



EICHER GO PRO

# Upgrade to a truck that is Profitable for Life

Volvo Group's **Global Technology**  Class-Leading **Fuel Efficiency** 

C EICHER

Higher Productivity **Enhanced Driver** Efficiency

Intelligent Systems



Awarded ET NOW 'The Best Tractor Cargo of the year 2019'

EICHER TRUCKS AND BUSES VE Commercial Vehicles Ltd. # 96. Institutional Area. 3" Floor, Sector 32 Gurgaan-122001. Haryana.

### **VE COMMERCIAL VEHICLES**

**Registered Office** CIN: U74900DL2008PLC175032 A VOLVO DRICUP AND EXCHEN NOTCHELJONY VENTURE 3rd Floor Select Citywalk, www.eichertrucksandbuses.com | 🛐 🛄 /Eicher Trucks and Buses | 🔘 @ETBindia A-3 District Centre, Soket, New Delhi - 110017, India: Email - info@vecv.in



## **SUPERFLAT & JOINTLESS SFRC FLOOR**

FM 2 Flooring with Laser Screed



### INDIA'S BIGGEST FLOORING COMPANY SPECIALIST IN INDUSTRIAL & WAREHOUSE FLOORING

Including Lythic Nano Silica Densification & Concrete Polishing



nda

SUPERFLAT FLOOR

















# SUPERFLAT FLOOR SURVEY DELIVERING FASTER-FLATTER-FLOORS FOR FUTURE!



For all your flooring needs contact;-

Mr. Pradeep Lamba: + 91 9717854400, LTFSPL@gmail.com Mr. Ritesh Jain: +91 8470854405, riteshjain@Ltfsolutions.co.in Visit Us: www.Ltfsolutions.co.in



Branch Offices 2: Delhi, Haryana, Rajasthan, Karnataka, Tamil Nadu, Telangana, Gujarat, Maharashtra



Editor San Jeet

Managing Editor Peden Doma Bhutia

Assistant Editor Tripti Mehta

Sr. Reporter Kalpana Lohumi

**General Manager** Harshal Ashar

Sales Co-ordinator Jaspreet Kaur

Manager Yogita Bhurani Gaganpreet Kaur

Design Nityanand Misra

**Advertisement** Designers Vikas Mandotia Nitin Kumar

**Production Manager** Anil Kharbanda

**Circulation Manager** Ashok Rana



CARGOTALK is a publication of DDP Publications

Private Limited, All information in CARGOTALE is

derived from sources, which we consider

reliable and a sincere effort is made to

report accurate information. It is passed on

to our readers without any responsibility

on our part. The publisher regrets that

he cannot accept liability for errors and

omissions contained in this publication. however caused. Similarly, opinions/views

expressed by third parties in abstract and/

or in interviews are not necessarily shared

by CARGOTALE. However, we wish to advice

our readers that one or more recognized

authorities may hold different views than

those reported. Material used in this

publication is intended for information

purpose only. Readers are advised to

seek specific advice before acting on

information contained in this publication

which is provided for general use and

may not be appropriate for the readers' particular circumstances. Contents of

this publication are copyright. No part

of CARGOTALK or any part of the contents

thereof may be reproduced, stored in

retrieval system or transmitted in any form without the permission of the publication

in writing. The same rule applies when

there is a copyright or the article is taken from another publication. An exemption is

hereby granted for the extracts used for

the purpose of fair review, provided two

Mumbai:

504, Marine Chambers, 43, New Marine Lines, Opp. SNDT College, Mumbai - 400 020, India, 1.: +91-22-22070129; 22070130

Middle East:

Durga Das Publications Middle East (FZE); Z1-02, PO Box: 9348. Saif Zone, Sharjah, UAE; Ph.:+971-6-5528954, Fax: +971-6-5528956

> copies of the same publication are sent to us for our records.

Publications reproducing material either in part or in whole, without permission could facqwe legal action. The publisher assumes no responsibility for returning any material solicited or unsolicited nor is he responsible for material lost or damaged.

This publication is not meant to be an endorsement of any specific product or services offered. The publisher reserves the right to refuse, withdraw, amend or otherwise deal with all advertisements without explanation. All advertisements must comply with the Indian and International Advertisements Code. The publisher will not be liable for any damage or loss caused by delayed publication, error or failure of an advertisement to appear.

CARGOTALK is printed, published and edited by SanJeet on behalf of DDP Publications Pvt. Ltd., printed at Super Cassettes Industries Ltd., C-85,86,94, Sector-4, Noida, Distt.: Gautam Budh Nagar, U.P.- 201301 and published at 72, Todarmal Road, New Delhi - 110 001; Tel.: +91 11 23234177. E-mail: cargotalk@ddppl.com, Website: www.cargotalk.in

# Conter MAY 2019









06 **INDUSTRY REPORT** India to lead global economic growth in Q2

- **08 NEWS** News from the industry
- 16 **COVER STORY** India in BRICS: Pushing the right pedals
- 24 PANEL DISCUSSION Can India lead Southeast Asia in air cargo?
- 26 **INDUSTRY TRENDS** Jet crisis derails cargo industry
- 32 INDUSTRY OPINION

Invest in last-mile to ensure business success

42 **CARGO EVENTS** 

> Bahri strengthens bond with Indian maritime sector

### **REDUCE YOUR INVENTORY COSTS Call The Logistics Experts**

#### Lead The GST Revolution

GST gives you the opportunity to induce your inventory costs significantly. Rather than ke ries in multiple regional warehouses, keep consolidated inventories at one central warehouse. Now is a to call Baltxpress, the Logistics Experts. Safexpress has India's largest Logistics network, covering all 26,008 Pincodes of India



SAFEXPRESS Distribution Redefined

# CENTRALISE YOUR DISTRIBUTION NETWORK

**Call the Logistics Experts** 



## Lead The GST Revolution

GST gives you the opportunity to simplify your Distribution Network and set up a centralised warehouse. Deliver directly to retailers or customers across the country from one central warehouse. Now is the time to call Safexpress, the Logistics Experts. Safexpress has India's largest Logistics network, covering **all 26,008 Pincodes** of India.



# India to lead global economic growth in Q2

Despite a fall in both air and ocean trade growth, India's growth pace will continue to be the highest among the world's largest economies, according to the DHL Global Trade Barometer.



Kevin Leung CEO-Asia Pacific DHL Global Forwarding



With its annual GDP growth rate at an impressive 7.5%, India remains insulated from global trade volatility



CT Bureau

he DHL Global Trade Barometer, an early indicator of global trade developments calculated using Artificial Intelligence and Big Data, revealed that India's trade growth outlook - coming in at 59 points on the Index – will be driven primarily by an uptake in both import and export of personal household goods, temperature or climate-controlled goods, and land vehicles and parts, which increased in index points by 19, 16 and 2, respectively. However, India's ocean trade dropped sharply by almost 20 points to 63, while air trade is also expected to stagnate in the coming quarter.

"India has not been immune to the current global economic climate, but business operating in the country can afford to remain positive. Despite increasing headwinds, India has managed to maintain the highest predicted trade growth of all the GTB countries," said Kevin Leung, CEO-Asia Pacific, DHL Global Forwarding. "With its annual GDP growth rate still running at an impressive 7.5 per cent, India remains somewhat insulated from global trade volatility thanks to high domestic private consumption, which accounts for 60 per cent of the country's GDP and is expected to generate up to \$6



trillion in opportunities for growth. It's no surprise that the personal household goods sector is seeing a steady increase on the ocean import side, while a decrease in air exports of consumer fashion goods appears to have been largely offset by high domestic consumption," he added.

The Barometer's results also suggest that global trade growth is set to slow down over the next three months, signaling only a slight growth. However, the top three nations with the highest indexes are all in Asia, namely India, Japan, and China. Indices for all seven countries that constitute the Global Trade Barometer Index – including the US, UK and Germany – are above 50 points except for South Korea. In the Global Trade Barometer methodology, an index value above 50 indicates positive growth, while values below 50 indicate contraction.

## **KeyFindings**

India maintains the highest forecast growth amongst all seven countries on DHL's Global Trade Barometer, even as its air and ocean trade volumes decline.

Personal household goods, temperature or climatecontrolled goods, and land vehicles and parts are expected to contribute most to India's modest growth.



## **INTEGRATED LOGISTICS!**

200+ Ports Coverage

East Asia

Liner Services Including India,

400+ Container Trailers

Including Owned fleet of 100 Trailers deployed across

ISC, Middle East, Europe, USA, East Africa, Far East and South

#### 70,000+ TEUS

Volumes handled per year Including Dry, Reefer, Tanks, Open Tops & Flat Racks

10 Million+ Kgs Air freight volumes handled per year

225,000 cbm+ Volumes for Buyers Consolidation / Supply Chain Management handled per year

300,000+ 5g ft Own State of the Art Cold Chain facility in India

# transworld

INTEGRATED LOGISTEK PVT. LTD

300,000+ sq # Including Own Warehousing

India/Middle East

Space in Middle East and India Sea Freight / Air Freight / Land Freight

- SEZ Consultancy & Operations
- Supply Chain Management (3PL / 4 PL) = Customs Clearance
- Multimodal Transportation
- Project Cargo Logistics
  - Refrigerated Logistics

  - Warehousing & Distribution

GLOBAL HEADQUARTERS

INDIA HEADQUARTERS Geetmala Complex, Off Deonar Village, Near Shah Industrial Estate, Govandi East, Mumbai - 400088 T: +912266110300 | F: +912266110419 | E: twlogistics@transworld.com

#### ( @transworld.Group

- @transworldTweet
- @transworld Group of Companies

P.O. Box 261036, Plat No. 5 20119, Jebel Ali Free Zone (South), Dubai, United Arab Emirates T: +97148035400 | F: +97148860086 | E: tgc@transworld.com

- @@transworld\_group
- transworld.com

SOCIAL

## MIAL becomes first Indian airport with CEIV Pharma certification

Mumbai International Airport (MIAL) has become the first Indian airport and third in Asia to receive International Air Transport Association's (IATA) Center of Excellence for Independent Validators (CEIV) Pharma certification. MIAL has achieved this quality milestone for pharma logistics following successful completion of training courses, on-site assessment, and complex validation processes. MIAL has initiated the certification process with a community approach, together with its air cargo supply chain partners. The certification has been introduced to prevent temperature excursions of pharma products during air transport, with the key objective of patient safety and reduction of losses attributed to logistical issues. It aims to improve the handling of pharmaceutical cargo

by complying with existing national and international regulations. The authorisation ensures seamless handling, adequately equipped facilities, safety and security and standardisation and transparency in the pharma supply chain across air transport.

# MP could double its share in India's exports in the next 5 years

Recognising the export potential of Madhya Pradesh and its ability to Aattract export-centric FDI in pharma, auto components, machinery, textiles, processed agriculture products, etc., FIEO has submitted to **Kamal Nath**, Chief Minister, Madhya Pradesh, its proposal to assist the government in working towards an increase in the state's share in the



country's exports from the current 1.6 per cent to over three per cent in the next five years.

**Ganesh Kumar Gupta**, President, FIEO, has emphasised on the need for identification of more products under GI, and marketing of such products through exclusive shops in the departure area of international airports, beginning with Mumbai and Delhi. FIEO has also requested for inland freight subsidy for all products, as the cost of carrying cargo from MP to JNPT, in many

cases, works out to be more than that of overseas freight. In response, the minister has assured that he will proactively look into the issue. Looking into the possibilities of augmenting export of soybean and soymeal, non-basmati rice, pharmaceuticals and textiles to China and Iran, FIEO has also urged the minister to lead a business delegation to the two countries, owing to the huge demand for such products.



