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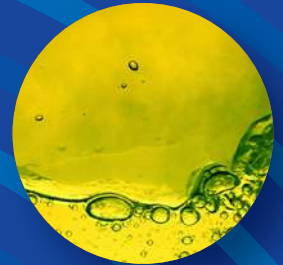
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INDUSTRY
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AGILITY, FLEXIBILITY, AND VISIBILITY WILL MATTER IN 2023



An authentic yard stick is also the annual container market report covering the Indian Ocean region which will soon be released by Maritime Gateway.

The black swan events that came in flocks in 2022 reinforced the importance of flexible and resilient supply chains. Additional challenges for the freight market included staffing shortages, capacity issues, inflation, and acute demand fluctuations. 2023 will be no different. Maersk's latest market update expects global container demand to fall by 2% to 4% this year. It says freight rates are coming down faster than expected and the global container market will be "broadly flat to negative" in 2023.

The fragmentation of the world into trade blocs will limit the growth of international trade. This is leading to increasingly protectionist policies by governments around the world, leading to further fragmentation of the global trade system. As businesses find ways to respond and grow, they are altering supply chains to build resilience – either through diversification, regionalisation, or reshoring. Companies in North America and Europe are most likely to outsource more than half of their services within their region.

In the Asia Pacific landscape, apart from rising concerns over inflation, global geopolitical trends will continue to pose a key challenge. However, companies are not shying away from risk, and are instead responding in two key ways. The first is undertaking more due diligence of their supply chains, and the second is expanding into new and stable markets.

The Chartered Institute of Procurement and Supply has identified food and oil as common targets for protectionist schemes, but that the range of product categories affected is expanding. These schemes are intended to offer protection during a crisis, but the continuing rise in their adoption can have a huge impact on the freight forwarding industry.

Global attitudes to sustainability have shifted dramatically in recent years and will continue to be a central freight forwarding industry trend in 2023. According to the 2022 Global Sustainability Study by Simon Kucher & Partners, 71% of consumers around the world are making changes to live more sustainably and buying more sustainable products. Freight transport accounts for 8% of global CO₂ emissions, with a predicted increase to 42% by 2050.

According to a McKinsey survey, 90% of supply chain leaders reported investing in digital supply chain management technology since 2021, with 80% expecting to continue to invest in 2023 and beyond, often to support sustainability and advanced planning. With the right technology and ability to collect and analyse data, businesses can improve efficiency. They are also better equipped to capitalise on opportunities outside of periods of disruption. Agility, flexibility, and visibility – often facilitated by digitalisation - are all key to riding out a storm in the days to come.

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CRYSTAL GAZING BY
INDUSTRY EXPERTS

To become a global logistics hub India needs to have deep draught ports equipped with smart technology to perform at par with the top 10 global ports. This waterfront prowess should be balanced with equally efficient supply chains in-land offering last-mile connectivity.

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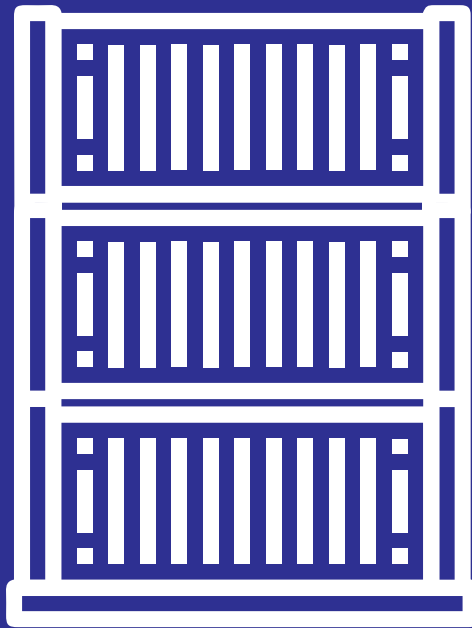
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INDUSTRY OUTLOOK 2023

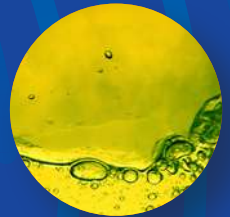
CRYSTAL GAZING BY INDUSTRY EXPERTS

To become a global logistics hub India needs to have deep draught ports equipped with smart technology to perform at par with the top 10 global ports. This waterfront prowess should be balanced with equally efficient supply chains in-land offering last-mile connectivity.

Last year has seen landmark developments in the logistics sector with the announcement of the National Logistics Policy and the Unified Logistics Interface Platform (ULIP) that have put digitalisation and multimodalism in the fast lane. We have also completed about seven years since the announcement of the Sagarmala programme. During the last seven years, there has been an increase in port capacities at major ports from 871.52 million tonnes per annum (MTPA) at the end of March 2014, up by 79 per cent to 1,560.61 MTPA by the end of March 2021. It is also reported that the average turnaround

time has reduced from 82.32 hours in 2016-17 to 55.99 hours in 2020-21. These achievements indicate that Sagarmala Programme is in the right direction and will lead to further improvements in the future. But still Indian ports lag behind as compared to the ports in the Middle East and China.

In the Container Port Performance Index (CPPI) developed by the World Bank and S&P Global Market Intelligence, which measures the time spent by container ships at a port - Pipavav port is the highest ranked Indian port at number 26, followed by Mundra at 48, JNPT at 54, Hazira at 68, Chennai at 79, Krishnapatnam at 95, Visakhapatnam at 98 and Cochin at 99. The top 10 positions are occupied



by Middle Eastern and Chinese ports. The productivities at Indian ports are low because of low level of automation, deployment of old equipment, low drafts etc. This calls for investment in modernization of Indian Ports in the form of increased drafts, induction of modern equipment and digital technology will be key to improve their ranking among global ports. Industry experts say, deploying dual cycle cranes and trailers can increase productivity at the terminals by up to 40%.

Bulk cargo handling

For bulk cargo movement, a significant reduction in transportation cost is observed with economies of scale as we move from Panamax to Capesize vessels.

Approximately \$1 to \$2 per ton savings are possible by using a full load Panamax and a small Capesize vessel for coastal & international routes, respectively. But only 60% of Indian bulk berths currently are Panamax class compliant. Hence, Ports should focus on developing at least one Capesize compliant berth.

Dredging

The shipping industry is moving towards mega-size vessels, with more than 40% of the order book in next 3-5 years accounting for ships of size 20,000 TEU and above. While a Capesize vessel required upwards of 18m draft, draft at Indian ports varies widely from 7m to 20m. Ports must increase draft according to the respective cargo profile. Indian container terminals must

target a minimum of one berth with 16-16.2m draft and container terminals with mainline calls must target 18m+ draft. Thus a major component of expenditure should also be on dredging. Internationally, the respective Federal and State Governments are entrusted with the responsibility of developing and maintaining channels through public exchequer. By adopting a similar practice in India, the vessel related charges at Indian ports can be drastically brought down.

Privatisation of berths

JNPT paved the way for a true Landlord model by privatising all its berths, the transformation of Indian ports to fit into a true landlord model has just begun. Presently, out of a total 240 cargo berths



operating at major ports, 66 berths are on PPP model while 174 berths are state owned. This calls for expediting the privatisation process.

Concerns raised by private concessionaires

Inequitable allocation of risks in PPPs, providing for Lender friendly Concession Agreements, liberal financing regime for port infrastructure projects, restoration of benefits like SEIS, EPCG, GST, freedom for fixation of tariffs & level playing field for existing concessionaires.

The Indian government has a goal of reaching \$1 trillion in goods exports by 2030. Presently, the capacity of major ports and non-major ports put together is about 2700 million tonnes. The capacity utilisation is about 60%. Last year, exports worth \$400 billion was handled at the ports. If the objective is to reach a target of 1 trillion-dollar exports by 2030, the port capacities need to be doubled by that time.

Container Freight Stations

While Direct Port Delivery (DPD) has stabilised at around 60% at major ports, however interestingly 85% of the DPD Imports in JNPT are still handled by CFSs as importers and trade find value in CFS services. Enblock evacuation of Imports from Terminals and safe storage is key requirement of Importers which CFSs have been providing to keep the ports congestion free.

CFS industry has been pitching for

doing additional value added services like packaging – repackaging, bar coding, environment friendly MSME activities as well as the activities permitted in MMLPs. Interestingly new National logistics Policy includes this activity. CFSs would be keen to reengineer their business plan and convert CFSs to “SmartYards” wherein multiple activities as mentioned earlier could be performed. This paradigm shift can be achieved by focusing on creating Virtual boundaries through digitization as existing infra is adequate. CFSs closer to airports can also offer the utility of Air Freight Stations, without the need to establish extra infrastructure.

CFS and ICDs can also be allowed to handle domestic containers and coastal cargo, because they have ready infrastructure to provide efficient services for the above activities. Rail sidings must be developed near CFS and ICD for common utilization. There should be a clear and open policy so that all container rail operators get an opportunity to utilize these rail sidings to their fullest potential. Presently, the railway sidings are under-utilized and not optimized for container handling.

Warehousing

A major challenge weighing on the warehousing industry is availability of land parcels at strategic locations for warehouses. With same day delivery becoming the norm, small satellite warehouses (dark stores)

are being established within the city. Manufacturers will rather lease, save the money on land and building and invest in the machinery of their business. As warehouses become more automated, the skill set requires a complete revision to ensure the combined benefits of technology and workforce are optimised.

Rail freight

While bulk and break-bulk goods continue to move by train, light weight goods continue to move by road. The main reason for rail not attracting light goods stems from incorrect pricing and poor service quality. Pricing at present favours heavy cargo which tends to therefore move on rail. There is a need to switch to volume based pricing and to consider pricing at lower levels for light weight cargo to attract this traffic. In terms of service, there is need for an end-to-end solution and transit commitments which are currently missing from the Railways bouquet of services. A step in this direction is the Gati Shakti freight trains being rolled out in collaboration with Indian Post, wherein Indian Post will offer the last-mile connectivity.

Multimodal Logistics

Multimodal connectivity will not only reduce logistics cost within India, but in international trade as well. Considering India’s growing trade with Russia and Iran, the 7,200-km-long network of highways, sea and rail routes under INSTC offers the shortest connectivity route. It also reduces the carriage cost between the India and Russia by about 30%. At present, most of the commodities that are transported through Iran along this route are shipments between Russia and India. Experts say a rare confluence of geopolitical and economic incentives is turning the route into a potentially vital economic escape pathway for Moscow as tough Western sanctions deny the Kremlin access to European markets. By 2030, the INSTC corridor is expected to have the capacity to transport up to nearly 25 million tonnes of freight each year – 75 percent of the total container traffic between Eurasia, South Asia and the Gulf.

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"We are planning a common ODC handling facility within the port limits. The upcoming Vadhvan Port with 18 meters draft will enable to anchor larger vessels, contributing to increase exim trade to 302 MTPA by 2040."

How has the business been for JNPA last year and through this year?

We became India's best-performing Port and crossed the benchmark of handling 5.68 Million TEUs, the highest ever achieved by JNPA. Jawaharlal Nehru Port became India's first 100% landlord port as we successfully signed two concession agreements of the JNPCT Terminal and Shallow Water Berth & Coastal Berth.

Trends that will drive the shipping and logistics sector in the months to come?

Sustainability and green shipping will gain momentum in the days to come. The industry should focus on low- and zero-carbon ship fuels and digital tools to support the deployment of low- and zero-carbon vessels. A powerful combination of Artificial Intelligence and Big Data is now triggering spectacular advancements in the ports and maritime sector. Also, the need for the development of Mega Ports is gaining pace by the ministry. The two prime reasons to develop the mega Ports are that it will enable increased capacity & berth larger vessels that will eventually result in the rise of economic value.

Upcoming initiatives at JNPA to better serve the trade?


We are planning a common over-dimensional cargo (ODC) handling facility within the port limits, for which aspects like land requirements,

SANJAY SETHI, IAS
CHAIRMAN, JNPA



investment needs, operators, etc., are being worked out. This will be a completely new, innovative, and time-bound project. One of the major key expansion projects is the Centralised Parking Plaza (CPP), which has greatly boosted Direct Port Entry (DPE). CPP is the first in India to have an OCR-enabled gate automation system, smart parking management system, and RFID readers installed at gates for a real-time update. Dormitory, canteen, and TT repair shop facilities are also available in CPP with 24 hrs Wifi facilities. All formalities of Customs etc., including open examination, are now done at the

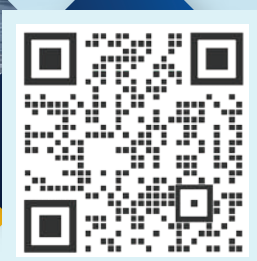
CPP, which has significantly reduced the time and, in turn, the cost. The SEZ and dry ports infrastructure has been completed, except for some minor works at Jalna.

Keeping expansion in view, JNPA has proposed to develop the Vadhvan Port, enabling it to anchor larger vessels as it has a natural draft of 18 meters. This ambitious project with a deep draft port will give the advantage of economy of scale and will reduce the logistics cost, increasing EXIM trade of the Nation by about 302 MTPA by 2040 and connecting J N Port to the hinterland of northern and western India. 



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"We have plans to diversify cargo profile at Salaya Port. Railway connectivity, LNG & Green Ammonia and clean commodities handling are some of the services the terminal is poised for in time to come."

RAJIV AGARWAL
OPERATING PARTNER (INFRASTRUCTURE),
ESSAR AND MANAGING DIRECTOR, ESSAR PORTS

How has been the business for Essar Ports, last year and through this year?

This year, in one of the largest post-pandemic M&A deals in India, Essar announced signing of definitive agreements with Arcelor Mittal Nippon Steel (AM/NS) for Ports and Power infrastructure assets which are primarily catering to the Hazira steel plant operations. The deal also envisages a 50-50 Joint Venture partnership, for building a 4 MTPA LNG terminal at Hazira, Gujarat, between Essar and ArcelorMittal. The Port Assets include the Terminals in Hazira, Paradip and Vizag. We are now focused on reinvesting in our existing operations and in building new assets, with more efficient, carbon neutral and new-age technologies, which will be sustainable and aligned to our theme of Energy Transition.

Trends that will drive the shipping and logistics sector in the months to come?

Some of the key trends/ events which can shape the future of shipping and logistics sector are:

Role of automation, technology and digitization in the way services are being delivered, evolving global supply chains on account of the pandemic & global turmoil which will see a shift of trade lanes and the mode of delivery particularly for energy basket like Oil& Gas, the global commitment of carbon-neutrality with energy transition where the focus will be on shift from fossil fuels to adopting green infrastructure with sustainability at the core (green hydrogen and EV gain popularity) and last but not the least modularity and flexibility of infrastructure like FSU/ FSRU etc. which can easily cater to the

changing requirements and provide flexibility.

The current geo-political scenario and its impact on the global supply chains?

The business environment is facing a myriad of challenges. Despite the strong economic recovery in 2021, the financial difficulties are not over and still pose a threat. In addition, many countries are faced with an increasing debt burden, high inflation, disruptions in global supply chains and the burning issue of the Russia – Ukraine war and its impact resulting in high energy prices and geopolitical tensions which are all playing a major role. However, at the same time the resilience of people, reduction in COVID virus cases and release of pent up demand, are presenting different kinds of opportunities.

