



SPECIAL SUPPLEMENT

INTERNATIONAL CONFERENCE ON SHIPPING AND LOGISTICS - 2022, NOV 23RD

HYDERABAD, INDIA



"Through TS iPASS, Telangana Government succeeded in attracting more that 14,000 industries to the state. All approvals are being given to the industries within 15 days. HMDA has taken up the development of Logistics Parks at Batasingaram and Mangalpally on PPP basis."

K T Rama Rao Minister for IT, Industries, MA & UD, Government of Telangana.



"The government's investment - friendly industrial policy, coupled with the fact that the state is geographically located at an ideal place in the country make it ideal for logistics management for firms. The state is attracting attention of some major global and domestic logistics players."

Jayesh Ranjan, IAS
Principal Secretary, Industries &
Commerce IT & EC, Government of
Telangana

International Conference on Shipping and Logistics

A confluence of thought leaders discussed the entire supply chain from shipping, air cargo to last mile connectivity and the crucial role of technology in bringing the logistics cost down.



L to R: G K Kishore, Ex-IAS, Executive Director (South) and Chief Innovation Officer, GMR Airports Ltd., Arun Kumar Jain, IES, General Manager, South Central Railways, Capt. Deepak Tewari, Chairman Container Shipping Lines Association (CSLA), Meela Jayadev, Sr. Vice President, FTCCI, V Kalyana Rama, IRTS, Chairman & MD, CONCOR, Satyanaraya Chava, Founder & CEO, Laurus Labs Ltd, Anil Agarwal, President, FTCCI, Saurabh Kumar, Chair, Shipping and Logistics, Committee, FTCCI.

rganised by the FTCCI, this was the first mega international event addressing the shipping and logistics sector. **Khyati Naravane**, **CEO**, **FTCCI**, welcomed the august gathering from India and abroad.

The announcement of the National Logistics Policy and the PM Gati Shakti Master Plan underscore the importance of shipping and logistics in making India a manufacturing hub, shared **Anil Agarwal, President, FTCCI.** In this aspect, the state government of Telangana has been proactive to launch the Telangana Logistics Policy to fuel industrial growth in the

state. The main reason for Indian exports losing ground in international trade has been the high logistics cost, as compared to the developed world. The state logistics policy has announced an investment of \$123.19 million which is expected to generate an employment for 10,000,00 people. A significant part of this investment will go into developing 1000 acres of logistics park. The federation is simultaneously working on skill development and is offering certificate courses on supply chain management. He added, the state has the potential to become the export capital of India.

India and Bangladesh are using protocol routes to better connect through waterways. Indian cargo is moving to landlocked northeast states via Bangladesh ports, so being landlocked is no more a hindrance. With the development of Padma bridge Bangladesh is now using Mongla Port, in addition to Chittagong port to expedite cargo movement.

Many conferences are organised focusing on a single mode of logistics – be it road, rail or shipping, but such conferences focusing on multimodal logistics are rare, shared **Saurabh Kumar, Chair, Shipping and**

Logistics Committee, FTCCI. For a landlocked state, delivering products on time, maintaining quality and providing real-time visibility is of prime significance. The lead time has to be brought down from weeks to days, which means clearance of goods from the ports and delivery into the hinterland has to be faster.

Last year during the same time, people were struggling with supply chain congestion. connectivity issues, but present day challenges are more about dipping global demand and achieving cost excellence. This can be achieved through collaboration among different modes of logistics, services and technology innovation, visibility and traceability in movement of cargo. During COVID, following congestion at the US and European ports, shipping lines have expanded into air cargo operations. There has been more diversion of cargo from road to rail. Shipping lines have also entered into operating block trains. Thus, the boundaries between air, rail and sea logistics are fading.

Few years ago IT was considered the sunrise sector, but today logistics is the sunrise sector, said V Kalvana Rama. CMD. **CONCOR.** The National Logistics Policy with its Unified Logistics Interface Platform (ULIP) has brought all players onto a common platform to share crucial data which can be used to make supply chains lean. For the past 33 years CONCOR is working to make logistics lean through its MMLPs, providing first and last mile connectivity. Visibility of cargo and certainity of transit have improved with CONCOR. With DFCs coming in, the time for moving cargo from Delhi to Mundra is now 30 hours and from Delhi to Mumbai is 16 hours

CONCOR has come up with two major concepts for reducing logistics cost:

Container as a warehouse

CONCOR is offering its

containers for storing cargo which reduces overheads for the client. Various costs such as multiple handling, godown rent, labour charges, road toll tax are eliminated further ensuring cargo safety. Currently around 10,000 containers are being used for storing cargo.