# Maersk Trade Finance plans outlay of \$200 million for Indian SMEs

Maersk Trade Finance has announced its global loan disbursement projection of \$500 million for the year 2019, with a \$200 million target for India. The company has disbursed a total of \$0.7 billion globally since its inception in 2015, with over \$150 million in India in the year 2018, a 53 per cent y-o-y increase as compared to 2017. **Vipul Sardana**, Global Head, Maersk Trade Finance, has said that India's small and medium-sized enterprises (SMEs) continue to play a significant role in its economic development. "As the sector is gearing up for its digital transformation, the rapid technological advances are putting trade finance in the spotlight and playing a significant role in changing the way global supply chains are managed and monitored," he stated.



## DHL Express launches Yellow Yatra for MSMEs to succeed globally through e-commerce

DHL Express has launched the 'Yellow Yatra' programme, a multi-city series of events focused on equipping entrepreneurs from micro, small and medium enterprises (MSMEs) in different Indian cities with the know-how to succeed in international e-commerce. Commenting on the launch, **RS Subramanian**, Country Manager, DHL Express India, said, "MSMEs are crucial to the Indian economy because they contribute over eight per cent to India's GDP and constitute more than 70 per cent of our business here in India. The launch of 'Yellow Yatra' is part of our ongoing commitment to promote the growth of Indian SMEs through participation in cross-border e-commerce. Our extensive local, regional, and global network is a key enabler for SMEs that want to venture out of their cities."

At the event, entrepreneurs had the opportunity to hear from industry experts, share best practices with e-commerce players, and most importantly, build important business networks. "SMEs today are riddled with challenges such as seeking out the best way to engage prospective customers, manage e-commerce sites, and navigate customs and regulations. Surat is the perfect location to kick-start the programme as it's poised to be one of the world's fastest growing cities by 2035," shared **Sandeep Juneja**, Vice President, Sales & Marketing, DHL Express.



DOMESTIC NEWS

## Freightos WebCargo acquires Air Freight Bazaar India

E-booking platform Freightos WebCargo has acquired India's Air Freight Bazaar, a regional air cargo rates and sales platform based in Chennai. This acquisition combines WebCargo's advanced air cargo rates, sales, and e-booking platform, used by over 1400 leading forwarders, with Air Freight Bazaar's market share of 300 leading regional air forwarders, informed a Freightos WebCargo spokesperson.

Air Freight Bazaar customers will now receive access to WebCargo's existing platform, including access to on-demand air rates, dynamic pricing, and e-booking with airlines like Lufthansa Cargo. **Vinay Sethia**, Co-founder, Air Freight Bazaar, says that with WebCargo, the Chennai-based platform can offer its customers improved technology, direct access to over 300 airlines, and e-booking. **Zvi Schreiber**, Chief Executive Officer, Freightos, says, "Air Freight Bazaar has been a regional leader in freight digitalisation, making it a natural fit. Our initial focus in India will be on further automation for local air freight forwarders and collaborating on dynamic pricing and e-booking with regional airlines."



## adani Logistics to acquire Innovative B2B Logistics for ₹331 crore

A dani Logistics has announced that it would acquire Innovative B2B Logistics Solutions from private equity firm True North for an enterprise value of ₹331 crore. The transaction will be an all-cash deal and is expected to be completed by the first quarter of the 2019-20 fiscal. Adani will acquire 97.03 per cent of shares from True North and its affiliates, and the remaining will be held by other shareholders. Innovative B2B Logistics Solutions provides integrated logistics services for domestic cargo movement and is considered to be a prominent operator with circuits connecting eastern and northern hinterlands. The acquisition enables Adani to expand its total addressable market, enhance network coverage, and create a value chain to handle the dry cargo segment.

# **Technology to offset rising transportation cost**

Frequent surge in transportation cost owing to its dependence on dynamic market elements such as fuel prices, toll charges, and vehicle ownership costs, has been a pain point for the cargo industry since long. However, a recent report by ICRA states that new technologies that are up for adoption by industry players can offset the unfavourable impact significantly.



Shamsher Dewan Vice President & Sector Head Corporate Ratings, ICRA



Profitability margins of fleet operators are sensitive to fluctuations in diesel prices, toll charges, and other overheads



CT Bureau

**D** y optimising routes for efficient B delivery sequence, maximising asset utilisation and improving fuel efficiency, emerging technologies in the transportation sector, such as Big Data and telematics, hold the ability to offset costs, states a recent report by investment information and credit-rating agency ICRA. According to Shamsher Dewan, Vice President & Sector Head - Corporate Ratings, ICRA, the profit margins of fleet operators are highly volatile as compared to agents and thirdparty logistics companies. "The profitability margins of fleet operators are especially sensitive to fluctuations in diesel prices and frequent increase in vehicle ownership cost, toll charges, and other overheads. The sharp increase in diesel prices in Q2 and Q3 FY2019 had a significant impact on profitability indicators of fleet operators as freight rates didn't move in a similar fashion owing to overall surplus capacity in the trucking system. In such an environment, gradual adoption of new technologies can help fleet operators improve their cost structure and bring down some of the fixed costs."

With increasing acceptance of telematics and more importantly, emergence of technology-based

start-ups in the logistics sector, route and network planning using technology is the buzzword in fleet operations in today's world. With introduction of telematics in vehicles and software support at the back-end, new-age fleet operators can leverage technology to get live data on a truck's fuel efficiency, are assisting small fleet operators to improve their cost structure by helping them source consumables such as tyres, fuel, lubricants, and sensors at competitive prices, by accumulating orders from several fleet bookings and negotiating prices with respective vendors. As a result, they have become



speed of the truck, number of halts on the trip, reefer conditions (for cold chain transport), and number of instances when the truck door was opened. These data-points can be analysed and used for better route optimisation, network planning, improvement in fuel efficiency, and even maximising fleet utilisation. In the logistics space, another important change is gradually gaining acceptance. Several start-ups and aggregators instrumental in reducing the cost of operation.

That said, several challenges such as poor infrastructure, lack of skilled manpower or acceptance of technology by drivers are hindrances. The government is taking several initiatives such as setting up a single-window logistics e-marketplace and a logistics data and analytics centre for penetration of technology in the sector.



(L-R): Puneet Dhamija, Director- Operations, Hilti India and Sumit Saxena, VP-Strategy, FarEye

## Hilti & FarEye set to provide Amazonlike experience to customers

Hilti has tied up with FarEye to gain real-time visibility of goods movement, predictability with actionable insights, and build a digital integrated ecosystem with third-party vendors. Working with various 3PL partners across the country, a major pain area for Hilti was to manage these partners, map them against each other, track individual shipments, and keep the customers informed on the status along with actionable insights.

Additionally, manual processes and lack of proper communication between transporters and logistics managers resulted in manpower wastage and high wait time at warehouses for loading and unloading of products. "It ensures that our supply chain is now more reliable and optimised, and supports our business in making time-sensitive data-backed decisions," said **Puneet Dhamija**, Director- Operations, Hilti India.

## Vamaship and PikMyBox streamline logistics for exporters



Bhavik Chinai, Co-founder and CEO, Vamaship

Vamaship and PikMyBox have entered into a strategic tie-up to promote e-commerce exports through India Post, which will stimulate the growth of Indian e-commerce exporters by providing them with both export documentation as well as logistics solutions. PikMyBox will bring its knowhow and technology in export documentation, and also provide customised applications to online retailers for data management and document processing. Vamaship will manage door-to-door logistics operations and clearance procedures to provide a complete integrated shipping solution to exporters that prefer to ship through India Post. According to **Bhavik Chinai**, Co-founder and CEO, Vamaship, "This collaboration is the start of several joint initiatives between PikMyBox and Vamaship."

"This is a clear demonstration of confidence by a big logistics player in the Indian e-commerce market and confirms Vamaship's leadership in the logistics industry, offering integrated and innovative solutions to its clients," added **Sadhika Kumar**, Co-founder & COO, PikMyBox. PikMyBox provides easy to use applications which allows exporters to complete all their export documentation in one place, fully compliant with India Customs, RBI and postal requirements of exports through India Post.

# A sea of opportunity for PHD at Maritime Conclave

PHD Chamber of Commerce and Industry (PHDCCI) is organising its National Maritime Conclave 2019 on May 9 at PHD House, New Delhi. The conclave will focus upon fostering interaction between stakeholders through organizing interactive sessions on investment opportunities in maritime sector with focus on ship building, ship repair, ship recycling, dredger/barge manufacturing, setting up of new ports and capacity augmentation of existing ports, development of inland waterways for cargo and passenger transportation, coastal shipping, passenger ferry services, lighthouse and cruise tourism, island development and other services related to Indian maritime sector.

An exhibition is also planned along with the

conclave to create a platform for manufacturers and suppliers to showcase their state-of-the-art products to key buyers from all over the country to improve and upgrade maritime industry.

## WFS & Swiss WorldCargo launch first GDP-compliant facility at JFK Airport



Ground-handling giant Worldwide Flight Services (WFS) and Swiss WorldCargo have opened the first Good Distribution Practice (GDP) certified pharmaceutical facility at John F Kennedy International Airport (JFK). The GDP certification assures that the facility conforms to quality standards set by the World Health Organisation (WHO), the International Air Transport Association (IATA), and the Parenteral Drug Association (PDA) for handling pharmaceutical and life-science products. Earning the certification came "in response to growing customer demand for high-quality, standardised pharma handling," said **Michael Simpson**, Executive Vice President, WFS' Americas division. "We will continue to expand our network of certified facilities, adding to our current list of JFK and Miami in the Americas, as well as multiple locations in Europe," he added. The GDP certification includes establishment of a pharmaceutical handling quality manual and a quality management system, along with dedicated cooler facilities, and the training in special products handling for a team of personnel.

### Trivia

WFS has also invested in a new cooler for the 1000 sqft pharma facility.

It has signed a 15-year lease on a new 346,000 sqft cargo terminal at JFK, which will have a throughput capacity of over 300,000 tonnes a year, when it opens in 2020/21.

The temperature-controlled facility will offer improved cargo flows and reduced transfer times, shorter truck waiting times, and incorporate the latest security and screening systems and procedures.



# DHL Express invests in new e-commerce facility at Minneapolis-St Paul Airport

In response to increased e-commerce demand, DHL Express has invested \$1.6 million in its operations in Minneapolis-St. Paul International Airport (MSP) to relocate to a larger facility. Located on the airport ramp, the facility will enable the company to offer its customers earlier deliveries and later pickup cut-off times. It will offer more than 33,000 sqft of space for facility operations, including 70 vehicles at a time, and will employ 100 personnel.

**Nemer Abohasen**, Vice President & General Manager, DHL Express' Midwest US region, said, "The changes will appeal to importers and exporters, with greater convenience for their international shipping needs." DHL Express operates nearby hubs in the Midwest region, with international hubs in Chicago (ORD) and Cincinnati (CVG), so its investment in Minneapolis indicates that the integrator sees the region as an area of continued growth.

