



New centres of power are emerging depending on who controls the trade. Technology, sustainable shipping and climate change are the major factors impacting the global trade.

Dr. Vishnu Vardhan Reddy, IFS
Special Secretary
(Investment Promotion & External
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“CONCOR started with seven ICDs and today has presence in 65 locations. The ICD at Sanathnagar is the oldest (about 3 decades old) and the ICD at Nagulapally are serving the local cargo in the state.”

Sanjay Swarup, IRTS
CMD, CONCOR

International Conference on Shipping & Logistics

The event discussed several contemporary issues including the Red Sea crisis, digitisation, changing cargo profiles and logistics patterns in the country.



L to R: Kamal Jain, Chair, Shipping & Logistics Committee, FTCCI; **Suresh Kumar Singhal**, Senior Vice President, FTCCI; **Sanjay Swarup**, IRTS, Chairman & Managing Director, CONCOR; **Dr Vishnu Vardhan Reddy**, IFS, Spl Secy (Investment Promotion & External Engagement), Vice Chairman & Managing Director, Telangana State Industries Infrastructure Corporation (TSIC), Government of Telangana; **Meela Jayadev**, President, FTCCI; **Pradeep Panicker**, Chief Executive Officer, GMR Hyderabad International Airport Ltd;

Organised by FTCCI at the Novotel HICC, the event saw a huge footfall by stakeholders across the shipping and logistics sector. Delivering the welcome address **Mr. Meela Jayadev, President, FTCCI**, thanked the Ministry of MSME for their support, as he described shipping and logistics as the backbone of the state and critical in making it into a logistics hub.

Kamal Jain, Chair, Shipping & Logistics Committee, FTCCI said, the theme of the event opportunities and challenges for a landlocked state is very apt for the occasion. Historically it is believed that states close to the coast and having seaports are expected to have better economy and attract investment, but Telangana in spite of being landlocked has emerged into a

pharma hub, which indicates the hunger for growth among the state's people. As he concluded the theme address, he expected all the attendees will have crucial takeaways from the event.

Guest of Honour, Sanjay Swarup, IRTS, CMD, CONCOR, described logistics to be as old as the dawn of civilisations, because human beings invented the wheel as the first object of convenience.

Logistics means speed and today it is the sunrise sector. The World Bank has put a value of \$380 million to the Indian logistics sector, so logistics efficiency and cost assume a very important role. CONCOR has been instrumental in bringing down the logistics cost in the country. The logistics major, started with seven ICDs and today has presence in 65 locations PAN India. Several innovations have happened over the years like the timetabled container trains in north India, which will also be started in southern part of the country to bring predictability to service. A network of MMLPs has been created which have been very well patronised by customers. Even though logistics is a low tech field, but a lot of technology infusion is required in this sector to improve efficiency. CONCOR has taken several initiatives like the container track & trace mechanism offered through CONCOR website and via SMS as well, logistics app based first-mile and last-mile connectivity service, for the first time in India CONCOR is introducing AI based terminal information management system at the Tughlakabad ICD, the pilot project for which is almost complete and this service will be replicated at all the terminals PAN India very soon. On the sustainability side CONCOR strictly adheres to the ESG norms. 98% of the containerised cargo movement is through rail, which is a green form of transport. In addition, for first-mile and last-mile connectivity CONCOR is using LNG powered trucks. For internal movement within terminals proposals have been put forward for using electric vehicles. Charging terminals have to be set up and as soon as the technology is available CONCOR will be the first to use EVs. LNG has been a game changer for CONCOR and it is also patronised by the customers. In Telangana LNG

fuel pumps are yet to come up and as soon as it happens LNG trucks will be deployed here as well. The ICD at Sanathnagar is the oldest (about 3 decades old) and the ICD at Nagulapally are serving the local cargo in the state. In addition at Vishnupuram in the state CONCOR is handling cement in bulk form.

Major developments happening around Hyderabad include the upcoming electronic city, pharma zone and NIMZ near Zaheerabad.