Handling bulk materials in containers

Under this concept, bulk materials are moved in normal GP containers, rather than wagons, thus eliminating warehousing costs and empty movement of wagons. Many cement plants are using this concept for moving cement. FCI and ITC are using these containers to reduce bagging and pilferage. Cement is largely moved in trucks because we lack bulk cement loading/unloading terminals. Currently CONCOR operates 370 rakes and 23,000 containers for moving cement. A major advantage is zero dead freight and reduced loss, while handling cost is reduced to Rs.2.90 per metric ton per KM. Further, cost of moving cement in wagons and tank containers costs 4 times as compared to GP containers.

MSC India has grown from moving 49,000 containers per year to about a million containers annually today, informed Capt. Deepak Tewari, Chairman, CSLA. The two years of COVID have taught us that 96% of global trade is moved by ships. Thus shipping lines, ports and the supply chain network in-land has to be robust to withstand such disruptions - be it a sudden boom of cargo, congestion or blank sailings. In August 2020 when pandemic subsided there was a sudden rush of cargo - about 156 million teus were shipped in 2020, which increased to 171.6 million teus in 2021. Nobody had predicted this surge in cargo volumes. While the media largely discussed shortage of containers, but it was actually shortage of space on ships to move containers.

In 2020 & 2021, shipping lines repositioned 1.1 million empties each year, which shot up the freight rates. A single container from China to the US was moving for \$14000.

The US and UK ports had not upgraded their infrastructure for the past 10 years, so they were never prepared for this sudden rush of cargo, resulting in congestion at ports. Time for releasing containers from US ports had increased to 20 days. In the current scenario oil prices have increased, pushing inflation up and bringing economies under stress. Between August and November Indian exports have declined 9.3% by volume and freight rates have decreased by 60%.

Detailing on digitalisation in shipping, Capt. Tewari said, what didn't happen in past 10 years, has been done in the past 2 years. Today, 70% of the shipping lines are doing electronic documentation, but Indian banks are not prepared to process them.

Arun Kumar Jain IES, General Manager, South Central Railways,

detailed on the traffic moved last year. Indian Railways moved 14,000 million tonnes of cargo last year, of which South Central Railways moved 118 tonnes. Operating 106 sidings, South Central Railways made \$ 11.06 million in revenues last year. It has 125 good sheds for moving bagged consignments. The railways have upgraded infrastructure for moving cargo. Of the 126 goods sheds, 76 have been developed with good road connectivity and lighting. Gati Shakti multimodal terminals are being developed, timetabled freight trains are moving perishables and e-commerce goods. By 2024, complete electrification of railway lines is being planned.

SGK Kishore, Ex-IAS, Executive Director (South) and Chief Innovation Officer, GMR Airports Ltd., highlighted the need for

Ltd., highlighted the need for attracting international industries

into the nation to trigger growth. In the last 2 years, PPP has been initiated with this vision into all the sectors. Infrastructure needs to be created proactively so that growth of the nation is not compromised. For this, again proper ecosystem needs to be developed for attracting investors. The need is to develop ann integrated ecosystem – a one stop shop for all industries. For instance, Hyderabad Airport has an air cargo handling capacity of 3-4 million tonnes. Now 10 million sq ft of warehouses and relevant infrastructure is being developed around the airport for processing of cargo. Pharma city and aviation centre is being developed towards south of Hyderabad to provide repair of aircrafts. Even regulatory agencies such as Customs are at the forefront to contribute their part in expediting cargo movement.

Economies across the globe have gradually progressed from being agrarian to evolving into industrial and further into services industry, but Indian economy has jumped over this legacy to excel in the services sector and is now tracing its path backward to become an industrial and agrarian economy, noted

Satyanarayana Chava, CEO, Laurus Labs. If India wants to become the manufacturing hub for global countries then delays in logistics is not acceptable, as it costs businesses.

