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Annual Issue

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Editor : San Jeet  
Managing Editor : Peden Doma Bhutia  
Assistant Editor : Smita Kulstreshth  
Sr. Reporter : Kalpana Lohumi  
General Manager : Harshal Ashar  
Sales Co-Ordinator : Jaspreet Kaur

Manager : Yogita Bhurani  
Gaganpreet Kaur  
Design : Nityanand Misra  
Advertisement Designers : Vikas Mandolia  
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Production Manager : Anil Kharbanda  
Circulation Manager : Ashok Rana

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## Tetra Pak gets twice better with DHL Supply Chain's solution

DHL Supply Chain has introduced an integrated solution at Tetra Pak's warehouse in Singapore. It is its first smart warehouse in the Asia Pacific region to 'deploy digital twin technology', which involves using digital models to

better understand and manage physical assets.

**Jerome Gillet**, CEO - Supply Chain (Singapore, Malaysia, Philippines), DHL, says, "By jointly implementing a digital solution to support Tetra Pak's warehousing and transport operations, this collaboration is a great example for smart warehouses of the future to deliver agile, cost-effective and scalable supply chain operations."

Combining Internet of Things (IoT) technology with data analytics, the company has created what it says is a 'smart warehouse solution' for Tetra Pak by "bridging its physical

warehouse with a unique virtual representation that monitors and simulates both the physical state and behaviour of warehouse assets in real time.

Warehouse supervisors can use real-time operational data to make informed decisions to reduce congestion, improve resource planning and allocate workload. Using IoT and proximity sensors installed on materials handling equipment (MHE) to improve spatial awareness, potential collision risks are being minimised. Controlled areas with restricted access are also monitored, equipped with alerts, in case of a breach.



## United Cargo adds temperature controlled SkyCell containers

United Cargo signed a lease with SkyCell to enhance its TempControl pharmaceutical services. Each container is equipped with IoT (internet of things) sensors that connect to SkyCell's cloud-based, blockchain-encrypted software. These sensors monitor temperature, humidity and other factors to ensure the best possible protection against excursions. "TempControl's transport of vaccines and other high-value biopharmaceutical shipments is increasing rapidly," says **Jan Krems**, President, United Cargo.

The containers boast of a variety of features, including patented insulation, special rechargeable cooling technology and Internet of Things (IoT) sensors that connect to SkyCell software and monitor temperature, humidity and other variables that could affect pharmaceutical shipment.

## Qatar Airways Cargo connects Singapore to Americas



Qatar Airways Cargo has added Singapore Changi as a new destination to its trans-Pacific freighter connections. The Doha-based cargo carrier now operates a Boeing 777F twice a week into Singapore from Chicago. From Singapore, the freighter leaves for Macau on Tuesdays and Saturdays and then flies onward to Los Angeles, Mexico City and Guadalajara in the Americas, before returning to Doha via Liege.

More than 100 tonnes of cargo capacity is available on each leg of the flight. The airlines' freighter network in the Asia Pacific region now covers nine destinations. **Guillaume Halleux**, Chief Officer Cargo, Qatar Airways, says, "The addition of Singapore to the trans-Pacific route will enable exporters in Singapore to transport their cargo to North American markets directly and faster without a stopover in Doha."

**Lim Ching Kiat**, Managing Director - Air Hub Development, Changi Airport Group, Operator of Singapore Changi, observed, "Qatar's new freighter flights will deepen Singapore's air connectivity with the USA, our third-largest cargo market. In addition, the new flights will also link Changi Airport to Macau and Mexico via freighters for the first time."



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## Slot allocation to be responsive to market demand

IATA, Airports Council International (ACI) World and Worldwide Airport Coordinators Group (WWACG) have announced the agreement of a new governance structure for the Worldwide Slot Guidelines (WSG). According to a statement, "Airport operators, airlines and slot coordinators will now play an equal role in determining the global guidelines for the allocation of airport slots".

Airport slots are specific points in time allotted for an aircraft to land or take off at an airport. Where the demand for slots at an airport exceeds the available supply, the

airport can be considered 'capacity-constrained', at which time a slot allocation process is implemented.

More than 200 airports require slot coordination as they have insufficient capacity to meet demand at all times. Coordination based on global standards helps to maximise utilisation of existing capacity and avoid delays. Slot constraints hit all-cargo operations hard, freighter services have to make way for passenger services at congested gateways.

The new industry-wide governance guidelines were signed off by

**Alexandre de Juniac**, Director General and Chief Executive, IATA, **Angela Gittens**, Director General, ACI World and **Eric Herbane**, Chairman, WWACG. All parties agreed that new governance and increased collaboration provide an opportunity to further modernise slot allocation mechanism.

De Juniac said that the new guidelines would make slot allocation more responsive to the changing needs of the market. "For more than 40 years, WSG has managed scarce airport capacity — fairly, transparently and independently. This has enabled airlines to make

network investments with certainty. It has benefitted consumers by ensuring schedule reliability by providing opportunities for new entrants in even the most congested airports. By working together with ACI and WWACG the time-tested WSG will become even more responsive to evolving market needs," he continued.

Gittens pointed out, "This fully reformed governance sets the ideal ground to regularly review the slot allocation process with the appropriate level of ambition and in line with an increasingly competitive and highly-connected global network."

## The way to link Schiphol with Atlanta



Amsterdam Airport Schiphol has signed a Memorandum of Understanding (MoU) with Hartsfield-Jackson Atlanta International Airport to promote cargo trade and investment between the city of Atlanta, Georgia, and Amsterdam in The Netherlands. The agreement will see an exchange of data between the two cargo hubs in order to facilitate end-to-end planning and capacity optimisation and extend the benefits of the Amsterdam Cargo Community

system to Atlanta to help boost trade flow.

"This collaborative agreement will enable us to promote the benefits of strengthening The Netherlands as a gateway to Europe, and Atlanta Airport as a gateway to the Atlantic, the Midwest, and the South of the USA. It will also benefit the economy of the Netherlands by further establishing Schiphol's mainport hub role," informed **Bart Pouwels**, Head – Cargo, Amsterdam Airport Schiphol.

"The next-gen platform goes beyond the traditional message exchange systems and aims to integrate the whole airfreight supply chain from exporter to importer, thereby creating efficiency, transparency, and security in the supply chain," observed, **Amar More**, Director, Kale Logistics Solutions. "This community system also has the capability to link the partner airport communities through digital corridors and illuminate end-to-end shipment journey," More added.

"Hartsfield-Jackson, the busiest and most efficient passenger airport in the world, is looking to expand its cargo footprint," explained **Elliott Paige**, Director - Air Service Development, Hartsfield-Jackson Atlanta International Airport.

### Highlights

- From September 2019 and throughout 2020, the two airport operators will work on the formation of an Atlanta Cargo Network, with the aim to increase exports from Atlanta to Amsterdam of agricultural and manufacturing goods produced in Georgia
- The agreement is expected to connect the key cargo operators and logistics providers at both gateways to further strengthen the new trade and logistics corridor
- That process will be supported by Cargonaut, which operates the Cargo Community Information Platform at Schiphol



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## WhatsApp, says Transworld Group

To provide quick and efficient services to their customers, Transworld Group has launched WhatsApp service for their customers. The features include real-time push notifications of shipment journey and two-way communication—AI-enabled Chatbot—where the users can interact with the bot and get real-time details on their mobile.



**Ritesh S. Ramakrishnan**, Joint Managing Director, Transworld Group, highlights, "We are focusing on a simple and reliable communication channel but at the same time quick, rich conversational customer experiences, which we are offering through WhatsApp and AI-based two-way communication—Chatbot. This will include an on-demand, real-time and personalised customer interaction for notifications related to booking, container release, shipment status right from pick-up to delivery, an end-to-end update on your shipment digitally and at any time."

## Cargo Breaking News

■ Express courier terminal facility at Kolkata airport is ready with infrastructure in place

■ Dachser India receives IATA CEIV Pharma certification

■ DP World's 'India-UAE Bridge' initiative set to attract bilateral trade

■ Air India Cargo to Use Unisys Digistics to Create a Connected Cargo Ecosystem

■ DHL Express' Yellow Yatra arrives in Delhi

## 'Godrej RenTRUST' for efficient handling

The equipment rental brand called RenTRUST will provide 360-degree solutions, including manpower, machine, fuel and maintenance to customers across India. **Anil Lingayat**, Executive Vice President and Business Head, Godrej Material Handling, says, "In the material handling industry, capex in equipment is only 13 per cent of Total Cost of Ownership (TCO) to a consumer. Godrej RenTRUST will address the remaining 87 per cent. It will provide end-to-end solutions to our customers."

It offers not only equipment but fuel, service and trained manpower for a variety of applications, 24x7. A first for the industry, the digital monitoring system enables customers to have a transparent view of the equipment deployed at their facilities, submit and review logged requests and more.

*With the launch of Godrej RenTRUST, it now becomes the first Indian OEM to provide end-to-end rental of material handling equipment that serves 3PL, retail, e-commerce, airports and manufacturing industry.*



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# All about the national logistics policy

The policy provides much-awaited clarity in strategies to transform the Indian logistics into an organised sector. Chandranath Dey, Head of Industrial Operations, Business Development, Industrial Consulting & Supply Chain Consulting, JLL, appropriate execution of the policy can help achieve the desired efficiency and effectiveness.

The logistics and warehousing sector has entered a new growth phase and continues to evolve. From getting infrastructure status in late 2017 to an increase in investments in 2018 as a result of having received that status, this

has all led to growth and expansion. Having realised the growth potential of the sector the government wishes to institutionalise the market. The government's newly-drafted National Logistics Policy aims to do just that.

It is worth mentioning that the logistics plan is now the most important element in bridging the gap between producers and consumers. It deals with extensive location range, diversified distribution chain, several layers of human intervention and diversity in product type. The goal is to optimise time and cost to be competitive and maintain customer satisfaction.

However, the sector in its current form is like a complex puzzle for the industry.

The government defines the country's logistics sector as highly fragmented. Currently, the sector comprises four ministries (Railways, Road Transport and Highways, Shipping and Civil Aviation), ~100

## KEY TAKEAWAYS ▼

Key Focus	Aim of the Policy	Impact
<b>Digitisation</b>	Intervention for time efficiency, real-time tracking and procedural compliances through E-tolling, electronic documentation, digital verification	<b>Developer:</b> Develop digitally compliant spaces with in-house command centre <b>Occupier:</b> Plan for central control over warehousing and cargo movement
<b>E-marketplace</b>	Digital platform for MSME for providing single window certification, transparent price recovery and direct access to consumers barring intermediaries	<b>Developer:</b> Increased potential customer base from MSME <b>Occupier:</b> Medium /Small investors avail organised space at delivery point
<b>Data Analytics Centre</b>	Online portal to collect, collate and preserve all logistics data in product value chain of India	<b>Developer:</b> Investment decisions should be more authentic backed by absolute data and in line with the supply chain trend of prospective tenants <b>Occupier:</b> Big Data emerges as an authentic decision-making tool to identify best-suited storage point
<b>E-commerce Logistics</b>	Emphasis on E-commerce and 3PL sectors for first/last mile connectivity by strengthening transportation/storage infrastructure, multi modal facilities, standardising logistics chain	<b>Developer:</b> As demand spreads to Tier-II and Tier-III cities, developers can consider taking up speculative positions <b>Occupier:</b> Bring in efficiency in cargo movement and reduced dwell time in interstate movement
<b>Comprehensive Implementation Plan</b>	Dedicated Logistics Wing under Ministry, Integrated National Logistics Action Plan and composite development plan amongst various Ministries and State Governments	<b>Developer:</b> Sectoral consolidation and demand escalation for organised warehousing <b>Occupier:</b> Enabling environment with increased logistics efficiency and minimising transit losses

## Bridging the gap

- The sector in its current form is like a complex puzzle for the industry
- Logistics plan is now the most important element in bridging the gap between producers and consumers
- The goal is to optimise time and cost to be competitive and maintain customer satisfaction



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Key Focus	Aim of the Policy	Impact
<b>Impetus to Development</b>	International best practices and formation of Centre for Trade Facilitation and Logistics Excellence for removal of bottlenecks in overall logistics value chain	<b>Developer:</b> Need to develop facilities compliant to handle partial/full automation and robotic technology on infra-logistics front <b>Occupier:</b> Easy access to modern technology and compliant real estate assets
<b>Support Infrastructure</b>	New avenues in logistics value chain like coastal shipping, inland waterways, air cargo complex, upgradation of LCS/ ICP, cost effect green logistics	<b>Developer:</b> Alternative investment destination would arise considering alternative cargo handling locations and modes <b>Occupier:</b> Can consider consolidation of compatible storage locations & spaces by cost analysis
<b>Alternative Funding</b>	Sponsored Logistics Fund for VGF, first/ last mile connectivity, remote area connectivity and Start-up Acceleration Fund for inclusion of modern technology	<b>Developer:</b> Shall get better external infrastructure for their investment destination in the form of last mile connectivity <b>Occupier:</b> Efficient infrastructure and start-ups in this space will facilitate efficient supply chain planning
<b>Warehousing Special Focus</b>	Promotion of organised and standardised warehousing space with modern facilities and services, are in focus for capacity augmentation	<b>Developer:</b> Opportunity would open up in specialised storage like agri-cargo storage, cold storage, air cargo etc. <b>Occupier:</b> Possibility of getting ready built spaces with desired specification, conveniently etc

Government bodies[1], 10,000+ Commodities and 12 million employees. And, the sector operates with several organised and unorganised operators and service providers. Under this complex platform, the ministry is set to notify a common vision and goal for creating a co-operative environment for the sector.

