

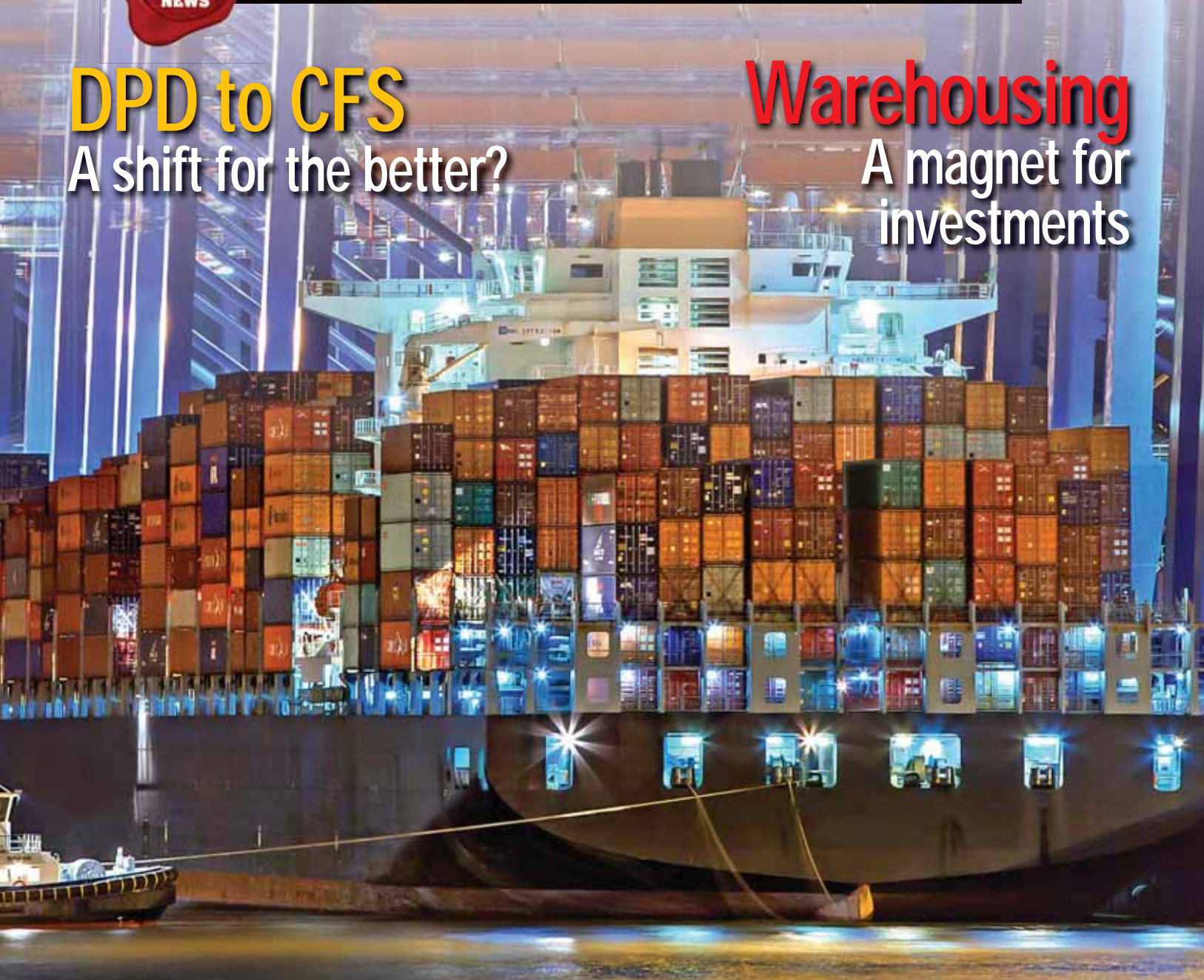
# CARGO TALK



Published from : ★ India ★ Middle East

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**INDIA CARGO AWARDS**

December 5, 2018



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Dear Reader,

In its latest move, the government plans to place Container Freight Stations (CFSs) at the centre of the entire planning process. Though the concept of delivering containers directly to port through the Direct Port Delivery (DPD) scheme that was implemented in 2008 gained much appreciation, this recent announcement to return to the CFS model may be a game changer. In our cover story, we try and understand the reasons behind both moves.

Increasing demand from sectors such as e-commerce, fast-moving consumer goods, etc., along with the need for larger sized warehouses has opened up the segment for more organised and institutional players. In our 'Opinion' section, we explore the trajectory of the warehousing industry.

In India, logistics start-ups have gained a foothold primarily after the onset of the e-commerce industry. In the 'Award Talk' section, India Cargo Award winners provide their point of view on how suitable the country's environment is for start-ups. On the maritime front, the government is working towards building relationships with neighbouring countries. Ports are now utilising the latest technologies to make the cargo clearance process an effortless, speedy, and efficient one. An ICRA report also shows that growth in cargo throughput has been strongly supported by a jump of 19.9 per cent in coal volumes and an 8.7 per cent growth in container volumes.

A recent study, jointly conducted by ASSOCHAM and Auctus Advisors, suggests that the Indian air cargo industry needs to grow at a rate of 12.9 per cent every year from 2018 to 2027 to achieve National Civil Aviation Policy's vision of reaching cargo volumes of 10 million tonnes (MT) by 2027.

Associations are constantly working out procedures that benefit the industry, be it increasing efficiency or reducing cost and dwell time of the cargo movement. Both government and industry are looking into the intricacies of the sector so as to stand on a par with international standards.

Keep reading and giving your feedback to us at:  
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# Air cargo must grow 12.9% annually: Study

"There is an urgent need to uplift the Indian air cargo market to achieve the overall vision of the aviation ministry," suggests the knowledge report on Civil Aviation and Cargo, jointly conducted by The Associated Chambers of Commerce and Industry of India (ASSOCHAM) and consultancy firm Auctus Advisors.



CT Bureau

The Indian air cargo industry needs to grow at a rate of about 12.9 per cent every year from 2018 to 2027 to achieve National Civil Aviation Policy's (NCAP 2016) vision of reaching cargo volumes of 10 million tonnes (MT) by 2027, notes a recent ASSOCHAM-Auctus Advisors joint study.

The report suggests that international and domestic air freight is projected to grow at an overall Compounded Annual Growth Rate (CAGR) of 8.2 per cent. "Considering this trend to continue till 2027, projected international and domestic air cargo will be 3.6 MT and 2.1 MT, respectively, resulting in total air cargo

traffic of 6.8 MT," it states. The study

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Projected international and domestic air cargo will be 3.6 MT and 2.1 MT, respectively, resulting in total air cargo traffic of 6.8 MT

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also highlights various issues confronting the aviation logistics sector in India. Lack of enabling infrastructure, lack of automated material handling systems, high manual intervention in processes, and inadequate skilled manpower are some of the key areas where Indian air cargo industry lags behind global peers.

"There is an urgent need for creating adequate freight carrying capacity within the Indian air network through creation of new cargo terminals and expansion of existing ones," the report states.



The ASSOCHAM-Auctus study also suggests implementing a rating system for cargo terminals, in-line with ASQ (Airport Service Quality) ratings at passenger terminal to motivate operators to improve infrastructure and provide a superior quality of service. It also suggests undertaking proactive measures to identify Tier-II and Tier-III cities for setting up Common User Domestic Cargo Terminal (CUDCT).

Introduction of a separate comprehensive air cargo policy to reduce bottlenecks in freight movement are also a suggestion of the ASSOCHAM-Auctus study. According an industry status to the Indian air cargo logistics sector would also go a long way in bringing down the current logistics cost and improving efficiency. 





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## IndiGo partners with SmartKargo to ease operations

To power the growth of its end-to-end air cargo and logistics business, IndiGo has partnered with SmartKargo - a cloud-based air cargo management solution. The airline will deploy SmartKargo for its cargo business across all destinations, including domestic and international operations. IndiGo operates on a fleet size of 189 aircraft including 47 new generation A320 NEOs, 127 A320 CEOs and 12 ATRs, across 57 destinations – 48 domestic and nine international. Speaking about this partnership, **William Boulter**, Chief Commercial Officer, IndiGo, said, "IndiGo cargo has ambitious plans to grow its revenues and remain competitive in this fast-growing area. We needed a state-of-the-art technology platform that was fast to deploy and easy to use. SmartKargo includes local as well as international features needed for our business." SmartKargo has a rich set of features that are available to support business areas such as bookings, capacity, pricing, schedules, operations, and end-to-end cargo revenue accounting solutions. The solution comes with a built-in powerful and interactive data visualisation platform and real-time track-and-trace feature. It delivers all shipper-to-receiver functionality on a scalable and robust infrastructure platform. "With our unmatched cloud-based technology and out-of-the-box deployment approach, our customers have significant improvements in key performance indicators in three main areas - real-time and complete visibility, higher flow, and higher yields," said **Mohan Kash**, Managing Director, SmartKargo India.



## Increased capacity and more destinations for SpiceXpress



SpiceXpress, the airfreight unit of SpiceJet, has charted an expansion plan that includes increasing its capacity and taking its services to more destinations within India and overseas. The company aims to eventually service up to 150 destinations in India, Asia, and Europe by 2022. SpiceXpress plans to increase its monthly freight carrying capacity from 15,000 tonnes per month to 27,000 tonnes, by the end of 2018. It also plans to further increase its capacity to 90,000 tonnes by the end of 2022 and add four more freighter aircraft by March 2019. In terms of destinations, the company is looking to take its services to nearly 10 more locations in India and overseas. These include Mumbai, Kolkata and Guwahati in India, and Dubai, Kabul, Dhaka, and Singapore in the international sector. Besides these aircraft, it also offers cargo capacity on SpiceJet's passenger aircraft fleet. The fleet includes 36 Boeings and 22 Q400 Bombardiers operating across 47 domestic and seven international locations.

