



INTERVIEW
Gangadhar Gude
Founder & CEO, atai.ai

AGRI LOGISTICS
**Digital Platforms Defy
Lockdown**

COUNTRY FOCUS: NEPAL
**Trade Resumes
with China**

BANGLADESH
**Garment Trade
Trampled**

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**ARTIFICIAL INTELLIGENCE
LENDING INTELLIGENCE
TO SUPPLY CHAIN**

IMPACT OF COVID-19 ON SHIPPING AND LOGISTICS

Industry stalwarts discuss threadbare the prevailing logistics and supply chain scenario and issues in clearing cargo during the COVID-19 lockdown



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CHEERING THE COVID-19 WARRIORS

”

In the newfound appreciation for truck drivers social media is filled with posts marked with **#ThankATrucker**

Life on the road feels a little lonelier these days. From warehouses to supply chain operators everybody is cheering the COVID-19 warriors – truck drivers who are braving the pandemic to keep the supply of essentials moving. “People, in general, are showing us their appreciation,” says Jaswinder Singh, a truck driver. “Even shippers and receivers are finally treating us like human beings again.” Truck drivers have always been essential employees, hauling freight across the country. They have been easy to ignore because they toil behind the scenes. In the newfound appreciation social media is filled with posts marked with #ThankATrucker.

When the lockdown was announced, drivers had to abandon their trucks near dhabas, petrol pumps or wherever convenient and rushed to their home using whatever commute available. Will they return, if so, when, is a question only time can answer? According to the Indian Foundation of Transport Research and Training (IFTRT), Indian trucking now battles shortage of drivers. Since more than 50 per cent of the 50 lakh trucks are already off the road due to the unavailability of drivers. The Indian trucking industry deploys more than 8 million drivers and 12 million helpers. As a baseline, 30 million people are directly employed by the trucking industry and more than 150 million people depend on it for their bread. Undoubtedly, the large scale meltdown has led the sector to skid off its promising track, thereby pushing thousands of fleet owners to the brink.

The problems are compounded since there are no workers to load/unload goods. This meant even trucks carrying essential items are sometimes stuck because they could not load/unload. The scarcity of blue collar workers has choked the ports, CFSs and the production units in the hinterland. While shippers are worried about movement of empty containers, a more basic issue is that empties are pending cleaning and repair in the container yards due to lack of labour.

Trucking companies say they are concerned about having enough revenue in the coming months to meet their two biggest fixed costs: insurance and loan or lease payments for trucks and trailers. Delay in payments has long been a primary problem for the MSMEs. Data shows that only 53 per cent of large companies in India pay their suppliers on time.

However, the depth of the impact would largely depend on how soon the virus is contained and how soon businesses resume their operations. According to Dun & Bradstreet, sectors such as drugs and pharmaceuticals, retail and wholesale trade, and livestock may take up to six months to recover after the pandemic subsides, while sectors such as logistics and metals may take up to a year to recover.

Till then, stay home and stay safe.

Ramprasad

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As retailers face a shutdown in US and Europe, the cascading affect has caused mass cancellation of orders in Bangladesh



26 ARTIFICIAL INTELLIGENCE LENDING INTELLIGENCE TO SUPPLY CHAIN

If you're shipping millions of dollars' worth of pharmaceuticals, high-end electronics, expensive sea-food, or precious metals, what would you be willing to pay for the ability to 'ask' your shipment where it is right now and whether it's ok? What would you pay for a freight smart enough to raise an alarm before it spoils? Artificial Intelligence enables that and much more...

33 COUNTRY FOCUS: NEPAL TRADE RESUMES WITH CHINA

While India has allowed uninterrupted movement of imports into Nepal even during lockdown, China is reopening its borders as it emerges from the pandemic



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Sri Lankan economy slows down as trade deficit widens and supply chain disrupts amidst lockdown



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Digital trading modules such as eNAM are enabling farmers to move their produce from farm to market even during the lockdown



INTERVIEW

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Gangadhar Gude
Founder & CEO, atai.ai

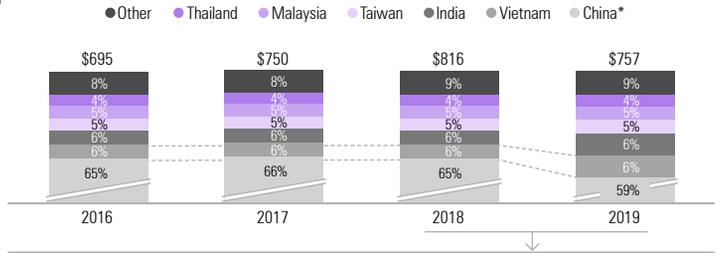


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VIETNAM ACCOUNTED FOR ALMOST HALF OF US IMPORT THAT SHIFTED FROM CHINA TO OTHER ASIAN LCCs

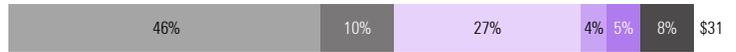
US manufacturing import mix from Asian LCC countries (100%, \$ billion, 2018-2019)



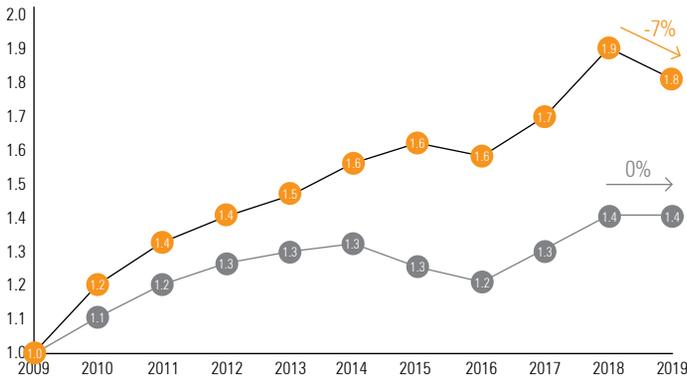
Notes: LCC is low-cost country, Percentages may not resolve due to rounding.

*Includes imports from Hong Kong

Share of growth in imports from Asian LCC countries (100%, \$ billion, 2018-2019)



Sources: Kearney analysis



VALUE OF MANUFACTURED IMPORTS FROM ASIAN LCCs FELL 7%, WHILE US MGO HELD STEADY

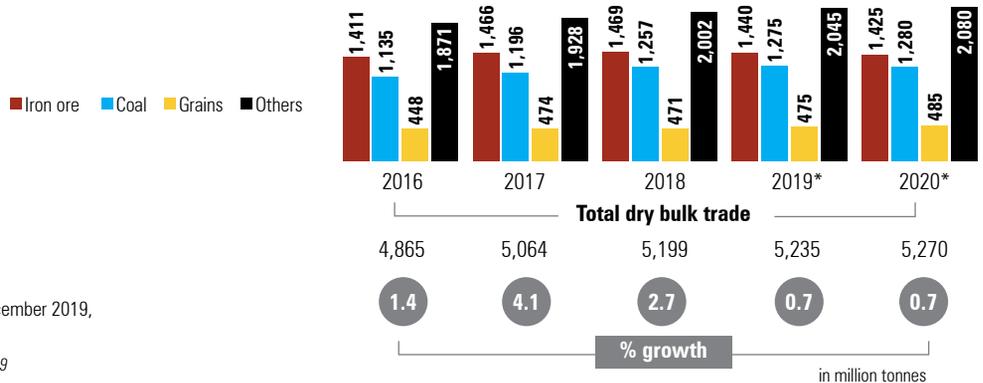
Asian LCC and MGO YoY index since 2009

— Asian LCC
— MGO

Notes: LCC is low-cost country, MGO is manufacturing gross output.

Sources: Kearney analysis

GLOBAL DRY BULK TRADE



*Caveat since the estimates were made in December 2019, coronavirus impact is not provided

Source: Bulk Shipping Analysis, the UK, December 2019

CHINA'S SHARE IN TOTAL INDIAN IMPORTS

Organic chemicals	37%
Inorganic chemicals	13%
Medicinal & Pharma products	36%
Dyes	28%

Sources: <https://ecommerce.gov.in>

AFTER HOLDING RELATIVELY STEADY FOR SEVEN YEARS, THE NTFR CLIMBED 400 BASIS POINTS IN 2019

NTFR = Total manufactured goods imports from Mexico as % of total manufactured goods imports from Asian LCC countries (% , 2009-2019)

Note: NTFR is near-to-far trade ratio. LCC is low-cost country.

Sources: Kearney analysis



MYANMAR



Yangon port orders 72-hour notice from arriving ships

The Myanmar Port Authority will require 72-hours advanced notice from all ships arriving in Yangon and all crew members to undergo medical check-ups before docking. "Containers are stacked when they arrive in port. When an owner shows the proper documents to the port authority, an order paper is issued. Once cleared, the containers can be taken out after a permit is issued by Customs. There is no delay in our port. We are clearing out containers as quickly as possible," says U Zaw Tun Lwin, General Manager, Yangon Port. Cargo ships arriving at Yangon include those from Singapore, Malaysia, Indonesia, Vietnam, Thailand and China.

SRI LANKA



Trade hit by lockdowns



Container transshipment business at Sri Lanka's Colombo port has been hit by lockdowns in India and Bangladesh over Coronavirus and vessel calls are expected to decline as lines try to balance demand. "About 55 to 60 per cent of our total volumes come from India and Bangladesh," said Romesh David, Chief Executive of South Asia Gateway Terminals. "With the closures of them now we see the trickle through in both ways. Imports have fallen off

and as have exports." "We see an approximate 20 percent of sailings blanked out on a rolling basis. I think we will see more of that happening in the months ahead as well.

BANGLADESH



Deep seaport in Matarbari

Bangladesh's top decision-making body, ECNEC, led by Prime Minister Sheikh Hasina, approved construction of the country's first deep sea port, in Matarbari, near Cox's Bazar. The port, with 16-metres of water depth, will be able to accommodate 8,000 teu vessels, cutting Bangladesh's dependence on feeder vessels that link with the transshipment hubs of Singapore, Colombo and Port Klang. Currently, its ports of Chittagong and Mongla have a maximum 9.5 metre draught and can accommodate 2,000 teu vessels. The new port will cost over \$2 billion, which will be funded by JICA, the government of Bangladesh and the Chittagong port authority. Construction is expected to be completed by December 2026.

SINGAPORE



Singapore and Malaysia to keep Johor Strait open

Singaporean Prime Minister Lee Hsien Long has said trade with Malaysia will continue despite the Malaysian government announcing a lockdown on its borders to prevent the spread of COVID-19. Movement of food supplies and cargo between both the countries will continue. Both the countries are separated by Johor Strait and movement of cargo and people through the strait happens on a daily basis. However, major infrastructure projects on both sides of the

Johor Strait could be affected by the outbreak, such as the Tuas mega-port, Singapore's project to create the biggest port in the world.

JAPAN



Businesses urged to cut reliance on China

"Made in China" Japanese goods may be the latest casualty of the coronavirus pandemic as Prime Minister Shinzo Abe resolves to wean companies off their dependence on China. To help them do it, Abe has earmarked about ¥240 billion (\$3.2 billion) to support domestic companies in decoupling their supply chains from China, especially



those in high value-added manufacturing. As Japan wants to boost its output of the drug Avigan as a potential cure for Covid-19, manufacturer Fujifilm has run into a core problem: a key raw ingredient is sourced from China.

"The strategy among businesses has long been China-Plus-One," said Dr Takashi Suzuki, an expert on Sino-Japan ties at Aichi Prefectural University, referring to how some businesses cover their baseline by supplementing a non-China location. "But in the medium to long term, there will likely be a shift to 'Plus China'," he added, as companies reduce their risks by putting fewer eggs in the Chinese basket.

DUBAI



DP World to delist from Nasdaq Dubai



DP World's parent company Port and Free Zone World has offered to acquire the 19.55 per cent of DP World's shares traded on Nasdaq Dubai, returning the company to private ownership. The move will enable DP World to focus on its medium-to-long-term strategy of "transforming from a global port operator to an infrastructure-led end-to-end logistics provider." Upon successful offer acceptance, DP World will be 100 per cent owned by Port and Free Zone World, which in turn is a wholly-owned subsidiary of Dubai World.

The Board of Directors of Port and Free Zone World and the Independent Directors of DP World have reached agreement on a cash offer for the shares, which the Independent Directors deem to be fair and reasonable. Each DP World share will be acquired at \$16.75, representing a 29 per cent premium on the market closing price of \$13.00.

MALAYSIA



Clearing congested ports to move essentials

Malaysia's freight forwarders have been asked to clear shipments as major ports clog up in the second week of a restricted movement

order imposed to fight the coronavirus. Malaysia closed its borders to travellers, restricted internal movement and shut down non-essential businesses to contain the spread of the virus. Ports and logistics companies were allowed to operate, but non-essential businesses faced problems moving goods out of ports, the Federation of Malaysia Freight Forwarders said. The backlog of non-essential goods, which make up 80 per cent of cargo volumes, would affect port operations and capacity. Currently, Port Klang, Port of Penang, and Johor Port in Pasir Gudang have reached nearly 100 per cent of their capacities to hold goods.

INDONESIA

Container traffic at Tanjung Priok to improve



Container traffic at Indonesia's biggest and busiest seaport, Tanjung Priok in North Jakarta, declined 5.13 per cent year-on-year from January to February, but the port operator expects improvements with factories in China reopening. Indonesia Port Corporation (IPC), also known as Pelindo II, saw 992,212 teus of container traffic from January to February this year, compared with 1.05 million teus in the same period last year. IPC has yet to change its annual targets for container traffic and revenue at 8.1 million TEUs and Rp 13.5 trillion respectively. Its net profit target this year is Rp 3.1 trillion.

VIETNAM



MoT rejects lowering container service charges



The Ministry of Transport (MoT) has rejected a proposal of cutting container loading and unloading service fees at seaports by 30 per cent, chief of the ministry's office Nguyen Tri Duc has said. The ministry said that the current container loading and unloading service fees of Vietnam were much lower than other countries in Southeast Asia. Thus, a 30 per cent reduction would negatively affect Vietnam's seaport enterprises. Meanwhile, the reduction would bring benefits to foreign shipping lines because they still collect relatively high fees on Vietnam's import and export companies. The volume of goods transported through seaports saw significant declines and was forecast to drop by 60 per cent in the second quarter of this year, which would significantly erode seaport revenues.

THAILAND



Thai-Myanmar trade hit by border closures

Myanmar's trade with Thailand is affected by the closure of crossing points along the countries shared border. Thailand has closed several gates along the Thai-

Myanmar border to goods and people and will allow only goods through two crossing points as part of efforts to curb the spread of the COVID-19. Myanmar's main export through Myawaddy is maize and some \$1.5 million of the crop is sent to Thailand annually. So far this fiscal year, trade volume via the Myawaddy border trade area has reached a total \$555.32 million, with exports reaching \$167.88 million and imports \$387.44 million. Tachileik saw trade worth \$63 million, Kawhaung \$171 million, with \$145million exports.