**KEY TAKEAWAYS**

The much-awaited India Logistics Policy highlights vision to transform India’s logistics sector to an integrated, seamless, efficient, reliable, cost-effective and technology-driven eco-system and is expected to bring down logistics cost from 14 per cent to 10 per cent of GDP.

**NEED OF THE HOUR**

There are challenges and these

might pose a major hurdle for the sector to meet its desired goal:

- ❖ **Unorganised players:** Unorganised players dominate the sector. Probably a Real Estate Regulatory Authority Act (RERA) like norm applicable to warehousing sector might be beneficial to bring in much needed transparency in the development sector.
- ❖ **Poor last-mile connectivity:** Non-paved road, lack of maintenance, intersections on highways are few bottlenecks. We believe the sponsored logistics fund as proposed in the Draft Logistics Policy can be utilised in development of the last mile connections to large warehousing/hub locations of importance.

- ❖ **Lack of professionalism at human intervention:** Setting up training centres/skill upgradation centres would be helpful in easing out concerns.
- ❖ **Monitoring of execution of the policy requires special attention:** Special nodal agency should be there to monitor and evaluate the project progress in a time-bound manner.
- ❖ **Easing out land acquisition hurdles:** Land acquisition remains the biggest challenge. While the government has shown proactive steps in the recent Union Budget to identify land parcels for this purpose, it does not address the concerns around certain local norms like Urban Land Ceiling and Regulation Act (ULCRA) in West Bengal or ‘zoning restrictions’ in Maharashtra which provide significant hindrances for acquisition, aggregation and conversion of land.

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



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Head of Industrial Operations  
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# Are you knocking on the right door?

Doors form an important part of any logistics expansion. While **Jagdish R Anne**, Vice President – Sales, Shakti Hormann, feels we are still stuck in the era of godowns, he shares his vision of introducing products and services that enrich customer experiences.



CT Bureau



When you have a warehouse strategically located, delivery becomes faster. How do you think Amazon & Flipkart deliver product within 24 hours?



## What are the issues with warehousing industry, at present?

The problem is that we are still stuck in the era of the godowns. We must understand that now a warehouse is about a lot of automation; the materials are being handled with palletisation, RFID, ARS, there is containerisation and with material handling equipment coming in, people must understand the warehousing concept.

Today, technology is on our fingertips. Like you call for a cab and it comes to you, similarly, it works for warehousing. When you have a warehouse strategically located, delivery becomes faster. How do you think Amazon & Flipkart can deliver the product within 24 hours?

For this, last mile connectivity is important, hub and spoke arrangement is required and most importantly better infrastructure in terms of roads. From the automation point of view, more warehousing will bring more forklifts,

more doors, more loading bays and faster turnaround. Automation is the future, including AI and IOT.

## What products are you offering?

We are into fenestration industry; we offer doors for residential, commercial and industrial purposes, be it, fire, general purpose, office, pantry and washrooms, to name a few. We also offer loading bay equipment in terms of dock levelers, and then we have dock shelters, sectional doors, insulated rolling shutters, fire rolling shutters, etc. In the cold chain logistics segment, we have the cold room sliding doors and hinged cold room sliding door, double egress doors to name a few of our products.

## Any new product you are planning to come up with?

We are not bringing anything new, something that many people don't know is that products like telescopic dock leveler, split lip dock leveler, inflatable dock shelter also exist. There are still many sectors that are yet to be introduced to this product range. Doors are an integral part of any infrastructural expansion. Hence, people can't make do without doors.



**Jagdish R Anne**  
Vice President – Sales, Shakti Hormann and  
India Cargo Award winner 2018

## Does the door industry get its due importance from logistics providers?

They understand the importance of these products, but they do not understand its utility value. So, it's important to give people the right information and also educate the stakeholders and by stakeholders, I mean, project management consultancies (PMC), architects, etc. most importantly the land owners and end users. But the question here is, how do we educate the clientele? In this regard, I feel, it more about one's attitude. In our organisation, we believe in the consultative approach where we are not selling the product, but a solution.

I think people should look at the overall life cycle cost because anything which is cheap is bound to not work properly and many people don't understand the difference between life cycle and capital cost. They need to understand keeping their capital cost low is not enough, running cost has to be managed too. 📌







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# All well in financial circle: ACCD speaks

Air Cargo Club of Delhi organised a speaker lunch at Hotel Radisson Blu Plaza, Mahipalpur. The speaker was Rohit Raman from Blueant Advisory and the idea was to discuss financial wellness. The luncheon saw the august presence of members of the club.









# LOGISTICS PARTNERS

## turn market anticipators

Dr. Ambrish Kumar, Founder and Managing Director, Logycode, stresses on digitisation and how technology can transform the freight forwarding realm in several ways. He shares his contribution in digital transformation of the logistics industry and explains how automation can change the face of the logistics industry.



CT Bureau

### What are the out-of-the-box solutions to help sustain customer expectations?

The dimension of the global logistics industry has been dynamically changing over the years. Globalisation has had a phenomenal impact on the logistics sector over the past couple of decades ensuring seamless free flow of cross-border trade with relaxed tariffs and duties across countries. This has seen a blossoming of the logistics and supply chain players providing 3PL to 5PL solutions, resulting in sheer competition. The logistics service providers have become an integral part of the supply chain process. Moreover, in the recent years the mushrooming of e-commerce industry coupled with reduced oil prices have played significant roles in making the traditional logistics processes outdated, thereby forcing the old hat logistics companies to think out-of-the-box.

We have seen revolutionary developments in all modes of transportation, be it air, sea, road or rail, out of which airfreight demand has been the highest with 2019 becoming the 10<sup>th</sup> year of profitability as per IATA. In this era, we also speak of groundbreaking logistics innovations like the Hyperloops, Air Ships, Drones, Smart Glasses, Vision Picking, Collaborative Robots and so on, which we would not have imagined a few years ago.

### What are the factors that cause a roadblock in India's growth in the logistics realm?

The logistics sector potentially forms the backbone of the Indian economy. The Indian government's Economic Survey 2017-18 has reported that India's logistics industry, which is worth US\$ 160 bn, is likely to hit the US\$ 215 bn mark in the next couple of years at a CAGR of 10 per cent, making way to improve India's ranking in the World Bank Logistics Per-

formance Index (LPI) from 35 to 15 in the forthcoming years.

On the other hand, the country's logistics cost accounts for 14 per cent of the GDP, whereas it is 10-11 per cent for our BRICS counterparts and 8-9 per cent for the other developing countries. Developed countries like Germany and USA spend just 8-9.5 per cent of the GDP on logistics. Despite India nurturing itself to be a global investment and manufacturing hub, there are several factors foiling India's smooth growth in the logistics realm. The genesis of the above fact can be attributed to lack of last-mile connectivity, inefficient multi-modal and inter-modal transportation systems, inadequate road infrastructure and freight corridors, minimal number of logistics parks, air/container freight stations and warehousing zones. Also, almost 85 per cent of India's logistics industry comprises fragmented and unorganised players with influential hands on pricing and unhandy operations.

### Auto start mode

- Technological tools have the potential to make airfreight forwarding cheaper, safer and simpler
- Digitisation would offer a single window alternative
- By syncing real-time air cargo data into one cloud platform, the customers get speedy and reliable deliveries, exceptional transparency, and an overall hassle-free logistics experience



## How would the industry be made more efficient?

The logistics industry still strives on an age-old working model, whereas its parallel counterparts, the passenger air travel industry, has adopted e-booking platforms and smooth paperless transactions almost a decade back. This epoch of time calls for automation and integration of the logistics processes with more single window gateway solutions and seamless transactions. While automation requires a significant investment, the advantages far outweigh the costs.

The overhauling of the e-commerce industry which offers absolute customer experience like effortless booking of consignments, smooth transaction gateways, transparent tracking, accurate delivery predictions and so on are the need of the hour. The much smaller food delivery sector with players like Swiggy and Zomato have tracking systems embedded in their services, whereas the enormous logistics industry is yet to adapt to the RFID technology. We believe we will soon see logistics players offering integrated supply chain packages to customers like the travel industry, and not just individual services.

## How would you like to contribute towards making these changes?

We envisaged the future and have taken a step forward towards automation, digitisation and integration of the logistics model with our online portal LogYcode which is an e-cloud and web-based platform that can be accessed from anywhere, anytime and using any device that is connected to internet on real-time basis. The portal facilitates all pre-requisites and mandates of the freight forwarding cycle from online rates, booking, documentation, live tracking, invoicing, chatbots, track & trace and so on. The idea is to bring down costs,

increase efficiency, bring about transparency, visibility and ensure customer satisfaction.

We are working on personifying Machine Learning, Artificial Intelligence, Augmented Reality, Internet of Things (IoT) and other automation technologies within LogYcode. We are working on predictive analytics based on current and historical data, machine learning algorithms, real-time status or performance information, customer or

“

**Being logistics partners, we must be market anticipators to offer strategically beneficial, competitive and customised service**

”

vendor behaviour data, market intelligence, contemporary and social background to make predictions and near precise anticipations on the likelihood and contemplation of future events. Predictive analytics is beneficial for identifying and targeting prospective and highly profitable business opportunities, production optimisation, improving operational coherence, to assess the market for new products, target audience, forecasting consumer demand, rationalising supply, improving timelines and schedules, and instant data processing.

As they say, being logistics partners, we also must be market anticipators to offer strategically beneficial, competitive and customised services to customers. 📌



# UNION BUDGET



## 10-year vision, 5-year target

The cargo industry calls the Union Budget 2019-2020, a pragmatic one. Industry leaders cheer the Budget's continued focus on boosting India's infrastructure, introducing much-needed labour reforms and catalysing MSMEs through incentives and ease in regulation. Logistics is well on its way to play a key role in propelling India to become a US\$ 5 trillion economy over the next five years.



CT Bureau

"India is set to become a US\$3 trillion economy this year and it is well within its capacity to reach the US\$5 trillion economy by 2024," said **Nirmala Sitharaman**, Union Finance Minister, Government of India, while presenting the annual Budget. The Budget lays down that the government will examine steps to hike FDI cap in aviation.

- ❖ Government envisions using river for cargo transportation

which will also decongest roads and railways. "The movement of cargo on Ganga is estimated to rise four times in four years," informed Sitharaman.

- ❖ GST processes will also get simplified further.
- ❖ The government has given massive push to physical infrastructure as well. Also, 125,000 km of roads will be upgraded over the next five years at a cost of ₹ 802.5 billion.

