INTERVIEW
Makrand Prabhakar Pradhan
MD, Total Transport Systems

CHABAHAR PORT
One Year on Traffic Accelerates at Chabahar

THAILAND
The Logistics Hub in ASEAN

BANGLADESH
Expediting Container Dispatch

south asia's premier maritime business magazine

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maritime gateway

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DIGITALISE AND REDUCE LOGISTICS COST
STEVE FELDER
MD, MAERSK SOUTH ASIA

LCL CARGO CONSOLIDATION BUSINESS GROWING STRONG

The e-commerce boom has made shipping smaller more specific consignments frequently the new norm, driving demand for LCL cargo consolidation which has seen strong growth in the past decade with MNCs taking a plunge into the sector, while SMEs find it cost and time effective


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NATIONAL POLICIES SHOULD FAVOUR MARITIME TRADE

National policies can have a negative impact on the maritime trade and development aspirations of all

Well, we are a month past into the New Year, but is it actually a new year – because the news that were making the headlines last year are very much there – be it the global economic slowdown, US-China trade war or the US-Iran conflict. In fact, Maersk had given a stark warning that global trade is slowing down — a sign that the US-China trade war has been crushing the global economy. Fitch ratings says, the main risks facing maritime trade is the current protectionist measures, which are escalating into a protracted trade war, might damage the prospects for global trade and GDP growth.

Many US-based manufacturers shifted imports away from China to other countries such as Vietnam, Korea, Thailand and India. There has been a manufacturing exodus in China as well, more than 50 MNCs are escaping the punitive tariffs placed by the US. However, manufacturers have been exiting China long before the tariff war started due to rising labour cost. US-China trade war has affected 2 per cent of world maritime trade by volume, so far.

Coming to the US-Iran conflict, the US Treasury Department has warned the maritime industry to be on high alert and track vessels that are involved in trade with - Iran, Venezuela or North Korea. “No one should want to have anything to do with these regimes engaged in sponsoring terrorism,” it said.

Going forward, the maritime trade will continue to be affected by slower GDP growth in China, soft trade growth and Brexit uncertainty. Shippers will struggle to transfer all their associated costs to customers due to their limited bargaining power and an oversupplied market. Fitch Ratings predicts global volumes in containerised trade to grow by about 2.5 per cent in 2020 which is well below the average growth rate of about 4.5 per cent over the past eight years. Growth in global port traffic decelerated to 4.7 per cent in 2018, down from 6.7 per cent in 2017. Container trade weakened, with volumes increasing by 2.6 per cent, compared with 6 per cent in 2017, points UNCTAD.

This is a warning that national policies can have a negative impact on the maritime trade and development aspirations of all. Today, moving beyond short-term cyclical factors, there is a sense of uncertainty in the market, while other structural and existential factors at play include technological disruptions and climate change which are redefining the sector. However, the good news is, despite these geopolitical issues, UNCTAD expects international maritime trade to expand at an average annual growth rate of 3.5 per cent over 2019–2024.

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

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.

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

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

MISSION

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

VISION

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

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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!!

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

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DEVELOPMENT PLANS IN NEPAL - 2022

This is not science fiction. If Nepal's politics stabilises, there is a reasonable possibility that the country will take a great leap forward in the next 10 years

Tourist arrivals per year by 2022

1.5 MILLION

4 INTERNATIONAL AIRPORTS

Kathmandu's domestic and international terminals as well as Bhairawa will be upgraded with ADB and Japanese loans. A new international airport Will be built in Pokhara with help from the Chinese Exim Bank. Plans will move ahead for the construction of a new international airport at Nijgad to be connected to Kathmandu by an expressway and high speed train.

ROADS

- Two new fast track highways will link Kathmandu to the Tarai(1)and to Hetauda (2). And there will be tunnel bypasses from Nagdhunga to Dhrake, Shivapuri-Nuwakot, and Sankhu-Melamchi.
- The existing East-West Highway will be upgraded to an expressway (3). Remaining bits of the 1,700km Midhill East-West Highway will be completed (4).
- Five new highways will link China and India: Mechi Corridor (5) Kosi Corridor (6), RasuwaGadi-Birganj (7) Gandaki Corridor (8) Mahakali Corridor (9)

Midhill East-West Highway

1765 km

TRAINS

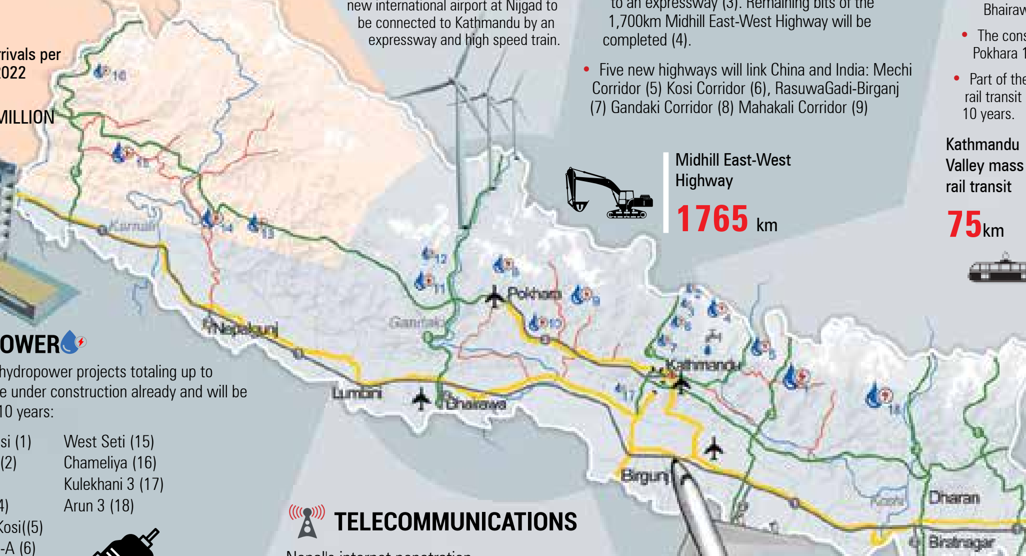
- The feasibility study for the 987km East-West Rail Artery has been done, and will be partially finished in 10 years. (1)
- Feeder trains will join this line with the Indian border at Biratnagar, Bhairawa and Nepalganj. (2)
- The construction of the Kathmandu-Pokhara 187km rail track will start. (3)
- Part of the Kathmandu Valley mass rail transit system will be completed in 10 years.

Kathmandu Valley mass rail transit

75km

To be completed in 10 years

20km



HYDROPOWER

The following hydropower projects totaling up to 10,000MW are under construction already and will be completed in 10 years:

Upper Tamakosi (1)
Upper Sanjen (2)
Sanjen (3)
Rasuwagadi (4)
Middle BhoteKosi((5)
Upper Trisuli 3-A (6)
Marsyuangdi 2 (8)
Budi Gandaki (9)
Tanahu (10)
Uttarganga (11)
Raghughat (12)
Nalsinggad (13)
Upper Karnali (14)
West Seti (15)
Chameliya (16)
Kulekhani 3 (17)
Arun 3 (18)

Total electricity production by 2022

10,000 MW

TELECOMMUNICATIONS

Nepal's internet penetration rate will rise to 60% with nearly 80% will have mobile phones. The number of those accessing the Net through handhelds will overtake those doing so through their PCs.

Internet penetration

60% by 2022

WATER

The much-delayed Melamchi Water Supply Project will finally be completed by 2019, bringing 170 million litres water from a snow-fed river to Kathmandu.

Courtesy: Lexlimbu

VIETNAM'S COAL SECTOR BY NUMBERS

VIETNAM PLANS TO INCREASE COAL PLANTS TO **32** BY 2020 AND **51** BY 2050

COAL IS SET TO TAKE UP **55%** OF VIETNAM'S TOTAL ENERGY MIX BY 2025

BY 2050, THE **51** PLANTS COULD BE BURNING **129** MILLION TONNES OF COAL PER YEAR

A STUDY REVEALED THAT COAL PLANTS COULD CAUSE UP TO **25,000** PREMATURE DEATHS PER YEAR IF DEVELOPMENTS GO AHEAD AS PLANNED

FOREIGN INVESTMENTS IN VIETNAM'S COAL SECTOR

18% SOUTH KOREA

23% JAPAN

5.9% MULTILATERAL ORGANISATIONS

0.9% UK

50% CHINA

1% FRANCE

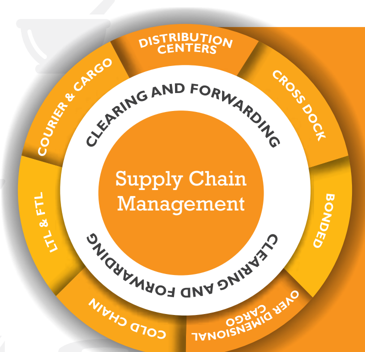
0.5% SWITZERLAND

0.5% ITALY

0.2% SINGAPORE

Total **$16.5** billion

*TCI Supply Chain Solutions is **the leader** in Concept to Execution of Logistics of entire supply chain.*



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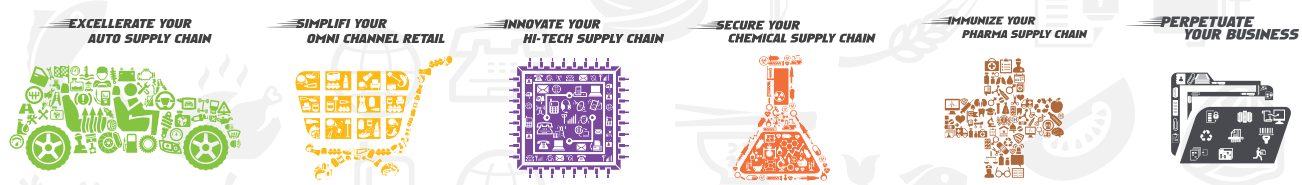
Key Industry Verticals:



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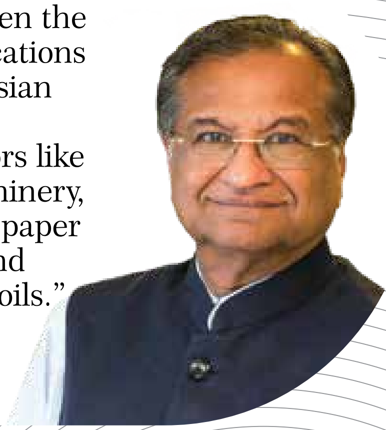
"Escalation of tension between the US and Iran will have implications on India's exports to the Persian Gulf nation. Iran holds huge export opportunities in sectors like agriculture, chemicals, machinery, pharmaceuticals, paper and paper products, man-made fibre and filament yarn, and essential oils."

- Sharad Kumar Saraf
President, FIEO

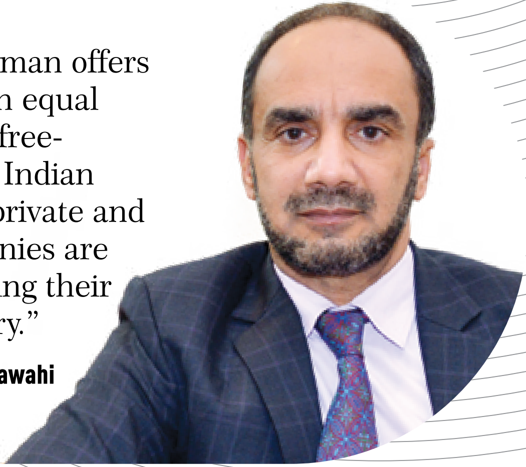


"Most of our ships today are over 70 per cent indigenous and some of the latest platforms are over 90 per cent indigenous. With a target of becoming a $5 trillion economy by 2024, we are looking at over $250 billion coming from the maritime zone."

- Ajay Kumar
Union Defence Secretary of India

"The Sultanate of Oman offers four sea ports and an equal number of industry free-zones, all facing the Indian Ocean, and Indian private and public sector companies are increasingly increasing their footfall in the country."

- Sheikh Hamad Bin Saif Al Rawahi
Oman's ambassador to India



"India is keen to explore the new northern sea route to source crude oil and LNG through Russia's Arctic. The route has the potential to cut the cost and time for transporting LNG from Russia to India."

- Dharmendra Pradhan
Union Minister for Petroleum and Natural Gas and Steel

"We cannot allow the United States and China to win the global technology race, while we spend our time discussing issues that belong to industries of the last century."

- Soren Skou
CEO, Maersk

MYANMAR

Focus on China Myanmar Economic Corridor

China and Myanmar inked 33 deals aimed at speeding up key infrastructure projects covering areas such as politics, trade, investment and people-to-people communications, shoring up mammoth projects that are part of the flagship Belt and Road Initiative (BRI), China's vision of new trade routes described as a "21st century silk road." The main focus of the agreements signed between the two countries appeared to be on the implementation of the China Myanmar Economic Corridor (CMEC), a giant connectivity project linking the landlocked southwestern China to the Indian Ocean. Myanmar would like to promote the building of the Myanmar-China Economic Corridor, and enhance cooperation in transport, energy, production capacity, humanitarian and cultural exchanges, border areas and regional affairs.

SRI LANKA

Trincomalee Port to be brought to international standards

The Trincomalee Port would be turned around as a major international port said Minister of Roads and Highways, Ports and Shipping, Johnston Fernando after a visit to the port. Trincomalee is the world's second largest natural harbor and potential to make a profitable harbour is huge. "We need private sector thinking going in to making this harbour a viable venture," he added. The Minister observed that currently only Prima Ceylon and Tokyo Cement are widely using the services of the Port while Indian IOC also uses it for limited bunkering facilities. "We will revisit the agreements signed with the government by both Prima Ceylon and Tokyo Cement as we see how they could be improved as the agreements were signed when President Chandrika Kumaratunga was in power."

BANGLADESH

Tripura SEZ in proximity to Chittagong Port

The ₹1,550 crore special economic zone, to be set up along the Bangladesh border in Tripura, would be a multi-sector SEZ and not just agro-based food processing SEZ. The Centre has decided that all notified SEZs will be deemed to be a multi-sector SEZ. "According to the previous notification, the proposed Tripura SEZ at Paschim Jalefa (near the India-Bangladesh border town of Sabroom) in south Tripura was to be agro-based food processing SEZ," said a Tripura Industries and Commerce Department. The SEZ is expected to open new avenues and attract private investment across sectors considering its proximity to Bangladesh's Chittagong international seaport. A bridge – Maitri Setu – is under construction across the Feni river near the proposed SEZ and will connect Tripura with southeast Bangladesh and facilitate transportation of goods to the Chittagong port, which is around 70 km from Sabroom. Rubber-based industries, textile and apparel units, bamboo and agri-food processing industries will be set up in the SEZ.

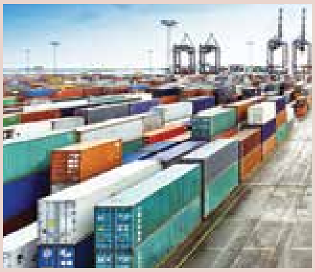
SINGAPORE

Investing in Chinese logistics facilities

Logistics real estate developer ESR Cayman and Singapore sovereign wealth fund GIC will enter into a joint venture with a total US$500 million (S$673 million) in equity commitment to develop institutional-grade logistics facilities in key cities across China. The total gross floor area (GFA) of the China portfolio assets held on ESR's balance sheet and in the funds and investment vehicles it manages comprised 6.62 million square metres, while total assets under management (AUM) exceeded US$4.39 billion, as of June 30, 2019. "As home to the world's biggest e-commerce market, demand for logistics properties will continue to thrive in China as infrastructure such as modern warehousing will be a backbone of the new economy, serving the online and offline needs of retail businesses," said Jeffrey Shen, co-founder and co-CEO of ESR.

DUBAI

Non-oil trade grows by 6 per cent



Dubai's non-oil foreign trade rose to 83 million tonnes in the first nine months of 2019, showcasing a 22 per cent year-on-year increase in volumes from 68 million tonnes during the same period in 2018, according to Dubai Customs. The volumes of re-exports soared 48 per cent to 13 million tonnes. Meanwhile, exports and imports grew by 47 per cent and 13 per cent to 14 million and 56 million tonnes respectively. In terms of value, Dubai's exports rose by 23 per cent to reach Dhs118bn while re-exports grew by four per cent to Dhs312bn, and imports were up three per cent to Dhs589bn.

Dubai's foreign trade occuring out of free zones accounted for Dhs439bn, marking an increase of 11 per cent year-on-year. Meanwhile, direct trade achieved two per cent growth at Dhs574 billion in the first nine months of 2019, customs warehouse trade hit Dhs6 billion, land borders trade soared by 11 per cent posting Dhs169 billion, maritime and ports trade scaled by five per cent to Dhs381 billion, and air trade rose by four per cent, equalling Dhs469 billion.