Myeik saw \$90million, with \$35million in exports and \$55 million in imports. Htee Khee saw \$882million – with \$868 million in exports and \$14 million in imports. Maw Taung saw trade volumes of \$11million, while Maese saw slightly more than \$2 million.

NEPAL



Movement of essentials continues through ICPs



A total of 78,000 metric tonnes of foodstuffs have been imported in 29 days after the beginning of lockdown. 77,578 metric tonnes of foodstuffs were imported from March 24 to April 22. Similarly, readymade medicines worth ₹976 million rupees and raw materials for medicines worth ₹219 million were also imported in this period. The

quantity of imported goods has increased in the third week of lockdown as compared to the first and second weeks.

Import and export of goods from Kakarvitta border checkpoint have been closed since April 9 after the West Bengal government of India has closed its all border points. A total of 230 trucks entered from Birgunj Integrated Check Post. Similarly, 90 trucks entered from Birgunj dry port, while 124 trucks from Bhairahawa border point, 102 trucks from Biratnagar ICP, during the period. Likewise, five containers and one truck entered Nepal via Tatopani checkpoint since April 16.

PAKISTAN



Gwadar Port begins handling transit cargo

Pakistan's newly opened south-western Gwadar seaport has begun handling transit cargo headed to and from landlocked Afghanistan, marking a significant outcome of Islamabad's multi-billion-dollar collaboration with China. The first ship full of Afghan cargo containers reached Gwadar recently. The containers will be loaded onto trucks for transport to Afghanistan through the Pakistani border town of Chaman. Kabul traditionally has relied on Pakistani overland routes and the two main southern seaports of Karachi and Port Qasim for international trade. Pakistan constitutes roughly 47 percent of total Afghan exports, while some 60 percent of Afghan transit trade goes through the northwestern Pakistan border crossing of Torkham. The Gwadar Port, they say, will increase the transit trade activity between the two countries.



BE CONTAINED WITH ZOSTEL

In India container resorts are still a fairly new concept. At Panchgani in Maharashtra, Zostel welcomes you with an art display that reads #BeContained, ushering you into a medley of volumes outlined with rustic colours. Discussing the containers, Dharamveer Singh, CEO, Zostel, says, “The cantilever usage of the containers is one of the main reasons for using them in Panchgani.” What is the experience inside a 20-foot container like? Most of the rooms can accommodate only two or three adults, but through innovations in furnishing, flooring and lighting, one hardly notices the difference in spatial volume. “The experience of staying in a container has been designed so space is optimised in the best possible way. We had to do some modifications to our standard dorm bed designs to optimise space usage,” says Dharamveer.

THE ALLIANCE BLANKS 20 SAILINGS AS COVID-19 CURBS DEMAND

THE Alliance container shipping members have announced significant cuts of 20 sailings in response to a forecasted sharp downturn in demand due to COVID-19. THE Alliance members Hapag-Lloyd, HMM, ONE and Yang Ming, in addition to the voyages voided in April, are also preparing further structural changes to its 2020 product. “The adjustments to our services are based on the requirements of the market in the current situation. Despite these changes, we continue to offer a reliable product for our respective customers during this challenging period and do our very best to maintain their supply chains and offering alternatives,” THE Alliance stated.

MSC INTRODUCES MID-TRANSIT STORAGE SITES FOR EU-BOUND CONTAINERS

MSC is setting up temporary staging sites for containers that would otherwise be delayed in EU seaports upon delivery. Signs of supply-side recovery have begun to emerge in Asia, but the major EU ports of destination may still not be ready to discharge containers, MSC said.

MSC’s new Suspension of Transit (SOT) program allows goods to be shipped close to their destination – but not all the way – in advance of renewed customer demand. In addition to the advantage of speed-to-market when the European economy rebounds, the new SOT program is intended to help shippers avoid high warehousing storage costs, demurrage and per-diem at EU ports of discharge. It also allows shippers to free up space at the point of the cargo’s origin (Asian factories and warehouses) and keep down onsite inventory. For EU destination ports, it may reduce the risk of congestion and overcrowding at terminal storage yards.



ECOR SETS NEW RECORD

East Coast Railway (ECoR) has set a new record during the FY2019-20 by loading 200.85 million tonne of freight from its jurisdiction which is 4.73 per cent more than the previous financial year. In the FY2018-19, this Railway had loaded 191.76 million tonne of freight. From the earning side, ECoR has earned ₹20,125 crore from freight in FY2019-20 as against ₹18,180 crore carried in last financial year with an increase of 11 per cent.

South Eastern Railway has carried 171.11 MT, South East Central Railway 169 MT and East Central Railway carried 148 MT of freight during FY2019-20. In the earnings side, SER earned ₹14,459.5 crores, ECR ₹15,117.8 crores and SECR earned ₹19,835 crores respectively.

ONE UNIT OF GENMA JIB CRANE DELIVERED

One unit of GENMA jib crane manufactured by Rainbow Heavy Machineries Co. Ltd has been successfully handed over to customer. It has positive strategic significance for GENMA to develop middle east market through this project. This jib crane is new product under GENMA brand. Boom stability benefits from two luffing point. Whole machine light weight benefits from reducing weight boom and counterweight. Meanwhile, boom length could reach amazing 100m which can be overall cover customer site working demand.

JICA LENDS ₹15,295 CR FOR RAIL INFRA PROJECTS

JICA has inked agreements totalling ₹15,295 crore with the central government for three mega rail infrastructure projects. JICA has granted ₹8,553 crore for Phase-I of the DFC; ₹4,262 crore for Mumbai Trans Harbour Link Project and ₹2,480 crore for the Mumbai Metro Line-3 Project. The Western DFC project is an important part of DMIC initiative. In its Phase-I, a new 950 km freight line (Rewari to Vadodara) connecting the major cities in Gujarat, Rajasthan, and Haryana states is being constructed. The construction of the Mumbai Trans Harbour Link will connect Mumbai with Navi Mumbai. It will mitigate traffic congestion. This loan agreement is the second tranche of JICA financing for MTHL, and the loan agreement for the first tranche was signed on 31 March 2017, for an amount of ₹7,912 crore.

KOLKATA PORT TRUST TO BEGIN WORK ON BARGE JETTY BY JANUARY 2021

The Kolkata Port Trust is planning to develop a barge jetty to support anchorage operations at Haldia in Mindnapore district of West Bengal under Sagarmala Scheme on private public partnership basis (PPP). The estimated cost of the project is ₹120 crore. Preparation of detailed project report is underway. Work on the project is expected to commence by January 2021. The project is expected to be ready by October 2022.

CONTAINERISED COASTAL SHIPPING TO BEAR THE BRUNT

According to ICRA, the coastal shipping segment which had witnessed healthy growth in the last few years, will witness some adverse impact in the near term, mainly in the container segment. The impact on bulk segment will be limited due to essential nature of those commodities, which will not be impacted by the lockdown.

The near-term outlook for major shipping segments like dry bulk, containers and offshore is negative. The exceptions to this trend are oil tankers wherein the sharp drop in oil prices has led to an increase in demand - both for the supply of oil and for floating storage. As a result, the tanker rates have witnessed a significant increase though the sustainability of these high rates, beyond the near term, remains to be seen. The overall outlook is challenging, the impact on shipping companies with a high share of tankers should be mitigated due to the high tanker rates.



MARITIME BODIES SUPPORT GOVT IN FIGHT AGAINST CORONAVIRUS

India's leading maritime unions NUSI and MUI have jointly launched a "Merchant Navy Support Fund" (MNSF) to help the government fight Coronavirus. "NUSI has pledged to donate ₹25 lakh to MNSF and aims to increase the total corpus of this newly launched fund to at least ₹2 crore latest by June 2020 by inviting donations from various shipping companies, ship management companies, ports, seafarers and marine entrepreneurs of India," NUSI General Secretary Abdulgani Serang said.

He added that the total corpus accumulated under the MNSF initiative will be donated to Prime Minister's National Relief Fund. Maritime Union of India (MUI) General Secretary Amar Singh Thakur said the organisation will donate a substantial sum to MNSF towards its commitment to the nation in this hour of crisis.



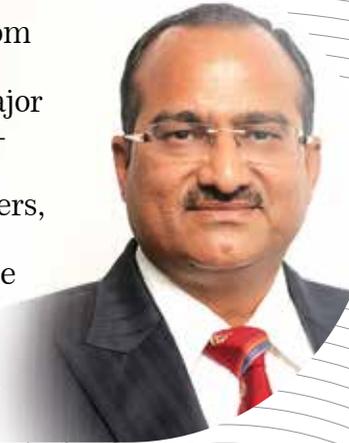
VPT CARGO THROUGHPUT SOARS IN 2019-20

The port of Visakhapatnam recorded its best performance in 2019-20, with the port handling 72.72 million tonnes compared to the 65.30 mt in the previous year, an increase of 11.45 per cent. The cargo throughput had put the port at the third spot in cargo handling among all the major ports in the country, after Kandla in Gujarat and Paradip. Principal commodities handled during 2019-20 were crude oil and POL (18.92 mt); iron ore and pellets (14.39 mt); coking coal (7.45 mt); steam coal (9.27 mt); and containers 5.03 lakh teus.

"Visakhapatnam port witnessed a record growth in Nepal-bound container cargo. The port handled 42,550 containers for Nepal against 16,292 containers last year, thus registering a growth of 161 per cent. The port recently completed two berths in the inner harbour EQ-2 and EQ-3 with 14.5 metres draft at a cost of ₹198 crore with a capacity of 6.45 mt.

“You have to evacuate cargo from ports ASAP. Currently, all cargo space is fully occupied at all major ports. The problem is twofold—cargo can’t be unloaded from ships due to a shortage of workers, and goods can’t be transported from ports to the hinterland due to a shortage of trucks.”

- **Capt BVJK Sharma**
Chairman of Shipping, FICCI Infrastructure Committee



“The credit profile of Indian shipping companies is expected to remain under stress in the near-term and companies which are highly leveraged will be adversely impacted by the downturn.”

- **K Ravichandran**
SVP & Group Head, ICRA Ratings



“Supply chain needs to be redesigned to be more resilient. The crisis will impact world economic flows and will necessitate that we rethink our supply chain models. Digitalisation has become an integral part of our lives during lockdowns.”

- **Rodolphe Saadé**
Chairman, CMA CGM



“COVID-19 is not going to go away and India should fix its supply chain if this problem persists and we can help this ecosystem go digital.”

- **Raj Saxena**
Founder and CEO, LogisticsNow



“As countries move to enact measures aiming to halt the accelerating COVID-19 pandemic, care must be taken to minimize potential impacts on the food supply or unintended consequences on global trade and food security.”

- **QU Dongyu**
Director General, FAO



SHIPPING

Lasse Carøe Henningsen is new CFO at Hamburg Süd

Lasse Carøe Henningsen is the new Chief Financial Officer at Hamburg Süd. He will be succeeding the current CFO Jakob Wegge-Larsen, who has held this position since December 2017 and will be finally returning to Maersk in Copenhagen at the end of June. Already at the end of February 2020, he in parallel assumed the position of CFO of the Maersk division Ocean & Logistics there. When Lasse Carøe Henningsen starts at Hamburg Süd on June 1, he will be in charge of the Business Finance and Accounting divisions as well as the important SAP project. He and Dr Arnt Vespermann, the company's CEO will together make up the Management Board of Hamburg Süd.

Agility delivers MRI machines to Malé, Maldives

Agility, a leading global logistics provider, recently teamed with Chapman Freeborn Air chartering to deliver CT scan and MRI machines to Malé, capital of the Maldives. The Ministry of Health in Maldives ordered approximately 41 tons of cargo consisting of MRI, CT scan machines and other health equipment for distribution to four different hospitals across the chain of islands and atolls that make up the nation.

Agility airlifted the cargo into Dubai from various locations in the USA, China, France,



Japan and India. The seamless movement of more than 287 pieces from five countries into Dubai was a challenge, especially when availability of flights and space became limited due to the COVID-19 outbreak. Agility worked with Chapman Freeborn and chartered a B747 freighter from Al Maktoum International Airport in Dubai. Using B747 aircraft provided significant cost savings when compared with alternatives such as the Antonov An124 or the smaller Ilyushin Il-76 aircraft, which would have required three separate flights.

Only India and China to have positive GDP growth in 2020

As the global economy hits the worst recession since the Great Depression in the 1930s, the latest edition of the World Economy Report from IMF has pointed out that only two countries - India at 1.9 per cent and China at 1.2 per cent - will see some sort of growth in GDP in 2020. It projected global growth in 2020 to fall to -3 per cent. This is a downgrade of 6.3 percentage points from January 2020, a major revision over a very short period, said Ms Gita Gopinath, IMF Chief Economist.

Most countries in the advanced economy group are

forecast to contract this year, including the United States (-5.9 per cent), Japan (-5.2 per cent), the United Kingdom (-6.5 per cent), Germany (-7 per cent), France (-7.2 per cent), Italy (-9.1 per cent) and Spain (-8 per cent), the IMF report said. It also said that India and China are likely to bounce back strongly in 2021, with India expected to grow at 7.4 per cent and China at 9.2 per cent.

ONE advises customers to consider Sea Waybills or Straight Bills of Lading



To tackle situations caused by delay in arrival of original Bills of Lading or the sudden closure of ONE's office at a destination, the line has urged customers to consider using Sea Waybills or Straight Bills of Lading for their shipments during this critical period. The communiqué said: "Lockdowns may affect ONE's business and put customers in a position where they are unable to present original Bills of lading for cargo delivery as a result of bills being stranded in-transit or being unable to be surrendered due to a sudden closure of ONE's office at a particular destination."

Sea Waybills are the preferred transport document since delivery of shipments under Sea Waybills does not need to

be made against production of the Sea Waybill itself and, as such, ONE said it would encourage customers to consider the same in the first instance, where suitable. If Sea Waybills are not possible for any reason, it advised customers to consider proceeding with Straight Bills of Lading whereby the consignee is expressly named in the consignee box on the front of the Bill of Lading.

Drewry launches container ship tracking service

Drewry Supply Chain Advisors has launched two new container shipping tracking services reporting cancelled sailings and ship waiting times every week. Updated weekly, the Drewry Cancelled Sailings Tracker provides a 'snap-shot' of cancelled sailings on a particular day. The data is obtained from carriers and is highly dynamic. Also updated weekly, the Drewry Containership Waiting Time Tracker calculates average waiting times that ships wait outside a port before berthing, at 44 major ports, for the last 2 weeks. By monitoring the end-of-week Ship Waiting Time Tracker for the just-ended week, shippers, forwarders, carriers and other



stakeholders will be able to anticipate potential delays at the port of arrival and to monitor the trend away from or back to normal levels and compared with the previous weeks.