- ❖ To ensure the creation of National Highways Grid of desirable capacity, comprehensive restructuring of National Highways Programme will be done.
- ❖ Railway infrastructure would need an investment of ₹ 50 lakh crore between 2018 and 2030.
- ❖ PPP to be used to unleash faster development and delivery of passenger freight services.



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## ASSOCIATIONS



**S Ramakrishna**, *Chairman, FFAI*

The Finance Minister presented a pragmatic Budget aiming to reach the US\$ 5 trillion economy in the next few years, with focus on infrastructure, multimodal connectivity and logistics operation. The government has decided to create and promote inland waterways and allied infrastructure to reduce logistics cost and boost greener environment. It is heartening to note that after the recently launched multimodal terminal

at Varanasi, more such terminals will be set up at Sahibganj and Haldia and a navigational lock will be created at Farakka by 2019-20 FY. We will be expecting more such terminals in North-East India as well. It would be very crucial to expedite international cargo movement to Bangladesh and beyond. Also, it is commendable that the Finance Minister emphasised on resolving all litigations on fast-track basis to facilitate trade and commerce. This funding would be a great boost for the MSME sector.



**TA Varghese**, *President, ACAAI*

Liberalisation of FDI in aviation will facilitate the growth of this capital-intensive industry. Boost has been given to India Inc. in the budget. The plan to utilise ₹ 70,000 crore for the recapitalisation of banks is likely to ease the credit crunch for business and industry. The proposal to invest ₹ 100 lakh crore in infrastructure projects in the next five years and the plan to construct 1.25 lakh km of rural roads will boost the

movement of goods pan India. The Union Budget 2019-20 is a budget with a 10-year vision and a 5-year target. The proposed investment in infrastructure and digital economy as well as job creation in small and medium firms may generate much-needed jobs in these sectors. The first step towards achieving the objective of powering India to a US\$ 5 trillion economy by 2024 has been taken in this budget. Overall, this budget has sought to balance the needs of both 'Bharat' and 'India'.



**Sharad Kumar Saraf**, *President, FIEO*

The budget addresses some of the basic challenges faced by manufacturing as well as exports, including flow of credit, infrastructure bottlenecks, labour laws, skilling, etc. The export credit declined by 22 per cent as on December 31, 2018 compared to the same period in 2017. ₹ 70,000 crore allocated to PSU banks will ease the flow of credit. The interest subvention of two per cent given to MSME as well as

payment platform for bill filing for MSME will help in flow of credit at competitive costs. The investment of ₹ 100 lakh crore in infrastructure in the next five years through Bharatmala, Sagarmala, Jal Marg Vikas Project will help improve logistics, reduce transportation cost and increase competitiveness. The PMMSY for the robust fisheries management framework will give a push to marine exports from the country in which India has emerged as the largest exporter though there is a huge untapped potential.

## SHIPPING



**Steve Felder**  
*Managing Director, Maersk South Asia*

The Budget continues to focus on boosting India's infrastructure, introducing much-needed labour reforms and catalysing MSMEs through incentives and ease in regulation. The proposed investment of ₹ 100 lakh crore in infrastructure over next five years recognises the importance of the private sector and the need for innovative financing models. The Centre's proposal to work with states to develop state roads under Bharatmala is commendable. The government envisions to further develop inland waterways and multimodal operations will decongest roads and railways. This coupled with the recently-launched National Common Mobility Card and the proposed electronic invoice system, will facilitate trade further.

MSMEs are the backbone of the economy. In that respect quick loans of up to ₹ 1 lakh for MSMEs and ₹ 350 crore outlay under the interest subvention schemes will ease the much-needed credit flow to the sector, fuel its competitiveness and boost trade.



**Rajiv Agarwal**  
*Managing Director, Essar Ports*

The Budget has laid down a definitive road map for realising the dream of a US\$ 5 trillion economy. Finance Minister has addressed many issues like of job creation investments infrastructure, encouraging start-ups, support to MSMEs liquidity issues, bank recapitalisation, improving water availability through water grid across nation. The renewed focus on rural housing is a step in the right direction. The focus on logistics through Bharatmala, Sagarmala and Railways seeks to improve connectivity that is much needed for the growing economy. Overall, it is a progressive Budget.



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# BUDGET

## LOGISTICS



**Rajesh Jaggi**, *Managing Partner – Real Estate, The Everstone Group*

The budget was overall positive for the Indian logistics and warehousing industry. The government has allocated a commendable ₹ 100 lakh crore over the next five years to build and develop infrastructure. They have thus reiterated the importance of the sector in contributing towards the goal of making India a US\$5 trillion economy by 2024. Focus on infrastructure projects such as Bharatmala and Sagarmala along with development of the railway network will trigger faster growth of the logistics and warehousing sector.

According to a latest update by the government, under the first phase of Bharatmala project, 34,800 km of national highway will be developed. Bharatmala project has been approved

at an estimated cost of ₹ 5.35 lakh crore. Similarly, under Sagarmala, which aims to promote port-led development in the country, 334 projects have been initiated across India as of May 2019.

The government's vision to build a digital India by encouraging adoption and skilling people on AI, IoT and Big Data will have a positive influence leading to innovation and new technology in the logistics and warehousing sector. We hope there will be more initiatives on adoption of various technologies in the logistics sector that will help improve the efficiency and effectiveness of the entire sector.



**Rajesh Neelakanta**, *ED & CEO, BVC Logistics*

The Budget has addressed key areas that will help the economy grow in the coming year. Logistics will play a key role in propelling India to become a US\$5 trillion economy over the next five years. It will boost the government's aim of using rivers for cargo transportation to decongest roads and railways. Emphasis on infrastructure and the proposed government investment of 100 lakh crore in infrastructure over the next five years is a welcome move. It also has noticeably

recognised the importance of infrastructure in the growth of the country.

The increase of 2.5 per cent customs duty on the import of gold is a dampner for the precious cargo industry, which has been, as it is, affected by low lending interest of the Indian banking industry to this sector. Given the ebbing volumes in the jewellery sales, the above two factors are bound to cripple the industry in the foreseeable future. Hope the government takes cognisance of the travails of this industry and helps foster business.

## START-UPS



**Abhishek Bansal**, *Co-Founder & CEO, Shadowfax*

The budget will foster advanced technology leading to improved last-mile delivery and will continue to support the growth of the logistics industry and e-commerce. Eradication of angel tax has assured that the funds raised by start-ups would not be requiring scrutiny by the tax department. Also, special measures should be taken by the tax department for pending scrutiny of start-ups. Introduction of exclusive start-ups programmes on Doordarshan is a big boost to start-ups and investors.

Taking another remarkable step towards the globalisation of industries, the Finance Minister has announced an annual global meet with National Investment and Infrastructure Fund (NIIF) as the anchor. This meet will provide a collaborative platform to industrialists, corporate leaders, corporate sovereign and venture funds and will accelerate economic growth.



**Kushal Nahata**,  
*CEO & Co-founder  
FarEye*

The government's focus on building a digital India is again highlighted with its willingness to train people on AI, IoT and Big Data. These are key technologies that will transform the supply chain and logistics industry. The initiative to invest ₹ 100 lakh crore in infrastructure will have a positive impact on the nation's logistics and transportation industry both from the business and connectivity perspective. Also, the directive to eliminate tax scrutiny on funds raised by start-ups will make business operations a bit easier.



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# Plugging into the grid

To effectively integrate the highly-fragmented warehousing market in India, a 'national warehousing grid' was purported to be announced in the Union Budget 2019. It is a model from Maharashtra, where the state government has kicked off a scheme for identifying warehouses spread across various government departments and institutions, to be then taken over and managed by one nodal agency. No mention of this scheme is a big loss to the trade and industry, veterans share the challenges that would have been overcome through this scheme.







Kalpana Lohumi

Approximately 90 per cent of the warehousing space is controlled by unorganised players, with small warehouses of less than 10,000 sq ft area. According to National Institution for Transforming India (NITI) statistics, currently of the total warehousing space of about 180 million sq ft in the country, the industrial segment accounts for about 86 per cent and the agricultural sector the rest 14 per cent. Two-thirds of the warehousing capacity in the food storage segment is owned by the public sector. National warehousing grid is the Centre's scheme which aims at broad integration of the warehousing capacities in India. A National warehousing grid along the

national highways was supposed to be introduced in the Budget. Industry experts talk about what would the scheme mean for the industry.

**Abhishek Bhardwaj**, Chief Marketing Officer, Shristi Infrastructure Development Corporation, feels, "The vast Indian sub-continent has an immense untapped potential for the warehousing sector. But sadly, the country's warehousing capacity outside of the agricultural sector is majorly unorganised with most of the individual warehouses measuring less than 10,000 sq ft. It was expected that the incumbent government would announce the national warehousing grid in the



**Abhishek Bhardwaj**  
Chief Marketing Officer, Shristi Infrastructure  
Development Corporation



**Rajesh Jaggi**  
Managing Partner – Real Estate  
The Everstone Group

“  
India's warehousing capacity outside the agricultural sector is majorly unorganised with warehouses measuring less than 10,000 sq ft.

“  
A national warehousing grid will be a massive step towards modernising the logistics network of our country

”  
Union Budget 2019. It would have given a major boost in the growth of the warehousing sector especially in Tier-I and Tier-II cities and would have given great impetus to creating warehousing facilities for the retail and FMCG sectors.”

According to **Rajesh Jaggi**, Managing Partner – Real Estate, The Everstone Group, "The central government's aim to integrate the fragmented warehousing capacities in India through a national warehousing grid will be a massive step towards modernising the logistics network of our country."

Echoing Jaggi's sentiments, **Ankur Minda**, General Manager –

## Action plan

■ An action plan has already been approved by the Centre on sectoral basis for the construction of steel silos with a capacity of 100 lakh metric tonnes in PPP mode for modernising storage infrastructure and improving shelf life of stored food grains





**Ankur Minda**  
General Manager – Business Development  
Allcargo Logistics & Industrial Parks



**Gopi G**  
Regional Business Manager -South  
Snowman Logistics

“  
The aim of the scheme will be to effectively integrate the highly fragmented warehousing market in India  
”

“  
The grid would have been a boon to the industry and would have also structured the largely unorganised warehousing sector  
”

Business Development, Allcargo Logistics & Industrial Parks, says, “. The aim of the scheme will be to effectively integrate the highly fragment-

ed warehousing market in India. It is likely to be similar to Maharashtra where the government has kicked off a scheme for identifying warehouses spread across various government departments and institutions to be then taken over and managed by one nodal agency.”

“Broad integration of the warehousing capacities in India will be the primary goal of the scheme introduced by the Centre. National warehousing grid would have been a boon to the industry and would have also structured the unorganised warehousing sector,” explains **Gopi G**, Regional Business Manager -South, Snowman Logistics.

**Piyush Kumar**, Industry Expert – Logistics & SCM Sector, explains that the push for the scheme comes at a time when India’s warehousing capacity, apart from conventional storing services, is increasingly being used to offer value-added services such as the consolidation and breaking up of cargo, packaging, labelling, barcoding and reverse logistics. He says, “The prime beneficiaries of the new wave of growth in warehousing include peripheral locations of Tier-I and Tier-II cities, and much of the fresh investments would go into creating storage facilities for retail and consumer goods.”

### Why National Warehousing Grid?

Jaggi explains the need of a national warehousing grid, “This will streamline the logistics and warehousing industry and change it from an unorganised sector to an organised one. This will increase the supply chain efficiency and investments in development of Grade A warehousing in Tier II and III markets. As India continues to grow, the next phase of consumption is expected to come from these markets, hence, it will positively impact the industry as the country will need an efficient and vast network of warehouses & logistics facilities.”

While logistics cost in India accounts for 13-17 per cent of the Gross Domestic Product (GDP) the logistics cost to GDP ratio in developed countries such as the US, Hong Kong and France is almost 6-9 per cent. As Kumar informs, “Much of the higher cost could be attributed to absence of efficient intermodal and multi-modal transport systems. The Centre’s scheme aims at broad integration of the warehousing capacities in India. An action plan has already been approved by the Centre on sectoral basis for the construction of steel silos with a capacity of 100 lakh metric tonnes in PPP mode for modernising storage infrastructure and improving shelf-life of stored food grains.”