## Bhubaneswar airport to increase export capacity to 50k MT by 2022

The Biju Patnaik International Airport (BPIA) is aiming to increase international export capacity to up to 50,000 metric tonnes (MT) by 2022. While cargo export capacity from the airport was 6,051 MT in international level during 2016-17 fiscal, it reached 7,036 MT in the year 2017-18. Similarly, at the international level, the cargo export was 1243 MT from BPIA during 2016-17 and the capacity rose to 1697 MT in 2017-18 fiscal, an increase of 36.52 per cent. In the domestic cargo export sector, the airport recorded 7,294 MT in 2016-17, while it had 8,733 MT during the last fiscal. Currently, cargo with a capacity of 10,000 MT is being exported to international destinations from BPIA and is likely to grow. To cater to the increased capacity, a domestic and international cargo export facility centre has been set up at the Bhubaneswar airport.

The construction is in progress for providing integrated cargo services from the airport and it will be completed soon, said **Guruprasad Mohapatra**, Chairman, AAI, during a workshop on 'Air Cargo Development' held in Bhubaneswar. The terminal development work will be made at an investment of ₹ 30 crore for which a tender has been invited. Another terminal will also be constructed.







## Iranian delegation visits JNPT; eyes India as transshipment hub

The bilateral trade between India and Iran, which has been growing consistently, touched approximately US\$16 billion in the previous year. Both countries have an excellent record of trade and efforts are on to further strengthen these relations. In light of the same, a delegation under the leadership of **Mohammad Rastad**, Deputy Minister and Managing Director for Ports and Maritime Organisation (PMO), Islamic Republic of Iran, along with 15 members of a high-ranking delegation visited Jawaharlal Nehru Port Trust to understand the port operations. **Arun Kumar Gupta**, MD, India Ports Global and **Arvind Choudhary**, Director (Ports), Ministry of Shipping, were also part of the visit. Here, **SV Madabhavi**, Chief Manager, PP&D, shared an overview on the initiatives under ease-of-doing business and other measures being implemented at the port. JNPT currently handles 4.8 million TEUs and will double its capacity after the completion of phase-II of the fourth terminal. The delegation was also apprised of JNPT's plan for expansion of the liquid cargo terminal and shallow water berth to increase the cargo handling capacity.

## FWC 2018 opens new business avenues for Indian logistics

About 50 exhibitors from the cross-section of international logistics industry participated in the FIATA World Congress 2018 (FWC 2018), held from September 26-29 at the Pullman hotel in Aerocity, New Delhi. FWC 2018 was attended by 1197 delegates from across the world. **S Ramakrishna**, Vice Chairman, FFAI and Convener, FWC 2018, attributed this success to cohesive efforts by FFAI members; all supporting trade association partners; ministries of civil aviation, commerce, finance, home affairs, external affairs and culture; and government agencies.

Highlighting the footfalls at the exhibition, Ramakrishna maintained that huge queries were received from foreign delegates, especially from Africa and Latin America. "These two regions would be the next emerging business centres for Indian logistics companies," he said.



**S Ramakrishna**  
Vice Chairman  
FFAI and Convener  
FWC 2018



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## India urges Bangladesh to use Kolkata & Haldia for transshipment

India has urged Bangladesh to use Kolkata and Haldia ports for transshipment purposes. The initiative will reduce coastal shipping rates and boost bilateral trade, thereby shifting cargo from the costly land route and create an opportunity for garment exporters of Bangladesh to reach European and American markets, avoiding congestion at the Chittagong port. The proposal was reiterated at a ministerial meeting in Dhaka recently. Indian customs authorities have already cleared the deck for Bangladesh to use Haldia as a transshipment port. However, Bangladesh is yet to approve the same. At the crux of the proposal is the growing need to augment handling capacities on either side, keeping in tune with growing trade volumes.

## Russia & India to ink MoU for rail cargo traffic

Russian rail monopoly RZD and Indian Railways will sign a memorandum to set up a joint operator of rail cargo traffic via the North-South corridor, informed **Alexander Misharin**, First Deputy Director General, RZD. He named traffic via the North-South corridor

among the priorities for cooperation between the two companies. "We plan to sign a memorandum of agreement on developing cooperation with Indian Railways, which includes design and supply of dispatch control systems, automated systems, creating a joint operator, as well as study and preparation of documents to organise joint agreements on cargo

traffic," he said. The North-South international transport corridor is aimed at transporting cargo from India and Persian Gulf countries to western and northern Europe via Iran, Azerbaijan, and Russia. The corridor's main advantage is that delivery will be two or three times faster than it is via other routes. Initially, the plan is to transport five million tonnes annually and then double the volume.



## Ministry to review cabotage policy, implement rule relaxation: Gadkari

The shipping ministry will review the cabotage policy next year and introduce changes if Indian shipping lines have been adversely affected in the intervening period, said

**Nitin Gadkari**, Union Minister for Road Transport, Highways and Shipping, Govt. of India. In May, a shipping ministry order eased the so-called cabotage rule, which allows only Indian shipping lines to carry export-import containers for transshipment on local routes. Now, foreign-flagged ships are also allowed to pick up containers along the Indian coast to a transshipment hub such as Singapore, or return empty containers to these ports without any restrictions. According to Gadkari, the cabotage rules were eased by the government because local shipping lines were unable to create a major transshipment hub in India, despite enjoying cabotage benefits that kept foreign liners out of the market. "This lack of capacity means that cotton produced in Gujarat has to be transported by road to Tamil Nadu even when empty shipping containers are moving from Kandla port (in Gujarat) to the transshipment hub in Colombo," Gadkari said. This was not only a waste of resources but increased traffic on Indian roads and provided global transshipment hubs like Colombo over 70 per cent of India's transshipment business, the minister added.



**Nitin Gadkari**  
Union Minister for Road  
Transport, Highways and  
Shipping, Govt. of India

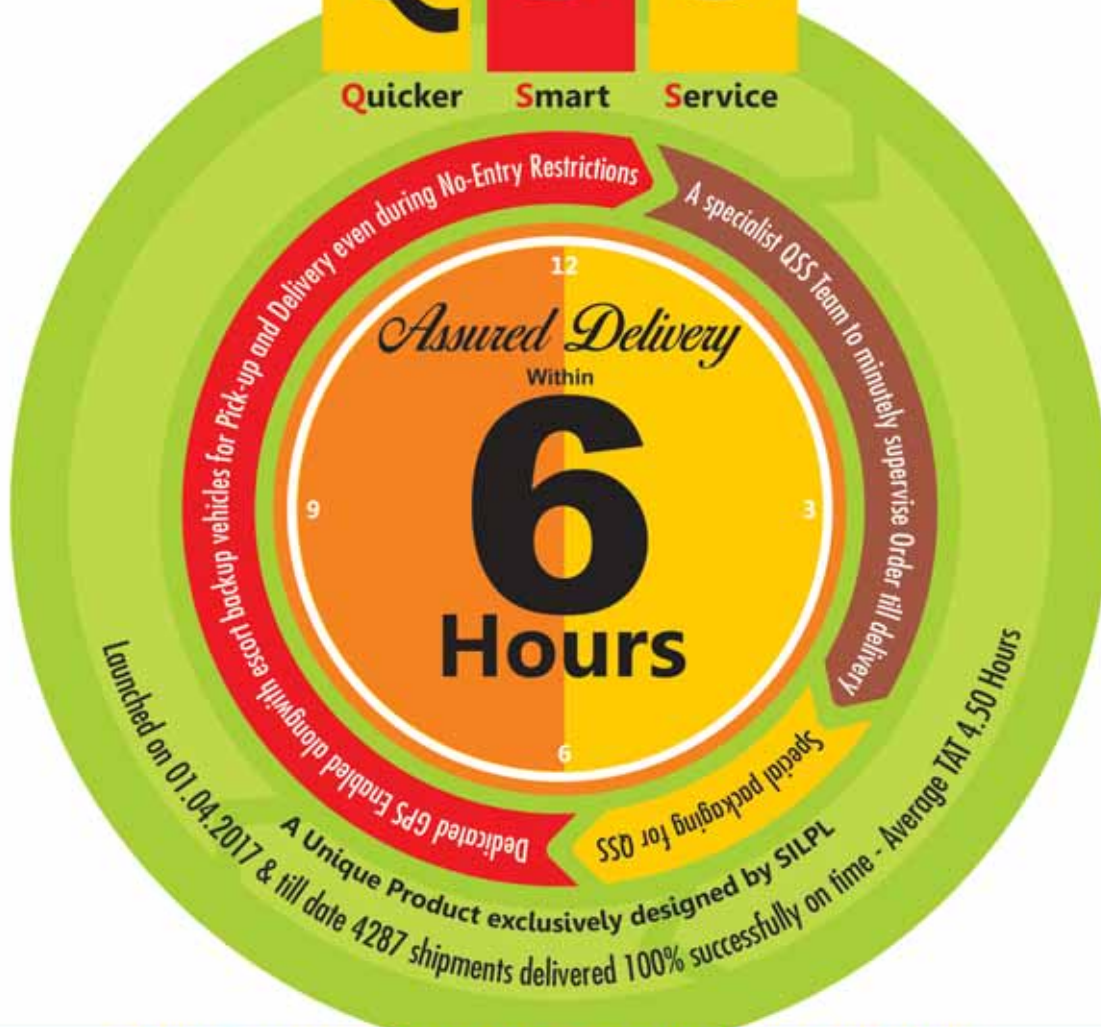




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# DPD to CFS:



The government introduced the Direct Port Delivery (DPD) scheme last year to cut cargo dwell time and cost, but the scheme is now being discontinued. It also announced the remodelling of the cargo evacuation system by placing the CFS at the core of the planning process. **CARGOTALK** uncovers the reasons that prompted the government to revert to the earlier scheme.