# Imperial Logistics' digital warehouse platform adds new features

ShareHouse, the innovative digital warehouse platform launched by Imperial Logistics at the beginning of 2018, has added two new functions to its portal to make the process of finding or letting storage space easier for users. Visitors to the ShareHouse site can now request offers directly from suitable warehouse providers and message them with any additional questions. Warehouse providers can then respond to these questions and create a tailored offer through the platform. "Our users told us that communication before committing to a storage space is really important for both parties, as warehousing is a complex matter,"

Lagerflächer

mieten und

nbieten

said **Jörg Klöpper**, Managing Director, ShareHouse. "The activity on our platform has increased dramatically since we launched this feature, proving its value to our users."

The Berlin-based start-up has also launched an 'Experts Service', so if a user cannot find a suitable warehouse on the platform database, he can communicate his requirements to the expert team at ShareHouse via chat, e-mail, or phone. ShareHouse can also be used to provide or find temporary or long-term storage, be it rack or floor space in multiuser premises or entire buildings. The ShareHouse searchable database currently lists more than 1,000,000 sqm of space in over 200 locations throughout

Germany, with plans to expand internationally in the near future. Listing available space on ShareHouse is free of charge; owners only pay a commission when a letting contract is signed. Premier Media Partner





Warehousing | Logistics | Supply Chain | Material Handling

20-21-22 JUNE, 2019 Pragati Maidan, New Delhi, India

# The only logistics event you ever need to visit!

Have you registered yet to visit India Warehousing Show 2019?

### **REGISTER NOW**

www.IndiaWarehousingShow.com

Contact: Janish Jafri | +91 9999686007 | janish.jafri@reedmanch.com

**Co-located Shows** 









**Gold Partner** 

**Global Partner** 



NAREHOUSE

Automation Partner





**Delegate Kit Partner** 



**3PL Partner** 



## **Show Highlights**



International pavilions

80+ **First time exhibitors** 

70+ **Product launches** 

Business matchmaking

.

**m**-1

2 and

summit

India warehousing

**Open floor** workshops

Dedicated supply chain show

Organised By













### **CEVA commences trucking service** between China and Europe

CEVA Logistics has further extended its highway to the west road service between China and Europe, following on from its first-ever TIR truck to Poland last year. The 70 cubic metres load of 7000 kgs of garments, destined for a leading worldwide retailer in Spain, successfully completed the door-to-door delivery in just 16 days. Departing from South China, the truck travelled via Kazakhstan, Russia, Belarus, Poland, Germany and France. There was no inspection required during transit, following Customs sealing at Khorgos on the China-Kazakstan border. The cargo was then unsealed in Spain. The total distance covered was more than 13,600 km.

The newly developed trucking service has a broad prospect in the marketplace. "It's a very cost-sensitive alternative to air and rail transport," said **Kelvin Tang**, Director (Road & Rail) - North Asia, CEVA Logistics. "Compared to air transport, the cost is more than 40 per cent lower; it is at least 10 days faster than rail transport," he added.

MD-11 Freighter

### Cathay Pacific & Lufthansa Cargo expand partnership

Cathay Pacific and Lufthansa Cargo has proliferated its partnership with a joint business agreement (JBA) to connect 14 European hubs to Hong Kong International Airport (HKG). Previously, the pair's JBA covered only westbound flights from Hong Kong to Europe.

The agreement will enable joint marketing of capacity on both airlines' freighter aircraft, and belly space on HKG-bound flights from Frankfurt (FRA), Amsterdam (AMS), Barcelona (BCN), Brussels (BRU), Dublin (DUB), London Gatwick (LGW), London Heathrow (LHR), Madrid (MAD), Manchester (MHT), Milan (MXP), Munich (MUC), Paris (CDG), Rome (FCO) and Zurich (ZRH).

The trans-Eurasian trade lane evokes thoughts of high quantities of westward bound e-commerce volumes to European consumers, à la Alibaba, which is investing millions into a hub at HKG, and is set to commence operations in 2023.

However, there is also plenty of demand for capacity on eastbound cargo flights — for European-made products like personal care products, baby formula and pharmaceuticals, prompting stakeholders in the supply chain to engineer pharma corridors from European to the East Asian airfreight hubs.

CARG

## Air France-KLM inks deal with SkyCell

With an aim to improve pharmaceuticals logistics and reduce temperature excursions, Air France-KLM-Martinair Cargo (AF-KLM) has branched out with the Zurich-based cold-chain container firm SkyCell. The carrier is a prominent mover of temperature-sensitive cargo. In 2018, it saw significant growth in its container business segment (which encompasses shipments that utilise both active and passive containers), reporting 17 per cent growth in volume, year-over-year. Data transparency is one of the areas that the partnership will focus for AF-KLM's customers. SkyCell's containers are equipped with internet of things (IoT) sensors that connect to its cloud-based, block chain-encrypted software, enabling customers to check on the status of their shipments at any time.



# **Charting a roadmap for growth**

The Annual General Meeting (AGM) of Rahat Continental kick-started with a discussion on the relevance of building a culture — one that would suit and accommodate the growth of the company. This was followed by a management presentation by Rahat Sachdeva, Vice President and Gautam Malhotra, Chief Executive Officer, Rahat Continental, that encompassed the organisation's achievements in 2018-19 and highlighted the action points relevant for producing yet another eventful year. A presentation by the UK team discussed at length about the possible impact of Brexit on logistics business. The second half of the day was all about number crunching as budgets were set forth for the year 2019-20. Towards the evening, a prominent trade speaker interacted with Team Rahat on the importance of customer service in logistics, not to forget the fun and frolic that accompanied the event.



# India in BRICS Pushing the right pedals

India has grown to be one of the stronger players amongst BRICS economies, with exports being steered by a robust manufacturing base and imports being driven by an expanding consumer base. Still, bilateral trade with other BRICS economies, barring China, continues to be weak. Industry experts explain why the situation exists and the advantages that a greater investment in building these relationships will bring.



ndia has climbed 23 points to the 77<sup>th</sup> rank, becoming the top-ranked country in South Asia for the first time and third among BRICS economies in World Bank's Ease of Doing Business Index for the year 2018. India is also leading container trade growth within these economies, according to a 2018 analysis by Maersk Line. CARGOTALK digs deeper to uncover the driving force behind India's position of power among BRICS economies, and how this association of emerging national economies can further strengthen its position in the world.

Sharing his point of view, Satish Lakkaraju, Chief Commercial Of-

ficer, Agility Logistics, says, "Among the BRICS nations, India has been growing steadily because of a large consumer growth. It is also the fastest growing BRICS economy, driven primarily by the confidence the industry has in the country."

"As per Maersk, India registered a 14 per cent y-o-y growth in its export-import trade with member countries of BRICS during the first quarter of the 2018 calendar year. One reason for India to stand out this way are the dynamically improving economic reforms. The current size of the Indian logistics sector of around \$160 billion is predicted to touch \$250 billion in the next couple of years," explains Ashish Asaf, MD & CEO, SA Consultant & Forwarders. "One of the biggest turning points India has seen in the upward transition of its logistics sector is the implementation of the Goods and Services Tax (GST). GST has replaced seven indirect tax heads, negating the requirement of warehouse hubs across states and enabling turnaround time of goods carriers by reducing waiting time at check-posts. This has subsequently increased productivity and lowered logistics costs in the supply chain. The stereotypical notion of Indian logistics players being mere contractors or transporters is fast changing, with manufacturers and exporters seeking

### QuickFact

As per the 10<sup>th</sup> Agility **Emerging Markets Logistics** Index, China and India (ranked first and second, respectively) continue growing at more than six per cent a year. Russia, ranked 14<sup>th</sup>, is slowed by economic sanctions and low energy prices; Brazil, ranked 15<sup>th</sup>, has lost market investment amid its worst downturn; and South Africa, ranked 24th, has seen prospects suffer amid years of ruling party infighting and labour unrest.



optimisation through outsourcing value-additions by logistics players. Also, there is an advancement in digitisation and use of technology by logistics players post the GST," he continues.

Sharing some key facts, **Bharat** J Thakkar. Past President and Permanent Member - Board of Adviser, ACAAI and Co-founder & Joint Managing Director, Zeus Air Services, says, "Amongst 190 countries, India stood at 142nd rank in 2014 and 130<sup>th</sup> in 2015-16. Amongst SAARC nations, the ranking improved to 100 in 2017 and 77<sup>th</sup> in 2018. With regards to BRICS nations, we were ranked 142 in 2014 and are now 77th, while China went from the 19th to 46th position and South Africa went from 43rd to 82rd. The initiatives taken by the government have helped the industry achieve such a growth."

Asaf adds that with the government creating a new division in the commerce ministry for ensuring development and best practices in the logistics industry is another big leap. "One of the major aims is to bring down the country's logistics cost from a whopping 14 per cent to less than 10 per cent, on a par with that of advanced nations. India's liberalised cabotage policy, announced in May 2018, ought to create new transhipment opportunities for Indian ports by driving competition among ocean carriers. Infrastructural development by the Indian government (like the Bharatmala project), strengthening the countrywide road connectivity, the Sagarmala initiative, the dedicated freight corridor project to reduce transit time, are all initiatives worth apprising," he says.

N Ramakrishna, Vice President (Sales & Marketing), Kribhco Infrastructure, explains that with the growth of internet and global capital flows, India's ties with BRICS have blossomed. "Even though the 'Make in India' campaign seeks to change the dynamics, presently, almost every smartphone bought in India is manufactured in China. Chinese exports of products, ranging from steel to firecrackers, at ultra-cheap rates are a cause of major concern for Indian policymakers and corporates," he says. Ramakrishna goes on to add that with Indian multinationals such as Infosys, Wipro, Mahindra, Birla Corp, Reliance Industries, etc., setting up base in Brazil, we are now gaining confidence that we can do business in Latin America.

According to **Aditya Vazirani**, Director, Robinsons Global Logistics

Solutions, "Today, India is a booming manufacturing economy. Government initiatives like Make in India and Digital India are playing a crucial role in the growth of the sector. Accordingly, there has been a shift in exports, which has moved from garments to more complicated goods like pharmaceuticals and processed items. Countries like Bangladesh, Pakistan, and Vietnam are now being regarded as low-cost manufacturing centres for garments, while India, with its supportive policies, has gained an edge over other BRICS economies in ease of doing business. Furthermore, positive developmental initiatives like conferring infrastructure status to logistics as an industry and other technology-enabled enhancements, including modernisation of ports, development of smarter supply chains, automation in logistics and warehousing, have all contributed to the rise of India as a recognised leader in container trade among BRICS nations. Against the backdrop of a trade war between China and the United States, dual sourcing opportunities have also arisen, which we have been able to leverage to our advantage." Vazirani feels that Brazil's exports, with its economy under pressure, are being hugely impacted, and with customs being overprotective, imports are being impacted as well.

**Capt Bharat Sabharwal**, Vice President – Ocean Freight, Skyways, believes that the growth for BRICS, led by India and followed by China, is due to its growing exports to the world at 13 per cent and five per cent y-o-y, respectively. He says that reforms such as the bank-



Satish Lakkaraju Chief Commercial Officer Agility Logistics

Instead of fighting on price for each new business, if we promote it, industries can complement one another, BRICS will grow as a group

18

ruptcy code, the GST, and a keen focus on infrastructure are some of the crucial initiatives that have led to the foundation of an upward trajectory. "India has also managed to strike a balance between low inflation and high growth, and a depreciating rupee has helped India in ensuring competitiveness of its exports, which are expected to record a growth of about 15-20 per cent and touch \$350 billion in the current fiscal year 2018-19. A northward movement in petroleum and commodity prices and depreciation of the rupee are supporting a surge in exports," he adds.

