April 2018 and February 2019 as compared to six per cent year-on-year growth in FY18, the rating agency ICRA said in its report. CRISIL Research expects the profit margin from the sector to be at a six-year high due to the recent price hikes the industry practiced in the April-June quarter, and the lower power and fuel costs.

Key features of the Indian cement industry:

- Oligopoly market, where large players have partial pricing control.
- Low threat from substitutes.
- Per capita cement consumption at 210 kg is currently the lowest among developing countries while the world average is 580 kg.
- Long-term cement demand growth rate is estimated at 1.2 times of GDP growth rate

Cement pricing

Cement prices have remained range bound even though demand has increased substantially. Northern and eastern regions, especially states like Punjab, Haryana and West Bengal continue to feature better price realisation and southern region continues to be the most competitively priced. Southern market with a 33 per cent share of installed capacity continued to record lowest prices, with an exception of Kerala where the prices have remained high due to very less installed capacity for manufacturing cement. During the first half of FY 2019, the overall trend of prices witnessed a slight decline for a 50kg bag of cement.

Cost drivers

Petcoke is used as feedstock for production of clinker. India imports around 45 per cent of its petcoke requirement and the remaining demand is met by domestic refineries. Petcoke prices have remained on the higher side (Rs.7,800 - 8,500/ tonne) and imported coal too has remained at $100 and above which has left less scope for manufacturers to offset feedstock costs. An upward movement in Dollar vs Rupee has further hiked the price of imported feedstock. Power prices from spot market too have remained high and non-captive power users had to pay heightened power tariffs as a result of scarcity of coal supply during peak-demand period. Fuel and power prices on an average for the industry have increased by 15-18 per cent during H1FY19 over the corresponding period in the previous year. The overall operating margin for the industry has declined by 3% y-o-y due to fuel, freight, currency and power cost impact.

A RAPIDLY CHANGING MARKET

"Feedering has become increasingly competitive in the last decade with more new entrants and main lines encroaching on traditional feeder markets with their end-to-end / Inter Asia services or indeed dabbling with their own feeder activities," reveals **Bill Smart, CEO, Bengal Tiger Lines**

Q. As the Chief Executive of Bengal Tiger Lines, what is the agenda before you?
After the Schoeller Group's Euro800m impairment last year BTL (and other subsidiaries) were sold. Accordingly CMIA Venture Capital took over BTL. Under such Ownership the objectives remain to grow the business whilst retaining BTL's renowned branding.

Q. How has been the feeder market in the past five years? What are your expectations for the year 2020?
Feedering has become increasingly competitive in the last decade with more new entrants and Main Lines encroaching on traditional feeder markets with their end to end / Inter Asia services or indeed dabbling with their own Feeder activities. This said the introduction of the mega container vessels creates more feeder requirements and new Indian port development has opened new feeder opportunities - a rapidly changing market place which requires a flexible approach.

Q. What has been the impact of Cabotage relaxation in India on the feeder business?
Direct coastal and combined international & coastal services have further emerged as a result but realistically many operators have come and gone so the coastal sector is certainly not an easy sustainable model - further complicated by ports' increasing desires to handle transship volumes as well as EXIM movements. We continue to study possibilities and have such on our 2020 agenda.

Q. What is Bengal Tiger Line's focus in South Asia?
BTL's core markets remain to/from India with 250,000 teus being shipped collectively through the SEA hubs of Singapore & Port Kelang and similarly another 250,000 teus over Colombo. Accordingly our focus remains on providing reliable and efficient ISC connectivity.

Q. Apart from the traditional Bay of Bengal/South India markets, what are the new business opportunities you are exploring?
BTL continues to have Hub activities in the Gulf where we are looking at Khalifa and Salalah synergies and in the East use Taiwan's KSG as a transshipment point for our Philippines business.

Q. Transhipment has been growing at the Indian ports on the east and west coast. What opportunities do you see here?
Coastal transshipment to EXIM markets will continue to expand and even some international t/s over Indian ports may arise - both on the East (Bangladesh or Myanmar) as well as possibly the South West coasts (via Salalah) but the bulk of container movements will take the faster transit and more frequent connectivity via the major Hubs of Singapore, Port Kelang & Colombo.

Q. On which of the trade lanes do you see business growing?
ISC growth will be spread per the above and BTL is well placed to cater for such demands having a flexible charter philosophy and partnership approach to ensure suitable service standards at the right cost.

In short, after a few stagnant years protecting P&L, BTL has a new lease of life via an active investor who will will propel the company to new heights.

LIFELINE FOR TRADE

International corridors like INSTC and the newly proposed Chennai – Vladivostok route make logistics chains more lean and efficient, promoting regional links between national systems to affect regional economic integration

Geopolitics and trade wars have made global trade more complicated than ever before. The Middle East crisis, China's expanding influence in Central Asia, US sanctions on Iran and trade war against Russia have ushered the need for India to revisit its trade routes to ensure uninterrupted flow of exim trade. Almost 19 years after the signing of agreement between India, Iran and Russia for developing the International North South Transport Corridor (INSTC), the project received a major thrust as Russian Railways Logistics Joint Stock Company (RZD) and CONCOR signed a MoU for providing logistics services along the corridor, the implementation of which had been delayed for several years despite several dry runs have been conducted on parts of the project. Both the logistics majors will study the possibilities for developing joint logistics projects in Russia and India. In fact, India and Russia have been exploring the possibilities to together implement connectivity projects within the Eurasian region, including those connecting Eurasia with Indian Ocean region.

Going further, workshops will be organised to improve Indo-Russian logistics cooperation, joint projects will be developed for making container transport efficient between the countries and to develop high quality logistics along INSTC which is the shortest multimodal route linking the Indian Ocean and Persian Gulf via Iran to Russia and Europe. Indian cargo can be moved to the Bandar Abbas Port of Iran and further to Bandar-e-Anzali on the Caspean Sea, to be shipped to the Russian Port of Astrakhan which connects to the rest of Europe by rail.