Pawan Kumar Agarwal, IAS, is the new special secretary (Logistics)

The appointments committee of the cabinet chaired by Prime Minister Narendra Modi appointed Pawan Kumar Agarwal IAS as the new special secretary (Logistics) under the department of commerce, ministry of commerce and industry. In a major reshuffling of the secretary portfolios, the central government has also appointed new secretaries for the ministry of shipping and ministry of road and highways. The current special secretary (logistics), N Sivasailam will be retiring from his post on April 30, 2020.



Pawan Kumar Agarwal is a 1985 batch Indian Administrative Service (IAS) officer of West Bengal cadre, currently serving as secretary in the department of consumer affairs under the ministry of consumer affairs, food & public distribution since February 2020. Before that served as the chief executive officer for Food Safety and Standards Authority of India (FSSAI) from December 2015 to February, 2020. Earlier he served in the ministry of skill development & entrepreneurship, planning commission, ministry of HRD and UGC. He is the recipient of Fulbright New Century Scholarship at Harvard University and the Emory University in the US in 2005/06.

Indian maritime activity during lockdown

The total traffic handled by major ports from April to March 2020 was 704.63 million tonnes as against 699.10 mt during the corresponding period of the previous year, showing an overall growth of 0.82 per cent. During the period, container tonnage and teus were 1,46,934 and 9,988 thousand respectively, whereas it was 1,45,451 and 9,877 thousand during April to March 2019. There was growth of 1.02 per cent in container tonnage and 1.12 per cent in Container teus. The number of vessels handled by ports during 2019-20 was around 20,837, compared to 20,853 in 2018-19, down 0.08 per cent. In March 2020, the total traffic was 61120 tonnes, which was more than the 57233 tonnes in February 2020 but 5.25% less than March 2019 (64510 tonnes).

Each Major Port to ensure that no penalties, demurrage, charges, fee, rentals are levied by them on any port user (traders, shipping lines, concessionaires, licensees, etc.) for any delay in berthing or loading/unloading operations or evacuation of cargo caused by the reasons attributable to lockdown measures, from 22nd March to 14th April, 2020.

IATA & ICS join hands to arrange crew change

The International Air Transport Association (IATA) and the International Chamber of Shipping (ICS) have jointly urged governments to take urgent measures to facilitate crew change



flights for seafarers. Due to the Covid-19 restrictions, seafarers are having to extend their service onboard ships after many months at sea, unable to be replaced following long tours of duty or return home.

"Shipping is vital to the maintenance of global supply chains, but the current situation is unsustainable for the safety and wellbeing of ships' crews and the safe operation of maritime trade. Each month about 100,000 merchant seafarers need to be changed over from the ships on which they operate to ensure compliance with international maritime regulations protecting safety, health and welfare."

As a result of government-imposed travel restrictions due to Covid-19, flights to repatriate or position marine personnel are unavailable. Immigration and health screening protocols are also hampering the ability of merchant ships to conduct vitally necessary crew changes. IATA and ICS are working together for solutions that governments can implement to facilitate crew changes at certain airports.

Chapman Freeborn to power weekly flights to Mumbai from May 1

The global air charter broker, Chapman Freeborn, along with its subsidiary Magma

Aviation, launched a new weekly schedule of freighters to Mumbai from May 1, 2020, due to increasing demand to transport critical medical supplies to and from the city. On April 5, a charter flight of Magma Aviation landed in Mumbai International Airport powered by Chapman Freeborn. Russi Batliwala, CEO, Chapman Freeborn noted that the flight was full for both inbound and outbound and had a turnaround in just four hours. While Shailendra Seth, Director – India, Chapman Freeborn noted that the Magma Aviation aircraft was flying all across the world carrying relief materials.

Port of Rotterdam expands partnerships in India



The Port of Rotterdam recently signed multiple MOU across India. These include with: Gujarat Maritime Board, in which both companies will collaborate in port development, management, and capacity building. The MoU with Maharashtra Maritime Board is for collaboration in port development, management, and capacity building. With Government of Kerala the MoU was signed for collaboration in port development, port management and capacity building.

LOGISTICS

Government taps logistics firms to link consumers with kirana shops



The government is ready with a scheme to get kirana stores to directly deliver essential goods at your door step using the network of logistics firms that have hitherto provided last-mile connectivity to e-commerce companies. The idea is to use whatsapp to connect consumers to kirana stores and the payment will be made via digital tools like UPI and BHIM. The logistics firms will pick grocery and other products from kirana stores and deliver through their delivery boys. Arogya Setu will be put to use to avoid any risk in the chain. Local administration can also use the network to deliver grains and pulses from public distribution networks to consumers.

Uber partners with Flipkart and BigBasket in India to deliver essentials

Uber is resuming some services in India as it looks to help other firms deliver grocery and other essential items in select parts of the country. Uber has partnered with Flipkart to deliver everyday essentials in Delhi, Mumbai, and Bangalore. The

announcement comes days after Uber inked a similar deal with online grocer BigBasket and Kolkata-headquartered chain Spencer's Retail. The partnerships will allow Uber to help companies reach the last-mile destinations. Uber will not charge any commission on these transactions and drivers, who typically have to let go as much as 25 per cent of their earnings to the ride-hailing firm, will keep 100 per cent of the billed amounts.

63 railway routes identified for parcel special trains

In order to ensure that Kitchens of all Indian homes continue to run normally and farmers in agriculture sector continue to get all necessary inputs for farming, during last 12 days from 1st April to 12th April 2020, railways loaded and carried 36,724 wagons of food grain, 861 wagons of sugar, 1,753 wagons of salt, 606 wagons/tanks of edible oil and 14,317 wagons of fertilizers. Indian Railways has also identified 63 routes for parcel special trains since the start of the lockdown for moving perishable commodities and timetabled trains are being run on these routes.

Amazon to start accepting all non-essentials



Amazon will start accepting non-essential products at its warehouses. Third-party sellers who use Amazon's warehouses to store their products will be able to resume sending in all non-essential items. There will be limits to how many products per item the seller can send. The aim is to ease pressure on Amazon's supply chain that was caused due to surging demand for essential products. Amazon is still grappling with shipment delays for most products, with some non-essential items taking over a month to arrive for some customers.

A lifeline for drivers stranded on highways

Locus, a global B2B SaaS company that automates human decisions in supply chain, has initiated the 'Driver Seva mobile app' project along with Highway Delite, a travel app startup, to help truck drivers stuck on highways during lockdown. This project is supported by the Bharat Petroleum Corp and All India Motor Transport Congress.

A sizable population of drivers have nowhere to go to and not many resources to survive with. This app aims to help drivers in the current lockdown with information regarding food, water, and safe parking near their location, across the country.

Tiruchy railways transports 23 tonnes of food grains in a week

Railways has started playing a major role in ensuring transportation of food grains from the delta region to



various districts in Tamil Nadu in the midst of the ongoing lockdown. From March 22 to 31, Tiruchy railway division transported 23,538.2 tonnes of rice and paddy from central Tamil Nadu to various places across the state. Apart from transportation of food grains, the division also transported coal to most major power plants in Pudukhattiram and Mettur. Apart from this, 41,546.4 tonnes of lignite were transported from Vadalur to TAQA Neyveli Power Company.

COO temporarily not required in trade with India

The government has temporarily suspended a provision that mandatorily requires certificate of origin (COO) in trade between Nepal and India. The COO is a compulsory document that traders are required to acquire for foreign trade. However, COO is still mandatory in trade with countries beyond India. The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) issues COO to traders for trade with India, while the Nepal Chamber of Commerce and Confederation of Nepalese Industries issue the certificate to traders for trade with different other countries. FNCCI officials said that they have not issued any COO to traders recently as the two countries are into trade of only essential goods.

Lalamove launches 'Deliver Care' campaign

Lalamove, an on-demand logistics company announced their Deliver Care campaign to collaborate with SME's, NGO's and other stakeholders to meet the needs and requirement of the local Indian population for delivery of essential medical, food and sanitary items. Lalamove made a significant contribution by arranging the vehicle from Bangalore to Mangalore for dispatching the raw material for making Masks. They are receiving thousands of delivery orders on a daily basis from cities like Mumbai, Bangalore, Delhi NCR, Pune, Chennai, and Hyderabad. The deliveries are conducted on Lalamove's 2-wheeler and 4-wheeler vehicles. On a daily basis they deliver around 300 packages from these clients. The key brands which they are serving currently are CakeZone, Bajo foods, Licious, Cake Shop.

Snowman Logistics remains fully functional amidst the lockdown



The business of Snowman Logistics is considered under the 'essential services' category as per

the Ministry of Home Affairs, and accordingly all the warehouses of the company are functional and fully operational. The company remains committed to providing support for the storage and distribution of essential goods to the community, especially food and pharmaceutical products. The business of the company has not been adversely affected and demand for storage has increased. This increase has come in from various segments such as seafood, meat, poultry, QSR products, butter and healthcare products. Exports account for approximately 30 per cent of the volumes handled by Snowman, while imports account for about 5 per cent of the volumes handled.

Online platform for issuance of 'certificate of origin'

The commerce ministry has designed an online platform for issuance of a key document required for exports to those countries with which India has trade agreements, with a view to facilitate shipments during the COVID-19 crisis. An exporter has to submit a 'certificate of origin' at the landing port of the importing country. The document is important to claim duty concessions under free-trade agreements. This certificate is essential to prove where their goods come from. The platform has been designed as a single-point access for all FTAs/PTAs, for all designated Certificate of Origin (CoO) issuing agencies and for all export products, and is accessible at - <https://coo.dgft.gov.in>.

Supplyco to move supplies by rail wagons

Kerala State Civil Supplies Corporation (Supplyco), entrusted with the task of making market interventions and ensuring sustained supply of essentials, has decided to use rail wagons for transport of supplies even as the apex cooperative promised that there was no shortage of essentials in the State. The corporation moved a consignment of pulses from Andhra Pradesh using rail wagons recently. The consignment was brought to the Vallarpadam hub, from where it was moved to the Supplyco depots with the help of CONCOR.

In normal times, supplies used to be transported through roads. Lorries moved these consignments to the Supplyco depots. However, with the lockdown in force and fear of the spread of the pandemic, there was a shortage of lorries and drivers, forcing Supplyco to think of alternative transport modes.

PORTS

Tuticorin VOC Port handles 5.05 per cent more cargo in 2019-20

The V O Chidambaranar (VOC) Port Trust has handled 36.08 million tonne of cargo traffic in the FY2019-20, which is 1.74 million tonne more and 5.05 per cent increase over the previous year's achievement of 34.34 million tonne. Imports accounted for 25.82 million tonne (71.57 per cent), exports for 10.25 million tonne (28.41 per cent) and transshipment for 0.01 million



tonne (0.02 per cent). With this, the port has achieved the 36 million tonne target set by the ministry of shipping.

As many as 1,447 ship called on the port in 2019-20, which is an increase by 5.62 per cent from 1,370 ship calls in 2018-19. The port registered its highest ever throughput of 8.03 lakh teus of containers in 2019-20, clocking 8.72 per cent growth over the previous year's 7.39 lakh teus. The port has initiated proposals for two PPP projects for conversion of the 9th berth as container terminal at an estimated cost of 438.61 crore and mechanisation of NCB-III for handling dry bulk cargo at an estimated cost of 269.06 crore.

Carriers Skip JNPT, Mundra Ports as exports dry up

Global container shipping lines such as Maersk Line, MSC, CMA CGM, Hapag-Lloyd AG and COSCO Shipping Lines have started skipping India's top container gateways: JNPT and Mundra Ports, as there are no exports and imports, clearances are not happening. The shipping industry sees this as a clear indication that the problems in clearing import containers from the two ports and nearby CFSs, and the lack of exports due to factory closures in the wake of the lockdown, have started to disrupt EXIM trade and carrier schedules.

Essar Ports' cargo handling grows by over 23 pc in FY19-20



Essar's ports business, which operates four terminals on the east and west coasts of India (at Hazira, Vizag, Salaya, Paradip), has registered a 23.5 per cent growth in cargo volumes in 2019-20, with a throughput of 49.22 million tonnes (MT). In terms of their fourth quarter performance, the terminals recorded a 4.63 per cent growth in cargo, with a throughput of 11.08 MT. Rajiv Agarwal, MD & CEO, Essar Ports Ltd said, "Our focus on driving operational efficiencies and optimising operations has helped in recording strong growth. The heightened activity in the Indian economy has helped us consistently surpass the average sectoral growth rate. While the mitigation measures adopted to control the Covid-19 outbreak have given rise to several limitations, the high mechanisation at our facilities have enabled them to continue to operate and service customers, thus allowing them to meet the cargo handling requirements of the nation."

India exports wheat to Afghanistan

The first vessel, MV Negar, carrying 251 containers of wheat loaded from Deendayal Port for Afghanistan, arrived at India Ports Global's Chabahar Port terminal

in Iran in mid-April. The discharge of the laden boxes took a little over 6 hours, from where they proceeded to the landlocked Afghanistan. This is the first of many such vessels that will ply the route with wheat for Afghanistan, totalling a significant quantity. The Ambassador of Afghanistan to Iran also visited the terminal. India, Iran and Afghanistan believe that Chabahar will become the fulcrum of connectivity for Indian goods to reach Afghanistan and further north to Central Asian states, and for the landlocked Central Asia to find access to ocean through this port.

Rosneft ships first crude oil parcel to Paradip Port

Union Petroleum Minister Dharmendra Pradhan held discussions with Rosneft CEO Igor Ivanovich Sechin through video conference. He thanked Sechin for shipping crude oil to the Paradip Port for the first time, the MoU for which was signed between the (IOCL) and the Rosneft in March). Pradhan also held discussions on the concerning scenario in the global energy sector and increasing cooperation between the Indian companies and Rosneft. The Minister also discussed the effects of coronavirus pandemic on the world energy and gas sector and the OPEC and Russia decreasing production of oil.



DP World reveals Covid-19 action plan

The UAE arm of DP World has implemented a rapid, resolute action plan in light of the ongoing coronavirus pandemic. At the flagship hub of Jebel Ali Port and Jebel Ali Free Zone (Jafza) priority has been given to ensure the movement of vital supplies like food items, medicine and medical equipment required by the UAE and Dubai Health Authority (DHA) to contain the infection.

In an effort to further improve resilience measures, DP World has increased segregation of workforces, increased



cleaning and disinfection, provided transportation to get employees to work through lockdowns and arranged accommodation for employees near their place of work. Thermal cameras have also been installed at all operational buildings, entrances and gates to identify body temperatures of individuals and catch suspected cases of Covid-19.