Pradeep Panicker, CEO, GMR Hyderabad International Airport Ltd, described air cargo as key to the growth of landlocked state. Sharing some facts he said, Air cargo accounts for just 2% of global trade by volume, but it is 40% by value. Industries which develop near the airport necessarily get to take advantage of air connectivity. Developing of several international cities like Memphis, Dubai and Singapore has been linked to their aviation sector development. He proposed to bring the concept of Aerotropolis, i.e.; developing a city around the airport in Hyderabad, which is already being planned. GMR has identified land for development of industries near the airport. The largest MRO (Maintenance, Repair services) center for aviation engines in the world will be set up at the SEZ near Hyderabad airport. SAFRAN, a French engines manufacturing company has brought down its operations to the SEZ. Amazon has its largest centre in the country located in Hyderabad. GMR airport has done around 115 thousand tonnes of cargo by volume this year, but it is acutely skewed towards pharma and imports are not happening through air, so there is imbalance. So there is immediate need to bring about a balance in cargo movement, because if traffic is one-way then logistics cost goes up. GMR is inviting the

KEY HIGHLIGHTS OF THE SESSION

- For the first time in India CONCOR is introducing AI based terminal information management system at the Tughlakabad ICD
- CONCOR has introduced LNG based trucks for first-mile and last-mile connectivity. These trucks are also connecting to MSMEs in locations where rail tracks are not available
- GMR Hyderabad Airport is working on introducing the concept of Aerotropolis, i.e.; developing a city and industries around the airport in Hyderabad. A chunk of land has been identified for developing industries
- The air cargo movement in Telangana is skewed towards exports and this increases the logistics cost. Importers in the state should explore using air cargo.
- GMR Hyderabad airport is planning to expand cargo terminal to handle about 300 thousand tonnes in the next 2-3 years' time.
- The cargo profile in the country is changing from being Mumbai centric to Delhi.
- Due to wars and closure of sea routes the freight rates globally are rising, so India should atleast try to control the inland logistics cost.
- A lot of startups are coming up in the last mile connectivity segment, driven by e-commerce demand, but last-mile delivery cost remains high in India.
- A lot of data is already available from Chatbots and social media, but how businesses use it for competitive advantage is important.

regional business community to explore importing into the state using air cargo at very reasonable prices. The cargo terminal is also being expanded to handle about 300 thousand tonnes in the next 2-3 years time. A second cargo terminal is being planned which will start at 50,000 tonnes initially and increase upto one lakh tonnes in four to five years.

Dr. Vishnu Vardhan Reddy, IFS, Special Secretary (Investment Promotion & External Engagement) Vice Chairman & MD, TSIIC, Govt. of Telangana, underscored the contribution of FTCCI in the

development of the state. Taking a look at the global geopolitical scenario he said, new centres of power are emerging depending on who controls the trade. Technology, sustainable shipping and climate change are the major factors impacting the global trade. Government of India is focusing on bringing down the logistics cost to single digit with National Logistics Policy, ULIP and Sagarmala. Telangana got its first dry port near the Northern corridor and 2-3 more dry ports are being developed at Zaheerabad, which will make industrial clusters in the state. 

PLENARY SESSION

Changing landscape of logistics

The plenary session discussed the changing logistics patterns and cargo profile of the country, the impact of black swan events like the Red Sea crisis and Russia - Ukraine war and infrastructure developments in the northeast.



L to R: Sangeetha, Director, FTCCI; **G Gayatri**, IRTS, Group General Manager (Area Head (III) - South), CONCOR; **Shantanu Bhadkamkar**, Managing Director, ATC Global Logistics Pvt Ltd; **N Krishna Kumar**, Senior Vice President (South), MSC India Pvt Ltd; **Ramprasad Ravi**, Editor in Chief & Publisher, Maritime Gateway & Future Fuels; **K Sathianathan**, Director, National Highways Logistics Management Limited; **Jasjit Sethi**, Chief Strategy Officer, TCI Group; **Priyanka Lathia**, Head of Strategy & Projects, Maersk – South Asia Area; **Girish Kumar Surpur**, Chief Executive officer (CEO) and Director, NICDC Logistics Data Services (NLDS)