The INSTC is a 7,200 kilometer-long freight route connecting India, Iran, Azerbaijan and Russia via ship, rail and road. The line should reduce journey times between Mumbai and Moscow from forty to fourteen days. The new Mumbai-Tehran-Moscow transport corridor will rival the Suez Canal route, allowing faster, cheaper and smoother transport of goods between Asia and Europe. This 6,245 km long corridor reduces the delivery time by 10-12 days. It will particularly help India in tapping the oil and natural gas in Central Asian Republics. Now compare this with the traditional route that travels 16,129 km for 35 days for exports from India to reach

Main Goods to be transported along North-South corridor

	Producers	Importers
Petrochemical Polymers (including potassium fertilizers)	Azerbaijan Turkmenistan	Iran India Russia
Agriculture Products	Iran Azerbaijan Uzbekistan	Russia Belarus Eastern Europe
Grains	Russia Kazakhstan	Iran India Azerbaijan Middle East
Pharmaceuticals	India Iran Azerbaijan Russia	Middle East Central Asia
Textiles (including cotton)	India Uzbekistan Azerbaijan	Russia EU
Petrochemicals	Azerbaijan Turkmenistan Kazakhstan	Russia* india Iran

*Petroleum coke gas

the Baltic states. This long route not only makes Indian exports costly and less competitive in the global markets, is susceptible to flare-ups in the Middle East and does not provide access to the Asian hinterland. The main objective of the INSTC corridor is to provide an alternative to the traditional routes that move through the Suez Canal and the Mediterranean and the Baltic Sea.

A Paradox: A recent study by Valdai Discussion club reveals that the INSTC and China's BRI can hardly be imagined separately. An objective look at transit flows, trade, and geography suggests that China's interests and east–west transport flows can be seen in every major hub along the INSTC. The opposite is also true. This becomes apparent at Caspian Ports, including in Russia, as well as the INSTC's eastern pillar along the Caspian coast where the China–Kazakhstan–Iran (CKI) transport corridor and the INSTC basically form a single network.

Another landmark deal between India and Russia was inked during Prime Minister Narendra Modi's visit to Vladivostok, to open a full-fledged maritime route between Russia's eastern port city and Chennai Port. This sea route covers a distance of approximately 5,600 nautical miles, or about 10,300 km. A large container ship travelling at the normal cruising speed of 20-25 knots, or 37-46 km/hour, should be able to cover the distance in 10-12 days. The route connects India with Northeast Asia and Western Pacific region. Explaining significance of this route, Foreign Secretary Vijay Gokhale said, it will give impetus to cooperation between India and the Russian Far East.

Located on the Golden Horn Bay north of North Korea and a short distance from Russia's border with China, Vladivostok is the largest port on Russia's Pacific coast. It is the eastern railhead of the legendary Trans-Siberian Railway, which connects the Far East of Russia to the capital Moscow, and further west to the countries of Europe.

An ocean liner travelling from Vladivostok to Chennai Port would sail southward on the Sea of Japan past the Korean peninsula, Taiwan and the Philippines in the South China Sea, past Singapore and through the Strait of Malacca, to emerge into the Bay of Bengal and then cut across through the Andaman and Nicobar archipelago to reach Chennai Port. The new route will increase India's presence in the Indo-Pacific, and especially the South China Sea, a deeply contested patch of the ocean that Beijing considers its stomping ground. At present the connection will be beneficial to the nuclear power plants being developed in Tamil Nadu, in collaboration with Russia. In the long-term, India is looking to collaborate in energy, forestry and agriculture sectors in Russia. The proposed route is juxtaposed with Indo-Japan Pacific to Indian Ocean Corridor, amid China's OBOR – virtually connecting entire SE Asia through road, rail and sea. mg

Advantages of INSTC

- Asian and European countries could make their cargo transportation through North-South corridor with double speed compared to Suez Canal.
- Carriage cost is 30 per cent less and transit is 40 per cent shorter.
- Lesser border crossings, so easier for participating countries to enter into agreements.
- Fewer discontinuous points, resulting into transloading.
- INSTC can integrate with and supplement other corridors.

A game changer

Designed to handle bulk, break bulk and container cargo, Sahibganj MMT will move cargo originating from Jharkhand and Bihar to Bangladesh through Haldia, while connecting ICD Biratnagar in Nepal

by Rajireddy Kesi Reddy

The Sahibganj Multi-Modal Terminal (MMT) built on 187 acres of land alongside the river Ganga in Jharkhand will handle 3 million tonnes of cargo per annum. The cargo originating from Jharkhand and Bihar can go up to Bangladesh through Haldia while serving the Nepal cargo as well.

Designed to handle bulk, break bulk and container cargo, Sahibganj MMT is located closer to coal mines to help industries get raw material easily. The terminal will also handle fertilizers, cement, sugar, stone chips and food grains.

Prime Minister Narendra Modi on September 12, 2019 inaugurated the first phase of the terminal to be operated on PPP basis. The capacity of the MMT will be increased to 5.5 million tons per annum in the second phase. Through the MMT, industries can transport goods to Bihar, West Bengal and Bangladesh. So, the terminal will be handling international cargo including Nepal's inbound container cargo from Haldia. The terminal will soon have rail connectivity.

Explaining uniqueness of Sahibganj MMT, Shashi Bhushan Shukla, Member Traffic, IWAI said, "It is located where a lot of coal mines and stones are available. Sahibganj Terminal can also help in evacuation of Nepalese cargo. Containers can be brought from Haldia or Kolkata to Sahibganj through waterway and from Sahibganj it can be taken to Biratnagar ICD of Nepal. The terminal will also have Ro-Ro services."

The terminal has modern handling equipment like conveyor belt and also a separate coal stock yard and warehouses for storage requirements.

At the terminal currently 2 vessels can be berthed at a time, carrying about 1,500 to 2,000 tonnes of load. As part of Jal Marg Vikas Project (JMVP), the Government is developing three more multimodal terminals between Varanasi to Haldia for navigation of larger vessels of up to 2,000 tonnes dwt. IWAI which is the nodal agency to implement riverside terminal projects and supporting inland water transportation in India, is trying to maintain 2-3 meters draft in the river for safe navigation of the vessels across the jal marg route.

Freight Village:

There is a proposal by the government to setup a Freight Village near the Sahibganj terminal. It will be coming on about 300 acres of land which will be allotted by the Government of Jharkhand. The freight village will be on the lines of existing logistics parks where more value added services will be provided such as packaging, banking, financial services, and ship related services including repairs etc. Even the industries can also set up their related units in the freight village.