# A shift for the better?



Kalpana Lohumi

It has been a year since the government introduced the Direct Port Delivery (DPD) scheme to ease business and cut down cost and time. The idea was to allow importers/consignees to take delivery of the containers directly from port terminals and haul them to factories without taking them first to a Container Freight Station (CFS) and from there, to factories. However, the recent announcement says that the government is working on a

plan to restore the role of CFSs in the evacuation system. **CARGOTALK** explores the reasons that prompted the government to revert to the earlier scheme.

The validation behind the introduction of DPD was to hasten the evacuation of cargo from the port, directly to the factories. What can be the government's plan now to address the issue of congestion that is hampering operations?

**Nihar Parida**, Industry Expert, feels, "With the government decision to allow DPD, importers and exporters were relieved because the cost per container reduced and the usage of space at ports increased. Operations also became smoother as the cargo either moved to or moved out of the port itself, saving a lot of time and cost. The bigger picture was that the government was taking the right step towards strengthening port infrastructure."



**TN Seetharaman**, CEO – Global Logistics Division, Transworld Group, shares, “The industry, especially the import community, is not geared for this change. Their supply chain, including purchase patterns, quantities, safety stocks, payment methods, import L/C documentation, funds planning for payment duties, storage facilities in their production plant, will have to change. Compelling them to take DPD meant merely shifting the bottleneck elsewhere in the entire supply chain.”

According to **Kruti Jobanputra**, Director, JWC Logistics Park, “DPD was not a new concept introduced by the government. It existed earlier, but only a few importers made use of the service. The DPD scheme was reintroduced with more trade or importer-friendly norms. JNPT and customs coming together benefited a number of importers and created cost benefits for everyone. The systems became more efficient



**Nihar Parida**  
Industry Expert



**TN Seetharaman**  
CEO – Global Logistics Division  
Transworld Group

“  
With the government decision to allow DPD, cost per container reduced and usage of space at ports increased

“  
Compelling players to take DPD meant merely shifting the bottleneck elsewhere in the entire supply chain

and smoother, which was a big advantage.”

DPD came into business due to customs procedures and space constraints at many of the country's ports. Resultantly, customs clearance takes place at the CFS. However, DPD is expected to speed-up delivery of cargo containers to importers/consignees to check extra cost and time involved in clearances.

Jobanputra lists a few reasons for the shift to CFS again:

- The infrastructure is not built to accommodate a DPD scheme. As a result, the movement or turnaround time did not reduce as was proposed in the scheme.
- There was more planning required, keeping all stakeholders like shipping lines, CFS, customs house brokers, transporters, etc., on the same page.

## FACTFILE

■ Out of approx. 45,000 DPD import boxes evacuated every month, roughly 32,000 are evacuated by CFSs.

■ Whilst imports (about 52 per cent) and exports (about 48 per cent) at JNPT are more or less balanced, the EXIM cycle is rather skewed as CFSs handle about 70 per cent imports and 30 per cent exports, as close to 70 per cent exports move directly to the port.







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**Prakash Tulsiani**  
Executive Director & CEO, CFS-ICD  
Allcargo Logistics

- With an anticipation of job loss in the area, there were a lot of political disturbances and strikes, which were not handled tactfully by the government.

"DPD, when implemented, was supported by the entire industry, however, CFS was an essential part of the logistics chain that was created by the government and was an integral part of the trade ecosystem as well. The stations were created to ease port operations. For instance, if goods were coming from nearby ports (transshipment), where necessary documents may not be available, delivery of these DPD containers could not be taken for 48 hours. Also, due to business needs, a customer may not have sufficient storage or funding available. CFSs are well-equipped in handling such roadblocks. Cargo from the port needs to be evacuated within 48 hours to create yard capacity, which is important for efficient vessel operations," explains **Prakash Tulsiani**, Executive Director & CEO, CFS-ICD, Allcargo Logistics.

"With DPD, we have witnessed congestion on roads, with several trucks being nominated by end-customers from all over the country to take delivery of the boxes. These truckers, not necessarily well-versed with port layout, create congestion. In case

of cargo heading to CFS, trucks are deployed by the freight stations and these trucks only cart containers between CFS and the port, this being the only task which they do on a daily basis. These truck drivers are well-versed with the requirements and layout of the port," he continues.

Commenting on the withdrawal of this order, Parida explains, "It clearly shows that the government has succumbed to the fact that our ports cannot take care of this activity and cannot handle this. In this case, the government should come out with a policy that regulates the cost of the CFS. Today, the rates being charged by the CFS are irregular and have no standardisation. They should be brought under a tariff rule with strict regulations."

Clearing a false notion on the subject, **Umesh Grover**, Secretary General, Container Freight Stations Association of India, says, "DPD, an initiative of Government of India, started way back in 2008 for select importers who were termed as AEOs (Authorised Economic Operators) and had a proven track record, imports of a large value, and met the threshold. About five to six per cent importers have been engaged in DPD since then. The government gave a boost to DPD in early 2017, and the idea was to reduce the dwell time and the associated transaction costs so

DPD, when implemented, was supported by the industry, however, CFS was an essential part of the chain

that Indian EXIM trade could become more competitive globally. The idea was also to improve India's World Bank ranking (logistics index). Since JNPT was conceptualised on the CFS model, there were challenges, which have now been addressed to some extent."

In his opinion, it is a myth that the government has dumped the scheme or that it is resorting back to the earlier one. "DPD continues to be an agenda and it is here to stay! Since CFSs carry out 'en-block movement' of containers and know the nuances of the evacuation business, the dwell time for containers evacuated by CFSs is much better than the evacuation by DPD clients. To further improve efficiency, CFSs need to play a more central role, with the maximum evacuation being done by them," he continues.



**Kruti Jobanputra**  
Director, JWC Logistics Park &  
India Cargo Award winner 2017

DPD was not a new concept introduced by the government. It existed earlier, but only a few importers made use of it





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**Umesh Grover**  
Secretary General  
Container Freight Stations Association of India

“It is a myth that the government has dumped the scheme; DPD continues to be an agenda and is here to stay”

### IS THE MOVE A SIGN OF RELIEF FOR CFS?

Last year, when the DPD scheme was announced and importers or consignees got the benefit of taking the delivery of the containers directly from port terminals, top logistics firms including listed entities that have invested thousands of crores to set up and run Container Freight Stations (CFSs) near India's container ports, were supposed to face an uncertain future. Now, the idea of going back to the late 1980s concept of CFSs should take the burden off being the first recipient of the boxes and thereafter, moving the cargo. **CARGOTALK** tries to understand if this step throws a lifeline to CFS again.

“It should not be seen as a relief to CFS. The government always looks at the bigger picture and not the interests of a few CFS players. The manufacturing industry suffers and this results in high inventory costs including storage and resultant interest costs. So, it is more a help to the industry to regroup themselves,” says Seetharaman.

Agreeing to the fact that JNPT itself was designed on a CFS model, Jobanputra believes, “The role of CFS has always been an important

one at JNPT. Customers who enjoy the benefits will have better options, opting for the system they want to adopt to clear their container. Till the time we don't get any proper notification on the status of DPD, there is no relief to the CFS. We have to wait and watch.”

Commenting on the government working on a plan to restore the role of CFS in the evacuation system, Tulsiani says, “CFS was designed to take the volumes away from the yard of the port and clear the cargo at their facilities. It will continue with its task of easing evacuation and clearance.”

Grover feels that the government wants CFSs to play a pivotal role in evacuation of imports. “The idea is to reduce the dwell time and congestion. There is a huge imbalance between what CFSs connect and what they evacuate. This translates

to many empties on the roads to and from the port. Export vehicles come back empty after dropping the container, whereas CFSs send many empty trailers to bring import boxes from the port. If this correction could be done and any Telegraphic Transfer (TT) going to the port with an export box bring an import, the number of empty TTs can be reduced substantially in the JNPT ecosystem to as low as 1000 per day. With clearer roads, the same number of TTs would be able to make two trips a day compared to just about one per day presently. Modalities of the same need to be studied as several complexities arising out of a change in system would need to be addressed. We, at CFSAI, are studying this model and if implemented, it would certainly be beneficial to all the stakeholders, including CFSs,” concludes Grover.

### DPD: Pros and cons

- Customs got their duty payments before the arrival of the containers.
- Importers saved cost between ₹ 5000 and ₹ 7000 per TEU.
- Importers and manufacturers suffered more than they were benefitted.
- Only a few industries had some benefits, others majorly had to bear extra costs.



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# VECV invests big in Bhopal



CT Bureau

VE Commercial Vehicles (VECV), a joint venture between the Volvo Group and Eicher Motors, recently commemorated this decade-long partnership by announcing the setting up of a new Greenfield truck manufacturing plant in Bhopal.

In operation since July 2008, VECV includes the complete range of Eicher-branded trucks and buses, VE Powertrain (engines), Eicher engineering components, along with the sales and distribution of Volvo trucks within India. VECV's vision is to be recognised as the industry leader driving modernisation in commercial transportation in India and the developing world. To commemorate the 10-year-long partnership between Eicher Motors and Volvo Group, VECV has announced the setup of a new production facility at Bhopal that will draw an investment of ₹400 crore. Production will begin with light duty trucks, which will also cater to international markets. The target is to go on stream with



this plant in the next 18 months with an initial capacity of 40,000 trucks, in addition to the capacity of 90,000 trucks at Pithampur, near Indore.

The company plans to employ more than 2000 people at the facility, further exploring additional employment opportunities with an ancillary supplier base.

“The facility will draw an investment of ₹400 crore; the target is to go on stream in the next 18 months”







VECV has enjoyed a yearly average growth of over 18 per cent in the last 10 years and a turnover of ₹ 10,200 crore in 2017-18.

The entire Board of Directors of AB Volvo was present on the occasion to celebrate the highly successful joint venture in India. Speaking at the event, **Martin Lundstedt**, President and CEO, Volvo Group, said, "It is a proud moment for us as we celebrate an extremely successful partnership with Eicher Motors. Together we have created many industry-leading benchmarks to drive modernisation in the last 10 years. India is a home base for Volvo Group, with a presence of over two decades across our various business lines, and we reiterate our strong commitment to the future of the country and VE Commercial Vehicles."