## Beneficiaries

■ The prime beneficiaries of the new wave of growth in warehousing include peripheral locations of Tier 1 and Tier 2 cities, and much of the fresh investments would go into creating storage facilities for retail and consumer goods





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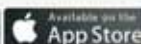
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**Piyush Kumar**  
Industry Expert  
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## “ The Centre’s scheme aims at broad integration of the warehousing capacities in India ”



Setting up warehousing infrastructure will reduce the hurdles in the procedure, believes Gopi. He continues, “One goes through about 35 procedures and 190 days to obtain a construction permit to build a warehouse. The primary goal will be to reduce this duration. In the long-term, there will be better growth opportunities and greater Return on Investments (ROIs). Sectors like agricultural, industrial, etc. will fall under this scheme. Outlying locations of Tier-I and Tier-II cities will be heavily benefited because of the sudden upsurge in warehousing. Most of the fresh investments would venture into generating storage facilities for retail and consumer goods. This will play a crucial part in creating employment opportunities and rise in the availability of skilled labour.”

Bhardwaj enlists the benefits of this scheme, “Firstly, the warehousing sector is more concentrated in and around the metros and Tier-I cities. This scheme would de-centralise this concentration and open opportunities of warehousing facilities in Tier-II and III cities as well. That apart, the agricultural sector would receive a tremendous fillip in terms of storage. With a current cold storage capacity of a meagre 25 MT, we are under equipped for storing the huge produce of fresh vegetables and fruits resulting in loss of millions of dollars in wastage. Opening new avenues in the warehousing sector would effectively address such challenges.”

Focusing on the management part, Minda shares, “This scheme will be beneficial for the industry as it will identify warehouses spread across various government departments and institutions in the country. A proper database would be maintained which will help to tackle the lack of adequate storage space specifically in the agriculture sector. It will help to consolidate and manage the warehouses by a single nodal agency and facilitate an integrated warehousing network.”

### CHALLENGES

Talking about the hurdles that India’s warehousing industry is currently going through and how they can be addressed with this scheme, Kumar mentions, “The primary challenge that India’s warehousing market currently faces is acquisition of a feasible land parcel, given that land cost constitutes the largest component of a warehousing project. While rental values that a warehouse owner can charge are primarily driven by demand and supply factors, land prices are inherently dependent on multiple factors like development control regulations, infrastructure development and the best alternative usage of land.”

“In the agricultural sector, the overall storage capacity available with the Food Corporation of India (FCI), Central Warehousing Corporation (CWC) and the state agencies, is 86.26 million metric tonnes (as on May 31, 2019) including 73.98 million tonnes in covered godowns and 12.27 million tonnes in Cover and Plinth (CAP) storage. Contrary

to this, the aggregate agri stock in these warehouses was 74.1 million tonnes, as of June 1, 2019. In India, an increasing number of brands today are becoming direct-to-consumer i.e. online, resulting in not opening retail stores at all. Hence, this will eventually increase the demand for warehousing. Moreover, cold and agri chains are still unexplored and a bulk of it needs to be shaped in India. The scheme is projected to overcome these challenges,” elucidates Gopi.

As Bhardwaj aptly sums it up, “The warehousing sector is plagued with issues and problems like transportation cost, feeble customer support, lack of improved supply chain system, inventory management, substantial labour cost, and issues related to regulations, security and statutory compliances and lack of proper implementation of technology. A scheme like the national warehousing grid would have a far-reaching effect in plugging these deficiencies resulting in a more organised and prolific warehousing sector making a robust contribution to the economy.”

### Skilled labour

■ Most of the fresh investments would venture into generating storage facilities for retail and consumer goods. This will play a crucial part in creating employment opportunities and rise in the availability of skilled labour







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# Smart kids in supply

Supply chains around the world are being transformed as traditional supply chains slowly give way to digital supply chains. **CARGOTALK** delves into the factors that are prompting Indian logistics and 3PL companies to re-evaluate their processes to gain visibility and determine how their future supply chain should be structured.



CT Bureau

## R Shankar

CEO, TVS Supply Chain Solutions



Data utilisation is the key component in addressing the supply chain complexities. GST and e-way bill have made doing business across states simpler and faster, potentially leading to more opportunities, integration and stakeholder relationship development. With processes getting digitised, capturing data at each point in the supply chain helps take informative decisions and predict the future outcome given the complexity in the fragmented logistics industry.

Upsurge in the customer demand and global value chain are pushing the efficiency boundaries and providing visibility in the supply chain activities to cater to global customers. Shift towards automation and integrated approach towards the supply chain is expected to eliminate non value-added activities. Competing on a global scale, products are expected to be manufactured and delivered in a short period of time with minimal defects. Centralised method of operations for both transportation and warehouses such as TVS SCS control tower can help optimise the logistics cost and add value to the customers. Leveraging the data by enabling predictive analytics and aligning the demand with lean implementation helps in minimising the inventory stock level and promotes just-in-time method for sourcing and distribution.

Last mile (Express) deliveries are gaining momentum due to soaring customer expectations. Advancements in Track Management System (TMS) and Warehouse Management System (WMS) along with technology-enabled warehouse capabilities support the increasing delivery requirements and add visibility. Digitisation of processes and cloud-based analytics by integrating real-time to near real-time data transfer help create visibility and expedite the movement of goods from one location to another and can avoid the pilferage of goods in transit. Vertical integration is required to access data points in cross-functional division and across organisations to attain visibility. Reverse logistics is a key concern in the B2B segment where all stakeholders should work together in reducing the cost of operations. Sustainable/green packaging solutions should be implemented in the supply chain for better efficiency in the cycle. With 3PL companies, an integrated end-to-end solution can be implemented by leveraging technology and industry experience.

## Mansingh Jaswal

Director, Genex Logistics



Traditional supply chains are slowly giving way to digital supply chains. Artificial Intelligence and automation (including robotics) are at the forefront of the digital supply chain and form major trends in the emerging tech space. A fair share of companies would be harnessing these two areas of technology and their application in supply chains to gain visibility, speed and productivity. Whether it is distribution network re-design, demand planning, delivery performance of the last mile or the productivity inside the warehouse, organisations across the spectrum are developing and deploying the AI

& Robotic capabilities for optimisation of functional and predictive areas.

Secondly, GST has enabled consolidation of network whereas the enhanced delivery expectation of customers via e-commerce has forced a network spread out to bring themselves near the customers. These two opposing trends are forcing a rethink of supply chain networks. As a result, the hubs will be getting consolidated and spokes will be spreading out to be able to be at a little distance from the customers. And that's where network re-design through AI application would be at the forefront. Organisations taming these trends and leading through these changes would emerge as 'smart kids in the block'.





# block



## PV Sheshadri

CEO, Future Supply Chain



Supply chain industry has a cascading impact on trade and retail. Consider the trends that will impact the future supply chain.

**Emerging technologies:** Drones, autonomous intelligence and robotic automation will transform warehousing and transportation which will create networks that may look and operate very differently from what it is today.

**Sharing economy:** On-demand warehousing and on-demand logistics will allow organisations to be more flexible. Lower capex and higher adaptability will be attractive for organisations that are rapidly evolving.

**Increased competition and price pressure:** Companies today are looking at their supply chains in two ways to help offset this trend. First, they are looking at ways to reduce cost and are creating a more efficient value chain to remain cost competitive. Second, companies are looking at ways they can provide value-added services to meet the demands of more sophisticated customers.

**Focus on supply chain visibility:** The Internet of Things, Big Data and data transparency will improve an organisation's ability to gain visibility on real-time status of their supply chain network, allowing them to solve problems and anticipate and prevent them. Data abundance will be used to draw insights on both short-term and long-term improvements to the supply chain and beyond.

Before any supply chain redesign, it is crucial to determine if the company's business strategy can be supported by the existing supply chain network. Based on how the company is oriented, whether it is service oriented, cost oriented or a hybrid of both, the existing supply chain network could be out of sync with the business strategy.

## Fuat Adoran

Executive Vice President - Balkans/Africa/Middle East/Central Asia, CEVA Logistics



The pace of change in global supply chains has been extensive over the past decade and will continue to evolve at great speed in the coming decade. Maintaining service standards while meeting the challenges posed by the change is the key to structuring future supply chains. A vital part of the modern supply chain is highly robust, cutting-edge IT solutions which provide customers transparency from end-to-end of the shipment journey.

Disruptors and new entrants also have a major impact on supply chains and the way they function, e-commerce and blockchain being two of the notable contributors. E-commerce growth has had a major effect on the way the air cargo industry operates while the concept of blockchain shows the importance of embracing new concepts which can change the way we work. In a move which further pushes its market-leading credentials for delivering new business concepts to customers, CEVA Logistics has recently joined the Blockchain in Transport Alliance (BiTA).

## Success theory

- Companies looking for logistics partners to manage their global supply chains are seeking flexible, global partners who can operate around the world, but also have local expertise. Those who can deliver on this combination will succeed
- Digitisation of processes and cloud-based analytics by integrating real-time to near real-time data transfer help create visibility and expedite the movement of goods from one location to another and can avoid the pilferage of goods in transit





Confederation of Indian Industry



# Skill Enhancement in Logistics

## Creating a Sustainable Logistics Skill Ecosystem in India



# Enhance skills in logistics sector: CII

CII Institute of Logistics organised a conference on Skill Enhancement in Logistics 2019 around the theme of 'Creating a Sustainable Logistics Skill Ecosystem in India'. The event brought together industry thought leaders and participants under one roof.









# DIGITISA

## Virtual solution to real problems



Kalpana Lohumi

The air cargo industry is all about delivering with speed and greater efficiency. The industry is by no means in a position where it is unable to innovate in this digitally transformative generation.

There are many ideas on what digitisation can bring, but the question remains how the industry is embracing the change. **CARGOTALK** looks at the progress update on Indian air cargo industry technology enhancement.

Digital transformation is not just about a specific project, process or optimisation exercise, it's a journey towards acquiring a set of capabilities and changing processes, functions, models and more. **CARGOTALK** uncovers the status-quo on technology adoption by the air cargo industry, its potential obstacles and support from the government.

Sharing the progress report, **Yashpal Sharma**, Managing Director, Skyways Group, says, "The air cargo industry in India is evolving quickly and embracing technological enhancements. The airports in India have taken a lead role and set up few platforms which are helping the industry to get connected. The terminal operators, the forwarders, the custom brokers, etc. are now able to exchange data on a common platform. All individual organisations are

also upgrading their IT capabilities to meet the current and future business needs in terms of technology."

Talking about how technology is shaping the future, **Huned Gandhi**, Managing Director – India, Dachser, says, "Technology enhancement addresses the next generation practices on digital transformation, the development of business platforms, insightful analytics, and the onslaught of smart devices that



# TIION

facilitate processes. Throughout the entire transportation process, shipments can be tracked in real time, that allows all players and most important, the customers, to better plan these shipments."

Sharing an update on the Indian air cargo industry's adoption of technology, **Jason D'Souza**, Head of IT - India, South & S.E. Asia, DHL, says, "There have been pockets of improvement but they are mainly focused towards going paperless."

Talking about the two elements that need to be looked at, Sharma adds, "There should be one common platform across all airports in India to ensure ease of business. Also, the added cost per transaction for each shipment should not be charged to the customer and taken as a process improvement cost by the airports."

Disruptive technology, like AI, Blockchain and Machine Learning, has the potential to usher in efficiencies and benefits for the air cargo industry, points out **Keki Patel**, Cargo Man-

ager, India & Nepal, Emirates Sky-Cargo. However, he warns, "We must match capabilities and requirements carefully before making a choice of new technology. We must first look at digitisation of all aspects of the air cargo business. Without this first step, any other disruptive technology will not be able to deliver its full potential benefits. Air cargo is a multi-player industry involving air carriers, forwarders, and shippers. There is a need for some industry-level standardisation for digitisation as information needs to be shared between all parties. We could drive an immense amount of value if we digitise the entire air cargo supply chain."