Record Volumes:

Sahibganj is the second MMT only after Varanasi MMT which is the first riverside terminal in the country. Both are developed alongside the river Ganga. The government's effort is to provide big boost to the inland waterways in the country to enable local trade to transport their goods in a cost effective manner to benefit from the global trade activities. Overall cargo volumes on river Ganga used to be 5.48 million tonnes in 2017-18 and that have gone up significantly to 6.90 million tonnes in 2018-19. And the Inland Waterways Authority of India (IWAI) is targeting to register 9 million tonnes of cargo during the current financial year.

Exchange of knowledge and expertise is the way forward for India and the Netherlands to nurture shared growth in the maritime and logistics sector

Potential for shared growth

Some of the most contemporary issues pertaining to the maritime sector - Smart and sustainable port development, EcoShape (dredging and building with nature), maritime education, hinterland connectivity and maritime policy, were discussed at the 3rd edition of the Indo-Dutch Port Forum organised in Mumbai. His Majesty King Willem-Alexander and Her Majesty Queen Máxima of the Netherlands graced the forum and the Royal Couple took part in the plenary session with a special focus on Maritime Education. They also participated in table dialogues with representatives from the maritime industry from India & the Netherlands and had active discussions on themes like building/dredging with nature; smart port development, digitization in ports, dockyard development, and port-led development.

The Royal Couple witnessed the signing of two agreements:

Letter of Intent (LOI) on Maritime Education

A Letter of Intent was signed on Maritime Education between four parties – 2 parties from the Dutch side and 2 parties from the Indian side. On the Dutch side, it was signed by STC International and Erasmus Centre for Urban Port and Transport Economics (Erasmus UPT). On the Indian side, the signatory parties were the Indian Maritime University & the Indian Ports Association. The LOI is set to establish a starting point for joint collaboration between India & the Netherlands to further develop education in the sectors of port and maritime, where training will be provided at all levels - vocational, middle to managerial level.

MoU between Maharashtra Maritime Board and Port of Rotterdam

A MoU was signed between the Port of Rotterdam and Maharashtra Maritime Board, under which the Port of Rotterdam will share its best practices with the Maharashtra Maritime Board that will support their pursuit to further develop their port facilities and hinterland connectivity.

"India and the Netherlands have immense potential for cooperation in maritime development," said Ms. Ineke Dezentjé Hamming, Vice President of VNO-NCW – the Confederation of Netherlands Industry and Employers. "The Port Forum was an excellent example of this where participants from the industry across government and private organizations came together to build on the scope of partnerships. Dutch expertise in the maritime sector is one of the strongest in the world. India has also similarly embarked on a strategy of large-scale investment in its port sector under its 'SagarMala' programme. Given this background, we feel India and the Netherlands have ample potential for shared growth."

Sanjay Bhatia, Chairman, Mumbai Port Trust & Indian Ports Authority, IAS, said, "The collaboration in the area of maritime education, dredging technologies, sustainable maritime operations will help the ports in achieving the ambitious objectives of Sagarmala."

The Consulate General of the Netherlands in Mumbai, together with the Netherlands Business Support Office (NBSO) in Ahmedabad will continue to work on organizations from both sides to further develop the collaboration and bring to fruition the discussions both the countries had under the banner of the Indo-Dutch Port Forum.

To explore opportunities on Indo-Dutch collaborations in the maritime sector, you can write to bom-ea@minbuza.nl (for Mumbai) & Ahmedabad@nbso.info (for Ahmedabad).

MONGLA PORT FLEXING CAPACITY

The port capacity upgrades will result in making Mongla a highly income-generating port in the country and will also substantially reduce the excessive load on Chattogram Port

Mongla, the second largest seaport in Bangladesh became functional in December 1950. The port contributed to the economic uplift of the country over the decades, but later it became a losing concern.The southern region of the country is now witnessing massive development activities with the ongoing implementation of the Dhaka-Mawa-Mongla upgradation, Padma Multipurpose Bridge Project, Construction of Khanjahan Ali Airport, coal-based power plant in Rampal, Special Economic Zone near Mongla Port, extension of Mongla EPZ and the construction of Rooppur Nuclear Power Plant.

But currently the port has lower draft, lacks a container jetty and connectivity to rest of the country, which is affecting the export and import business. Therefore, capacity upgradation of Mongla Port has become a demand of time, as the port continues to remain underutilized due to its poor facilities and lower draft.

The port currently operates through six own jetties alongside seven private jetties which enable it to conveniently handle 35 ships at a time through 22 anchorages.

Mongla port upgrade

After 2009 the new government in Bangladesh has initiated many steps to develop the port and gradually it became a profitable one. In October 2017, Bangladesh and China signed a memorandum of understanding (MoU) to develop Mongla Port at a cost of approximately Tk 3000 crore. The projects includes construction of four jetties and two yards, a large multistoried garage for car parking, four lane roads, procurement of 11 survey and tug boats and modern machineries for handling cargo and containers.

In July 2018, the government initiated construction of an economic zone near the port and railway lines connecting Mongla to Kolkata via Nepal and Bhutan and necessary link roads for enhancing regional connectivity are being laid.

In order to improve the navigability of Pashur channel upto 9 to 10 meters draft, to be able to berth all kinds of vessels, the government has taken up another project in January 2019 to excavate the Mongla channel from the Bay of Bengal to make the port an effective transportation hub.

The Bangladesh government's agenda is to have additional cargo handling capacity of 15 lakh metric tons per year by developing Mongla Port. In March 2019, the state-owned Mongla Port Authority (MPA) under the shipping ministry has undertaken the Tk 60.14 billion port upgrading project. According to the port authority, the Indian 3rd line of credit will provide loans worth about Tk 44.59 billion while the rest will be borne by the Bangladesh government from its own coffers. The Mongla port upgrades work is expected to begin soon and scheduled to be completed by fiscal year 2022-2023.

The upgrade project will comprise of 12 components including construction of container terminal jetty 1 and 2, construction of container handling yard, container delivery yard, shade, security wall automation and other infrastructures, including extension of the port, service vessel jetty shade and office.

Construction of container terminal and container handling yard is expected to be completed with an investment of Tk 2,391 crore, and construction of MPA tower, port residential complex and community facilities with Tk 2,507 crore. Besides, there will be construction of container delivery yard with Tk 845 crore, construction of infrastructures with safety measures and automation with Tk 24 crore, extension of the port building with Tk 96 crore, construction of pool including mechanical workshop, equipment yard, shed and necessary machineries with Tk 87 crore, construction of overpass over Digraj rail crossing with

Tk 143 crore, and construction of embankment with Taka 213 crore.