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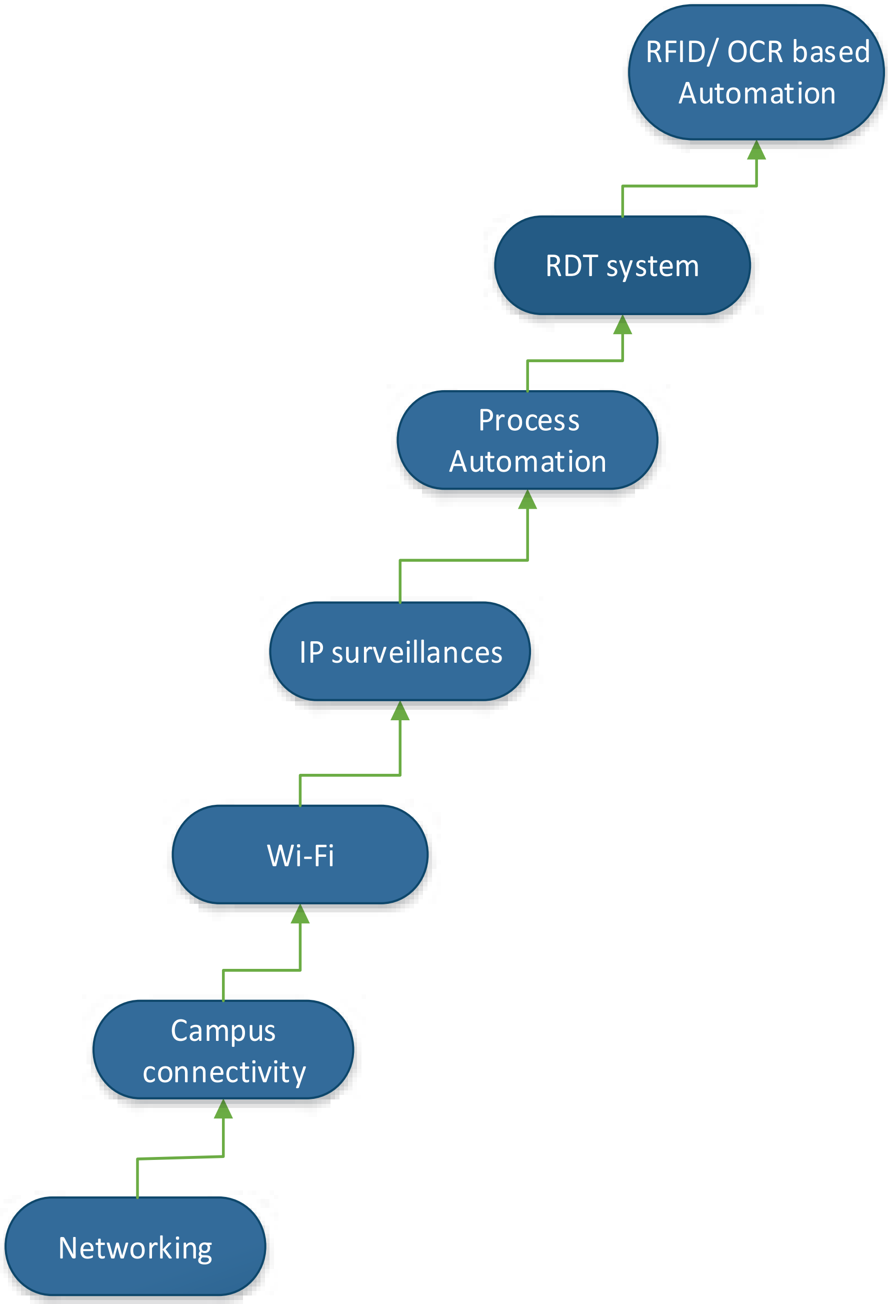

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SHIPPING SEEN HAVING A NUMBER OF REASONS TO BE CHEERFUL AS IT ENTERS NEW DECADE

According to accountancy and business advisory firm BDO, at the end of 2019, confidence in the industry was as high as it has been at any time in the past six years. Despite a general slowdown in global GDP, demand for the industry's services remains strong, while a contraction in the number of new buildings on order and a steady stream of recycling has brought supply under stricter control. Environmental Social Governance (ESG) will assume increasing importance. With IMO 2020 in effect, the fuel price differential becomes a significant factor.

IMO 2020 scrubber retrofits in drydock will continue to keep tonnage off the water, although shipments of low-sulphur fuel will boost the product tanker trades. The biggest challenge is the need to maintain and increase technical innovation in ship and engine design, and to harness the required technology through the likes of Big Data and Artificial Intelligence—and then not to forget to plan for the seafarer of the future.

ILLEGAL TRADE OF CONTAINERS

If you see a lorry on the streets of Bangladesh, chances are it was built by bolting a modified shipping container onto the chassis. Mokbul Ahmed, chief of Bangladesh Covered Van Truck Goods Transport Owners' Association said, "It is so common a way to build lorries. Most of the lorries, between 96 and 98 per cent have been made with shipping containers." It costs Tk 2 lakh to Tk 2.5 lakh to construct the body of a lorry with a shipping container. Building lorries with containers is so cheap because it is done by dodging government tax and fees, and it is illegal. Due to customs authority's negligence and no monitoring, shipping containers brought in from abroad and supposed to be returned with export goods or empty are being sold in the local market evading customs duty. And these are being used for making lorries (also known as covered vans), shops, and temporary housing. The market is worth about Tk 50 crore, said insiders.

CITPL EXTENDS FREE STORAGE TIME FOR DPD AND DPE CONTAINERS

Chennai International Terminal Pvt Ltd (CITPL), the facility run by PSA International Pte Ltd at Chennai Port, has extended the free time for storage of DPD and DPE containers, in a bid to encourage cargo containers moving directly to and from factories. The free storage time for DPD containers (imports) has been increased to five days from three days, while the free time for DPE containers (exports) has been extended to 15 days from seven days. The change in the free storage period for DPD and DPE containers has been approved by the Tariff Authority for Major Ports and will take effect from January 24 and remain valid till August 2022.

JAKOB FRIIS SØRENSEN IS THE MD AT APM TERMINALS PIPAVAV

APM Terminals Pipavav announced the taking charge of Jakob Friis Sørensen as the Managing Director effective 1st January 2020. Sørensen, has been a part of A.P. Moller Maersk Group since 1987 starting at the internal A. P. Moller Shipping School in Copenhagen, Denmark. Over the years he has held various positions within the Group in Maersk Line, Maersk Logistics and Damco in countries like Indonesia, Singapore, Malaysia, Japan and India. His long history of delivering high performance in developing markets of Asia within shipping and logistic side of business; makes him an ideal choice to lead APM Terminals Pipavav on the next stage of its development journey.

JAPAN'S CONTAINER EXPORTS RISE

Nittsu Research Institute and Consulting, Inc. unveiled its projections for fiscal years 2019 and 2020. Exports of containerized shipments from Japan to Southeast Asia will stop decreasing, assuming the trade friction between the US and China and the slowdown in the Chinese economy will ease. Exports of construction and industrial machinery will pick up, thanks to a recovery in demand for capital investment in overseas countries. Export containers will turn upward, growing 1per cent from a year earlier to 5.016 million teus. Imports of containerized shipments to Japan will decline 0.4 per cent to 7.458 million teus, due to sluggishness in consumption goods.

TEAMGLOBAL LOGISTICS ACQUIRES CHANDRA CFS IN CHENNAI

Teamglobal Logistics has acquired Chandra CFS and Terminal Operators Pvt Ltd in Chennai from Gateway Distriparks Ltd. The business henceforth will operate under the Globicon Terminals brand with Vivek Kele and Nityam Khosla being the new Directors of the reconstituted Board. "With an estimated annual handling capacity of 60,000 teus, the Chandra CFS facility will cater to sophisticated export and import cargo handling activities and will reinforce the position of Teamglobal in the Chennai market. We strive to make customer experience the central element to everything that we do, and this will also remain a focal point for Chandra CFS operations in Chennai," shared Nityam Khosla.

CICT HANDLES 40% OF COLOMBO PORT'S VOLUMES

Colombo International Container Terminals (CICT), which is a joint venture operated by China and Sri Lanka at the Colombo South Terminal in the Port of Colombo, handled a total of 2.9 million teus or 40 per cent of volumes at Colombo Port in 2019. CICT said in a statement that the terminal has seen an 8.6-per cent increase in throughput compared to 2018, and a 322-per cent increase compared to 2014. Strong growth at CICT has helped the Port of Colombo increase its total throughput by 2.6 per cent in 2019.

PENTAGON GROUP AND EMIZA TO EXPAND WAREHOUSING

Pentagon International Freight Solutions has announced its strategic tie-up with Emiza, a tech-enabled 3PL that offers multi-client warehousing and fulfilment solutions to both offline and online customers. Emiza's state-of-art fulfilment centres pan-India are equipped with a sophisticated warehouse management system which is connected to both e-commerce marketplaces as well as the ERP systems of companies, allowing them to seamlessly manage both their online and offline business from one single location thereby optimising inventory. The CMD of Pentagon International Freight Solutions, Paresh Bhanushali, and the CEO, Shantha Martin, have been working on deriving synergies from strategic tie-ups and this collaboration with Emiza will enable them to jointly extend the warehousing solutions to their clients and also cater to the international freight movement by ocean and air.

PORT OF ANTWERP AIMS AT DOUBLING RAIL FREIGHT BY 2030

The growing freight volumes, the increasing pressure on roads and ambitious environmental objectives all demand a modal shift from truck to train. Several new container trains were introduced in 2019 and many other connections raised their frequency. Port of Antwerp, Railport Antwerpen and Infrabel (track operator) have collaborated to make the rail network between port and hinterland more competitive and reliable. The focus lies on improving rail infrastructure in the port and on digitisation, to make the rail system more efficient. The target has been set high: by 2030 some 15 per cent of freight transport between the port of Antwerp and its hinterland must travel by rail, up from the present figure of around 7 per cent.

GREENFIELD PORT PROPOSED IN ANDHRA PRADESH

The Andhra Pradesh government has proposed to set up a greenfield port at Ramayapatnam in Prakasam district at an outlay of ₹10,000 crore. RITES Ltd is said to have applied for the necessary permissions to prepare the Terms of Reference. The plan is to develop an all-weather port with world class terminal facilities suited to meet the present and future needs of the trade and also suitable to develop as a major port. It proposes to have an artificial deep sea harbour along an open straight coast. The port will be developed over an area of 802 acres during the first phase and 3,437 acres for the ultimate projected traffic, with the creation of permanent marine facilities for mechanised cargo handling, transportation and storage/retrieval to meet the demands of trade and shipping.

EXIM

China's trade with BRI countries surges

China's trade with countries participating in its multi-billion dollar Belt and Road Initiative (BRI) has posted "robust growth", totalling $1.34 trillion in 2019, as Beijing seeks to expand its export base away from the lucrative US and EU markets. Trade with BRI partner countries totalled 9.27 trillion yuan (about $1.34 trillion) in 2019, outpacing the country's aggregate trade growth by 7.4 percentage points. China sees its trade expansion with the BRI countries as a way out to sustain its exports amid declining trend in the US and EU, its top export destination till now. China's foreign trade rose 3.4 per cent in 2019 to 31.54 trillion yuan (about $4.6 trillion). However, in dollar terms China's export growth decelerated sharply to 0.5 per cent in 2019 from a rise of 9.9 per cent in 2018 amid the trade war with the US. Imports, meanwhile, fell by 2.8 per cent in 2019 in US dollar terms. In yuan terms, China's exports expanded by 5 per cent in 2019, while imports expanded 1.6 per cent.

FreightBro integrates Maersk Spot on its digital platform

FreightBro announced the integration of Maersk Spot within its digital platform for freight forwarders. In a first-of-a-kind initiative across India, FreightBro platform will now use Maersk Spot APIs allowing customers to book and secure container space online and in real-time. With this integration, freight forwarders can now access real-time rates on the platform. This product guarantees equipment availability and cargo loading on Maersk and Safmarine services irrespective of the peak season at a fixed price.

The booking process in shipping is largely manual and primarily involves a lot of back and forth communication between various stakeholders. With this integration, FreightBro aims to double its digital rate deliveries and online bookings while providing a very simple airline-like booking experience to the forwarding industry. FreightBro has enabled 500+ freight forwarders to sell online using their proprietary digital platform.

India-Iran trade plunges 79%; may fall further

Escalating tensions could deplete balance in rupee-rial account, fear exporters India-Iran trade declined a sharp 79.4 per cent in the first eight months of the current fiscal to $3.5 billion from $17 billion in the comparable period last year after the lapse of the oil sanction waiver extended by the US to India. Escalating tension between Iran and the US after the recent killing of Iranian general Qasem Soleimani in a US drone attack could hurt trade further as India's exports to Iran, which have sustained despite the economic sanctions, could now take a hit. This is true especially with the balance in the rupee-rial account running out, fear exporters.

Five-pronged strategy suggested to raise agri exports

In order to raise agri exports to $100 billion (about ₹7.10 lakh crore) in the coming years, Trade Promotion Council of India (TPCI) has proposed 100 per cent pre-export certification, increasing customer base, branding, strengthening last-mile connectivity for agri produce and revamping the SEZ policy for food exports. If this is ensured, the quality of the product will also fetch premium value for food and beverages exports. The mandatory 100 per cent pre-export certification will create the brand as a reliable and good quality exporter. To enhance the customer base, the government should support companies to create different products which suit global demands. Moreover, providing last mile connectivity to agri produce from the country is the need of the hour and crucial for exports.

PORTS

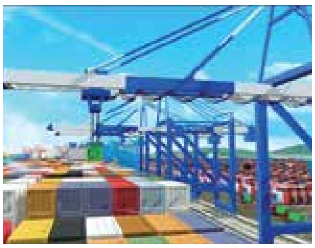
Bangladesh ports ready for Indian cargo transhipment

Bangladesh's two seaports are all set for a trial run of Indian cargo ships' movement, under a transshipment arrangement. But the two countries are yet to finalize the transit fees to be charged. Under the arrangement, the Indian cargo ships will carry goods to and from the northeastern parts of India to its other regions through Bangladesh by using the Chittagong and Mongla ports. At a recent meeting at Chittagong Port Bhavan, the CPA Chairman, Rear Admiral Zulfiqar Aziz, said: "We are all set to start working with the Indian ships under a transshipment agreement and a ship is scheduled to arrive this month on a trial basis." Such an arrangement, once rolled out, will help India ship goods to and from its northeastern region by waterway and then via roadways through a use of ports and highways in Bangladesh. For its part, Bangladesh is expected to benefit from fees charged on such movements of cargo.

VO Chidambaranar Port handles highest parcel size

VO Chidambaranar Port shattered the record for handling a vessel with highest parcel size. The Panama flagged vessel 'MV ELETTRA' with Length of 254.52 metres, Beam of 43 metres and draft of 12.23 metres arrived from the Port of Mina Saqr, United Arab Emirates with 93,353 tonnes of limestone consigned for India Cements Limited and Eastern Bulk Trading & Shipping Private Limited. The vessel berthed at Berth No.IX commenced its discharge using three Harbour Mobile cranes capable of discharging 50,000 tonnes per day. The Shipping Agents for the vessel is M/s Seaport Shipping Private Limited, Tuticorin and Stevedore is M/s Seaport Logistics Pvt Ltd, Tuticorin.

Payra port re-tenders terminal



The Payra Port Authority (PPA) has re-tendered for construction of a coal/bulk terminal for the country's third seaport located in southern Bangladesh. The terminal will be developed through a PPP model and the authority invited bidders or consortiums to participate in the selection of a private partner. The international competitive bidders will design, build, finance, operate, and maintain the coal/bulk terminal and transfer to the port authority based on the terms in the PPP contract. The interested bidders have until 17 February 2020 to submit tender documents. They will have to pay a non–refundable pay order or bank draft valued at $1,000 to get project-related documents and $2.8 million as bid security.

Shanghai remains world's busiest container port

Shanghai port maintained the top position in the world in terms of container throughput in 2019, according to Shanghai Mayor Ying Yong. The container throughput of Shanghai port totalled 43.3 million teus last year, ranking the first in the world for 10 consecutive years, Ying said when delivering his government work report at the ongoing annual session of the municipal people's congress.

JNPT sets another container throughput record

JNPT has achieved a new container throughput record of approximately 5.11 million teus in calendar year 2019, representing a 1.2 per cent increase over the 5.05 million teus registered in 2018. Jawaharlal Nehru Port Container Terminal (JNPCT) handled 0.77 million teus in 2019. Gateway Terminals India (GTI), the facility operated by a joint venture between APM Terminals Management and CONCOR, took a lead again, handling 2 million teus during the year. Nhava Sheva (India) Gateway Terminal (NSIGT), processed 0.99 million teus followed by Bharat Mumbai Container Terminals (BMCT) with throughput of 0.82 million teus, while the throughput of Nhava Sheva International Container Terminal (NSICT) was 0.52 million teus.

Palm oil stuck at various ports

Thousands of tonnes of refined palm oil are delayed or stuck at various Indian ports after the world's biggest

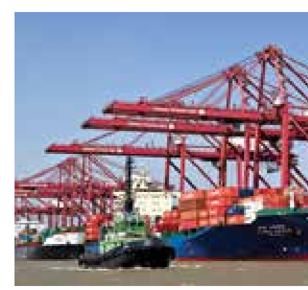
edible oil buyer India placed restrictions on imports amid a diplomatic row with key supplier Malaysia. India announced the curbs on imports of refined palm oil in January in a bid to help domestic refiners raise their plant utilisation rates. In a typical year India relies on imports for almost all of its supply of the veg-oil used in everything from soap to cookies.

"More than 30,000 tonnes have been stuck at various (Indian) ports. All these vessels were loaded before the government restricted imports of refined palm oil," said a Mumbai-based vegetable oil dealer. "Usually customs officials allow unloading of commodities that are in transit before any change in regulation. But in the case of refined palm oil, there is some confusion and that is leading to delays." Malaysia palm oil prices suffer biggest weekly drop in over 10 years amid Indian trade sphere.

Hambantota Port to be Maritime Hub in Indian Ocean

The Hambantota port has made significant strides during the past couple of years in terms of port utilisation in imports, vehicle transhipments to various other ports, ship repairs etc, though local exports are yet to get off the ground. It appears that China is planning different phases of port development quite rightly. With a few ships calling Hambantota now steadily, the Port intends to commence bunkering services early this year. It might be pleasing for the locals to witness Hambantota taking carefully measured steps for the business with China Merchant's Port Holding Company (CMPHC) slowly establishing its credentials as a long-term player in the area which might see locals having their fair share of the pie in the business.

APM Terminals Mumbai exceeds 2 million teus



In 2019, APM Terminals Mumbai handled more than 2 million teus throughput for the second consecutive year. The terminal has continued its focus on strong collaborative efforts with all its customers – shipping lines, cargo owners, CFSs and transporters to realise high efficiency levels.