Also present was **Siddhartha Lal**, MD & CEO, Eicher Motors, who spoke of the fruitful partnership that is reflected in the strong performance of VECV. "Not only has VECV benefited from this partnership but we have also been able to contribute to the cost-reduction opportunities for the Volvo Group through supply of cost-effective engines from India. As we move into the next decade,

we reiterate our strong commitment to this partnership," Lal said.

VECV is an exclusive manufacturing hub for the medium-duty Euro-VI engines for the Volvo Group and is a fine example of the 'Make in India' initiative of Government of India. These engines, manufactured at the state-of-the-art manufacturing facility in Pithampur, are being exported to Europe and Asia to take care of the needs of the Volvo Group.

Commenting on the occasion, **Håkan Karlsson**, President, Volvo Group Trucks Asia & JVs and Chairman, VECV, said, "We have full confidence in the growth potential in the Indian market. With technologically superior products, VECV is at an advantageous position to fully leverage the opportunities in the market. The visit by the Board of Directors of AB Volvo reflects the strong commitment of Volvo Group to this partnership and we are looking forward to further develop the partnership to lead the rapid transformation in the industry." 📌

## VECV's journey so far...

- Strong foundation based on trust and mutual respect.
- Strengths like Volvo Group's global technology and world-class processes, as well as Eicher's frugal engineering coupled with local expertise and strong values of Volvo Group and Eicher Motors.
- Growth of vehicle sales at a CAGR of 8.3 per cent (against industry growth of 3.1 per cent CAGR in 5T and above) to 65,932 vehicles in 2017-18, thereby gaining market share in all segments.
- Adoption of several world-class systems and processes from Volvo Group for new product development and sales, helping deliver excellent products and experience to customers.
- Strong position in the LMD trucks business with over 30 per cent market share.
- Excellent products in the HD trucks segment under basic (Pro5000), value (Pro6000), mid-premium (Pro8000) and premium segments (Volvo Trucks), now well placed to gain bigger market share.
- Strong products in the bus segment under basic (Starline), value (Skyline) and mid-premium (Skyline Pro) segments.
- Growth in exports from India from 2000 to more than 9,000.

# Hybrid workforce for supply chain sector

**Neeraj Bansal, CEO, DHL SmarTrucking India, elaborates on the importance of a hybrid workforce in the supply chain sector, one that strikes the right balance between man and machine.**

The supply chain sector in India is growing faster than ever. A burgeoning global e-commerce market has fuelled the need for a seamless logistics domain in the country. According to a study by The Associated Chambers of Commerce and Industry of India (ASSOCHAM), the logistics market in India is expected to grow to \$307 billion by the year 2020, recording a CAGR of 16 per cent on an average.

Technologies such as robotics, Artificial Intelligence, Big Data analytics, etc., are helping companies steadily eliminate issues of transparency and security. However, the advent of technological advancement

raises the question: Are players in the sector perfectly positioned to strike a balance between man and machine?

Given that supply chain cannot be entirely faceless, building a hybrid workforce is a great strategy to utilise the strengths of both man and machine. Companies that have invested in cutting-edge supply chain technologies as well as advanced skilling of their human workforce are quite well-positioned to transform the face of Indian logistics by developing a perfect blend of the two. Other technologies such as augmented reality solutions that empower drivers with more information about their environment could further enhance the hybrid workforce experience.

As one of the prerequisites for a strong supply chain, India's road transportation industry, which is heading for a major expansion, also stands to benefit from automation. Reports indicate that a total of 599 highway projects covering around 12,903 km of national highways have been sanctioned, incurring an expenditure of ₹108,000 crore over the next five years. Though presently riddled with challenges like road congestion and greenhouse gas (GHG) emissions, automation will be instrumental in overcoming these and further streamlining the

entire sector. Another major barrier is the availability of digital talent in the industry. Besides hiring people with the desired digital capabilities, organisations must also invest in equipping their existing employees with the required automation skills, to ensure a harmonious balance.

Supply chain management is expected to be a vital job market in the imminent future, with the annual income projected to grow at eight per cent CAGR over the next five years. Thus, it may be advisable to expect different factors to exert varying influences on the speed and reach of automation.

*(The views expressed are solely of the author. The publication may or may not subscribe to the same.)*



**Neeraj Bansal**  
CEO, DHL SmarTrucking India &  
India Cargo Award winner 2017

“Supply chain management will be a vital job market with annual income projected to grow at 8% CAGR”





# REDEFINING LOGISTICS

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# Warehousing: A magnet for investments

Driven by the rising demand for a warehousing space, large institutional and logistics developers are betting big on the sector either by forming joint ventures or by investing in the segment. **CARGOTALK** takes an in-depth look at the burgeoning warehousing industry.



Kalpna Lohumi



**Anshul Singhal**  
CEO, Embassy Industrial Parks

The growth of the industrial sector has been slated as having the most prominent impact on Indian real estate. The scope and growth for investors in this area is high compared to the traditional real estate. The major concern of investors in the past was the tax structure and the unorganised sector. GST implementation has undoubtedly changed things for the better; we finally have a uniform

national levy. The 'One country, One tax' model has attracted and boosted the confidence of investors. New government initiatives like 'Make in India' aid domestic production. Granting of infrastructure status to the logistics sector has strengthened confidence in the sector. The new e-way bill is allowing logistics to move in an organised and planned manner. All these variables together provide a regulatory impetus for the growth of self-sustaining and large warehouses. The transformation of this industry over the past few years has managed to attract local and foreign investments, hence, we see joint ventures being formed.

To bring quality grade-A industrial, light manufacturing and warehousing parks, we are starting with eight key cities - Delhi, Mumbai, Bengaluru, Pune, Ahmedabad, Hyderabad, Kolkata and Chennai, and will then move to other metros. We have signed MoUs with governments of Haryana and Kolkata for over ₹ 1 billion. Embassy Industrial Parks has invested a total of ₹ 140 crore in Bilaspur, Gurugram project and has also invested ₹ 350 crore to build a 1.1 million sqft industrial park at Chakan, Pune. We are in the process of developing 200 acres of land in Chennai and another 110 acres in Farrukhnagar, Gurugram.



**John Thomas**  
Group Director, Realistic Realtors

Aggressive strategies and demand for warehouse facilities from sectors such as e-commerce, fast-moving consumer goods, third-party logistics, and manufacturing houses have created the need for organised warehouses across the country and so, have opened up the sector for more organised and institutional players. Big institutional and logistics developers are betting big on the

growing demand for warehousing in India either by forming joint ventures with local partners or by investing in the sector. Some of the recent examples are GMR Infrastructure holding discussions with Warburg Pincus-backed logistics developer e-Shang Redwood (ESR) to form a joint venture for logistics and warehouses in Hyderabad. Temasek Holdings and Ascendas-Singbridge Group have also announced making joint investments in logistics and industrial real estate across India.

The past few years have witnessed massive participation from institutional investors. Some of them have purchased ready assets, whereas others are investing in a mix of ready and Greenfield assets. Industrial warehouses and logistics parks are now two of the most important asset class in real estate that see huge interest from global funds. GST and 'Make in India' reforms initiated by the government have already proven to be the drivers of such exponential growth in the warehousing industry.

In the past four years, over \$3.4 billion have been invested by domestic and overseas institutional investors in Indian warehousing. As per a recent report, more than \$2 billion are waiting to be invested over the next few years. Such large investments will not only improve the warehouse construction quality across the sector but also help in improving the yield out of such investments. This will help improve the overall infrastructure in and around such warehouse zones, in turn making a huge positive impact on the overall development and infrastructure of the said city.





**Piyush Kumar Singh**  
*Logistics & SCM Consultant*

Before the advent of e-commerce, many retailers used warehouses as intermediate storage points (or distribution centres - DCs) to supply their stores; it is still a common way to manage distribution. A retailer could use a network consisting of a few DCs, each serving a region comprising many states, with replenishment lead time of a few days. With the development of e-commerce, however, the traditional

warehousing model began to fall short.

E-commerce creates significant challenges in terms of customer expectations, compared to traditional retail. In general, outbound shipping with e-commerce features very small quantities sent directly to individual customers. Uninformed investment decisions in logistics, like in any other sector, lead to poor returns. However, the opportunities for growth and differentiation, coupled with the need for funding, in logistics, are immense, and a prudent investment approach can be highly rewarding for investors.



**Sanjeev Kumar**  
*Executive Vice President  
Global Supply Chain Group*

From a supply chain perspective, warehousing had been lagging behind for several years. However, the sector is integral for efficient supply chains and poised for a multifaceted growth but with a caveat- only those will succeed who are strategically placed and invest in digitisation.

## Highlights

- The scope and growth for investors in this area is high compared to traditional real estate.
- Granting of an infrastructure status to the logistics sector has strengthened confidence in the sector.
- The transformation of this industry over the past few years has managed to attract local and foreign investments. Hence, we see joint ventures being formed.
- To bring quality grade-A industrial, light manufacturing and warehousing parks, Embassy Industrial Parks is starting with eight key cities - Delhi, Mumbai, Bengaluru, Pune, Ahmedabad, Hyderabad, Kolkata and Chennai, and will then move to other metros.
- Big institutional and logistics developers are betting big on the growing demand for warehousing in India either by forming joint ventures with local partners or by investing in the sector.
- Large investments will not only improve the warehouse construction quality across the sector but also help in improving the yield out of such investments.
- With the development of e-commerce, however, the traditional warehousing model has begun to fall short.



Picture Courtesy: Embassy Industrial Parks

# Fostering innovation

Our esteemed award winners share their view on how suitable the country's environment is for start-ups. They talk about improvements and changes that will help narrow the gap between demand and supply of talent.