### BUSINESS OPPORTUNITIES AHEAD

Stressing on freight opportunities in India and the BRICS, and the scope for increase in trade between the two, Lakkaraju says, "India will continue to remain a strong partner because of two reasons: first, India is starting to emerge as a strong manufacturing or exporting base for global trade due to initiatives like 'Make in India', and second, because of a population of 1.3 billion, India continues to be a large consumer base for imported products. To increase the bilateral trade between the BRICS, these countries need to develop a complementary base for each other and not a competitive one. When we realise that instead of fighting on price for

each new business, if we promote it in such a way that industries can complement one another, BRICS will grow as a group." Collectively, he adds, BRICS accounts for almost 50 per cent of the world population but a fraction of the world trade because its member nations are fighting among themselves for the same business rather than growing together.

Speaking of commonalities between all the BRICS nations, Asaf shares that many economic and demographic parameters such as large area and population, increasing economic clout, consumer preferences, comparable per-capita income, etc., make it to the list. BRICS is the new global growth engine compared to the otherwise high-demand EU, US, and Japan markets that witness several ups and downs, he says.

"All BRICS nations are alternate export markets and key sourcing hubs. Facts and figures reveal that India's merchandise trade is increasing multifold with BRICS counterparts than the traditional trading partners EU and US. India and China dominate the trade between BRICS countries. India's import basket with China is bigger than its exports, but quite the opposite with Brazil, Russia, and South Africa," comments Asaf. He

goes on to add that while the supply chain integration between India and China seems strong, there needs to be further strengthening of its integration with Brazil, Russia, and South Africa. "India and Brazil have mutual interests in pharma, aviation and aircraft parts, engineering products, ethanol, chemical products, fertilizers, submarines, and automobile parts. India and Russia have focus on oil and gas, pharmaceuticals, engineering goods, defense technology, IT, telecommunications, and hydrocarbons. Bilateral trade between India and China is being further exploited in the fields of textile and apparel, leather, chemicals, dyes, marine, tea, coffee, pharmaceuticals, automotive, plastics, organic chemicals, cotton, steel, and cement. India and South Africa have potential in further developing healthcare and educational products, telecommunication parts, pharmaceuticals, and merchandise goods," informs Asaf.

Vazirani adds, "China currently is India's largest non-oil trading partner and that will continue to grow with the vast amount of natural resources available. Traded goods and cheap volume manufacturing in China have flooded the market. Apart from China, imports have also registered a significant surge from the US and Japan in the recent past. Indian exports typically were concentrated in the Middle East, Europe and America, but are now expanding to new regions like Africa, South America, and East Europe. It is now anticipated that exports to these regions will see the maximum growth. With air freight, the consumption in India is growing and hence, trade is also estimated to grow. The emergence of e-commerce has also played a crucial role, having successfully blurred the boundaries of making time to market, etc. Subsequently,



Ashish Asaf MD & CEO SA Consultant & Forwarders DDP Face of the Future (India Cargo Awards 2018)

There needs to be further strengthening of India's supply chain integration with Brazil, Russia, and South Africa



### Trivia

The year 2018-19 was good for Indian exports, however, only China (among all BRICS economies) appeared in the list of major destinations for Indian exports.

India has emerged as a pharma hub and China as a manufacturing hub, while Brazil remains an agricultural hub, and Russia and South Africa remain India's gateways to Europe and Africa, respectively.



## Challenges

- Free trade is still not as free, primarily due to duties and protectionist measures taken by economies globally, which further hinder the development of specialty industries and economies.
- Although India and China officially consider no security threat, issues keep creeping into the Sino-Indian relationship due to lack of trust and contradictory economic ties.
- The most important factor hampering India-BRICS trade is poor infrastructure and trade facilitation regimes that add to the cost of transactions.
- The longer hold-times for air cargo and a largely unorganised supply chain and logistics sector are some of the key challenges that are plaguing India's international cargo movement.

South Africa is considered as a gateway to Africa, with Indian companies such as Marico, Tata, and Mahindra having a large presence there. Now, the question remains, will the trade be equal between these countries and India? That would purely depend on the market dynamics and the customer. How-



Bharat J Thakkar Co-founder & Joint Managing Director Zeus Air Services



The initiatives taken by the government have helped the industry achieve growth





N Ramakrishna Vice President (Sales & Marketing) Kribhco Infrastructure

Matching India's capability would be good for both India and other BRICS countries



ever, lenient policies, regulatory measures, and an increase in export volumes have persuaded foreign cargo operators to turn their attention to India. These factors have paved the way for international cargo operators to enhance their capacity."

Sabharwal highlights, "Leaving aside the robust trend in bilateral trade between India and other BRICS nations, there has been a rising trade deficit in India with BRICS countries. To further enhance India's trade with BRICS countries. it would be prudent for Government of India to devise important strategies to focus on India's export potential to these countries. Such a strategy would also contribute to overall efforts to enhance India's trade with BRICS. While India's global capability could be matched with the import demand of BRICS countries leading to enhanced exports from India, it is also important to promote bilateral trade relations through a strategy of increasing domestic production in India to cater to the large demand existing in other BRICS countries."

Explaining what can be done to further strengthen bilateral ties resulting in a mutually rewarding long-term partnership, Ramakrishna says, "With India's expertise in several manufactured products and technology which is affordable and adaptable, other BRICS countries also stand to gain through increased imports of such items from India. Moreover, matching India's capability in high value-added production and manufacturing with an increasing import demand for such products and technology could prove to be a win-win situation for both India and other BRICS countries."

### ROADBLOCKS

Speaking of challenges faced when

moving cargo between India and other BRICS nations, Lakkaraju says, "Transit time for movement to LATAM (Latin America) is a geographical challenge which cannot be overcome, however, infrastructure development can help in overcoming further delays in reaching the LATAM markets. Free trade is still not as free, primarily due to duties and protectionist measures taken by economies globally, which further hinder the development of specialty industries and economies. The FTA between India and South Africa has been under discussion for ages but is yet to see the light of day. Customs in India has made significant advances in adopting simplicity and technology while other countries like Brazil continue to work the old way."

Ramakrishna feels that the most important factor hampering India-BRICS trade is poor infrastructure and trade facilitation regimes that add to the cost of transactions. "Cumbersome documentation and customs clearance (India and Russia), poor inland transportation and terminal handling (Brazil, Russia, and South Africa) reduce net realisation from trade and often drive out a business operating on thinner margins," he explains. "India can explore more export sectors by improving ties with member countries,



which would rejuvenate schemes such as 'Make in India' and startup India. BRICS would help India to ascertain its stronghold over Indian Ocean both in trade and diplomacy," he continues.

Adding to that, Vazirani says, "The longer hold times for air cargo and a largely unorganised supply chain and logistics sector are some of the key challenges that are plaguing India's international cargo movement. Additionally, rising fuel costs and the lack of uniform digitised processes including e-way bills, customs clearance processes, and well-trained manpower are contributing to the challenges."

According to Sabharwal, a major challenge for India with BRICS is the rising trade deficit. "Barring China, none of the other BRICS economies top the list of 20 countries that lead in exports from India, however, in the case of imports, China stands at the number one position and contributes almost 31 per cent of total imports into India. Russia has been the preferred choice for importing paper material, while Brazil contributes to food products imported into India. Another reason for imports from BRICS is the low cost of labour and input raw material, which makes landing in India still competitive for domestic consumption within the country."

Asaf lists some key challenges with the countries:

• **Brazil**: It has a protectionist government with internal political laws protecting its own industries, thereby restricting expansion. It has stringent customs regulations, an informal economy, and macroeconomic barriers causing hurdles to smooth trade movement.

• **Russia:** While the defense and technical cooperation between the two countries is growing swiftly, trade and economic ties are yet to be nurtured, some of the major factors being rupee debt payment as well as cheaper and better-quality goods imported in India from China and Europe as compared to Russia.

• China: Although India and China officially consider no security threat, issues keep creeping into the Sino-Indian relationship due to lack of trust and contradictory economic ties. Both countries need to work closely, avoiding any point of conflict, as together they account for 40 per cent of the world's population and 19 per cent of the global economy in terms of purchasing power parity. India's reluctance to a Regional Trade Agreement (RTA)





Aditya Vazirani Director Robinsons Global Logistics Solutions

South Africa is considered as a gateway to Africa, with Indian companies having a large presence there

with China and to grant a Market Economy Status (MES) to China are a few areas of concern, yet, trade between both countries is the most profitable among other BRICS nations.

• South Africa: There exist multiple competing interests at present. USA is already predominant in exports and trading, and lack of emphasis on bilateral relationships with South Africa has further weakened trade.

In contrast, Thakkar says that there exist no such challenges. "Forwarders have grown and improved with changing times. Earlier, goods were flown to Europe and moved by surface under guarded trucks to Moscow to overcome extreme winter conditions, making transportation by ocean difficult."



Capt Bharat Sabharwal Vice President – Ocean Freight, Skyways and India Cargo Awards winner 2016



It is important to promote bilateral trade relations through a strategy of increasing domestic production in India



### Trivia

India's bilateral trade relations with China have resulted in greater access for Indian exports in pharmaceuticals, food grains, cotton, and petrochemicals. In terms of the Western markets, the repercussions of Brexit have resulted in the US becoming the third largest car importer from India in the fiscal year 2018.



Air Cargo Forum India (ACFI) recently brought together the air cargo fraternity and the Ministry of Civil Aviation at The Leela Palace, New Delhi, to discuss the challenges and opportunities in making India the future air cargo leader in the Southeast Asia region.











I cether we tan





In the function of the functio















# Can India lead South Asia in air cargo?

At the recently-held ACFI conference in New Delhi, panellists deliberated on the potential India held to be a kingpin in Southeast Asia for air cargo. The odds, it concluded, stood to its advantage.



A ir Cargo Forum India (ACFI) recently held a conference on 'India – Future Air Cargo Leader in South East Asia' in New Delhi. The conference brought together ministry officials and expert speakers from India and abroad, to debate on the national air cargo policy outlined and circulated by the government. The chief guest for the conference was **Pradeep Singh Kharola**, IAS, Secretary, Ministry of Civil Aviation, Government of India.

Commencing the session, **Yashpal** Sharma, Managing Director, Skyways Air Services, said, "The global aviation industry is on a high growth trajectory and has ushered in an era of rapid expansion. India has already 'arrived' and is on the path to becoming the third fastest growing economy, which will consequently fuel the Indian aviation industry to take giant leaps and possibly become the third largest market by 2030, both in terms of passenger numbers and for cargo." He added that air transportation was a premium and indispensable part of world trade today, even though it carried only one per cent of the globe trade by volume. However, in terms of value, it enjoyed a 35 per cent share. "Last year, air cargo carried around \$6.8 trillion worth of goods. The

Indian air cargo industry stands at approximately 3.3 million tonnes today and has a huge potential to play a lead role not only in India but in all of Southeast Asia, which can become one of the largest manufacturing hubs over the next few decades."