Initiatives, implemented in partnership with CFSs, such as 'Vehicle Booking System' and digitisation measures, such as 'Customer Service Portal' have boosted efforts towards ensuring customer delight. All process improvement initiatives have been based on a strong safety culture, which not only covers employees but also external stakeholders, thus reducing any time losses due to safety concerns.

SHIPPING

CMA CGM introduces new business tool

CMA CGM announces the launch of NETWORKING INTERMEDIATION SERVICES, the first and only business matchmaking solution on the market. NETWORKING INTERMEDIATION SERVICES, a unique, unprecedented solution to accelerate business growth for the CMA CGM Group's customers. In line with its Customer Centricity strategy, CMA CGM is committed to providing customized support to its clients as they pursue international expansion and business development. With NETWORKING INTERMEDIATION SERVICES, the Group gives them the ability to expand their activity worldwide, to create new business opportunities and to find the suppliers or customers that best meet their needs.

The CMA CGM teams are available to help the Group's clients: find trustworthy partners; diversify their customer and/or supplier portfolio; reach new markets; leverage alternative business opportunities; reduce the cost, time and effort associated with business development; find better quality products and more advantageous terms. CMA CGM leverages its trusted network for ever more innovative solutions

Low sulphur fuel shortage on east cost

Coastal shipping operations along India's eastern coast will come to a halt due to lack of availability of low sulphur fuel oil which ships are mandated to use as per a new global rule that came into force from January 1 to cut emissions. The new rule means that the global limit for sulphur in fuel oil used on board ships has been reduced to 0.5 per cent m/m (mass by mass) from the earlier 3.5 per cent. Ship fuel or bunkers account for as much as 40 per cent of the operating cost of a vessel.

Maersk enhances India's agro-produce exports

Maersk recently successfully delivered its first end-to-end shipment of freshly produced green chillies from Varanasi to Jebel Ali, United Arab Emirates (UAE) within 9 days. The company worked closely with Agricultural and Processed Food Products Export Development Authority (APEDA) to enable trade opportunities in the state via land and sea routes. The delivery is a testament to Maersk's efforts to unlock the agro-trade potential in Uttar Pradesh and expanding across the country by leveraging end-to-end cold chain logistics solutions.

The eastern part of Uttar Pradesh (Varanasi region) is top producer of fresh fruits and vegetables presenting an immense opportunity for the farmers and entrepreneurs in and around the region to boost agro exports. Considering these enormous trade prospects offered by the region, APEDA is in the process of setting up agri export hubs in these districts along with a soon-to-be set up project office to fast track the coordination and facilitation of all activities.

CMA CGM & Ocean Alliance partners unveil new service offer

Rodolphe Saadé, Chairman and CEO of the CMA CGM Group, has signed with the executives of COSCO SHIPPING, Evergreen and OOCL the launch of Ocean Alliance Day4 Product, which will further strengthen the Group's service offer. The new offer will start in April 2020 and includes the use of 325 containerships, 112 of which will be operated by the CMA CGM Group, which continues to play a major role within the alliance offering 38 services with an estimated carrying capacity of around 3.8 million teus. Services include: a comprehensive service offer on the Transpacific trade with 19 services, a strong offer between Asia and Europe with 7 services, a large offer between Asia and the Mediterranean with 4 services, 2 Transatlantic services linking North Europe to the East Coast of the United States and the Gulf of Mexico. This is the only alliance offering 4 services between Asia and the Middle East and 2 Asia-Red Sea services. value.

Bahri extends network to South India

Bahri, a leader in logistics has reached a new milestone in expanding market footprint with the company's MV Bahri Jeddah making its maiden call at two Indian leading ports. The RoCon vessel arrived for the first time at the Kamarajar Port and the Chennai International Terminal in December 2019.

MV Bahri Jeddah will call regularly at Ennore and on an inducement basis at Chennai, offering direct call from South India to US East Coast. The business unit operates six multipurpose vessels on a regular liner schedule, all designed to carry project, break-bulk, container and IMO cargoes as well as heavy lifts and special purpose vehicles.

EMU Lines marks a milestone in project logistics

The Projects & Engineering Solution Division of EMU Lines successfully executed a challenging road transportation and break-bulk freight for "Gas Dryer" having supercritical dimension of 14.461 metres in length and 6.4 metres in diameter weighing 102,000 kg from renowned shipper's plant in Gujarat, India, to renowned chemical company in Qatar recently. The task was executed from shipper's facility to Deendayal Port following absolute safety adherence of all in-transit compliances. The "Gas Dryer" was shipped from Deendayal Port to Port of Messaeed, Qatar, by break-bulk vessel.

LOGISTICS

Goyal wants to put Railways on fast track

Railway Minister Piyush Goyal stressed on the need for support of the private sector to accelerate development of the railways. He dismissed speculations of privatisation of the railway network, but highlighted the need for a public-private partnership funding model for the sector. "We want to end the era of slow moving trains by making way for the fast speed-driven MEMU and electric trains, like the trains being run in suburban Mumbai (with the help of private sector)," he said while advocating for reforms in the railways. He said the railways wants to attract an investment of ₹50 lakh crore in next 12 years to expand the facilities in passenger and goods trains through modernisation.

India aiming at $250 billion maritime economy by 2024

India is looking at a $250 billion maritime economy by 2024, which the Indian Coast Guard (ICG) has the responsibility to safeguard, Defence Secretary Ajay Kumar said. India's exclusive economic zone in the seas along its 7,500-kilometre coastline comprises over 2 million square kilometres, he said. "With a target of becoming a $5 trillion economy by 2024, we are looking at over $250 billion coming from the maritime zone. "It is this $250 billion economy that the ICG has the responsibility to protect and safeguard," Kumar said after commissioning coast guard ships 'ICGS Amrit Kaur' and 'ICGS Annie Besant' which will be deployed along the eastern coast. The maritime economy constitutes nearly five per cent of the world economy, he said. With the depletion of land resources, economic activities are increasingly getting focussed on the oceans, Kumar said.

ASIC elects new Managing Committee

Ashok Janakiram re-elected President for 9th consecutive term. The Association of Shipping Interests in Calcutta (ASIC), which would be completing its Golden Jubilee in 2020, elected its new Managing Committee for the next two year (2020-21) terms at its recently held Annual General Meeting at the Bengal Chamber of Commerce & Industry. Ashok Janakiram, Director, Pennon Shipping Pvt. Ltd, was unanimously re-elected as President for the 9th consecutive term, along with two Vice-Presidents, Pinaki Shankar Ghosh from Sea Freight & Logistics Solution and Capt. B. K. Khambatta from Interocean Shipping. In addition, 5 Executive Committee members were inducted—Debanjan Nandi from SCI, Subrata Chowdhury from ONE Line, Probir Chakraborty from PIL, M Rajendran from TLPL Shipping and Tapan Debnath from Deb Lines.

Allcargo partners with Blackstone to develop logistics parks

Allcargo Logistics Ltd has partnered with the global private equity investor - the Blackstone Group to develop logistics parks in key consumption hubs in India. Blackstone will invest up to ₹380 crore in Allcargo logistics to develop industrial and logistics parks across India. Blackstone proposes to make its investment in the platform, by way of debt and equity. Allcargo will retain a minority stake in the various logistics assets and transfer its debt as it relates to these specific assets to their relevant subsidiaries. The transaction is expected to conclude in a phase wise manner over the next 12 months, subject to satisfaction of customary closing conditions and achievement of certain milestones.

Deendayal Port Trust reduces transfer fee up to 98 per cent

A Press meet was organised by Deendayal Port Trust, Kandla in the premises of Gandhidham Chamber of Commerce Building. SK Mehta, IFS, Chairman, Deendayal Port Trust declared relief up to 98 per cent for the new transfer fee. Mehta also expressed his happiness over DPT's volume and growth increase in throughput and as on today DPT has achieved 97.6 mmt against 90.04 mmt previous year on the same date, with 9 per cent increase. DPT prepared a vision for achieving 200 mmt in 10 years period. With the new initiatives like zero increase in scale of rates/vessel-related charges, he is very much hopeful of tremendous traffic growth at DPT and at Tuna Tekra. Due to new berthing/ storage policy, coal, fertiliser handling will be more. DPT has become a coastal hub and due to which container traffic increased to double than previous year. DPT has planned to spare ₹2,000 crore for port infrastructure development. Revamping of pipelines for liquid handling is in hand, due to which the average turnaround time of liquid vessels has been improved a lot, he stated.

Venezuela exports oil, defies US sanctions

Venezuela's state-owned oil company, PDVSA said it has overcome the effects of US sanctions, keeping exports of its flagship heavy crude oil at healthy levels in 2019. Thanks to an oil upgrading program at the Orinoco Oil Belt, PDVSA and its joint venture partners Petropiar, Petrolera Sinovensa, Petromonagas, Petrocedeno and Petro San Felix, were able to export around 783,000 barrels per day (Bpd) of Merey crude. The country's largest terminal, Jose Antonio Anzoategui, from where over 92 per cent of Venezuelan crude is exported, registered "positive figures by end-of-year 2019, PDVSA said. It shipped 287 cargoes with roughly 286 million barrels. The main destination for the exports were China's Shandong Port and Zhanjiang Port and India's Mundra Port.

Union Budget 2020-21 - Key Recommenda-tions by Rajiv Agarwal, MD & CEO, Essar Ports

The objective is to boost domestic consumption, spending and savings within the nation; to boost infrastructure growth paving way for lowering of logistics cost enabling manufacturing and exim growth and to enable India becoming $5 trillion economy.

As on date personal income tax, coupled with indirect taxes, leaves very little with public for saving and investments. Rationalisation of personal income tax rates is essential to ensure there is surplus funds available in the household for both saving and spending. The personal income tax rates should be capped at 25 per cent in line with corporate tax rates. The same would pave way for GDP growth in the country.

Infrastructure projects are highly capital-intensive with long gestation period. Government has unveiled its plan for ₹100 lakh crore investment in the infrastructure sector going forward. Funding of same should be addressed in the budget through creation of infrastructure debt funds/ sovereign wealth fund. This will enable low cost and long term borrowing requirement for the infrastructure projects as has been the case worldwide.

More banks like IIFCL should be created with the mandate to take lead and fund capital-intensive long gestation infrastructure projects. This will bring much desired liquidity in the system and enable private sector participation.

Extension of corporate tax benefits to infrastructure companies/SPVs setting up new projects like that in manufacturing sector: Recently in September 2019, the corporate tax for new manufacturing companies was reduced from 25 per cent to 15 per cent to boost manufacturing in the country. To enable similar boost in investments in the infrastructure sector (which has recently seen dearth of new investments) similar benefit should be extended; wherein new projects/companies/SPVs will have reduced corporate tax rate of 15 per cent. This will enable more liquidity in the system and ensuring sustainable investments over long term for expansion and modernisation.

Realty investors target portfolios in India's logistics sector

Global investors are looking to build large portfolios in India's warehousing and logistics sector on strong demand from e-commerce and third-party logistics firms, easing of regulations and scalability of the business. The sector is becoming the next preferred rental class for investors, after commercial office and shopping malls, with more funds expected to enter the space this year.

Blackstone Group, the largest owner of office space in the country, recently partnered the Hiranandani Group to invest ₹2,500 crore for industrial and warehousing assets. "Most investors have announced plans or are eyeing the warehousing sector as a long-term investment bet because of high demand, less risk and good leasing momentum," said Chandranath Dey, senior vice president and head-industrial consulting at JLL India. "We expect more investors to enter the space in 2020 and developers, who have good land, to tie up with fund managers to build warehousing projects." Between January and October, around 24.1 million sq. ft of space was leased in warehousing, according to JLL India estimates. Overall absorption in 2019 is expected to have touched 35-36 million sq. ft.

GMR forms JV with ESR to build logistics park in Hyderabad

GMR Hyderabad Aerotropolis Ltd has formed a joint venture with global logistics real estate firm ESR to jointly develop a 66-acre logistics park in Hyderabad for ₹550 crore. ESR and GMR have entered into definitive agreements with an equity interest of 70 per cent and 30 per cent respectively in the special purpose vehicle (SPV), namely, GMR Logistics Park Pvt Ltd. "This collaboration would set new standards for the warehousing and industrial real estate sector. It would also benefit the burgeoning cargo industry in the region," said Aman Kapoor, CEO – airport land development, GMR Group.

Warburg Pincus-backed ESR has been on an expansion spree in India for last 12 months. The company, which kicked off its first logistics and infrastructure park in Pune in November 2018, has inked several partnership deals with prominent real estate and investment firms in the recent past. Last year, it also announced tying up with Future Group to develop two logistics parks with an investment of ₹300 crore.

Adani Group acquires Snowman Logistics

Adani Group has acquired majority stake in Snowman Logistics Ltd for ₹2.96 billion to foray into cold chain logistics. Adani Logistics Ltd signed definitive agreements to acquire 40.25 per cent stake in Snowman Logistics Ltd from Gateway Distriparks Ltd. Snowman is market leader in cold chain logistics with over 30 per cent of capacity amongst integrated organised cold chain service providers in India. The acquisition gives Adani Logistics platform to double its capacity in the next five years. The company is targeting 15-plus logistics parks, 200-plus rakes, 5 million sq ft of warehouse space, over 15,000 containers, 2.5 million tonnes of grain silos and 25 inland waterways vessels by 2025.

Mahindra Logistics' new distribution centre

Mahindra logistics recently opened its new state-of-art distribution centre for the Pharma industry in North India. The new centre marks Mahindra Logistics foray into a first-of-its-kind temperature-controlled warehouse in the Pharma sector. Through this facility it will manage the warehousing and distribution for its client, in addition to their inbound and outbound multi-modal transportation across India. The new warehouse is specially designed and equipped with temperature control mechanisms for efficient power consumption, customised storage, diverse Material Handling Equipment (MHE) and the latest in technological solutions, including 'Mycargo360', a Transport Management Systems (TMS).

IndoSpace opens three new industrial, logistics parks

Continuing its pan India expansion IndoSpace has started three new industrial and logistics parks in Becharaji in Gujarat, Anantapur in Andhra Pradesh and Sohna Taoru in Haryana on a combined area of over 120 acres. The goal is to establish 120 million square feet of logistics infrastructure across India. IndoSpace has a portfolio of around 34.5 million square feet across developed and under construction projects comprising 34 industrial and logistics parks in 9 cities in India.

CONCOR incorporates wholly owned subsidiary – Concor Last Mile Logistics

Container Corporation of India has incorporated a wholly owned subsidiary, named Concor Last Mile Logistics. The objects of the above Company are inter-alia to develop goods sheds, operate and manage freight terminals/ goods sheds, develop warehouses, provide first mile-last mile connectivity and other services related thereto.

No fuel shortage, assures CPC

The Ceylon Petroleum Corporation (CPC) has assured that there will be no fuel shortage in the near future even if Iran – US tensions worsen in the next few days. A special discussion on this matter was held at the Petroleum Ministry premises between CPC officials and Transport Management, Power and Energy Minister Mahinda Amaraweera. The CPC officials during the meeting explained that there are sufficient buffer stocks and also that several tankers carrying fuel are slated to arrive in the country shortly.

The CPC officials had told the minister they had sufficient stocks of fuel for 19 days and two vessels carrying 16,000 tonnes and 15,000 tonnes of fuel respectively are due to arrive. The Ceylon Petroleum Corporation is also planning to purchase stocks of fuel from Singapore and Malaysia as an alternative measure if shipping movements are hampered in the Gulf region.

Tolls on Bangladesh highways

The Roads and Highways Department (RHD) is going to conduct a survey for assessing necessary infrastructure that would be required to start collecting tolls on the four-lane highways across Bangladesh. Initially, the survey would be conducted on Dhaka-Chattogram and Dhaka-Mymensingh highways, as an initial step to implement the prime minister's directives in this regard. "We have approved a RHD proposal for conducting necessary survey on how to collect toll from vehicles on the two highways," Mohammed Shafiqul Karim, joint secretary (toll and axle) at the Road Transport and Highways Division, said. The toll money would be deposited in a bank account and spent on the maintenance and repair works of the roads.

Outlook for container shipping remains soft

The outlook for the container shipping market remains soft despite the welcome boost of the 'phase one' trade agreement signed by the US and China, according to Drewry. Drewry predicts world container port throughput will increase by 3.3 per cent in 2020, following an estimated 2.3 per cent rise last year. The current year forecast represents a downgrade of 0.7 points on the previous outlook given at the end of Sept 2019.

"A swift and amicable end to the US-China trade dispute has the potential to give the global economy a boost. However, that outcome is still only a tantalising possibility and much more work is needed to be done to secure a more permanent trading arrangement between two countries that have a number of seemingly intractable differences to resolve," said Simon Heaney, senior manager, container research at Drewry. "It's a step in the right direction that removes one layer of uncertainty, but as with previous truces the foundations are flimsy and there is still a reasonably high chance that hostilities will be resumed," he added. The report also highlighted the risk of further protectionist policies on the container market with the threat of extra duties being imposed by the US on cars and components shipped from Europe, which are a major commodity bloc for the containerised transportation industry.

In summary, for 2020, Drewry is forecasting faster demand growth than in 2019, a slight increase of overcapacity, higher rates (including bunkers) than in 2019 and a small reduction in (already low) annual carrier profits. "Carriers should still prepare for a bumpy ride in 2020 and not assume that the previous China-centric trade flows will resume now that a resolution to the trade war is in sight," said Heaney. "Having been down this road before, shippers will rightly be wary and are likely to continue examining contingency plans that will require more diverse shipping networks."

LCL CARGO CONSOLIDATION BUSINESS GROWING STRONG

The e-commerce boom has made shipping smaller more specific consignments frequently the new norm, driving demand for LCL cargo consolidation which has seen strong growth in the past decade with MNCs taking a plunge into the sector, while SMEs find it cost and time effective

BY OMER AHMED SIDDIQUI

Several trends are changing the nature of global trade – digitalisation, growing demand for e-commerce, evolving supply chain and greater availability of supply chain data have created an environment where shipping small consignments more frequently often makes sense, nurturing the LCL market. Digitalisation has been a major disruption in the LCL space as lot of players are offering rates and booking online. The main factor that drive the LCL consolidation business is the order size, which is based on the consumption pattern of the receiving party, which in turn is based on the economic status of that country. China is the biggest origin so far for LCL cargo, and the commodities vary from industrial raw materials and machineries to finished goods, reveals **Vivek Kele,** Director, TeamGlobal.