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The Russia-Ukraine war in particular has affected the global logistics market on every level with a huge impact on the supply chain, flow of cargo, increase in cost, product shortages and high costs of Energy & Commodities. Impacts from the conflict have forced companies to rethink and recalibrate their long-standing supply chain and partner ecosystems as well.

For companies, there are numerous opportunities to fill the gaps created by the volatility such as creating new business models and improving economic activity. The rebalancing of global supply chains leaves a huge room for India to leverage and benefit to become a global leader in manufacturing.

What will be the major challenges the logistics community will face in the days to come?

The logistics sector has an indispensable

role to play in nation-building. However, there are certain factors which the industry players need to work on to stay ahead of competition, such as increasing operational efficiency through mechanisation of non-mechanised terminals, reducing pre-berthing delays, ensuring supply chain visibility and improving turnaround time in the Ports Sector. Technology and Digitization will play a key role in this.

There is also a need to develop deeper draft at existing and new ports to accommodate larger size vessels. Developing multimodal evacuation facilities at the existing port terminal facilities, with key focus on developing a comprehensive Rail/ Road connectivity, is needed as it will reduce congestion considerably.

Additionally, the sector requires low cost financing to fund projects in view of slow cargo build-up and long gestation

period. Low cost financing for debt & equity should be opened for the private sector to enable their participation with National Infrastructure Pipeline which will play a key role in time to come.

Amidst growing uncertainty of today's global supply chain caused due to geopolitical and environmental upheavals, soaring inflation and volatile currencies, businesses will have to relook at their strategies and agility will hold the key.

Scenario of trade among south Asian nations?

Despite proximity and free trade agreements, South Asia is one of the least integrated regions in the world. Trade barriers, weak infrastructure, lack of intergovernmental trust and domestic politics continue to inhibit the development of intra-regional trade. Intraregional trade accounts for barely 5 percent of South Asia's total trade, compared to the ASEAN region where intraregional trade makes up 25 percent.

Global supply chains are evolving and realigning with the objective of distribution of risks and being resilient. Alternative production centers like India make an attractive destination for EXIM cargo. Coupled with this, is India's strong domestic consumption as India charts its way to USD 5 Trillion Economy and more, India and South Asia will be boosted by the flow of goods, services, people, and knowledge. In short, the ensuing economic growth would play a key role in bridging the trust deficit in the region and strengthen trade links.

Upcoming initiatives at Essar Ports to better serve the trade?

We are on the cusp of a transformational journey where logistics, green energy and value added services are going to play a major role. We not only have plans of diversifying cargo profile at Salaya Port but are also pursuing expansion of facility. Railway connectivity, Green Energy (LNG & Green Ammonia) and clean commodities handling are some of the high value add services which the terminal is poised for in time to come. We are also actively pursuing opportunities both national and international which are centric to our business model. 



INDIA WILL OUTPERFORM ITS PEERS IN TERMS OF ECONOMIC GROWTH

Investment will be a key driver of growth, with record number of deals registered last year mainly in infra, banking and aviation sectors.

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step into 2023 with continued uncertainties in global geopolitics and the world economic outlook turning less favourable. Amid chaos and anxiety, India's economic outlook remains optimistic for this year and the next, predict analysts at Deloitte. India's economy has outperformed numerous economies over the past year. India's equity market performance, the strength of its currency, and the foreign reserve cushion have done fairly well, compared to its emerging-market peers. In the growth-inflation dynamics, India is way ahead in growth among its peers, but inflation is a concern. Economic indicators point to resilience

of the domestic economy, even as the rest of the world sees an economic slowdown. Private sector balance sheets have improved over the past couple of years. This implies that the private sector can boost capex as and when the investment cycle picks up. Geopolitical developments are influencing trade relationships and disrupting supply chains. Nations and multinationals are emphasizing resilience, diversification, and self-sufficiency. India has huge potential as an export hub and investment destination in light of the China Plus One strategy, especially in the manufacturing and services sectors. India's recent trade agreements have aimed at integrating the manufacturing sector with the global supply chain while attracting investments in sectors that are expected to drive long-term

growth. Consequently, there has been a healthy rise in FDI equity flows from Japan, Singapore, the United Kingdom, and the United Arab Emirates in H1 FY2022–23, even as FDI from the United States has fallen. If the trend continues, investment from these destinations will exceed numbers from last year, which was among the strongest on record. The destination sectors have also diversified, with infrastructure, non-IT services, and chemicals witnessing ample inflows. A record number of M&A deals were registered in 2022 with the biggest transactions seen in the banking, infrastructure and materials, and aviation industries. Many conglomerates entered new businesses, while brick-and-mortar companies partnered with technology firms.

Despite the relatively good economic news, the path ahead will still come with challenges. First, although we believe that inflation has peaked, it is expected to persist for longer, due to relatively high oil prices, a stronger US dollar, and supply chain interruptions in certain industries. Further, a relatively stronger economic recovery may add to the inflationary pressure.

Second, aggressive tightening of monetary policies across the central banks of advanced economies is resulting in a slowdown across major economies this year. This could impact domestic investment and consumer demand as the proclivity to save increases. Tighter liquidity conditions may also result in capital outflows and a rising imbalance in the balance of payments.

The government's focus has rightly been on sectors that create jobs for workers across all skills, such as infrastructure, construction, and manufacturing. We believe the path to recovery will be resilient even if it is longer than previously anticipated. Investments will likely be a key driver of growth, primarily thanks to the government sector's capital spending. However, the private sector may take some time to join the investment bandwagon. India is likely to grow in the range of 6.5–6.9% in FY 2022–23 and 5.8–6.3% in FY 2023–24. Inflation will come down but remain above the Reserve Bank of India's comfort level. 

"Presently, the capacity of major ports and non-major ports put together is about 2700 million tonnes - a capacity utilisation of 60%. If the objective is to reach a target of \$1 trillion exports by 2030, the port capacities need to be doubled by that time."



DHRUV KOTAK
MD, JM BAXI PORTS & LOGISTICS LIMITED

We are seven years past the introduction of the Sagarmala programme. What have been the landmark improvements in our ports infrastructure and performance?

During the last seven years, there has been an increase in port capacities at major ports from 871.52 million tonnes per annum (MTPA) at the end of March 2014, by 79 per cent to 1,560.61 MTPA by the end of March 2021.

It is also reported that the average turnaround time has reduced from 82.32 hours in 2016-17 to 55.99 hours in 2020-21. These achievements indicate that Sagarmala Programme is in the right direction and will lead to further improvements in the future.

How do the Indian ports & terminals compare to some of the best ports in the world? In which aspects are we at par with them and in which aspects do we need to improve?

JNPA occupies 26th position among the international ports in terms of volumes

of container cargo handled.

There is a CPPI (Container Port Performance Index) developed by World Bank and S&P Global Market Intelligence. As per this Index, Saudi Arabia's King Abdullah Port tops the ranking in 2021, with Port Salalah in Oman, Hamad Port in Qatar and Khalifa Port in Abu Dhabi rounding out the top five. Saudi Arabia's Jeddah Islamic Port also featured strongly in eighth place overall.

Three of the large Chinese gateways, Shanghai (Yangshan), Ningbo and the southern port of Guangzhou, feature in the top ten.

India's Pipavav port is the highest ranked at number 26, while Mundra is ranked at 48. Under this Index, Jawaharlal Nehru Port is at 54, Hazira at 68, Chennai at 79, Krishnapatnam at 95, Visakhapatnam at 98 and Cochin at 99.

The ranking is based on time vessels needed to spend in port to complete workloads over the course of 2021, a year that saw unprecedented port congestion and disruption to global supply chains.

Heavy investments on

modernization of Indian Ports in the form of increased drafts, induction of modern equipment and digital technology will be key to make them on par with international ports.

How has been the growth in containerised trade last year and through the first half of this year?

The container traffic handled at the major ports was 11.2 million TEUs during 2021-22 registering an increase of 16.8% over the 2020-21 figure of 9.6 million TEUs. In terms of total container traffic including non-major ports, the quantity handled during 2021-22 was 19.51 million TEUs as against 17.58 million TEUs during 2020-21 registering an increase of 11%. The lifting of Covid restrictions in a phased manner had released significant pent-up demand from global importers, aiding Indian exports to grow at a higher rate. The trend has continued during the first five months of 2021-22 where the major ports registered a 5.15% increase in container throughput during April-August 2022 as compared to the previous year.



Our neighbouring transshipment hubs still outperform Indian ports in terms of operating costs and turnaround time. How can cost efficiencies be brought into the operations of Indian ports bracing to be transshipment hubs?

The neighbouring transshipment hubs like Colombo, Singapore etc enjoy tremendous locational advantage due to their proximity to East-West Trade Route. It has enabled them to handle large volumes of transshipment cargo and offer cost effective port services, mainly because of economies of scale.

Indian ports suffer from historical disadvantages like low drafts, lack of technology etc. However, with 75% of India's transshipment containers handled at international ports, Indian Industries are exposed to increase in costs, potential inefficiencies and congestion issues. The key is to identify one or two ports on the East Coast like Visakhapatnam which has large draft available and develop them as transshipment hubs by providing a minimum draft of 18m, modern infrastructure, focussing on high port productivity and efficiency and offering an efficient pricing mechanism by competitive port charges, and incentives to shipping lines to avail the services.

The Indian government has a goal of reaching \$1 trillion in goods exports by 2030. How should our port infrastructure be improved to accommodate this growth in cargo traffic?

Presently, the capacity of major ports and non-major ports put together is about 2700 million tonnes. The capacity utilisation was about 60%. Last year, exports worth \$400 billion was handled at the ports. If the objective is to reach a target of 1 trillion-dollar exports by 2030, the port capacities need to be doubled by that time. The Government is in the right direction proposing many developmental plans for increasing the capacity of ports through Sagarmala Programme, Maritime India Vision:2030, National Monetisation Plan and Gati Shakti Programme. As huge investments are envisaged where the private sector is expected to play a prominent role, it is necessary to have a look at the regulatory facilitation regime to make the programmes a real success. These include addressing the issues of inequitable allocation of risks in PPPs, providing for Lender friendly Concession Agreements, liberal financing regime for port infrastructure projects, restoration for benefits like SEIS, EPCG, GST, freedom for fixation of tariffs & level playing field for existing concessionaires etc.


What is the level of technology adaption in Indian ports? What should be the next level in terms of port automation and technology implementation?

As the Ports continue to induct modern technology and digitalise their processes, they create an information hub for their regional transport ecosystem. There is a need to develop smart ports which are automated ports using data analytics to make right business decisions and run operations effectively. The concept is to use smart technology to increase ports' efficiency, improve performance and economic competitiveness etc. Implementing automated processes will not only benefit the port but the wider supply chain. We believe that we need to plan for growth responsibly as an Industry. Big data, artificial intelligence, IoT etc will enable the ports to derive actionable insights from the data collected. 5G will further enhance adoption of IoT.

What is the scenario of Direct Port Delivery (DPD)? Has there been any increase in the number of importers opting for DPD over the past few years?

The DPD model has had its share of problems. Many of these which have smoothened out while some persist. Some of the issues relate to lack of space/infrastructure, lack of choices

When DPD was introduced in 2016, the 33 CFSs at JNPT feared loss of business and employment. However, this problem seems to have worked out subsequently as CFSs remain a critical component of India's global trade. A good volume of DPD cargo is still shifted post-delivery to CFSs for storage due to limited warehouse space near the cargo owners' factories.

Despite its shortcomings, Direct Port Delivery is gaining in popularity and has made improvements. The scale of import cargo cleared through the DPD at major Indian ports is expanding. It is reported that at JNPT, the share of DPD transactions reached 60% during 2021-22 up from 56% the previous year. In 2020-21. At Chennai, PSA Chennai saw 36% of laden imports move via DPD, while the share at DP World Chennai stood at 43% and rising sequentially. 



"The current geo-political scenario has added to inflationary trends and supply chain uncertainties for key industrial raw materials. Developing alternative supply sources will increase logistics costs and transit times."

SHAILESH GARG
DIRECTOR - GM, DREWRY

Trends that will drive the shipping and logistics sector in the months to come?

Inflationary trends and the expected slowdown in the demand means greater visibility and transparency in the supply chains will be required to manage the optimum level of inventories at the same time manage any potential disruptions arising due to a surge in COVID infections or geopolitical developments. Container shipping freight rates have already registered a sharp decline in 2H22 on account of slowing demand and easing supply pressure. Shipping lines will shift back the focus on capacity management to stabilize the freight market. Shipping companies will also have to prepare to meet IMO emissions regulations including Carbon Intensity Indicator (CII) to measure the emission. This is expected to have cost and time implications for both shipping companies and shippers.

The logistics and shipping sector will continue to adopt new technology and automation to mitigate potential risks arising due to the non-availability of

labour and constraints arising due to the limited mobility of the workforce.

The current geo-political scenario and its impact on the global supply chains?

The current geo-political scenario has added to inflationary trends and supply chain uncertainties for key industrial raw materials. This would mean developing alternative supply sources which could lead to an increase in logistics costs and transit times.

What will be the major challenges the logistics community will face in the days to come?

Compared to 2021, disruptions faced by the Shipping and Logistics industry in 2022 were less severe, although not fully stabilized. In the immediate and short-term, the industry should be

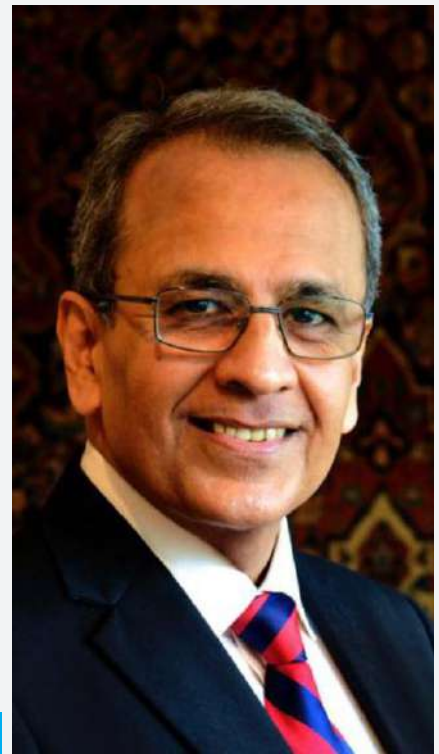
prepared for volatility. This could be the new normal in the immediate and short term. Therefore, the focus would be to develop flexible supply chains which could help in reducing the cost and transit times.

Scenario of trade among south Asian nations?

South Asian nations are facing similar economic and social pressures arising due to COVID-19 and the Russia-Ukraine conflict. In the current scenario, intra-regional trades, which have the advantage of proximity to production and consumption centres could help in developing more resilient supply chains and managing total logistics costs. There is a clear need for better cooperation among the countries in the region to reduce barriers and promote regional and bilateral trade. 

"High port charges in India, as compared to some of the major foreign ports, prove to be a challenge for the shipping lines, who have been increasing capacities and introducing new services out of India."

SUNIL VASWANI
EXECUTIVE DIRECTOR, CSLA



How has been the business for shipping lines, last year and through this year?

Container export volumes out of India grew by about 19% in 2021 over 2020 which was driven by the rise in demand in the U.S. & Europe. The export volumes during the second half of 2022 dipped though, as compared to the second half of 2021, although they remained significantly higher than the 2020 levels.

Trends that will drive the shipping and logistics sector in the months to come?