Sharing his point of view, Tushar K Jani, President, ACFI, said, "India is close to being third in terms of growth in civil aviation globally, and we have an opportunity to gain a similar rank in cargo. The country enjoys the advantage of being strategically located. To make India an efficient logistics hub, we need robust consumption and manufacturing, and India has both. High consumption and a huge manufacturing sector supported by initiatives like Make in India and other major initiatives in exports being conceptualised are proving their mettle."

Describing the Indian consumption and manufacturing pattern, Jani added, "If we move from Chennai (which is manufacturing) to Bengaluru (that becomes consumption) to Mumbai (consumption and manufacturing), then to Ahmedabad (which is consumption) and further north to Delhi (which is high consumption) and finally touch Kolkata



(which is high consumption), we can plot a crescent-shaped path. Now, along this crescent, we need to identify regional hubs such as Mumbai (West), Delhi (North), Chennai (South), Kolkata (East), and other cities like Bengaluru and Hyderabad."

Vandana Aggarwal, Economic Advisor, Ministry of Civil Aviation, Government of India, shared, "In the last few years, we have emphasised on the fact that the entire value chain is important, and we cannot work in silos." She added that one of the major developments the ministry had brought in was an outline for the national air cargo policy, every word of which was written in consultation with the industry. Highlighting the potential the country held for being an air cargo leader in the region, she said, "Here, we made a mark by taking up an important initiative in a short span of about two weeks with our partner Bangladesh. In October, we had a meeting and decided that Dhaka was completely choked and Chittagong airport was facing issues. How then could we partner with Bangladesh? To make it a winwin situation for both countries, we initiated the land bonded

## Highlights

Indian air cargo industry stands at approximately 3.3 million tonnes today and can become one of the largest manufacturing hubs over the next few decades.

Ministry of External Affairs had entered a trilateral agreement with Myanmar and Thailand.

The bonded trucking potential used in this trilateral partnership could pave the way for improved trade with landlocked countries in Southeast Asia.



(L-R): Yashpal Sharma, Ramesh Mamidala, Vandana Aggarwal, Pradeep Singh Kharola, Tushar K Jani and Cyrus Katgara

truck movement from Dhaka to Benapole and Petrapole, and onwards from Kolkata to Europe and the rest of the world. It was an important land-air movement and more than 400 tonnes under the pilot project have already begun to move. More importantly, cargo movement, which used to take 27 days to reach Europe, is now reaching there in less than four days. Taking cues from this initiative, I believe that we would reach out to other partner countries in Southeast Asia."

She added that the Ministry of External Affairs had entered a trilateral agreement with Myanmar and Thailand, and the bonded trucking potential used in this trilateral partnership could pave the way for improved trade with landlocked countries in Southeast Asia. "We need to address the balance between on-airport and off-airport cargo processing facilities. For a country the size of India, there has only been 3.34 million tonnes of air cargo movement. Being a supplier and a consumer nation, we should be able to do more. We clearly need to find what is stopping us," she emphasised.

Speaking of the growth potential of the Indian air cargo logistics

### industry, Ramesh Mamidala,

CEO, Çelebi Delhi Cargo Terminal Management India, stressed on the importance of SWOT analysis of the air cargo industry. He said, "Both infrastructure and IT have been identified as weaknesses in SWOT analysis, but we also see IT as an enabler. So, on the opportunity side, we have seen a number of great ideas such as blockchain, Artificial Intelligence (AI), Big Data, drones, market liberalisation, etc., and India is adopting many of these technologies. These ideas would act as enablers of the growth of the industry." He also shared that two of the biggest challenges for the air cargo industry were real-time data exchange and single entry of data. "Given the fact that we have multiple stakeholders in the chain, data across the supply chain is creating issues. These two challenges, we believe, can be resolved with the adoption of Artificial Intelligence. More importantly, across the supply chain, managing inventory intelligently by predicting customer behaviour before the customer decides to purchase or makes the purchase, would significantly improve the efficiency of the supply chain. AI can bring this predictability in customer behaviour," he added.

Adding to the compendium of opinions, **Keku Bomi Gazder**, CEO, AAICLAS, said, "There were several challenges before us while drafting this policy outline. One was to see whether this policy was relevant and till when it would continue being relevant. The second was that the policy had to be given a fine-printed time frame, one

### The air cargo policy needs to be even more granule. It is should include clear numbers and specific actions

that ensured targets set out in the policy were measurable. We wanted to understand what the ultimate customer wanted. Defining a customer is one part, but understanding what a customer wants from the industry was a challenge."

Sharing his concluding remarks on the air cargo policy, **Amber Dubey**, Partner, KPMG India, said, "It needs to be even more granule. It is good that this is an outline and not the policy, which should include clear numbers and specific actions." Jet crisis derails cargo industry

With the recent suspension of Jet Airways' domestic and international operations, the carrier's cargo service has also been halted. Industry operators connected with the airline voice their concerns as delivery commitments get hampered and freight costs balloon, leaving them with little choice but to resort to costly alternative arrangements.





Sunil Kohli Managing Director, Rahat Cargo

With the unfortunate suspension of flights by Jet Airways, we shall now broadly take into consideration the consequential disruption of our international cargo movement (since no domestic cargo was being forwarded by us on the airline) that had been planned on the carrier. The absence of Jet Airways will be felt by all stakeholders, especially freight forwarders who had been patronising the carrier to achieve a

smooth execution of their cargo movement.

As per normal practice, we, the freight forwarders, had been booking cargo space in advance as required by the exporters, who in turn conveyed flight details to their respective buyers abroad. Based on this chain of delivery of goods at the foreign stations, the buyers there finalised their marketing strategy. Needless to say, any disruption in such a chain puts the entire planning in disarray and all stakeholders in a fix on how to re-plan the movement of goods to ensure a timely accomplishment of the desired outcome.

It is also pertinent to add that forwarders who had originally planned a load on Jet Airways have been left in a dilemma, struggling to find space on alternate carriers that were already facing the space-crunch and had no option but to enhance their freight rate in conformity with the dynamic sales pricing due to increased demand and limited supply. Also, increased freight is bound to cause a dent in the exporter's pricing quote which had already been negotiated with the buyer. In other words, emergence of a sudden scarcity of space has pushed us in a difficult situation. Nevertheless, we have been trying our best to overcome the odds by getting the bookings postponed and opting for other carriers at a higher rate and convincing the shipper to face the roadblocks that are expected to be resolved soon with the intervention of statutory bodies and the consortium that is now finding ways to revive Jet Airways.



### Jaideep Raha Managing Director, Jetex Oceanair

The situation is an indication that presently, the Indian aviation market is not geared to handle more than three players. This incident is an eyeopener for all in the aviation industry that price wars, under-cutting for the sake of gaining a competitive edge to be ranked number-one and enjoy a majority market share, is not the answer to survival in business.

Indian Airlines once enjoyed monopoly and from there, the open-sky policy and private players like CityLink, East West Airlines, ModiLuft, Damania, NEPC, Sahara, Deccan, and thereafter Jet Airways, Kingfisher and so on, either shut down or were bought by competition that eventually shut shop itself. This also proves that the Indian domestic market is meant neither for an overcrowded sky with multiple operators nor budget, no-frills, and premium airlines. A live example is that of the collapse of Deccan and Kingfisher, one an absolute budget airline and another an absolute premium carrier. This shows that our country is not ready for anybody and everybody to fly. It is important to be a reasonable operator, choose your route wisely, and operate with the right kind of aircraft without going overboard.

I would urge MoCA, DGCA, and the PMO to take note of the debacle and of the past, and formulate uniform regulations and strict compliance in terms of both security and commercial aspects of carriers. In my opinion, a monitoring cell is needed and regular financial review by an independent body of auditors is required to keep a check on the financial health of operators. Routes and aircraft must not be authorised without a proper feasibility report.

With Jet Airways shutting down, forwarders and shippers have been greatly inconvenienced due to the sudden rescheduling of load to other carriers. Delivery commitments have gone haywire and freight rates have catapulted!



### Mahesh P Trikha

Managing Director, Aargus Global Logistics and India Cargo Awards winner 2018

The Jet Airways crisis has disrupted availability of cargo space on both domestic and international levels. Those who had goods to be moved to sectors to which the airline had direct flights, or a reasonable capacity on international routes, are in a fix. Other airlines, taking advantage of the opportunity, have increased rates and we are left with no way out but to accept the increased costs

and subsequent delays in shipments. The situation has worsened due to closure of the air space of Pakistan, so airlines have to now take a longer route that requires extra fuel, and hence, the cargo carrying capacity has reduced.





Harpreet Singh Malhotra Managing Director, Tiger Logistics India

Jet Airways was not only the second largest airline of India but also one of the premier ones operating from India to international destinations. Jet operated both domestic and international services from India, including those to London, Brussels, Amsterdam, and Shanghai. It was one of the main airlines that fulfilled our logistics demands for destinations like Dhaka, Colombo, London, Singapore, Bangkok,

and Dubai. Though we were proudly associated with Jet, we undoubtedly were employing the services of other carriers as well to fulfil our logistics needs. When we learned about Jet Airways' crisis, we moved our cargo to other carriers because we couldn't allow our clients to suffer due to inefficiency or the airline's inability to operate. That said, it's definitely a loss for us and those associated with Jet Airways.

In my opinion, it's a clear case of high costs and low yields that has resulted in Jet's situation today. As per industry reports, Jet fuel prices constitute about 40 per cent of costs for an Indian carrier and are taxed higher than anywhere else in the world. High taxes on fuel prices are the biggest concern of the aviation industry; SpiceJet and Air India were also victims of the problem but have somehow survived. If you see the correlation between price of fuel and airline profitability, you will be able to understand that higher taxes have plunged airlines into deep losses. The government must support the aviation sector when it comes to taxes on fuel prices.



India Cargo Awards winner 2016

Amit Tandon

The airline, at one time a major Indian private airline operating both domestic and international passenger and freight services, started running into rough weather financially from mid-2018. There were several attempts by all stakeholders to revive the ailing airline, but lenders could not be convinced enough to bail the airline out and

Managing Director, Asia Shipping India and

ultimately, it succumbed. At Asia Shipping International we were doing a good amount of cargo business with Jet Airways up to November 2018. The major destinations for which the cargo was being exported from India by us through Jet Airways were London and Amsterdam, while imports were majorly from London and Hong Kong.

However, based on market reports and our perception of the cargo handling potential of Jet Airways, primarily from November 2018, we started tapering out our export and import activities through Jet Airways, till we stopped doing cargo business with them from March 2019.

With the closing down of Jet Airways, the total available cargo capacity for the destinations to which Jet Airways had been operating has gone down, the impact of which may be felt more during the peak season. As a result, the cost of freight with other airlines that are now picking up cargo from India to these destinations has also gone up, thereby increasing the cost to exporters.

### Trivia

In 2018, Jet had close to a 13.8% market share according to Indian government statistics, making it second only to IndiGo in terms of traffic.

Shares of Jet Airways on India's national stock exchange fell about 8% in trading on April 17, 2019, when they operated their last flight.



### Ashish Mahajan

Managing Director, Landmark Logistics

It is hard to believe the clipping of wings of this professionally-managed first Indian international private carrier. It would have been better if Jet Airways' management had planned for both employees and customers before taking the harsh step of folding its wings.

The airline was a leader in transporting cargo to various international sectors and a preferred

carrier among many IATA agents due to its service consistency and strategic locations. Hence, some customers are bound to suffer for some time before they settle in with replacements, while the rest of the trade accepts the inevitable.