This session discussed the changing cargo profile of the states and ports across the country, the impact of black swan events, developments in the northeast and much more. Moderator of the session, **Ramprasad, Editor-in-Chief, Maritime Gateway**, set the discussion into context by sharing some vital facts. He said, India has jumped from 8th position to 5th position globally and is poised to be the third largest economy by 2027, propelled by GDP growth, expanding market capitalisation, ongoing reforms. In the past decade, the country has posted a GDP growth of 7% and is expected to touch 8%, as per RBI forecast. The logistics market in India is estimated to grow at 8.8% annually to \$484.43 billion in 2029, from the current \$317.26 billion in 2024. Resilience of global supply chains is being tested once again by the current ongoing wars, closure of

waterways and policy changes. The cargo profile in the country is undergoing a paradigm shift. 25 years back all the cargo in India was Mumbai centric as the largest seaport was here and the centre of gravity of road and rail logistics was around Mumbai. Even the north-south traffic moved from the state. But now the scenario is changing, today, Mundra has emerged as the biggest port in the country, overtaking JNPA. The biggest break-bulk ports have always been Kandla and Visakhapatnam. Delhi has overtaken Mumbai in terms of cargo profile. Profile of cargo is also changing – India was earlier a major importer of metal and metal products, but it is now a major exporter of these commodities. The same is the scenario in food grains. Indian oil exports are rising sharply due to huge refining capacity being developed along with shorter delivery time. Through the Act

East Policy, India has improved the infrastructure of northeast states, the airports and roads are excellent and we will be connecting to not only Myanmar and Bangladesh, but going further up to Thailand, Vietnam and Cambodia.

Coming to the Red Sea crisis, people are now used to higher freight rates and longer transit times, so they no longer complain. Just as the COVID period is forgotten and people no longer talk about it, this situation will also become a past soon, as people have now got habituated to looking forward.

Multimodal logistics parks

National Highways Logistics Management Ltd is going in a big way developing MMLPs across the country, promoting multimodalism. But the MMLPs being developed by NHLML are very different to those being developed by CONCOR. The

cabinet has approved 35 MMLPs under Gatishakti programme, out of which 5 have already been set up by NHLML at Jogighopa, Chennai, Bengaluru, Indore, Nagpur and Jalna. One MMLP is also being planned near Hyderabad. CONCOR develops its MMLPs and uses its own trains and those of Indian Railways for moving cargo, but NHLML develops its MMLPs in collaboration with the state government. At MMLPs being developed by NHLML, land is provided by the state government, NHAI provides the road connectivity, while NHLML provides the rail connectivity. The process of selecting the private players for developing the MMLPs on PPP basis is managed by NHLML. NHLML acts as a facilitator by offering plug & play facilities at its MMLPs and the private operator doesn't have to bother about land pooling, which is a major challenge. All terminals have Customs authorities present and are being developed in a sustainable manner to reduce logistics cost. A suggestion offered by industry experts is that larger terminals and good sheds should be moved outside cities to divert heavy goods traffic and decongest city roads. A proposal has already been made to the government of Delhi for moving all the bigger terminals and good sheds to the outskirts of Delhi.

Another major concern is the cost of logistics for Telangana, especially when a city like Hyderabad is linked to three ports like JNPA, Chennai and Visakhapatnam. Here competing with road transport for rail freight is a challenge, because rail freight cost in India is one of the highest in the world and can be compared to the rail freight cost in Japan. But in Japan rail freight

moves to shorter distances and not as long as it is in India.

Services offered by CONCOR

CONCOR is also expanding its presence across the country and so far has more than 65 terminals, including ICDs for handling exim traffic and some domestic terminals. New MMLPs are being developed at Kadakola and Jajpur for handling both domestic and EXIM cargo. All terminals provide single window service with end-to-end connectivity. Palletisation and lashing services, loading of non-containerised cargo are also being offered. Warehouses are being set up at Vizag and Raipur. Total warehousing footprint of CONCOR across the country is about 4 million sq.ft. Moving towards sustainable logistics, CONCOR has procured 100 LNG based trucks which have moved 2100 containers so far. These trucks are also helping CONCOR to reach out to smaller areas which are not connected by rail for providing first-mile and last-mile connectivity. A lot of MSME customers in remote locations without rail services are able to connect with CONCOR using these LNG trucks. They have been deployed in Chennai, but in Telangana the installation of fuelling infrastructure is being awaited for deploying these trucks.