A huge process of disinfection and sanitisation has been carried out for all equipment, vehicles, offices and other physical assets throughout Jebel Ali Port, Jebel Ali Free Zone (Jafza), Mina Rashid, P&O Marinas, Mina Al Hamriya, National Industries Park (NIP), Dubai Auto Zone, Dubai Trade and World Security. Ship crews, arriving or departing, are required to pass

through thermal cameras, provide health updates and obtain the harbour master's approval before boarding or disembarking vessels.

GENMA helps thermal power generation in Indonesia

The Chain Bucket Ship-unloader designed by GENMA for the Indonesia PLN coal terminal at Pangkalan Susu port, has been put into service. This is another Genma's classic masterpiece after Balikpapan Coal Terminal project and Cigading port project. GENMA chain bucket ship unloader was designed with the efficiency of 2x800t/h, using multi-row chain control, with flexible, efficient and stable unloading characteristics. The GENMA chain bucket ship unloader has low sensitivity to the wind and waves. When the barge bumps up and down due to the wind and waves, the material collecting part of the unloader will not be damaged by the collision with the ship cabin, thus improved the environmental adaptability of the equipment.

APM Terminals Pipavav offers Free Container Storage

APM Terminals Pipavav is extending free storage service for all containers to offer flexibility to customers with extended logistic chain amidst the lockdown. The supply chain interruption at the ports is expected due to the impact on the downstream services. The free storage facility will help customers to plan their onward land logistics and maintain the supply chain.

Sinopec commences oil depot, bunkering operations at Hambantota port

Chinese oil major Sinopec Corporation commenced operations at its newly established oil depot at Hambantota Port in Sri Lanka, and has successfully refuelled its first ship. Sinopec says this will primarily impact the Northeast African and South Asian oil market as the Hambantota Port oil depot will enhance the company's comprehensive bunkering service capabilities, significantly boosting its continued efforts to expand its bunkering activity around the world.

Located at the southern tip of Sri Lanka, Hambantota Port is only ten nautical miles from the central Indian Ocean sea lane and is therefore of prime geographical importance. More than half of the world's container freight takes this route, as does a third of bulk shipments and two thirds of oil shipments. Given its strategic location, Hambantota Port has emerged as a key port on the Belt and Road.

DP World defers rate increase at Vallarpadam terminal

India Gateway Terminal Pvt Ltd (IGTPL), the international container transshipment terminal run by DP World Pvt Ltd at Vallarpadam has deferred a planned rate hike by a month. The rate hike was in "very low double digits ranging from 5 to 12 per



cent," according to shipping industry sources. The rate increase approved by TAMP on March 3 was slated to take effect from April 10, for a three-year period. India Gateway Terminal had even sent out trade notices to the export-import fraternity in Kochi informing them about the implementation of the rate hikes. The rate increases were opposed by the export-import (EXIM) trade.

Haldia Port operations hit after employee tests Covid-19 positive

Port operations in Haldia were hit after a dock employee was found to have tested positive for Covid-19. Several port officials who came in contact with him have been home quarantined. "Cargo operations have been suspended. The general cargo berth is now under CISF control and no one is allowed to go in," a private shipping official said. This is believed to be the first case of coronavirus infection in an Indian port. Ports have been declared part of essential services and were functioning with all operational staff reporting for work each day.

Haldia Port complex, operated by the Kolkata Port Trust, has 12 berths and handles 40 million tonnes of cargo annually. Besides

West Bengal, it serves the hinterland comprising Bihar, Jharkhand, Nepal, Bhutan and all the states of North-Eastern India.

VO Chidambaranar Port handled record cargo during FY2019-20

During the FY2019-20, VO Chidambaranar Port handled cargo traffic of 36.08 million tonnes against the previous year's achievement of 34.34mt, registering an increase of 5.05 per cent. The imports have accounted for 25.82mt (71.57 per cent) and exports accounted for 10.25mt (28.41 per cent) and transshipment accounted for 0.01mt (0.02 per cent). It is also a matter of pride that the port has achieved the 36mt target set by Ministry of Shipping. The port registered its highest ever record throughput of 8.03teus in the year 2019-20 clocking a growth of 8.72 per cent over previous year's container traffic of 7.39 Lakh teus.

Compared to the financial year 2018-19, cargoes that have shown considerable increase are containerised cargo 8.72 per cent (8.03 lakh teus), industrial coal 29.54 per cent (60.12 lakh tonnes), cattle feed 25.40 per cent (2.97 lakh tonnes), Sulphuric acid 79.44 per cent (4.63 lakh



tonnes) and Rock Phosphate 32.84 per cent (5.44 lakh tonnes).

Major ports, PSUs under shipping ministry contribute to PM-CARES Fund

Major ports and PSUs under the Ministry of Shipping announced contributing ₹52 crore to the PM-CARES Fund to fight the pandemic. Apart from 12 major ports, other entities under the shipping ministry which contributed to the Fund include Cochin Shipyard Ltd, which contributed ₹2.5 crore; Dredging Corporation and DGLL pledged ₹1 crore each; IPRCL ₹0.5 crore; Shipping Corporation of India ₹0.37 crore; and SDCL ₹0.094 crore.



Among the major ports, JNPT contributed the highest ₹16.40 crore from CSR to the PM-CARES Fund, followed by ₹8 crore each by Deendayal Port Trust and Paradip Port Trust, and ₹4 crore each by Kamarjar Port and New Mangalore Port Trust. V.O. Chidambaranar Port Trust gave ₹2 crore, while Vishakhapatnam Port Trust, Kolkata Port Trust and Mumbai Port Trust contributed ₹1 crore each. Cochin Port Trust contributed ₹0.54 crore, Chennai Port Trust ₹0.50 crore and Mormagao Port Trust ₹0.25 crore.



CONTAINER LINES SIGNAL 'SOS'



SUNIL K VASWANI
EXECUTIVE DIRECTOR,
CONTAINER SHIPPING LINES ASSOCIATION (INDIA)

As the per-unit cost of operations increases many lines are forced to blank sailings which has hit their bottom line real hard. The Government and Terminal Operators therefore need to actively consider reduction in Vessel Related Costs

The Covid-19 crisis has brought with itself a new set of challenges both from the health perspective as well as from the business angle. The Shipping Lines, who are well sensitized towards this situation, have taken steps to ease the pain for the trade as far as possible.

Many lines have independently offered additional free days on container detention, despite most privately operated terminals not offering corresponding free time to the Lines on Port Ground Rent. It is another matter though that this facility has proved to be counterproductive with most of the consignees using the containers for storage of cargo in view of the factories being shut. This has resulted in acute congestion at the various terminals, CFSs and ICDs across the country. Ports like Hazira for instance, have been forced to close their gates for imports as well as exports due to the port being completely congested. The CFSs around Nhava Sheva have seen evacuation of just 22,000 import teus with about

another 100,000 teus lying uncleared at the CFSs. This is proving to be detrimental to the country's exports as ports, CFSs & ICDs have little space left to handle export volumes. The equipment of the lines too is blocked with uncleared import cargo thereby leaving little in hand to cater to the export shipments, as required.

Be that as it may, the lines still continue to service the trade, although the vessels essentially call just to discharge import loads and sail out light in view of negligible exports bookings. The export volumes have significantly shrunk due to the closure of the factories in India in view of the current lock-down, multiple bottlenecks along the logistics supply chain and the limited demand from the overseas markets on account of the global pandemic. This has increased the per-unit cost of operations for the vessels calling at Indian ports. Some of the lines have therefore been forced to blank their sailings which in turn has hit their bottom line real hard.

Active consideration therefore needs to be given by the Government and the Terminal Operators towards the reduction in the Vessel Related Costs by at least 20 per cent immediately, over the current levels offered to the various lines. This will encourage the lines to try and maintain their service levels during the current critical period.

On the documentation front, many lines have simplified their processes to assist the trade, despite the systems of each of the lines being different and the legalities involved in doing so. Many lines are issuing electronic delivery orders which obviates the need for physical presentation of bills of lading at the time of cargo release.

While it is well recognised that the above efforts made by the shipping lines are very significant, the shortage of truck drivers and the port/CFS labour remain to be critical challenges. The drivers/ labourers need to be encouraged and incentivized by the Transporters/ Government to return to work to help keep the supply chain moving.

All in all, CSLA is committed to working with the government and the trade in trying to mitigate the consequences of the COVID 19 pandemic and suggests that its recommendations be given due consideration by the powers that be. 

IMPACT OF COVID-19 ON SHIPPING AND LOGISTICS

Industry stalwarts discuss threadbare the prevailing logistics and supply chain scenario and issues in clearing cargo during the COVID-19 lockdown

The debut webinar by Maritime Gateway brought together industry leaders representing ports, CFS, shipping lines and the shippers to discuss the state-of-affairs across the supply chain during the lockdown. Setting tone for the hour long discussion which was followed by a quick Q&A session, **Ramprasad**, Editor-in-Chief and Publisher, Maritime Gateway shared an eagle's eye-view of the current scenario in movement of cargo and operations of service providers at sea and shore.

The logistics chains are going through unusual and massive losses from the disruption caused by the COVID-19 pandemic. The disruption is both from supply and demand side. Terminals, CFSs, ICDs and warehouses are feeling the heat. The shutdown of factories and scarcity of manpower to de-stuff cargo as well as drivers to operate trucks for cargo evacuation has derailed the trade and smooth functioning of the logistics industry. The estimate is a cumulative loss of \$9 trillion to the global GDP and the world trade has already witnessed a decline

by 32 per cent. India's exports plunged by 35 per cent and imports by 29 per cent. The ports witnessed a 50-60 per cent fall in traffic, operating at 30-40 per cent capacity. There is a 5.25 per cent decline in cargo volume in March vs March of 2019. In case of containers the downfall is about 12.51 per cent. The turnaround time at ports is around 12.2 days, which was about 3 days in pre-COVID-19 scenario.

An estimated 1.5 million truck drivers have gone to their native places and there are a lot of restrictions on inter-state and intra-state movement. This also caused a spike in freight rates ranging from 15 per cent to nearly 80 per cent. A similar situation we are witnessing at neighbouring ports of Sri Lanka and Bangladesh with huge container pileup happening. Currently it is estimated that 80,000 containers are stuck at CFS in and around JNPT and about 50,000 containers at Chennai Port and we are hearing similar situations at other private terminals.

With this background, Ramprasad placed the first question before the panellists:

Q. In the second phase of lockdown what is the ground reality? What are



the container evacuation strategies?

Capt. Deepak Tewari, Chairman, CSLA: We are not in a good position. As far as shipping lines are concerned, globally volumes have gone down by more than 15 per cent and they are likely to go down during the course of the year to 28 per cent reduction Y-o-Y, as compared to last year. And this goes well above than 10 million to 15 million teus. Shipping lines have had to resort to blank sailings and this number since the COVID-19 hit us is 435 blank sailings globally. In India alone 43 blank sailings have taken place between March 22 and April 22. This indicates the lack of export cargo and not only the shipping lines will feel it, but the ports, supply chain and ultimately the exporters/importers will feel it. Today we are facing congestion at



Shipping lines have had to resort to blank sailings and this number since the COVID-19 hit us is 435 blank sailings globally. In India alone 43 blank sailings have taken place between March 22 and April 22.

Capt. Deepak Tewari, Chairman, CSLA



People may now wait till May 2nd to clear their cargo, but the capacity at the ports, CFSs/ICDs is limited and unless the imports are moved out there is no port in the world which can accept indefinite deliveries.

Capt. Sandeep Mehta

President - Business Development, APSEZ



About 100,000 teus were moved till April 22 out of which 25000 teus have been evacuated from the CFS. We are still stuck with 75,000-80,000 teus at CFSs just in JNPT and about 50,000 containers in Chennai CFSs.

Adarsh Hegde

Joint Managing Director, Allcargo Logistics Ltd

Jasjit Sethi, CEO, TCI-Supply Chain Solutions: When the lockdown was announced on March 23rd there was no proper place for the truckers to go. With all the dhabas shut down the truck drivers abandoned their trucks took whatever commute they could find and rushed to their homes. Since all the factories were closed the trucks could not be unloaded. The result is that across the highways there will be around 100,000 trucks parked at the dhabas or petrol pumps, waiting for things to normalise. Most of the driver community is from UP, Bihar and Jharkhand, and now there is no transport for drivers to come back easily. The only option is to board any truck which has space for one more person.

Besides essential goods whatever was moving on the roads is at a standstill. Private companies such as we worked out to get and secure the cargo and the industry has been successful to about 75 per cent. For the sake of social distancing the driver community is not willing to come out. Now we need to inspire the drivers to come out with safety as a COVID-19 warrior. So, before talking about life after COVID-19 we need to talk about life with COVID-19. I can see a growing frustration in the industry because I can see this lockdown pushing us more backward than moving forward. Lockdown 2.0 will be very bad for everyone including supply chains, essentials and non-essentials, for any trade to start and for people to start coming out.

We have to look at getting normalcy back into the industry. The Prime Minister has spoken about supply chain being an essential service but the Disaster Management Act of 2005 doesn't speak of supply chain being an essential service. At the same time we need to ease the production units, don't burden them with penalties in case of any issues. Finally, it is time to get back to work with the new normal.

Q. Since we have heard all the versions of the service providers,

please tell us what is the situation with the shippers?

Tarlochan Singh Ahluwalia, President, Northern India Shippers Association: There is congestion at the ports and the CFS have rightly put their operational issues, but at the last mile of this is the receiver. The factories, warehouses are closed and even if any cargo reaches any factory or warehouse there is nobody available to take the delivery or get it de-stuffed. When we approach the bankers, the courier services are not functioning so the documents are not moving. If an exporter/importer is approaching his banker the documents are still not moving and so there can't be any further development.

Imports also form a source of quick revenue to the government, so imports should be cleared on priority basis. We give priority for clearing but there are some shortcomings - getting permission for stuffing exports is a big problem. I have spoken to railways and CONCOR to utilise this opportunity and reverse the case by moving more cargo from road to rail. Clearance of cargo at ports/CFS has started only after April 15-16, so there will be a gradual improvement in evacuation of cargo. Courier services have started operating but still people are scared to come out, so the documents are not moving. Until the documents are cleared and payments are made, people will not get the documents. On the expenses side, even importers/exporters are paying rents, salaries and utility bills, so everyone is loaded with expenses. But still I appeal to all my FIEO and NISA members to get their import cargo cleared as soon as possible.

Q. Do you anticipate accelerated empty container movement into the country to make up for the equipment shortage?

Capt. Deepak Tewari: If shipping lines do not get any exports the ports

get congested and shipping lines cannot discharge their imports. The shipping lines are going to be hit so badly with tonnage lying idle – some with cargo and some empty. This is how bad the situation is. When people talk of losses we are talking of billions of dollars of loss. As Adarsh Hegde mentioned earlier, we are pushed by the government for allowing free time to importers/exporters. Since we all are in some or other form of financial distress, it's time we get together and work the situation in the best way forward.