According to **Rear Admiral M Mozammel Haque, NUP, ndc, psc, Chairman, Mongla Port Authority (MPA)** capacity of the port will be enhanced further upon completion of these projects.

Benefits of capacity enhancement at Mongla port

Mongla Port is the second largest port in Bangladesh with good inland connections to the business hub Khulna by road and the facilities will act as a backup to the country's principal seaport Chattogram. Its connectivity with the Padma Bridge has the potential to provide port transportation or maritime access to the capital city Dhaka, with lower cost and lesser time compared to Chattogram Port.

Once the Padma Bridge is completed, scopes will be created for transportation of import and export products including RMG items through the port. The port can also play an important role for transportation of goods to and from Nepal and Bhutan through transit facilities.

The upgradation will enhance the potential at the port to provide transit facilities through maritime access to India, Nepal and Bhutan as well as to China. However, the role of India is very significant for creating enabling environment and to utilise transit facilities by using Mongla Port as a 'win-win' situation for India and Bangladesh.

The Mongla Port upgrades are being aimed at encouraging rapid economic development and to generate more employment opportunities. In line with the "Vision-2021" envisaged by the government, the project is being implemented to attract foreign companies to develop and operate economic zones as well as ensure balanced development of every region of the country. The port capacity upgrades will result in making Mongla highly income-generating port, while substantially reducing the excessive load on Chattogram Port.

India-Myanmar-Thailand Trilateral Highway

The India-Myanmar-Thailand (IMT) highway project will open the gate to ASEAN through the land. The project will boost trade and commerce in the ASEAN–India Free Trade Area, as well as with the rest of Southeast Asia. India has also proposed extending the highway to Cambodia, Laos and Vietnam

The 1,360 km long India-Myanmar-Thailand trilateral highway connects India with Thailand through Myanmar, the only ASEAN country that shares land border with India. The road will connect Moreh in Manipur to Mae Sot in Thailand via Myanmar. The project is a significant one for India and South East Asian countries as it establishes connectivity to further trade. With $70-billion trade, ASEAN is India's fourth largest trading partner.

The IMT trilateral highway project is largely funded by Indian government under the look-east policy. The highway is country's second prime international road project for India, the first being Bangladesh-Bhutan-India-Nepal (BBIN) project. The project also helps to thicken Indian position as a counterweight to the strategic influence of the People's Republic of China in the region.

Trilateral highway project details

India has taken up the construction of two sections of the Trilateral Highway in Myanmar. The two sections include 120.74 km Kalewa-Yagyi road section, and 69 bridges along with the approach road on the 149.70 km Tamu-Kyigone-Kalewa (TKK) road section. Both the projects are being funded by Government of India under grant assistance to Myanmar.

The National Highways Authority of India (NHAI) has been appointed as the technical executing agency and project management consultant for the project. Estimated budget for the completion of construction of IMT trilateral highway section between India and Myanmar is ₹1,177 crore.

The work on both these sections were awarded on Engineering, Procurement and Construction mode in May 2018 for Kalewa-Yagyi section and for the TKK section in November 2017. The scheduled time for completion of both the projects is three years from the date of commencement at the project site by the executing agency. The 160km long India-Myanmar Friendship Road, linking Moreh-Tamu-Kalemyo-Kalewa, was officially inaugurated in February 2001, and it now forms a part of the trilateral highway. The road was built by the Border Roads Organisation (BRO).

In April 2018, Kalewa-Yagyi section construction contract was finally awarded to joint venture consisting Punj Lloyd and Varaha Infra, to be completed in 3 years through EPC mode under a special purpose vehicle. The Highway will be completed in compliance with international standards with two-lane in each direction with paved shoulders, entailing 6 truck stops, 20 bus stops and passenger shelters, 1 rest area, strengthening of 4 existing major bridges and 9 existing minor bridges, and construction of 3 new major bridges and 2 new minor bridges.

Though the project was already given to the JV in the year 2017, the work began in April 2019. The project includes work on a 120 km section that will go through rocky terrains and the design has several big and small bridges. There will also be 20 bus bays and a passenger shelter and rest area for the convenience of travellers. In addition to this, some of the existing bridges will also undergo some major reconstruction.

The funds released by India's ministry of external affairs (MEA) for the project is ₹188.32 crore out of the approved cost of ₹1459.29 crore for the Kalewa-Yagyi road section and

₹4.84 crore out of the approved cost of ₹371.58 crore for the 69 bridges along with approach road on the Tamu-Kyigone-Kalewa (TKK) road section.

The IMT trilateral highway section in Myanmar is expected to be completed by December 2019.

A detailed project report (DPR) is underway to build the Rih-Tedim road that will help connect the trilateral highway through Zokhawthar-Rih border in Mizoram, where India has already committed huge sums for widening the highway. Currently, Myanmar is connected by road only through Moreh in Manipur.

A part of IMT trilateral project, the 25.6 km long Myawaddy-ThingganNyenaung-Kawkareik section of the highway was inaugurated by Thai and Myanmar officials in August 2015, reducing travel time between Thinggan Nyenaung and Kawkareik from three hours to 45 minutes. Construction on the section had begun in 2012. On the same day, a foundation stone laying ceremony was held at Myawaddy. Myanmar is yet to commence the beginning of construction of the Myanmar-Thailand Friendship Bridge No.2 which will link Mae Sot, Thailand with Myawaddy.

Indo-ASEAN trade looking up

Over the past decade, trade relations between India and ASEAN have improved significantly. The total bilateral trade between the two regions increased more than three-fold from $21 billion in 2005-06 to $81.33 billion in 2017-18. The region also emerged as India's second largest trading partner in 2017-18, with a share of 10.58% in the world's fastest-growing major economy's overall trade.

Benefits of IMT trilateral highway

This project will boost trade and commerce in the ASEAN–India Free Trade Area, as well as with the rest of Southeast Asia. India has also proposed extending the highway to the entire Cambodia, Laos, Myanmar and Vietnam (CLMV) region. A preliminary survey has also been initiated for rail connectivity parallel to the Trilateral Highway. Japan has expressed interest in funding and collaborating with India in the trilateral rail project.

A Motor Vehicles Agreement along with protocols for regulating and facilitating movement of cargo and passenger vehicular traffic is under inter-governmental negotiations between India, Myanmar and Thailand.