► Best Logistic Service Provider (North & East, 2017) : **Sampark India**



## Investment in R&D not up to the mark

**Sanjay P Rathie**, Managing Director, Sampark India, says, "For the health of start-ups in India, I would refer to the Networked Readiness Index, which depicts that India's global ranking dropped to 91 in 2016 from 69 in 2013, according to a report co-authored by the European Business & Technology Centre and the Indian Council for Research on International Economic Relations. Though this does not indicate that India's position is deteriorating, it does mean that the country isn't improving its readiness compared to other countries, the report said." He adds that innovation is not possible without investment in research and in India,

investment in this field is just 0.79 per cent of the GDP compared to around four per cent invested by countries like Sweden, Denmark, and Finland. "Resultantly, though the country has introduced several policy initiatives, there remain some challenges. Unlike other countries, India does not have any policies to attract foreign start-ups. Other issues include low technology penetration in rural areas, quality of communication and broadband services, and skill shortage," he concludes.

► Fastest Growing Freight Forwarder - Air (North & East, 2017): **Cargo Partner Logistics India**

## Industry geared up, but newcomers lack zeal

**Ravinder Katyal**, Director Air Cargo & Head of Co-load, Indian Subcontinent, Cargo Partner Logistics India, says, "The present government has given a boost to start-ups, but this initiative has been successful in other sectors and not in supply chain or aviation. Not much enthusiasm has been noticed in the newcomers for the shipping and logistics sector. Our industry is still struggling to receive young talent." He feels that India is geared up with technology and education solutions, and a number of private and government universities do provide courses in supply chain, but yearning from youngsters is still missing. "We, as an industry, need to create that awareness and passion in the youth to attract talent for this industry. Also, we are the fastest growing aviation industry and require huge skilled manpower specially to help this sector and the economy grow in years to come," he concludes.



► Emerging Sea Freight Forwarding Company (West & South, 2017): **Nathleela Logistics**



## India is poised to accept any technology

**Capt. Sunil A Nar**, Executive Director – Commercial, Nathleela Bulk Carriers, says, "India is very lucrative in terms of start-ups, and the present government's supportive policies are also a big boost. Logistics is one sector where the government is working towards making India better in rail, sea freight, and road movement; a project like DMIC (Delhi-Mumbai Industrial Corridor) for the movement of cargo on a dedicated rail line so as to reduce freight cost and further develop India as an industrial hub is one such example. Ports are developing through public-private partnerships for better connectivity with

industries. Companies like Amazon, Flipkart, and Walmart are investing in warehouses/hubs for quick transport of goods in India, as they are planning to capture the huge online market. With one billion cell phones in hand along with cheaper internet facility, India is poised to accept any technology."





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# Simplify relocation with tech-savvy ShiftKarado

Founded in late 2015, ShiftKarado aims to bring innovation to the relocation industry, which has always been bereft of digital transformation. **Sahil Mittal**, Co-Founder, ShiftKarado, talks in detail about the company's merits and what sets it apart from competition. He also talks about a plan to strengthen the company's domestic reach.



Kalpana Lohumi



**Sahil Mittal**  
Co-Founder  
ShiftKarado

## Please tell us about your business model.

Offering services through tech-enabled platforms such as websites and mobile Apps, ShiftKarado gives B2C and B2B customers the flexibility to plan their relocation effortlessly and instantly receive service quotes for the same. Customers can simply fill a form on our website or over our mobile App and share their requirements and other details to get a customised instant quote of opportune services.

## What was the inspiration behind this start-up?

There existed a huge gap between demand and supply of efficient packers and movers in the Indian market. There were problems such as lack of rules and regulations, costly and poorly managed services, and no security of products, making us no match for international standards. ShiftKarado offers complete relocation services for households and corporates, for local shifting and inter-city moving.

## How is this platform helping the logistics industry work smoothly and efficiently?

The Indian logistics industry is quite unorganised, as a large number

of local and domestic transporters are working independently with an average fleet size of five trucks. It owns a big share of total road transportation revenues in India, which make it one of the dominant industries of the country. That said, digital technology remains a major challenge that the transportation and logistics sector has to deal with. A tech-enabled platform like ShiftKarado leverages the digital advantage to raise the competitive bar and transform the customer experience.

## How is ShiftKarado different from other start-ups in the sector?

It's the technological aspect of our company along with our understanding of international standards that primarily set us apart and give us an edge over competitors. Other than that, we also offer our clients (households and corporates) instant booking, instant quotations, urban mobility, security, as well as transparency in service. Backed by a synergistic combination of business models and tech-enabled competencies, ShiftKarado addresses all concerns of the customer, creating additional value for them, saving their time, and filling existing gaps in the highly-fragmented, unorganised Indian relocation segment. The

sophisticated, tech-driven platform provides a standard User Interface (UI), making the booking process as effortless and simple as shopping on an e-commerce portal, while the shifting procedure takes place in accordance with the customer's requirements.

## Is expansion on the cards?

We would want to strengthen our presence in the domestic market. The current outreach of ShiftKarado stretches up to Bengaluru, Hyderabad, and Chennai in the southern zone. In the North, we cover Chandigarh, Mohali and the six cities of NCR, including Delhi, Gurugram, Noida, Greater Noida, Faridabad, and Ghaziabad. Our western reach is across the Pune-Mumbai region, including Navi Mumbai. We have recently included Jaipur and Kolkata in our portfolio. Our goal is to expand the spectrum of our services across India. Presently, our investment and logistics are enough to address our relocation needs on a pan India basis. Though the company has been bootstrapped since inception, we may get venture capital on board with a growing demand and an ever-evolving market. We are investing our time and resources in upgrading our mobile App. 📱

ShiftKarado provides a standard UI, making the booking process as effortless and simple as shopping on an e-commerce portal



# Falling rupee steals export profit

**Pushkar Mukewar**, Co-Founder and Co-CEO, Drip Capital, talks about the impact of the falling rupee on exports and why exporters may witness only a marginal shift in revenue.

The Indian rupee has been on a downhill for most of the year, falling for six months straight, the longest stretch since 2002. Since 2013, the rupee has lost around 20.8 per cent against the US dollar. A common perception is that devaluation in currency means good times for exporters because they end up selling more as their goods/services become cheaper in the international market. However, there are several factors at play that mean that exporters see a negligible positive impact of the falling rupee, such as import dependencies damping

“Imported materials, used to manufacture export commodities, leave a negligible positive impact for exporters

because of global supply chains, increased profit hedging, etc. For instance, there are trends that show that trade impacts the

value of a currency, rather than the other way around. The rupee depreciation rate in June this year was 5.19 per cent, while the export growth was 14.17 per cent. However, when the rupee further fell sharply by 6.56 per cent the subsequent month, the export growth in fact reduced to 9.37 per cent. This is because we import materials like crude, rough diamonds, gold, and precious metals to manufacture our major export commodities. Such factors mean that Indian exporters might see only minimal impact of the rupee's continued devaluation.

*(The views expressed are solely of the author. The publication may or may not subscribe to the same.)*



**Pushkar Mukewar**  
Co-Founder and Co-CEO  
Drip Capital

## TECHNOLOGY

# Courierhome launches chatbots

Courierhome has launched its first chatbot powered by ALIS (Advanced Logistics Intelligence Solution). This new service will help answer queries of users through automatic replies, product demonstrations and much more.

With the launch of its ALIS-powered chatbots, Courierhome aims to manage customer queries more efficiently and effectively. These chatbots do not suffer from the limitation of customer support and can be available for as many as 1000 customers at the same

time. Courierhome is using this technology to provide personal assistance and help to the user

### Trivia

- A chatbot is a computer language by AI technology.
- It represents the question-answering system in leveraging the natural language process.
- The company plans to soon diversify into more segments that will enhance the online logistics platform.

in resolving the common issues of making a booking over the courier platform.

**Prateek Sharma**, Founder & CEO, Courierhome, says, "Through the chatbot, users will be provided with a conversational User Interface (UI) which is more familiar and efficient. Since visibility is the key in logistics, chatbots will help users with real-time information and thus help us in providing customer satisfaction."

Adding to this, **Sushant Kumar**, Co-Founder & COO,

Courierhome, says, "Since time is critical in the logistics industry, chatbots will be very helpful in maintaining the workflow of an organisation. With access to different database, it will help us monitor and manage the inventory, process customer orders, etc. Courierhome can use the data for its analytical and planning activities."



**Prateek Sharma**  
Founder & CEO  
Courierhome

# Indian logistics turns over a new leaf

Ramesh Mamidala, CEO, Çelebi Delhi Cargo Terminal Management India, shares his view on the Indian logistics industry as per present government compliance rules vis-à-vis other countries Çelebi operates in.

As is true to other countries, the necessary registration and compliance certifications need to be obtained from the government to start a business in the Indian logistics industry. In India, registration with International Air Transport

in streamlining efficiencies in this industry. Single-window processing introduced by customs in 2016 was a great success and is further being improvised on to bring in some more changes. The officials in customs and other regulatory departments are being open-minded, willing to listen, willing to adopt new ideas and more importantly, becoming technology-oriented.

of cargo with access to various parts of India and the world.

Owing to the interplay of infrastructure, technology and new service providers, this industry is expected to undergo a rapid evolution and growth. The government has also set a target to reduce the logistics cost in India from the present 14 per cent of GDP to less than 10 per cent of it, by 2022.

We also foresee huge growth in soft infrastructure like education, training, and policy framework. Thus, the current Indian logistics industry, which provides employment to more than 22 million people, will significantly increase this number in the coming years.

*(The views expressed are solely of the author. The publication may or may not subscribe to the same.)*



**Ramesh Mamidala**  
CEO, Çelebi Delhi Cargo Terminal Management  
India & DDP Game Changer 2016

A positive initiative by the government has been the formation of Air Cargo Logistics Promotion Board to carry out various development activities in the sector in a structured manner, focusing on increased allocation of space for cargo in Greenfield airports, promoting global good practices like Free-Trade Warehousing Zones (FTWZ), air freight stations, bonded trucking, dedicated cargo airports, simplification of customs procedures, etc. It has also commenced 24x7 customs operations at several airports.