To answer the question, we will not bring empty containers into the country. We have sufficient number of loaded containers lying here which need to be de-stuffed and we cannot afford to run our ships on empty containers. When the imports are de-stuffed, the empty containers can be used for stuffing exports.

Q. Will there be demand for duty paid domesticated containers by the CFS or OEMs in order to save cost or store imports coming in?

Adarsh Hegde: That's the only possibility looking forward if the cargo is to be de-stuffed. If the importers don't come forward and clear their cargo or request to move their cargo into a domesticated container, such request has not yet come. With warehouses fully chocked I believe this could be a possibility.

Q. Customs has facilitated electronic movement of documentation, is it working well?

Adarsh Hegde: It is working well atleast in our system as we are also into forwarding business. The transactions are being processed smoothly.

Capt. Deepak Tewari: as far as Customs facilitation is concerned, I must take my hats off to the Customs for the fantastic facilitation they are doing, because during these challenging times they have moved most of the manual



processes to electronic interfaces and this is for clearance of returns, giving NOCs and even clearing cargo, etc. they have come forward to make clearance as smooth as possible. We are trying to move electronic Bills of Lading from the shipping company's office to the shipper (exporter) who can digitally forward it to the bank and the bank can send back the same document to the shipping company's office for the delivery order to be handed over to the consignee. Last week the Ministry of Shipping has sent a letter of request to the Commerce Ministry to direct the banks to start accepting electronic bills of lading. If we can accept electronic bills of lading in India, it will smoothen the process for Indian exporters.

Q. Is this the right time for modal shift from road to rail?

Jasjit Sethi: Rail freight is already happening. Going forward multimodal logistics could be the new normal. Railways has taken a greater share of cargo movement in the last month and it's a welcome change when the cargo gets more multimodal. India is largely moving cargo on open trucks and customised trucks which will enable things to move better into the hinterland. In the post COVID-19 scenario, the hygiene standard that is required both in terms of handling of cargo and personal hygiene of truck drivers will also improve. There will also be a lot more automation, to stuff a truck if we do a head-load of 30-40 kg, for stuffing a 20 tonne truck you require about 400 trips. Now compare that with a palette which is much faster and has got less human touch. So you will find more automation coming into the entire



The factories, warehouses are closed and even if any cargo reaches any factory or warehouse there is nobody available to take the delivery or get it de-stuffed.

Tarlochan Singh Ahluwalia
President, Northern India Shippers Association



Going forward multimodal logistics could be the new normal. Railways has taken a greater share of cargo movement in the last month and it's a welcome change when the cargo gets more multimodal.

Jasjit Sethi
CEO, TCI-Supply Chain Solutions

supply chain for handling of cargo in a multimodal network.

You will also see a lot of automation into warehouses with less staff and more of machines doing the job. This is not only a commercial consideration but also a business continuity necessity.

Q. Given this situation what will be the scenario of liquidity and cash flow issues in our industry?

Adarsh Hegde: All the CFS/ICDs are going through a cash flow crisis. When



we evacuate containers from port into the CFS everything has to be paid upfront – be it drivers or leased trucks because our own trucks are operating at 25-30 per cent capacity. So our cash outflow is bigger than the cash inflow, because containers are not moving out continuously and if this continues for another 15-20 days then we all will get strangled. If the situation continues for next 2-3 months wherein there are no exports/imports happening then the shipping lines will also stop calling at our ports.

Q. What do you visualise immediately after the lockdown is lifted?

Capt. Sandeep Mehta: Nothing major is going to change because several areas will still continue to be under lockdown. There will be red zones, limitation in transportation, migrant labour who have gone home will not return so easily, so the economy is going to be impacted in any which way you look at it. This is the new reality of the world and we need to provide safety for people to come in but you won't see any mad rush as people will not come out immediately after the lockdown is opened.

Q. How is the logistics sector operating in the work-from-home scenario?

Capt. Deepak Tewari: This has taught us to go digital and its major benefit is the social distancing required under the current circumstances. The little things that we were used to do physically work just fine in digital mode, it's a learning curve.

Jasjit Sethi: Quite similar, the lockdown has brought us much close socially, so it is physical distancing and not social distancing. The desk jobs are working fine but the field work done either by personnel or machines has taken a back seat. For us the front line

workers need to come out for the actual work to happen.

Q. Recently there was an appeal made by logistics service provider associations for clearing dues and making 100 per cent advance payment. What is the reaction from the shippers' community?

Tarlochan Singh Ahluwalia: Clearing of cargo happens only when the importer gets the documents. In the present scenario movement of documents is a big challenge. The second thing is when the importer gets the document he should make the payment, but the banks are not as cooperative as they appear on the media. Anything coming beyond the limit, be it the request for making advance payments, is just impossible at the moment. I have managed to persuade CONCOR to get permission state-wise for moving empty containers to be stuffed and import containers to be unloaded at the factories, but the factories are closed. But the railways have offered floating cargo for 15 days.

Q. The consumer sentiment being low now and considering economic downturn across the globe, what will be the scenario of warehousing requirement in the next couple of years?

Adarsh Hegde: I think the warehousing requirements will keep going up, I don't see there will be any change because the entire logistics ecosystem will undergo a change in the coming months. Digitalisation is the way forward. Even during the lockdown we have been getting a lot of enquiries for warehouses. It's not just because of COVID-19, but it's a long-term requirement of the people.

Jasjit Sethi: There will be more warehouses coming in because of the safety stock. Lot of people had moved to an environment of just-in-time leaving out the inventory in between. We run a warehouse

for FMCG outside Delhi where in the last one month dispatches were 60-70 per cent of the normal but inwards movement is only 20-30 per cent, because the plants are shut down and it is the safety stock that is being supplied. Across the country whatever is being supplied is the safety stock that we had.

Q. When do we see business get as usual?

Capt. Sandeep Mehta: business as usual is what you see now and this is going to continue for the next two quarters. People need to realise they will have to work remotely, conserve cash, invest in technology, maintain mental health and this is the new normal.

Capt. Deepak Tewari: I agree with Capt. Sandeep Mehta that this is the new normal. We need to get more digital, reduce human interface as much as possible until a proper medicine is available to cure COVID-19 we are going to continue like this and we need to make the best of it.

Concluding the webinar Ramprasad announced the poll results:

Q. Post lockdown how long would you estimate it would take for our industry to get back to business as usual?

A. The participants have voted that it will take atleast 6-12 months before we can see any normalcy is restored.

Q. What are your top 3 concerns with respect to COVID-19?

The participants voted for:

- Global recession
- Financial impact
- Supply chain issues

The COVID-19 scenario has once again underscored the significance of logistics and supply chain and everybody has to get used to the new norm. Stay home and stay safe.



GARMENT TRADE TRAMPLED

More than \$2.6 billion worth of garment orders have been cancelled and more are being withdrawn as the dark shadow of COVID-19 creeps across the globe, shattering trade links and supply chains. Almost half of these garments are in the production process or have been completed at the world's second largest garment exporter. Apparel factories in Bangladesh are idle since March which means they are forced to lay off and face an existential crisis.

To deal with this situation, the government has announced Tk 5,000 crore (\$590 million) bailout package to pay salary and wages to the workers employed in the garment industry and has offered loan at two per cent interest. The government has also announced an additional Tk 67,750 crore financial stimulus package.

Bangladesh knitwear Manufacturers and Exporters Association (BKMEA) has revealed its members have lost more than

As retailers face a shutdown in US and Europe, the cascading affect has caused mass cancellation of orders in Bangladesh

\$3 billion with all orders until July either cancelled or suspended. About 1,048 factories that are member of Bangladesh Garment Manufacturers and Exporters Association, have reported that orders for around 900 million garments have been cancelled.

Retail brands in the US and Europe source apparel from Bangladesh's textile industry, but the pandemic has led to many of those brands shutting down their stores, forcing them to cancel orders or delay shipments. The lock down in Italy

has already cost dearly to the world's second largest exporter of garments as the European nation used to import \$150 million worth of garments a month from Bangladesh.

EU is the largest destination of Bangladeshi exports as a bloc. Following the imposition of travel ban by the US the share markets in EU countries, including the UK, witnessed a slump as the US is one of the biggest markets for EU products, including automobiles, Experts and businesses mentioned.

'If the economies of the EU and the US are affected due to the measures to prevent coronavirus it would adversely impact Bangladesh's economy as the country's export earnings mostly depended on the two markets,' Abul Kasem Khan, former President of Dhaka Chamber of Commerce and Industry, said.

China and India are the main sources of raw materials for Bangladesh, and an imposition of travel ban by India would have a negative impact on Bangladesh's production. The average trade loss is approximately ₹200 crore per day at the Sutarkandi border checkpoint in Assam's Karimganj district. Thousands of trucks loaded with perishable and non-perishable items as well as coal have been stranded at the check post at the Sutarkandi border.

Tonnes of essential food items, including fruits and vegetables, which are to be exported to Bangladesh, have been stuck at the border in Mahadipur in West Bengal as the nationwide lockdown has led to suspension of cross-border trade. Around 500 trucks pass through the land port every day. The trucks contain maize, onions and around 3,000 tonnes of fruits, chillies and ginger are stuck at the land port. Prasenjit Ghosh, General Secretary, Mahadipur Exporters Association has informed that around 3,500 vehicles are currently stranded near Mahadipur Land Customs Station and at different godowns since March.

Due to the cancellation of orders for non-essential goods exporters are fearing congestion at the Chittagong Port. The total storage capacity of the port is 49,018 teus. However, the number of loaded containers stranded at the port has already risen to 40,000 teus. [MBE](#)





LENDING INTELLIGENCE TO SUPPLY CHAIN

If you're shipping millions of dollars' worth of pharmaceuticals, high-end electronics, expensive seafood, or precious metals, what would you be willing to pay for the ability to 'ask' your shipment where it is right now and whether it's ok? What would you pay for a freight smart enough to raise an alarm before it spoils? Artificial Intelligence enables that and much more...

BY OMER AHMED SIDDIQUI



The world finds itself in the grip of an unprecedented pandemic. In many countries, the manufacturing of most commodities, apart from essential goods has come to a complete halt. Shipping and logistics operations too have been greatly affected, which is why industries world over are placing more emphasis on Artificial Intelligence (AI) and automation. In a nutshell, the idea of an autonomous supply chain that offers unprecedented information security finds immediate appeal.

But for those who are not tech savvy, a quick look at the basics first: The simplest way to define AI is to have a software mimic human behaviour that includes ability to learn, think and decide. If you'd extend that simplest of



definitions to logistics, there are several opportunities that spring up to enable self-learning, correction and decision making in the logistics industry. Logistics in general has at least two distinct resources - the freight/cargo and the firms that move that freight. There is reassuring evidence that both firms and freight are increasingly becoming smart at their atomic levels. This accelerated adoption of technology is due to the inherent desire of knowing the status of freight - where is it, how is it and when will it arrive?

For a supply chain network that covers large geography, AI can provide the much needed granular visibility into where and how your cargo is, learn to recommend corrective actions such as route optimisation, intervention to save the condition of cargo and predict accurately the flow of goods through touch points. "Artificial intelligence is the ability of machines to make smart decisions with the available datasets. By implementing AI in logistics and supply chain, companies can save up to \$2 trillion every year," reveals **Purnendu Shekhar**, CEO, Cogoport.

"AI can be also used to predict future disruptions and events due to internal and external factors, how logistics capacity planning in warehousing and transportation needs to respond to any disruptions and events. At operating level, we can relate to the production planning with our daily order picking plan or manpower planning as fulfilment centre acts as a factory, informs **Naveen Rawat**, Co-Founder Holisol Logistics. A report by McKinsey stated that the potential value of AI in this industry was around \$1.2-2.0 trillion in 2018.

AI can enable the analysis of significant volumes of data while doing away with the room for human error. AI/ML can leverage massive data sets to first enable machines to perform various operation related tasks in nearly autonomous ways. For operations, such an approach can be used to streamline and automate the entire production life cycle. Predictive analysis can also be used to identify bottlenecks and problems thereby speeding up the process of resolving operational challenges. Automation can bring about a sea change

in efficiency for data tracking, planning, scheduling and rescheduling processes. For instance, the implementation of AI helps ports make accurate predictions on the arrival of container ships. Machine learning can also help identify trends in shipping lanes and ports. "Shipping lines can make decisions on the optimal sailing route and sailing speed; port operators can predict yard utilisation, freight forwarders can use it to accurately predict transit times. A study by McKinsey shows that Logistics industry can save between \$1.3 to \$ 2 Trillion per year in economic value by integrating AI into manufacturing and supply chain processes," shares **Liji T Nowal**, MD, ODeX India Solutions Pvt Ltd.

"The finance industry is employing AI in a lot of their functions requiring forecasting and analytical decision making. However, in logistics, a lot of intuition and guesswork is involved while predicting transit times during ship and air freight movements. We too can utilize the data loads available with us in creating machine learning models that could predict average daily transit time in advance. This

"AI will provide the much needed granular visibility into where and how your cargo is, learn to recommend corrective actions such as route optimisation, intervention to save the condition of cargo and predict accurately the flow of goods through touch points."