### **Rahat Sachdeva**

*Vice President, Rahat Continental and Face of the Future (India Cargo Awards 2017)* 

Jet Airways' closure has been very unfortunate. International flights were already in jeopardy due to closure of Pakistan's air space, and the situation has now worsened with the suspension of Jet's domestic and international operations. Presently, we are at the centre of a chaotic situation where there is a massive cargo space crunch, especially for the

United Kingdom and Europe. Besides delays, regular flight and freight rates have almost jumped by as much as 50 per cent, which, though advantageous for a few airlines, is a major setback for freight forwarders and customers who are paying that high price. Jet Airways' cargo has always been a great support to the community. At one point, the airline was the largest professional cargo carrier. We have lost a huge capacity due to its closure, which is impacting trade from perishables and apparels to pharma. The only feasible way out, in my opinion, is getting additional cargo capacity from other carriers to meet industry demands, which could be long-term.

# Highlights

- Emergence of a sudden scarcity of space has pushed freight forwarders in a difficult situation.
- Price wars, under-cutting for the sake of gaining a competitive edge to be ranked number-one and enjoy a majority market share, is not the answer to survival in business.
- The Indian domestic market is meant neither for an overcrowded sky with multiple operators nor budget, no-frills, and premium airlines.
- It is important to be a reasonable operator, choose your route wisely, and operate with the right kind of aircraft without going overboard.
- A monitoring cell is needed and regular financial review by an independent body of auditors is required to keep a check on the financial health of operators.
- Some customers are bound to suffer for some time before they settle in with replacements, while the rest of the trade accepts the inevitable.
- It's a clear case of high costs and low yields that has resulted in Jet's situation today.
- If you see the correlation between price of fuel and airline profitability, you will be able to understand that higher taxes have plunged airlines into deep losses.
- The government must support the aviation sector when it comes to taxes on fuel prices.

# Nominate Now

**WWWWWW** 

Recognising the best regional talent from across India

nikhil.jeet@ddppl.com, priya.singh@ddppl.com, yogita.bhurani@ddppl.com www.indiacargoawards.com

ENDORSED BY

Ei

EST & SO

August 2019

SUPPORTED BY

Det ...

Breakin

CARGOTALK

many of Chail Awatter



🚯 in



# **ACCD** hosts themed luncheon

Air Cargo Club of Delhi (ACCD) hosted a dual-themed speaker lunch at JW Marriott New Delhi Aerocity. 'Focus, Memory and Learning Skills' and 'Market Overview of Wealth Investment' were the two concepts that were discussed.















How to become a top student and instant (

Interaction with Citibanly



www.cargotalk.in

# Invest in last-mile to ensure business success

Last-mile connectivity has in the recent past, pushed beyond the traditional line of thought, primarily driven by Indian consumers being more urbanised, connected and shopping more. **CARGUALK** examines if the logistics and transport industry is still striving to adapt to this and how stakeholders can optimise last-mile operations.

📌 Kalpana Lohumi



### Sridhar LR Founder & CEO, Connect India

Consumers are more connected than ever, with the internet at their mercy. With online sales on an upward trajectory, there is a need for logistics companies to optimise their last-mile delivery, as visibility is of the essence to ensure repeat customers on the platform. This brand visibility is generated only when the delivery is quick and efficient, leading to customer satisfaction. Connect India implements several practices

to optimise last-mile delivery; tracking not just the vehicle but the drivers and other personnel that handle routine procedures will help in deciding where valuable time can be saved to optimise the delivery process. Also, every logistics company has a different entrepreneurial model that has its own qualitative and quantitative restrictions, so assisting factors like technology should allow for any change in procedure as the industry is dynamic and malleability is necessary to survive.

Despite providing for these, optimised last-mile delivery comes down to the address. Setting up rapid fulfilment centres in every pin code has helped not only find addresses quickly but also provided customers with the opportunity to directly interact with their respective centre and ensure corrective measures are taken in real-time. Considering the lack of infrastructure in some rural areas, providing for multiple modes of transport like cycles and scooters aside from the conventional transportation has assisted us greatly in ensuring effective deliveries.



### VV Rao

Director, Accutime

The logistics and transport industry has introduced extensive technological and innovative practices in last-mile delivery, mostly driven by e-commerce business requirements. A large chunk of the lastmile delivery share is in the B2C segment, where the margins of logistics companies are wafer thin or negative due to increasing cut-throat competition among service providers. The entry barriers are high as the asset-light business models do not work in

such a price-competitive market. Last-mile logistics companies need to own a fleet and invest in technology to remain competitive, which impacts their ability to hire quality manpower and invest in training as most of them prefer to hire delivery teams on contractual basis.

However, while the people deployed in last-mile delivery are technically trained, the softer aspects of service like grooming, communication skills, and attitude of the delivery staff are mostly ignored. As the last-mile staff is mostly outsourced and paid on productivity basis, this practice makes the people highly mechanical and quite impersonal in their attitude towards customers. While route planning is important for better productivity and cost optimisation, delivery by appointment is normally restricted only to so-called premium customers. Therefore, the gap between customers' expectations and the ability of the LSPs to deliver will remain for a long time to come, till business models undergo changes and evolve to meet the needs of all stakeholders.

32



Ajay Khosla General Manager – North 1 Scorpion Express

In India, last-mile logistics is one of the most misunderstood processes in the SCM. Till a few years ago, last-mile was not seen as an important component, but today it accounts for 25-30 per cent of the total shipment cost. Last-mile, in layman's terms, is the last step of the entire process of goods moving from the distribution centre to the end user. Over time, last-mile dynamics have changed rapidly

and today, the consumer is willing to pay a premium for receiving the freight on the same day or for an immediate delivery. This window offers big opportunities not only for e-commerce giants but for LSPs as well to think out of the box and generate bigger revenues. That said, there do exist certain challenges. Presently, e-commerce is growing with a CAGR of 30 per cent, and the three mega cities of Delhi, Mumbai, and Bengaluru are contributing 40 per cent of the total market size. In metro cities, last-mile deliveries are hampered due to rising levels of traffic and lack of parking spaces. E-commerce giants are coming up with offline delivery outlets that hold products for consumers who can then visit and pick them up from these locations, providing relief to last-mile capacities and cutting cost in a big way.

Indian logistics bank heavily on surface transportation due to a better network when compared to other modes of transportation, but this is creating a delay in transit times and resulting in challenges like driver shortage and increased fuel prices. In recent years, LSPs, and even retailers with logistics centres, have moved these hubs from cities to surrounding smaller locations to reduce rental costs. With increasing shipments in urban areas, however, there are now more multi-tiered distribution systems where hubs are augmented with smaller logistics centres and fulfilment operations in the city. With an emphasis on logistics and fulfilment due to an increase in on-demand or same-day delivery, there is immense pressure on the fulfilment side to turn orders around on a much faster scale than a lot of the technology today is capable of doing.





### Piyush Kumar Singh Industry Expert – Logistics & SCM

Last-mile delivery logistics is no rocket science but one of the most common networks in the transportation industry. It's the most important leg of a product's journey from business to the customer, that of final dispatch from a distribution centre to the end address. I do second the opinion that the logistics and transport industry is currently striving to adapt to last-mile connectivity because modern

customers expect products to arrive promptly.

Put a plan in place, leverage technology by giving customers a number of options to pick the product, implement technology that fits your business needs, analyse and assess information, establish standard operating procedures, understand both qualitative and quantitative constraints in the delivery process, manage drivers and not just the vehicle, plan around the customer, analyse your customer and measure performance against a plan - these are some of the best practices to enhance last-mile operations.

From brick-and-mortar companies to e-commerce players, all are coming up with ways to streamline last-mile logistics for greater efficiency so that they can meet the growing customer demand at a lowest cost. Adopting these best practices can go a long way in achieving successful last-mile deliveries for your business.



### Ketan Kulkarni

Head- Business Development & CMO Blue Dart

Consumer buying behaviour has evolved over the past few years and last mile delivery is gaining more importance than ever due to the rise in e-commerce platforms. Like many other markets, India's consumption story, even across tier II, III and IV towns, is being bolstered by its rapidly growing millennial and Gen Z segment, augmented by rise in literacy and disposable

income rates. Blue Dart has always had an advantage in the air and ground express logistics industry in India. The company is focused on innovations for the industry in terms of deploying automation in the first mile/fulfilment/last mile & reverse logistics. Cash-on-Delivery (COD), Card (Debit/Credit) on delivery, OTM hand held devices (on the move), MPOS (Mobile Point of Sale), integration with mobile wallets, parcel lockers, parcel shops, Mobile Service Centers, Smart Truck, 24x7 Network Control Tower to ensure end-to-end visibility, SMS pre-alerts and Call Bridging, are all innovations for the last-mile.







### **Rajesh Neelkanta** Executive Director & CEO BVC Group of Companies

Last-mile is a metaphor for the most vital leg of a product's adventure from the business to the client. Modern-day clients request products for delivery and expect them to arrive instantly. Increasing customer demands along with a number of other components such as driver shortage, fuel cost and unusual factors like lost bundles, all add-up to make last-mile

coordination a genuine struggle for organisations. Some of the best practices that can help achieve last-mile delivery success are leveraging on the latest technology in logistics to the fullest and communication with the customer to maintain visibility.

## Highlights

- With online shopping sales on an upward trajectory, there is a need for logistics companies to optimise their last-mile delivery, as visibility is of the essence to ensure repeat customers on the platform.
- Setting up rapid fulfilment centres in every pin code has helped not only find addresses quickly but also provide customers with the opportunity to directly interact with their respective centre and ensure corrective measures are taken in real time.
- Last-mile logistics companies need to own a fleet and invest in technology to remain competitive, which impacts their ability to hire quality manpower and invest in training.
- Over time, last-mile dynamics have changed rapidly, and today the consumer is willing to pay a premium for receiving the freight on the same day or for an immediate delivery. This window offers big opportunities not only for e-commerce giants but for LSPs as well to think out of the box and generate bigger revenues.
- From brick-and-mortar companies to e-commerce players, all are coming up with ways to streamline last-mile logistics for greater efficiency so that they can meet the growing customer demand at a lowest cost.



### Arvind Shivkumar

Head Sales & Customer Support, Vamaship

With an urban population of over four billion, 2.7 billion smartphone users, 2.8 billion e-commerce users, and surge in internet retail sales in the last 10 years to \$1.7 trillion, there has been a fundamental shift in customer expectations to which the logistics industry is striving to adapt. Consumers are more connected and have transcended from a limited number of options to multiple

alternatives, increased monthly expenditures, and a preference for convenience over productivity.

Meeting customer expectations would require flexible delivery solutions, technology integrations, predictive analytics, and collaborations for wider and deeper optimisation. Some key changes that could help ease the shift may include:

- Shortening last-mile deliveries through regional fulfilment centres along • industrial corridors and a localised delivery network of transport operators, drop locations, and postal services.
- Implementing regional predictive intelligence on supply and demand side to service from the nearest available centre to optimise fulfilment timelines.
- Sitting in the customer's ERP to manage and optimise orders and inventory.
- Building capacity and capability to provide flexible delivery solutions.
- Closely working with partner networks to meet cyclical cost concerns and seasonal demands.
- Utilising drop locations for return storage. •

Though the above options help a logistics business optimise, an age-old adage of 'one size does not fit all' demands customised and tailor-made logistics solutions for industry verticals to effectively optimise the supply chain and delight the end customer.