The demand from the Western Economies (which has been on the decline), rising interest rates, the Ukraine-Russia conflict & the Covid situation globally in general and in China in particular, will all set the trend for the future. Due to the lifting of the Covid restrictions in China, the number of Covid cases have been on the rise nationwide. Port personnel are no exception although no large scale disruption in port operations have been reported so far. Also, the heavy congestion at USWC ports is now

thankfully a thing of the past. It's to be seen though how the next couple of weeks shape up. If the current situation continues without further deterioration, the supply chains would function without any major disruptions.

Challenges facing the shipping lines?

The demand from the Western Economies (which has been on the decline), rising interest rates, the Ukraine-Russia conflict & the Covid situation globally in general & in China in particular, all impact cargo flows & eventually the bottom lines of the shipping lines. Further, the IMO emission reduction norms that come into effect from the 1st of Jan 2023 have made the shipping lines rework their strategies in terms of new builds, chartering / off-hiring, scrapping & redeployment of their vessels to meet these norms. On the home front, high port charges at Indian ports, as compared to those at some of the major foreign ports, prove to be a challenge for the shipping lines, who have been increasing capacities and introducing new services out of India. 

"CFSs would be keen to reengineer their business plan and convert to "SmartYards" wherein multiple activities like packaging–repackaging, barcoding, environment friendly MSME activities can be performed"



UMESH GROVER
SECRETARY GENERAL, CFSAI

When do you see the current strained global supply chain scenario return back to normal?

The current strained global scenario is not only due to Covid but various other geopolitical (Ukraine- Russia conflict) reasons resulting in economic crisis globally and especially European nations, are severely impacted. The global EXIM trade has shrunk and it is feared that the depressed market scenario will continue till this conflict is resolved. The nations are worried about food and energy security and FMCG are not a priority. Secondly, China continues to have spurts of total lockdown due to COVID. The alternate markets, especially India is emerging but this too is a long drawn process.

However on a positive note, China as a super power is still the biggest consumer and supplier of all the commodities and it is expected that normalcy would return in 2023 post pandemic. China opening and a resolution to Ukraine crisis will allow world economy to bounce back. The supply chain normalcy too is expected.

What are the lessons learnt from the pandemic and the ongoing supply chain crisis?

The pandemic hit the global supply chain into a chaos and disruption as never seen before. As the supply chains globally were not really resilient and they could not quickly recover from disruption. Logistics was considered a routine activity in most organizations and was left to the Managerial level but now it is monitored in the "Board Room". All global major players realized that in case of such an unprecedented disruption, the production line could come to a grinding halt. Global players and industries as a knee jerk reaction have now become more resilient and measures such as alternative factories, dual sourcing and more generous safety stocks go against the well-versed philosophy of lean supply chains that has prevailed in recent decades. This

would all be at a huge cost. Business as usual will be back in years to come. Rebalancing of efficiency and resiliency will not be easy.

In the New Year what will be the key shipping and logistics trends?

As far as Shipping trends are concerned, the market analytics speak of the tough times ahead. The unprecedented windfall profits in the last 2 years for the Container Lines and other MTOs/ NVOCCs/ Freight Forwarders has also seen vessels chartered at astronomical rates & container production boom. In the last 4 months the freight rates have literally collapsed by 70 % in most of the routes. Older and smaller tonnage is now being scrapped. Further, overall dwindling containerized trade, economic crisis in most of the countries due to geopolitical conditions is making the situation worse.

On the Logistics front, “National Logistics Plan” launched recently has positive indicators for growth of MMLPs and warehousing. DFC, once commissioned will increase the rail capacity 4-6 times and a gradual shift from Road to rail is envisaged. Several new Rail terminals are likely to come up in the next few years.

Following the announcement of DPD and DPE, what is the survival strategy of CFSs?

A very relevant question indeed. Let us first talk about DPE...it has always been the trend barring few locations like Mundra where exports CFS stuffing constitutes to about 50%. Otherwise CFSs normally handle only 25% of exports. However with surge in export, CFS stuffing volumes are likely to see an upward trend.

CFSs at most of the locations cater to 70-75 % of total imports. In the short term import volumes are not growing but in the long term, with economic growth, if the exports surge, import too will surge. As far as Imports are concerned, DPD has stabilized in last 1-2 years to around 60% in JNPT and 40-50% in other locations. For DPD, a lot depends on the commodity. However Interestingly 85% of the DPD Imports in JNPT are still handled by CFSs as importers and trade find value

in CFS services, albeit lesser services are requirement for DPD boxes. This obviously impacts CFSs revenues. Enblock evacuation of Imports from Terminals and safe storage is key requirement of Importers which CFSs have been providing. The higher percentage of RMS facilitation is also resulting in a quicker turn around and the CFSs ground rent, another revenue component for CFSs is shrinking.

CFS industry has been pitching for doing additional value added services like packaging – repackaging, bar coding, environment friendly MSME activities as well as the activities permitted in MMLPs. Interestingly new National logistics Policy includes this activity. CFSs would be keen to reengineer their business plan and convert CFSs to “SmartYards” wherein multiple activities as mentioned earlier could be performed. This paradigm shift can be achieved by focusing on creating Virtual boundaries through digitization as existing infra is adequate.

Lastly with the new airports coming in and surge in air cargo being predicted, CFSs especially in Panvel area of JNPT can work as AFSS also, instead of creating new Air Freight stations.

On the policy front what are your expectations from the government?

NLP, Prima facie spells out Governments intent to link as many as 16 Ministries through Unified Logistics Interface Platform “ULIP” and also “Gati Shakti” would speed up all the clearances and development of Infra. Since it is being monitored by a Group of secretaries under PMO, we are hopeful of positive developments, provided perpetual bureaucratic hurdles are addressed. This perhaps would be the biggest challenge to rejig the bureaucratic mind-set. The Government in-fact is doing its best and we expect Infra to grow substantially in the next 2 years.

How many CFSs are preparing to offer value added services or become smart yards? Will it require additional investments?

It is a bit too premature as the policy has just been released. Few of our large members having multiple facilities pan-

India have been working on automated processes using SmartYard Solutions especially in their existing Logistics Parks which gives them a competitive edge as a high-tech facility. To that extent it is proven system. In CFSs being CCSPs, they are regulated by Customs who would need to be satisfied that the system is fully safe and secured. We have made presentations to JNCH and prepared an SOP and would be pursuing for a “pilot run” of the project.

Has any preliminary study been done to assess the industries' eagerness to avail smart yard services? What could be the potential demand?

There are quite a few facilities, especially in the warehouse and logistics park sector and there are 2-3 competitive IT System developers. This technology involves use of Artificial intelligence and high Tech IT Systems. Going forward, any facility before taking up the project would do basis a thorough Techno-economic feasibility and get a DPR, determine the potential as each location would have different types of cargoes / activity, supply & demand and other factors. The policy is only an enabler and whether to go ahead with conversion to a SmartYard would be purely based on whether it makes business sense to the CFS/ICD.

Offering value added service also depends on the type of commodities handled by the CFS. Which are the other factors that will decide the capability of a CFS to become a smart yard?

Presently CFSs as CCSPs are allowed to handle and Service EXIM cargoes only. On an average CFSs/ ICDs are functioning at say 55-60%. By re-engineering business plans and through SmartYard, the proposal is to seek a mandate to handle additional activities like Packaging / repackaging, barcoding, Cold chain, container repairs and also handling domestic cargoes, in addition to EXIM. This can be achieved by creating Virtual Boundaries and not Physical boundaries. However as mentioned earlier, it would solely depend on an individual facility whether to go ahead or continue business as it is. 🇮🇳

How has been the business for freight forwarders, last year and through this year?

Resilient Logistics has been the talk of logistics sector with required emphasis by the Government understanding its importance for economic growth building strong support system to logistics services.

With disruption, logistics sector has always been benefited and witnessed growth and hence the freight forwarders business has always been good, the only change was the business models with investment in IT adaptation.

Trends and factors that will drive the shipping and logistics sector in the months to come?

The Government initiatives in infrastructure development with systematic plan of PM Gati Shakti will play important role.

The developments from Coastal/ Ports to last mile multimodal connectivity as well as infrastructure like Multimodal logistics parks and vice versa will boost the efficiency to reduce cost and dwell time which will benefit logistics industry and Manufacturing industry.

A key initiative towards transformation in maritime and logistics industry, the PM Gati Shakti National Master Plan has ensured efficient logistics and cost reduction in first and last mile connectivity.

The performance of traffic handled by ports with increase by 8.78 from April to Nov 22 in current financial year 22-23 as compared to the same period last year from 466.19 million tonnes to 507.12 million tonnes and container traffic volumes with an increase of 7.59% speak for the progress.

567 projects identified under Sagarmala Programme for holistic development of Coastal Districts will support the international EXIM trade.

The initiative of ULIP with Digitization at major ports integration will play major role with seamless data flow. The migration of PCS 1x to NLP M on 5th Dec 22, its integration with ICEGATE via SFTP for existing messages and further for SCMTR messages and would undergo API

"With disruption, logistics sector has always been benefited and witnessed growth and hence the freight forwarders business has always been good, the only change was the business models with investment in IT adaptation"



SHANKAR SHINDE
CHAIRMAN, FFFAI

integration with all stakeholders will further enhance the digitalization with accuracy avoiding duplicating DATAs. Further the adaptation of eBL will bring transparency, speed and authentication in complete supply chain process from Shipper to Carrier to Banking and Consignee to have real time tracking of documents.

Though many major countries are facing economic volatility for India, as the domestic consumption is very strong, manufacturing industry would

sustain the slide in international trade.

Further the shift of China market due to uncertainty of lockdown will benefit India Manufacturers to boost their products in International market. This will be at advantage and leverage logistics in India.

The Governments initiatives of "Make in India" under Department for Promotion of Industry and Internal trade has built confidence in trade to support Manufacturing industry and create entrepreneurs and employments.

The current geo-political scenario and its impact on the global supply chains?

The war between Russian and Ukraine has resulted in new developments in the International North-South Transport Corridor (INSTC), especially based on Chabahar Port in Iran. India and Iran agreed continued cooperation for the development of the Shahid Behesti terminal of the Chabahar port. INSTC has been facilitating a higher volume of trade between India and Russia via Iran over the last several months amid the West's sanctions on Moscow following the Ukraine war.

It is pertinent to mention that the 7,200-km-long network of highways, sea and rail routes under INSTC offers the shortest connectivity route between Russia and India. It also reduces the carriage cost between the two nations by about 30%. At present, most of the commodities that are transported through Iran along this route are shipments between Russia and India.

Experts say a rare confluence of geopolitical and economic incentives is turning the route into a potentially vital economic escape pathway for Moscow as tough Western sanctions deny the Kremlin access to European markets.

By 2030, the INSTC corridor is expected to have the capacity to transport up to nearly 25 million tonnes of freight each year – 75 percent of the total container traffic between Eurasia, South Asia and the Gulf.

The Geo Political effect may also lead to alternate currency negotiation to USD in bilateral trade payments. Plans already underway in Russia and China to promote their currencies for international payments including through the use of block chain technologies increased after invasion of Ukraine. The de-dollarisation effect will have impact on trade, Cutting down Russia from Global Financial messaging system "SWIFT" have impacted to look for alternate currencies.

How do you see the role of a freight forwarder evolve in the days to come? What type of skills will be more in demand for a Customs broker?

Role of Customs Brokers and Freight Forwarders is as important as other logistics service providers in the entire logistics and supply chain system. It has already recognized by the government and Customs authority that Customs Brokers are playing the crucial role by acting as a bridge between Customs and Exim Trade Industry. Customs Brokers/Freight Forwarders are working as an extended arm of Customs, Custodians and Carriers to make the EXIM trade people aware of the compliances to facilitate the trade. Since cargo has to be cleared and transported with human touch with skill/proficiency the role of CBs/FFs with domain knowledge supported by contemporary technology would be huge in the days to come, which would be completely faceless transaction or through digital transaction based on domain knowledge.

As the Apex Body of the Freight Forwarders/Customs Brokers in India, we have been able to increase our outreach with various ministries i.e Ministry of Commerce & Industry, Ministry of Finance, Ministry of External Affairs, Ministry of Ports Shipping & Waterways, Ministry of Road Transport & Highways, Ministry of MSME and our role is being acknowledge for contributing to every aspect to fulfill the government's vision in developing the end to end Logistics Sector.

With ground zero experience gathered during pandemic and lockdown period in 2022 our focus was to up skill the domain knowledge with effective utilization of emerging technologies through our training arm Indian Institute of Freight Forwarders (IIF). At the same time, FFFAI has strengthened its Women and Youth Wings to woo women and young entrepreneurs to this highly potential and vibrant sector. Our serious efforts have been recognized by the international logistics fraternity and FFFAI nominated candidate Shri Avishkar Srivastava, PDP Group has been the winner of FIATA YLP Award for the Asia Pacific region. It would have far reaching impact on young professionals to this sunrise sector as a

lucrative one, which hitherto has been a sector to be engaged by compulsion and not by choice as a viable career option.


And, finally after a gap of 6 long years we could hold the much awaited mega event, i.e. FFFAI Convention physically (the first large gathering of logistics stakeholders post Covid pandemic) from August 12 to 14 in Chennai. The event was full of new ideas and hope owing to serious discussions and several interactive sessions held between domain experts and record number (more than 650) of participants from across India and many other countries. Remarkably, the FFFAI Convention was addressed by three very dynamic Ministers and bureaucrats of the Government of India.

Significantly, in 2022 FFFAI has announced STC, NOC from Members for new business and code of conduct implementation which will protect and safeguard our members from exploitation of recovery to bring transparency and credibility to logistics Industry.

Also, in this year to empower Customs Brokers and logistics service providers; FFFAI has enrolled with FIATA for issuing own Bill of Lading which members can take benefit of diversifying their business into freight forwarding.

FFFAI Training and Skill development institute IIFF for the first time has launched Four batches in a year and opened up Center of Excellence to enhance knowledge & skill we which shows the commitment towards fraternity.

Our continuous dialogue and representations for trade facilitations and streamlining logistics operations resulted into milestone decisions of the Government specifically on the following initiatives/launches: PM Gati Shakti, National Logistics Policy, Unified Logistics Interface Platform (ULIP), Multimodal Logistics Parks (MMLP), ICEGATE Updation, etc.

With proper implementation of the above initiatives, we expect there would be a sea change in the manufacturing, export/import and end-to-end logistics service sector in the days to come. 



"I foresee some stability may come in the first quarter of 2023, but we will not see the same freight levels of the pandemic again for the long time."

XERRXES MASTER
PRESIDENT, AMTOI

How has been the business for multimodal transport operators last year and through this year?

Ironically the pandemic brought happy tidings for the Multimodal industry and shipping in general. We have seen freight level rise to a level which we have never been seen before. No doubt all the stakeholders have benefited in one way or the other. Honestly, we should not complain. However the last quarter has bought us back to reality. The freight markets have crashed due to global demand drying, the recession in the UK and US, the Russia -Ukraine war and the lockdowns in China.

Most shipping lines have already sounded profit warnings for the coming year. I foresee some stability may come in the first quarter of 2023, but we will not see the same freight levels of the pandemic again for the long time. In short the honeymoon is over!!

Has there been any progress in developing multimodalism in its true sense? What needs to be done?