Inwards logistics is more important for developing APIs, because 50kg of raw material has to be imported to develop 1kg of an API and ship it out. People today want more, faster and cheaper. Businesses that used to maintain inventories had evolved to just-in-time inventory management before pandemic, but post-pandemic again the trend has moved back towards maintaining inventories. Here in addition to improved infra, technologies like Al. ML and IoT will come into play.



PANEL ONE

Session on Shipping: Opportunities in a landlocked state

Sharing some key trends and insights into India's trade and logistics scenario, **Ramprasad Ravi**, Editor-in-Chief & Publisher, *Maritime Gateway* said, Freight rates have cooled down by 75%, but are still higher by about 3%, compared to pre-COVID level. All shipping lines are entering into air cargo business. For the sake of ease of doing business, one document and one cost formula for logistics must be achieved.



L to R: Saurabh Kumar, Chair, Shipping and Logistics, Committee, FTCCI, Capt. Deepak Tewari, Chairman, Container Shipping Lines Association (CSLA), Koen Cornilly, Manager Port Projects, Port of Antwerp-Bruges International, Ramprasad Ravi, Editor-in-Chief, Maritime Gateway, Umesh Grover, Secretary General, Container Freight Station Association of India (CFSAI), Zeeshan R Mukhi, Director, Customer Experience - South Asia, A.P. Moller-Maersk.

n the state of Telangana, ICD Sanathnagar handles 59% of the cargo, while ICD Thimmapur handles about 23%. Hyderabad air cargo handled 68,000 tonnes in 2020, as compared to 92,000 in 2021. Pharma exports account for one-third of total Telangana exports.

Q. What changes can customers expect from shipping lines in the future?

Capt. Deepak Tewari, Chairman, CSLA: Shipping will gain back its balance as during the pre-COVID scenario. Freight rates will settle around 2019 levels. Even if there is a sudden spike in demand, as noticed during the pre-COVID scenario, shipping lines will have the required capacity. The current order book as it stands

has more than 600 new builds to be delivered in the years to come. New environment laws will eliminate old tonnage that was brought back into service during the spike in demand. Older ships that were used during the boom period of 2020-21 will be scrapped. In the near future, capacity or tonnage addition as compared to the rise in demand will not be very high. Ships that worked from 2020 to 2022 will go for repairs and maintenance and this will also balance out the excess capacity. There is a lot of talk about container surplus, but if 10 years old containers are scrapped then the new additions will be in balance.

Q. Telangana has a typical imbalance of contianers as imports

happen in 40 footers, while exports go in 20 footers. How can this issue be resolved?

Capt. Deepak Tewari: This issue cannot be resolved, unless the commodities being imported and exported are changed.

Q. Do we need more dry ports in Telangana?

Umesh Grover, Secretary General, CFSAI: US and the European ports had to face congestion post COVID, as there was a sudden spike in imports and their infrastructure was not upgraded for the past 10 years to take in this surge in imports. During COVID, only ports, shipping lines and CFS were operational 24X7 to facilitate trade movement. India has

about 33 CFS each around JNPA and Chennai ports, due to which we did not face any congestion post COVID, as they worked at more than 100% capacity. The state of Telangana, considering its growing industrial clusters will surely require more CFS and ICDs to service trade.