"India being the IT global hub has made digitisation in the industry a prime tool and main driver in the logistics trade. Digitisation uses technology from product assortment and inventory management to real-time tracking," says **Tadesse Tilahun**, Regional Director, India Subcontinent, Ethiopian Airlines.

## OBSTACLES

Talking about constraints, **Sarini Sachdeva**, CEO, Aardour Worldwide Logistics, says slow adoption of new technologies is a major obstacle. "Awareness about the economic benefits of using digital technology is low and collaboration among stakeholders far from satisfactory. As a result, the logistics ecosystem is fraught with operational inefficiencies and poor asset utilisation. Lack of technology systems and insufficient technical knowledge add to the pain. Technological infrastructure has remained inadequate, marked



**Yashpal Sharma**  
Managing Director, Skyways Group and  
Entrepreneur of the Year (India Cargo Award 2017)



**Huned Gandhi**  
Managing Director - India  
Dachser

“  
The air cargo industry in India is evolving very quickly and is also readily embracing technological enhancements

“  
Technology enhancement addresses practices on digital transformation, and development of business platforms

by slow network speeds, subpar performance, and unreliable hardware and software, all leading to high costs and underperformance," Sachdeva adds.

According to Gandhi, "Use of digital platforms does involve an investment for IT resources. It also means that all stakeholders must agree on the common communication protocol, sharing of costs and timely implementation. Benefits accrued from the digital process must be quantifiable for ease of convincing the users to adopt the digital initiatives."

Commenting on various stakeholders sharing platforms, Sharma adds, "Data security is making each

## Watch out for...

- There should be one common platform across all airports in India to ensure ease of business
- Also, the added cost per transaction for each shipment should not be charged to the customer and taken as a process improvement cost by the airports

organisation develop their systems in silo and this will obviously keep a lot of human element in transactions, slowing down the process and probably negating the digital advantage.”

Pointing out how standardisation will help forwarders, D’Souza says, “Airports in India are managed by several terminal operators. Standardisation will help forwarders build digital interfaces thereby improving transparency and visibility to the end customers. Technological infrastructure too needs to be improved, for example, connectivity, visibility of parameters in temperature-controlled zones to forwarders and stakeholders, and ease of granting permissions for implementing tech-



nological solutions by forwarders within cargo terminals.”

Focusing on the skills front, Sharma adds, “Skilling of existing manpower is surely a big deterrent in the digital process. While organisations are investing a lot in hardware and software enhancements, the effort to upgrade manpower is not enough.”

Sharing the airline point of view, Tilahum, comments, “The industry is leveraging to bring about seamless connectivity which is still a challenge as customs and security are yet to bring seamless connect for paperless trails. Another factor which deters digitisation is the added costs per shipment for linking stakeholders.”

and optimising cargo plane loading. Few leading airlines are testing its usage in the load planning (volume optimisation, digital contours check, 3D planning) and in operational usage like shipment dimensions, label recognition and information handling. The applications are also being tested for operational usage like measuring shipment dimensions, label recognition, information handling and in transport maintenance, navigation and remote assistance.”

Today, freight transportation by air, water, and road makes extensive use of digital data and planning software for optimised load planning and vehicle utilisation, hence, Sachdeva points out that issues such as content, weight, size, destination, and further processing are considered for every item. “The bottleneck is often the loading process itself. AR devices could help by replacing the need for printed cargo lists and load instructions,” says Sachdeva.

Tilahum feels, “The AR app will go a long way in providing everything from shipper to end receiver to fast track and determine logistics space parameters from trucks, containers, to aircraft capacity and reduce space spoilage throughout the logistics chain.”

### CONTROLLING THE REAL THROUGH VIRTUAL

Sharing his views on the Augmented Reality (AR) app to check whether cargo shipment would fit into an aircraft, D’Souza explains, “AR brings together digital and physical. It is useful for visualisation of pallets and their volumes thereby optimising space utilisation through real-time decisions.”

Gandhi adds, “In airfreight, AR has found its application in simplifying



**Jason D’Souza**  
Head of IT - India, South & S.E. Asia, DHL and India Cargo Award winner 2017



**Keki Patel**  
Cargo Manager, India & Nepal Emirates SkyCargo

“There have been pockets of improvement but they are mainly focused towards going paperless”

“We must match capabilities and requirements carefully. We must first look at digitisation of all aspects of air cargo”





**Sarini Sachdeva**  
CEO, Aardour Worldwide Logistics and  
India Cargo Award winner 2016



**Tadesse Tilahun**  
Regional Director, India Subcontinent  
Ethiopian Airlines

Sharing the status quo, Sharma adds, "AR in cargo is still at a nascent stage. Also, the freight bound for air carriage is usually well-defined and airlines can use that information to pre-plan their load ability to almost 95 per cent perfection. For sure, AR will assist to further improve cargo planning specially for odd size cargos and mix loading the same will come very handy."

Adding to that, Gandhi says, "If used correctly it can surely benefit in reducing the cost in warehousing operations by improving the picking process through real-time object recognition, barcode reading and by integration of information exchange."

Sachdeva believes AR has a promising future in the logistics industry. "Ranging from picking-by-vision in warehouses to assisting customers with after-sales activities, it is clear that AR can play a part in almost every step of the logistics value chain."

### ROLE OF GOVERNMENT

The report by Deloitte and FICCI says, there is a need to expedite some of the technology initiatives to not just automate all information systems but also to streamline redundant processes and regulations. On this, Sharma says, "A few initiatives of the government have not been implemented in their full capacity. The

regulators are not in sync and thus the single window concept is not giving the benefits it can. All initiatives implemented must be re-looked by the government for their success. If the execution strategy is not in place the new processes and regulations are of little use."

While creating any new IT systems it is necessary to first do an effective round of business processes, feels Gandhi. "Re-engineering is essential to weed out all non-productive, repetitive processes. This would call for the need to review documentation, authorisation and verification, as these are areas that often have scope for rationalisation. Technology can certainly help to streamline redundant processes and regulations," he says.

### What about paperless cargo movement?

Despite many innovations, the industry is still dominated by a paper-driven legacy system. Commenting on this, Gandhi says, "Cost factor, lack of training, fear of losing data due to IT system failure were few of the reasons the industry was paper driven in the past. However, with the implementation of initiatives likes E-AWB, E-Sanchit, E-Booking and the pace with which technology is penetrating the industry, the dominance of

“  
Awareness about economic benefits of using digital technology is low and collaboration among stakeholders far from satisfactory

paper usage will fade much faster than expected.”

To this, Tilahun adds, "There is a perception that the industry is dominated by a paper-driven legacy. We have come a long way from paper-driven books, records etc. Today, everything in the trade is on the smartphone, not requiring paper-trails, signatures etc."

"The industry including the government has taken massive steps in the last 24-36 months to reduce paper usage. They've been successful on many fronts and I'm confident that we will see a 90 per cent reduction in paper over the next 2-3 years from what it was three years ago," Sharma concludes.

“  
India being the IT global hub has made digitisation in the industry a prime tool as well as the main driver in logistics trade

### Need of the hour

■ Re-engineering is essential to weed out all non-productive, repetitive processes. This would call for the need to review documentation, authorisation and verification

■ Technology can certainly help to streamline redundant processes and regulations

## TRAFFIC STATISTICS

### DOMESTIC FREIGHT

S. No.	Airport	Freight (in tonnes)					
		For the Month			For the period April to June		
		June 2019	June 2018	% Change	2019-2020	2018-2019	% Change

#### (A) 19 International Airports

1	Chennai	6813	8626	-21.0	21122	26753	-21.0
2	Kolkata	5293	8660	-38.9	17932	26689	-32.8
3	Ahmedabad	4762	4791	-0.6	14472	13715	5.5
4	Goa	399	455	-12.3	902	761	18.5
5	Guwahati	1734	1609	7.8	5389	5376	0.2
6	Lucknow	832	157	429.9	2693	1206	123.3
7	Jaipur	1115	1233	-9.6	3273	3545	-7.7
8	Trivandrum	121	79	53.2	720	260	176.9
9	Bhubaneswar	761	701	8.6	2266	2121	6.8
10	Calicut	217	44	393.2	321	139	130.9
11	Coimbatore	852	839	1.5	2400	2484	-3.4
12	Varanasi	237	158	50.0	764	333	129.4
13	Srinagar	1440	1357	6.1	3068	2685	14.3
14	Amritsar	193	139	38.8	463	276	67.8
15	Mangalore	0	50	-	24	121	-80.2
16	Portblair	488	396	23.2	1568	1194	31.3
17	Trichy	1	1	0.0	2	3	-33.3
18	Imphal	569	399	42.6	1811	1184	53.0
19	Vijayawada	220	0	-	657	0	-
<b>Total</b>		<b>26047</b>	<b>29694</b>	<b>-12.3</b>	<b>79847</b>	<b>88845</b>	<b>-10.1</b>

#### (B) 6 JV International Airports

20	Delhi (DIAL)	29663	28736	3.2	88770	84602	4.9
21	Mumbai (MIAL)	22652	24495	-7.5	67394	68820	-2.1
22	Bangalore (BIAL)	12195	12193	0.0	35774	35222	1.6
23	Hyderabad (GHIAL)	5044	5017	0.5	14910	14435	3.3
24	Cochin (CIAL)1245		1754	-29.0	3534	3618	-2.3
25	Nagpur (MIPL)	579	780	-25.8	1729	2078	-16.8
<b>Total</b>		<b>71378</b>	<b>72975</b>	<b>-2.2</b>	<b>212111</b>	<b>208775</b>	<b>1.6</b>

#### (C) 9 Custom Airports

26	Pune	3312	4794	-30.9	8710	14522	-40.0
27	Patna	1077	964	11.7	3020	2453	23.1
28	Bagdogra	729	691	5.5	1998	1569	27.3
29	Visakhapatnam	521	414	25.8	1557	1481	5.1

S. No.	Airport	Freight (in tonnes)					
		For the Month			For the period April to June		
		June 2019	June 2018	% Change	2019-2020	2018-2019	% Change

30	Chandigarh	952	413	130.5	2794	1019	174.2
31	Madurai	84	246	-65.9	282	620	-54.5
32	Surat	171	0	-	450	16	-
33	Aurangabad	47	185	-74.6	211	569	-62.9
34	Indore	839	1025	-18.1	2509	2816	-10.9
<b>Total</b>		<b>7732</b>	<b>8732</b>	<b>-11.5</b>	<b>21531</b>	<b>25065</b>	<b>-14.1</b>

#### (D) 23 Domestic Airports

35	Ranchi	346	441	-21.5	1621	1389	16.7
36	Raipur	478	374	27.8	1440	1002	43.7
37	Agartala	421	444	-5.2	1223	1241	-1.5
38	Udaipur	1	0	-	1	0	-
39	Jammu	129	151	-14.6	379	445	-14.8
40	Dehradun	11	8	37.5	33	32	3.1
41	Vadodara	249	198	25.8	921	613	50.2
42	Leh	147	95	54.7	621	314	97.8
43	Bhopal	139	119	16.8	330	340	-2.9
44	Jodhpur	0	1	-	1	2	-50.0
45	Hubli	10	0	-	30	0	-
46	Rajahmundry	0	5	-	0	15	-
47	Silchar	77	55	40.0	223	147	51.7
48	Dibrugarh	72	64	12.5	238	209	13.9
49	Rajkot	3	27	-88.9	7	75	-90.7
50	Dimapur	17	30	-43.3	81	146	-44.5
51	Bhuj	0	3	-	0	6	-
52	Tuticorin	6	3	100.0	18	6	200.0
53	Jorhat	0	5	-	0	12	-
54	Juhu	31	25	24.0	89	84	6.0
55	Kanpur (Chakeri)	14	0	-	31	0	-
56	Agatti	3	2	50.0	9	5	80.0
57	Jharsuguda	1	0	-	3	0	-
<b>Total</b>		<b>2155</b>	<b>2050</b>	<b>5.1</b>	<b>7299</b>	<b>6084</b>	<b>20.0</b>