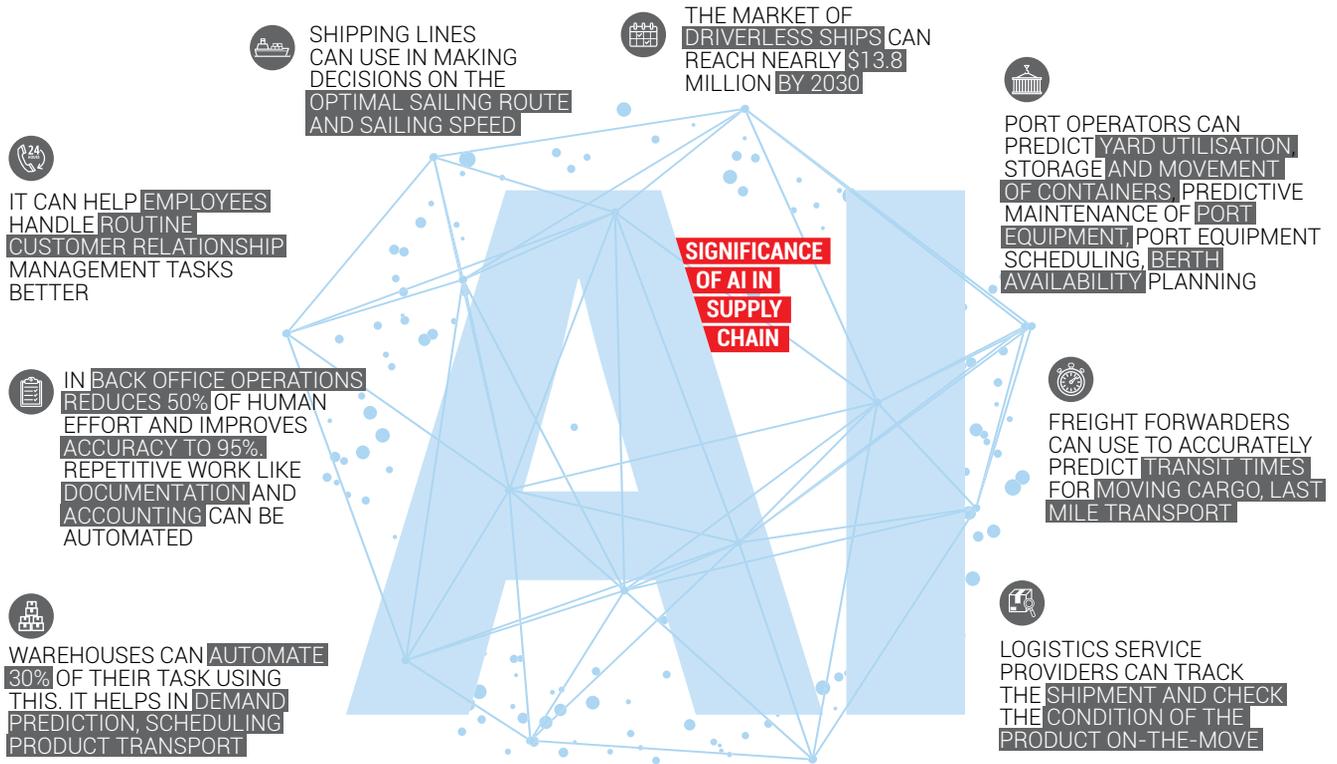
Surendra Lingareddy
Director-Asia Pacific, Volteo

would help freight loaders in planning their operations efficiently. Additionally, if we could incorporate parameters like climate variations, traffic fluctuations, etc. in the model, we could do wonders," suggests **Surajit Sarkar**, COO, DLDS. Some of the greatest tools in marketing nowadays involves utilizing the customer sentiment harnessed through AI in placing and promoting products. Logistics could too utilize this customer-centric data to ascertain material shortages, demand, supplier status, and other issues.

Another great impact of AI in logistics is the ML assisted predictive analysis. This allows the customers and also the logistics managers to get answers for questions like when, where and why? For logistics managers tracking of drivers and consignment has become easy with the implementation of AI.

Taking a cue from AI being used in various industries:

- Ocado, a UK based online grocer, ships an astounding 3.5 million grocery items, within the course of a week, in a pre-global pandemic market. This warehouse is driven by AI fuelled bots. This borg like an ensemble of bots is straight out of a science fiction fantasy. For Ocado, it is humdrum effective reality. The machine algorithm for these bots recognizes frequently accessed items and those rarely ordered. In the warehouse, items are stacked in a manner that offers the utmost efficiency for order fulfilment.
- A fertilizer company is working on what is possibly the world's first self-driven ship, similar to self-driven cars being used for road transport. Yara International ASA is set to unveil The Yara Birkeland, a 120-teu open hatch container vessel which will be powered by a 7-MWh battery. Similarly, Intel along with Rolls-Royce is also developing self-driving ships.
- Like the use of AI in streamlining manufacturing where it helps streamline maintenance and production. This is usually accomplished with the aid of image recognition and conversational interfaces. In a similar way, AI can also be used to develop smart roads. These roads can use sensors to detect traffic



volumes and alert drivers accordingly. They can be used in sync with self-driving ships with the aid of vehicle to vehicle communication, leading to an optimal multi-modal supply chain.

- Data analytics is used by businesses to assess demand for a specific product in target regions. Similarly, one can also incorporate machine learning algorithms to predict inventory for a specific product in a warehouse. For instance, this would enable freight forwarders to predict if the average daily transit time is expected to rise or fall within a specific time period. AI can also offer insight into climate and operational factors that could lead to delays.

Let us see how AI is transforming the logistics industry:

Maritime safety and surveillance:

The advances include how ports can be exerted on growing sizes of the vessels. Like –

- port equipment scheduling
- berth availability planning
- predictive maintenance of port equipment

A leading transportation and logistics firm has benefitted by collaborating with

“Using AI, shipping lines can make decisions on the optimal sailing route and sailing speed; port operators can predict yard utilisation, freight forwarders can use it to accurately predict transit times.”



Liji T Nowal
MD, ODeX India Solutions Pvt Ltd

the AI startup MAANA. By implementing AI, the time spent on port omission decisions was reduced by 99.7%. The usual 6-hour port rerouting analysis was cut down to just one minute.

Augmented real-time decision making:

Logistics involves repeated tasks that have huge input data. By the implementation of AI, complex decision making can be done within seconds. For example, decision of route, carrier and last mile transport.

Automated Warehousing: “In warehousing operations, AI models when combined with Machine Learning, Natural Language Processing (NLP) and robotics can build analytical models to notice patterns and suggest actions like the renewal of stock items, finding the shortest walking route, and improved inventory positioning in the warehouse. AI combined with computer vision equipment could assist in assessing barcodes and thereby improving response times,” explains Surajit sarkar, COO, DLDS.

One of the biggest problems warehouses face is the unpredictability in demand for products. With AI in the picture, this issue can be easily solved through intelligent predictions from past data. All it takes is to install an AI system that is constantly fed with daily demand and supply data. Intelligent warehouses can also save transportation costs by

avoiding regular transport of products to and from the warehouse. Machine learning (ML) algorithms are effectively reducing human efforts in inventory and warehouse maintenance. AI based algorithms are making these warehousing jobs effortless. Robotic assistance along with AI is being used in major logistics industries across the globe. Lastly, AI can also automate various back-office operations in the warehouse thereby avoiding human errors.

According to Vero Solutions, 30% of warehousing tasks can be automated. This is made possible by the usage of computer vision to recognise and organise the products. It is proven effective and successful in many warehouses like Ocado in Great Britain. AI increases efficiency and profits.

Autonomous vehicles

“Autonomous cars are AI at its best. The car is self-aware at all times and several paradigms can be borrowed from AI to apply to the logistics industry. Even semi-autonomous cars now detect human fatigue and act on behalf of them. When tire pressures are low, the car is aware of its impacts on performance and can trigger self-inflation to mitigate. This ability to self-correct can be truly revolutionary for the logistics industry. For example, consider the transport of bananas. If for any reason, there is a delay in shipment and bananas start ripening, the sensors in the cargo can indicate the rising ripening levels as a basic step. Combined with AI and investment from logistic providers, additional cooling or ripening prevention techniques can be auto-initiated. Measuring the intervention time and charging appropriately for that intelligent service that prevents the loss of shipment would be tremendously useful for all parties,” explains **Surendra Lingareddy**, Director - Asia Pacific, Volteo.

Waymo, the American company known for the Google driverless cars is planning to build driverless trucks that can be used for transporting goods. Rolls Royce and Intel, the two leaders in their respective industries are collaborating to build driverless ships. Recently, OOCL, a Hong Kong based shipping line, completed



a development process over a period of 15 weeks with MSRA, Microsoft’s AI research center. This process enabled OOCL to have cost savings of an astounding \$10 million in the ensuing year. A report by Markets and Markets estimates that the market of

driverless ships can reach nearly \$13.8 million by 2030. Some of the advantages of driverless cars and ships include efficient fuel usage, optimized routes, and avoidance of human mistakes.

Although certain governments insist on the presence of drivers in the vehicle, the possible risks on each road can be avoided. For example, Rolls-Royce AI features includes identifying objects under water and monitoring engine condition.

In back office operations: The back-office is one area where AI has some of the most impactful use cases. By using robots for the back office works like documentation and accounting, it reduces 50% of human effort and improves the accuracy to 95% where humans can achieve only 85%. Leverton, an AI powered software company claims that their AI software can reduce 30-50% of human effort in logistics.

In demand prediction: AI based tools increase the accuracy in demand prediction and thus improves the inventory. They are smart to predict the availability of inventory and truck delivery beyond prices and optimised routes.

Improving customer experience: Customer Relationship Management

“AI will provide the much needed granular visibility into where and how your cargo is, learn to recommend corrective actions such as route optimisation, intervention to save the condition of cargo and predict accurately the flow of goods through touch points.”



Naveen Rawat
Co-Founder, Holisol Logistics



(CRM) that incorporates AI has the potential to take employee productivity in CRM activities to unprecedented levels. AI can help employees handle routine CRM tasks better. For instance, call analytics software can record important interactions in person or over the phone, generate transcripts, collect and collate time-stamped information, record references to phrases or relevant topics. Meetings can be set-up automatically with AI based calendar tools. Intelligent algorithms can also help target customers more effectively and bring about a quicker resolution to end-user problems. According to Gartner, at least 52 per cent of the telephone firms today use chatbots for customer relations management.

Voice assisted deliveries have improved customer experience. For example DHL logistics can be tracked through virtual assistants like Alexa. DHL has partnered with Amazon to use its Alexa services. Alexa has been taught through AI to answer questions from DHL customers about the estimated time of delivery, the current whereabouts of the package and so on. Another example is Cogoport, a logistics marketplace company that uses AI to help suppliers move their goods faster and cheaper. It also provides a wide range of services like easy quotation generator and invoice generator.

AI has also resulted in better work satisfaction for employees as they can be used in more strategic roles to solve more complex tasks, which require the human touch. Some use cases are where AI can automate auditing processes, verify documentation for compliance purposes, and use RPA for data migration.

Using big data

Vast quantities of information are generated through the movement of freight. Trucks generate gigabytes of information per mile that never leave the truck. Chartered carriers generate information they are unable or unwilling to share with logistics companies. Logistics companies have centralized information systems that collect and process information about routes that are their competitive differentiation, and their ability and willingness to share that

"AI can stimulate & forecast all KPIs (inventory, lead time, cost and more) of your supply chain and enables you to take the decision that is truly data driven."



Purnendu Shekhar
CEO, Cogoport

information with supply chain managers is constrained, especially when they compete on price and, historically, have not seen customers willing to pay an uplift for information.

While there is a great deal of information trapped in the various bubbles in the logistics ecosystem, there's also a lot of information that's never collected. Freight in motion moves through environments whose available communications bandwidth is expensive, constrained, and unreliable, and carried by charters that are disincentivized to collect or share information. There is a tremendous opportunity to generate, collect, and provide vast quantities of valuable information, and to apply edge intelligence to capitalize on that information at the edge where it is generated. That is the most exciting thing.

A case in point is DLDS effectively mining big data: Surajit sarkar, COO, DLDS says, "DLDS is engaging Artificial Intelligence in streamlining its operations at each step and maximizes value for stakeholders. We have created superior AI models that collate our data and offer real-time freight movement to our stakeholders so that they can plan their delivery timelines in advance. We use a highly organized and streamlined central data repository system that collects data from all sources, starting from the loading of cargo

to its final delivery. Specialized big data models are utilized to enrich this data, to access risks, issues and offer insights into improving cargo movement. We present such information as analytical reports to our customers every month, which enables them to improve their operations significantly."

Artificial Intelligence is the key here as it can use this excess amount of data to intelligently predict various useful parameters. Here are some ways in which AI can help the logistics industry by using various data:

1. Improved cost of transportation

One of the biggest challenges that logistics and freight companies face is the excessive transportation cost due to poor route selection, unpredictable weather, delays in ports and rising fuel prices. This is where AI can help. There is a huge amount of data that is generated while the ship is moving on the waters such as wind speed, direction, engine power used, etc. Based on these data, an AI system can predict the optimal route and driving configurations to the captain who can make the corresponding changes on the journey. As a result, not just the cost of transportation will improve, but even the emission control standards will be adhered to due to better fuel efficiency and less pollution. This is especially useful because it is estimated that the growth of emissions from international shipping is going to rise by 50% to 250% by 2050, according to a study.

2. Improved port operation

Based on past transportation data and the data pertaining to the current whereabouts of the ships gathered through GPS and device sensors, efficient decisions can be made on terminal and berth allocation for the cargo. This helps logistics companies to minimize the time spent by the ships anchored outside the port and wait for an available slot.

3. Improved prediction of the estimated time of arrival

Logistics companies have an abundance of data owing to the involvement of various

stakeholders on a day to day basis. When such large quantities of data are processed using AI, it can have a significant impact on various parameters such as cost of transportation, improved port operation and better prediction of the arrival time of the ships.

Past data such as time taken to deliver a consignment, the average time spent by a ship on waters, the average delay in delivering a consignment are all dependent on various factors. When all these data are constantly fed into an AI platform, it can predict the possibility of delays in the arrival of a consignment. Marketplace platforms like Cogoport accurately provide real-time updates of your consignment online. The Hamburg Port in Germany has installed an AI-powered tool that pulls data such as vessel position and proposed driving routes. This helps in predicting the estimated arrival time of the ship which is of great help to the port workers who can be ready with their trucks at the exact time of arrival of the ship.

Real-time visibility

AI-based analytics tool enables you to bring your suppliers, service providers & carriers on the cloud platform to give real-time end-to-end supply chain visibility on a single screen. It can stimulate and forecast all KPIs (inventory, lead time, cost and more) of your supply chain and enables you to take the decision that is truly data driven, reveals Naveen Rawat.

“Some of the greatest tools in marketing nowadays involves utilizing the customer sentiment harnessed through AI in placing and promoting products. Logistics could too utilize this customer-centric data to ascertain material shortages, demand, supplier status, and other issues.”



Surajit Sarkar
Chief Operating Officer, DLDS

As they say, supply chain is as strong as your weakest link. Today, the weakest link is to retrieve real-time information about your cargo. While advancements are being made, most of the world still operates where visibility happens only at specific points, e.g. on the tarmac, at the factory or at your customer site. In places where AI is being successfully applied, there is always ubiquitous presence of intelligence at the edge.

How to start using AI?

The gradual integration of AI technologies into a comprehensive and scalable logistics software system can be a good strategy at present. In the beginning, the focus should be on outbound operations, vehicle optimisation and sales forecasting, suggests **Naveen Rawat**, Co-Founder Holisol Logistics.

To begin the following are the questions that any organisation must answer before commencing any AI program, advises Liji T Nowal:

- Which are the areas of business where automation is required?
- What data do we have about these processes?
- What is the source of the data?
- What benefits can be achieved by implementing AI in these processes?

But, much also depends on the role of the company in the logistics industry. For carriers, we would recommend making vehicles and their subsystems smart. We talked about tires. What about trailers or containers that are smart enough to let you know when they're empty? What about self-aware trailers that know that they are broken or stolen? For logistics companies, we would recommend making freight smart as discussed previously. There are also opportunities to make facilities smart to better track warehousing; if your warehouse is 'smart', you don't need to conduct brute force reconciliations. We advise on making atomic level investments first, combine that with edge intelligence and gains can be made in quick order, suggests Surendra.