As rightly stated by you various policies and programmes have been rolled

out in the past for individual logistic sectors which has not helped us much. There has to be cohesiveness amongst all stakeholders so as to benefit the industry at large. The Honourable Prime Minister's initiative of Gati Shakti is a step in the right direction. This is the 1st time in our history that a Government is taking cognisance of our industry and the importance it plays in the economy. The Government's initiatives of setting up Multimodal Logistics parks (MMLP's) is the right step in developing the real concept of Multimodalism and ensuring seamless flow of goods between two or more modes of transport in a cost effective manner. However the speed of implementation has to improve.

Trends that will drive the shipping and logistics sector in the months to come?

During the boom in the pandemic years a lot of new buildings have been ordered which will be delivered mid 2022-23 onwards. We will see some excess capacity. At the same time IMO regulation's also foresee scrapping of old tonnage in view of environmental

and safety standards. There will be some disruptions in the coming months before things settle down. China is an important factor in our trade and it will also depend on when their lockdown's are removed and production and supply chain's return back to normal. The UK has recently announced a slew of measures to bring it out of its recession and the US is already bucking the trend by putting in place preventive measures. These aspects will play a crucial role in the global shipping and logistics sector.

The current geo-political scenario and its impact on the global supply chains?

It goes without saying that the current Russia - Ukraine war is playing a big role in the global supply chain market. Grain supply, oil distributions have seen disruption and this will continue unless common sense prevails and a cease fire is announced and negotiations takes place.

Although many people foresee a long drawn out war. I personally feel that we will see some progress in the next quarter towards reconciliation as no country can absorb this kind of upheaval. The upcoming US elections will also play a big role in determining how the Federal Reserve behaves which has a direct impact on global shipping trade. 🇺🇸

Trends that will drive the shipping and logistics sector

The shipping industry is cyclical in nature, and after a major uptick in the post covid period, the global recession seems to have impacted it again in a downswing, with volumes dropping, rates falling, blank sailings etc. This trend is likely to continue for the coming few months (at least till the Chinese new year which is traditionally a slow period globally), and will only correct once global demand recovers somewhat, and also as global supply is balanced to match with the demand levels. As far as logistics is concerned, this tends to follow the same trend as Shipping, but in the domestic market seems to have remained healthy, as a result of which some of the negative impact of the downturn in shipping has been offset.

Few sections of the International North South Transport Corridor have become operational. Further Bangladesh is looking forward to promoting cross border rail freight movement with India. What opportunities do you see here?

Indo-Bangladesh trade forms a large part of the total Bangladesh trade, and cross border rail can be a major support factor for this trade. There is currently an infrastructure gap at the Bangladesh end, in terms of track capacity, and connectivity through till Dhaka from the India border. Efforts are needed to extend Rail services through to Dhaka instead of only all the border exchange at Benapole, for which terminal infrastructure is required at Dhaka, and some policy changes needed to extend rail services (including private sector container trains) from India to Bangladesh.

While bulk and break-bulk goods continue to move by train, light weight goods continue to move by road. How can they be attracted to rail mode?

The main reason for rail not attracting light goods stems from incorrect pricing and poor service quality. Pricing at present favours heavy cargo which tends to therefore move on rail. There is a need to switch to volume based pricing and to consider pricing at lower levels

"Extend Rail services through to Dhaka instead of only all the border exchange at Benapole, for which terminal infrastructure is required at Dhaka."



MANISH PURI
PRESIDENT, ACTO


for light weight cargo to attract this traffic. In terms of service, there is need for an end-to-end solution and transit commitments which are currently missing from the Railways bouquet of services.

A major part of the DFCs will be operational in 2023, plus the government has also started Vande Bharat freight trains. How do you see them increase the share of rail freight?

DFC will help by increasing capacity, reducing unit cost and improving rail service quality. This will especially benefit the East to North coal movement

and the North-West container trade. Vande Bharat freight services can help address the light weight commodity issue, but will not really be able to make a serious dent as they provide limited capacity, and also the IR does not have a proper institutional mechanism to attract retail type traffic.

Under the National Monetisation Pipeline, the government is looking to monetise railways assets worth ₹1,52,496 crore between 2022 and 2025. What transformation will this bring to the rail freight movement?

There will be limited impact of this on rail freight till the primary issues of pricing, operations control, service quality etc. are addressed. As long as the railways does not recognise the need to restructure the approach to freight to attract light cargo in addition to heavy and bulk business, just monetisation of assets will not make a significant difference. 



"We can expect energy prices (crude oil, natural gas) to continue to stay at elevated levels which will add to ocean freight costs."

JAYYANT L LAPSIAA
PRESIDENT, AILBIEA

Trends that will drive the liquid bulk trade sector in the months to come?

Currently the world is faced with elevated energy prices, high level of inflation, rising interest rates and monetary tightening. Governments and central bankers are fighting to control inflation by hiking interest rates. This has raised the risk of a recession. In recessionary conditions, global trade in the form of flow of goods will be affected. So, the shipping industry must brace for a slowdown.

We can expect energy prices (crude oil, natural gas) to continue to stay at elevated levels which will add to ocean freight costs.

The shipping industry will have to balance between slowing cargo movement and high operating cost. Even as the developed world faces the risk of recession, emerging markets such as China and India may still show positive growth, although at a lower rate than normal. India will continue to import




crude oil to meet its energy needs and edible oil to meet cooking oil needs. But given the depreciation of the Rupee the landed cost will be higher. We can expect some price relief in vegetable oil after March 2023.

How has been the availability of tankers, freight rates, chartering and spot market for moving liquid bulk?

Availability of freight space for liquid bulk is easing. Because liquid bulk

cargoes such as crude oil and vegetable oil are critical for countries, that cargo trade is expected to continue. There has not been much investment in the shipping industry in last two years because of the pandemic.

When global growth normalises - may be in 2024 - there may be capacity constraints.

Also, countries are decarbonising and moving towards green energy. The global shipping industry will have to contribute to the energy transition. 

"Rail sidings must be developed near CFS and ICD. All container rail operators should get an opportunity to utilize these rail sidings to their fullest potential."



PRAMOD KUMAR SRIVASTAVA
PRESIDENT, NACFS

How has been the business for CFS operators, last year and through this year?

The volume of CFS and ICD operations was good during financial year 2020-21. During the pandemic CFS/ICD operators played a major role in providing uninterrupted service of import cargo movement from Ports to CFS/ICD which helped reduce congestion at gateway ports. Similarly, we ensured 24/7 service to assist in timely exports despite dealing with the container shortage issue.

In the financial year 2021-22, international trade has recovered despite some disruptions caused due to the situation in Ukraine. It is important to observe that CBIC still needs to look into ways to further encourage the use of CFS and ICDs as infrastructure often remains under-utilized. CFS and ICDs should be allowed to handle domestic containers and coastal cargo because they have ready infrastructure to provide efficient services for the above activities.

Trends that will drive the shipping and logistics sector in the months to come?

CBIC and Port authorities need to join hands and work collectively with ICDs and CFS. This will ensure effective development of Multimodal Logistics Parks (MMLPs) which will in turn bring down the logistics cost. Rail sidings must be developed near CFS and ICD for common utilization. There should be a clear and open policy so that all container rail operators get an

opportunity to utilize these rail sidings to their fullest potential. Presently, the railway sidings are under-utilized and not optimized for container handling.

Customers are now looking for end-to-end logistics solutions with real time information flow. Logistics companies will have to strongly invest in developing digital infrastructure to ensure transparency in operations and to reduce any inefficiency in the supply chain. Custodians of ICD and CFS would be focusing to revamp their infrastructure, keeping in mind the UN Sustainable Goals for reducing carbon emissions.

Road transportation would be restricted to first and last mile connectivity and bulk of the movement will be taking place through rail network. The dedicated freight corridors will promote cost-effective rail transportation, and we will see more container rail operators coming up.

What will be the major challenges the logistics community will face in the days to come?

CFS and ICD should be an integral part of port-led development for offering value-added services to the EXIM trade. The major challenge is to recover the infrastructure cost of setting up such facilities and we are hopeful that CBIC will consider to allow domestic and coastal cargo movement as well as to set up manufacturing hubs inside CFS/ICD premises.

The applicability of GST on ocean and air freight to the Indian companies is not at par with the global standards. This is leading to blockage of additional capital and making Indian freight forwarding companies non-competitive when compared to their foreign counterparts. 

"Heavy investments in modernization of Indian Ports in the form of increased drafts, induction of modern equipment and digital technology will be key to improve their ranking among global ports."

R RAVI KUMAR
SECRETARY GENERAL,
INDIAN PRIVATE PORTS &
TERMINALS ASSOCIATION
(IPPTA)



How can Indian ports improve their ranking among the best performing global ports?

According to the Container Port Performance Index (CPPI) developed by World Bank and S&P Global Market Intelligence, which measures the time needed to spend at a port, Saudi Arabia's King Abdullah Port tops the ranking in 2021, with Port Salalah in Oman, Hamad Port in Qatar and Khalifa Port in Abu Dhabi rounding out the top five. Saudi Arabia's Jeddah Islamic Port also featured strongly in eighth place overall.

Three Chinese ports viz., Shanghai, Ningbo and the southern port of Guangzhou, feature in the top ten. As far as Indian ports are concerned, Pipavav port is the highest ranked at number 26, while Mundra is ranked at 48. Under this Index, JNPT is at 54, Hazira at 68, Chennai at 79, Krishnapatnam at 95, Visakhapatnam at 98 and Cochin at 99.

Heavy investments in modernization of Indian Ports in the form of increased drafts, induction of modern equipment and digital technology will be key to improve their ranking among global ports.

Role of ports in bringing down the logistics cost?

Ports can contribute to reduction in logistics costs by improving their productivity. Generally, the productivities at Indian ports are low because of low level of automation, deployment of old equipment, low drafts etc. The productivities can be improved, and the turn round time of the ships reduced by deploying modern cargo handling equipment with state-of-the-art- technology.

Along with this, a move towards a market-determined tariff, investment in state-of-the-art technology, and maintaining deeper drafts are among other measures that will boost the



sector to make it more attractive and support India's trade growth.

Productivity improvements by 10 to 40% are possible by deploying Dual Cycle Cranes and implementing dual cycling of TTs.

For the bulk segment, a significant reduction in transportation cost is observed with economies of scale as we move from Panamax to Capesize vessels. Approximately USD 1 to USD 2 per ton savings are possible between a full load Panamax and small Capesize vessel for coastal & international routes, respectively. Only 60% of Indian bulk berths currently are Panamax class compliant. Hence, Ports should focus on developing at least one Capesize compliant berth.

A major component of expenditure is on dredging. Internationally, the respective Federal and State Governments are entrusted with the responsibility of developing and maintaining channels through public exchequer. By adopting a similar practice in India, the vessel related charges at Indian ports can be drastically brought down.

Trends that will drive the shipping and logistics sector in the months to come?

After all the tumultuous events of 2021 and 2022, the Logistics Industry is now ripe for digital transformation and new opportunities. With the constant roll out of technological advances, the Companies that succeed in this environment and beyond are those who can adopt a combination of the latest logistics industry trends, becoming better equipped and resilient to supply chain shocks.

The shipping industry is moving towards mega-size vessels, with more than 40% of the order book in next 3-5 years accounted by ships of size 20,000 TEU and above. While a Capesize vessel required upwards of 18m draft, draft at Indian ports varies widely from 7m to 20m. Ports must increase draft according to the respective cargo profile. Indian container terminals must target a minimum of one berth with 16-16.2m draft and container terminals with mainline calls must target 18m+ draft.

As JNPT paved the way for a true


Landlord model by privatising all its berths, the transformation of Indian ports to fit into a true landlord model has just begun. Presently, out of a total 240 cargo berths operating at major ports, 66 berths are on PPP model while 174 berths are state owned. The National Monetisation Plan (NMP) launched by the Government has aimed to unlock the value in the existing brown field berths by inducting private sector.

There is a need to develop smart ports which are automated ports using data analytics to make right business decisions and run operations effectively. The concept is to use smart technology to increase ports' efficiency, improve performance and economic competitiveness etc. Implementing automated processes will not only benefit the port but the wider supply chain.

The current geo-political scenario and its impact on the global supply chains?

The general belief that constitution of global supply chains depends on economic efficiency has been shattered with the recent geo-political changes redefining the supply chains. Historically, the Global supply chains evolved based on the specific economic advantages of different countries being suppliers of raw materials, intermediaries, having the ability to design and market etc. But the changing political equations and the regional conflicts have redefined the way in which the logistics activities will be performed.

The Russia-Ukraine conflict has brought to fore the realities in this regard. Hardly had the economy recovered from the effects of the pandemic which had crippled the warehouse capacity and container availability when the Russia-Ukraine war broke out impeding the flow of goods, fuelled cost increases and product shortages, and created catastrophic food shortages across the globe.

The global supply challenges can only be met at national/international level by the formation of a new genre of likeminded geo-political allies which needs to take active measures to mitigate risks and soften the blow of rising prices and energy shortages. 

"We are greatly investing in digitalisation of our offerings and pushing volumes in all segments that we are operating in."

VIVEK KELE
DIRECTOR, TEAMGLOBAL LOGISTICS PVT LTD



How has been the business for Teamglobal, last year and through this year?

Although there has been drop in revenue, we have been able retain our volumes in the key segments of our business from last year to this year.

Trends that will drive the shipping and logistics sector in the months to come?

The war in Ukraine, US economic condition, China's Covid policy and growth in large economies of India, Indonesia, Turkey will be the trends that will drive the shipping and logistics sector. The impact of Europe's decline has been already factored in and any changes there will not have a significant impact on the existing global trade.

The current geo-political scenario and its impact on the global supply chains?

The war in Ukraine is a major geo political event that's affecting the trade globally with some aggressive posturing

by China. We need to see how the conditions evolve on both these fronts.


What will be the major challenges the logistics community will face?

The declining freight rates and rapid digitalisation are significantly impacting the logistics community.

Scenario of trade in Indian Subcontinent

India is the only growing economy in the Indian Subcontinent, whilst Pakistan has been currently written off due to its internal issues, Sri Lanka is struggling to come out of its economic crisis and Bangladesh is greatly affected by the recession in Europe and US, India is strongly supporting Sri Lanka and Bangladesh to alleviate them from the existing economic situation and effects are already starting to show.

Upcoming initiatives at Teamglobal

We are greatly investing in digitalisation of our offerings and pushing volumes in all segments that we are operating in. 

"We plan to invest ₹200–250 crores in Capex annually to boost capacity for the next four years. We will expand services for chemical and cold chain."



JASJIT SETHI
CEO, TCI SUPPLY CHAIN SOLUTIONS

How has been the business for TCI last year and through this year?

TCI's business remains to be robust. We continue to stay invested in multimodal logistics leading to a positive ESG compliance for all our clients. Essentially, the 10-15% growth on top-line and bottom-line in terms of guidance stands upright for the coming months.

Trends that will drive the shipping and logistics sector in the months to come?

- Customers will continue to be more demanding, not just in terms of cost but compliances as well. With increasing focus on reducing carbon emissions, there will be a push towards rail and coastal shipping. TCI, being one of country's leading end-to-end logistics service provider, has been promoting multimodal solutions for more than a decade now, and will continue to do so.
- Improvement in asset-utilization across major ports will lead to decrease in congestion. Post experiencing the steep rise in

maritime freight prices during the pandemic, the industry is now inching towards normalcy.