MAY - 2019



# Air cargo to foster economic growth

Esteemed winners of India Cargo Awards share their opinion of air cargo's contribution in adding value to a business anywhere in the world, and how India's very own air cargo policy, an outline of which is now in place, can bring efficiencies across the entire supply chain.



▶ DDP Trailblazer (India Cargo Awards, North & East 2015):

### Sanjiv Edward Airports, the epicentres of growth

**Sanjiv Edward**, COO, Delhi International Airport, believes that airports and regions have a symbiotic relationship. He says, "If you look at any major airport, the region around that develops because of the presence of the airport. Even in a larger region, for instance in the EU, four per cent of the GDP comes from the airports around the area. Approximately 12.5 million jobs are what they are creating because of their aviation industry. We conducted

an economic impact study of the Delhi airport and concluded that 0.7 per cent of the national GDP came from the said airport and the activity around it. It was also found that 18 per cent of Delhi's GSDP or Gross State Domestic Product came from there. If we look at airports as epicentres of growth, we will be able to drive our thought process on how we needed to look at them." Edward also feels that there is a need to invest to create the kind of infrastructure that drives growth in the region. "The three points that remain crucial are building infrastructure ahead of demand, improving connectivity, and achieving operational excellence," he concludes.

### Entrepreneur of the year (India Cargo Awards, North & East 2017): Yashpal Sharma

### Better processes and fewer barriers

**Yashpal Sharma**, Managing Director, Skyways Air Services, feels that global trade has played a key role in fostering economic development around the world, and air cargo has played a substantial role in giving a boost to world trade. He explains, "An addition of just one per cent to the air cargo capacity of a country can boost exports and imports by six per cent. This is the potential that air cargo brings to the table. Air cargo can empower even the smallest of business through e-commerce, a sector that also rides on



the efficiency of the air cargo industry. The entire value chain, both upstream and downstream, works efficiently, but it's also important to analyse how air cargo can play a larger role to boost efficiencies of these value chains around the world. An effort should be made to understand how all stakeholders can add value by collaborating better and constantly bringing in newer and improved infrastructure."

Award received by Sukhwinder Singh, Regional Head, North and Dimpy Mahendru, Regional Customer Service Head, North, Blue Dart

 Premier Integrated Logistics Service Provider (India Cargo Awards, North & East 2017):
 Blue Dart Express

## A common digital platform

**Tulsi N Mirchandaney**, Managing Director, Blue Dart, believes that the vision of the air cargo policy outline is remarkable. "The policy is going to make air cargo transportation affordable to the masses, and try to connect every village to the domestic and global supply chain. In the policy, on the supply side, we need

to address the pain points in terms of infrastructure. The policy has acknowledged that today, in the master plan of airports, cargo is not given the importance it is due, therefore, we need to understand how this needs to be addressed," she says. "It has also been acknowledged that we need to incentivise freighter operations. We have seen a downfall of nine cargo airlines in our country in the past 22 years, and not because of the lack of will to enter this space. This addresses the cost issue and it says we need to look at GST," Mirchan-

daney feels. She further notes that the modal mix of roads in India is 60 per cent as compared to the global average of 30 per cent. "This means that there is demand out there, but our costs inhibit access. We need a common robust digital platform that would serve all the constituents," she concludes.

35

# AGL: Marking 20 in Mumbai

Aargus Global Logistics (AGL) celebrated its 20 years of operations in Mumbai. **Mahesh P Trikha**, Managing Director, AGL, reminisced the journey and said, "We started our Mumbai office from one of our partners and now have three centres in the city. The office was primarily for air exports and then we moved into imports as well. Last year, we added two more divisions: project and express."



AL BUM
FAMILY ALBUM





























MAY - 2019 CARGOTALN 37

## TRAFFIC STATISTICS

		Freight (in tonnes)							
			For the Mor		A	For the period pril to Februa			
S. No.	Airport	Feb 2019	Feb 2018	% Change	2018- 2019	2017- 2018	% Change		
(A	) 19 Internat	tional	Airport	S					
1	Chennai	6598	8324	-20.7	86031	95562	-10.0		
2	Kolkata	6500	7578	-14.2	87371	94163	-7.2		
3	Ahmedabad	3977	3861	3.0	51458	46010	11.8		
4	Goa	229	159	44.0	2504	2637	-5.0		
5	Jaipur	840	1115	-24.7	13676	11584	18.1		
6	Lucknow	153	247	-38.1	3477	3160	10.0		
7	Guwahati	1954	1447	35.0	21710	20463	6.1		
8	Trivandrum	123	82	50.0	1409	1130	24.7		
9	Bhubaneswar	892	612	45.8	8626	7079	21.9		
10	Calicut	40	50	-20.0	554	871	-36.4		
11	Srinagar	553	458	20.7	7306	6689	9.2		
12	Coimbatore	734	671	9.4	9723	8114	19.8		
13	Amritsar	1	58	-98.3	745	571	30.5		
14	Mangalore	27	33	-18.2	357	448	-20.3		
15	Varanasi	226	73	209.6	2485	1097	126.5		
16	Portblair	582	536	8.6	5589	5177	8.0		
17	Trichy	1	1	0.0	17	3	466.7		
18	Imphal	504	389	29.6	5700	3889	46.6		
19	Vijayawada	0	0	-	382	0	-		
	Total	23934	25694	-6.8	309120	308647	0.2		
<b>(B</b> )	) 6 JV Interna	ationa	l Airpo	rts					
20	Delhi (DIAL)	34144	24864	37.3	355774	284756	24.9		
21	Mumbai (MIAL)	21907	20966	4.5	262667	235432	11.6		
22	Bangalore (BIAL)	9995	10234	-2.3	132729	117146	13.3		
23	Hyderabad (GHIA				54957	50135	9.6		
24	Cochin (CIAL)				12769	9682	31.9		
25	Nagpur (MIPL)	590	505	16.8	7795	6405	21.7		
	Total	72424	61506	17.8	826691	703556	17.5		
(C)	) 7 Custom A	irport	is						
26	Pune	3008	3387	-11.2	44190	37349	18.3		
27	Patna	803	467	71.9	10402	6346	63.9		
28	Visakhapatnam	0	529	-	3513	4070	-13.7		

			Freight (in tonnes)					
		F	For the Month			or the perioc oril to Februa		
S. No.	Airport	Feb 2019	Feb 2018	% Change	2018- 2019	2017- 2018	% Change	
30	Chandigarh	310	109	184.4	4733	5372	-11.9	
31	Madurai	181	173	4.6	3050	2063	47.8	
32	Aurangabad	103	98	5.1	1883	1602	17.5	
•••••	Total	4847	5087	-4.7	73674	61439	19.9	
(D	) 25 Domes	tic Airpo	orts					
33	Indore	821	800	2.6	10846	9872	9.9	
34	Ranchi	310	356	-12.9	4786	4235	13.0	
35	Raipur	427	305	40.0	4538	3728	21.7	
36	Jammu	147	138	6.5	1814	1681	7.9	
37	Agartala	375	369	1.6	4890	4958	-1.4	
38	Udaipur	0	1	-	2	13	-84.6	
39	Dehradun	26	11	136.4	212	206	2.9	
40	Vadodara	171	178	-3.9	2673	2059	29.8	
41	Bhopal	111	91	22.0	1661	1057	57.1	
42	Leh	152	161	-5.6	1525	1424	7.1	
43	Surat	58	0	-	888	212	318.9	
44	Jodhpur	0	1	-	6	10	-40.0	
45	Silchar	81	40	102.5	819	488	67.8	
46	Rajkot	10	16	-37.5	216	262	-17.6	
47	Dibrugarh	54	59	-8.5	771	592	30.2	
48	Rajahmundry	0	3	-	51	19	168.4	
49	Jabalpur	0	4	-	1	51	-98.0	
50	•	27	38	-28.9	435	521	-16.5	
51	Bhuj	2	1	100.0	30	27	11.1	
52		26	25		313	351	-10.8	
53	Tuticorin	2	4	-50.0	33	21	57.1	
54	Jorhat	0	4	-	34	47	-27.7	
55	Jamnagar	0	1	-	4	4	0.0	
56	Hubli	9	0	-	21	0	-	
57	Agatti	2	1	100.0	26	12	116.7	
	Total	2811	2607	7.8	36595	31855	14.9	

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

		-				
58 Lengpui (AIZ	WAL) 42	37	13.5	491	703	-30.2
59 Nasik (HAL C	DZAR) 24	0	-	193	0	-
Total	66	37	78.4	684	703	-2.7
Grand Total (A+B+C+D+E)	104082	94931	9.6	1246764	1106200	12.7

## TRAFFIC STATISTICS

															* Estimate
				Freight	(in tonnes)					Freight (in tonnes)					
		F	or the Mon	th		or the period ril to February	I				For the Mon	nth		or the period pril to Februar	ļ
S. No.	Airport	Feb 2019	Feb 2018	% Change	2018- 2019	2017- 2018	% Change	S. No.	Airport	Feb 2019	Feb 2018	% Change	2018- 2019	2017- 2018	% Change
(A)	16 Interna	tional A	irports	;				(B)	6 JV Interna	tional	Airpor	ts			
1	Chennai	22887	23943	-4.4	288795	283440	1.9	17	Delhi (DIAL)	46858	48640	-3.7	596747	596697	0.0
2	Kolkata	4621	4127	12.0	55728	56146	-0.7	18	Mumbai (MIAL)	52584	52799	-0.4	616739	584734	5.5
3	Ahmedabad	3185	3013	5.7	41701	37740	10.5		Bangalore (BIAL)	18782	17881	5.0	221058	199261	10.9
4	Goa	113	55	105.5	1680	1391	20.8	20	Hyderabad (GHIA	L) 6408	6231	2.8	76188	71510	6.5
5	Jaipur	234	222	5.4	2384	2976	-19.9	21	Cochin (CIAL)	4907	6046	-18.8	51173	59214	-13.6
6	Lucknow	197	240	-17.9	2633	2803	-6.1	22	Nagpur (MIPL)	65	85	-23.5	908	792	14.6
7	Guwahati	0	0	-	27	2	-		Total	29604	131682	-1.6	1562813	1512208	3.3
8	Trivandrum	2824	1962	43.9	21372	25111	-14.9		2.6.4.						
9	Bhubaneswar	0	0	-	18	0	-	(C)	2 Custom A	rports	5				
10	Calicut	1701	1409	20.7	14499	16402	-11.6	23	Pune	21	8	162.5	105	48	118.8
11	Srinagar	0	0	-	0	11	-	24	Madurai	152	74	105.4	1524	114	-
12	Coimbatore	228	182	25.3	2041	1379	48.0		Total	173	82	111.0	1629	162	-
13	Amritsar	9	56	-83.9	633	931	-32.0	(D)	Total 60 Domest	ic 0	0	-	0	90	-
14	Mangalore	164	137	19.7	2670	1878	42.2	(5)	Airports	•	•		42		
15	Varanasi	0	2	-	0	2	-	(E)	Total 7 St Govt./ Pvt Airports	0	0		12	0	
16	Trichy	600	568	5.6	6212	5943	4.5			166540	167680	-0.7	2004847	1948615	2.9
	Total	36763	35916	2.4	440393	436155	1.0		(A+B+C+D+E)						

(Source: AAI)

#### AVIATION

## KIA posts 11% increase in total cargo throughput

The Kempegowda International Airport, Bengaluru (BLR Airport) has witnessed a sharp increase of 11 per cent in cargo throughput, handling 386,780 metric tonnes (MT) in 2018-19 as against 348,403 MT in the previous year. The international cargo processed during this period was 242,650 MT (10.3 per cent) compared to 2017-18 which recorded 219,899 MT, while the domestic cargo was 144,130 MT (12.2 per cent) as against 128,504 MT last year.