Parallel to overseas connectivity projects like IMT trilateral highway, the Indian government has also rolled out multi-billion dollar projects to improve both road and rail connectivity to the North-Eastern States. As part of the project, a DPR is launched to build a new road-cum-rail bridge at Dhubri near the Bengal-Assam border. The proposed 15-km long Dhubri-Fulbari bridge will pave way for easy connectivity to the Garo Hills in Meghalaya and the neighbouring Northern Bangladeshi districts. India recently has also completed building a 9 km long Dhola-Sadia bridge at the Assam-Arunachal border, and another 5-km long bridge at Bogibeel over Brahmaputra is also nearing completion.

The IMT highway project will facilitate trade and promote production networks across the borders. It will boost trade and commerce in the ASEAN–India Free Trade Area, as well as with the rest of Southeast Asia.

THE NORTH-SOUTH EXPRESSWAY (NSE)

The North-South Expressway will connect socioeconomic development centers running from Hanoi to Ho Chi Minh City, linking up industrial parks, economic zones and seaports

In May 2017, the Vietnamese government approved the Transport Ministry's final plan to start building a North-South expressway before 2020, at an investment of $13.8 billion. The 2,100km project is being developed in three separate phases which will link 32 cities and provinces.

The MoT had approved feasibility studies and is selecting technical consultants for 11 sections with a combined length of 650 km from north to south. The MoT has planned to build a number of road projects with an investment of more than $4.35 billion in 2019.

The eastern cluster of the North-South expressway will consist of 11 sections which will cost over $5.06 billion in total, of which $2.36 billion will be funded by the state. Together, the sections will stretch 650 kilometers from Nam Dinh Province near Hanoi to Vinh Long Province to the southwest of Ho Chi Minh City. In July 2019, the Project Management Unit under the Ministry of Transport organized a pre-selection bid process to select investors for seven of eight North-South expressway projects in the form of public-private partnerships (PPPs).

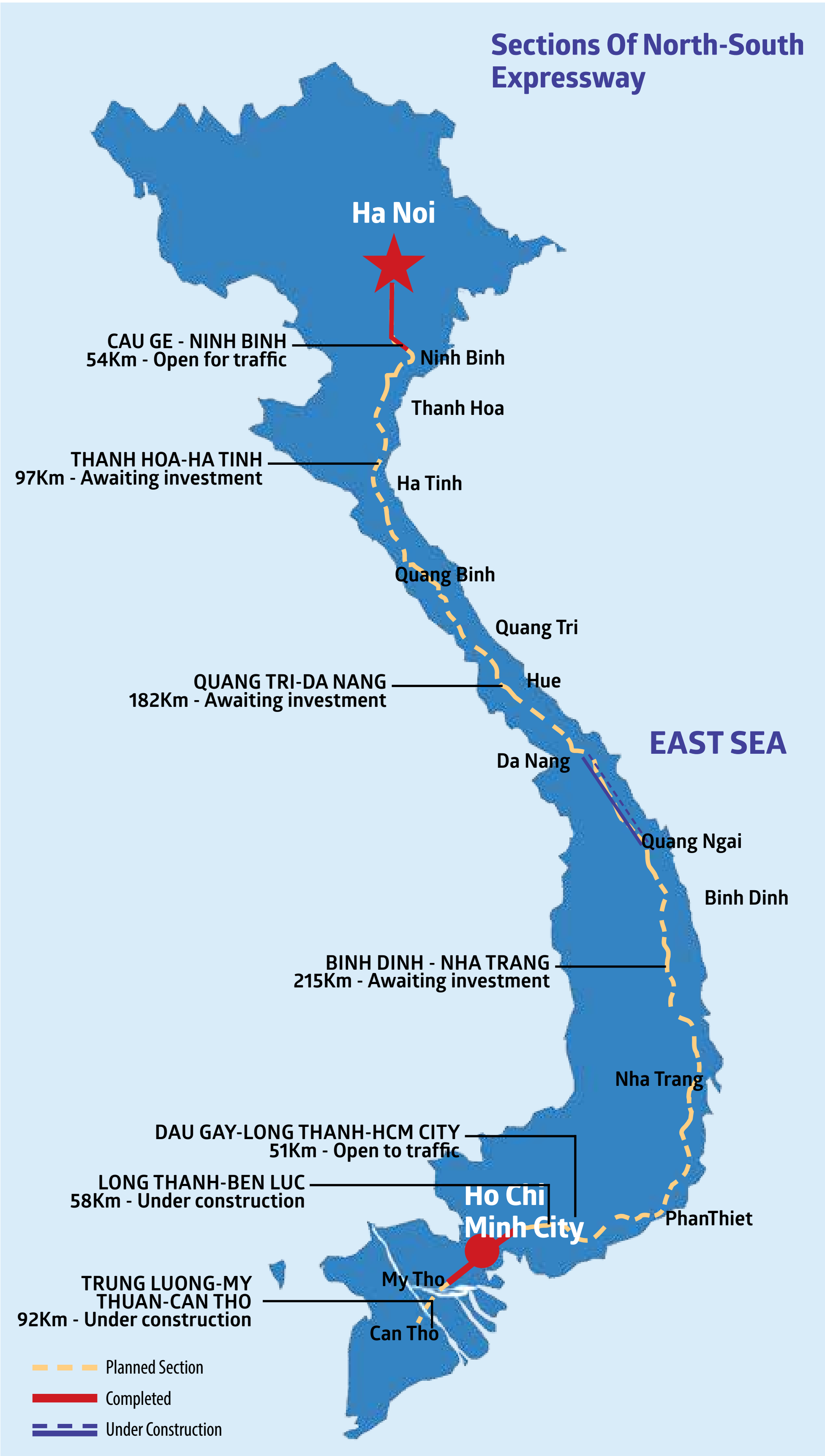
The seven projects called for bidding process include the expressway from Mai Son district in northern Ninh Binh province to National Highway No. 45 in north-central Thanh Hoa province, the highway from National Highway No. 45 to Nghi Son district in Thanh Hoa province, the highway from Nghi Son to Dien Chau district in north-central Nghe An province, the expressway from Dien Chau to Bai Vot district in north-central Ha Tinh province, the highway from Nha Trang city to Cam Lam district in south-central Khanh Hoa province, the expressway from Cam Lam to Vinh Hao district in south-central Binh Thuan province, and the highway from Vinh Hao to Phan Thiet district in Binh Thuan province.