Opportunities/challenges in using AI

One of the biggest challenges is the traditional business model; logistics competition is usually price based, and the purchasing agents are measured on their ability to negotiate lower rates. But we are also confronted with a unique opportunity to rethink this, as supply chain managers are confronted by their pandemic performance and are required to evaluate supply chain resilience. This will create an opportunity to compete on the basis of visibility and intelligence. 





While India has allowed uninterrupted movement of imports into Nepal even during lockdown, China is reopening its borders as it emerges from the pandemic

TRADE RESUMES WITH CHINA

After being shut for over two months, the Tatopani Customs Office along Nepal-China border resumed operations in April with the import of first lot of healthcare materials from China. A consignment of 7,500 units of N-95 masks and 500 bottles of sanitizer arrived through the customs point into Nepal. Tatopani and Rasuwagadhi are the main land routes for trade with China. Nepal closed both the border points on January 29, following the outbreak of coronavirus in China. Navaraj Dhakal, Joint Secretary, Ministry of Commerce and Supplies informed that Rasuwagadhi route will also be opened soon after finalizing the modality of procedures of Customs clearance, quarantine and preventive measures.

The sudden closure of border had left more than 300 trucks loaded with Nepal-bound goods stranded in Kerung – a Chinese town near Rasuwagadhi border. The Tatopani border had resumed operation in May after a gap of nearly four years due to the 2015 earthquakes. However, only a few consignments made through the border point, which was one of the largest customs points of the country. Goods worth only ₹5 billion entered the country between mid-

July to mid-March of the current fiscal year compared to ₹27 billion from Rasuwagadhi border.

China along with Europe and the US are major markets for Nepali handicrafts. Monthly handicraft export is worth around ₹1 million to ₹1.5 million. On annual basis exports of handicrafts can reach about ₹6 billion a year. But due to the pandemic exports have completely collapsed. Further handicraft production has also been affected due to a shortage of raw materials, which mostly come from China and other virus-hit countries.

Foreign investments have taken a major beating due to the pandemic, as most of them were from China. During the first six months of the current fiscal year, FDI pledges increased by 315.3 per cent to ₹190.36 billion and most of them were from China. But during the past two weeks not a single foreign investment application has come in.

Indo-Nepal trade

Even as lockdown continues in India, considering the hardship traders face during this period India has agreed to allow movement of Nepal-bound goods through

its customs without requiring original documents. The Department of Commerce in India has issued a circular to its agencies permitting Nepali traders to import goods by submitting copies of original documents. As per the existing practice, traders must submit original documents, except in particular cases where electronic copies were considered valid under the privilege of electronic cargo tracking system and the transshipment facilities, for import of goods.

Containers loaded with imported goods entered from India into Nepal without any disruption even during lockdown. However, controlled movement inside Nepal has affected movement of the imported goods. As a result, ICD Birgunj is now overstocked with the imported goods as traders and industrialists are not in a position to take delivery due to the lockdown. Mainly industrial raw materials have remained dumped at the dry port, while it has also created congestion for fresh imports.

A total of 200 consignments have entered Nepal via the Birgunj dry port during the past two weeks of lockdown. While 20 trucks were loaded with fresh vegetables and fruits, 70 tankers were carrying petroleum products and 53 bullets ferrying cooking gas. Likewise, 17 trucks were loaded with finished goods and remaining were carrying industrial raw materials, among others. 



LESS HUMAN INTENSIVE, MORE DATA DRIVEN

AI provides transformational opportunity for logistics industry by improving customer experience, operational efficiency, faster turnaround time and lower cost while ensuring security and transparency. Macro environment requires industry to transform to be less human intensive, agile and data driven, all of which can be accelerated by AI adoption, shares **Gangadhar Gude**, Founder & CEO, atai.ai





Q What does Artificial Intelligence (AI) mean to logistics industry?

AI to logistics industry simply means how can I run my business more efficiently, how do I provide a better customer experience, how do I shorten the transaction time and how do I predict my business with more confidence? Logistics industry encompasses many areas including packaging, transportation, warehousing and last mile distribution of goods. Each area is very complex involving humans, equipment, space and time. Added to this complexity, the entire logistics industry is very fragmented with each area being handled by different players. Lack of information and data flow in a standardized and structured manner is a challenge found in this industry.

Technology adoption and innovation in manufacturing industries and changing customer expectations due to technology penetration in their day to day lives has put lot of pressure on the logistics industry to deliver the goods in shorter time at lower cost, while ensuring commitments, security and transparency. Artificial Intelligence powered by computer vision, process refinement and task automation

can help this industry to truly reinvent itself. Additionally, AI can help logistics industry to become agile, so that companies can adapt to fast changing disruptions in macro-economic circumstances pertaining to global trade and shifts in supply chain.

Q What best practice examples of AI used in other industries can be applied to logistics?

Let me give you three examples in the areas of planning, transportation and storing from our experience with various customers. One of the manufacturing companies in FMCG segment had an ERP system implemented which meticulously provides a consolidated sales projection month wise. This system was used by the plant managers to plan their monthly production. The manufacturing decision, raw material inventory planning, etc were being made meticulously using the data captured by the ERP system. However, the problem was under or over production resulting in revenue loss, customer complaints and enhanced friction between sale and operations team. It was a case of decisions turning bad

due to uni-dimensional view of the data. AI in this case was used to understand the data and derive the true demand. An AI based production planning system not only takes the demand requirements as captured by the ERP system, but also looks at the historical patterns and trends in sale projections and actual sales, takes into considerations external triggers/ events, individual biases, pattern of goods movement (ex: goods with sufficient shelf life vs before expiry dates), etc. A comprehensive system will also analyse the true sales pattern, interpret the reason for a sale and also provide recommendations for sales strategy. The true power of AI is realized when this holistic view is taken.

Coming to this particular case in point, the operations planning system powered by AI helped the plant to move on to Just in time production without dumping the inventory on to the regional sales team and while meeting the demand of sales team. It also provided an evidence-based sales and operations interaction leading to smoother coordination.

The biggest issue in transportation is improper loading, tracking of the vehicle, gating of the vehicle and wait time or idle time of the transportation vehicle. Computer vision-based AI systems can monitor the process of packaging the goods and the loading or stuffing process. It can provide real-time alerts when an improper handling or exception is noticed. We have implemented this system which also ensures the good quality packages are loaded, guides the order of loading and placement in the vehicle based on the order of unloading point and nature of the package. It also provides tracks and manages the quantity loaded in a real-time, monitors the final covering or sealing process and automatically interacts with the ERP system to update the inventory and create the required paperwork. In this process, it also provides an evidence-based status to various stakeholders and authorities. AI plays a major role in just-in-time vehicle dispatching taking into consideration the route planning, traffic conditions, environment conditions, regulatory conditions, external triggers (ex: possessions, unusual traffic activity,

AI can help logistics industry to become agile, so that companies can adapt to fast changing disruptions in macro-economic circumstances pertaining to global trade and shifts in supply chain.

etc) and the readiness of the destination point. The AI enabled vehicle management system helps reduce the idle time and improves the utilization by up to 90% and 95% respectively. Similarly, AI is used in performing the vehicle survey and automatically gating in the vehicle thus reducing the wait time to near zero.

Artificial Intelligence can be used in the warehouse or yard planning, stacking and ingress/egress operations. It is typically used to derive the most optimal warehouse or yard strategy based on the Ingress and Egress patterns. Ex: AI has been used to define the location of the goods in the warehouse shelf or container in the yard based on various parameters like FIFO or LIFO for warehouses or zoning or special stow requirements for the containers. Similarly, AI also considers the optimization of equipment usage while determining the location of the goods or containers in the warehouse or yards. This helps reduce the equipment usage cost per operation and it can go as high as 30-50% based on our practical experience. Coming to equipment usage optimization, AI can be used to assign jobs to the equipment based on various factors like its proximity, capability and cost per usage parameters.

Q How can the logistics industry start using AI and take advantage of it? Where to begin?

Step 1: Identify the key goals or purpose.

This exercise needs to be done at a business level and clear purpose needs to be defined. This acts like a guiding star in the journey of AI adoption as well as helps set the direction for the cultural shift in the organization.

Step 2: Perform a thorough independent study of the existing “As-Is” process and methodology.

This helps us understand and appreciate the current status. In our opinion, this is one of the toughest parts of the entire exercise. Apart from understanding the as-is conditions, it also acts like a myth buster for many operations and procedures. We recommend a strong champion for this exercise and with a clear backing of the top management.

Step 3: Creation of heat map for solutions and process changes vis-à-vis the identified goals.

This helps in creating the right prioritization and performing a true ROI model for this initiative.

Step 4: Create a pilot project for technology demonstration

This step helps the organization get a feel of the real benefits of AI when the rubber hits the road. The pilot needs to be selected carefully as it provides (a) confidence to the management as well as various impacting stakeholders on the technology (b) helps understand the unstated requirements from various stake holders.

Step 5: Execute the program in well-defined phases

We strongly recommend against a big bang approach which can disrupt or confuse the larger teams and the current business. This stage should also be utilized to reorient select teams and train them. They can bring in very good inputs to ensure quality of the product. The solution should be tested in real deployment scenario. This experience is also utilized to prepare rollout training material.

Step 6: Planned rollout

This is a solution rollout phase and needs to be preceded by the training program to all the impacting the stake holders.

Step 7: Continuous Learning

Unlike other technologies, AI based solutions undergo continuous evolution by self learning from changing environment and conditions, it involves continuous data monitoring & fine tuning of AI models.

Q What are the opportunities and challenges in adapting AI? (in warehousing/trucking/port operations/vessel operations)?

Traditionally, this industry has not been a leader in technology adoption. When it comes to Indian & South-East Asian market, the industry lags behind the global logistics market. Also, this industry is very fragmented which limits the organizational capacity for transformation programs. AI adoption cannot be looked at as an isolated solution as it requires deep process transformation and change management. To realize full benefits of AI, a lot of foundational work in digitization and automation may be required at many stages. Uncertain global environment may make it difficult for business leaders to approve new budgets.

Q Can AI be used in back office, operational, and customer relation management?

Logistics industries, while focusing on adopting AI in the core operational segment, companies can derive additional benefits by adopting it to support functions, back office, sales & marketing, human resource and finance. A typical logistics transaction involves multi-level, manifold paperwork, multi-party contracts. Natural Language Processing and Computer Vision based AI integrated with Robotic Process Automation can be deployed to automate the documentation process to eliminate inefficiencies. AI also helps improve customer relationship by providing personalised customer support & experience using customer assist bots. Management can do operational planning & decision making using predictive analytics and recommendations using AI algorithms. 

TRADE STUCK, ECONOMY SLOWS DOWN

Sri Lankan economy slows down as trade deficit widens and supply chain disrupts amidst lockdown

The United States has sought to continue trade with Sri Lanka despite the serious impact of coronavirus on most of the business operations. The US Embassy in Colombo has requested the Government to let continue operations of businesses exporting key products to the US while taking health safety precautions. The US continues to be the single largest export destination for Sri Lankan products, purchasing approximately 26 per cent of its exports. The US is working with Sri Lanka to support production of medical supplies for use worldwide as part of the global response to COVID-19.

Meanwhile, India gifted a 10-tonne consignment of essential lifesaving medicines to Sri Lanka to help it battle with the coronavirus pandemic. The medicines provided by India were requested by Government of Sri Lanka. The consignment was brought to Sri Lanka by an Air India special charter flight.

All Free Trade Zones (FTZs) in the island nation have been indefinitely closed, but factories in low-risk areas and export processing zones are allowed to operate subject to health regulations during curfews. Excluding Colombo, Gampaha, Kalutara, Puttalam and other districts which are considered to be high risk, export

factory owners in other areas can open up their factories, subject to health regulations.

Over 20,000 containers are stuck at the Colombo Port with perishables and other items as a result of the curfew imposed. The Customs Department said that over the past 16 days, 30,000 containers should have been released from the port under normal circumstances. However, only 8000 containers have been released. The Presidential Task Force to combat COVID – 19 has requested the Ceylon Association of Shipping Agents to grant certain concessions to importers and consignees owing to the current situation in the country. This includes waiver of the demurrage incurred by containers from March 16 until normalcy is restored in the country.

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The Sri Lanka Ports Authority, Colombo International Container Terminals, and South Asia Gateway Terminals have also been requested to waive storage charges and rent levied from shipping lines, consignees, importers and exporters.

Sri Lanka's economy is expected to slow down in 2020, with exports, tourism, domestic services and industry down. Sri Lanka's apparel exporters have said they could lose up to \$1.5 billion in revenues during the June quarter. Sri Lanka's trade deficit widened in January 2020 as earnings from exports declined while expenditure on imports increased. The trade deficit widened to \$730 million in January 2020 compared to the deficit of \$617 million recorded in January 2019. Earnings from merchandise exports declined 3.2 per cent in January 2020 to \$1.005 billion compared with \$1.038 billion in January 2019 with the decline in agricultural exports as well as industrial exports.

Earnings from tea exports declined 10 per cent due to the combined effect of lower export volumes and average export prices. Expenditure on merchandise imports increased, on a year-on-year basis, in January 2020 for the second consecutive month, by 4.8 per cent to \$1.735 billion, driven by higher consumer and investment goods imports. 

DIGITAL PLATFORMS DEFY LOCKDOWN



BY DR. PARASHRAM J PATIL
 AGRICULTURAL EXPORT POLICY CONSULTANT
 MINISTRY OF COMMERCE AND INDUSTRY,
 GOVT OF INDIA

Digital trading modules such as eNAM are enabling farmers to move their produce from farm to market even during the lockdown

What does the COVID-19 preventive lockdown mean for the agricultural sector? Well, a lot of difficulties – scarcity of migrant workers for harvesting, loading, unloading and transportation of crops to mandis, bogged down warehouses and cold storages as agri exports are stuck, lack of truck drivers means difficulty in moving farm produce to mandis, interstate transport interruption causes difficulty in obtaining phyto-sanitary certification, interruption in movement of shipping documents due to closure of courier services, problems in clearance of goods for import and export, including the difficulties of access to ports and yards.

As the lockdown continues, harvested rabi crop is ready for selling into different

primary mandis nationwide which are closed down and there is restriction on the movement of goods, thus buyers are not available in the market. In India long haul movement of fresh produce is primarily via road due to its perishable nature and long-distance movement of products like wheat and rice is carried out by rail.

In this situation farmers are facing huge losses because they cannot hold agriculture produce for longer period. It is more vulnerable for farmers who grow perishables, especially fruits and vegetables due to decrease in bulk demand, less exports and falling prices. Farmers growing perishables are already facing the heat with prices dropping. Present price crises will also have impact on the cropping patterns for the next season.