- Human resources need to be protected, because technology is just an enabler. Business has to happen on-ground with the intervention of skilled workforce.
- Risk mitigation and adaptability will be more important; as global supply chain disruptions have made the market volatile.

The current geo-political scenario and its impact on the global supply chains?

Starting with the pandemic that resulted in huge disruptions overall, reliance on excessive debt-financing, then the recent war in Europe, unprecedented energy crisis, global inflation – have been some of the major headwinds. Though India's economic recovery compares well with most large economies of the world, there is vulnerability on account of enhanced inflation levels, reduced GDP growth rate, increasing current account deficit & increasing fuel price. To improve

the situation, key structural changes are being brought about, in relation to sourcing and composition of imports as well as destination of exports; well-supported by Government of India's large-scale initiatives to ease supply chain bottlenecks.

What will be the major challenges the logistics community will face in the days to come?


- As stated above, inflationary pressures remain and will hit the market hard in the coming fiscal. Demand is expected to slow down. In fact, exports may reduce by a quarter in some sectors.
- Though we expect domestic consumption to sustain.
- Cost of compliances will go up. Driver shortage. Inflationary impact on all indirect costs.
- Cost of client and employee acquisition.

Scenario of trade among south Asian nations?

The government is focusing on investments in South Asian region to bolster trade. Currently, trade among South Asian countries totals just \$23 billion – far below an estimated value of at least \$67 billion (Source: World Bank).

TCI has a strong presence in SAARC, especially BBIN countries. It provides logistics services in Bangladesh, Bhutan, Nepal, Sri Lanka, also connecting Myanmar with offices at borders and capital cities. Cross-border movement across the SAARC region is an area of growth for us.

Upcoming initiatives at TCI to better serve the trade?

- We plan to invest ₹200–250 crores in Capex annually to boost capacity for the next four years. A large portion of this has been set aside for buying another ship that will aid seaways operations.
- With dependability and trusted fulfillment deliveries being TCI's main attributes, the Company is incubating high growth segments like Chemical & Cold-chain. 



"We are focusing on new trade lanes such as, CIS, Africa & South America region. We are also focusing on Project cargo handling and forwarding business."

MAKARAND PRADHAN
MD, TOTAL TRANSPORT SYSTEMS LTD

How has been the business for Total Transport Systems Ltd., last year and through this year?

In the current financial year 2022 we have achieved our budgeted profits and our budgeted volumes. If Q4 of the current financial year goes without any global uncertainties, we will achieve our annual budget. In the current financial year we have already surpassed achievement of revenue and volume of financial year 2021- 2022.

Trends that will drive the shipping and logistics sector in the months to come?

The freight levels started dropping drastically in the last quarter of 2022 as the EXIM trade was greatly affected globally due to geo political situation. Many of the European countries, UK, USA and South - Central America, experienced all time high inflation and hence their spending power is affected. China is going through huge surge in covid cases and hence their manufacturing is greatly affected. India heavily depends on China for the supply of raw materials, finished and

semi-finished goods and hence Indian industry will also be affected. The positive side is, Indian manufacturers and exporters will have an opportunity to fill up this gap and explore new markets.

The current geo-political scenario and its impact on the global supply chains?

Russia cutting off gas to Europe. This has greatly affected European economy and fuelled into steep inflation, leading to economic slowdown.

China's zero covid policy, has affected their production capacity and supply of raw materials to the major economies of the world. This has not only disrupted the supply chain but also made an impact on the global logistics costs.

What will be the major challenges the logistics community will face in the days to come?


As a result of uncertainties faced globally in the last couple of years, freight rates are not stable and continuously fluctuating. Due to this customers have become demanding

and cost conscious. Since pandemic the trend of working from home started which is continuing even today, affecting manpower and related resources on the field and to handle the shipments. Because of geo-political situation, the energy cost has gone up drastically, leading to inflation and fluctuation in foreign exchange rate.

Scenario of trade among south Asian nations?

Beset with Sri Lanka's economic crisis, Pakistan's catastrophic floods, a global slowdown, and impacts of the war in Ukraine, South Asia faces an unprecedented combination of shocks on top of the lingering scars of the COVID-19 pandemic. Bangladesh is experiencing slow-down in last couple of quarters. Major US based giants have manufacturing in Bangladesh due to low demand in USA. India is only country in south Asia which is doing better as compared to others.

Upcoming initiatives at Total Transport Systems Ltd. to better serve the trade?

As a company we are growing and we are focusing on working closely on certain new trade lanes such as, CIS, Africa & South America region. We are also focusing on participating in Project cargo handling. We are pushing hard to grow our forwarding business which will help us to take our company, to a new high. 

"E-commerce will drive up demand for efficient and cost-effective ways to transport goods. Use of electric or hybrid vehicles for local deliveries will increase."

SATISH LAKKARAJU

SENIOR VICE PRESIDENT & GLOBAL HEAD – AIR FREIGHT & PHARMA, WIZ FREIGHT



Trends that will drive the shipping and logistics sector in the months to come

The growth of e-commerce has been a major driver of the shipping and logistics industry in recent years, increasing demand for efficient and cost-effective ways to transport goods. This has led to the development of new technologies and strategies for managing the movement of goods, such as big data and analytics and the adoption of innovative packaging to improve sustainability.

In addition to the growth of e-commerce, there is also an increasing demand for sustainable and environmentally friendly practices in the shipping and logistics industry. As consumers become more aware of the environmental impact of their purchases, they are increasingly looking for companies that offer eco-friendly options for transporting goods. This has led to the development of new technologies and strategies for reducing emissions and improving energy efficiency in the shipping and logistics sector. For example, many companies are now using electric or hybrid vehicles

for local deliveries, and some are even experimenting with the use of drones and other aerial vehicles for short-distance transportation.

Finally, the integration of new technologies such as automation and artificial intelligence is also expected to have a significant impact on the shipping and logistics industry in the coming months and years. As these technologies become more advanced and affordable, they are increasingly being used to automate various tasks and processes in the supply chain, from warehouse management and inventory control to routing and scheduling of shipments.

What will be the major challenges the logistics community will face in the days to come

The continued growth of e-commerce, which is driving up demand for efficient and cost-effective ways to transport goods from manufacturers to consumers. Increasing pressure to adopt sustainable and environmentally friendly practices, which may require significant investments in new technologies and infrastructure. The

integration of new technologies such as automation and artificial intelligence, which can help to improve the efficiency and accuracy of logistics operations but may also require significant investments and the development of new skills among logistics workers. The impact of global economic conditions, which may affect the demand for certain goods and services, and the ability of logistics companies to secure financing for new investments.

Scenario of trade among south Asian nations?

South Asian countries should focus on delinking domestic sentiments from economic rationale and engaging in diplomacy to allay concerns about integration. This will be a crucial step towards building a self-reliant South Asia, with offers of freer transit trade through the region, the development of supply and logistics chains, digital data interchange, single-window and digitized clearance systems, risk assessment and minimization measures, wider use of trade lines of credit, denser connectivity, and smoother cross-border inspections. 

"The logistics business is rebounding as economic activity improves. This year's business growth is also being driven by increased e-commerce consumption."

How has the business for Kuehne+Nagel, been last year and through this year?

Last year, the company faced pandemic-related uncertainty and volatility, owing to increasing demand, container shortages, major port closures producing port congestion, and limited capacity in the air freight sector combined with omicron restrictions. Similarly, the logistics business is rebounding this year as economic activity improves, resulting in increased trade volumes for the organization. This year's business growth is also being driven by increased e-commerce consumption.

In 2022, we were named the Best Freight Forwarder in India by the government. We are also very delighted to be certified as a "Great Place to Work" by the Great Place to Work Institute. We continue to pursue our ambition to become the best company to do business with and the best company to work for.

Trends that will drive the shipping and logistics sector in the months to come.

The logistics industry has witnessed a rough time in recent years and has become fragmented, volatile, and unpredictable due to the pandemic, and geopolitical, and economic crises faced by countries. All these factors have hastened many trends in the industry such as digitization and increased reliance on e-commerce.

Last-Mile Delivery

Following the pandemic-induced lockdowns that paralyzed the economy



COEN VAN DER MAAREL
MD, KUEHNE+NAGEL INDIA, SRI LANKA
AND THE MALDIVES

Digitalization

Technology such as blockchain, IoT, big data, cloud, and more are helping companies provide real-time, integrated solutions for a seamless customer experience.

Growth in E-commerce

The number of players entering the e-commerce sector is gradually increasing due to the expectation of increased penetration of the internet and among smartphone users. That has led to the demand for logistics services growing rapidly across the region and becoming more competitive to capture the huge opportunity. Several logistics players are making strategic investments by establishing a regional logistics network, such as by opening new distribution centers and smart warehouses.

Real-Time Analytics and Tracking

Businesses must put systems in place near RFID chips to collect and share data. At the same time, logistics companies should also have a file-based

in the previous year, people have turned to home delivery as a matter of safety and convenience. Quick commerce is a growing trend that caters to convenience-seeking customers' desire for faster delivery. Recent developments in this space indicate that last-mile delivery is being pushed to the brink.

The future of logistics appears exciting with the introduction of self-driving drones delivering packages to their destinations. In the coming year, the increasing demand for quick delivery will push enterprises to deploy the latest technological solutions speedily.

technology in place to connect devices to the core enterprise systems where data is stored and analyzed.

What will be the major challenges the logistics community will face in the days to come?

Technical Barriers: Most businesses are lagging in implementing technology at the operational level, even though it is essential to the success of a logistics company and primarily benefits the sector. Besides, due to the high cost of logistics technology, only large organisations can afford it. Because of the changing nature of technology and shifting consumer demands, small businesses are finding it difficult to adapt to technological innovations.

Changing consumer demands: Customers and consumers expect their logistics partners to assist them in resolving issues and advancing in a competitive market throughout the shipping and delivery process. Furthermore, they would like to have the option of expedited freight, such as two-day or same-day delivery. Therefore, in order to respond to changing needs and deliver top-notch services, logistics companies need to have systems and procedures in place.

Scenario of trade among South Asian nations?

Intra-regional trade in South Asia remains significantly below its potential, accounting for only 5% of the region's global trade, due to protectionist policies, and high transportation costs.

In addition to being economically advantageous, increasing trade in the South Asian region is crucial for India's economic integration with the rest of the world as well.

Upcoming initiatives at Kuehne+Nagel to better serve the trade?

We recently became the first air logistics provider to offer our customers the option to purchase SAF for all air freight logistics services, across all its platforms and channels – online or offline.

Beyond SAF, in sea freight, there are vessels running fully on biofuel. However, that is not the industry standard yet. For trucks, we see Hydro-treated Vegetable Oil (HVO) as a primary strategy bridging technology to 2030 that is steadily on the increase. It is a long-haul focus, offers up to 90% reduction in CO₂ emissions, and is being used today in our own fleet of trucks and carriers on select routes in Europe.

We take a holistic approach to sustainability for our warehouse facilities like "Zero Impact Logistics Centre" which includes: "Green Energy & Energy Efficiency", "Water Efficiency", "Employee Well Being" and "Sustainable Operations" encompassed in "Sustainable Packaging", "Green Distribution", "Optimization Services" and "Plastics & Waste Reduction"

Kuehne+Nagel continues to invest in developing and implementing technologically advanced solutions to improve business efficiency and lower operating costs. Kuehne+Nagel's

customized tech-enabled end-to-end logistics supply chain solutions provide full visibility and management of shipments via intuitive platforms such as:

- The company uses predictive analytics in shipment planning and execution for a smooth on-demand customer experience. It has over 30 years of industry experience in fast and reliable sea and air freight transportation.
- To provide our customers with the most up-to-date information, Kuehne+Nagel invests in technology such as big data and predictive analytics, such as their Sea Explorer platform, which provides real-time updates on port traffic and shipping routes.
- Similarly, the myKN app informs customers about multi-modal options for their shipments and allows them to choose more environmentally friendly transport routes and modes, effectively lowering the environmental impact of their logistics activities.
- Integrating a digital trucking ecosystem to streamline routine road logistics operations. Kuehne+Nagel also created the eTrucknow product, which provides customers with online real-time visibility of all their shipments.
- In air freight, the Shipment Data Wallet application digitalizes bookings that are still made non-digitally.

Similarly, Kuehne+Nagel has put into operation its first Boeing 747-8 Freighter as part of the long-term charter agreement with Atlas Air, Inc. The new Boeing 747-8F accentuates Kuehne+Nagel's commitment to providing reliable and flexible solutions to its customers worldwide. In addition to transpacific routings, the new service will be linked to the intra-Asian network, providing our customers with improved connectivity extremely dependable service, shorter transit times, and reduced risks within the rapidly growing Asia Pacific region. The Boeing 747-8F plays a vital role in global air freight as well, thanks to advanced technology that allows for lower fuel consumption, increased capacity, and a unique nose-loading capability. 



"We launched 5pl services in India and became the first company to introduce this service in the cold chain logistics and supply chain management sector in India."

SUNIL NAIR
CEO, SNOWMAN LOGISTICS



How has been the business for Snowman Logistics, last year and through this year?

Post covid, business has been good with most of our clients achieving their pre-covid volume. This year, some of them have surpassed their previous best volume. So, all in all, the business is looking quite positive. 2022 is a landmark year for Snowman Logistics. We launched 5pl services in.

India and became the first company to introduce this service in the cold chain logistics and supply chain management sector in India. This has enabled us to offer a more diverse service range in response to what our customers need. With our network and experience across food segments (processors, retailers, distributors, raw material producers, and so on),

and relationships, we have been able to deliver value to our customers. In addition to our existing solutions, we now offer distribution and consolidation services to our customers. We are offering one-stop distribution services, right from the manufacturing plant to the consumption points through which we are able to add additional value and enhance earnings from our existing businesses without needing to invest in infrastructure.

For our customers, this is an advantage as they get value in utilizing our industry network for sourcing and business development.


Trends that will drive the shipping and logistics sector in the months to come?

I believe, the re-structuring of the distribution network will drive a lot of changes. I won't be surprised if large organisations change their inventory holding norms, and locations of storage, and do strategic tie-ups for efficient logistics across. Some of these changes will also be driven by the National Logistics Policy in mind.

Major challenges the logistics community will face in the days to come?

The logistics industry is expected to see major changes in the next 3-5 years time. While on one side we are talking about adopting block chain, on the other hand, National Logistics Policy is going to drive multi-model logistics in the country. NLP will also standardize things in the sector. Thus, should we prepare for future volume now or wait for NLP guidelines are some of the challenges for the industry.

Upcoming initiatives at Snowman Logistics

As mentioned above, with the recently launched 5PL services we are able to extend additional services to our customers and be an integral part of their organisation. This will help us own up more accountability at a reasonable cost structure. For our customers, we will be able to offer not just the infrastructure, but a lot of expertise, information management, and IT solutions and be partners in their growth journey. 

"We aim to reduce the CO₂ intensity of our entire fleet by 30% by 2030 and to become carbon-neutral by 2045. We will deploy efficient ships, phase out old ships, use alternative fuels to reduce emissions."



TIM SEIFERT
DIRECTOR, CORPORATE COMMUNICATIONS, HAPAG-LLOYD

How has been the business for Hapag Lloyd, last year and through this year?