North-South Expressway (NSE) project details

Total length of North-South Expressway (NSE)	2,100km
The length of eastern cluster of the North-South Expressway	650km
Expected completion of the eastern cluster of NSE	2020
Total NSE project completion	2025

Construction work on the Cao Bo-Mai Son expressway in the Northern provinces of Nam Dinh and Ninh Binh will be the first entirely state-funded NS expressway project is expected to begin in 2019. The 15km expressway with four lane roads is estimated to be completed with an investment of about $226.89 million.The technical design for the Cao Bo-Mai Son expressway has been completed and site clearance is underway in January 2019.

Cam Lo-La Son expressway located in central provinces of Quang



Tri and Thua Thien-Hue will be the second state-funded NS expressway project to start work in 2019. The 98km expressway is expected to be completed with an investment of $330.43 million. The technical design consultancy for the project has been completed and work is set to begin in 2019. The expressway once completed will connect Ho Chi Minh Highway with the nearly-complete La Son-Tuy Loan expressway and the Da Nang-Quang Ngai expressway, and will boost connectivity between key economic regions from Quang Tri to Quang Ngai.

The third state-funded project along the North-South Expressway to kick off in 2019 will be My Thuan 2 Bridge, which will cross the Tien River to connect the southern provinces of Tien Giang and Vinh Long. The 6.6km long new bridge, 350 meters (383 yards) upstream from the existing My Thuan Bridge, will link the Trung Luong-My Thuan expressway with the My Thuan-Can Tho expressway. The bridge is estimated to be constructed with an investment of $214.59 million. Construction is expected to begin by the end of 2019. The first 650km section of NS expressway project will be completed by 2020, and the other sections are expected to be ready for traffic by 2025.

The NSE will connect socioeconomic development centers running from Hanoi to Ho Chi Minh City, linking up industrial parks, economic zones and seaports, and reduces transport pressure on the national road No. 1. mg

FREIGHT FORWARDING SIMPLIFIED

Transformation to freight forwarding was long overdue in order to shed many of those manual and repetitive functions. This drove us to explore a new business model, reveals **Mohammed Zakkiria**, Cofounder, FreightBro

by Vijay Kurup

Q. When did you start this enterprise? And how did you go about establishing this platform?

FreightBro was established on 3rd October, 2016. The manual and repetitive nature of everyday operations in freight forwarding are primarily where most of the inefficiencies of the industry stem from and they remain same irrespective of forwarders' size. You could look at the past trends of the industry and realize that despite the fact that technology disruption was ubiquitous across all industries, freight forwarding somehow remained traditional and refused to evolve. Clearly, the customer experience in freight forwarding is not at par with the banking industry/e-commerce and we all seemed to be okay about this evident gap.

These challenges combined with a lot of brainstorming along with Raghav and Anand, the other co-founders of FreightBro, helped us come up with probable solutions. Changing the logistics user experience was of utmost importance in a way similar to what net banking was doing for the banking industry. Internet, Mobile population & E-commerce Growth seemed like the perfect drivers of transformation which further drove us to explore opportunities & a new business model in this industry. We discussed the business and analysed the risks of the industry adaptation and when assured that we were in the right space and time, FreightBro was incepted. FreightBro is currently simplifying freight forwarding processes for hundreds of enterprises all over the world.

Q. You have stated in your site that the platform was "to solve some of freight forwarding's complex challenges" Please explain?

FreightBro is trying to solve issues regarding inefficiencies and speed in logistics and freight forwarding. The flow of information from Enquiry to Quote to Book to Actual Cargo Movement to Visibility & Data Insights isn't streamlined and hence time taken is quite substantial to complete these basic activities. Lot of communication channels are involved and an activity as basic as procuring rates essentially may consume a lot of time. Workflow automation is very much required and here is where FreightBro steps in. We provide real-time visibility and information, data standards and predictive analytics for businesses which helps freight forwarders leverage analytics to take major business decisions. Our solutions help reduce 70% operational time, 50% cost and increasing sales by 30% approximately.

Q. Your platform allows forwarders to create their own branded digital front-end and automate their sales and shipment management processes seamlessly. Could you explain this?

Elite, FreightBro's white label solution provides freight forwarders with a customer facing platform that holistically addresses the major inefficiencies a forwarder faces. Elite is a plug and play solution that helps digitally equip a forwarder so as to deliver an exceptional user experience. It also provides analytical insights while allowing them to focus on their core competencies. Elite ensures clutter free communication with customers and makes shipment management a seamless experience across teams with any web-enabled device or with IOS and android applications. Elite is fast, safe, secure and hosted on dedicated private cloud servers with access to priority support from FreightBro.

Q. Forwarders can automate the routine processes through a self-service shipment booking platform similar to airlines. Search - Quote - Book - Track -Analyse and manage on the go! Could you run me through this process?

Yes, with the FreightBro platform freight forwarding can be done in just a few clicks. The platform allows customers to search rates from liners on the go, enables instant quote generation, helps customers book their shipments online, track and trace their shipments in real-time and leverage critical data analytics to make important business decisions.

SCMPro | Forums

ASIAN SUPPLY CHAIN THOUGHT LEADERSHIP SUMMIT 5TH EDITION

NOVEMBER 21, 2019 | THE ORCHID, VILE PARLE, MUMBAI

"Digitalization – The Supply Chain Imperative"

THEMES

- Policy Paradigms for India
- Making Sense of Supply Chain 4.0
- Making Supply Chains Think - Leveraging AI and Big Data in Supply Chains
- War and Peace - Changing Dynamics of Trade and Implications for Supply Chain
- Lean and Mean - Shaping Logistics Strategies for Tomorrow
- Buying into a Digital Future - The Procurement Perspective
- Turning Visibility into value - Moving beyond Track and Trace
- India's USD 100 Billion Opportunity - Is our E-Commerce Supply Chain Ready ?
- Supply Chain Planning - Building Agility and Adaptability

NOMINATE YOUR SENIOR SUPPLY CHAIN TEAM MEMBERS

40 SPEAKERS
5 POWER TALKS

POWER TALKS BY

PAUL W. BRADLEY
Chairman and CEO of Caprica International, Singapore.