Q. Shipping lines have embraced digitalisation, but how is the scenario of other stakeholders in the supply chain?

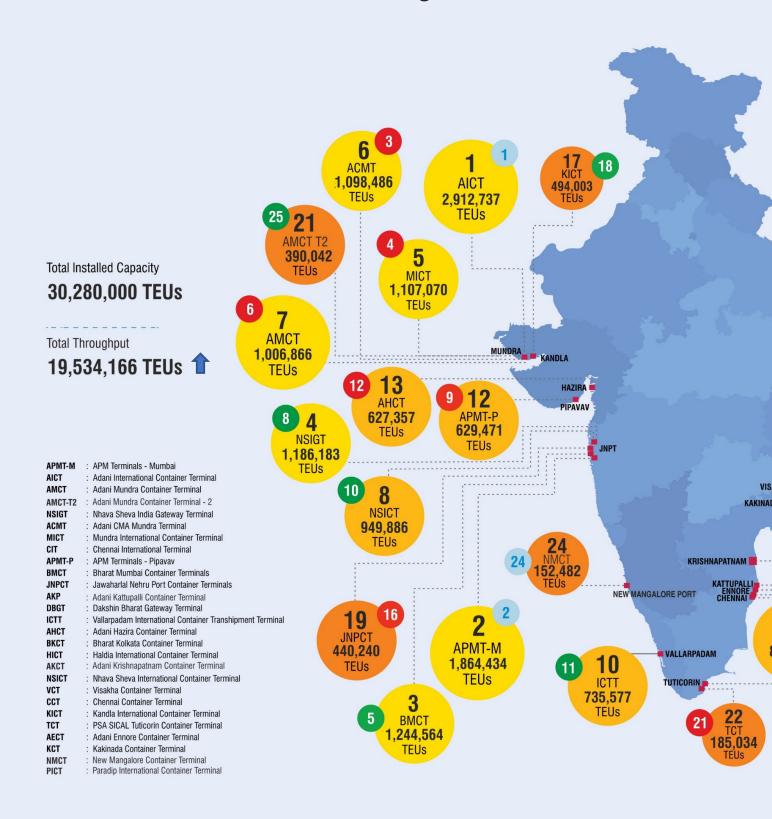
Zeeshan Mukhi, Director Customer Experience, Maersk: Indian stakeholders are much more receptive to digitalisation. Interplay among stakeholders can create value and data synchronisation can reduce costs.

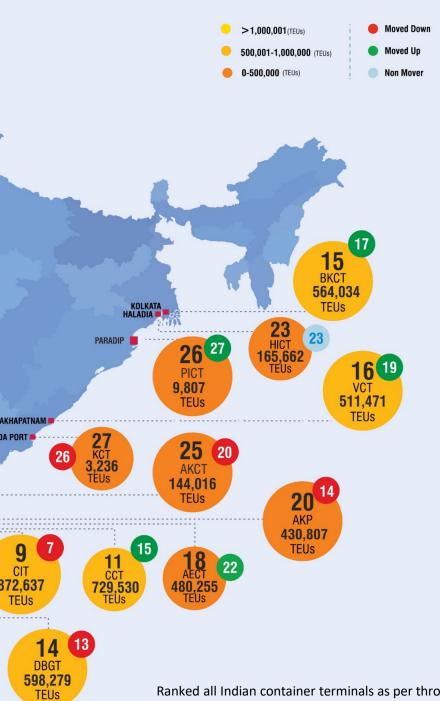
Q. Digital platforms for booking containers are coming up. Can the process be made as simple as ordering a pizza?

Capt. Deepak Tewari: A lot of platforms are being developed, but in isolation. Piece-meal development will not support supply chain development. Today, government of India wants all stakeholders to share data on a common platform, but the competition commission restrains shipping lines from forming a common platform, as it may result in cartelisation. The concept of a single platform is successful in air cargo, then why is it not being allowed for shipping lines?

Today, transit time for LCL cargo is an issue for shipping lines. Here the answer is air cargo, hence shipping lines are entering into air cargo business. The LCL cargo business is only set to grow in the near future.

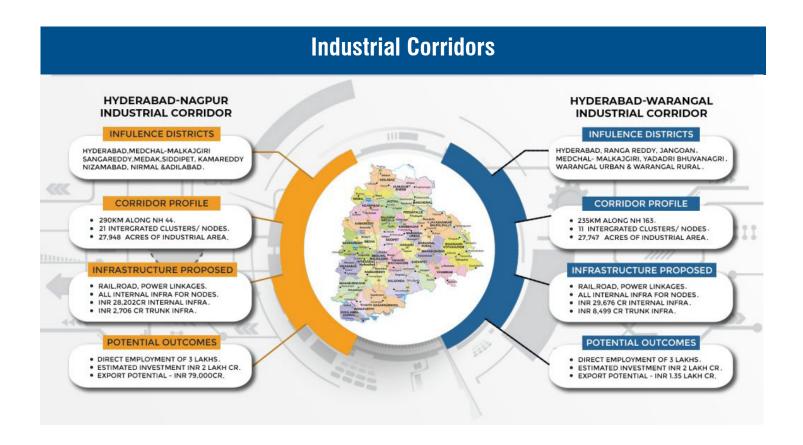
Indian Container Terminal Rankings: 2021-22





In 2021-22, Overall Indian container terminals handled about 65% of the existing installed capacity.