As per the National Civil Aviation Policy 2016, there has been immense focus on promoting regional connectivity. The aim of the government is to provide an ecosystem for the harmonised growth of various aviation sub-sectors, one of which is cargo, providing safe, secure, affordable, and sustainable air travel to passengers and for air transportation

Association (IATA) and Air Cargo Agent Association of India (ACAAI) are a must for freight forwarders. Other important registrations in India include Directorate General of Foreign Trade (DGFT) registration, registration with the Income Tax Department, Registrar of Companies, and related government departments.

To promote growth in logistics, it is necessary for the government and other regulatory bodies in the country to provide an environment that creates value propositions in logistics services. As far as the air cargo industry is concerned, the Indian government has, over recent years, made significant improvements

The government has set a target to reduce the logistics cost in India from 14 per cent of GDP to less than 10 per cent of it, by 2022

## Trivia

- Single-window was introduced in 2016.
- Owing to the interplay of infrastructure, technology and new service providers, this industry is expected to undergo a rapid evolution.
- A positive initiative by the government has been the formation of Air Cargo Logistics Promotion Board.



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# 'Passion for Excellence' to drive growth

**Vikram Paul**, Regional Managing Director, Indian Subcontinent and Director, Business and Product Development, Middle East & Sub Sahara, Cargo Partner Logistics India, talks about the group's expansion plans.



CT Bureau

## How many industries do you cater to? Which is the most important vertical of all?

We do not handle personal effects and do not do any business with any of the embargoed countries, as we are highly conscious of compliance and world trade order, but other than that, we handle all other sectors.

In India, reefers, pharma, aerospace and automotive, as well as heavy equipment are some of the sectors where clients have seen our capabilities and our knowledge polls, and have responded well to supporting us with their business.

## What differentiates Cargo Partner from its competition?

With an extensive international network and cutting-edge systems, our operations are driven by 'Think Global and Act Local'. We have embraced small and medium-sized

clients with an easy-to-do business style, and we open our full service and network portfolio to them. Our teams are being coached and handheld on a client-centric service model that speaks well of our global philosophy - Passion for Excellence and Better than Others. Also, our C and D client portfolios have exploded in the last two years, and this is the segment that is growing the most aggressively for us.

## What tailor-made solutions are you offering to the trade?

In the next five to seven years, there will be five or six game changers in the Indian logistics marketplace. They will include:

- GST and its value delivery to clients
- FCPA and its standards and assurance in India
- Green and carbon emission-compliant supply chains

- Health and safety standards
- GDP and its impact and awareness in India
- Building a logistics ecosystem that provides a competitive advantage to the client rather than one or two product excellence organisations

In all these areas, we would like to become knowledge partners and advisors to the client community, educating them on what the reality is now and what it will be in the next five to seven years, based both on policy change as well as 3PL and 4PL focus and competency. This is a unique spot where no other 3PL has focused; this will be our focus for the India market.

## What is your current reach across the country? Is expansion on the cards?

We are confident that by 2021, we will become a €100 million company in India. Being an asset-light company, we are not determining growth by the number of offices and branches or our fleet, but by the clients we service and the size of business we manage in a country, while also including earnings per unit. With this calculation, we are approximately a 160-strong team working from nine branches and multiple distribution locations. We will build the right size and support organisations as we go. 📍



**Vikram Paul**  
Regional Managing Director, Indian Subcontinent and Director, Business and Product Development, Middle East & Sub Sahara, Cargo Partner Logistics India & India Cargo Award winner 2017

“

With an extensive network and cutting-edge systems, our operations are driven by 'Think Global, Act Local'

”





# INDIAN PORTS ASSOCIATION

## TRAFFIC HANDLED AT MAJOR PORTS

(DURING APRIL TO SEPTEMBER, 2018\* VIS-A-VIS  
APRIL TO SEPTEMBER, 2017)

(\*) TENTATIVE

(In '000 Tonnes)

Port	Traffic period				Fertilizer		Coal		Container				
		P.O.L (Crude, Prod., LPG/ LNG)	Other Liquids	Iron ore Incl. Pallets	Fin.	Raw	Ther- mal & Steam	Cooking & Others	Ton- nage	TEUs	Other Mics. Cargo	Total	%Var. against 2017-18
KOLKATA													
Kolkata Dock System													
TRF APRIL-SEPT.'2018		383	294	-	64	25	9	1169	5092	337	1884	8920	
TRF APRIL-SEPT.'2017		396	406	-	84	9	7	289	4898	320	2503	8592	3.82
Haldia Dock Complex													
TRF APRIL-SEPT.'2018		4149	2479	219	130	234	1087	7375	1544	90	3832	21049	
TRF APRIL-SEPT.'2017		4134	2445	792	214	105	904	5540	1254	70	3736	19124	10.07
TOTAL: KOLKATA													
TRF APRIL-SEPT.'2018		4532	2773	219	194	259	1096	8544	6636	427	5716	29969	
TRF APRIL-SEPT.'2017		4530	2851	792	298	114	911	5829	6152	390	6239	27716	8.13
PARADIP													
TRF APRIL-SEPT.'2018		17813	852	5547	-	2201	16009	6382	83	6	4011	52898	
TRF APRIL-SEPT.'2017		17024	779	5447	4	2138	12116	6089	34	3	3974	47605	11.12
VISAKHAPATNAM													
TRF APRIL-SEPT.'2018		7792	1025	4299	1090	354	5283	3084	3987	227	4848	31762	
TRF APRIL-SEPT.'2017		8149	1062	5134	1096	508	3832	2745	3259	189	4364	30149	5.35
KAMARAJAR (ENNORE)													
TRF APRIL-SEPT.'2018		2384	60	-	-	-	11799	763	-	-	1564	16570	
TRF APRIL-SEPT.'2017		2079	52	-	-	-	10597	-	-	-	1119	13847	19.66
CHENNAI													
TRF APRIL-SEPT.'2018		6785	762	-	-	83	-	-	16093	834	3414	27137	
TRF APRIL-SEPT.'2017		6765	874	-	-	92	-	-	15240	790	3265	26236	3.43
V.O. CHIDAMBARANAR													
TRF APRIL-SEPT.'2018		314	462	99	113	209	4450	1725	7576	371	1830	16778	
TRF APRIL-SEPT.'2017		368	410	-	133	456	3975	1445	6863	337	3636	17286	-2.94
COCHIN													
TRF APRIL-SEPT.'2018		11218	219	-	15	85	43	-	3814	279	512	15906	
TRF APRIL-SEPT.'2017		9724	186	-	15	118	-	-	3718	268	503	14264	11.51
NEW MANGALORE													
TRF APRIL-SEPT.'2018		11774	1011	2061	218	91	2783	803	1013	68	425	20179	
TRF APRIL-SEPT.'2017		11375	959	2379	211	51	2014	1230	781	51	549	19549	3.22
MORMUGAO													
TRF APRIL-SEPT.'2018		299	278	3188	124	-	558	2853	227	18	1702	9229	
TRF APRIL-SEPT.'2017		308	292	3960	73	-	1170	4808	193	14	1854	12658	-27.09
MUMBAI													
TRF APRIL-SEPT.'2018		18189	997	3304	110	83	1298	1913	175	14	3323	29392	
TRF APRIL-SEPT.'2017		18485	988	3411	99	30	1320	1977	316	23	4608	31234	-5.90
J.N.P.T.													
TRF APRIL-SEPT.'2018		2130	1483	-	-	-	-	-	30718	2520	483	34814	
TRF APRIL-SEPT.'2017		2268	1335	-	-	-	-	-	28700	2403	401	32704	6.45
DEENDAYAL													
TRF APRIL-SEPT.'2018		31310	4937	676	2234	-	8133	392	1712	103	9236	58630	
TRF APRIL-SEPT.'2017		29962	5424	581	2103	45	5538	143	770	49	8721	53287	10.03
ALL PORTS													
TRF APRIL-SEPT.'2018		114540	14859	19393	4098	3365	51452	26459	72034	4867	37064	343264	
TRF APRIL-SEPT.'2017		111037	15212	21704	4032	3552	41473	24266	66026	4517	39233	326535	5.12
% Variation from previous year		3.15	-2.32	-10.65	1.64	-5.26	24.06	9.04	9.10	7.75	-5.53	5.12	



# ACCD rings in Diwali

Air Cargo Club of Delhi (ACCD) hosted a sparkling evening for club members on October 26, 2018, celebrating Diwali. The gathering was graced by the presence of several members and their spouses, who looked dapper as they added glamour to the event.









# Indian ports grow 5.1% as coal volumes surge

Continuing with the momentum witnessed in H2FY2018, coal volumes have rebounded largely on the back of improved demand and domestic coal supply disruptions, resulting in healthy import requirements, as per ICRA sector note.



CT Bureau

The growth in cargo throughout the second half of FY2018 was strongly supported by a jump of 19.9 per cent in coal volumes and 8.7 per cent in container volumes. Exceptions to volume growth were iron ore and other cargo, which declined by 11.2 per cent and 4.3 per cent, respectively.

Explaining further, **K Ravichandran**, Senior Vice President and Group Head, ICRA, said, "The overall weakness in coal cargo has been a cause of major concern for the ports sector over the last two years. Over the long term, a sustainable pick-up in industrial activity and power demand will be crucial for the sustenance of healthy coal imports as domestic

production also ramps up to meet the incremental demand. Container volumes continue to grow, but iron ore volumes have declined, reducing the scope for growth of export."

With regard to new port development, the government, under the Sagarmala project, had set ambitious targets under the four pillars of port modernisation (including new port development), port connectivity enhancement, port-linked industrialisation, and coastal community development for phase-wise implementation over the period 2015 to 2035. Recent MoS data indicates that out of the initial 700 projects identified, about 577 projects valued over

₹8,000 billion are at various stages of execution. However, only about 61 projects have been completed till date and another 162 projects are in implementation, while the balances are either at tendering or DPR preparation stage.