India is a growing economy and LCL consolidation has done really well not only in last five years, but the consolidation business in India has shaped up well in the last decade. India is poised to be a commercial hub and logistics is a key ingredient to ensure it happens. The LCL consolidation industry is huge in India but has been overshadowed by the FCL business which has grown tremendously too. In last five years we have seen many

MNCs coming to India and all have registered success. Gauging the growth in LCL cargo consolidation industry, **Sachin Vijan,** Vice President, Business Development (NVOCC) & LCL Product Head - ISC and Middle East – Allcargo Logistics says, "In the last decade, we had only USA and Germany-based MNCs in India which were doing well. This decade saw them expanding their operations and they have registered huge growth. Besides this, we have seen a lot of Japanese, Italian, Korean and even Turkey-based MNCs which have been doing fairly well in the LCL space. The government has been aggressive in its initiatives in the last 2-3 years, but has done a fair job earlier too. Currently, efforts are on to see things move in an organised manner and the government is serious as well as taking efforts at all ends to protect the interests of and safeguard every stakeholder in the country, primarily exporters and importers. They feel confident and protected for the very first time and the future looks promising for the consolidation industry. It is crucial that we make the most of the measures that the government is implementing and the technology it is bringing in, to ensure that this promise becomes a reality."

Allcargo Logistics is currently one of the world's largest consolidation companies. Today, having own network across globe gives the company a clear advantage over competition. Having an integrated network, operating through more than 300 offices in over 160 countries, the product portfolio is now over 2400 trade lanes. The expansion in India has seen Allcargo's presence grow to more than 22 offices which offer seamless connectivity to CFSs and ICDs like nobody else. Mumbai and Chennai controlling major operations now also serve as a hub to ECU Worldwide Network having ITP advantage supported by own CFS. Product offerings also includes door-to-door shipments to just about every seaport and inland location worldwide and Dangerous Goods (DG) too. In fact, Allcargo handles the highest number of DG shipments today in the country through certified experts.

How big is the market?

Combining exports and imports in India there is about 22,000 teus of consolidation business moving in and out every month. Approximately 6,00,000 CBM a month. The majority of LCL cargoes are coming from North and North West. Commodities that primarily move as LCL cargo include engineering goods, pharma, automobile components, garments and textiles, pigments and dyes, plastic granules, brass, carpet and rugs. The industry in India has almost 120+ active consolidators mainly from Mumbai, Chennai and New Delhi. The major volume is controlled by the top five of them. Besides this, a lot of volume is carried by MNCs in their own consolidation programme. Elaborating on the LCL trade flow Sachin Vijan says,

> **There is about 22,000 teus of exim consolidation business moving every month. Approximately 6,00,000 CBM a month.**

"Nhava Sheva and Chennai are the two major receiving and exporting ports for us, followed by Delhi. Nhava Sheva and Chennai are the main serving gateways for the western and southern ICDs. The north too is catered to by both these locations for inbound trade. The larger commodities exported from India are pharmaceuticals, chemicals, machinery, clothing and accessories and automotive goods majorly to Europe, USA, Far East and Latin America. India imports machinery, automotives, and chemicals majorly from Europe, China and Intra Asia."

Cost and time is of essence

The shipper has become more cost and time sensitive which is resulting in more frequent shipping, smaller and more specific consignments. Cost and transit time is the most effective driving factor for LCL customers as they look at faster turnaround time as well as cost effective solution for their cargo. Major chunk of the business for LCL cargo consolidators comes from small and medium enterprises and this fact has just gained even more prominence with the recent announcement of Amazon Chief, Jeff Bezos, who is betting big on small and medium businesses (SMBs) in the country and will use its global footprints to export $10 billion worth of 'Make in India' products by 2025. Amazon will invest an incremental $1 billion in digitising SMBs in India, said Bezos. To do so, Amazon will establish 100 Digital Haats across India to help businesses integrate into the digital economy. These Digital Haats will provide services like ecommerce onboarding, imaging and cataloguing, warehouse space, logistics, digital marketing, and compliance.

Changing trends

Noting the changing trends in the LCL cargo consolidation business, **Makrand**

Prabhakar Pradhan, Managing Director, Total Transport Systems Ltd (TTSL), says, "The commercials of business have changed, I have been always believing in one thing that in LCL cargo volume plays an important role - more the volume, better is overall profit per container. Over the past year or two, the booking pattern of LCL shipments have changed. More businesses are turning from Free Hand to a Routed Business. This means the shipper or the local forwarder in India is losing the control on shipments and is now under buyers' control. There are different aspects where the business is moving today as the buyer's decision to convert the business from CIF to FOB, one of them being to avail Single Window Service, the commercials given by destination forwarder or the consolidator is more price effective that means the consignees are aware about overall price sensitivity which is making their product lesser expensive if they change the terms of the shipments."

TTSL started its core activity as LCL consolidator 25 years back and since then it grew slowly and steadily by investing into each new trade lane – direct service from one port to another - thereby serving the trade with innovative solutions avoiding double handling procedure, reducing transit time and saving on cost as well. The continuous efforts and strive for opening up new direct trade lanes has been successful and today TTSL is proudly amongst the top 5 consolidators in India.

> The majority of LCL cargoes are coming from
> **North and North West**

Nature of the market

The LCL cargo market is very fragmented and unorganised by nature, which is mainly due to low entry barriers to the market. As the number of players operating in this segment increases, so does the competition in the market. So how do the service providers survive in such a competitive market? Revealing the mantra for success to survive in the market Makrand Prabhakar Pradhan says, "The optimum utilisation of space in a console container gives you a positive earning. The console container is always profitable when you stuff a 40' console with maximum possible CBM in a container. Sometimes even 1 CBM cargo and 1 HBL also turns the container from average profit to some additional Income." "Better stowages of the box leads to a better yield per freight ton that can make the box profitable, when the stowages are poor, there can be huge losses too," cautions Vivek Kele.

Operational efficiency matters

The LCL consolidation requires a good infrastructure and clean environment. Because the Industry is serving the small and medium exporters and importers and giving them a platform to ship their sample shipments as well as small parcels with a faster transit time and cheaper cost. This activity requires a lot of manpower as a small mistake or ignorance can lead to a big service failure. The modus operandi for the LCL consolidation market is very delicate. If we ship a wrong package in a wrong console for different country, it leads to a disaster for entire process flow for service provider as well as the exporters. We need to educate our exim trade to have a better standard of packing for their goods to avoid damage in transit. When they bring cargo to the CFS where the consolidators are having it designated an area where they do the stuffing activity if the cargoes can be properly unstuffed from trucks and segregated, it saves a lot of time for operations team of the consolidators as well as if there are any issues in packaging, proper loading unloading operations from trucks, correct marks and numbers tally will avoid delay and complications. Further, the chemical exporters need to give proper certified documents of their commodities with correct MSDS declaration, packing declaration so that the consolidators can get the required approval before the goods are shipped. Hinting on the importance of operational efficiency Sachin Vijan says, "even though the

consolidation fraternity is too big, the large players have fairly organised processes keeping their customers' needs on priority. The smaller ones are slowly falling in place. This, I guess, will keep improving as the government is also bringing in strict regulations and compliance."

The role of CFS/ICDs

The LCL cargo consolidation business has not grown in isolation. The CFSs and ICDs have played a major role in the growth of console Market. ICD's acts as a bridge between customer/cargo and gateway ports/consolidation CFSs. The ICDs allow the consolidators offices in a particular ICD location to club the multi country cargo in one hub console container and bring that to the gateway port/CFS where the consolidator un-stuffs the hub container multi-country cargo and stuffs it into dedicated direct console containers of various trade lanes. Thus bringing a very cost effective solution for the trade and helping to reduce the transportation time and cost per CBM.

Challenges to the LCL consolidation business

Today the biggest challenge a consolidator faces is that the exporters or importers want their cargoes to be shipped free or with a minimum freight thus ignoring that someone has to pay for the ocean freight either at origin or at destination. When they are looking at saving or are not able to pay enough freight their buyer might be paying some additional amount at destination which is indirectly a part of freight which an overseas agent or consolidator might charge to the consignee. The other challenge is credit period and customers not honouring the credit commitment. How can a consolidator who is a service provider act as a bank to the shipper or the consignee? For sure if they are financing this activity they will be making this interest component either in freight part or in some other component under some other heading. Though a small percentage, some of the shipments effected from India, remain undelivered at destination. The carriers have already incurred costs towards the freight and ancillary charges and the demurrage/detention keeps on going up, which is a big cost to the carriers if the shipment is a low value shipment, many a times, the costs incurred are more that the value of the shipment and the shippers don't take any action.

> The industry in India has almost **120+ active consolidators** mainly from **Mumbai, Chennai** and **New Delhi**

Pointing out the perils of price competition Sachin Vijan says, "We often talk about service as a key decider in the LCL consolidation business but the challenge today is that a lot of business is decided on the price. This has been a challenge and doesn't seem to be easing anytime soon!"

The future is about transparency and extending reach

Major initiatives of digitalisation and ease of doing business in the maritime sector are making transactions more transparent. The LCL cargo consolidation business is no different says, Makrand Prabhakar Pradhan. He adds, "The expectation is that the business should be done on a transparent basis where we should be giving overall cost to our client thus making them aware about the total cost of moving the shipment from point A to point B. Let the customer decide who will pay the cost of point A and who will pay the cost of point B. The expectation is that the business should increase more as there are many trade lanes and many countries where the Indian product is still not reaching, may be the buyers' are not aware about potential of our manufacturers and also the geographical know how. Various government trade fairs should spread the word around the world so that many countries in CIS as well as south and Central America can be tapped and made aware about potential of Indian manufacturers. mg

ADANI PORTS ADDS JEWEL TO ITS CROWN

APSEZ has announced the acquisition of 75 per cent stake in Krishnapatnam Port Company Ltd. A strategic move towards achieving 400 MMT capacity by 2025.

Adani Ports and Special Economic Zone Ltd (APSEZ), India's largest port developer, operator and the logistics arm of the Adani Group is relentlessly chasing its goal of achieving 400 million metric tonnes cargo handling capacity by 2025. The logistics behemoth has since been on an acquisition spree with the recent deal being that of Adani Logistics taking over Snowman Logistics, a cold chain logistics company for ₹296 crore. Playing the master shot, APSEZ has next targeted the jewel on the east coast – Krishnapatnam Port Company Ltd (KPCL), announcing to acquire a controlling stake of 75 per cent from the existing shareholders.

KPCL is located in the southern part of Andhra Pradesh, the state with the second largest coastline in India, and is a multi-cargo facility which handled 54 MMT in FY2019. This acquisition will accelerate APSEZ's stride towards 400 MMT by 2025. The acquisition value of KPCL is approximately ₹13,500 crore. The purchase consideration will be funded through internal accruals and existing cash balance.

The credit metrics of APSEZ consolidated are not expected to change with this transaction. The net debt to EBIDTA of consolidated APSEZ Ltd, including KPCL, in FY 2021 is expected to be around 3.2x (which is in line with the pre-acquisition of net debt to EBIDTA of 3.1x in FY2019).

Detailing on the acquisition **Karan Adani**, Chief Executive Officer and Whole

Time Director of APSEZ, Commented, "KPCL is a crown jewel to join APSEZ's string of pearls, our network of 10 economic gateways to India, and this acquisition would accelerate our stride towards FY2025 vision of handling 400 MMT of cargo. Given the best-in-class infrastructure and the distinct hinterland catered by KPCL, this acquisition will not just increase our market share to 27 per cent but also add remarkable value to our pan-India footprint."

"With the experience of successfully turning around acquisitions of Dhamra and Kattupalli ports, we are confident of harnessing the potential of KPCL and improve returns to stakeholders." Karan added. APSEZ will target to enhance cargo volume at KPCL to 100 MMT in around 7 years and will double its EBITDA in around 4 years through its process improvements and industry best practices. In FY19, KPCL handled about 54 MMT of cargo, with an EBITDA of ₹1,350 crore.

Earlier, S&P Global Ratings has said that APSEZ had sufficient financial headroom to absorb its proposed acquisition in Krishnapatnam Port Company (KPCL). "APSEZ's strong financial performance and flexibility in adjusting capital expenditure (capex) and dividends, and earnings contribution from Krishnapatnam will allow it to maintain its leverage within our rating threshold," the ratings agency said in a statement. S&P Global Ratings expects APSEZ to maintain its ratio of funds from operations to debt at more than 15 per cent following the acquisition. mg

PASSION FOR CONSOLIDATING BUSINESS

"Cargo consolidation business has been my passion and over the years it has evolved drastically. Offering direct services gives us a distinct advantage over competition, both in terms of transit times, efficient and seamless handling of cargoes and cost benefits," says **Makrand Prabhakar Pradhan,** MD, Total Transport Systems, revealing his mantra for success.

Q. Total Transport systems has been into business for the past two and a half decades. How have the consumer requirements changed over the years?
We have been amongst the first 5 companies, who operated the consolidation business and have been very lucky to witness how this business has evolved over the years. We can definitely say that the consolidation activity in India is in a matured stage. The activity matures when there is tough competition and the businesses work hard to devise an innovative service or product at the best possible price. A similar thing happened in the consolidation industry in India and the service levels improved drastically and the LCL freight levels dropped drastically. The customers became more demanding in service, freight levels and credit terms.

Q. Established in 1994, how has been the growth of your company?
We started off with 8 employees in 1994 and today we are a team of 432 across India. We listed our company in NSE emerge category in 2017 and that was one of our biggest achievements. Most of us are aware about the current market scenario and the drop in the EXIM trade. We have however managed to increase our volumes and revenues by 20%, year on year since 2017.

Q. A major focus of the government is on improving trade and connectivity with Nepal and Bangladesh. How has been the movement of trade to these neighbouring economies?
You probably missed out on Bhutan. They depend a lot on India as well. The India trade with Nepal and Bangladesh is increasing. We have been operating our own offices in Nepal and Bhutan for over a decade and play a major part in their LCL transshipments. Our role in providing services for Indian origin cargoes into Bangladesh, through road transport is very small, but this is a growing business. We are one of the major players for LCL shipments moving into Bangladesh through sea transport. For the shipments moving into Nepal and Bhutan by road transport, the procedures are now simplified and working well, but the road conditions need to be improved. For transportation by road into Bangladesh, there are procedural delays which need to be simplified and again the road conditions need improvement. The trucks are detained at Benapole and Petrapole borders. The facilities at turn over points for loading and unloading have to be improved a lot. Even the costs are on a higher side. If the government is able to take care of the above the transport costs can come down.

Q. Tell us about your cargo consolidation and deconsolidation business? How has it grown over the years? What are the challenges?
The cargo consolidation business has been my passion and over the years has evolved drastically. When we started the business way back in 1994, consolidation was carried out using 4 transhipment hubs namely Singapore, Dubai and Antwerp or Rotterdam. Any consolidator operating in these 3 to 4 ports was considered as a global consolidator. We started off with our services to Singapore and Dubai and opened up Colombo as a new transshipment hub. Later on we added Rotterdam and Antwerp, thus enjoying the status of a global consolidator. We have always been working on new direct services and as of date we operate 58 direct services out of Nhava Sheva port. When we started imports deconsolidation, all the shipments used to be routed over Singapore. Today we operate direct services from 27 locations globally. The direct services give us a distinct advantage over our competitors, both in terms of transit times, efficient and seamless handling of cargoes and cost benefits.

Q. Since you are an expert in moving FCL shipments to inland Africa and CIS region, tell us about these markets? How is the trade growing there? What are the opportunities and challenges?
We are always on a look out for new trade lanes, as our niche market. We identified inland Africa and CIS region, where the competition is less as it is necessary to have in depth knowledge of the region and it is very difficult to have a reliable agency network. Both these markets have shown a

significant growth of 18 to 20 percent year on year. The biggest challenge in doing trade into inland Africa has been to build a reliable agency network, who can keep up to the commitment of transport and procedural requirements at the borders. With our own offices in Mombasa and Dar e Salam, we are in absolute control of our shipments at every stage. Our transportation is undertaken under adequate security and hence we did not have a single problem on this trade lane. CIS is a very personalized trade lane and in majority of the cases, the buyers decide on the service provider. With our regular marketing campaigns in the region, we have established a steady business growth in this region. Weather conditions, sanctions, procedural changes and fluctuating transport costs are the big challenges in this trade. With our continuously increasing volumes, strict selection of transport contractors, personal relationships and timely payments to the transporters, we now have a very well set transport network, who have always kept their commitments. We are now targeting business from local companies in the CIS region.

Q. What is driving the growth in the warehousing sector? Tell us about your warehousing operations?

Warehousing is booming and in my opinion, this boom will continue for at least the next 10 years. The business is getting more centralized and organized. Because of inadequate warehousing facilities, the warehousing cost is very high. Once we have the required warehousing facilities, the cost of warehousing will come down. This will also help to regulate the transport costs, as there is a clear imbalance of transport loads between various regions. With the growth of E commerce, the warehousing requirements have increased drastically. Going into professional warehousing, is very capital intensive and we have always believed in an asset light model. At this point of time, we have not given a serious thought for this activity. Whatever our warehousing requirements are being met through third party warehouses.