We look back on an exceptionally successful year 2021 in which we invested massively in modern vessels and new containers. In addition, we have significantly strengthened our financial and asset position. However, transport expenses have unfortunately also risen significantly, mainly due to the bottlenecks in the global supply chains. In 2022, and thanks to higher freight rates, we have achieved an exceptionally strong nine-month result. However, we are also seeing that the market environment has deteriorated further in the third quarter. This is evident, for example, in falling spot rates and rising inflation-related unit costs.

Trends that will drive the shipping and logistics sector in the months to come?

In the coming months, the strained situation in the global supply chains should continue to normalise. At the same time, our strong balance sheet will help us to stay on course even in

difficult waters. We will stick to our strategic agenda while investing more in quality and growth as well as in the further decarbonisation of our fleet. One very significant focus is investment in infrastructure, which we are using to further expand our terminal portfolio.

The current geo-political scenario and its impact on the global supply chains?

We are seeing that demand and spot rates are going down in key trades whilst transport capacity is released due to an easing of congestion in many port worldwide. At the same time, costs are rising due to inflation in many countries, which is also reflected in an increase of our unit costs, particularly due to higher bunker expenses.

What will be the major challenges the logistics community will face in the days to come?

The shipping industry is collectively responsible for approximately 3% of all CO₂ emissions worldwide. We need to do better on this issue and significantly reduce our carbon footprint in the years

ahead. For this reason, we have made "sustainability" the fourth core focus of our Strategy 2023 and set concrete goals for ourselves. Specifically, we aim to reduce the CO₂e intensity of our entire fleet by 30% by 2030 and to become carbon-neutral by 2045. Hapag-Lloyd aims to achieve this ambitious goal by deploying new and more efficient ships, phasing out old ships, using alternative fuels and introducing additional measures to reduce emissions.

Scenario of trade among south Asian nations?

South Asia offers attractive growth opportunities and India is one of our key growth markets. For this reason, we are improving our service offering for our customers on a regular basis. In May 2022 for example, we started our new MAX service from India via Middle East to Maputo. Additionally, and just recently, we opened a new Global Service Center in Mumbai for 1,100 of our colleagues, which will help us on our journey to becoming Number One for Quality for our customers. 

"To do away with physical Boarding of vessels by customs and various other authorities, all documentation exchange to be vide paperless procedure via agents."

CAPT RAM IYER
PAST PRESIDENT, MANSA



How has been the business for MANSA members?

Top on the agenda during the last year at Mansa were to a) Facilitate effective implementation of SCMTR, b) our continued endeavours on EODB for us as agents. Vide our various initiatives and endeavours with Authorities at JNPA & MBPA and surely the JNCH & MBCH, we have tried best to highlight the need to move onto total digital documentation exchange as mandated under IMO FAL and faceless inward and our efforts continue. We have partnered with MACN in our efforts on EODB and a corruption free environment.

MANSA's work in progress list includes:

- To possibly do away with physical Boarding of vessels by customs and various other authorities
- All documentation exchange to be vide paperless procedure via agents. Any boarding if warranted due to RMS of customs/DRI/Black gang etc warranting scrutiny/physical check+ verification of Master's declaration to be expedited with prior notice (similar to 100% examination of cargoes).
- Coordinated push/efforts for an effective unified Maritime single window system/ PCS/CCS/NLP etc
- Need for unified submission/ representation to IT authorities

/revenue ministry to ensure standardised procedures for issuance of IT clearance for vessels at various ports etc – need SOPs for same under DTAA and the need to avoid heartaches

- Committed to ensure effective SCMTR // EODB for agents.

HAROPA PORT on the Seine Axis:

The various ongoing development & investment strategies have facilitated a growth of over 12% maritime trade in 2021 & whilst the results are awaited yet, we are hopeful of a growth of about 3-5% for 2022.

Containerised volumes do reveal a stable /albeit slight growth. Liquid bulk volumes and Cruises activities are all expected to close higher in 2022. Ro/Ro & dry bulk traffic is being restructured in line with sectoral developments in these sectors.

We can expect an increase in HAROPA PORT - INDIA - HAROPA PORT traffic of around 3% for 2022.


HAROPA PORT commits itself to achieve a 10% reduction within 2 years (using year 2019 as benchmark) in overall energy consumption. HAROPA PORT has identified measures aimed at fostering sustainable mobility on port & land facilities, assisting customers & towards green & renewable energy solutions. As an example, delivery of

IKEA Swedish furniture company with warehouse on the Seine Axis is using barges to Paris and for final delivery of last km in electric vehicles.

HAROPA PORT is a major player in coordination and supply of construction material and/or evacuation of construction waste in avoiding as much as possible trucks and lorries and by using barges on the Seine Axis.

Investments in 2022 of over 250 Mio Euros on HAROPA PORT with a significant quantum allocated to supporting energy transition, providing quayside electricity, network of electricity points along the Seine axis for use by barges & inland watercrafts, major carbon capture project etc. has been undertaken.

HAROPA PORT continues to prioritise multimodality and enhance the use of rail and river transport along the Seine axis to 20% for combined transport for containerized goods (up from present 15%) and up to 40% for bulk cargo.

M/S Terminal Investment Limited (TiL) confirmed a major investment of over 700M Euros for the terminal at Le Havre that will further strengthen HAROPA PORT's role as a gateway to North-western Europe. 

"Over the next 3-4 years the company plans to develop a portfolio of 20-25 million sq. ft. across Tier-1, 2 and 3 cities. We have 600 acres of land in-hand to develop 13 million sq. ft. of warehousing space."

ANSHUL SINGHAL
MD, WELSPUN ONE LOGISTICS PARK



How has been the business for Welspun One Logistics Parks, last year and through this year?

We have witnessed continued progressive growth since inception in 2019. We launched India's first AIF that permitted domestic players to invest in India's warehousing growth story. Since its launch in 2021, the fund has committed 100 per cent of its ₹500 crore corpus across six investments spanning five cities--Mumbai Metropolitan Region, National Capital Region, Bengaluru, Chennai and Lucknow, aggregating to about 6.6 million square feet of gross leasable area. Fifty per cent of the fund is expected to be rent generating by mid CY'23. Sixty per cent of the under-construction/completed portfolio is already pre-leased to blue-chip tenants that include Delhivery, Flipkart, Tata Croma, FM logistics, Ecom Express.

Over the next 3-4 years the company plans to develop a portfolio of 20-25 million sq. ft. across Tier-1, Tier-2 and Tier-3 cities. Welspun One has an active pipeline of 600 acres of land that enables development of 13 million sq. ft. of warehousing space.

Trends that will drive the shipping and logistics sector in the months to come?

2022 was a momentous year for the warehousing sector; the post-pandemic

scenario witnessed growing absorption even in Q³ indicating a rising demand for warehouses. Grade-A players saw a 2X increase to 1,60,000 sq. ft. The warehouse expansion extended to Tier-II & Tier-III cities as well as they served as up and coming growth engines. What we anticipate for 2023 is complete digital integration and automated solutions in the warehouse management system. Robotics and other automated solutions will lead to a boost in efficiency, simplification of manual tasks and lower costs. Predictive analytical tools will additionally aid in managing inventory and forecasting demand thus enabling better informed decisions. This in turn would directly impact delivery timelines.

Demand from newer markets like EV and auto ancillary is expected to be on the rise; manufacturers today would rather lease, save the money on land and building and invest in the machinery of their business. Existing warehouses will be expected to go through modifications to adapt to the new sector demands.

What will be the major challenges the logistics community will face in the days to come?

A major challenge weighing on the warehousing industry is availability of land parcels at strategic locations for warehouses as these prove vital in the larger perspective of supply chain

as a whole. Owing to the dearth of land parcels for priming warehousing spaces, costs tend to rise as SKUs need to be primed for longer transporting distances. Another challenge we are facing is the shortage in workforce that come with an additional 'smart' skill set. Today, with the active integration of technology, we are in need of personnel that can adapt to the changing scenarios faster. As warehouses become more automated, the skill set requires a complete revision to ensure the combined benefits of technology and workforce are optimised. The absence of a single-window clearance system has proven a significant challenge not just in warehousing, but in the real estate sector as a whole.

Upcoming initiatives at Welspun One Logistics Parks to better serve the trade?

Over the next 3-4 years, Welspun One plans to develop a portfolio of 20-25 million sq. ft. across Tier-1, Tier-2 and Tier-3 cities. In addition to the 6.6 gross leasable area, the company has an active pipeline of 600 acres of land that enables development of 13 million sq. ft. of warehousing space. 

"We have established Pune's first dedicated empty yard to address the waste of containers being transported to and from the city."



MALCOLM D'SOUZA
CCO, KSH DISTRIPARKS

How has been the business for KSH Distriparks, last year and through this year?

The overall business for KSH Distriparks has been on a positive upward trend, and we have seen good growth in the past one year. During the pandemic in 2021, we saw a significant drop in both imports and exports, but storage has been on the rise overall. However, 2022 has been a year of recovery, with overall growth in both imports and exports increasing throughout the year. We have onboarded a few larger customers this year and have seen incredible growth in existing customers; overall, it has been a good year for us.

Trends that will drive the shipping and logistics sector in the months to come

The industry is definitely struggling with volume and this struggle is expected

to continue until March 2023. With the correction of ocean freight rates, the market is expected to become more competitive, increasing imports and exports. The low-value commodities which are sensitive to an increase in ocean freight will benefit from this correction and we can expect more volumes to be traded. Overall, we hope that 2023 will be a better year as compared to 2022.

The current geo-political scenario and its impact on the global supply chains?

Global volumes have been impacted by the Americas' pseudo-recession and Europe's energy crisis. Disruptions in areas like transportation, outsourcing failures, longer lead times, input cost increases and insolvencies are also a few factors that have impacted the global supply chain adversely. With capacity available, carriers are now competing for cargo, resulting in lower freight rates. In 2023 and beyond, we will also see increased sourcing from countries such as India, Thailand, Vietnam, and Bangladesh.

Challenges the logistics community will face in the days to come

In the times to come, the logistics community will face challenges as mentioned below:

Labour and Driver Shortages: Due to the growing demand for quality manpower and the need for more vehicles on the road, the logistics sector will face a driver and labour shortage. This segment is our backbone but at the same time, the most neglected area in terms of development and facilities.

Increase in Transport Cost: Rising fuel prices, driver salaries, and the cost of vehicle components all contribute to an increase in overall transportation costs which will be a pinch to an organization given the thinning margins everyone is working on at the moment.

Warehouse cost on an upward trend: Rising land prices, construction costs, and other input costs have raised the overall rentals in most industrial belts, making it difficult to source and reduce storage costs across the country.

Upcoming initiatives at KSH Distriparks to better serve the trade

- KSH Distriparks is working to provide integrated solutions that meet the requirements of its customers because the company has always recognized opportunities in the expanding logistics market. KSH's three businesses, Infra, Logistics, and Distriparks, have seen collaborative efforts in the Pune market. We are also working on providing both short-term and long-term solutions through our container storage solutions. We have established Pune's first dedicated empty yard to address the waste of containers being transported to and from the city. The overall objective has been to reduce customer costs. By re-doing the entire storage yard, KSH Distriparks increased its yard capacity by 20% over its previous capacity. In addition, we are collaborating with stakeholders in the industry (Shipping Lines, Forwarders, and CHAs) to provide a single point of contact for all cargo handling requirements in and around Pune. 

"We expect rate war will intensify due to limited cargo demand and excess capacity. Also covid issues in China may lead to diversification of sourcing to new markets like Vietnam/India."

How has been the business for Transpost, last year and through this year?

Like every other start-up Transpost had its share of ups & down, success & failures. We have weathered the capacity storm last year and now middle of a rate war this year with demand starting to slow down. In spite of these cyclical industry challenges we have been able to strengthen our technology platform and increase our user base over the past 15 months.

- Transpost has now crossed 1000+ logistics players (BCO's, forwarders & CHA's actively using the platform). We aspire to have 5000+ members over the next 18-24 month which will make it one of the biggest network of users solving their logistic needs on a single integrated platform.
- Transpost Technologies which is head quartered at Mumbai now has presence in 6 different locations in India (Delhi/ Ahmedabad/ Bangalore / Kolkata) and looks to increase its ground presence in Middle East / EUR & US. The platform can be operated by customers globally.
- Our newly launched mobile App is expected to improve customer experience significantly.

Trends that will drive the shipping and logistics sector in the months to come?

We foresee that demand will continue to be sluggish for the next 2-3 quarters due

SATYAUE PAUL
CEO, TRANSPST TECHNOLOGIES PVT LTD



to high inflation & high energy cost in the developed markets and slow traction in China markets. Ocean shipping rates will continue to be under pressure. We have already seen a 60% fall in ocean rates over the past 2-3 months, the trends may bring it down by another 20% before the stability or recovery is expected. New vessels getting introduced by the major shipping lines in 2023 may create further gap between demand & supply. We expect digitization to pick up further space in the logistic space with more digital aggregators in the game & enhanced digital transformation of shipping lines / ports / terminal & customs.

The current geo-political scenario and its impact on the global supply chains

The current political tension in Europe has already led to demand for non-essential items going down drastically in the developed markets like EUR & US. Higher bank rates to counter inflation may aggravate demand further down. Due to low demand we may see more blank sailing or indirect routings from carriers to improve utilization. This may

impact supply chain and transit time of essential commodities. We expect rate war will intensify due to limited cargo demand and excess capacity. Also covid issues in China may lead to diversification of supply chain sourcing and manufacturing out of China hence leading to development of new emerging & alternative markets like Vietnam / India etc.

Upcoming initiatives at Transpost to better serve the trade

Transpost has launched its new advanced platform in Dec 2022. Transpost Platform 1.0 focussed on solving ocean Transportation needs for its customers. Transpost platform 2.0 is an integrated logistic platform which address the E2E logistic requirements for its members under one single platform including first mile & last mile support (Transportation, custom clearing, warehousing rate option for our customers on top of existing ocean transportation option). The key focus will be to expand the platform user base globally so our members can access all the benefits irrespective of whichever part of world they are based. 🌐



"Digitisation is now viewed as a "must have" investment rather than as an expense."

LIJI NOWAL
MD, ODEX INDIA SOLUTIONS PVT LTD

A couple of years ago the maritime industry was considered a late entrant into digitalisation, but COVID-19 is said to have expedited digitalization. What has changed in the last two years?

I will not use the term "late entrant," but I will say that the Maritime Industry experienced a slow penetration of digitalization due to its extensive processes and the involvement of multiple stakeholders. I will use ODeX as an illustration. We have been working on the digitization of container shipping for more than a decade, now. I say decade because it took three years to come up with the concept and comprehend the process, and seven years to implement the concept in "DIGITAL MODE" to streamline the shipping stakeholders' process.

Post COVID, people's attitudes have shifted toward a more digital way of working, which is more effective & cost-saving for them with reduced manual efforts.

Digitisation is now viewed as a "must have" investment rather than as an expense.

When we talk about technology three parameters come up – efficiency, time, and cost. How is technology helping to improve on these parameters – be it shipping lines, freight forwarders or ports & terminals?

ODeX is a Tech-based community-based platform that connects all parties involved in container shipping, and we have proven ourselves in relation to the following criteria:

EFFICIENCY – Technology has made it possible by automating the process, thereby minimising human errors caused by double data entry.

TIME – Technology, be it at ODeX, has reduced the time required to retrieve the documents from 2-3 working days to 2-3 working hours.

COST – The cost of delivering documents from one location to another or requesting invoices and making payments through banks with physical receipts is directly impacted by the above two parameters.