Digital infrastructure integrating platforms

Coming to soft infrastructure, NLDS is developing digital infrastructure which is enabling ease of doing business and improving India's ranking in the LPI. NLDS had started ULIP during COVID times when digitisation push was at its peak. The platform brings together multiple single window portals of different ministries. Thus, sparing the pain of logging into different portals for various services, while complying to their unique requirements as well. It acts as an overarching layer for these

portals for extracting information. ULIP has integrated with 36 state governments, with close to 115 APIs and 1900 fields. About 27 crore transactions have been performed so far. Being integrated with the Ministry of Road Transport & Highways the portal gives access to the PARIVAHAN and SARATHI systems. Earlier, MSMEs had to depend on the transporter to track their goods location on the move, or they had to install GPS tracking devices, but with the integration of PARIVAHAN, SARATHI, Fastag and GST e-way bill, just by logging into ULIP an exporter can get complete details on the whereabouts of their goods. Be it track and trace services for containers, checking the credentials of truck drivers or maintenance of trucks documents, insurance, etc, dwell time at ports, ULIP provides all the details in seconds.

For fleet operators it is challenging to check the health of their vehicles, their documents, if the insurance premium is paid on time, or if the loan instalments are not paid then the vehicle may be confiscated. Here ULIP comes handy by fetching these details on the click of the mouse. All the details pertaining to a driver, such as the number of miles he has driven, the number of challans he has got, his license and insurance details are easily available. Here, when an exporter hires a truck for moving his cargo, he can be sure about the profile of the truck and the driver before the cargo is loaded.

Another project started way back in 2015 is the logistics databank project which provides export/import container visibility to all the domestic and international containers. It helps in assessing the dwell time and performance benchmarking of seaports. Users can drill down for details on their containers be it 40 feet, 60 feet, reefers, truck or rail based movements. It will help in expediting performance

benchmarking and decision making. This coverage is now extended to all CFS and ICDs PAN India. All the hard infrastructure being built, has to be complemented with soft infrastructure.

But with democratisation of data comes the issue of data privacy and to what extent data access should be provided to a private entity, especially considering the personal information of people needs to be decided. In democratisation of data, if there is data leakage it can be disastrous. The systems coming up in future will focus more on the right kind of access management and content management.

Shipping lines navigate through the Red Sea crisis

Being landlocked is not an impediment for growth of Telangana as it has multiple port options, be it JNPA, Visakhapatnam or Chennai. MSC has been continuously building capacity by adding tonnage and more containers into the business. The company is mainly focused into shipping without too much of diversification. Today the shipping major has 720 container ships and three million containers, it operates with more than 30 offices across India, more than 12 CFSs and a fleet of about 600 trucks, offering one stop shop for all customers. During the COVID times the company has diversified into general cargo transportation as well, offering end-to-end integrated transport solutions.

The Red Sea Crisis has extended the shipping time by 14 days, but to maintain the schedule reliability shipping lines have put in more ships both in the onwards journey and the return leg. Here the tonnage which was ordered three years ago and has just arrived, which everybody thought would be surplus is being put to good use. As it is uncertain as to how long this volatility will continue customers are advised

to maintain sufficient buffer stock and anticipate delays.

Vessels are moving through the Cape of Good Hope just to maintain consistency and predictability in service. The past decade has seen multiple disruptions and to deal with them fast adoption of technology has been essential for building resilience and greater visibility in supply chains. Maersk provides visibility to customers across the supply chain, which is essential for controlling the cash flows and logistics cost. The Gemini Cooperation will come into effect in 2025 and will offer 95% reliability while around 26 services will be impacted.

Hinterland connectivity

Coming to inland connectivity, B2C logistics scenario in the country is changing and more of the service providers are now into end-to-end connectivity. Shipping lines are moving into the hinterland for providing last mile connectivity. The B2B business is more infrastructure based as there is more of bulk movement but for the B2C part one needs to have a network of offices on the ground and a strong IT backbone. Information Technology is very important for robust logistics operations, as it helps in analysing data for what is happening, why it is happening and how it is happening?