#### (E) 2 St Govt./ Pvt Airports

58	Lengpui (Aizwal)	29	40	-27.5	96	114	-15.8
59	Nasik (Hal Ozar)	0	22	-	7	22	-68.2
<b>Total</b>		<b>29</b>	<b>62</b>	<b>-53.2</b>	<b>103</b>	<b>136</b>	<b>-24.3</b>

**Grand Total (A+B+C+D+E)**      **107341**   **113513**   **-5.4**   **320891**   **328905**   **-2.4**



## TRAFFIC STATISTICS INTERNATIONAL FREIGHT

\* Estimated

		Freight (in tonnes)					
		For the Month			For the period April to June		
S. No.	Airport	June 2019	June 2018	% Change	2019-2020	2018-2019	% Change

### (A) 14 International Airports

1	Chennai	23272	27190	-14.4	72194	79853	-9.6
2	Kolkata	5110	4601	11.1	15232	13952	9.2
3	Ahmedabad	4966	3475	42.9	13203	10697	23.4
4	Goa	68	279	-75.6	365	523	-30.2
5	Guwahati	0	0	-	0	1	-
6	Lucknow	286	239	19.7	1037	766	35.4
7	Jaipur	174	188	-7.4	612	612	0.0
8	Trivandrum	2017	832	142.4	5998	5188	15.6
9	Calicut	2287	307	-	6970	3382	106.1
10	Coimbatore	231	199	16.1	705	524	34.5
11	Varanasi	0	0	-	5	0	-
12	Amritsar	107	52	105.8	454	165	175.2
13	Mangalore	188	621	-69.7	655	1013	-35.3
14	Trichy	575	644	-10.7	1917	1677	14.3
<b>Total</b>		<b>39281</b>	<b>38627</b>	<b>1.7</b>	<b>119347</b>	<b>118353</b>	<b>0.8</b>

		Freight (in tonnes)					
		For the Month			For the period April to June		
S. No.	Airport	June 2019	June 2018	% Change	2019-2020	2018-2019	% Change

### (B) 6 JV International Airports

15	Delhi (DIAL)	48167	54097	-11.0	153676	165374	-7.1
16	Mumbai (MIAL)	46630	58083	-19.7	150370	176438	-14.8
17	Bangalore (BIAL)	18908	22187	-14.8	58486	62348	-6.2
18	Hyderabad (GHIAL)	6975	7558	-7.7	21940	21398	2.5
19	Cochin (CIAL)	5752	2703	112.8	16254	13551	19.9
20	Nagpur (MIPL)	113	54	109.3	223	126	77.0
<b>Total</b>		<b>126545</b>	<b>144682</b>	<b>-12.5</b>	<b>400949</b>	<b>439235</b>	<b>-8.7</b>

### (C) 4 Custom Airports

21	Pune	4	3	33.3	9	5	80.0
22	Visakhapatnam	33	0	-	95	0	-
23	Madurai	109	118	-7.6	388	319	21.6
24	Indore	119	0	-	319	0	-
<b>Total</b>		<b>265</b>	<b>121</b>	<b>119.0</b>	<b>811</b>	<b>324</b>	<b>150.3</b>

<b>(D) Total 9 St Govt./ Pvt Airports</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>12</b>	<b>-</b>
<b>Grand Total (A+B+C+D)</b>	<b>166091</b>	<b>183430</b>	<b>-9.5</b>	<b>521107</b>	<b>557924</b>	<b>-6.6</b>

(Source: AAI)

## AVIATION

# ACFI & AASSC join hands to promote skills

Air Cargo Forum India (ACFI) and Aerospace & Aviation Sector Skill Council (AASSC) have signed a Memorandum of Understanding (MOU) to promote the skill development initiatives in the air cargo industry. The objective of this MoU is to enhance cooperation between AASSC and the ACFI and to promote skill development by creating a long-term mutually rewarding partnership between ACFI and AASSC. AASSC & ACFI will work towards fulfilling the needs of the air cargo logistics sector by involving the industry in develop-

ing and reviewing the occupational standards, build a credible and stringent quality assurance system for identification and accreditation of training partners, training of trainers, stringent assessments and a credible certification, and bring in internationally best practices.

The idea behind the association is to build competence to match the air cargo industry's requirement of skilled manpower, and also wish to enhance qualitative and quantitative reputation of aerospace and air cargo logistics supply chain of the aviation sector.

# Delhi airport gets dedicated cargo facility

Delhi International airport launched a dedicated facility exclusively for cargo handling, called, Transshipment Excellence Centre. The facility, spread over 6,500 sqm, can handle about 20,000 tonnes of cargo a month. The facility can process cargo in a span of 45 minutes to six hours, depending on the type and volume of cargo.

The international transshipment cargo is sent from airlines to the centre where it is segregated and sent for onward dispatch. The facility will allow exporters and shippers in the region to bring their cargo to Delhi and move it globally.

**Sanjiv Edward**, Chief Commercial Officer, Delhi International Airport, says, "It's something we have been working on for years and now we can proudly present to the industry. This facility can be a game changer for the country because in the real sense, we are creating a cargo hub for the first time in the country. Currently, transshipment cargo is less than 5 per cent in any airport in the country. At Delhi airport, we have been seeing transshipment growth of almost 20 per cent year-on-year, which means about 8 per cent of total cargo is transshipment."

## TRAFFIC STATISTICS PPP AIRPORTS

		PPP Airports								
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	
PPP Airports	Cargo handled by all Airports in '000 tonnes	International	1496	1468	1406	1443	1543	1658	1855	2144
		Domestic	853	812	784	836	985	1046	1123	1213
		<b>Total</b>	<b>2349</b>	<b>2280</b>	<b>2191</b>	<b>2279</b>	<b>2528</b>	<b>2704</b>	<b>2978</b>	<b>3357</b>
PPP Airports	Cargo handled by PPP Airports in '000 tonnes	International	1073	1058	1043	1107	1193	1292	1442	1664
		Domestic	541	517	496	534	647	682	720	764
		<b>Total</b>	<b>1615</b>	<b>1575</b>	<b>1539</b>	<b>1642</b>	<b>1840</b>	<b>1974</b>	<b>2162</b>	<b>2428</b>
PPP Airports	Cargo handled by PPP Airports in comparison with all Airports in %	<b>International</b>	<b>71.7</b>	<b>72.1</b>	<b>74.2</b>	<b>76.7</b>	<b>77.3</b>	<b>77.9</b>	<b>77.8</b>	<b>77.6</b>
		<b>Domestic</b>	<b>63.5</b>	<b>63.6</b>	<b>63.2</b>	<b>63.9</b>	<b>65.7</b>	<b>65.2</b>	<b>64.1</b>	<b>63.0</b>
		<b>Total</b>	<b>68.7</b>	<b>69.1</b>	<b>70.3</b>	<b>72.0</b>	<b>72.8</b>	<b>73.0</b>	<b>72.6</b>	<b>72.3</b>

		Delhi International Airport								
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	
1 Cargo Traffic	(in '000 tonnes)									
	<b>Domestic</b>	209.1	200.2	188.2	215.8	271.8	296.0	298.4	311.6	
	<b>International</b>	390.9	368.2	358.1	389.9	424.8	491.2	559.1	651.4	
	<b>Total Cargo</b>	<b>600.0</b>	<b>568.4</b>	<b>546.3</b>	<b>605.7</b>	<b>696.5</b>	<b>787.2</b>	<b>857.4</b>	<b>963.0</b>	
	<b>Growth Y-o-Y (%)</b>	20.6	-5.3	-3.9	10.9	15.0	13.0	8.9	12.3	
	% of Cargo handled by DIAL in comparison with all Airports									
	<b>Domestic</b>	24.5	24.7	24.0	25.8	27.6	28.3	26.6	25.7	
	<b>International</b>	26.1	25.1	25.5	27.0	27.5	29.6	30.1	30.4	
	<b>Total</b>	<b>25.5</b>	<b>24.9</b>	<b>24.9</b>	<b>26.6</b>	<b>27.6</b>	<b>29.1</b>	<b>28.8</b>	<b>28.7</b>	
	Annual Handling Capacity									
<b>Annual Cargo Handling Capacity</b>	1.2 million tonnes									

		Bangalore International Airport								
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	
2 Cargo Traffic	(in '000 tonnes)									
	<b>Domestic</b>	87.5	83.3	82.5	91.9	112.7	114.6	119.9	128.5	
	<b>International</b>	135.3	141.7	144.0	150.5	166.8	177.3	199.5	219.9	
	<b>Total Cargo</b>	<b>222.8</b>	<b>224.9</b>	<b>226.5</b>	<b>242.4</b>	<b>279.5</b>	<b>292.0</b>	<b>319.3</b>	<b>348.4</b>	
	<b>Growth Y-o-Y (%)</b>	27.6	1.0	0.7	7.0	15.3	4.5	9.4	9.1	
	% of Cargo handled by BIAL in comparison with all Airports									
	<b>Domestic</b>	10.3	10.3	10.5	11.0	11.4	11.0	10.7	10.6	
	<b>International</b>	9.0	9.7	10.2	10.4	10.8	10.7	10.8	10.3	
	<b>Total</b>	<b>9.5</b>	<b>9.9</b>	<b>10.3</b>	<b>10.6</b>	<b>11.1</b>	<b>10.8</b>	<b>10.7</b>	<b>10.4</b>	
	Annual Handling Capacity									
<b>Annual Cargo Handling Capacity</b>	0.4 million tonnes									

		GMR Hyderabad International Airport								
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	
3 Cargo Traffic	(in '000 tonnes)									
	<b>Domestic</b>	36.4	34.5	33.6	37.4	43.9	50.5	52.9	55.0	
	<b>International</b>	44.4	47.0	50.4	52.8	55.0	59.6	68.9	79.2	
	<b>Total Cargo</b>	<b>80.8</b>	<b>81.5</b>	<b>84.0</b>	<b>90.2</b>	<b>98.9</b>	<b>110.0</b>	<b>121.9</b>	<b>134.1</b>	
	<b>Growth Y-o-Y (%)</b>	21.5	0.9	3.1	7.4	9.6	11.3	10.8	10.1	
	% of Cargo handled by GHIAL in comparison with all Airports									
	<b>Domestic</b>	4.3	4.2	4.3	4.5	4.5	4.8	4.7	4.5	
	<b>International</b>	3.0	3.2	3.6	3.7	3.6	3.6	3.7	3.7	
	<b>Total</b>	<b>3.4</b>	<b>3.6</b>	<b>3.8</b>	<b>4.0</b>	<b>3.9</b>	<b>4.1</b>	<b>4.1</b>	<b>4.0</b>	
	Annual Handling Capacity									
<b>Annual Cargo Handling Capacity</b>	0.15 million tonnes									



# TRAFFIC STATISTICS PPP AIRPORTS

4

Cargo Traffic

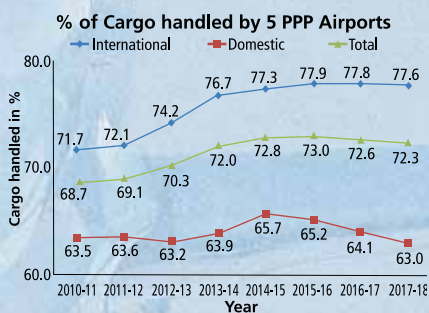
Mumbai International Airport								
(in '000 tonnes)	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Domestic</b>	199.8	190.3	182.4	181.1	207.7	209.0	234.9	258.4
<b>International</b>	470.4	467.2	452.7	467.6	486.5	496.2	547.4	648.0
<b>Total Cargo</b>	<b>670.2</b>	<b>657.5</b>	<b>635.2</b>	<b>648.7</b>	<b>694.3</b>	<b>705.2</b>	<b>782.3</b>	<b>906.3</b>
<b>Growth Y-o-Y (%)</b>	15.0	-1.9	-3.4	2.1	7.0	1.6	10.9	15.9
% of Cargo handled by MIAL in comparison with all Airports								
<b>Domestic</b>	23.4	23.4	23.3	21.7	21.1	20.0	20.9	21.3
<b>International</b>	31.4	31.8	32.2	32.4	31.5	29.9	29.5	30.2
<b>Total</b>	<b>28.5</b>	<b>28.8</b>	<b>29.0</b>	<b>28.5</b>	<b>27.5</b>	<b>26.1</b>	<b>26.3</b>	<b>27.0</b>
Annual Handling Capacity								
<b>Annual Cargo Handling Capacity</b>	1.0 million tones							