In the present situation, duration of storage of commodities in warehouses will take a longer time than usual and scarcity of agricultural warehousing space will be seen when the kharif crop arrives in the market. In India less than 11 per cent of what is produced can be stored. With 35-40 per cent of agricultural produce in India being wasted due to lack of proper cold storage facilities, it is immensely important that a focussed effort is implemented from the part of government to encourage the use of cold chain logistics among market participants. India is short of 10 million tonnes of cold storage capacity and more than 50,000 reefers. Up to 30 per cent of the wastage can be prevented through interventions at different nodes of the supply chain such as providing lower

cost of funding for setting up cold chain infrastructure facilities, state governments can encourage setting up of cold storage facilities by providing subsidized power tariff which is a significant proportion of the operating cost and encourages better and more efficient refrigeration technologies to improve the shelf life of perishable products.

During the last 3 years Indian cold chain industry has been growing at a CAGR of 20 per cent. Approximately, India has 6,300 cold storage facilities spread across the country unevenly, with an installed capacity of 30.11 million metric tonnes. However, the market is gradually getting organized and the focus on multi-purpose cold storages is rising. More than 50 per cent of the cold storage facilities in India are currently concentrated in Uttar Pradesh and West Bengal, while other states still face a challenge with investments from the government and private operators. It is a predominantly unorganized sector where only 8-10 per cent belongs to organized players. 36 per cent of these cold storages in India have a capacity of below 1,000 MT and approximately. It only makes sense if the produce reaches the consumers in good condition and in a timely manner. Therefore the focus has now shifted from increasing production to that of having better cold storages and transportation of food products.

All India Agri Transport Call Centre

To facilitate movement of agri produce from farm to market the Union Agriculture Ministry has started an All India Agri Transport Call Centre for coordination between states for inter-state movement of perishables - vegetables and Fruits, agri inputs like seeds, pesticides and fertilizer etc. This will facilitate interstate transportation of fruits and vegetables. Truck drivers, traders, retailers, transporters or any other stakeholders who are facing problems in inter-state movement of above commodities, may seek help by calling at the Call Centre.

Farming and harvesting will continue in all zones with produce being procured from the doorstep of farmers and free

movement for the transport of crops. The marine and aquaculture sector will be exempted. The Centre has informed all states to allow movement of goods of all kinds and said godowns and cold storages can store any item.

The electronic National Agricultural Marketplace, eNAM

The agriculture ministry has initiated several steps to decongest wholesale markets and to make supply chain agile that includes recently launched modules under e-NAM. This warehouse-based trading module enables farmers to sell their produce from Warehousing Development and Regulatory Authority (WDRA) registered warehouses notified as deemed market. The Farmer Producer Organization (FPO) trading module enables FPOs to upload produce from collection centers with picture/quality parameter and also avail bidding facility without going to mandis, which will reduce their logistic costs and hassle to sell their produce.

The e-NAM platform has created an interface with large transport aggregators like Blackbuck, Rivigo, Mavyn, Truck Suvidha, Truck Guru, Transin Logistics, Elastic Run etc. This would help traders to find and arrange timely movement of produces from mandi to various other locations. With this interface, Traders would be able to access more than 7.76 lakh trucks through eNAM Platform.

e-NAM platform/mobile app has been further strengthened with 'Farmers friendly' features such as advance registration of the lot through app which in turn will reduce waiting time for farmers at gate entry of the mandi and will bring huge efficiency and will facilitate smooth arrival recording at gate.

States like Jharkhand have initiated farm gate trading through National Agriculture Market (e-NAM) platform whereby farmers are uploading the details of their produce along with picture for online bidding without reaching to the APMC. Similarly, FPOs are also uploading their produce from their collection centers for trading under e-NAM. [mg](#)

SHAKEN AND STIRRED

The COVID-19 pandemic has partially paralysed the logistics and supply chain, but the industry is still deterred to ensure supply of essentials continues

The world is witnessing an unprecedented crisis, but it has brought an unprecedented focus on logistics and supply chain. The financial, societal and business disruption has seen demand drop across the board, including at ports, trucking and shipping industry, almost anywhere you look. World Trade Organisation has predicted the world trade to fall by up to 32 per cent this year. CRISIL has drastically cut the GDP growth forecast for India for 2021 fiscal to 3.5 per cent from the earlier 5.2 per cent. But shipping and logistics is the lifeline to global consumers and as per directives from the Ministry of Shipping, Government of India, the port sector has been declared as essential services, for maintaining of supply chain link within the country.

There are serious concerns regarding the overall earnings of Indian shipping companies in the first quarter of 2020. There has been a sharp drop in the dry bulk cargo movement since the third week of January 2020. Indian port operators are experiencing a drop in cargo volumes since February start and no one is certain about turnaround time. Cargo movement at ports has seen a sharp drop of around 60 per cent in the last few weeks because of a huge fall in industrial production in the country. Ports across India are operating at capacities less than 30 per cent. The Centre's move to waive demurrage charges during the lockdown is acting as a disincentive for importers to figure out ways to move cargo.

Amid a scarcity of workers, cargo cannot be unloaded from ships, and goods can't be transported from ports to town due to a shortage of trucks. The CBIC has issued a directive for round-the-clock customs clearance at ports. Container

shipping lines are idling vessels at a record pace, resulting in growing numbers of boxes being removed from trade network, as they go on cutting sailings on all major trade lanes.

Decline in evacuation at ports

At India's busiest container gateway - JNPT about 89,000 containers are lying at some 34 CFSs of which 9,000 containers have been granted out of charge by the Customs, but they are still not cleared due to lack of transport, factory closure or non-receipt of delivery order. According to traders the Mumbai-Pune Expressway - a major lifeline for movement of cargo is barricaded at Kalamboli.

For essential commodities like pharmaceuticals and agri products JNPT has created additional space because importers are not lifting material from CFSs. "The Customs department has notified ICDs belonging to CONCOR under the JNPT, giving the port more room to stack its containers. At JNPT, around \$700 million of active pharmaceutical ingredients (API) and intermediates are blocked and another \$300 million of finished goods are lying to be shipped.

Jawaharlal Nehru Customs House in Nhava Sheva declared ICD Mulund & ICD Tarapur as 'Extended Port Gate' of JNPT to help evacuate DPD boxes. Owned by Concor and Viraj Group respectively, the two ICDs are strategically located for importers in Mumbai and industries based in Gujarat. CONCOR shall also help in transshipping containers and supply rakes for moving containers en bloc by rail. CONCOR shall move the DPD/DPE containers from all terminals of JNPT to

ICD Mulund for delivering to the Importer. The delivery shall be made to the importer at ICD Mulund only after Out of Charge (OOC) is given at JNCH. JNPT shall also coordinate with terminal operators in effectively utilizing the extended port gate. The Customs has also approved 43.27 hectares of land at JNPT as integrated centralized parking zone for loading and unloading of imported goods. Customs has advised CFSs to move OOC containers to empty yards or non-bonded areas for creating more space.

On a given day, APM Terminals Mumbai saw total gate activity of nearly 3,000 teu, with imports at 1,375 teu and exports at 1,624 teu, which is 60 per cent of normal gate productivity. DP World Nhava Sheva's combined gate numbers hit 1,758 teu on a given day in April, mostly imports. DP World Cochin's (Vallarpadam Terminal) gate movement pegged at 1,000 teu, which is 80 per cent of normal levels. PSA Chennai terminal saw 2,400 teu gate moves on a given day.

At least 50,000 containers are reported to be lying orphaned at CFSs and private container terminals in Tamil Nadu with no trucks available to transport them. All the ports operated by APSEZ, in addition to Gopalpur Port, Karaikal Port





and Gangavaram Port have declared force majeure.

Updating on the state of affairs at Kolkata Port Trust, Chairman, Vinit Kumar said, "As of now we are operating at 70 per cent of our capacity. On the shipping side cargo operations are running down by about 20 per cent. There are challenges in storage and movement of containers and in organising labour. The issues in factories are also closed right now. Substantial movement is happening through rail." Visakhapatnam Port has recorded a 30 per cent shortfall in cargo handled in the first 10 days of April, compared to the same period in 2019.

Railways takes the lead in moving essentials

To address the snag, ports are also encouraging transportation of goods by railways. The national carrier has been operating freight trains since the suspension of passenger trains during the lockdown. Commodities such as coal and petroleum are no more a priority for railways as food grains are being unloaded faster because government-owned agencies move them for supply to the public distribution system. The railways loaded 1.71 million tonnes of food grains, flour and pulses, up 148 per cent over the



"The industry presently estimates the loss to logistics sector at about ₹50,000 crore, however the loss would be much larger. The EXIM trade would contract by at least 25-30% based on subdued demand / consumption. Containers are being evacuated through railways. As there is zero passenger traffic, the lead time for rakes has reduced to half of what it was earlier."

- Capt Vivek S Anand
Director, NYK Line (India) Pvt Ltd

690,000 million tonnes during the same period last year. A similar drop in loading and unloading was seen in petroleum and iron and steel, where loading dropped by 63 per cent and 45 per cent, respectively. Indian Railways has waived demurrage, wharfage, stacking, stabling, detention and ground usage charges till May 3 for those using its freight services, treating the period as a force majeure. From April 1 to 12, to supply essential commodities for domestic consumption and for farmers, railways had transported 36,724 wagons- food grain, 861 wagons of sugar, 1,753 wagons of salt 606 tanks of edible oil and 14,317 wagons of fertilizer.

Specialised train services

South Central Railways is operating "Jai Kisan" special freight trains to ensure speedy delivery of food grains across the country. Regular freight train consists of 42 wagons loaded with 2,600 tonnes of food grains, but the special train will consist of 84 wagons loaded with 5,200 tonnes of the commodity. The North Central Railway has launched a helpline for placing freight service orders to ease supply chain. The pilot project SETU will make it possible to place orders of any size, for any item and it will be delivered even in the remotest



part of the country. This is a customised delivery service and any one can place an order by calling the SETU helpline and a progressive reference number will be issued to the customer to track the shipment. On the first day of the project SETU delivered 40 tonnes of goods. The Konkan Railway operates Ro-Ro service wherein loaded trucks are carried on flat rakes to avoid congestion on the roads. In a rake, approximately 44 loaded/ empty trucks will be moved. During the lockdown the Ro-Ro model came to the rescue of many transporters in the Konkan region.

Road logistics goes off the road

Briefing on the status of road logistics, AV Vijaya Kumar, Chairman, FFAI said, "Absence of drivers has ensured that all road movements are only 10 to 15 per cent of the normal. Until last week a staggering amount of loaded trucks were abandoned on the roads by drivers as their movements was severely curbed and they had no access to food and shelter. Many drivers have left for their hometown for personal safety, there is a crunch of manpower to operate the trucks. Unless the drivers are able to travel back to cities to operate the vehicles this crisis will persist."

"The Indian trucking industry deploys more than 8 million drivers and 12 million helpers. As a baseline, 30 million people are directly employed by the trucking industry and more than 150 million people depend on it for their bread and butter. With road side food joints and restaurants, which are the lifeline for truck drivers, being closed why should the drivers be on the road to risk their lives?" asks Harpreet Singh Malhotra, CMD, Tiger Logistics.

The damage to truck owners during the first 15 days was about 3,500,200 rupees, which is an average of 2,200 rupees per truck per day. "More than 90 per cent of the country's crossover trucks are off when the roads are off because truckers are only moving basic goods. Even if this lockdown is removed, it will take at least 2 to 3 months for truckers to touch a normal value in earnings," said Novin Gupta, Secretary General, Indian Motor Transportation Congress.



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- Harpreet Singh Malhotra
CMD, Tiger Logistics

Over two-thirds of India's heavy duty trucks and nearly 90 per cent of its entire road freight capacity are likely to remain idle during the lockdown. With most non-essential industrial activity coming to a halt during the lockdown, demand for freight transport has plunged. According to the Indian Foundation of Transport Research and Training (IFTRT), the lockdown has taken out over 75 per cent of road freight demand out of the picture. "60 per cent of the road cargo pie comes from the manufacturing sector, another 10-15 per cent from infrastructure and export-related activity. These sectors are hardly operating now," pointed out **S P Singh**, senior fellow, IFTRT.

As trucks are charging rentals for return load as well, the rentals for essential items like fruits and vegetables have shot up by 75-85 per cent against the rates prevailing till March 15. The rentals have risen despite waiver of toll fee, motor vehicle taxes, deferment of equal monthly instalments on truck loan and third party insurance policy cover on vehicles.

Customs goes digital

CBIC has taken a number of measures to facilitate and expedite the Customs clearance process, making it more

automated. These measures include the facility to clear goods on the basis of an undertaking (not bond), acceptance of electronic Country of Origin certificate, etc. These steps complement the earlier reforms unrolled as a part of Turant Customs such as online query module, eSanchit, web-based goods registration, electronic processing of DGFT-issued licenses, machine release of imported goods based on Customs Compliance Verification, and electronic transmission of PDF-based first copy of Bill of Entry (BoE) to Customs brokers and registered importer.

The Board has now decided to enable electronic communication of PDF-based final eOoC (electronic Out of Charge) copy of BoE and eGatepass to the importers/Customs brokers. This electronic communication would reduce interface between the Customs authorities and the importers/Customs brokers and also do away with the requirement of taking bulky printouts from the Service Centre or maintenance of voluminous physical dockets in the Customs Houses. The Final eOoC copy of BoE and eGatepass copy will be emailed to the concerned Customs broker and/or importer, if registered, once the Out of Charge is granted. The eGatepass copy will be used by the Gate Officer or the Custodian to allow physical exit of the imported goods from the Customs area.

Highlighting the difficulties faced by Customs Brokers, Karunakar Shetty, President, BCBA revealed that original Bill of Lading and other required documents are not readily available with the Customs brokers as many importers and their representatives are located at different areas within and outside Mumbai. A mechanism must be created for submission of documents digitally as this can enable smooth facilitation of trade. The Customs broker profession is more of a field-oriented operation for facilitating cargo clearance, but abiding by the lockdown filing of documents, submission of Customs documents and duty payments are all being done through online modules. There has been a paradigm shift in the way of working across the chain towards adopting digitalisation and trust-based working. 

SPEEDWAYS LOGISTICS PVT LTD



WHO WE ARE

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

WHAT WE DO

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

CUTTING EDGE

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

MISSION

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

VISION

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

WHY SPEEDWAYS

Standing firm in the sector for about four decades, we have gained mass success and reputation standing on the pillars - GOOD SERVICE, RELIABILITY, TRUST, DEDICATION AND PROFESSIONALISM, experiencing the services, one does say - DEFINITELY SPEEDWAYS!!

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

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

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