Ranked all Indian container terminals as per throughput based on data obtained from ports/container terminal authorities, and also from all reliable sources..



Telangana State Logistics Policy 2021-26						
S. No	Policy Incentives/ Category	Expected No. of Units	Incentives by Govt. per unit	Total incentives for the category (Rs Cr)	Land Requirement (Acres)	Expected Investment (Rs Cr)
1	MMLP/Dry Port/Integrated Logistic Park (ILP)*	1	Rs. 50 Cr per unit	50.0	400	1000
2	ICD/ Dry Port/ ILP Non Mega Project Category	2	Rs. 18.50 Cr per unit	37.0	150	1000
3	Integrated Logistic Parks	10	Rs. 3.75 Cr per unit	37.5	300	1000
4	Cold Storages (>20,000 sft)	20	Rs. 2.00 Cr per unit	40.0	100	500
5	Warehouses (> 1,00,000 sft)	20	Rs.2.00 Cr	20.0	100	500
6	Transportation Trucks	20000	INR 45400 per truck	90.8	NA	NA
7	Skill Development	36000	INR 5000 per person	18.0	10	NA



PANEL TWO

Air Cargo industry has huge potential for the growth

The second panel discussion focused on "Air Cargo & Pharma Logistics – Strategy to Achieve 10 Mn MT by 2030".



L to R: B Govindarajan, Chief Operating Officer, Tirwin Management Services (P) Ltd, **Satish Lakkaraju**, Global Head of Air Freight, Pharma Vertical, WIZ Freight, **Khyati Naravane**, CEO, FTCCI, **Kamal Hingorani**, Chief Customer Officer, SpiceJet, **Saurabh Kumar**, Chief Executive Officer (CEO), GMR Cargo, **Gubba Kiran**, Chief Executive Officer (CEO) Gubba Cold Storage, **Halit Tuncer**, Cargo Director – South Asia, Turkish Cargo.

Satish Lakkaraju began the discussion with Saurabh Kumar asking his opinion about the National Logistics Policy. Saurabh said, "the national policy on logistics will create an enabling framework from mid to long term perspective. It will help to bring together all the stakeholders and to create digital bridges. It will help better exchange of data." He further said that last few months have been quite challenging for air cargo industry in India as it hardly handled 4 million tons of cargo with a few hundred aircrafts.

Kamal Hingorani said there is a need to reduce the ground time for aircraft as it is the first mile and last mile which takes away a lot of time. He also stressed on the importance of improving loading and unloading facilities. Indian air cargo industry is predominantly served by narrow body aircraft while the wide body aircraft are very tiny in numbers. Halit Tuncer in his opinion said that narrow body aircraft are useful to carry e-commerce, and pharma cargo and they can be useful to connect small stations in India.

The discussion focused on why the perishable industry in Hyderabad has not been growing in a similar way like seed and pharma industry. **Gubba Kiran** said Hyderabad has

been the API capital of India for the last 40 years, and it has also been the largest producer of seeds in the country. But the reason why Bangaluru has been exporting more perishables than Hyderabad is because of the climate conditions, and ecosystem that it has built over the years.

Joining the discussion on skill development, **B Govindarajan** explained there is distinct difference in knowledge sharing and skill development. He stressed the need to have mentors at every organization to guide youth in a proper way. Referring to the development of ecosystem for air cargo

in Telangana region, Saurab explained that the entire region and its adjoining state Andhra Pradesh have significant potential for perishable exports like fruits and vegetables. But the quantum of cargo handled from these regions currently is miniscule. The entire European and Southeast Asian region is a very big market for Indian perishables. The supplies are available with Indian exporters and there is a great demand also, but there two missing links - the lack of uplift capacity and ground handling infrastructure. A pertinent point on capex versus operating cost and how the cold chain industry is coping up with it was raised. Kiran Gubba while answering said that let the companies focus on their core competencies and outsource the non-core operations.

Dr Govidarajan has expressed his opinion that if perishable exports have to increase from India, then it essential to increase the Indian capacity. Currently, foreign airliners are doing bulk of air cargo upliftment. The speakers also raised some issues which government can offer to increase the air cargo industry growth in the country. The ATF taxation in the country averages from 11% central excise and up to 30% from state. On average it is 24% in the country which is very high in the world. The speakers voiced to bring down the ATF tax and also urged the government to bring it under GST to make airfreight rates competitive on par with ocean freight rates.