ICRA believes that on all four pillars of Sagarmala, there has been some progress especially under port capacity enhancement, efficiency improvement, and port connectivity where there are visible results. On port connectivity, there has been gradual progress on both road and rail connectivity projects.

Commenting on this, **Ankit Patel**, Assistant Vice President and Co-Head, Corporate ratings, ICRA, said, "While these incremental projects could also take a long period to complete and start yielding results, we believe that directionally, this is positive as the development of good evacuation infrastructure would drive the development of more industrial clusters. Parallely, the orders rolled out on national waterways and the policy initiatives put in place to help coastal shipping like the removal of cabotage restrictions, the coastal berth scheme, etc., are all positive."

Overall, the ICRA note says that diversified port sector players will continue to experience moderate growth in cargo in the near term.



## Trivia

- Coal and container volumes up by 19.9 per cent and 8.7 per cent, respectively.
- Sagarmala project also progressing, but at a slow pace.







## Maersk begins port operations at Ennore, Tamil Nadu

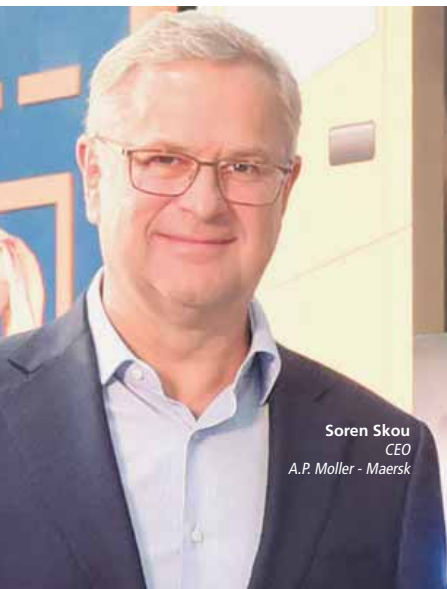
Maersk has begun its port operations at Ennore (Kamarajar port), offering connectivity between Far East Asian ports of Tanjung Pelepas (Malaysia), Busan (South Korea), and Xingang (China), as well as Indian ports of Chennai, Krishnapatnam, and Visakhapatnam. The company also celebrated the maiden call for its existing 'Chennai Express' service at the new container terminal in Ennore port, which is about 15 miles north of Chennai. "The rising global trade to and from India is leading to congestion, and moving to new ports that offer quicker turnaround and better service is crucial. Port Ennore has the potential to be the new gateway to South India, and Maersk is geared up to support our customers move their cargo to and from anywhere in the world. Moreover, we can also help our customers with intermodal transport options for end-to-end connectivity across the region, backed by our fleet of trucks and train facilities," said **Steve Felder**, Managing Director – India, Bangladesh, Sri Lanka, Nepal, Bhutan and Maldives, Maersk. With a total capacity of 800,000 TEUs, the port offers congestion-free approach roads that provide greater ease of doing business, such as faster turnaround times by up to 24 hours, proactive cargo updates, and lower local transportation costs to customers. It has a permissible draught of 15m and handles export/import of automobiles, temperature-controlled cargo, heavy machinery, and equipment units.

## OceanPro to support supply chain start-ups

OceanPro, an intensive 120-day accelerator programme, is offering start-ups an opportunity to partner with Maersk to bring innovative technology solutions to ease the global supply chain for customers. Pioneered in India, OceanPro complements Maersk's innovation efforts worldwide. Seven external start-ups and one internal start-up have been identified for the collaboration to create solutions that serve customers and manage operations better, leveraging Blockchain, Internet of Things, advanced text analytics, and Artificial Intelligence. "We recognise the immense potential of India's technology and digital talent, and are looking to capitalise on these capabilities to help the logistics industry worldwide to reinvent

itself," said **Soren Skou**, CEO, A.P. Moller - Maersk.

The company has already identified eight start-ups - Unido Labs, La Vela Pictures, Zasti, Inatrix, MintM, LinkedDots, KrypC, and Dhruv. Each of these collaborations is aimed at jointly creating solutions that help mine hidden insights in the end-to-end logistics business and infuse agility into Maersk's supply chain.



**Soren Skou**  
CEO  
A.P. Moller - Maersk

## Cargo traffic on NW-1 to touch 21.89 MT by 2021: Gadkari

Union Minister & Minister of Water Resources and Ganga Rejuvenation, **Nitin Gadkari** has informed that National Waterway 1 (NW-1) on River Ganga is expected to see 21.89 million tonnes (MT) of cargo traffic in the next two to three years. "This will be on the back of government measures to promote inland water transport in the country," he said. Thirteen state-of-the-art ship designs have been drawn up as part of efforts to boost river transport and remove any ambiguity on vessel size permitted to sail on River Ganga, he added.

"A study has projected traffic at 21.89 MT on National Waterway 1 by 2021," Gadkari said. The cargo traffic on NW-1 was 5.5 MT in 2017-18. Currently, various projects underway on NW-1 have the terminal capacity of 13.62 MT and these include Varanasi, Haldia and Sahebganj multimodal hubs, the minister further said. With Inland Waterways Authority of India (IWAI) coming up with 13 vessel designs, this move would serve as an enabler for the domestic shipbuilding industry working on inland vessels.

(Source: PTI)





## UPS increases investment in India

UPS has attained full ownership of its express services unit in India. The company previously held a majority position in an express services joint venture, which exclusively served UPS's international express small package shipping business in the country. UPS's move to obtain full ownership, along with planned network upgrades, demonstrates the company's commitment to invest strategically in high-growth international markets and countries with expanding economies such as India. "The World Bank tells us that the global economy will expand by \$6.5 trillion between 2017 and 2019. India will be the third-highest growth country with its GDP expected to account for 8.6 per cent of this expansion. In recent years, India has emerged as a key player in the shipping and logistics sector, and UPS is poised to play a leading role in supporting international trade and supply chain-related needs," said **Rami Suleiman**, President for Indian subcontinent, Middle East and Africa (ISMEA), UPS.

Adding to this, **Rachid Fergati**, Managing Director, Indian subcontinent, UPS, said, "This investment is a catalyst for growth and will support further expansions. With full ownership, we consolidate our position after 30 years of existence in India. We are well-positioned at the intersection of connectivity, technology, and efficiency to help all business realise their growth potential."

## Etihad Cargo migrates to iCargo platform

Etihad Cargo has fully migrated to SPRINT, an IBS iCargo fully-integrated technology platform offering the digital answer to its evolving cargo management needs. It combines booking and reservations, integration management including interface control, service delivery management (including messaging and eAWB support), loyalty management, AWB stock control and revenue accounting, all into a single integrated platform. It enables the airline to enhance its capacity and pricing management processes whilst offering real-time shipment monitoring and quality control, helping drive maximum efficiency.

**Abdulla Mohamed Shadid**, Managing Director - Cargo and Logistics Services, Etihad Airways, said, "It represents a giant leap forward for our customer value proposition and allows us to embrace a whole new realm of digital services to further differentiate ourselves. Customers will feel the impact instantly, and it comes at a well-timed period when we have started deploying capacity in key markets for the fourth quarter."



## flydubai Cargo announces live animal transportation

flydubai Cargo has begun live animal transportation across its network. The announcement follows flydubai Cargo's successful transportation of two Saluki dogs and seven falcons for a recent competition held in Bishkek, Kyrgyzstan. The project was undertaken in association with the Department of Culture and Tourism - Abu Dhabi to support the UAE's participation at the event.

The additional features for customers include door-to-door or airport-to-airport transportation and the option to book return flights for pets and other live animals. Live animal transportation services can also be used for agricultural and zoological purposes. All transportation will follow IATA Live Animals Regulations to ensure that all animals are transported safely and humanely. flydubai has a dedicated facility for live animals and offers specialised animal care during transit in Dubai. Services include full physical check-ups, feeding, walking, and administering medicine. Pet cleaning is also available upon request.





## Airfreight demand to double by 2037: Boeing

In a report released at the TIACA Air Cargo Forum, Boeing said that it expects the global demand for airfreight to double over the next two decades, averaging about 4.2 per cent annual growth over that period – a figure that brings the market closer to its pre-recession average of five per cent growth per year, but still far less than the nine per cent growth rate. To handle this demand, the aviation giant said in its latest World Air Cargo Forecast that air cargo operators will need more than 2600 freighters built between now and 2037. That figure will include 980 new medium and large-scale freighters, plus 1670 converted freighters to both replace ageing metal and expand the worldwide fleet to meet the demand. “The air cargo market continues to be a major element of commercial aviation’s growth story,” said **Darren Hulst**, Managing Director of Market Analysis and Sales Support, Boeing Commercial Airplanes. “Our new forecast indicates strong long-term air cargo trends, which coincide with the market recovery that we have seen over the last few years across Europe, North America, and Asia,” he added.



## Turkish Cargo prepares for mega hub at Istanbul New Airport

Turkish Cargo is preparing to move services from its current Istanbul Atatürk Airport (IST) hub to Istanbul New Airport (ISL). On December 31, cargo moving in the belly hold of passenger aircrafts will move through ISL, while Turkish Cargo’s freighter services will continue operating at IST.

Istanbul’s double-digit year-on-year growth at 16.5 per cent for 2017 pushed it into the top 20 international freight airports list this year, replacing Dubai (DWC) as number 20. However, IST is experiencing overcrowding due to its limited throughput capacity of 1.2 million tonnes per year, making the new, six-runway ISL with room for more than 30 wide-bodied freighters to park simultaneously, seem more pragmatic. Turkish Cargo’s mega hub at the airport will have a capacity of two million tonnes after the first phase of construction and four million tonnes per year following completion of the second phase. The hub is being designed with diversified special cargo areas that will integrate Artificial Intelligence into Turkish Cargo’s operational processes.