Q. You provide the last mile delivery service to Amazon. What are the challenges unique to this service?

As mentioned earlier, we started off with providing last mile delivery services to Amazon about one and a half year back. Today apart from Amazon, we also have contracts with Flipkart, Fedex and Spice Jet. Working with most of these customers is quite interesting, because they have fantastic systems to rate our performance and that helps us to make amends in our service patterns and look out for ways and means to improve our service levels. For amazon we are rated at 96%, which is amongst the best in all their vendors. Since we are still new with Flipkart and Fedex, these scores are not established yet. We are quite sure about our service performance with them also. The biggest challenge in this business is to generate and propel the delivery network at a very short notice, notice as short as 72 hours is given to establish our services in a particular region. We have been able to do it, because of the great and resourceful team that we have put in place. The systems of each customer are different and we have to ensure that every system is followed to the core. We have a separate department to train our resources, to ensure that they follow the requirements meticulously.

The E commerce industry is growing rapidly and we expect our volumes to double up every year for the next 3 years. My business partner Mr Shrikant Nibandhe is heading this project.

Q. Tell us about the I Cargo Alliance? What is the value proposition it offers to the customers?

I Cargo Alliance was started in 2012 by C P World Group and Eurasia Group, to offer consolidation services to the top 50 global freight forwarders under a single contract. We set up regional sales teams to solicit business with the global freight forwarders and a global pricing team under the able leadership of Franky Van Doren. Since we started we have been able to get the support of 18 global freight forwarders. We have I Cargo Alliance members in 95 countries which takes care of more than 85 percent of the global marine trade. In the last 3 years, we have seen that support to us from global freight forwarders has increased by nearly 18 per cent every year.

Q. How is the service of C P World logistics in India? Which cargo clusters does it serve? To which global markets does it connect?

The services of C P World are amongst the top 3 in the industry. C P World Group operates 77 offices in 36 countries. The strong areas of C P World Group are Indian subcontinent, Middle East and South East Asia. C P World Group, being one of the founders of I Cargo Alliance, compliments the activities of I Cargo Alliance.

Q. Your plans for the year 2020?

We are planning 3 new direct services for our consolidation business. Though the overall market is down, we have targeted a 10 percent growth in our revenues. Looking at the projected growth of our customers in E commerce, we are sure of doubling our volumes in this year. We are also working on an a new project, which will be of great assistance to small importers and traders who trade in goods imported from china. mg

DIGITALISE AND REDUCE LOGISTICS COST

The last year has seen Maersk evolve into an end-to-end logistics solution provider. Moving forward, the focus should be to reduce logistics cost in the overall GDP and facilitate faster adoption of technology by government and other key industry stakeholders, reveals **Steve Felder**, Managing Director, Maersk South Asia

Q. How has been your business in 2019? What were the major achievements and challenges?

In 2019, our focus has been on moving beyond shipping and expanding our outreach across the supply chain to provide end-to-end logistics. And in reaching this goal, we have led many initiatives in the past year.

- In our efforts to bring down the costs of logistics, we partnered with BlackBuck, India's largest trucking platform by digitizing containerised trucking and increasing accessibility and reach.
- In order to provide better customer experience, we introduced new product offerings such as Maersk Spot, which is an online portal that ensures transparency on bookings and pricing to customers, offers instant booking and guarantees loading. Overall, this product offering was significant in improving reliability, achieving higher customer satisfaction and promoting ease of doing business.
- Value Protect is another product we launched for our customers to extend our liability and reduce cargo risk.
- We even launched Maersk Accelerate, a premium service which shows transit benefits and overheads reduction. This offering gave us an opportunity to deliver on our capabilities & execute premium offering at a controlled scale.

In terms of expanding trade opportunities, we achieved the following:

- We piloted cargo on the newly inaugurated National Waterways –1, thereby tapping into multimodal transportation by moving cargo from Varanasi to Kolkata, and from Kochi to Kattayam.
- We also notably opened opportunities for refrigerated or reefer cargo for international and domestic trade with our first mile delivery reefer service to transport butter from Uttar Pradesh to Turkey and with successful shipping of mangoes from Nhava Sheva, Mumbai to Felixstowe in London.

One of the most pressing challenges in 2019 has been the softening of the global economy and weakening of the domestic demand leading to flat growth in trade in 2019 as compared to the higher growth we have seen over the last few years.

Infrastructure has also been a point of contention, in terms of last mile connectivity. Non-paved road, lack of maintenance, intersections on highways are few bottlenecks when it comes to hinterland infrastructure which ultimately leads to lack of efficiency in moving cargo.

Q. How has the shipping and logistics industry shaped up in 2019? What were the significant trends that shaped the industry?

While the global container demand was lower in 2019 due to weaker growth in the global economy, India witnessed a broad-based slowdown in its import export trade as well after a growth of several years. This is aligned closely with the weaker domestic demand, tight liquidity and working capital as well as a reflection of the overall cyclical weakening of the economic environment in all the main global economies. The escalating trade restrictions led to reduced bilateral trade between the United States of America and China, the two major manufacturing economies, resulting in shifts in the trade structures, with some sourcing moving away from China to South East Asian countries.

In terms of digitalization efforts from the Government, the Port Community System (PCS) has proven to catalyse trade processes and improve transparency. The technology enables all stakeholders to communicate one with another electronically and is helping in digitising the process of documentation, thereby ensuring transparency, avoiding error-prone transactions, improving efficiency and above all, reducing labour costs by diminishing the need for manual labour. Taking this forward, the Sea Cargo Manifest and Trans-shipment Regulations (SCMT) which came into effect on 1st August 2019, was another step towards maintaining transparency with online submission of documents and a quicker clearance process.

A year into the implementation of Cabotage relaxation, there has been a meteoric increase in transhipment volumes in India. And at Maersk, we aimed at increasing transhipment at ports in India, position empty containers in deficit locations, and optimize the ease of doing business for importers and exporters.

Q. Looking forward what are your expectations in 2020? What will be the major opportunities, challenges and growth drivers?

Moving forward, the basic requirement we see in the shipping & logistics sector in the upcoming year is the need to reduce the cost of logistics in the overall GDP and facilitating faster adoption of technology by Government and other key industry stakeholders. The problem can be resolved by developing logistics hubs at various strategic locations across the nation. While the focus should be on modernising existing port infrastructure and creating new ones, we should keep a keen eye on initiatives aimed to develop sustainable development in the industry including promoting green technology and most importantly skilling the talent to endure the evolving operation structure. The International Maritime Organisation (IMO) adopted a new regulation effective globally from January 01 2020 for reducing emissions from vessels. This will contribute significantly to making our industry more sustainable in the future, as it will bring substantial improvements to human health in coastal areas. India's recent ratification to the Hong Kong Convention, is another such example that will set global standards for safe and environmentally-sound ship recycling in the country.

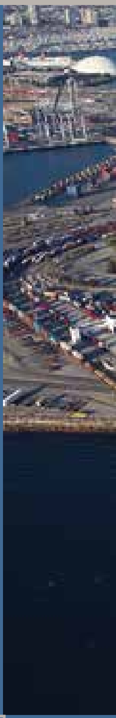
In terms of opportunities, we expect Government and other stakeholders to get onboard the more connected and transparent cloud system on a global scale, TradeLens which is a Blockchain technology that Maersk has developed in collaboration with IBM. It aims to facilitate interactions between shippers, regulatory and administrative entities in the country, amplifying the visibility of trade transactions. Per day, there are currently 1.5 million events and 10,000 documents captured. As per a recent study by QBIS (Quantifying Business Impacts on Society), TradeLens potentially could save importers trading at Nhava Sheva up to $220 million a year and exporters up to $40 million in lower transport and logistics costs, notably from shorter lead time and less frequent delays.

Q. On the regulatory front what can the industry expect from the government?

From our point of view, in the transportation industry we are on the right track, as we have major investment programmes under Sagarmala and Bharatmala. We have got digitization initiatives starting to take off. The relaxation of the Cabotage Law in 2018 was a positive measure which further helped inter-coastal trade flourish. The Multimodal Transportation of Goods Act 1993 is being revised currently. Measures such as permitting foreign direct investment (FDI) of up to 100 per cent under the automatic route for projects related to the construction and maintenance of ports and harbours is another step in the right direction.

We hope to see further progress on the country's infrastructure and connectivity owing to Government initiatives. For instance the Ministry of Commerce & Industry for the first time is planning to set up a separate 'Logistics Wing' to address the micro challenges faced by the industry. The government has also initiated National Maritime Development Programme (NMDP), an initiative to develop the maritime sector with a planned outlay of US$ 11.8 billion. As of Union Budget 2019-20, the total allocation for the Ministry of Shipping is ₹1,902.56 crore (US$ 272.22 million). While we seem to be well on our way in meeting our targets owing to the several measures set in motion by the Government of India, there is still a long-way to travel.

The Government's ambitious target of making India a USD 5 trillion economy requires focused approach in implementing reforms and measures in the logistics sector. This may be feasible provided infrastructure and technological investments can be progressed across the country, further supported by robust policy reforms towards strengthening connectivity, especially towards the hinterlands and coasts. mg



ONE YEAR ON TRAFFIC ACCELERATES AT CHABAHAR

The traffic recorded at Chabahar Port during the first year of operations actually exceeded the minimum guaranteed traffic stated for 3rd year of operations in the main contract

A major chunk of the containerised cargo (about 75 per cent) moving through the port has been the transhipment cargo moving to and from Jebel Ali. About 15 per cent of the cargo was to Mundra and about 8.3 per cent of the containerised cargo was destined to and from JNPT.

India and Iran have always been close allies through thick and thin, both before and after the Iranian revolution in 1979. Of great significance to both the nations has been the Chabahar Port project which also happens to be India's first overseas port project. Recently, diplomats from India, Iran and Afghanistan took stock of the activities at the Chabahar Port in South-Eastern Iran one year after its inauguration. "The Chabahar Port commenced operations in December 2018, since then, we have had as many as 4,846 teus of containers moving from India through Chabahar. Almost half a million tonne of cargo has transited through the port," said Raveesh Kumar, spokesperson, Ministry of External Affairs.

Though Iran has 29 operational ports, Shaheed Rajaee (Bandar Abbas) & Imam Khomeini are the 2 ports which handle around 77 per cent of Iran's non-oil traffic. Other ports like Khorramshahr and Bushehr handle around 1 per cent and 3 per cent of Iranian maritime traffic respectively. Chabahar port, which is located in Sistan & Baluchistan province (South – East) of Iran is located outside the Persian Gulf and is close to mainline shipping routes to Asia, Europe and Africa and has a share of only 0.38 per cent which is very less looking over to the location potential it offers. Out of annual throughput of 50,000 teus at Chabahar Port, Shahid Beheshti handles only 4,844 teus (about 10 per cent).

In fact, India Ports Global Chabahar Free Zone (IPGCFZ), the Iranian subsidiary of India Ports Global Ltd that handles terminal operations at the port has recorded calls by 46 vessels and handled 5.09 lakh tons of bulk and general cargo like corn, maize, barely, raw sugar, wheat, except coal. A key highlight has been the immense success achieved during this one year of operations – the traffic recorded at the port during the first year of operations actually exceeded the minimum guaranteed traffic stated for 3rd year of operations in the main contract. This feat has been achieved despite of not having dedicated container handling equipment. In February last year the port started handling transit cargo and in September refrigerated containers began moving through the port.

A major chunk of the containerised cargo (about 75 per cent) moving through the port has been the transhipment cargo moving to and from Jebel Ali. About 15 per cent of the cargo was to Mundra and about 8.3 per cent of the containerised cargo was destined to and from JNPT. A very miniscule volume of cargo (2.2 per cent) arrived at the port from Bandar Abbas. The current movement of containerised cargo at Chabahar Port is skewed and dominated by imports (mostly one way traffic). It has been reported that 83.4 per cent of the cargo movement at Chabahar Port is imports into Iran which is mostly home appliances, 14 per cent of the containers arriving at the port are empties being repositioned, 1.6 per cent of the cargo is for transit to Afghanistan which mostly includes dry & refrigerated fresh fruits, beans, talc stone, caraway seeds, Sasola etc. only 1 per cent of the containerised traffic at the port is exports mainly consisting of dates, kiwi fruit and apples.

Considering the prevailing tensions between US and Iran, banks are discouraging transit of cargo via Iran. Outstanding revenue collections, in particular from Iranian government entities and war risk premium and bunker surcharge levied wef 1st January 2020 are

Comparison of Logistic Cost (USD) to Afghanistan via Karachi, Chabahar & Bandar Abbas - Year 2018			
Description	**Chabahar**	**Karachi**	**Bandar Abbas**
Sea Freight	720	48	550
THC	123		
Bill of Lading	6		
Container Dispatch fee	2	1,151	550
Insurance	2		
Trucking cost from the port to Afghan border	450		
Cross bordering cost	380	136	380
Trucking from Afghanistan border to Kandahar	588	162	588
Total	2271	1,497	2068
Difference per container	774		

Comparison of Logistic Cost (USD) to Afghanistan via Karachi, Chabahar & Bandar Abbas - Year 2019			
Description	**Via Chabahar**	**Via Karachi**	**Via Bandar Abbas**
Sea Freight	450	130	400
THC	123		
Bill of Lading	6		
Container Dispatch Fee	2	1,151	550
Insurance	2		
Trucking Cost from the Port to Afghan Border	450		
Cross Bordering Cost	380	136	380
Trucking from Afghanistan border to Kandahar	588	162	588
Total	2001	1,579	1918
Difference per Container	422		

some of the major issues facing growing cargo movement at Chabahar Port. The port also faces competition from Shahid Kalantari Port which is within 5 kms of distance. About 75 per cent of the cargo (mostly rice) being handled at Shahid Kalantari is from India. This advantage of Kalantari Port may go once full Chabahar Port is integrated with the Free Zone.

Another issue is the high logistics cost especially for Indian cargo going to Afghanistan through Karachi, which is an established route, under Afghanistan-Pakistan Transit Trade Agreement 2010. In October last year JNPT and Dhamra Ports had announced discounts for attracting transit cargo traffic to Afghanistan moving via Karachi, but the announcement did not result in significant cargo diversion to the Indian west coast. There is need to frame better strategies to attract the Afghanistan transit cargo and break the Karachi route. Further Indian government has decided to open Mormugoa and New Mangalore Ports in addition to JNPT, Mundra, Kandla and Cochin as part of the designated route under the Chabahar Agreement.

As cargo volumes grow Chabahar Port has laid out infrastructure development plans as well. Capacity expansion will involve procurement of equipment worth \$85 million, of which, equipment worth \$72 million has been finalised. A credit line worth \$8.4 million has been opened and another credit line worth \$13.6 million will be opened by February 2020. Equipment suppliers ZPMC and Cargotec have been supplied with approvals received from the US mission in Delhi towards waiver to Chabahar Port for procurement of equipment.

Chabahar port also forms an important element of the INSTC. Earlier, the trade between India and Russia was carried out through conventional or standard ocean route i.e. freight is loaded/unloaded at JNPT port and moved along the Suez canal route and gets unloaded /loaded at Saint Petersburg Port at Russia. The total voyage time is close to 40 – 60 days. But post implementation of INSTC, the freight will be moved via this 7200 km long multi-modal network corridor of sea, rail and road route.

The typical movement from India to Russia through INSTC is as discussed below:

- Freight is loaded / unloaded at JNPT port and through ocean route it will be handled at Iranian ports (Bandar Abbas / Chabahar port).
- From Iranian port, the freight will be transported via road to the rail head at Astara in Azerbaijan for forward journey up north, touching upon the Azeri capital of Baku on the Caspian Sea and Port Olya in the Volga delta.

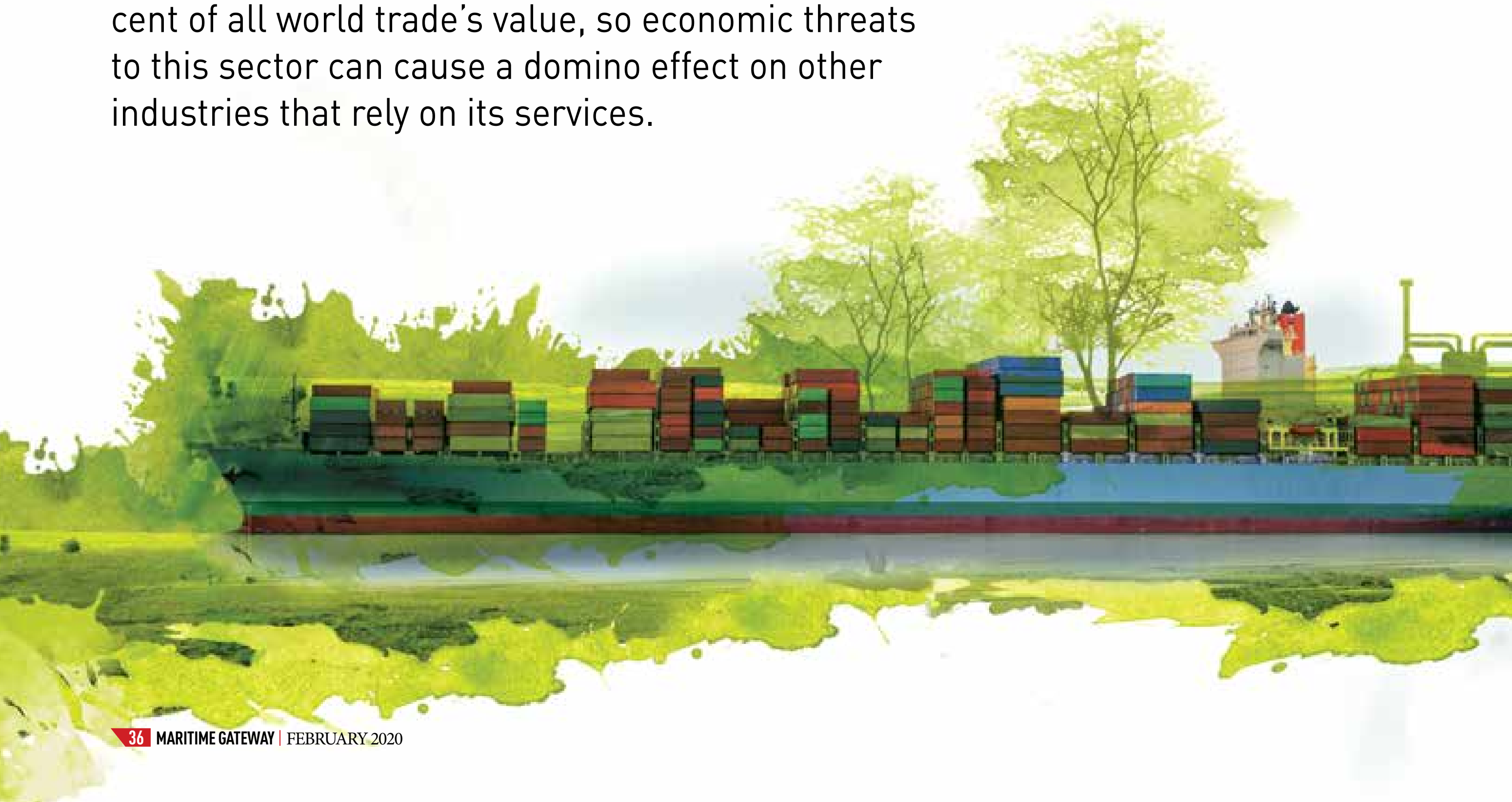
The transit time via INSTC is estimated to be around 25-30 days which is 40 per cent shorter and 30 per cent cheaper than conventional or standard route.