Chatbots can be used to analyse social media to make sense of current customer trends. Data has been democratised by technology and APIs are helping in connecting different platforms. So access to information is already there, now the important part is what we are able to do with the information. In the B2C market all these noises from different sources of data are very important as they help in understanding the mood of the customer.

Today, manufacturers, suppliers and logistics service providers all have their own technology



platforms, here APIs play a major role as they help in integration. An interface between a client, customer and a shipping line can be thus brought in. Moreover, B2C space is more of volume related, only when you are able to do certain number of transactions, you will be able to make decent profits.

In India there are companies at different levels of technology use, some are still using it for track & trace purpose, while others have moved up to using high-end technologies like AI and ML. So, about 90% of the companies need technology for track & trace, while about 20% use it for automation, but the underlining issue is to be more competitive.

Controlling the logistics cost

Whatever happens within the boundaries of our country is in our control, but global issues are beyond our control. After the Red Sea crisis we have seen that even though shipping lines have pushed in more tonnage into service but the freight rates have increased. So we should focus on reducing the logistics cost within our country. Moving a container from Tughakabad ICD to JNPA costs as much as moving a container to a western ports.

A major factor we need to focus upon is to reduce the rail logistics cost within the country. Few years back Indian Railways used to move empties for CONCOR without any charges, but in 2002 they started putting a charge to it. If we do not change our approach in controlling the logistics cost within our country then the challenges for exporters will only continue to grow.

More startups have been observed in the technology domains. Going forward, analysing big data will be the mega trend. Last mile delivery cost in India is still very high and so is the energy cost for cold chain, which is still a fragmented sector. 

Q. In this changing scenario where do we stand in providing last mile connectivity services?

In the last mile connectivity logistics cost still remains high, but first mile i.e., from ICD to a seaport has been more optimised. The amount of cash burn by e-commerce companies in last-mile connectivity has been humungous, because more startups have come into that arena, even though their balance sheets are not positive. The problem has been solved to a certain extent by technology also because many of these players have a very strong routing software, which is on the Cloud and shows a new route everyday depending on the traffic hazards. And more of such softwares are easily available at low cost, so ultimately the cost of delivering per box comes down.

Q. What is the priority of the government in making investments in cold storage & cold chain logistics? We don't see much investment happening in this sector?

TCI has been investing in expanding the cold chain infrastructure. The Ministry for food processing industries has set up factories for setting up cold storage facilities. The government is also supporting these initiatives. A major concern in the cold storage business is that the energy cost is very high. This is the reason that unprocessed foods like fruits and vegetables do not go through the cold chain. Most of the cold chain capacity is used by meat, potatoes and ice creams. As most of the population in our country is vegetarian they do not form part of this cold chain. Moreover, the nature of this sector is very fragmented and capital intensive. But the potential is huge and we can see a lot of investment coming in the near future.

Q. How Artificial Intelligence is impacting shipping and logistics?

Artificial Intelligence is the next big thing. To give an example, when a pair of shoes are manufactured, different parts being produced in different places across the globe and shipped, so there are about a hundred people involved in the process. AI will help in accessing this data in a much more simpler way. AI will also play a major role in managing the manufacturing process in the entire supply chain. At the base level there is a lot more to be sorted out before we start using AI. Customs brokers, Freight Forwarders and multimodal logistics operators will be the biggest customers for AI, because they process more information and data than anyone else. Areas of AI application are very simple like

replying to a customer, status update, processing of shipping bill, bill of entry, bill of lading and creating quotations in automated manner. Shipping and logistics will be the biggest user of AI.

Q. What skillsets will be required for individuals looking to make a career in AI?

Strategic thinking, marketing skills and above all these soft skills will be the ability to use this data.

Q. Shamshabad area is connected through Umdanagar Railway station connecting Bengaluru – Hyderabad highway. Can we expect an MMLP to come up there?

There was a mention by NHLML that the southern corridor of Hyderabad is being considered for an MMLP.