## DB Schenker to automate warehouses with robotics

DB Schenker is collaborating with IAM Robotics to implement Artificial Intelligence-based robots into its warehouses. The German company said the AI-based innovation will serve as a foundational platform as it aims to optimise its international network of warehouses with such technology advances over the next five to 10 years. **John Stikes**, Director of Innovation and e-commerce, DB Schenker, says, “Automation will grant logistics companies economic advantages while alleviating their labour issues, enabling them to redeploy that labour to more thought-involved processes and gain enhanced flexibility in operations.”

Technology companies like Pennsylvania-based IAM Robotics manufacture piece-picking robots, which quickly scan warehouse shelves for specific items and collect them in a bin. Such technology is meant to save time and money in a warehousing environment by reducing the time it takes to find inventory and eliminating labour expenses. The investment will address challenges such as a shrinking labour market and demand from shippers for high-velocity e-commerce business models.

# Steering down the Green road

**Kushal Nahata**, CEO & Co-Founder, FarEye, talks about the growing need for logistics players to integrate 'green' methods in their operations and how the logistics industry is reducing its environmental impact.

Ever since the industrial revolution, there have been significant changes in the environment due to human activity. Logistics is one of the most important segments of a business' value chain across all industries. Transportation of goods leads to vehicular carbon emission and adversely affects the environment. The adoption of digital logistics has been a game-changer in this field. The use of advanced analytics and Machine Learning algorithms are making logistics operations more environmentally friendly. The key functionalities helping the cause are:

- **Capacity utilisation:** Digital logistics helps in utilising the full capacity of vehicles in a fleet. This is achieved using sophisticated algorithms. Higher capacity utilisation leads to a smaller number of trips, and subsequently leads to lower emission of greenhouse gases and pollutants.

- **Auto-routing:** Algorithm-based auto-routing provides the best route for transport of goods, thereby reducing the distance traversed by the fleet. This helps in reducing fuel consumption and the emission of carbon dioxide and other gases by a significant margin.

- **Electronic documentation:** Digital logistics make the entire

documentation process automated and electronic, thereby significantly contributing to reduction in deforestation by foregoing the use of massive amounts of paper.

The logistics industry is set to be at the cusp of a technological revolution. New breakthroughs in technologies and their rapid adoption would help industries reduce their carbon footprint and

“Digital logistics and the application of other emerging technologies will be necessary to attain sustainable growth”

be more environmentally responsible. The key trends are:

- **Electrified logistics fleet:** Logistics service providers are experimenting with the use of electric vehicles in their fleet. Some players are using e-bikes for inner-city deliveries. The shift from hydrocarbon vehicles to electric vehicles will significantly lower the environmental impact.



- **UAV/Drone:** The usage of UAVs (Unmanned Aerial Vehicles) in logistics is at a nascent state. Drones are more efficient as they need to cover a shorter distance than on-road fleets and are battery operated.

- **IoT:** Cloud-based RFID chips, GPS trackers, advanced vehicle telematics, and sensors constitute IoT. It makes communication possible between infrastructure and vehicle, vehicle and vehicle, as well as infrastructure and infrastructure. The seamless flow of information would help in optimising the entire network.

The logistics industry is set to grow in both value and volume in the future. Digital logistics and the application of other emerging technologies will be necessary to attain sustainable growth in this sector. 📈

*(The views expressed are solely of the author. The publication may or may not subscribe to the same.)*



**Kushal Nahata**  
CEO & Co-Founder  
FarEye



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# Group Concorde awards agents

Group Concorde recently awarded its top five agents for 2017, recognising their excellence. The ceremony was followed by a lucky draw, where one participant won a couple's return ticket between Delhi and Goa, while another won a return ticket between Delhi and Seoul.







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## NOVEMBER 2018

### ► Domestic

Air Cargo Logistics Meeting Challenges	Kolkata	10
Military Logistics & Transportation	New Delhi	19-20
Port Infra and Integrated Logistics Summit	Mumbai	20
PHD Air Cargo Summit	New Delhi	20
Refold India	Gandhinagar	22-24
CILT India Expo 2018	New Delhi	22-23
India Warehousing & Logistics Show	Pune	23-25

### ► International

Autonomous Industrial Vehicle Technology Symposium	Köln	5-6
Vakbeurs Transport & Logistics 2018	Rotterdam	6-8
CeMAT Asia	Shanghai	6-9
Logistics Madrid	Madrid	14-15
Global Logistic and Manufacturing Summit	Italy	14-15
Logitrans Transport Logistics Exhibition	Turkey	14-16
Supply Chain & Logistics Innovation Summit	Singapore	15-16
Flower Logistics Africa	Nairobi	20

## DECEMBER 2018

### ► Domestic

Smart Logistics	New Delhi	7
ASCTL Summit	Mumbai	7-8
India Cold Chain Show 2018	Mumbai	13-15

### ► International

8 <sup>th</sup> International Saudi TRANSTEC 2018	Dhahran	04
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## SHIPPING

### JNPT-SEZ confers second land allotment to successful bidders



Port-led economic growth and acceleration of industrial growth have been accorded priority by the central government. Setting up of the multi-product JNPT-SEZ on freehold land of 277 hectares was conceived under the aegis of Sagarmala programme of the Ministry of Shipping, and is expected to attract global majors and be a game changer for the economy of the region.

**Nitin Gadkari**, Minister for Shipping, Road Transport, Highways and Water Resources, River Development & Ganga Rejuvenation, Govt. of India, handed over the second round of land allotment certificates to successful bidders. Out of 450 acres of the leasable land for development, 75 acres have been allotted to 16 investors and JNPT has collected a premium of ₹630 crore by allotting these to successful bidders through three tenders floated by it. Out of 16 bidders, 15 companies fall under the MSME category, signalling the potential to create good employment opportunities that will primarily benefit the local people. Ten bidders were awarded Letter of Intent at the event held in Mumbai. "JNPT-SEZ is making smooth progress and I am very happy that global investors are taking great interest in setting up their units at JNPT-SEZ. Making India an industrial hub and producing goods in India at competitive costs are major goals, and JNPT-SEZ will go a long way in fulfilling them," said Gadkari.

## PRODUCT

### Prime Freezer Doors aid savings and efficiency

To meet the ever-increasing demand for cold storage and FMCG warehousing facilities, Gandhi Automations has launched Prime Freezer Doors that have been specially curated and are sturdy, dependable, and also an ideal solution where temperature control is critical and safety concerns are high. A heavy-duty motor of 400V, opening speed of up to 2.5 m/s, and an inverter system make the product suitable for both positive and negative temperatures. The operating temperature ranges between -35 and +5 degree Celsius. Prime Freezer Doors also have special double curtain construction with insulation.







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# movements



## ★Ecom Express Gurugram

Ecom Express has appointed **Sonam Paliwal** as Vice President – Network Planning. With over 25 years of surface product management experience in the logistics and aviation industries, Paliwal brings a wealth of knowledge and business acumen to the role that will help ensure seamless connectivity, assuring speed and reliability, to the company's vast and complex geographies. In this new position, his role will be to evaluate complex trade-offs among supply chain components, network optimisation, as well as maximise profits and minimise costs.



## ★B&H Worldwide Melbourne

B&H Worldwide has appointed **Mark Hollis** to the newly-created position of Head of Commercial – Oceania. Hollis will now lead the business on all commercial activities in the region while reporting to the Executive Board. As part of its continued strategic expansion plan, B&H is focusing on its Lead Logistics Provider (LLP) role and Hollis' appointment will further boost its market-leading capabilities in this regard in the Oceania region. As an experienced logistics professional, he has an extensive track record in strategic and client development.



## ★Dachser India & Bangladesh

Dachser has promoted **Huned Gandhi** as Managing Director, Air & Sea Logistics, Indian Subcontinent. In the new role, Gandhi will be responsible for 540 employees, 18 locations, and a sustainable expansion across the region. Helming both India and Bangladesh markets, he will manage a growing team and continue developing dedicated services for defined industry segments like life sciences and healthcare. Gandhi is a supply chain specialist and an award-winning leader with extensive experience in sales and logistics.



## ★Dachser Bangladesh

Bolstering the region's leadership, **Jude Crasto** has been appointed as Managing Director of Air & Sea Logistics for Bangladesh. He has replaced former Managing Director Syed Sadaquat Hossain who, after nine years in the position, retired at the end of June 2018. Crasto joined Dachser in January 2018, bringing with him 25 years of experience in sales, trade management, and contract logistics. He headed a global logistics company in Bangladesh before joining Dachser in January 2018.

**Manish J Shah**, Chairman, Shrilcon Logistics, loves socialising and keeping himself updated on the latest happenings around the world. He also uses time off work to research on logistics services. Though he doesn't enjoy watching sports, cricket does hold a special place in his heart. Shah loves to binge on Gujarati, South Indian, and Punjabi food. Speaking about destinations he loves to travel to, he says, "I love hill stations like Ooty, Kodaikanal and Dharamsala; you can enjoy their natural beauty while de-stressing and getting ready for city life after a much-needed relief."



**Vikas Yadav**, Director, Future Warehouse Solutions (FWS), mixes travelling with reading, non-fictional books being the ones he enjoys the most. He says that the business of warehousing has always taken him to the outskirts of cities and so, he is now into the habit of spending most of his free time playing outdoor sports or travelling – staying away from clutter as much as possible. Speaking about his favourite cuisine, he says, "I am tempted to say Indian, but I won't complain if I am digging my tooth into Italian as well." Yadav's favourite vacation spot is a remote little meditation spot in Bhutan called Tiger's Nest.



**Vivek Kele**, Director, Teamglobal Logistics, loves to read whenever he finds the time. He also loves spending some quality time with his family. Kele has always been an athlete and these days, he practises yoga as well. He loves to explore cuisines of the world and Oriental, Chinese, Thai, and Vietnamese cuisines are among his favourite. A memorable holiday, he shares, has been a trip to the beautiful European country - Italy. "The place has interesting history, rich architecture, good food and not to forget, the beauty of nature," he says.



With Industry Talk, we get you a peek into the lives of who's who of the Indian and International cargo industry. Contributed by: Kalpana Lohumi



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