PANEL THREE

Technology Key for Logistics to Thrive

The third panel discussion began on "Technological Advancements in Logistics: ULIP, Block Chain, IoT & Drone Delivery". The session was moderated by Dr Ravi Prakash Mathur, Vice President & Global Head of Logistics & Supply Chain Excellence, Dr. Reddy's Laboratories.



L to R: Dr Ravi Prakash Mathur, Vice President, Global Head of Logistics, Supply Chain Excellence, Dr. Reddy's Laboratories, Murray Smyth, Global CEO, WAISL, Prof. Ramesh Loganathan, Head-Research, Innovation, IIIT, Hyderabad, Vineeth Malhotra, Director, KALE Logistics, Sid Chakravarthi, Founder and CEO, StaTwig, Suman Kumar Gorla, Delivery Lead, Manufacturing IT, Systems, Stellantis, Sunil David, Digital Technology Consultant.

r Ravi Prakash Mathur started the panel discussion on cost factor of technology and whether freight forwarders can really scale up and afford the costs to adopt new technologies. While answering the question Sunil David said that technologies like Blockchain. Internet of Things (IoT), and Artificial Intelligence (AI) have been around here for quite some time. In fact, IoT itself is a technology for forty years old, first ever physical asset was connected to the Internet way back in 1980s, Al has been around for 40 years now, and Blockchain has been around for last fourteen years. Now what you are seeing is the whole democratization of technology

But we haven't really seen adoption pick up as much as we would like to and there are various factors for that and cost of course, was one of the big factors, he said. Other issues include cultural leadership, which can permeate adoption of technology in an organization, he said. He elaborated saying, "What we have seen in the last couple of is that the cost of technology is going to come down, and one example for that is the cost IoT hardware coming down as the government has given support to this under PLI scheme for telecom sector to encourage IoT hardware development in India and to cut down its imports from China."

The biggest impediment so far in the adoption of IoT in India is cost of IoT hardware, and in the next two years this cost may come down, due to the efforts put in by the government to develop the IoT ecosystem in the country. Another aspect is that spectrum costs across the world is higher when compared to

India, and data is available much cheaper in India,

The Cloud technology adoption has picked up recently in the country and for other technologies like AR, VR the cost of hardware is also coming down. The convergence of technologies like Digital Twins will enhance more adoption. When it comes to technology adoption the SMEs and startups have no other option but to go for it. Unlike previously where they have to put in a lot of Capex to buy hardware, but now a lot of service providers are innovating and offering services on the Cloud.

Suman Kumar Gorla, Delivery Lead, Manufacturing IT, Systems, Stellantis, in his initial comments elaborated the steps taken by the government to enhance logistics in the country with the introduction of PM Gati Shakti and other technology

introductions. He said that the government of India has recently introduced National Logistics Policy which comprises of almost \$1.2 trillion mega project and this can contribute to a lot of growth in the country by motivating manufacturing activity and logistics is the key for manufacturing activity to grow. The government has also announced Sagarmala and other programs to enhance manufacturing sector. According to Union Misster Piyush Goyal the new logistics policy announced by the government is going to help us reach about 10 lakh crores of annual savings, he said. A lot of activity is going around technology to integrate it unified logistics platform and government has made available almost 1.600 data fields to all the logistics providers to subscribe. He opined that PM Gati Shakti is going to bring a lot growth and logistics sector will surely flourish in the next five to 10 years. He also opined that the companies need to spend more on technologies like Blockchain to get trust from the customers.

While referring to question developing platform of platforms in logistics, **Vineeth Malhotra**, **Director, KALE Logistics** said that it has become really important to develop new digital platforms to seamlessly integrate all the stakeholders in the industry.

StaTwig in his comments said that technology adoption will take time but it will surely take place.

Murray Smyth, Global CEO, WAISL also spoke on the integration of technologies.



PANEL FOUR

Integrated Logistics – A Game Changer for India

The fourth and final session of the panel discussion focused on "Integrated Logistics from Catalyst to Enabler, Last Mile Challenges".