DR. RAKESH SINGH
Chairman of ISCM

CHARLES BREWER
CEO and Founder at Click & Connect - Postal, Parcel, Courier, E-Commerce, Retail

VIVEK SARBHAI
Director Customer Service & Logistics at Mondelez Middle East & Africa FZE.

Contact:
Jesal Tanna | 8369646846 | jesal.tanna@iscmindia.net
Sanjay Gupta | 8446942500 | info@iscmindia.net
Yvonne D'mello | 9766701714 | yvonne@iscmindia.net

Powered By
ISCM
Institute of Supply Chain Management
www.asctls.com/retreat/

JUST-IN-TIME DELIVERY IS THE NORM

"Previously customers expected cargo to be delivered within days, which has now reduced to hours. E-Commerce segment has changed all previous benchmarks for delivery," reveals **Raj Somani, Director, Inland World Logistics**

by Rajireddy Kesi Reddy

Q. Which are the major commodities you move? From which locations do you see more demand coming?
We are into commodities like FMCG, pharma, auto components, industrial goods, steel, minerals, fertilizers, oil & paints and cable industry. We expect demand in North and Western part of India to grow.

Q. How much is the warehousing space owned by Inland World Logistics and in which locations?
We are having 1.2 mm sq ft of warehouses spread across West Bengal, Assam, Sikkim, Nagaland, Port Blair, Odisha, Bihar and Jharkhand. We also offer plant warehousing, premium logistics, inventory modelling, warehouse sizing, time & motion Study, with hub & spoke warehousing, JIT delivery and consultancy solutions.

Q. In which parts of the country do you see growing demand for warehousing space?
Prior to GST industry was expecting big changes in warehousing operations, but, as of now most of the customers are still operating like earlier. Traditional warehouse is getting converted into modern warehouse facility. Growth in North, Central & Western part of India has been noticed compared to other locations.

Q. How is the demand for cargo consolidation?
Post GST, E-way bill norms have some restrictions for storing cargo in carriers' warehouse, thus, door-to-door delivery is getting prominent and we are capable of direct delivery from door-to-door in major locations. Gujarat, Maharashtra, Delhi and surrounding areas are the major consolidation centers for cargo.

Q. What is express cargo service?
Previously customers expected cargo to be delivered within days, which has now reduced to hours. E-Commerce segment has changed all previous benchmarks for delivery.

Q. Many shipping lines have started offering end-to-end logistics. Do you see it as a threat?
In Indian economy domestic and EXIM equations are having huge variance. Maximum products are getting locally manufactured and consumed and these are dependent on the regional taste, requirement and strength. As of now shipping lines' end-to-end service is not a threat to the Industry at all levels.

Q. Exporters/importers often complain about high logistics cost charged by freight forwarders and lack of transparency in logistics cost. Your comments?
This depends on the demand and supply, thus sometimes due to more volume, demand and supply get mismatched, thus charges are getting higher. Nowadays costal movement (waterways), Concor and rail segment are preferred for handling bulk volume with transparency.

Q. What are the logistics requirements and challenges typical to north eastern region, especially Nepal and Bhutan?
From last 5 years we have been performing our job in Bhutan and we didn't really face any hurdles as such. In Nepal we acquired a lot of land. As a road logistics provider, we tend to face problems regarding the poor condition of the roads and restricted movements due to natural calamities, etc.

Q. How is your experience with (ECTS) introduced for Nepal bound cargo?
With introduction of the ECTS process in Nepal it has become smooth and easy for us to move large quantity at one go.

Q. In moving cargo to Nepal and Bhutan by road what are the issues faced at borders, ICPs? How is the road connectivity?
We do not face any logistics hurdles in Bhutan. In Nepal, operations are smooth at Birgunj. Near the borders and ICPs of Biratnagar and Bhairahawa, long queues of cargo carriers and narrow roads cause delay of 3-4 days to deliver the cargo.

TrakIT SIMPLIFIES COMPLEX WORKFLOWS

TrakIT combines workflow management with the logistics and transportation industry, allowing companies to build their own workflows, shipment corridors and business processes and mold the software to suit their requirements, rather than the other way around.

By **Vijay Kurup**

Arjun Khosla was a Master Mariner sailing on board Maersk vessels as a Chief Officer, when one day he decided to quit his job and take up software development which was his passion. With no formal education in IT, was it a jump into unknown waters? He was contracted by Maersk Tankers and Damco to build in-house solutions for them. The projects were successful and led to numerous more projects. Over the next many years, he continued developing solutions which are still being used, especially in ship-board vetting/inspection management and performance measurement.

TrakIT is one of their flagship products and is being used extensively in the global market by some of the leading logistics companies in the world. It is a product that combines workflow management with the logistics and transportation industry, allowing companies to "build" their own workflows, shipment corridors and business processes and mold the software to suit their requirements, rather than the other way around. Mehul Bhatt, former CCO, of Maersk Logistics said he had used TrakIT to implement workflows for Damco in Africa, which had streamlined a lot of activities. It was cloud-based and was easy to install and use. It was flexible enough to customise as per customer's requirement. "We wanted to build something that would work for everyone," Arjun said. "We quickly realized that it would be far better to let businesses define their requirements within the system rather create a 'cookie-cutter' product."

Over the years, TrakIT has evolved to become extremely robust, scalable and so highly customisable that it could be used to manage any workflow-based business, not just logistics and transportation. It is scalable from small organisations to global ones and is versatile enough to define the business structure of any business - from logistics and supply chain to order management and CRM.

Joaquin, Director Finance, R-Logitech, said how TrakIT had enabled them to have full visibility and control over all operations in more than 12 countries across the African continent. TrakIT is most useful in organisations where there are complex workflows to be tracked. Over 30 companies all over the world are using TrakIT. And each had been customised for their own use. Currently, Arjun is concentrating on making TrakIT even more flexible by adding connectivity options, finance systems integrations, API connectivity and extending interfaces to other systems. "We do not just supply the software solution, but as consultants, we also help find and suggest ways to optimise their business processes to help them reduce costs and increase efficiency. We can leverage our experience with different clients and workflows to suggest best solutions to the challenges they face." His long-term vision is to make TrakIT the most customisable, flexible and low-cost ERP platform for just about any company that wanted it. mg

"TrakIT is scalable from small organisations to global ones and is versatile enough to define the business structure of any organization or business - from logistics and supply chain to order management and CRM."