5

Cargo Traffic

Cochin International Airport								
(in '000 tonnes)	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Domestic</b>	8.6	8.5	8.9	8.0	11.1	12.1	13.9	10.8
<b>International</b>	32.2	34.2	38.0	46.5	59.7	67.1	67.6	65.5
<b>Total Cargo</b>	<b>40.8</b>	<b>42.7</b>	<b>46.9</b>	<b>54.4</b>	<b>70.8</b>	<b>79.2</b>	<b>81.5</b>	<b>76.3</b>
<b>Growth Y-o-Y (%)</b>	0.4	4.7	9.8	16.1	30.0	11.9	2.8	-6.4
% of Cargo handled by CIAI in comparison with all Airports								
<b>Domestic</b>	1.0	1.1	1.1	1.0	1.1	1.2	1.2	0.9
<b>International</b>	2.2	2.3	2.7	3.2	3.9	4.0	3.6	3.1
<b>Total</b>	<b>1.7</b>	<b>1.9</b>	<b>2.1</b>	<b>2.4</b>	<b>2.8</b>	<b>2.9</b>	<b>2.7</b>	<b>2.3</b>
Annual Handling Capacity								
<b>Annual Cargo Handling Capacity</b>	0.1 million tones							

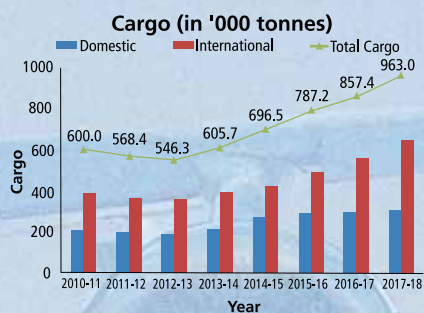
## PPP Airports



Source: Airports Authority of India, Traffic News

1

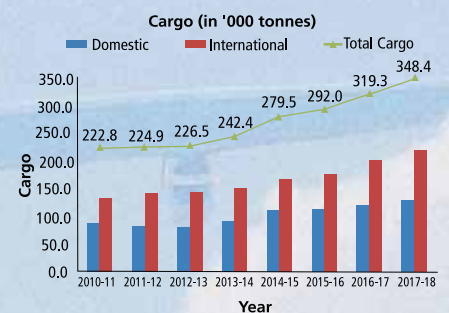
## Delhi International Airport



Source: Airports Authority of India, Traffic News and Delhi International Airport (DIAL)

2

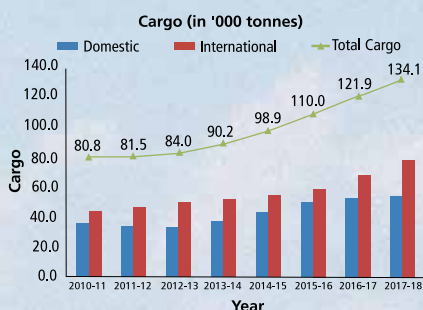
## Bangalore International Airport



Source: Airports Authority of India, Traffic News and Bangalore International Airport (BIAL)

3

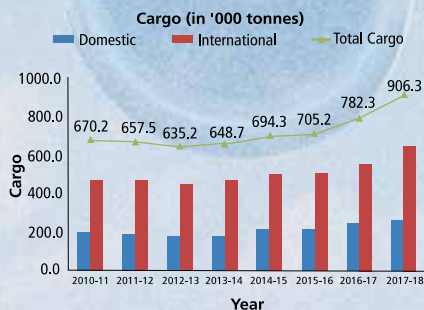
## GMR Hyderabad International Airport



Source: Airports Authority of India, Traffic News and GMR Hyderabad International Airport (GHIAL)

4

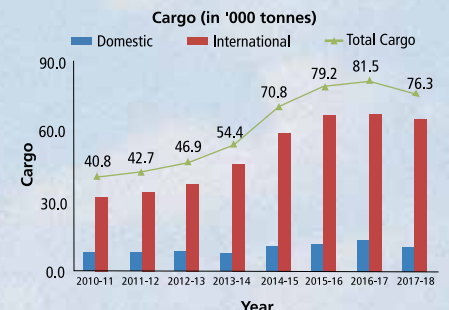
## Mumbai International Airport



Source: Airports Authority of India, Traffic News and Mumbai International Airport (MIAL)

5

## Cochin International Airport



Source: Airports Authority of India, Traffic News and Cochin International Airport (CIAI)

# How to correct dec

India's exports have entered the negative zone after a gap of 8 months as they decline 9.7% to US\$ 25 billion in June 2019 and imports go down 9% to US\$ 40 billion leaving a trade deficit of US\$ 15 billion. India Cargo Award winners share the factors that can help revive the air cargo industry and bring about growth.

INDIA  
CARGO  
AWARDS

## Gallery of Legends



### VIPIN VOHRA

Presently, the Indian air cargo industry is very slow; exporters do not have much orders. There is a decline of 19 per cent in exports and 9 per cent in imports. This has affected trade. However, things will change with the opening of Pakistan airspace as flights have started again. Earlier, the flights were having to take a detour and extra freight was being paid. Moreover, there is hope with new factories coming up. Once they start production, business will grow.

**Vipin Vohra**, *Chairman, Continental Group*

## DDP Game Changer



### SANJIV EDWARD

We are seeing difficult times, at the moment. Our imports are down, exports have just started turning around and domestic movement has also been challenging. We really need to focus on domestic e-commerce business, which will help the industry. Export can also be a focus area. As an airport we are focusing on high-yield businesses. Pharmaceuticals and perishables are the focus areas where we would like to support anybody who wants to come forward. Imports are under pressure but there are opportunities for India to benefit from transshipment.

**Sanjiv Edward**, *Chief Commercial Officer, Delhi International Airport*

## Best Green Field Air Cargo Terminal Operator



### DELHI CARGO SERVICE CENTER

The industry depends on how overall exports are growing; if exports go up, the market share for air sector will go up and vice versa. We can boost the exports either by transferring some percentage from ocean to air. We need to make the most of the ongoing trade war between China and the US, it can be a game changer for our country. However, if we compare with the global scenario, India is still a stable market.

**Vipin Jain**, *Chief Operating Officer, Delhi Cargo Service Center*



# line in air cargo...

## Entrepreneur of the year



**YASHPAL SHARMA**

The global impact of trade wars is evident; the market suddenly is on the softer side. Though domestic consumption is fine, but on the export-import side we see a little bigger impact. Even most of the airports have shown decline in numbers in the last couple of months. Businesses thrive on certainty and for certainty, businessmen want to do more investments, take more positive steps, which has happened at least on the domestic side. The political environment in our country is getting stable now and in the next two months a turnaround is expected in the Indian market. On the global front, if we see less of trade wars, the turnaround in business is expected.

**Yashpal Sharma**, *Managing Director, Skyways Group*

## Best Technology Solution Provider



**HANS INFOMATIC**

The air cargo industry is expected to be coming down this year because of the trade war between China and the US. But this is a temporary phenomenon. However, IATA says that growth will take place, even if it is not to the tune of 7-8 per cent. Once this trade war is settled, the growth will happen. Secondly, a push is needed to get good business margins which the government has already started by taking care of transaction cost through encouraging ports to be 100 per cent paperless. Once that happens, transaction cost of Indian freight forwarding industry will come down drastically; by at least three to four per cent along with the faster movement of goods.

**Parwinder Singh**, *Managing Director, Hans Infomatics*

## Fastest Growing Freight Forwarder- Air



**RAHAT CONTINENTAL**

Presently, we are in the middle of a very slow season and it's basically due to a change in government policy and implementation of GST. All those factors happened sometime back which are now creating an impact on us, but we do foresee good growth probably by the end of this year, in the field of pharmaceuticals, e-commerce and as well as the FDI that has been taking place in India.

**Rahat Sachdeva**, *Vice President, Rahat Continentals*



## First use of Indian inland waterway to connect 2 landlocked countries

**Mansukh Mandaviya**, Minister of State for Shipping (Independent Charge) and Chemical & Fertilisers, digitally flagged-off a ship of the Inland Waterways Authority of India (IWAI), carrying stones from Bhutan to Bangladesh. Till

now, Bhutan has been exporting significant quantity of stone aggregates to Bangladesh through land.

The ship is carrying 1000 MT of stones – 70 trucks would be required for the same by road.

Mandaviya said, "The move will be beneficial to India as well as Bhutan and Bangladesh.

This will cut travel time by 8-10 days and reduce transportation cost by 30 per cent. It will also be more environment friendly."

**Pravir Pandey**, Chairman, IWAI, informed that capital dredging has been carried out to maintain an assured draft in the navigation channel. He informed that at least 10 other national waterways are under development currently.

### GOVT INITIATIVES

- ❖ Navigation aids like GPS and River Information System, terminals at regular intervals, facilities for mechanised handling of cargo handling etc.
- ❖ At least 40 per cent discount and priority in berthing is given to coastal vessels at major ports.
- ❖ Licensing relaxations under Section 406 and 407 of the Merchant Shipping Act 1958 for fertilisers, agricultural products, fisheries, horticultural, and animal husbandry products, empty containers and containers being transhipped from another Indian port, special vessels such as Ro-Ro, Ro-Pax, Project cargo/ODC.

## BHEL-Concor tie up for rail-based logistics terminal at Haridwar

Container Corporation of India (CONCOR) and Bharat Heavy Electricals Limited (BHEL) have entered into an agreement to set up a rail-based logistics terminal in Haridwar, Uttarakhand. This would be BHEL's strategic entry into a new growth area as the terminal would soon be developed into a multi-modal logistics facility. The terminal would cater to the need of Exim and domestic trade of Haridwar. The facility would work as a Private Freight Terminal (PFT) which will facilitate the handling of railway wagon also. Moreover, the Haridwar plant is advantageously located near the upcoming Eastern and Western dedicated freight corridors.



## DHL Global Forwarding's SEZ logistics facility near Chennai

DHL Global Forwarding has opened a new logistics services facility in a Special Economic Zone (SEZ) near Chennai. It will eliminate a leg of transportation between the customer's factory and the destination market, leading to considerable savings for customers on distribution costs. Customised value-added services offered at the site include, packaging, labeling, embossing, sorting, inspection, strapping, kitting and assembly of complete and semi knocked-down kits. Flexible storage options and a single-window customs clearance also ensure a more streamlined and quicker processing of the stored cargo. "This facility is one step towards enabling ease of business for our customers," said **Niki Frank**, CEO, DHL Global Forwarding India.



**Niki Frank**  
CEO, DHL Global Forwarding India



## EXPERT TALK

# Where is the air cargo industry headed?

The Indian air cargo industry is at 3.75 to 3.80 million metric tonnes and wants to achieve a growth of cargo volumes to 10 million metric tonnes by 2027. **Keku Bomi Gazder**, CEO, AAI Cargo Logistics and Allied Services, shares the three challenges of the air cargo industry that need to be addressed.



**Keku Bomi Gazder**  
CEO  
AAI Cargo Logistics and Allied Services

We are currently growing at about 7-7.5 per cent and we need to grow at about 12 to 12.5 per cent over the next five to seven years. Traditionally, airfreight doubles itself every four-and-a-half to five years. I see three challenges in the aviation eco system that need to be addressed.

First is beyond the airport, by this challenge, I mean the first mile and last-mile connectivity to the airport that is required for our business. Things like truck bans, congestion, etc. play a vital role

in our business and we need to seriously address this issue, which is outside the airport, for the growth of the air cargo industry.