There are many other platforms like us which deliver these benefits – like our partners – SoftLink, MatchLog, U-Soft, etc. A collaborative approach amongst solution providers has helped achieve all the above 3 objectives and ODeX we believe in partnering to help our ecosystem.

Each shipping line has its own technology platform and so do ports & terminals and Customs. Are they compatible with each other?

We appreciate that you have posed this question. Honestly, in the world of tech vision, anything is possible in terms of compatibility or integration, so long as you have an industry-vision-based objective in mind. There may be instances in which each shipping line, terminal, and port has its own standards and protocol for serving its customers, which makes it difficult to bring them all onto the same schedule.

Today there are API standards that help multiple systems integrate seamlessly with each other. This makes any system compatible with other systems thus reducing costs for all stakeholders involved.

How is the scenario of warehousing automation?

This is one of the key areas that must be enhanced in order to have the greatest impact on the GDP by streamlining the supply chain.

Efficient warehousing can make the difference between improved profits or increased costs.

Ports, shipping lines and Customs are all generating huge volumes of data. How can this data be used for the betterment of trade?

The data collected at these sources play a crucial role in terms of enhancing productivity, boosting efficiency, and promoting transparency among the other stakeholders. It is essential to find a way to use data in order to enhance the efficiencies of the supply chain and at the same time it must be used in a manner that gives comfort on data protection to all stakeholders involved.

"We intend to launch products catering to Air freight services. Products in the sustainability space will be launched in 2023."



SANJAY BHATIA
CO-FOUNDER AND CEO, FREIGHTWALLA

How has the business been for Freightwalla last year and through this year?

We witnessed a robust uptick in demand for our services and increased awareness about the need for digitized freight services. Recognizing its constant innovation, Freightwalla was also recognized in the latest edition of Deloitte Technology Fast 50 Awards 2022, ranked 17.

Trends that will drive the shipping and logistics sector in the coming months.

By 2028, it is anticipated that the revenue for Radio Frequency Identity (RFID) tags will amount to USD 17.6 million. Businesses might install equipment close to the RFID chips to gather and share data. Additionally,

file-based integration technology should be in place at logistics companies to link devices to the main enterprise systems where data is stored and processed. Businesses can develop plans.

The recent security incidents have exposed the weakness in the current supply chain landscape, strengthening the case for digitization.

Demand for greenhouse gas reduction will increase as logistics leaders take steps toward decarbonization. Investors worried about the material risks posed by climate change have developed new reporting frameworks such as those by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). To reduce greenhouse gas emissions, the industry must take strict measures and be willing to embrace changes that will fundamentally transform it.

The lack of exports from major economies and the rising prices of

necessities like grains and fuels would eventually reduce global GDP growth. While supply chain disruptions may still be challenging for maritime transportation companies in 2023, these problems are fading. Retail brands should be able to maintain shipping costs low for customers thanks to falling container costs and a decline in backlogs.

What will be the logistics community's major challenges in the coming days?

There are a great deal of gaps between the demand and supply globally. While the last two years have shown a steep uptick in demand vis-à-vis limited supply due to pandemic-infused trade restrictions, this trend seems to have reversed. Due to impending recession fears and mass layoffs, the last two months have seen a sharp decline in demand while the supply side sees over-crowding. In this scenario, logistics service providers will need to find a way of differentiating themselves in a crowded marketplace.

Scenario of trade among south Asian nations

1.7% to 3.8% of India's total trade has been conducted with its neighbours. Trade in the area has continued to be much below potential. This is a prime example of how agreements alone are insufficient to facilitate trade unless the trade obstacles are addressed. The main causes of India's poor intra-regional commerce in the neighbourhood include the existence of para-tariffs, high logistical costs, limited infrastructure, and ongoing informal trade, along with other NTBs. As a result, trade in South Asia continues to be expensive.

Upcoming initiatives at Freightwalla to better serve the trade?

Freightwalla launched different value-added products like Cargo tracking services (TaaS). In the new year, we intend to launch products catering to Air freight services and moving beyond oceanic transport. A couple of other products in the sustainability space are in the final stages and are set to launch in 2023. 



"Use of IoT, AI, and robotics in fulfilment centers and warehouses will increase. Innovations are required to keep pace with the increasing cost involved in Return and Reverse Logistics."

DIPANJAN BANERJEE
CHIEF BUSINESS OFFICER, ECOM EXPRESS

How has been the business for Ecom Express, last year and through this year?

Ecom Express invested consistently in ramping up the infrastructure across different legs of the network including the Delivery Centers, PPCs, HUBs, IT and People in terms of catering to newer growth segments for end-to-end e-commerce, including social commerce and D2C ecosystem. The industry is seeing increasing growth coming from tier-2 and beyond cities. The overall industry continues to grow at a healthy rate of 30% seen during the festive season this year, compared to 2021. Ecom Express saw an excellent jump of 55-60% in volumes and revenue during the same period.

Trends that will drive the shipping and logistics sector in the months to come?

Following are the top five logistics trends that will drive in the coming times.

- **E-commerce growth beyond Tier I:** There is going to be an exponential growth of e-commerce in Tier II, III and IV cities. Faster deliveries will

be supported by fulfilment services equipped with high tech solutions.

- **Prioritizing D2C ecosystem and their needs:** Fast-growing e-commerce and D2C players need proprietary line-haul network; last-mile distribution using intelligent information systems; network capabilities enabling Cash-on-Delivery (COD), pre-paid and reverse pick-up; automated warehousing, order management and fulfilment centers.
- **Focus on efficient returns and reverse logistics:** Innovations are required to keep pace with the increasing cost involved in return and reverse logistics.
- **Digitalization in E-commerce logistics:** Automation, IoT, AI/Machine learning, data sciences, cloud computing, blockchain, and many other new age tech-solutions will help stay ahead of the curve.

Major challenges the logistics community will face in the days to come?

- The rise in fuel prices is the main worry. Losses in cost-cutting will result in higher expenses, which will ultimately have an impact on producers.

- Customers want real-time updates to track their orders.
- Effective reverse logistics policy to ensure seamless functioning of e-commerce operations. Plans for Reverse Logistics can be challenging and expensive if executed improperly.
- Shortage of drivers is one of the biggest issues. Offering amenities that cater to the drivers' interests, needs, and aspirations is the best way to draw them in.
- Logistics companies should adhere to all local, state, and federal legislations that vary from one region to the next. These restrictions limit the reach and independence of logistics companies as well as their capacity to look for additional viable options and opportunities.

Scenario of trade among south Asian nations?

As opposed to other regions like East Asia and the Pacific, where intra-regional trade makes up about 50% of total trade, and Sub-Saharan Africa, where it has increased over time to 22% thanks to government initiatives to facilitate trade, intra-regional trade in the South Asian region only makes up 5.6% of total trade.

Upcoming initiatives at Ecom Express

The launch of our multimodal product ExpressPlus to provide bundled services to time sensitive customers is going to be phenomenal as it will reduce the transit time of shipments and leverages the company's presence in all 27,000+ pin codes. 📍



"AI and process automation will continue to grow. The rise of the Supply Chain Digital Twin allows companies to create a virtual copy of their logistics processes to test new ideas before introducing to real-world."

SANKET SHETH
FOUNDER & MANAGING DIRECTOR, ELIXIA TECH SOLUTIONS LIMITED

How has been the business for Elixia Inc., last year and through this year?

The past 2 years have been really splendid for us at Elixia. We got our first round of funding in the year 2021 and since then, there's been no turning back. We launched two new products, Elixia Connect & Elixia Lite, specifically with an intention of bringing about process organization and digitalization in the Indian logistics market. We also revamped our Supply Chain Control Tower solution to an extensive Intelligent Delivery Orchestration solution to cater to the needs of all logistics segments including mid-mile, last-mile, and import/export operations. We recently got selected for the startup accelerator program of Flipkart - LEAP, which gave us the opportunity to conduct proof of concept and deploy our solutions within the Flipkart ecosystem. Elixia has grown by 2x this year by far and is targeting to cross 3x Revenue by the end of FY 23. Overall, our transaction footprint has grown by 50% & our MRR is expected to grow 100% by the end of the year.

Technology Trends that will drive the shipping and logistics sector in the months to come?

AI and process automation have seen massive advancement in recent years and will continue to upsurge. The most notable trend in these sectors is the rise of the Supply Chain Digital Twin (SCDT) which allows companies to create a virtual copy of their logistics processes in order to test new ideas before committing to real-world problems. Last-mile delivery technologies, robotics for warehouse automation and drone extensions are also slowly gaining traction. Companies such as Amazon and Tata lmg have already begun using drone deliveries to gain a competitive advantage. I believe that ultra-modern technology trends will empower supply chains and logistics to proactively shape a sustainable and resilient future by 2030.

What are the major challenges the logistics community will face in the days to come? How can technology solve them?

The global logistics industry has been volatile in recent years, becoming more

integrated, complex, and tightly knit. Instances like the Suez Canal crisis and the sudden appearance of the covid-19 virus have re-iterated the need to have strong, resilient supply chains that can hold ground in unforeseen situations. Hence, the need of the hour is to bring increased visibility, transparency & control over the supply chain processes & technology is undoubtedly the enabler to achieve so. Today's advanced technology solutions not only automate & digitalize the processes but are also capable of running analysis and providing intelligent decision-making outputs. Additionally, there is a constant emphasis on reducing carbon footprints and going green, as consumers are concerned about environmental impact and are willing to pay a premium for sustainable products. With the help of the right technology solutions, supply chain and logistics processes can be optimized to reduce the carbon footprint considerably. New innovations in the field of robotics, UAVs, autonomous vehicles, etc. will also need advanced technology solutions with high integration capabilities to bring the needed revolution in the logistics world. 

"Demand for fast delivery will drive small satellite warehouses. Growing fuel costs will make temperature controlled logistics costly. Cyber security will be a major concern. Expansion of parcel collection point networks will aid in meeting decarbonization targets."

NISSCHAL JAAIN
FOUNDER & CEO, SHYPMAX



How has been the business for Shyppmax, last year and through this year?

Shyppmax has seen phenomenal growth last year with the increased exports and "Make in India" push of the government. Although exports of certain commodities have recently been on the decline, we have been witnessing unprecedented growth as the global e-commerce market has been growing at an exponential rate, and that has paved the way for e-logistics providers like us to step up and thrive.

Trends that will drive the shipping and logistics sector in the months to come?

Future logistics leaders will place more focus on digitization because they are concerned about its growing integration. However, the latest security attacks have highlighted the flaws in the supply chain environment, supporting the case for digitization.

Leaders in logistics who are moving toward decarbonization will see an increase in demand for greenhouse gas reduction. Investors concerned about the significant risks posed by

climate change have created new reporting standards, such as those of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).


What will be the major challenges the logistics community will face in the days to come?

Retailers and carriers will attempt to match the expectation of faster delivery, notably same-day delivery, by creating smaller, satellite warehouses and fulfillment centers in densely populated urban regions, putting further strain on the logistics industry. Fuel costs for automobiles will be a significant concern, and analysts anticipate that they will continue to rise well into 2023. Growing prices will result in greater freight costs for time-sensitive cargo. While carriers will absorb as much as feasible of this cost, customers may experience a modest increase in shipping prices in 2023. Cyber security will be a major issue for many firms. The expansion of parcel collection-point networks will aid in meeting decarbonization targets.

Scenario of trade among south Asian nations?

Value chains and specialization are important aspects of global trade. Compared to nations with a high degree of similar products and specialization, nations with differing comparative advantages and product specialization would have more prospects for mutually beneficial trade. Most South Asian nations compete with one another in their export markets for a certain range of goods, primarily textile and garment exports. Due to its import policies, India primarily imports semi-manufactured goods, a sector in which its neighbours do not have a comparative advantage. This reflects India's consistently low neighbour imports.

Upcoming initiatives at Shyppmax to better serve the trade?

- Shyppmax aims to build a presence in 50 locations by the end of this fiscal year, further to which we'll expand globally to a couple of regions to build an on-ground team to increase operations in the key strategic regions. We are coming up with Ocean Freight Services. 

"Trade amongst south Asian nations has been booming over the last 2 years and with the government being proactive in the free trade agreements with its neighbours, the trade is likely to expand still further."

SRIRAM SWAMINATHAN
GENERAL MANAGER
GOODRICH MARITIME PVT LTD

How has been the business for Goodrich Maritime last year and through this year?

Shipping went through an unexpected uptrend in business during the Covid-19 period and ocean freights shot through the roof leading to super profits for the top shipping lines after years of negative returns and low freights. The unprecedented freight levels during the last financial year due to the impact of covid has resulted in better financial performance for most shipping companies. Goodrich Maritime has also performed remarkably well during last year.

Currently, Inflationary trends are sweeping across global locations along with major economies under recession, leading to slowdown in Imports / Exports and leading to a drastic fall in Ocean freights in the last six months – current freight levels in certain sectors have reached pre-covid levels.

Trends that will drive the shipping and logistics sector in the months to come?

Consolidation and mergers have seen an upward spurt during the last 2 years and is likely to continue.



Focus on service and cost control remain the tools to carve out a niche for yourself. The Central government initiatives on Gati Shakti and National Logistics Policy (NLP) which was recently announced, would change the landscape for the Shipping and Logistics industry in India.

The core focus of NLP is to work across different technologies, enabling of unified measures across different logistics modes, including roads, rail, ports, airports and warehousing that will give a decisive edge to Ease of Doing Business in India (EoDB).

What are the major challenges the logistics community will face in the days to come?

The 3 major global economies – US / EU / CHINA are all slowing down and this has a direct bearing on international trade. The impact on the shipping and logistics sector will be huge.


Scenario of trade among south Asian nations?

Trade amongst south Asian nations has been booming over the last 2 years and with the government being proactive in the free trade agreements with its neighbours, the trade is likely to expand still further.

Upcoming initiatives at Goodrich Maritime to better serve the trade?

We have just opened our latest office at Batam, Indonesia to offer better services to the trade.

Goodrich is committed to continual growth and to serve the complex needs of the Indian industry for their international as well as domestic business. To achieve this, the company adopts measures suitable to the changing business scenario and is always open to the idea of forging joint ventures or strategic alliances. Always adhering to its core values, paramount among which is excellence in quality of service and comprehensive customer satisfaction.

The IT infrastructure at Goodrich has kept in pace with the rapidly growing activities. Introducing state-of-the-art technology such as 'virtualization of servers' and 'integrated ERP' ensures an IT performance and scalability suited to the intricate global logistics needs. 



"The information contained within today's data systems has an inherent problem: it is only as reliable as its source. Using connected systems automates this process, ensuring that data is accurate."

UMESH KURLEKAR
SENIOR CONSULTANT, MARITIME AND
PORT IT STRATEGY, KALE LOGISTICS

How has been the business for Kale Logistics, last year and through this year?

We are on a mission to create the world's largest Digital Logistics Cloud-Enabled Platform for the International Supply Chain.

We have kept the innovation wheel churning, offering e-services to enterprises, and designed a sea-air corridor for multimodal cargo movement: introduced the Logistics e-Marketplace, Enterprise Logistics and Customs Control Tower.

Trends that will drive the shipping and logistics sector in the months to come?