ARJUN KHOSLA
Founder & Director,
Bitmetric Solutions FZ-LLC

DIGITALISE, DON'T JUST DIGITISE

The maritime ecosystem is a glutton for paperwork and much of it can be questioned only if there is willingness to introspect, innovate and most importantly collaborate

By Surendra Lingareddy
Director, Asia Pacific, Volteo

Have you heard of the Impossible Burger? If you have not, they are a plant-based alternate that tastes and looks like meat burgers. Since their debut, they have taken the entire world by storm. The burger giants have been shaken up by a rank outsider, a professor of Biochemistry. Both QSR giants like Burger King and retail giants like Kroger have decided to collaborate than compete or ignore. In a consumer world, nimbleness and collaboration is key. Rewind 3 decades back, giant establishments would not have had to worry. Even then, new businesses, especially smart ones would have sprung up out of the blue. But, the market access and scale were out of reach for most new ones. Today, the scenario is entirely different. With access to private capital, Internet and media, growth can catch you unawares so much so that if your competition catches up to it first, you'd be in their rear view mirror pretty fast. Some very traditional industries like banking, healthcare and insurance are being challenged in ways that none of us have imagined. Bitcoin, remote healthcare on smartphone and behavioural insurance are all a reality today.

Maritime ecosystem is not insulated from the same. It would not be far-fetched if I said that globally, maritime industry continues to revel in archaic practices. Since 2015, there has been strong evidence of change in the European, North American and Singaporean port ecosystems. Have the custodians of Indian maritime ecosystem introspected about their ability to innovate? Are they in a position to self-disrupt? The answers to these questions are unfathomable if you see status-quo as acceptable. It is only possible if every stakeholder within this ecosystem questions on their very purpose of existence. How could they become the best version of themselves and also extend their usefulness beyond to their value-chain?

My team and I have had an opportunity to work in digital transformation for an Indian bulk cargo port. The initial instructions to us unfortunately were to digitise the paperwork, not digitalise the process. There is a vast difference between the two. The former is to move from analogue to digital. For example, filling a form vs filling a paper, paying electronically vs cash/cheque or attaching scanned documents instead of physical copies. The later is to really question whether there is a need for the paperwork at all. Let me delve into further specifics. When a vessel calls an Indian port, most ports require reams of paperwork to be submitted with regards to vessel ownership, certificates of compliance, etc. via online/offline means. The agent community diligently submits the same to port authorities. Once submitted, have we questioned who "validates" the authenticity of these vessel documents before granting the necessary approvals? Has the person/department have access to truly validate these documents from authentic sources or do they just approve based on what is written on the documents? If it's the later, the entire process is suspect and susceptible to forgery. If it's the former, it can certainly be digitalised and automated with limited need for these documents.

As a technologist, I feel the maritime ecosystem is a glutton for paperwork and much of it can be questioned only if there is willingness to introspect, innovate and most importantly collaborate with open arms. It was endearing to see the news of Maersk tie up with Blackbuck, a startup that is changing the trucking industry. While the results will be evident in times, collaboration requires each to help the other to become successful. Have you recently asked for help? If not, please do. mg

All set to touch new heights

the JSW group at its recent annual meet unveiled massive expansion plans both in terms of capacity addition and infrastructure development to meet the growing cargo needs

Arun Maheshwari, JMD & CEO and **Devki Nandan**, Head - M&A and Business Development, JSW Infrastructure, sharing the growth plans

Be it in infrastructure development or logistics, JSW Group with its diverse portfolio of businesses has emerged as a name to reckon with growing India. "Infrastructure sector is rapidly growing in India, even though it has ebbed a bit in the past 6 months, but that has not taken away the sheen of the sector. The entire India is going to grow between 5-7 per cent," informed **Arun Maheshwari, JMD & CEO, JSW Infrastructure.** "JSW is one of the top 5 business groups in India with operations in steel, cement, infra, paints, sports and seaport. We will be posting around 100 per cent growth in the next two and half years, which is quite commendable," he added.

The Indian government is focused at increasing transhipment at Indian ports and JSW operates the largest transhipment port in Jaigarh that posted a throughput of 7.5-8 million tonnes (mt) last year and the projection for the next year is about 12mt. The largest riverine port in India is Dharamtar, again operated by JSW. Last year the port moved 12.5mt of cargo and next year it will be close to 35mt," announced Arun.

As **Devki Nandan, Head - M&A and Business Development, JSW Infrastructure** took onto the dais, he detailed on the capacity expansion plans and new projects. "We have JSW Infrastructure with current capacity of 113mt, which will be increased to 300mt in near future. Capacity at Fujairah Port will be increased to 24mt, Nandgaon Port is being developed as a captive port and then we have Jaigarh Port with 8mt capacity."

The company has a cement production capacity of 12.8mt and paints production, a recently started unit has production capacity of 0.12mt. Last year JSW Steel posted a turnover of $12.11 billion and energy operations posted a turnover of $1.26 billion.

Presenting a snapshot of JSW Group's current activities Devki Nandan said, we are going to soon start operations at the Paradip Iron Ore Terminal that is fully mechanised and will have 18mt capacity and a conveyor capacity of 700 tonnes per hour. The new Mangalore Container Terminal will be developed in two phases: first phase will have a capacity of 2,39,000 teus and second phase will have 3,15,000 teus. Detailing on the cargo handling capacity Devki Nandan said, "In 2012 we had cargo handling capacity of 11mt, which reached to 65mt capacity this year and by 2025 we plan to handle 250mt cargo, while our capacity will be around 300mt."

New initiatives at Jaigarh Port - recently inaugurated a new LNG terminal, the port is also focusing at improving movement of edible oil, molasses and an LPG terminal is also on the drawing board. Recently Jaigarh port handled the largest volume of sugar (4.67 lakh tonnes) among private ports. This year the port also handled its maiden urea vessel which will benefit farmers in Telangana. The port also plans to start container handling in collaboration with CMA CGM, Shreyas Shipping. "We have a lot of demand for LPG in our hinterland which is being soured from faraway places. We are planning to develop a liquid terminal mainly for high speed diesel and motor spirit. In the first phase we are looking for 0.6 mt capacity which will be increased going forward. This terminal should be operational in 2020. Paradip Port will be developed to handle cape size vessels. The company operates 7 warehouses with approximately 200 metric tonnes storage capacity for handling sugar and agro commodities. mg


GENMA
Our Specialty - Your Strength