BALANCING ECONOMIC GROWTH AND SUSTAINABILITY

Indian Ports Association (IPA), acts as a Think Tank to the Ministry of Shipping, and also rightly hailed as the Centre of Excellence (CoE) helping major ports achieve eminence in their operations and management, thus contributing to the growth of the economy and the country at large. **Dr Abhijit Singh, Executive Director, IPA** explains how green sustainability and economic growth can coexist.

He emphasizes that it's high time for maritime transport agencies, both government and private, to be responsive to resolve climate change issues, design and implement measures to lessen repercussions. The shipping industry handles 70 per cent of all world trade's value, so economic threats to this sector can cause a domino effect on other industries that rely on its services.

The economic growth has come to be seen as a solution for all social and political problems, including poverty, social exclusion and environmental degradation. If India is asked to consider the cost of growth in environmental degradation and social exclusion, it is likely to respond that more growth and more technology are the solution. Thus, sustainable growth taking full advantage of technology and innovation is a way forward. Sustainable growth, for its part, requires the creation of productive assets that conserve nonrenewable resources such as land, water and atmosphere and minimize environmental damage. The response to climate change has to be through both adaptation and mitigation. We must adapt our societies to prepare for some climate change risks. Mitigation efforts



must be intensified given the early benefits they can deliver.

India has one of the lowest rates of energy intensity of GDP growth. India's historic and current levels of per capita GHG emissions remain the lowest amongst the G20 even though in volume terms it is now the third-largest GHG emitter in the world, after China and USA. India continues to face massive development challenges, to tackle this it requires a high level of sustained economic growth. India's per capita GHG emissions remain a fraction of that of all major emitters and it does not want to pursue the environmentally harmful development as followed by developed countries in their process of industrialization. With Government's focus on renewables and e-mobility, it is evident that our path to progress is more empathetic to climate vulnerability. India seeks to meet the climate change challenge by expanding the use of low carbon and renewable technologies and improving energy efficiency of buildings, factories, ports, appliances etc. It is India's inclusive growth path which is integral to an effective climate change policy for India and studies in India show that low carbon growth pathways are consistent with inclusive growth. India's Nationally Determined Contributions (NDC) has three numeric targets for 2030: reduce emissions intensity by 33 per cent to 35 per cent from 2005 levels, achieve an installed power capacity of 40 per cent from non-fossil fuel sources and create an additional carbon sink of 2.5–3.0 $GtCO_2e$ from forest and tree cover.

How Major Ports can contribute to green sustainability without compromising on efficiency?

Port being an interface between sea and hinterland, marine pollution by the shipping activities gets extended at the ports too. About 30,000 plus vessels of various sizes and types call Indian Ports annually and over 300,000 fishing vessels of various sizes and types are engaged in fishing operations in coastal waters of India that are highly congested and dangerous to safe navigation and a cause for the pollution. Safe and green governance over the maritime domain which accommodate plethora of maritime activities is a challenge. Evaluating pollution impacts on ports, approach channels and in around ports requires consideration of numerous sources of pollution such as marine vessels, trucks, locomotives, and off-road equipment used for moving cargo, dredging activities, port expansion, handling of hazardous cargo etc. International transport (aviation and shipping) representing around 2.5 per cent of GHG emissions. Shipping contributed with 2.8 per cent of global CO_2 emissions and 15 per cent and 13 per cent of global NOx and SOx emissions from anthropogenic sources. The emissions at ports represents 2 per cent of total shipping emission.

Weighing in the environmental perspective for sustained growth, the government has started focusing on making Major Ports across India cleaner and greener through two agenda - one is 'Green Port Initiatives' related to port ecosystem environmental issues and second is 'Swachh Bharat Abhiyaan' to promote cleanliness at the port premises. Some of these initiatives are:

- Preparation and monitoring plan for green sustainability
- Acquiring equipments required for monitoring and mitigating environmental pollution
- Acquiring dust suppression system, stockpile enclosures, wet fogging, surface wetting etc
- Setting up of sewage/waste water treatment plants/ garbage disposal plant
- Setting up projects for energy generation from renewable energy sources
- Prohibition of disposal of almost all kind of garbage at sea and setting up of shore reception facilities at ports
- Trees plantation in and around port premises, beautification and cleaning of public places
- Cleaning and repairing of all drainages and storm water systems

The Government has also taken many steps for a consistent and smooth implementation towards compliance with the Global Sulphur Cap {0.5% mass/mass max.} IMO regulation effective from 1st January 2020. Indian Oil Corporation Limited (IOCL) has already started supplying Global Sulphur cap compliant fuel oil and is at present available on west coast of India. Complete supply by Hindustan Petroleum Corporation Limited (HPCL) & IOCL is also expected this month.

Concept of smart-green port is being promoted which envisages a zero or negligible port emission with a very high level of efficiency in operations and energy savings. Smart in terms of operations and green in terms of energy usage and waste management would make ports sustainable without any compromise with productivity. In fact this strategy leads to not only reducing the carbon footprint of ports but also increase the efficiency and thus productivity of ports. Adoption of technologies and innovations in areas of digitization and energy systems has ability to transform ports completely.

Combining different digital technologies, such as IoT, AI, Blockchain, Bigdata, Automation etc., offer opportunities to create highly efficient port operations along with improving transparency and removing trust-deficit in information sharing among different stakeholders. Apart from making operations highly efficient though digitization and automation, we must also focus on the kind of energy we use in our operations. Also innovations in to waste management and environment conservation, ports can lead the sustainability endeavors.

MARITIME SHEEO CONFERENCE

GROOMING THE NEXT GENERATION OF WOMEN MARITIME LEADERS

Maritime SheEO focuses on the business case for diversity. It aims to create solutions that can impact the entire maritime industry with a focus on diversity and inclusion (D&I), leadership, innovation, entrepreneurship and competitive advantage.

Women currently make up just 2 per cent of the global maritime workforce (according to figures from the International Transport Workers' Federation), so it's fair to say there is room for improvement. The year 2019 (hopefully) can be marked as a turning point for women in the maritime industry. A major testimony to this is the International Maritime Organization's (IMO) decision to make 'Empowering Women in the Maritime Community' as the theme for World Maritime Day. It has been reported that the recruitment of women in both junior and senior roles within shipping companies is on the rise, with maritime organisations increasingly promoting the benefits of a gender-balanced workforce.

Sanjam Sahi Gupta, Founder, Maritime SheEO and a major crusader for the cause of gender diversity says, "Diversity isn't just the right thing to do, it is profitable. In an increasingly competitive industry being disrupted, we need increased level of diversity to innovate and to continue to create value." In fact, the leadership accelerator programme for women in the maritime and logistics sector – Maritime SheEO works with employers to create an environment conducive for women to rise to leadership positions.

Maritime SheEO focuses on the business case for diversity. It aims to create solutions that can impact the entire maritime industry with a focus on diversity and inclusion (D&I), leadership, innovation, entrepreneurship and competitive advantage. It employs D&I initiatives to address and eliminate unconscious bias, uses gender sensitisation techniques throughout the programme and enables the smooth transition of women from ship to shore operations.

The debut Maritime SheEO Conference will be organised on March 20,2020 in Mumbai. The event will honour companies that are champions in advancing diversity and fostering a culture of inclusion within their workforce. Maritime SheEO intends to showcase and recognize best practices from companies. Award winners have the opportunity to share their best practices that are developing and delivering diversity and inclusion initiatives with demonstrable success, via Maritime SheEO social media and promotional campaign prior, during and post the conference.

Maritime Gateway has reached out to some of the prominent women in the maritime sector to know what it takes to promote gender diversity in this sector.

Karin Orsel, CEO, MF Shipping Group, has been promoting diversity in this male dominated industry for the past three decades. She says, "Throughout 2019 there has been a strong emphasis within the maritime industry on the importance and added value of women working within the industry in various roles both ashore as well as on board vessels which has my full support. Since the beginning of my career I see it as my personal mission to attract and support more women entering our industry to promote gender equality within the industry and within my own company. Gender equality, diversity and inclusiveness are key in providing a sustainable future for the global maritime industry. I know from experience that having an inclusive culture in your workplace boosts moral and opportunity. Making a difference starts by stepping up and contributing to a change for a better future for all of us. Every contribution how big or small counts!"

***Karin Orsel** began working in the shipping industry when she was 18. When she was 23 she had a choice, either to join another company or to start her own business. Despite having no entrepreneurs in the family, no family history in the maritime industry and zero capital she decided to go for it. She became a Financial Manager and shareholder and started the business with 3 people at the office, 6 small dry cargo vessels under crew and financial management and 50 seafarers. Today, 25 years later the company manages and partly owns 55 dry cargo, cement carriers and chemical tankers and employ's approximately – 1000 seafarers.*

"Women in Shipping may not primarily be taking over in the engine rooms, or in the crane cockpits. I think they will enter into roles that shipping hasn't had too much of thus far. Fintech, healthtech, ecosystem, renewables, venture, collaboration, sustainability, etc. This is where you will find your next SheEO," informs **Sofia Fürstenberg Stott**, Owner & Chief Advisor, Fürstenberg Maritime Advisory

Q. In spite of the rising awareness about gender discrimination, why many people struggle to break that metaphorical glass ceiling?

Rising awareness is just a starting point. While gender discrimination has many layers and levels, it is not the serious offences of discrimination that create the main barriers for career advancement - it is the underlying culture, the habits, and the system upholding an organisation. It might even be the smallest thing - such as having a company management system referring to people as "he". Women and men alike, still prefer to see a man in certain leadership roles, even though they would perhaps never admit it. Women who aspire for these positions may struggle with having sufficient confidence to reach for these roles, as they tend to compare themselves with the men who went before them. Having female role models are extremely important, not only for the aspiring women, but for the entire organisation.

Q. How can organisations improve the work environment for the disadvantaged gender both at the time of hiring and during employment?

I don't like to use the term "disadvantaged gender", as this is not how I see the situation. It is a disadvantaged company who is missing out on talent and opportunity for strengthening its business when it is not able to attract and retain the right person for the job. The way to improve is to take a hard look on its internal systems and working culture, and work with identifying and changing biases, known and unknown, and develop a strategic action plan to work with these issues focused and attentively. There is no quick fix.

Q. How can women break the invisible barriers and rise up in career to become SheEOs?

There are many ways to reach the top, and some options are more gentlewoman-like than other. You can reach the top by exploiting your colleagues, by grabbing opportunities in front of others, by being strategically egoistic and hard. This is not my way. I would first ask myself the question "Why do I want to lead a company?" What values are important to you, what kind of impact would you like to have, what are the qualities and aspirations you can bring to a company, for its staff, customers, stakeholders and society? Why should it be you? When you have arrived at answers for these questions, then lay a plan, looking 3-5 years ahead. What capabilities and competencies do you need to acquire, in order to get going on that path? How do you need to develop as a leader? Are you intending to rise inside the company you are currently at, or are you a self-starter, would you like to have your own company? Then look for mentors. Look really hard for them, and be very specific with what you want to talk about with such a mentor. Have a strategy with everything you do, value your time. And prioritise time with family and friends, because they are important if you are to become an authentic leader in the future.

Q. In your opinion what are three typical challenges that women

employees in Shipping & Logistics sector face in their career?

Some of us came to this industry by chance, still as a woman, in my experience you always need to have a good answer prepared as to why you are here. Women tend to choose softer subjects than men for their education, this is a scientific fact. I am an engineer myself, and when I was a student, chemical engineering was the only branch which had 50% spread women/men alike, all other branches had far less participation from women. Independent of what education you have however, life is mysterious, and you may well end up in the Shipping & Logistics sector - because your specific knowledge and competences are needed! This is where I currently see a conundrum in this industry; the industry is entering a new decade expected to bring about unprecedented change, with opportunities for new business, great challenges to solve and the threat of disruption from new actors entering the industry from another angle. This will require all hands on deck, and a whole plethora of new competences need to come onboard, and there will be increasing demands for new thinking with regards to leadership. I think many of the change makers for shipping in the future will be young, and they will be women. But we mustn't allow stubborn company cultures and gender-bias organisational structures take the edge off this talent. Because Shipping can't afford it. Women in Shipping may not primarily be taking over in the engine rooms, or in the crane cockpits. I think they will enter into roles that Shipping hasn't had too much of thus far. Fintech, Healthtech, Ecosystem, Renewables, Venture, Collaboration, Sustainability, etc.. This is where you will find your next SheEO.

***Sofia Fürstenberg Stott** is a popular speaker/moderator and a leading figure in the innovation- and sustainability sphere of the maritime industry. Launching her own advisory at the beginning of 2017, focusing on the transformational journey towards decarbonisation, she has developed Nor-Shipping's new concept exhibition Blue Economy, and launched the first Opening Oceans Conference, connecting the wider ocean industries for the first time. She has been a visible figure in the Nordics for over a decade, through her tenure as Innovation Portfolio Manager with Maersk, and as a green shipping spearhead with DNVGL. She holds an MBA in Shipping & Logistics from Copenhagen Business School, an MSc in Chemical Engineering from Lund University, and was part of the first cohort to finish the Top Tech Executive Innovation Program at Haas Business School back in 2009.*

"The lack of women in maritime leadership roles holds back not only women, but all people, and the sooner this is addressed the sooner we will be able to advance," avers, **Bridget Hogan**, Director of Publishing and Membership, The Nautical Institute

Issues in breaking that metaphorical glass ceiling

Obviously there are many reasons – some to do with the qualifications or experience companies demand, some to do with attitudes of potential employers and some to do with acceptance of the particular circumstances women face – such career breaks. In addition there are the hundreds, if not thousands, of little slights and remarks that women have to contend with every day which eat away at their confidence. Lack of confidence is an invisible enemy which is why I will be addressing mentoring at the Maritime SheEO conference. Sometimes it is easier to face the big issue – even if the problem cannot be solved – as it is much easier to articulate that. But the countless attacks and bullying that many women have to contend with constantly eat away at people.

Improving the work environment for women

There are many simple ways and the good news is that if employers do improve the work environment all benefit. Increasingly men are seeking flexible working and career breaks as they do not wish to miss out on their families either. One simple fix is to examine the language of advertisements. It has been shown that it is not only females who can be discouraged from applying for posts if the language used to describe the post is macho. Young men can be too. And if there's another problem that the maritime industry has to address that is the age discrepancy. It is an aging industry. A survey of Fortune 500 companies shows that companies with diverse leadership innovate more, review information more carefully, and make fewer mistakes.

This was illustrated by Twitter's co-founder Ev Williams he said a more diverse leadership team would have spotted the platform's evasive harassment from the beginning. "Had I been more aware of how people not like me were being treated and/or had I had a more diverse leadership team or board, we may have made it a priority sooner," he wrote on Twitter.

How can women break the invisible barriers and rise up in career to become SheEOs?

It is complex and there is nothing to beat determination and a thick skin! Having a mentor who can help to turn things positive during bad times can definitely help. Women must be assertive and not be typecast to handling only 'women's work' – whatever that might be. Choose your employer. Sexual harassment is very real and it may force women to turn down a high paying position on a career path to a lowlier post. Speak up and talk out. Let people know what you're paid and find out what they are paid. Women must understand that the glass ceiling is no reflection of their value as a person or as an employee. Glass ceilings ensure that even if a person has positioned themselves to meet every demand of a role, they will still be denied the opportunity. Even those with key competencies and self-confidence required for the upper levels are still denied advancement. It's not easy but here's how things can start to change. Bring the issue out into the open which may mean having some difficult conversations. Do senior managers fear losing out themselves if the organisation becomes more inclusive? Do they worry that it will affect performance?

See where open conversations about these issues lead. There may be a backlash, but this could be countered by emphasising that change needn't be threatening. It should simply allow those who deserve opportunities to access them, regardless of gender, race, or any other factor. Ask team members for their views. Others may have good suggestions for improvement. Try to encourage organisations to recognise and challenge bias. And did I mention? Get help from a mentor – who may or may not be part of our organisation.

Three typical challenges that women face

There is a lot of unconscious bias and even conscious bias in the industry. This is best illustrated by the instance for a lot of posts that candidates have seafaring experience – even if it isn't central to the job. Fewer than 2% of seafarers are thought to be female so it narrows the potential for those applying for the job from the start. I have heard of board room decision where female candidates have been considered the best but passed over for males because it is considered the organisation has 'enough' senior females – probably a token one.

The lack of female role models in some areas doesn't help. The lack of women in maritime leadership roles holds back not only women, but all people, and the sooner this is addressed the sooner we will be able to advance. Women should take advantage of the support organisations such as WISTA offer. There is always someone to help and many have had similar experiences.