Q. Government initiatives to encourage startups in logistics?

Logistics is an industry of startups, because many people have started with one man-one-truck business and have progressed forward. The amount of funding chasing the old brick&mortar startups is not very high. Many startups today are bootstrapped and built-to-last. If we have 100 startups, 10 will fail and we will never know about them. Particularly the last-mile delivery sector is filled with startups. Every small town has numerous startups coming in which form the last mile delivery resource for the e-commerce players.

Q. Is it possible to establish a sub-division office of CONCOR in rural areas where railway tracks are available?

Establishing a sub-division office of CONCOR is not required. If there is a track and good shed available, a facility called CRT can be established, which can handle containers. CONCOR is also planning a hub & spoke model for collecting cargo from remote locations and then delivery to destinations.

Q. For LCL shipments from Chennai to Hyderabad is taking long time, can this issue be addressed?

Hyderabad is uniquely positioned as the Nhava Sheva gateway, but some customers also use the Chennai route, but the amount of traffic is not great, so the delay may be due to the critical mass is not available. Even CONCOR is not operating much trains between Chennai and Hyderabad, but now the demand is coming up so CONCOR will be arranging necessary services on this route soon.

SESSION ONE

Managing supply chains in a disrupted geopolitical environment

The session brought out vital insights about the cascading effect of disruption in routes, supply chains not only on the shipping lines but also on the manufacturers, exporters and the end users.



L to R: Satish Lakkaraju, Senior Vice President, WIZ; **Kishor Arumilli**, Vice President, AtAI Labs Pvt.Ltd; **Capt Vivek S Anand**, Founder and Chairman, CVSA & Associates; **Dr Ravi Prakash Mathur**, Vice President Supply Chain Management, Dr Reddy's Laboratories; **Saurabh Kumar**, Chief Executive officer, Kaleesuwari Group; **Ravikanth Yamarthy**, Chief Executive officer, Logistics Sector Skill Council; **Atul Kulkarni**, Former Advisor (International Projects), Indian Ports Association and Member, Board of Governors, IIM Shillong

This session discussed the Red Sea crisis and its impact on the global shipping lines and logistics cost. Worldwide there are about 68 conflict zones creating challenges to supply chains. Here it is worth mentioning that 10% of the cargo moving across the global oceans belongs to Indian EXIM trade. About 17% of containerised trade moving worldwide again belongs to India, But India has a long way to go in expanding its tonnage as Indian flagged vessels account for 1% of the world tonnage and the shipbuilding capacity in India is just about one and half percent of the global shipbuilding capacity. The Red Sea route has been very crucial for India as most of the Indian trade with the US and Europe moves through

this route. Further, 25% of global trade moves via the Red Sea and the crisis is causing essential cargo to migrate from sea to air. Migration of sea cargo to air has not only increased the logistics cost manifold but is also creating a space crunch in the ground infrastructure that handles air cargo and also with the airlines which move it. Air freight rates have gone up three times per kg due to the crisis.

Movement via Cape of Good Hope is adding 20days in the travel lead time of cargo, which means shipping lines will have to add atleast 3 to 4 more vessels both in the onward and return journey in order to maintain punctuality. This demand for adding vessels is stretching the tonnage available with the shipping lines. A cascading effect has been the rise in

charter rates for ships, the cost for chartering has gone up. Some of the liners which had placed orders for more tonnage post COVID, considering the rise in demand, are now receiving the newbuilds just-in-time to press into the service. Shipping lines being integrated service providers having presence end-to-end across the logistics chain have been instrumental in distributing the rise in logistics cost along the supply chain.

But for the manufacturers and exporters addition of 20 more days into the export cycle means their cash receivables are also getting delayed by 20 days and this is creating capital crunch issues for them, and the liquidity issue just gets bigger along with the size of the business. The Red Sea crisis has added \$30 million to the logistics cost of

India in global trade.

Similar has been the impact of the Russia-Ukraine war. India is a major importer of edible oil and a major chunk of it is sourced from Ukraine. Due to the Russia – Ukraine war India has been forced to diversify its sourcing from Russia and Argentina which has increased the cost of edible oil import into the country.