Second, the recent shipment of mangoes by sea from Mumbai to UK. On one hand that's innovation and a new mode for perishable cargo movement. But, what has the air cargo industry done to innovate itself in the last 15-20 years. Have we innovated to the extent that the other modes of transportation have? Personally, I don't think

so. Shipping lines have done far greater in terms of speed, product holding, visibility and we can see growth taking place there.

Third, what is the next big product that is invented as an airfreight-centric product. If I am going to construct terminals in various airports of the country, what should those terminals focus on? What type of products should I dedicate those terminals to be constructed upon? ↴

“We are currently growing at about 7-7.5 per cent and we need to grow at about 12 to 12.5 per cent over the next five to seven years”

## Indospace provides easy access to industrial hubs



With a total area of over 41 acres, Indospace announced the launch of parks in Mevalurkuppam and Koodapakkam. The parks are situated near national highway NH-48, which runs from Delhi to Chennai, providing easy access

to nearby industrial hubs. Sugal industrial park, located in the Tiruvallur district in the state of Tamil Nadu Koodapakkam, is spread across 26 acres. It is positioned on State Highway 50, and closer to NH-332 which runs across Tamil Nadu and Puducherry

giving road connectivity within state. Both the parks come under Irungattukottai micro-market which has a large concentration of medium and small-scale enterprises supporting the large-scale auto and auto-ancillary units based in Sriperumbudur-Oragadam. Also, both parks are in proximity to the seaports of Ennore and Chennai, giving them a superior logistical advantage.

“Chennai is one of the most sought-after investment and development destinations in India, and is easily accessible through air, land and sea. This investment is in synergy with Indospace's goal

to build a significant portfolio of modern logistics infrastructure across the country”, said **Rajesh Jaggi**, Managing Partner - Real Estate, Everstone Group.

### QuickFacts

- Indospace has significant presence in Tamil Nadu with existing parks located in Coimbatore, Polivakkam, Oragadam, Pudevoyal and Vallam
- In May 2019, Indospace had launched two new parks in Rajpura, Punjab and Luhari, Haryana

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## INDUSTRY REPORT

# What slows growth in domestic freight sector

ICRA expects its sample of logistics companies to invest ` 9-11 billion annually towards capacity augmentation and investment in technology, to improve service offerings.



CT Bureau

With industrial output and consumption-driven sectors slowing down during H2 FY2019, the freight demand in the country was also subdued during the last quarter of the previous fiscal. According to **Sruthi Thomas**, Senior Analyst, ICRA Ratings, "Our analysis of financial performance of key-listed logistics companies in India indicate that there was a moderation in the growth momentum during the last quarter of FY2019, and the same is likely to continue into Q1 FY2020 as well. From a robust aggregate Y-o-Y revenue growth of 19 per cent in Q3 FY2019, the sample's growth slowed down to 11 per cent during Q4 FY2019. The sequential slowdown in growth can be attributed to weaker freight availability as well as freight rates."

The slowdown in demand has been especially pronounced in certain segments like automobile, e-commerce and air express cargo. Fleet operators with significant dependence on the auto-carrier and infrastructure segments witnessed high pressure. As automotive production

and dispatches slow down drastically, the system witnessed overcapacity and subdued freight rates, which in turn are posing a challenge to fleet operators in the auto-carrier segment.

The impact of the revision in axle load norms from July 2018 and the moderation in diesel prices during the latter half of the fiscal also reflected in the freight rate trend, which has declined sequentially as the year progresses. With the upward revision in axle load norms implemented last year, the load bearing capacity of the existing truck population has increased by 15-20 per cent. This has helped fleet operators realise better scale economies, a large part of which has been passed on to customers in the form of lower freight rates. Coupled with the softening of diesel prices from November, freight rates have moderated sequentially during Q4 FY2019.

"Going forward, although ICRA expects the growth to remain weak during Q1 FY2020, given the sequential softening of freight rates and the subdued economic activity, it is expected to revive subsequently. We maintain a stable outlook for the Indian logistics industry, expecting it to grow at 8-10 per cent over the medium-term. The demand



**Our analysis indicates that there was a moderation in the growth momentum during Q4 FY2019, and the same is likely to continue to Q1 FY2020**

**Sruthi Thomas**  
Senior Analyst  
ICRA Ratings



growth would continue to be buoyed by the industrial activity and consumption-led sectors, while increasing preference for outsourcing logistics activities would provide further impetus to organised players," adds Thomas.

Supplieside factors like improvement in logistics infrastructure and emergence of logistics start-ups would offer further impetus to the growth. Prevalence of trends like rise in integrated logistics, e-commerce logistics, investments in warehousing and penetration of technology in the sector, in tandem with the ongoing shift towards organised logistics players, would also induce a structural shift in the industry in the long term. ↴







# SCALE AWARDS - 2019

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### AUGUST 2019

#### ► International

Logistics Development Forum	Colorado, USA	5-7
Transport Logistics Philippines	Pasay	15-17
TILOG LOGISTIX Bangkok	Thailand	28-30

### SEPTEMBER 2019

#### ► International

Materials Handling Middle East	Dubai, UAE	3-5
Project Cargo Summit 2019	Rotterdam	11-12
Shipping Technics Logistics	Kalkar, Germany	24-25
11th Air Cargo Handling Logistics (ACHL) Conference	Paris	24-26
CeMAT Russia	Moscow	24-26

### OCTOBER 2019

#### ► International

China (Shenzhen) International Logistics and Transportation Fair (CILF)	Shenzhen, China	10-12
3PL & Supply Chain Summit: Europe	Brussels	14-16
25th Annual Cargo Facts Symposium	San Diego	16 -18
CeMAT Asia	Shanghai, China	23-26
Air Cargo Americas	Miami, USA	29-31

### NOVEMBER 2019

#### ► International

TransLogistica Poland	Warsaw, Poland	5-7
Logistics Madrid	Spain	12-13
Logitrans Transport Logistics Exhibition	Turkey	13-15
TIACA Executive Summit	Budapest, Hungary	19-21
Logistics & Mobility	Frankfurt, Germany	26-28

### DECEMBER 2019

#### ► Domestic

Cold Chain Show 2019	Mumbai	4-6
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## NEWS

# Maersk ships Kesari & Badami mangoes to London



Under the controlled atmosphere (CA) container offering, Maersk has opened new possibilities in shipping perishable goods which otherwise required faster, yet more expensive, air freight solutions.

Maersk Line has completed its first successful shipment of mangoes from Nhava Sheva in Mumbai, to Felixstowe, London. Bombay Exports shipped 21 tonnes of Kesari and Badami mangoes within a period of three weeks through Maersk's reefer

maritime shipping has a longer duration in contrast to aerial, RCM aids in sustaining the quality of produce by extending their shelf-life. For this project, the CA container had oxygen and CO2 set at specific levels to achieve the successful extension of shelf-life.

**Steve Felder**, Managing Director, Maersk South Asia, said, "With the difficulties in airfreight in the current scenario, approximately 200 metric tonnes of air exports of fruits



containers that use advance Remote Container Management (RCM) technology. Controlled Atmosphere (CA) is one of the offerings which helps in extending the shelf-life of perishable fruits and vegetables by slowing down their ripening process. With this innovative offering, perishable goods, which otherwise required airfreight solutions, can now be shipped.

Mangoes attract a high demand and a good price in European markets. Maersk stepped in to ensure that there is uninterrupted and seamless trade by supporting this shipment by sea in contrast to the air shipment which is the norm in the industry. Airfreight cost increased by 25-30 per cent in April 2019 owing to the stagnation of cargo flights. Furthermore, since

and other perishables are being impacted every week, leading to a huge loss of produce. Furthermore, a strong demand for mangoes in European markets, provided us with a chance to leverage our superior technology in preserving refrigerated (reefer) cargo. Through this shipment, we were also able to strengthen our relationship with government bodies, including the Agricultural & Processed Food Products Export Development Authority (APEDA)."

Pleased with the successful delivery, **Anand Shejwal & Pritesh Shejwal**, Managing Directors of Bombay Exports, mentioned, "Having received positive feedback from the importer, this trial has encouraged us to pursue further such opportunities in reefer trade."





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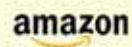


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**FIEO  
Delhi**

The Federation of Indian Export Organisations (FIEO) elected **Sharad Kumar Saraf** as its new President. Chairman and Founder of Technocraft Industries (India), Saraf in his earlier stints in FIEO has served twice as Vice-President and four times as Regional Chairman (WR). Both Alumni and Member of Governing Board of IIT Bombay, he is a member of five different Export Promotion Councils, having experience of multiple business segments.



**GEFCO  
Chennai**

GEFCO India has announced the appointment of **Prasanna Kumar M.V.** as the CEO and MD of India Operations in Chennai. Kumar will drive GEFCO's presence and expansion within the market. With over 28 years of in-depth experience in the logistics and global supply chain sectors, he would be spearheading the overall growth and profitability of the company. Also, he will ensure the success of GEFCO operations by combining his extensive expertise in the logistics industry with proven global practices of GEFCO.

**FM Logistic  
France**

FM Logistic has appointed **Xavier Prévost** to the newly created position of Group Director of Business Solutions and Information Systems. He has also joined FM Logistic's executive committee, reporting to the company's President and Chief Executive, Jean-Christophe Machet. Prévost will supervise the IT and business solutions departments, including teams working on innovation, product research and development, project management and continuous improvement.



**DB Schenker  
Americas**

**Hessel Verhage** has been appointed Chief Executive of DB Schenker's Americas region. Verhage will be responsible for 24 countries in North, Central and South America. He has more than 26 years of freight forwarding and logistics experience and served most recently as CEO of STG Holdings. Prior to this, he served as Global Co-President at UTI Worldwide and before that, amongst other positions, also as Chief Executive for Global Link Logistics.



**Cathay Pacific  
Hong Kong**

Cathay Pacific has appointed **Lavinia Lau** as Director Commercial. She will be responsible for revenue management, sales and distribution for passengers, as well as planning for both the passenger and freighter networks. Lau was General Manager (Planning, Formulating and Executing the fleet), Network and Scheduling Strategy for both Cathay Pacific and Cathay Dragon for the past four years. Ronald Lam, Cathay Pacific's Director Commercial and Cargo will be CEO of Hong Kong Express, with Lau filling the role of Director Commercial.



**Swissport  
Switzerland**

Swissport has appointed **Peter Waller** as Chief Financial Officer and member of Group Executive Management, succeeding Christian Goseke. Waller will assume his duties on September 1, 2019. Waller joins from CEVA Logistics, where he served as CFO, oversaw significant performance improvements and managed the IPO. Previously, he was CFO at Eurofins Scientific and spent over eight years with the Thomas Cook Group in London and in Frankfurt.

**Emirates SkyCargo  
Oman**

Emirates SkyCargo has announced the appointment of **Alyazeya Saeed** as Cargo Manager of Oman. Saeed joined Emirates SkyCargo in 2016 as a fresh graduate, holding a bachelor's degree in International Business Management and a master's degree in Business Administration. She completed the 18-months course and was posted to Taiwan for her outstation training. Alyazeya also briefly worked as Cargo Commercial Operations Manager for Europe.



**Emirates SkyCargo  
Kuwait**

**Fatma Ahli** has been appointed as Cargo Manager for Kuwait in Emirates SkyCargo. She has graduated with a bachelor's degree in Supply Chain Management from Higher Colleges of Technology. Ahli was selected for the Emirates SkyCargo Commercial Management Programme after joining the organisation in November 2016. She was then posted to Singapore to complete her outstation training. Prior to her new role in Kuwait, Ahli was Emirates' Cargo Commercial and Operation Manager for Far East and Australasia.





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**Corporate Address**

Bolloré Logistics India Limited – Corporate Office Gurgaon  
Building No.5, Tower A, 14th Floor, DLF Cyber City, Phase-III, Gurgaon-122002, Haryana – India  
T (+91) 124 660 1500  
Email: [mesa.inquiries@bollore.com](mailto:mesa.inquiries@bollore.com)

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