Lack of sponsorship of women in the workplace by maritime leaders. Of course there are great examples, but there are many places in the world where maritime leaders do not speak up for women.

***Bridget Hogan** is Director of Publishing and Membership of The Nautical Institute, where she is responsible for the Institute's 100 plus books and magazines and its membership. She has been involved with the publishing industry for over 45 years and has worked in the maritime industry in various roles for more than 40 years. After starting in newspapers, Bridget moved to industrial reporting, first in the motor industry, then ports and finally shipping. She was appointed a News Editor at 21 and then moved to Lloyd's List as its senior shipping writer. From there she moved to the shipping industry.*

"It is in the best interest of organisations to have a diverse workforce, because it has been proven that this will bring better results for them. It is very important to spread awareness around the topic; this itself will help a lot," Suggests **Cristina Saenz de Santa Maria**, Regional Manager, South East Asia Pacific & India, DNV GL

Issues in breaking that metaphorical glass ceiling

I believe that the level of awareness has raised a lot during the last few years. However this is not a quick fix problem, so it will take some time until we reach the point of more balanced and diverse workforce. That diversity is important in terms of gender but also other dimensions like age, culture etc. I am lucky to work for DNV GL that gives equal opportunity to both genders. It is important that efforts are put since school and university to inspire girls choose a technical path.

Improving the work environment for women

I believe in giving same opportunities and focusing on always hiring and giving chances to the best candidate. It is in the best interest of organisations to have a diverse workforce, because it has been proven that this will bring better results for them. It is very important to spread awareness around the topic; this itself will help a lot.

How can women break the invisible barriers and rise up in career to become SheEOs?

I would say by not being shy, share and talk about their ideas. Also to not shy away from thinking that they might not be prepared for a certain role. It is important to see the potential, and maybe you are only 80 per cent qualified for that job, but go for it and you will learn the rest at work.

Three typical challenges that women face

I would say 1) Maybe ourselves: we are sometimes too shy and too humble, 2) its proven that people hire and feel more comfortable surrounded by other people that are similar to them; and this puts women in a disadvantaged position sometimes in places where there are not that many women in teams; 3) balance work and family life – specially with kids at young ages.

***Cristina Saenz de Santa Maria** is responsible for DNV GL's maritime operations in South East Asia Pacific & India in her capacity as Regional Manager. Having joined DNV in 2005, she has worked in newbuilding and operations phases as a ships surveyor and project manager in Spain, Portugal, South Korea and Norway. After heading the ships in operations section in head office, in 2012 she took the position of professional assistant to the CEO for maritime and oil & gas. Since the merger with GL in September 2013, she worked at DNV GL Group as senior consultant to the CEO's office and was project manager for the merger.*

"Women should learn about the unconscious bias and how to deal with it, find sponsorship and mentors, be part of associations that facilitate the network like WISTA, understand the rules of the money and have a technological mind set, opines **Fabiana Simões Martins**, Manager Partner, SMA Legal

Issues in breaking that metaphorical glass ceiling

Unfortunately information and awareness are not been enough to move our society to action. If you see the Global Gender Gap report 2020 from the World Economic Forum you will note that female economic participation and opportunity have regressed forcing gender parity to a lowly 57.8%, which in time represents a massive 257 years before gender parity can be achieved.

The report highlights three primary reasons for this: women have greater representation in roles that are being automated; not enough women are entering professions where wage growth is the most pronounced (most obviously, but not exclusively, technology), and women face the perennial problem of insufficient care infrastructure and access to capital.

In terms of economic participation, the gender gap will take 257 years to close (compared to 202 years in the 2019 report). Globally, only 55% of women (aged 15-64) are engaged in the labour market as opposed to 78% of men. There are 72 countries where women are barred from opening bank accounts or obtaining credit.

There is no country where men spend the same amount of time on unpaid work as women. In countries where the ratio is lowest, it is still 2:1. In my experience and view the two first reasons highlighted by the Report are also influenced by the third: access to capital. From access to capital I mean not only money and credit but also sponsorship and referral. To give you a personal and recent example, during the festivities of the New Year my business partner made new male friends and in the end of the holidays they told him: "We really liked to meet you, let´s introduce you to X, Y, W, they are the biggest entrepreneurs in Brazil and you should make business together." How many times do you see people giving this kind of referral to women? I am in the business for 23 years and have to say that if you are not focused and committed with gender equality this does not happen to women and if we do not give business, referral, jobs and financial credit to women, but only to men, nothing is going to change.

"IMO is huge excited to work with Maritime SheEO to promote the next generation of Maritime leaders. Keep inspiring us Sanjam."

- Helen Buni

Principal Programme Assistant, Technical Cooperation Division, IMO

Improving the work environment for women

There are many HR agencies specialized in diversity with different methods and data basis and companies should start demanding this knowledge to their HR departments. If your team has less than 30 per cent of women in management levels, there is something wrong with recruiting and retention. There is no magic, as an entrepreneur or CEO you need to build your team based on the value of diversity what means to hire the best talents you can find among male and female but if you do not focus in having at least 30 per cent of women this is not likely to happen spontaneously and you will finish the day with an only male or 90 per cent male team because this is how our unconscious bias makes us select a team specially in countries with low gender equality.

If I had a dollar for every time someone comes to me and says there is no woman for the position I would be a billionaire and only in WISTA we have +3000 women in 50 different countries. Nowadays with LinkedIn it does not take me more than 15 seconds to find female professionals with excellent backgrounds but the truth is that you do not see what you do not want to see and women are still invisible for many people in the industry. To give you another personal example I have seen people in Law Firms hiring a male professional to have the job done by the female that works for him but they have never hired the female professional directly. This needs to change.

With regard to improving the environment during employment you need to have anti-bullying and anti-harassment policies in place making sure your team knows that you are compromised with gender equality and again guarantee that you have at least 30 per cent of women in all levels, since one woman alone cannot change the male dominated culture. It is common for example that male professionals have more budget for marketing and less pro bono work in companies, if it is your case you are sending a message to the female professionals that they will not grow in your company and they may look for another place to have better opportunities. We need to remember that people do not leave companies they leave bad bosses.

How can women break the invisible barriers and rise up in career to become SheEOs?

It is not a job for women alone, this is something that all the society, men and women need to do together. Of course that in private level there are things that women can do like learn about the unconscious bias and how to deal with it, find sponsorship and mentors, be part of associations that facilitate the network like WISTA, understand the rules of the money and have a technological mind set.

However the invisible barriers will only be broken when all the society with women and specially men work together. Thankfully in the last years I found many men that already understood that it is impossible to achieve more economic and sustainable growth without 50 per cent of our population and are together with us promoting gender equality in business.

Three typical challenges that women face

Lack of sponsorship, referrals and invisibility.

__Fabiana Simões Martins__ is for 23 years the manager partner of SMA, a Firm ranked in the first band among Brazilian Shipping Law Firms by Chambers & Partners. Fabiana is also the founder President of WISTA Brazil, the former vice President of the Ibero American Maritime Law Institute and actual board member of Women's International Shipping and Trading Association, an organization comprised of 46 National WISTA Associations and more than 3000 individuals. She holds a master degree in International Law and is well known by the shipping industry for assisting prominent ship owners and P&I clubs with litigation and arbitration cases arising from shipping accidents and cargo claims.

MULTIMODAL LOGISTICS CAN REDUCE LOGISTICS COST

Digitalisation has been the backbone of all reforms. The government should promote multimodal logistics as it can help India compete with global economies in terms of logistics cost, reveals **Karunakar Shetty, President & Director, Brihanmumbai Custom Brokers Association**

Q. How has been your business in 2019? What were the major achievements and challenges?

The business in 2019 was a bit slower than the preceding few years as the credit stands to be the biggest problem for our business. There are challenges in cash flow a lot of funds of our masses are stuck. The credit factor is obstructing us in terms of growth opportunities as the risk factor in taking over the business of new clients is more currently.

I compliment the efforts of the government for their effort to stabilise the economy. The reduction in corporate tax rate was a welcome step this year as this will create lot of opportunities in terms of trade and this will in a way help our business as well.

Q. How has the shipping and logistics industry shaped up in 2019? What were the significant trends that shaped the industry?

As far as year 2019 is concerned, the significant trend of integrating the manual processes into digital platforms is the backbone for all reforms. The improvement in the index of Ease of Doing Business parameter of trading across borders was the fruits for the various initiatives taken.

The manufacturing sector development will be a huge boon for India, as we are expecting to grow and be the global players; I see a great opportunity for our business here as well.

The introduction of Port Community System 1x has paved way for a centralised and fully integrated module for the overall Logistics sector. This will integrate the process as well as stakeholders and help in achieving transparency. But the implementation remains a concern here.

The Government is estimated to grow and be a 5 trillion economy in the next few years. The service sector and manufacturing sector will play a vital role in achieving this target. This will have a positive impact on the trade as well as business as well.

Q. Looking forward what are your expectations in 2020? What will be the major opportunities, challenges and growth drivers?

We as a custom brokers expect a lot in terms of increased volume of trade in the country. We expect our country to be a manufacturing hub. The outreach of the "Make in India "must be further enhanced as this will be a game changer for the logistics sector.

There are various initiatives that are already in pipeline, we expect the proper implementation of these initiatives. Any initiatives if not implemented in the rightful spirit won't suffice the need. So our only expectation is the proper implementation.

The processes are being digitised but support for assistance is a major challenge. Now with the processes digitisation, the trade bodies like us, can be useful link for promoting the help desks where our members can express their concerns.

Secondly IT infrastructure at government departments some time malfunctions with technical errors this creates a lot of fuss in trade. As Custom Brokers we have been facing such problems frequently. A system must be implemented where the problems arising of such malfunction must be redressed with immediate effect.

Q. On the regulatory front what can the industry expect from the government?

Regulatory changes can only be expected at a macro level, and our primary expectation will be to connect India towards the Multi Modal Logistics. This will be very useful for our country to compete with global economies in terms of logistics cost. Currently a lot dependency is seen for the cargo movement on road transport. Multi Modal Logistics can be a break through solutions.

On the same context adequate facilities for movement of cargo through coastal movement must be provided as this will help in reducing the dwell time as well as cost. Also the government must provide manufacturing facilities near to the port.

Planning on Traffic Management at the areas in vicinity to ports must be prioritised at the ministry level itself .Now with the Development of Centralised Parking Plaza at JNPT we are expecting a lot of Improvement but only if implemented in rightful spirit.

Currently there are only few PGA's who have integrated with the SWIFT for the speedy clearance of cargo. Our wish list will be to see more PGA's integrating with SWIFT portal and having their testing labs near the ports. This will be major boost for custom brokers as it will help in speedy clearance of cargo.

THE LOGISTICS

Southeast Asian nations such as Myanmar and Vietnam are emerging as the next global factories as manufacturing majors move out of China due to rising costs. Thailand with its natural geographic locational advantage is bracing to become the logistics hub in ASEAN

Thailand, the second largest economy in ASEAN after Indonesia, is an upper middle-income country with an open economy, a GDP of $529 billion that posted 4.1 per cent annual growth in 2018, improving from 4.0 per cent in 2017. Private consumption and total investment increased by 4.6 and 3.8 per cent respectively. Export value grew by 7.7 per cent while inflation averaged 1.1 per cent and the current account remained in a surplus of 37.7 per cent of GDP. The Thai economy grew between 3.3 per cent to 3.8 per cent in 2019. A newly elected government, continuation of world economic growth, the expansion of government expenditures and the acceleration of public investment in key infrastructure projects are contributors to growth.

An export-dependent economy, Thailand exported a total of $249.8 billion worth of goods in 2018. The United States is Thailand's number two export market (11.2%) after China (11.9%). The top ten export items include computers (17.2%), electrical equipment (14%), vehicles (12.2%), rubber (6.2%), plastics (5.8%), gems (4.8%), mineral fuels, (4.2%), meat/seafood preparations (2.6%), organic chemicals (2.5%), and cereals (2.3%).

Thailand is the biggest exporter of natural rubber in the world with a 36.8 per cent share of the global export market that is worth $12 billion annually. It is also the second largest raw sugar exporting market with 9.3 per cent market share. The country stands second-largest exporter behind India, with a 21.9 per cent market share in rice exports. India is the largest with 26.7 per cent market share. Thailand is the largest automotive producer in ASEAN countries and is also the trading bloc's leader among countries supplying electronics and its components. Thailand is the leading producer of electric appliances.

Being one of the world's most visited countries, tourism is vital to the Thai economy. In 2018 direct receipts from tourists contributed about 12 per cent of the country's GDP and indirect revenues could make the figure closer to 20 per cent.

Industrial clusters

Under the Cluster Policy, the government has targeted to develop 2 types of clusters: Super Cluster and other targeted clusters.

Super Cluster includes clusters of businesses using advanced technology, and future industry, e.g. Automotive and Parts Cluster, Electrical Appliances, Electronics and Telecommunication Equipment Cluster, Eco-friendly Petrochemicals and Chemicals Cluster, Digital-based Cluster, Food Innopolis and Medical Hub.

To promote investment in super clusters the Board of Investment in Thailand has announced 8-year corporate income tax exemption and an additional 5-year 50% reduction. Import duty exemption is offered on machinery.

Other targeted clusters include Agro-processing Products Cluster, Textiles and Garment Cluster. To promote investment in other clusters the Board of Investment offers 3– 8 year corporate income tax exemption and an additional 5-year 50% reduction. Import duty exemption on machinery.

Automotive and Parts Cluster are being developed in 7 Provinces: Ayutthaya, Pathum Thani, Chonburi, Rayong, Chachoengsao, Prachinburi, Nakhon Ratchasima.

HUB IN ASEAN

Electrical Appliances, Electronics and Telecommunication Equipment Cluster are being developed in 7 Provinces: Ayutthaya, Pathum Thani, Chonburi, Rayong, Chachoengsao, Prachinburi, Nakhon Ratchasima.

Eco- friendly Petrochemicals and Chemicals clusters will come up in 2 Provinces: Chonburi and Rayong.

Digital-based Cluster are being promoted in 2 Provinces: Chiang Mai and Phuket.

Agro-processing products targeted areas are in different regions where raw materials are available:

- Northern Region (Chiang Mai, Chiang Rai, Lampang and Lamphun): vegetables and fruits, herbal products
- Northeastern Region (Khon Kaen, Nakhon Ratchasima, Chaiyaphum, Buriram): livestock, tapioca, sugar cane, maize
- Lower-Central Region (Kanchanaburi, Ratchaburi, Phetchaburi, Prachuab Khiri Khan): Sugarcane, pineapple, rubber
- Eastern Region (Rayong, Chanthaburi, Trad): fruits, rubber
- Southern Region (Chumphon, Surat Thani, Krabi, Songkhla): palm, seafood, rubber

Textile and garment clusters are targeted in 9 provinces: Bangkok, Kanchanaburi, Nakhon Pathom, Ratchaburi, Samut Sakhon, Chonburi, Chachoengsao, Prachinburi, Sa Kaeo.

Logistics

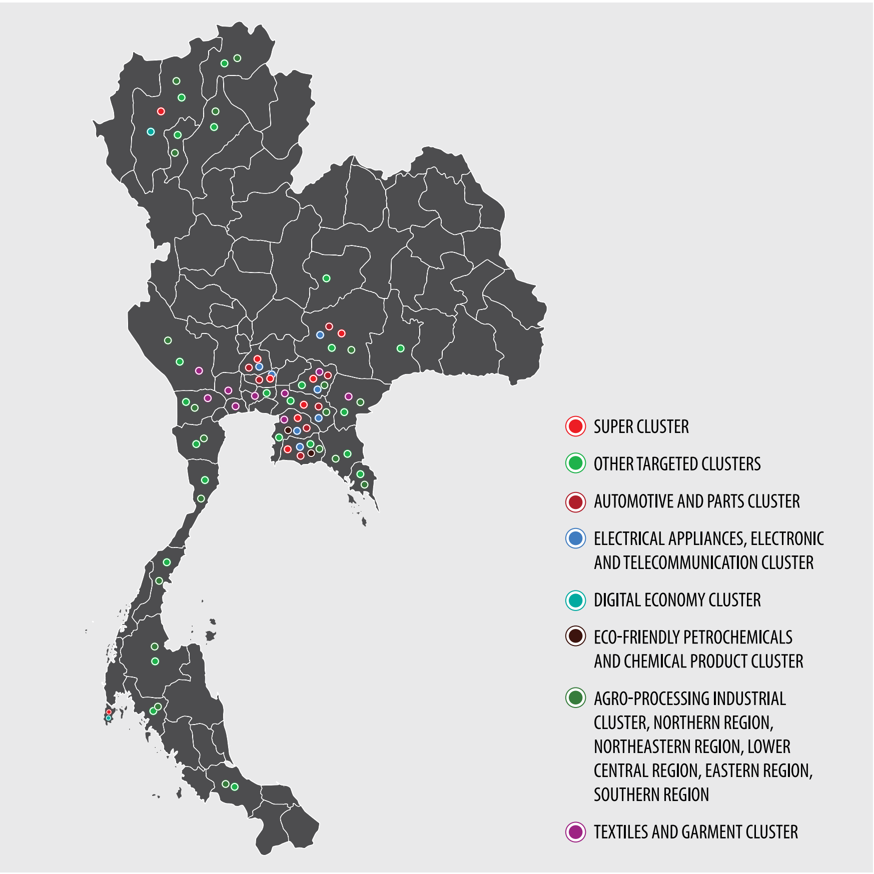
Thailand is the main ASEAN transport point and also a logistic hub. It is located in the Mainland Southeast Asia. It has Myanmar, Laos, Cambodia and Malaysia as its neighbour countries. Many foreign-based manufacturing companies want to set up their production in Greater Mekong Sub-region (GMS). They are particularly targeting Vietnam and Myanmar as their manufacturing location to reduce product cost for Asian countries. It is the result of raised product cost in ASEAN countries like China. The search for alternative manufacturing bases in Southeast Asia, however, has not diminished Thailand's role as a regional manufacturing powerhouse, while it also fulfils the role of a key logistics hub for Indochina.