With the onset of the Russia – Ukraine war the cost of edible oil imported has increased by about 50% disrupting the household grocery budgets in the country. The time taken for importing and the logistics cost have also increased ultimately pushing up the inflation in the country. Ukraine still continues to supply 50% of the edible oil demand in our country. 

SESSION TWO

Navigating future: Embracing opportunities

The session explored the growth of 3PL in India, which is driving demand for warehousing. The growth in air cargo as it is resilient to the current supply chain disruptions due to ongoing wars.



L to R: Yogesh Shevade, Head - Logistics & Industrial, India; **Jones Lang LaSalle (JLL)** India; **Prasad Gengusetti A**, Chief Operating Officer, GMR Hyderabad Air Cargo; **S Burak Omeroglu**, Vice President, Cargo Sales, Middle East and South Asia, Turkish Airlines; **Murray Smyth**, Managing Partner-Transport & Technology Consulting; **Ramraja Acharya**, Chairman, Public Freight Pvt Ltd, **Satish Lakkaraju**, Senior Vice President and Global Head – Air Freight & Pharma, WIZ.

The session discussed the rise in 3PL and infrastructure development in India in terms of logistics parks. Today, 3PL is the largest commercial space occupier in India and globally. Companies operating in this domain are core experts in warehousing and logistics. Of the total commercial space occupied last year in India, 37% was occupied by 3PL service providers, which accounts for 40 million sq.ft. The demand for 3PL is being continuously driven by e-commerce. This growing demand has also pushed digitisation among the logistics service providers. Manufacturing businesses are focusing on their core operations, while leaving

the logistics functions to 3PL operators. But the fragmented nature of the industry has made investment in infrastructure and skilling of the workforce difficult.

The US – China trade war has forced many businesses sourcing from China to opt for China+1 strategy. While India has the option to capitalise on this trend and become the global factory, new businesses are coming up and creating demand for logistics services.

Another concern in India is the small size of logistics parks, due to the issues associated with land pooling. Globally in Africa and Dubai the logistics parks are much bigger in size and this aspect affects the logistics

cost as well. Coming to the Red Sea crisis, the panellists opined that demand for air cargo has increased to the extent that exporters are not able to find space for moving goods via air. The Hyderabad airport is taking initiatives to attract regional cargo by spreading awareness and stopping regional cargo from using distant ports towards down South in the country. GMR Hyderabad Airport currently has a capacity of 150,000 million tonnes and has plans to expand this capacity to 300,000 MT in the near future. The airport has plans to become the biggest airport in South India, which brightens the chances for India to become the air cargo transshipment hub.

A major plus point for the air cargo business is that it has been resilient to the current wars going on globally. Capitalising on this trend airlines are also investing in capacity. Going forward, collaboration among airlines will be essential to serve the customers better. If more sea cargo migrates to air, then it may cause severe capacity constraints. GMR Hyderabad airport is also planning to attract the agri exports in the state, in addition to the pharma cargo it is currently moving.

A major challenge for the industry is to overcome legacy issues and adapt to new technological innovations. Exchange of information among airlines and service providers has to be made agile. Formation of Group Community Systems can help in this regard. Using technologies such as Blockchain and Artificial Intelligence can help in analysing big data which can increase predictability of businesses. This helps in better forecasting supply/demand scenarios.

Coming to Act east policy of India, Nepal is exploring more options for moving its cargo in addition to the existing Kolkata seaport. It takes 9 days to travel a distance of 1400km for moving cargo from Visakhapatnam Port to Birgunj. On the contrary, it is just a distance of 600km from Kolkata to Birgunj which requires a journey of 6days. But the onward journey from Birgunj to Kathmandu is difficult due to poor road infrastructure. [img](#)

SESSION THREE

Facilitating trade through infrastructure development

The session focused on the need for increasing the size of logistics parks in the country as it significantly reduces the logistics cost. Expressways should precede the growth in demand for logistics.



L to R: Mahesh Kumar Gupta Vodela, Managing Director, HMDA Truck Dock Logistics Pvt Ltd; **Aparna Bhumi**, Director, Logistics, Department of Industries & Commerce, Government of Telangana; **Dr Ravi Prakash Mathur**, Vice President Supply Chain Management, Dr Reddy's Laboratories; **Satish Lakkaraju**, Senior Vice President, WIZ; **Vineet Suman Darda**, Co-Founder and Managing Partner, Darda Advisors LLP.