The coming years will be tech-driven. Here are some trends that will shape the shipping and Logistics sector:

- **Digitisation with deep tech**—New developments in the field of Artificial Intelligence, Blockchain, IoT, and cloud are becoming increasingly relevant for the Maritime industry. As the world of ocean cargo continues to increase in complexity, the merging of blockchain and artificial intelligence

will be where technologies come together to digitise freight. Connected systems provide a means of tracking data and shipment details. The information contained within today's data systems has an inherent problem: it is only as reliable as its source. Using connected systems automates this process, ensuring that data is accurate. Meanwhile, artificial intelligence combs through data, validating its accuracy and identifying correlations that may indicate threats or opportunities.

- **Connected community** - Port Community System, Maritime Single Window, Port Management System, Digital Corridors, and Sea-Air Corridor are increasingly gaining paramount importance. These are built to speed up import/export processes, reduce bottlenecks, increase security and improve the nation's 'Ease of Doing Business' (EoDB) performance throughout the supply chain. Built on the model of United Nations recommendation 33, these Cargo Community platforms extend beyond the Port to offer point solutions to

the community at large, which is highly fragmented. With systems and platforms like PCS, the government can achieve the dual objective of reducing Logistics costs and attaining sustainability goals by making operations completely paperless.

- Sustainability in the Maritime trade is one of the mega trends for this decade. The topics of green environment, sustainability, and carbon footprints are becoming more widely discussed nowadays, making it essential for the ocean sector to consider these issues when deciding how to handle shipments. Ports worldwide are making sustainability a key goal, which stringent measures and KPIs will drive.

Major challenges the logistics community will face in the days to come?

In the coming days, the industry has to be prepared for a recession. This calls for a lot of cost-cutting and frugal spending. Also, a lack of demand will be a challenge that the logistics community has to undergo. In the post-pandemic world, such a scenario might also be a shock and reduce growth prospects.

Scenario of trade among south Asian nations?

After the strong rebound of 6.5 percent posted in 2021, growth in Asia and the Pacific is expected to moderate to 4.0 percent in 2022 amid an uncertain global environment and might rise to 4.3 percent in 2023. Inflation has risen above most central bank targets but is expected to peak in 2023.

GREEN INITIATIVES THAT DRIVE MARITIME SECTOR IN 2023

Expectations are growing for maritime industry to play a proactive role in driving efforts to secure a sustainable and inclusive future.

T

he recent United Nations (UN) COP27 Climate Summit held in Egypt has put extra stress on the need for maritime industry to create action plans to mitigate carbon emissions. Expectations are growing for maritime industry to play a proactive role in driving efforts to secure a sustainable and inclusive future for the next generation.

A series of sustainability trends have been identified by the experts that will drive further business transformation in maritime sector to create value, manage risks, and reconfigure entire systems to ensure more inclusive responsible and resilient business.

As shipowners and ship operators are becoming increasingly well-equipped to ensure their fleets are environmentally friendly. The industry has demonstrated the importance of collaboration given the geopolitical circumstances in 2022 and pandemic-related restrictions. An increase in collaboration is expected to be seen in various aspects of the industry including the green transition.

International Maritime Organization (IMO) has implemented several transitions to attain sustainability including the installation of ballast water management system whereby thousands of ships are required to retrofit the system to prevent uncontrollable relocation of marine

species that may cause damage to existing ecological system.

Another important initiative take by IMO is the global sulphur emissions limit regulation, which mandates ships to install exhaust gas cleaning systems (EGCS) on board to reduce SOX or using cleaner fuels. IMO also mandates to adopt measures to reduce emissions of greenhouse gases (GHG). This regulation has made mandatory for new ships by incorporating in ship design. And the current ships, target is set in 2030 and 2050.

The Maritime and Port Authority of Singapore (MPA) launched the Maritime Sustainability Reporting Guide with the aim to guide these companies to build a more sustainable future. MPA established the Maritime Singapore Green Initiative and pledge of S\$100 million to promote green initiatives to the maritime industry.

Green shipping another initiative aimed at optimizing resources and minimizing energy to transport cargo from location to location most efficiently using sustainability practices. Practical and inexpensive ideas like removing barnacles that attached themselves on ship's hull, using anti-fouling paints, connecting vessel to using electricity when ships are at port are some of the ways to reduce fuel's consumption.

Shipyards are using innovative technology and design to build environmentally-friendly ships known as "Green Ships". These eco-friendly ships minimize carbon footprints and increasing ships efficiency. A greener designed ships are achieved by minimize consumption of materials for



ship building, reducing usage of toxic materials, use efficient machinery, reuse ship's parts and accessories for ship maintenance. Innovative technologies incorporating into new ship building design are used to for new shipbuilding. This result in less energy consumption and reduce air and sea pollution. Less routine maintenance is accomplished as well. Success in sustainability in maritime industry, starts from building a smart ship.

Digitalization plays a significant role in sustainability. Digitalization of ship system using cloud-technology is recognized as a tool to gather data for efficient information sharing and analysis regardless of time and location. Machine Learning (ML) algorithms and predictive maintenance analytics enable monitoring of harmful gas emission. Artificial intelligence (AI) is used to predict cargo flows and ensuring cargo are managed in suitable storing conditions. This is achievable by tracking cargo by sensors. These technologies allow digitalization link between ship system with onshore system. The benefits include planning best route voyage and optimize cargo carrying capacity. Furthermore, digital connectivity interlinks in maritime ports are crucial in getting more accurate information on ships schedules to avoid supply chain disruption. Hence, undoubtedly, adopting digital technologies are one of the main drivers to be successful in sustainability. 🌱



UNIQUE SET OF CHALLENGES AHEAD

The industry is slowly limping back to normalcy after almost three years of unprecedented supply chain disruptions.

Freight forwarders have witnessed an unstable and hectic business operations during pandemic times due to its devastating impact on the supply of essential goods and services. But the industry slowly limping back to normalcy after almost three years of unprecedented supply chain disruptions, but 2023 will bring its own unique set of challenges and opportunities for Freight forwarding industry.

Here are a few trends that will transform the freight forwarding industry in 2023:

The mergers and acquisitions (M&A) have been increasingly active in the past two years because of indefinite and turbulent conditions. With the economic situation deteriorating, it is likely that 2023 will bring further consolidation in freight forwarding, as companies seek to increase their capabilities and geographical reach. The M&A activity may also increase this year also because many logistics companies have grown in terms of size and revenues phenomenally during the Covid pandemic times and have caught the attention of private equity firms for investment.

Of late, global attitudes to sustainability have shifted dramatically and will continue to be a central freight forwarding industry trend in 2023. When it comes to improving sustainability, the freight forwarding industry can play a key role as sustainability is one of the five drivers behind a purchase decision. Freight transport accounts for 8% of global CO₂ emissions, and it is expected to increase to 42% by 2050. Therefore, Freight forwarders hold important procurement power and can support the transition to a more sustainable logistics industry. As they can be advocates for digitalisation, which can help identify pain points and efficiencies in the supply chain to improve sustainability.

Digital transformations are a common phenomenon across many industries in the recent times, and digital freight forwarders are also using technology to control and coordinate transportation of goods. This helps them measure and meet supply and demand and to analyse data for automation and simplification of tasks. It is expected that the global digital freight forward market may grow at an average rate of 23% in the next few years. The market is expected to reach up to \$22.9 billion by 2030 and 2023 can be key year for innovation and growth. Freight forwarders expect to improve the logistics sector with emphasis on Artificial Intelligence (AI), IoT, and Blockchain, which are designed to make the supply chain faster and less prone to disruptions.


In the recent times, customers have become less forbearing and are

penalizing B2C and B2B companies for poor delivery performance. Therefore, the freight forwarders will focus on their own and third-party delivery capabilities in 2023 for last-mile delivery performance improvement with real-time shipment tracking and proof-of-delivery information directly to the customer.

During Covid pandemic as carrier shortage resulted in an influx of new and small players, and the situation has now improved and carrier cycles are normalizing. As capacity is now stabilizing, the brokers and shippers can be more selective in finding the right carrier for the load in the coming years.

Logistics flexibility was a vital factor in 2022 and it will be a key aspect for 2023 as well. Flexibility is important factor in supply chain stages, because it ensures stock availability for end customers and limits cost overruns in manufacturing, storage and transport.

Another important factor for logistics growth is turnaround time. The demand for express deliveries has increased immensely, as e-commerce and last-mile logistics have been flourishing recently. Therefore, express logistics will be a preference opted by the majority people and the way logistics sector gears for it, would be interesting to watch.

The logistics and transportation industries have always evolved, and 2023 will be no different as we move into an uncertain economy and the threat of recession. 



KEY TRENDS TO WATCH FOR IN 2023

Supply chains will need the right tools to quickly adjust to any disruption and stay agile.

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s we enter into the year 2023, changing supply chain dynamics, protectionist policies backed by geopolitical scenarios will impact the global trade movement. Below are the key trends to look forward to:

Tonnage supply is not expected to overwhelm tonnage demand as has been the case on several occasions during the past decade. Barring a scenario whereby demand will collapse (e.g., exogenous shock of a pandemic magnitude), the overall tonnage supply equation seems broadly balanced for 2023 and early 2024.

With a significant oversupply of containers and a further influx of more

TEUs in 2023, Shipping lines continue to reduce vessel capacity and suspend services by considerable blank sailings. In a recent advisory, Maersk indicates that it will continue to 'make capacity adjustments on services from Asia to North America, Europe and the Mediterranean to better align with demand fluctuations.' We observe a similar trend echoing in the industry.

Reduction in bunker prices

As the demand for lower shipping costs continues, ocean freight shipments that once traveled via truck or rail will move by water vessels due to an increasing demand for lower shipping costs. The reduction in bunker prices has also helped drive down shipping costs. The current market is an indication that this trend will continue into 2023 as more companies begin using ocean freight to get their products from point A to B at a lower cost than ever before.

Rising operational costs for ports

The ports industry now faces the dual challenge of skyrocketing costs and market downturn, which will squeeze

operating margins through 2023. According to Drewry, Container terminal operators have already seen the cost of fuel and electricity escalate and now face rising pressure from dock workers demanding inflation-linked wage increases. Strong revenue gains, relating primarily to increased storage fees, have provided operators with a degree of protection against rising costs. With port congestion projected to ease by early 2023, Drewry expects unit revenues to decline, depressing terminal operator margins. Operational factors, which impact dwell time and storage revenues, remain the most significant.

Data-driven technologies:

They will continue to play a huge role. Organisations will embrace unified data platforms that deliver one true source of data, connecting different stakeholders – from ship to shore, operations and charterers – by providing them with access to the same data points. This will enhance industry collaboration and accelerate environmental efforts, using data-driven insights to drive efficiencies for the benefit of profits and the planet.

Less port congestion & shipping cost

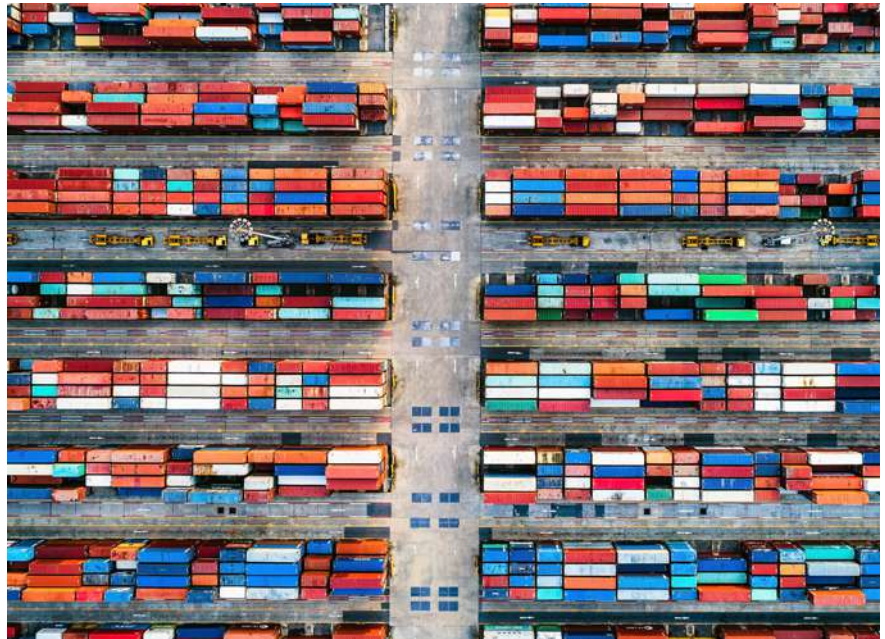
Ports have become better at dealing with their backlogs. This moves container ships faster. Customers can expect their items to arrive sooner thanks to the faster unloading of goods. While supply chain interruption could still disrupt maritime transport companies, these problems could disappear. Retail brands should get low shipping costs thanks to lower container costs and a decline in backlogs.

Load Balancing

Load balancing is becoming a popular fulfillment strategy as retailers explore ways to reduce shipping and warehouse costs. Load balancing is the process of effectively allocating incoming goods across several distribution hubs. It differs from the common practice of having all stocks go to one warehouse. Retailers who use load balancing can save shipping costs and quickly deliver the correct goods to customers.

Supply chains

Investing in powerful predictive tools such as AI and cloud-based



management systems can offer greater control and visibility over your supply chain. The right tools to adjust quickly to any situation is key to an agile supply chain.

“We will continue to see efforts towards diversification of supply chain sourcing and manufacturing out of China. This is a long-term view, and it will need vision and strategy from companies looking for a more resilient supply chain. We will witness increased container volumes intra-Asia and more countries will emerge as potential alternatives like Vietnam, India and more.”

Delivery time accuracy and transparency

Customers demand transparency regarding their package delivery dates. 22% of shoppers polled by Shopify in the previous year abandoned their carts because “there was no confirmed delivery date.” While 32% did so because “the projected shipping time was too long.” Improving delivery-time communications is a crucial aspect of nurturing great customer experiences.

Partnering with 3PLs

If you’re a merchant who wants to scale up operations, seriously consider 3PL services. The 3PL market may develop at a compound annual growth rate of


8.5%, with Asia Pacific being the center of growth.

The Network Effect

The network effect relies on communication between trading partners on a public cloud application to make freight moves more efficient. The more entities on the network, the more powerful the network synergies are. More efficiently matching loads with capacity, using visibility tools to predict more accurate ETAs, optimizing routes, and ensuring that trucks can be loaded and unloaded as efficiently as possible. Sustainability is a byproduct of the network effect. The identification of good backhaul opportunities, load consolidation, and route optimization mean less trucks on the road.

Time Slot Management

Time slot management helps to organize warehouse resources to prepare for an incoming truck. The warehouse needs to know who is coming and when, on what dock the truck is arriving, when the truck is loaded, what papers they will pick up, what needs to be signed, and when they are leaving the warehouse or yard.

These trends will not only aid businesses in cost and time management but will also offer sustainability as a by-product. 

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....enabling your *Logistics Strategy from Design to Execution*



The core values offered by TCI Supply Chain solutions are Network Design for production, aftermarket or demand fulfillment. We bring to the table **physical & digital expertise** to integrate your suppliers/customers into a **seamless network** enhancing your productivity & control over your supply/demand chain.

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Auto

SIMPLIFY YOUR OMNI CHANNEL RETAIL



Omni-Channel Retail

INNOVATE YOUR HI-TECH SUPPLY CHAIN



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Chemical

IMMUNIZE YOUR PHARMA SUPPLY CHAIN



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