Thailand's principal mode of carrying its international trade is the use of marine transport. Road transport comes in second and is continuously growing in importance. Thailand is widely acknowledged as having the most extensive road transportation network in all of Southeast Asia with more than 390,026 kilometers. The Department of Highways continues to improve and expand the country's roadways. They has developed the concept of a 20-year Intercity Motorway Development Master Plan for the period 2017 – 2036, comprising 21 routes with a total length of 6,612 km.

There are total 13 highways within the ASEAN highway network which are connected to Thailand and its neighbouring countries. This is the highest among the ASEAN. These are most important economic corridors because they are the backbone of Great Mekong Subregion (GMS) transportation infrastructure pushing Thailand to be road transport hub of the region.

The GMS road network includes a southern economic corridor inclusive of Thailand, Cambodia and Vietnam; the east-west economic corridor linking Myanmar, Thailand, Laos and Vietnam; the north-south economic corridor which runs from southern China through Laos and Myanmar, and into Thailand; and the southern coastal economic corridor also connecting Thailand, Cambodia and Vietnam. All major cities in Thailand are accessible by land, with all-weather highways and intercity roads linking them to the road network covering the whole country, as well as the Asian Highway and the road networks of neighbouring countries at border crossings.

Major highways which link Thailand with other GMS include the R12 trade route linking Thailand to Vietnam and Southern China; the R9 route connecting the Pacific coast of Vietnam to the western side of the Indian Ocean; the R3 route linking Southern China to mainland ASEAN and further south to Malaysia and Singapore; and the R1 route stretching from Myanmar to Vietnam. All of these



road links pass through Thailand, and they have significantly boosted border trade between Thailand and its neighboring countries. In particular, the commodity trade significantly benefits from these road link system that not only connect to its neighbouring countries, but also further to other countries like China, India and Bangladesh.

New road projects announced in 2020

The Thai Department of Highways plans to spend 124 billion baht during the next 12 months on the below projects:

There will be a 16 kilometre eastern bypass around Nong Khai, just south of Vientiane and the Laos border to ease traffic congestion and link the main highway to Laos.

A 22 kilometre highway will link the eastern economic corridor and U-Tapao airport.

A 25 kilometre motorway will link Bang Khunthian district, southwest of Bangkok and Samut Sakhon's Ban Phaeo district to help relieve congestion for east west traffic travelling south of the main metropolis.

The fifth Thai-Lao friendship bridge connects Bueng Kan province in Thailand, east of Vientiane, and Bolikhamsai province in Laos. The bridge is designed to be 16 kilometres long.

A 24 kilometre outer ring road for Nakhon Ratchasima.

A 26 kilometre four-lane road between Phang Nga and Surat Thani's western Ban Ta Khun district.

Towards the west of the main city, there's a 109 kilometre motorway which will link Nakhon Pathom and Phetchaburi's Cha-am district.

Rail logistics

The demand for rail logistics in Thailand, though growing, tends to be constrained by the declining investment. Agricultural products such as rice, coconut and sugar, and secondary merchandises such as machines and consumer products depend largely on truck transportation. As a result, very few portions of these cargoes are transported by rail. Petroleum products is the only commodity largely transported via rail.

Inadequate utilisation of rail potential

Railway freight transportation typically concentrates in specific locations. As for container transportation, for example, almost all service is dominated by the transportation between Bangkok and the ESB. Petroleum products are mainly transported between Northern region and the ESB, while cements are mainly transported between Saraburi province and the Northern region. The limitation of service area with specified commodities narrows down the freight transportation market. Railway transportation yet mostly intends to capture large-scale clients, for example, those requiring container service. This consequently results in losing future business opportunity of freight service expansion.

Quality of rail infrastructure

SRT (State Railway of Thailand) operates freight service with old locomotive and wagon. Shortage of rolling stock for freight service is usually experienced. Moreover, there are approximately 620 rail stations and stopping locations in Thailand, but only a minimal share is available for bulky freight transportation. In total, 292 out of 620 rail stations deal with freight services. However, only 55 stations involve large-volume transport with more than 10,000 tons of freight. Only 10 largest rail freight stations deal with more than 75% of the total freight volume in the country.

Rail projects in-progress

Thailand now has five different projects that it plans to use to connect its rail network with neighbouring countries – Cambodia, Indonesia, Laos, Malaysia, Myanmar, Thailand and Vietnam.

In the South, the country plans to extend its south-bound rail route from Narathiwat's Sungai Kolok to Malaysia's rail system in Padang Besar, in order to connect Thailand to Singapore's railway system.

In the Northeast, Thailand, along with Laos and China, is developing a joint high-speed train system, which will lessen the time needed to travel from Thailand to

Kunming and Beijing through Laos. From Beijing, train passengers will be able to travel on to Russia and other European countries.

In the East, Thailand and Cambodia are connecting their rail systems from Sa Kaeo's Aranyaprathet to Cambodia's Poipet. In the West, Thailand and Myanmar are negotiating a proposal to link up their rail systems from the Three Pagodas Pass, a mountain pass connecting Kanchanaburi's Sangkhla Buri to Myanmar's Payathonsu, to Myanmar's Dawei.

In addition to these four projects, Thailand and Malaysia are also discussing a plan to bring back the Sugnai Kolok-Pasir Mas rail route for the sake of economic development and border trade.

A high-speed railway project connecting Thailand and China was initiated in 2017 and is scheduled to be completed in 2021. The first phase of the high-speed project, linking Bangkok and the northeastern province of Nakhon Ratchasima, is set to cost 179 billion baht ($5.4 billion) and would become Thailand's first high-speed railway with a maximum speed of 250 km/h.

The second phase of the project, which will link up with a China-Laos line that is currently under construction, is allowing travellers to make the trip between Bangkok and the Lao capital of Vientiane in just four hours, and even travel all the way up to Kunming in China's Yunnan province. The railway will make Thailand become a transportation hub in ASEAN countries. In future, the railway will be extended southward to Kuala Lumpur, Malaysia and Singapore, as part of the pan-Asia railway network spanning from Kunming through Laos and connecting Thailand, Malaysia and Singapore.

Thailand has recently extended an existing Bangkok-Aranyaprathet railway line which crosses eastern Thailand and ends at the Cambodian border. Bilateral trade between Thailand and Cambodia, currently estimated at $6 billion, is expected to grow with the line's reconnection.

A series of rail networks are in progress for connecting Laos to dominant seaports in Thailand, Vietnam and Cambodia. The rail networks will serve both passengers and freight, particularly from China's adjacent southern-most province of Yunnan. Merchandise will have global market access with the development of not only seaports in Vietnam and Cambodia but also primarily connecting Thailand's already well-established Laem Chabang deep-sea port, which lies 670 kilometres south of Vientiane.

Maritime connectivity

The Port Authority of Thailand manages five major ports – Bangkok Port, Laem Chabang Port, Chiang Saen commercial Port, Chiang Khong Port and Ranong Port.

Bangkok Port

Bangkok Port is the largest river port in Thailand, Located on the left bank of the Chao Phraya River. The major role of this port is to consolidate and distribute general cargo and containerized cargo between Laem Chabang Port and Bangkok. The Port Authority of Thailand has begun a feasibility study to develop another container terminal in Bangkok Port and will discuss investments over a period of 2–3 years. It is projected that having another container terminal will increase the annual throughput of Bangkok Port from 1.5 million teu to 2.6 million teu. The port's inland location limits access to ships with individual capacities of up to 1,800 teu. Larger container ships, therefore, tend to call at Laem Chabang, which is two hours from Bangkok.

Container throughput at Bangkok Port (in teus)

Year	2017	2018	2019
Throughput	1497919	1497444	1451131

Laem Chabang Port

It is the main international deep sea port of Thailand, located in Chon Buri province in the gulf of Thailand which is 200 km far from Bangkok Port. A consortium of PTT Tank Terminal company, Gulf Energy development and China Harbour Engineering Co. will increase the capacity of the port to 18 million teus per year.

Container throughput at Laem Chabang Port (in teus)

Year	2017	2018	2019
Throughput	7677279	8015880	8063983

Chiang Saen Commercial Port

Situated alongside the Mekong River at Chiang Saen District, Chiangrai Province, covers an area of around 3.6 acres (9 rais), facing the Mekong River, opposite the Democratic People's Republic of Laos and adjacent to highway No. 1290 (Rimkong Road) connecting Chiang Saen and Chiang Khong Districts. The port can handle 120,000 tonnes per year.

Container throughput at Chiang Saen Commercial Port (in Metric Tonnes)

Year	2016	2017	2018
Throughput	207942.53	198185.97	254723.61

Chiang Khong Port

Situated at Chiang Khong Sub-District, Chiangrai Province. The port aims to upgrade the efficiency of import- export services and promote border trade among People's Republic of China, Democratic People's Republic of Laos, the Union of Myanmar and Thailand. The port can handle 15,000 tonnes per year.

Container throughput at Chiang Khong Port (in Metric Tonnes)

Year	2016	2017	2018
Throughput	84874.99	78445.51	71467.93

Ranong Port

Situated on the eastern bank of the Kra Buri River, Pak Num Sub-District, Muang District, Ranong Province, covers an area of about 126 acres (315 rais). Container Berth with a 30-meter width and 150-meter length is able to accommodate 1 cargo vessel of 12,000 DWT at a time. The Port Authority of Thailand is pressing ahead with the development of Ranong Port as a logistics gateway between Thailand and India as both countries agree to promote a new maritime route in the Andaman Sea. The first phase of development will see Ranong's Port handling capacity increase from 78,000 teus/year to 300,000 teus/year by next year and to 500,000 teus/year by 2022. mg

Container throughput at Ranong Port (in teus)

Year	2016	2017	2018
Throughput	3067	2494	2275

TRANSFORMING LOGISTICS LANDSCAPE

While some of the mega projects may have missed their deadline, but the leadership in Nepal is determined to see the projects to their completion

Almost a decade back there was high optimism in the air and the Nepalis looked forward to a country with greater connectivity — at least one or two railways, smart cities, adequate energy generation and a giant leap forward in infrastructure development. The following was the scenario as reported a decade ago: Hydro projects with capacity to generate 2000MW were under different phases of construction and if proper road connectivity was provided further 7,000-10,000MW could be added in 10 years. The detailed project report for the first stage of the East-West railway artery from Bardibas to Simara and Birgunj was completed. A survey was in-progress for a 70km rail transit network of which the first phase spanning 27km could be built in ten years.

Coming to road infrastructure, the Kathmandu-Tarai expressway was reported to be immediately feasible and could result in considerable fuel saving every year. Three Indian companies had even proposed to build the highway under the BOOT scheme. Investment from the private sector was provided for the Kathmandu-Hetauda fast-track highway with two tunnels planned.

The East-West Midhill Highway and the Indian-assisted Tarai Highway were among the projects to be completed in this decade. Four new North-South highways linking China and India through Nepal were planned, and the existing Kathmandu Ring Road was to be widened to eight lanes.

Fast forward to 2020: Many of the above discussed projects have not yet materialised, while even the ones nearing completion, like Melamchi, Pokhara Airport, or the Kathmandu-Tarai Expressway, are delayed. Further, the government has announced more ambitious projects for the coming decade: A new international airport in Nijgad, upgrading Kathmandu airport, building two highway tunnels to Rasuwagadi, starting a feasibility study on the Kerung-Kathmandu railway, expediting the East-West Railway, and adding at least 10,000MW of hydropower to the grid in the next decade.

The construction of Kerung-Kathmandu railway line is expected to begin in 2022. However it is reported that the project will be completed in the coming decade. Another mega project is the 945km East-West Railway that connects 24 Tarai districts from Mechi to Mahakali. The project is expected to be completed by around 2025. In fact, 30km of the track-bed from Bardibas to Nijgad is scheduled to be finished next year. This line will connect with the 69km Janakpur-Jayanagar-Kurtha line that will start operating in March 2020. Also being surveyed is the Raxaul-Kathmandu Railway. Out of the 22 national pride projects, 17 are scheduled for completion in the next 5 years, according to the National Planning Commission's Approach Paper.

The Bhairawa and Pokhara airports are scheduled to be operational in 2020 and 2021 respectively, but if they will be able to divert traffic and reduce congestion in Kathmandu airport is yet to be seen.

The next five-year periodic plan will see the government prioritise completion of projects that started early, and resources will be allocated on the basis of progress achieved and the significance of the projects to the economy. Nepal hopes to join the league of middle-income countries by 2030, which demands an investment of more than $1billion annually on infrastructure development to reach this goal. mg

STORAGE AND LOGISTICS WOES FOR AGRI BUSINESS

Vietnam is focusing at increasing its international trade, it's time to fix the glitches in the logistics system and bring it at par with international standards

While Vietnam has recently started exporting agricultural products to international markets, the country is struggling to win new customers and is unable to compete with products from other countries in terms of quality and price due to drawbacks of the existing logistics system. During the first 8 months of 2019, the total export turnover of agricultural, forest and seafood products reached more than $26 billion, marking a year-on-year increase of 1.6 per cent. The Ministry of Agriculture and Rural Development (MARD) revealed that eight groups of products reached export value of at least $1 billion: coffee, rubber, rice, vegetables, shrimp, pangasius, wood and wood products. Exports of coffee, rubber and rice were at least $2 billion. During the review period, Vietnam had spent over $20.5 billion, down 1.2 per cent year-on-year, to import products in these groups, meaning the country had an agricultural trade surplus of around $6 billion.

Exports could have been much better, but an incomplete logistics system which fails to ensure quality norms and connects farms with markets is a drag on the industry, reveals MARD. Storage and logistics charges for agricultural products account for up to 30 per cent of selling prices, higher than those of Thailand and Singapore. Most small and medium-sized enterprises are unable to afford such high cost of logistics services. Low-cost logistics services are also available but lack quality control indicators, causing high losses due to damage and bacterial infection.

In HCM City, a major market, the percentages of food loss and waste in the supply chain is 32 per cent for vegetables, 14 per cent for meat and 12 per cent for fish. Even the business indexes of agricultural products in Mekong Delta remained low due to poor storage and delivery systems. Despite being Vietnam's largest rice bowl and agricultural region, the Mekong Delta does not has a complete supply chain while scattered ports have limited capacity, increasing logistics expenses by $7 to $10 for each tonne of agricultural products.

In the absence of organised collection centres which can sort, pack and preserve agricultural products following food safety standards, up to 90 per cent of rice grown in Mekong Delta is sold directly to traders, then re-distributed for rice processing to companies and exporters. The process is similar for fruits and vegetables as well. As agricultural products pass through several stages before reaching the final markets, prices are pushed higher. Recognising these issues provincial authorities in Vietnam have planned to build logistics centres.

In the Mekong Delta, goods are transported via waterways while in other parts of the country, road transportation is the most common. Absence of cold storage and storage systems at the border is hampering the quality of border trade as well, cargoes are still mostly manually loaded, slowing down cross-border clearance activities. The total value of goods exchanged through border gates, including rice, peppercorn, rubber and coffee, reaches $30 billion per year, increasing by more than 20 per cent per year. mg

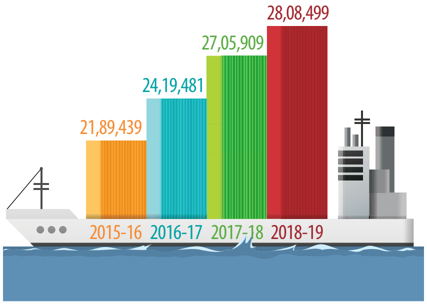
EXPEDITING CONTAINER DISPATCH

The Chittagong Port Authority is taking several measures to relieve congestion and expedite disposal of containers from the port immediately

The yearend has been quite eventful at Chittagong Port as it handled 3 million teus for the first time in a calendar year. The New Mooring Container Terminal and Chittagong Container Terminal together handled 1.7 million teus in the current year. In September the port handled 2,92,455 teus the highest volume ever handled in a month. The port depends on private operators for handling containers, as these operators are increasing capacity this is reflecting on the growing port throughput.

The port has taken up a number of initiatives to increase port capacity and expedite movement of containers. According to Md. Omar Faruk, Secretary to Chittagong Port Authority, a new north yard for containers has been constructed beside Ruby cement factory and procurement of modern equipment has helped the port break all the previous records of container handling. Further the port authority has imposed strict limits on how long a ship can berth at the port for speedy loading and unloading of containers to reduce congestion.

Containers handled (teus)



The port authority has roped in EagleRail, a US based firm to study if development of overhead automated conveyor system for short haul container moves is feasible for improving flow of containers and to reduce truck congestion. The port officials expect movement of containers by the conveyor system can increase the port's container handling efficiency by 15 per cent, moving about 300 teus in an hour.

Everyday 5000 container trucks enter the port and if the conveyor system is implemented this traffic can be eliminated from the port area. The conveyor system will move containers from the port yard to overflow yard and near by ICDs.

The Chittagong Port Authority has also requested the National Board of Revenue to make arrangements for delivery of more containers at the premises of importers instead of the port premises to reduce the congestion in the port and increase its efficiency in container handling. Currently, around 70 per cent of full container load (FCL) containers are delivered to importers from the port premises, causing a severe congestion.

The revenue board allows delivery of FCL cargos stuffed with 37 types of low-risk imported goods from outside the port area. The containers are unstuffed at 18 private ICDs or CFSs located in Chattogram and about 20 per cent of the total FCL containers are delivered from ICDs or CFSs. Another 10 per cent of the total containers and cargos are taken delivery at the consignees' premises. The port will be able to increase container handling rate by 30 to 40 per cent using the existing manpower and equipment if the FCL containers were not delivered from the port. The National Board of Revenue has accepted the recommendations of the port authority and has increased the number of products to be delivered off-dock. Further the rate of physical verification of containers has been limited to 5 per cent and risk-free consignments will be directly sent to the consignees' addresses to reduce the congestion in the port and improve its efficiency. mg