The final session of the day, focused on the correlation between transport infrastructure and development in any particular area. The size of infrastructure has a major influence on the logistics cost in the country. In India, the size of multimodal logistics parks is about 100 to 150 acres, while the size of these parks in Dubai or Mozambique is 200 to 300 acres. As the size of infrastructure increases the cost of logistics decreases making our exports more competitive in the global market. But India has a major concern of land pooling which becomes a major hurdle in

the size of developing bigger infrastructure assets.

The significance of storage infrastructure and connectivity through expressways has been brought up into context as logistics is now being looked at as a separate sector, which was not the case earlier. In the past decade India has seen development of more highways and expressways than in any period in the past history.

Logistics has been given the infrastructure status and now a special secretary has been assigned to this sector, which was never the case

earlier. But the development in India is happening rather late. In Africa expressways have been developed way-back about 25 years ago, while India is developing these massive expressways today. In any country development of logistics infrastructure should always precede the economic development. No infrastructure should be used to more than 80% of its capacity and when the demand increases the expansion of infrastructure should be done before hand. India has a long coastline of 7500km and there is potential for developing a seaport at every 500km. Such as the

development of Machilipatnam Port will add a new dimension to the logistics of Andhra Pradesh. Many companies in Telangana are today supplying equipment to defence platforms being developed by global OEMs. Andhra Pradesh, Telangana and Chhattisgarh are together supplying about one million tonnes of rice annually to the northeast states. But the South China sea conflict can disrupt the connectivity to northeastern states.

Addition of massive infrastructure and the formation of national logistics policy, followed by respective state logistics policies have played a major role for India to climb up the World Bank's Logistics Performance Index. Sensitisation about the significance of logistics infrastructure development and bringing down the cost of logistics, in the corridors of power has been central for increasing India's ranking. For instance, around 17 air cargo terminals have been developed in the landlocked north eastern states. In the pre-independent India, northeast states along with Bangladesh contributed to about 26% of Indian GDP. From Kolkata to Agartala via Dhaka the distance is just 270km, but it increases to 1400km if goods are sent via the Chicken's neck corridor, which significantly increases the logistics cost. Currently, road infrastructure is dominated in these regions, but going forward rail infrastructure will take the lead. [img](#)

Focus



The Federation of Telangana
Chambers of Commerce and Industry

SHIPPING & LOGISTICS
Awards

01. Inland Container Depot of the Year
DP World Multimodal Logistics Hyderabad
(Thimmapur), *Award Received by*
Mr Ravinder Rana, Director
DP World Multimodal Logistics Hyderabad

02. Logistics Technology Provider of the Year
Kale Logistics Solutions Pvt Ltd
Award Received by
Mr Prashant Vaidhya

03. Warehouse Infrastructure Company of the Year
HMIDA Truck Dock Logistics Pvt Ltd – Logistics
Park (Hyderabad), *Award Received by*
Mr Mahesh Gupta Vodela, Managing Director
HMIDA Truck Dock Logistics Pvt Ltd

04. Woman Logistics Professional of the Year
Ms Vinita Venkatesh
Ocean2Door India (Vishwasamudra Group)

05. Special Jury award - Turkish Cargo
Award Received by
Mr Halit Tuncer, Cargo Director South Asia and
Mr S Burak Omeroglu, Vice President, Cargo Sales,
Middle East and South Asia, Turkish Airlines

06. Young Logistics Professional of the year
Mr Ramkumar Govindarajan, MD & CEO
Radar Ventures Private Limited, *Award Received by*
Mr Satish Lakkaraju, Sr Vice President, WIZ

07. Exemplary Leadership Award
Mr Shashi Kiran Shetty, Founder and Executive
Chairman, Allcargo Group, *Award Received by*
Mr G S Ravi Kumar, Chief Information Officer
GATI KWE

08. Lifetime Achievement Award
Capt PVK Mohan, Managing Director
Seaways Group





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