L to R: Satish Lakkaraju, Global Head of Air Freight, Pharma Vertical, WIZ Freight, Kamal Jain, Director, Cargomen Logistics India, Private Limited, Akash Bansal, Executive Director, Om Logistics, Alexander Amine Soufiani, MD, CEO, FM Logistic India, Mahesh Vodela Kumar Gupta, MD, HMDA Truck DockLogistics, Sushant Shetty, Head of SME Liabilities, Institutional Banking Group, DBS Bank India, Sundeep Reddy Gummadi, Director, Zero Mile Warehousing, Venkata Rama Rao Kokali, MD, Shreepa Logistics Pvt Ltd. Haziq Khan, Head of Operations, LogiPoint.

Tamal Jain began the panel discussion asking what's the better logistics performance indicator. Alexander Amine Soufiani, MD & CEO, FM Logistic India said that what makes better logistics performance is not just technology, but important basic principles such as safety, compliance, and sustainability. The discussion then moved on to last mile challenges faced by the logistics companies, Akash Bansal, Executive Director, Om Logistics elaborated on the list of last mile challenges in the country. There are two types of challenges for cargo transport - increasing costs and last mile delivery. The companies also face challenges in delivering cargo on time, providing visibility and GPS tracking. The challenges also lie in new entry restrictions and usage of CNG and electric vehicles (EVs) in some cities. He also explained how companies are incurring extra costs due to multiple attempts to deliver goods as warehouses are located in

far off places and there are no nodal centres provisioned near to delivery point to reattempt delivery which is resulting in increased costs.

While referring to condition of drivers in India, **Akash Bansal** said that there has been a shortage of drivers in India for the last 40 years. But drivers in India spend weeks on roads without going home. He said human interest necessary to solve the problems of drivers.

He explained his personal experiment with fitting tracking devices imported from China for 600 of their vehicles and to his surprise what he had found was that only 20% of the productivity in tracking resulted. When they investigated into why the result was so poor what they have found was that the device was fitted on the deck where the music system of the driver was located and its every driver's soul mate and in order to make their music system to work without interference, they were

forced to put the GPS device off. They have immediately removed the device and relocated it elsewhere and now the tracking system for their vehicles is resulting in 98% success rate, he said.

Sundeep Reddy Gummadi,

Director, Zero Mile Warehousing in his initial remarks explained how efficient warehouses play an important role in resulting in efficient logistics. He further elaborated on the post-GST environment of warehouses and introduction of automation and digitisation toll have improved the warehouse system in the country. He urged the government to consider allowing establishing warehouses with in the city for cost-efficient and convenient logistics operations.

On the question of what the cold chain cargo handlers are looking for to make cold chain pharma deliveries efficient, **Venkata Rama Rao Kokali**, Managing
Director, Shreepa Logistics

Pvt Ltd. explained the need for

on the need for maintaining the standard stability range of temperature for efficacy and efficient functioning of vaccines on the patients. He insisted the importance of some standard operating procedures (SOPs) for cold chains.

100% unbroken cold chain for pharma cargo. He elaborated

Referring to how multi modal logistics can be a game changer for India, Mahesh Vodela Kumar Gupta, Managing Director, HMDA Truck Dock Logistics, said that National logistics policy, and state logistics polices can help enhancing the logistics sector in the country. For landlocked states like Telangana and Madhya Pradesh having more dry ports, these MMLPs play an important role, he said. He opined that the development of MMLPs will result in creating superlative infrastructure in the country he said. These can also result in skilling empowerment and to make India more vibrant.

Joining the panel discussion, **Sushant Shetty,** Head of SME Liabilities, Institutional Banking Group, DBS Bank India, said that DBS bank has come up with a lot solutions for pushing up the logistics sector in the country. DBS is currently working with platform providers, ports, and ship liners and various other agencies to ensure financing in terms of dollar payments for invoices, he said.

The last session was followed by valedictory session with the participation of **Saurabh Kumar**, **Chair**, Shipping and Logistics, Committee, FTCCI and with special address by the Guest of Honour **Shri D Chandra Sekhar**, Additional Development, Commissioner (IEDS) MSME-DI, and finally **Khyati Naravane**, CEO, FTCCI has proposed Vote of Thanks to all the speakers, sponsors, delegates, media and the guests of honour from government agencies.

Focus













