## Traffic Details – FY 2018-19 Type 18-19 17-18

Type	10-13	1/-10	
Total Cargo (in MT)	386,780	348,403	11.0%
Domestic	144,130	128,504	12.2%
International	242,650	219,899	10.3%



Until the first phase of the new terminal is ready for operations in 2021, BIAL will continue to make various technology enhancements and innovations to ease congestion and ensure that travel through the airport is both seamless and delightful.

Growth 0/

BLR Airport plays a key role in driving the economy of the region offers a wide air-route network – with over 37 passenger airlines and 12 cargo airlines connecting Bengaluru to the rest of the world.

#### customs broking ť 🌢 67.1 Ó

FEDERATION OF FREIGHT FORWARDERS' ASOCIATIONS IN INDIA (FFFAI) 10th EXECUTIVE COMMITTEE MEETING

ର

The 10<sup>th</sup> Executive Committee Meeting of the Federation of Freight Forwarders' Associations in India (FFFAI), which was held on April 12 and 13 at Holiday Inn Hotel in Kolkata, primarily focused on the future of customs brokers' business in India against the backdrop of rapid changes in rules and regulations, policies, and customers' expectations. The objective was to discuss steps that would help them sail through the growing challenges, to understand the initiatives of industry players, attain benefits for all, and be acquainted with new trends and solutions, through special knowledge sessions.













FAMILY ALBU

00

# Boost your brand visibility by reaching your targeted audiences



Largest readership of over Circulated to the top executives of the cargo industry

## The most widely circulated cargo monthly

#### For further information, please contact:

#### Delhi:

**BOOK NOW** 

Arindam: +91 9650100613, arindam.mandal@ddppl.com Jaspreet: +91 9650196532, jaspreet.kaur@ddppl.com Mumbai: Harshal: +91 9619499167, harshal@ddppl.com Priyanshu: +91 9619499170, priyanshu@ddppl.com

# Bahri Strengthens bond with Indian maritime sector

Bahri recently hosted its customers and partners at a gala dinner in Mumbai, underlining its commitment to strengthening partnerships and enhancing customer satisfaction and shareholder value.





More than 250 senior leaders, executives, and representatives from across India's shipping and logistics industry, as well as major export-import trading companies, attended the gala dinner hosted by Bahri, one of the largest providers of maritime services globally. Speaking at the event, Abdullah Aldubaikhi, CEO, Bahri, said, "As one of the mainstays of India's rapidly growing economy, the domestic maritime logistics and shipping sector has been witnessing tremendous growth in recent years. With Bahri India, we have steadily expanded and deepened our presence in this thriving market, offering our industry-leading and technology-driven onshore and offshore services. Reflecting this robust growth, the number of voyages by our vessels serving Indian customers has risen significantly over the years."

Delivering his keynote address at the event, **Ahmed Al-Ghaith**, President, Bahri Logistics, stated, "Bahri India has helped Bahri build on its long-standing pres-

ence in the fast-growing domestic maritime industry and establish stronger and more direct relations



with customers and partners in line with the company's long-term business growth strategy, which hinges on strategic industry collaborations as well as the expansion of the market footprint globally."

Al-Ghaith added that Bahri's sustained expansion into the Indian market enabled the company to capitalise on opportunities that exist in the shipping and trade sectors to offer its value-added, high-quality logistics and transportation solutions, thereby advancing its growth and profitability and reinforcing its leadership position in the global maritime industry.

Linking India with key global markets along the Arabian Gulf, Red Sea, the Mediterranean, and the United States via a fast and reliable liner service using its fleet of state-of-the-art RoCon vessels, Bahri has firmly established itself as a prominent player in the country's maritime sector. The company's service also helps connect India to Africa, Latin America, and the Caribbean via internationally recognised transhipment hubs.

# JNPT's exemplary financial report card

Jawaharlal Nehru Port Trust (JNPT) has up-scaled its performance to close the financial year 2019 on a high note. Apart from crossing five million TEUs mark, JNPT also handled a record 4.71 lakh TEUs in March alone.

#### CT Bureau

J awaharlal Nehru Port Trust (JNPT) achieved 5.13 million TEUs in container handling, which is a 6.2 per cent increase from the last financial year which closed at 4.83 million TEUs. The Port has handled 4.71 lakh TEUs in March, which is the highest number for any month.

Sanjay Sethi, Chairman, JNPT, said, "While the global markets did well this financial year which reflects in our business numbers, I would give equal credit to all the departments at JNPT who implemented many new initiatives which improved the overall efficiency of the Port and provided ease of doing business for our stakeholders." Taking an overview of the numbers, JNPT registered an uptick in the traffic handled with a 6.2 per cent growth in container cargo volume during this financial year. Total liquid cargo volume handled during this year stood at a record 7.56 million tonnes reflecting not only a 5.25 per cent

growth over the last financial year, but is also the highest liquid volume handled in any year. Looking at the respective terminal performance indicates that Gateway Terminal handled 2.04 million TEUs, port-owned JNPCT handled 1.05 million TEUs, NSIGT and NSICT together handled 1.50 million TEUs and the newly opened BMCTPL (Phase 1) accounted for 0.5 million TEUs. The overall tonnage of the cargo handled reflects a 7.12 per cent increase this financial year as compared to the last.

The overall performance numbers show a healthy growth so far and JNPT is already upgrading and expanding its facilities to match the growing demand and global trends of the maritime sector. The initiatives of DPD & ITT services, digitalisation & automation of various processes and better operational capabilities has helped to reduce its overall port dwell time which is a major boon for the EXIM community, apart from saving time and significant trade cost. On the new initiatives front, the Port completed dredging of its navigational channels from 14 to 15 mts which will allow large vessels up to 12,500 TEUs to berth at the port. In the global market, the vessels are getting bigger to account for the increasing demand of business and this strategic move will equip JNPT to handle these large consignments, automatically leading to more container traffic and business growth.

#### **GROWTH PROSPECTS**

The Port-based SEZ is also developing a 'Free Trade Warehousing Zone', which will accentuate JNPT-SEZ as a preferred investment destination for both domestic and global companies. The land allocation at SEZ happens through a bidding process and already 75 acres of land has been awarded to 16 investors (15 plots for SMME and 1 plot for FTWZ facilities) through three rounds of e-tender cum e-auction process for setting up manufacturing units and FTWZ facilities at JNPT SEZ. The fourth round of bidding process is in progress. The growth of the SEZ project will also provide huge scope for employment and development. 🐓



Sanjay Sethi Chairman JNPT



The overall tonnage of the cargo handled reflects a 7.12 per cent increase this financial year as compared to the last



#### FAMILY ALBUM

# **ACCD's cricket fervour**

The Air Cargo Club of Delhi (ACCD) recently organised a cricket tournament at Wisteria Club, Gurugram. A 20-over match was played between ACCD Heroes and ACCD Challengers, as participants and members spent the day in the company of a zealous crowd.





## Surat airport bags 31<sup>st</sup> position for cargo

Surat airport has touched 3,400-metric tonne mark in the last one year and has attained 31st position in the cargo list of the country. The state-of-the-art modular cargo terminal is ready at the airport. It has been built at a cost of ₹8 crore and is likely to be inaugurated after May 23.



The terminal is a steel-based structure between Air Traffic Control (ATC) and the terminal building. The ground base of the cargo terminal is around 1,000 square metre and the first floor has same area. The cargo terminal also has cold storage facility for perishable item and strong room.

According to official sources, airlines take saris, dress material, courier, chemicals, diamonds and laboratory-grown diamond jewellery articles etc from Surat airport to Delhi, Bengaluru, Kolkata, Hyderabad, Chennai, Mumbai, Jaipur and other destinations in the country. Majority of the cargo movement to and from Surat airport is handled by SpiceJet followed by Air India. SpiceJet is the only airline that provides high value cargo box for shipment of valuable goods such as jewellery items, diamonds etc.



# **Digital solutions can aid smart ports**

**Capt Avnash Iyer**, VP - Chennai CFS, Allcargo Logistics, says that a one-size-fits-all approach will not help Indian ports transition to a digital ecosystem. Port management will need to formulate an investment plan, and an effective digital strategy will need to be at the core of smart port operations.

 $\mathbf{T}$ he global maritime sector is undergoing a tectonic shift for the better. The shipping industry is asserting a pivotal position in international trade and commerce with steadfast advancements in container cargo shipping. However, the Indian maritime sector continues to remain grossly under-leveraged, primarily with port operations remaining labour-driven and stuck with paper documentation. New-age technological advances, which are exerting a breakthrough impact on other industries, should play the role of a key disruptor in port logistics and supply chain management.

#### What are smart ports?

With the advent of mega cargo container ships and a substantial rise in freight volumes, the pressure on port terminals has increased considerably to expand their ship-berthing capacities and cargo handling capabilities. Indian port management will need to make sizeable investments in integrating smart solutions in their operational framework to facilitate cost optimisation and improved efficiency. There is an inherent need to initiate a 'smart ports' policy with insight-driven solutions playing a key role in leveraging the efficiencies of the physical and technological infrastructure. Port operations

can be streamlined with the implementation of smart technologies like IoT, which can help in detecting port performance bottlenecks, designing optimal work schedules, and reducing operations downtime. Maritime cloud computing technology has the potential to connect shipping vessels through a common communication platform. It can also perform the arduous task of keeping track of large cargo quantities in transit till they reach the port safely. Cloud can also help in the handling and storing of large volumes of data in ports, and facilitates smooth data sharing among concerned port stakeholders. An integrated smart technology framework can also go a long way in protecting the environment and helping in energy conservation. Remote intelligent illuminating systems need to be deployed in Indian ports. Such systems are designed to indicate the approach of a vehicle, a key feature which can substantially optimise energy costs and reduce expenditure overheads.

#### DEPLOYMENT OF SMART SENSOR TECHNOLOGY

The deployment of smart sensor technology will be key to building a robust digital port infrastructure. Sensor data monitoring technologies can bolster cargoMaritime cloud computing technology has the potential to connect shipping vessels through a common communication platform

-66----

handling capacities for Indian ports. They can be widely be used for the accurate prediction of maintenance schedules and minimise the need for inspections on an annual basis. Sensors also facilitate in the collection of real-time weather and communications data. Sensory data can be monitored from remote locations and serve as a great tool. Automated sensory systems can also help in remotely monitoring ship movements and keeping tabs on issues like regulatory compliances and climate cycles.

## DIGITISATION, THE WAY AHEAD

Deploying new-age technological applications like high-speed multi-service networks and intelligent data integration systems are integral to streamlining port logistics processes. Creating secure maritime communication channels for improved information sharing between vessels at high seas and ports should be a high priority area. (The views expressed are solely of the author. The publication may or may not subscribe to the same.)



Capt Avnash lyer VP - Chennai CFS Allcargo Logistics



Domestic 9 National Maritime Conclave 2019 New Delhi International 16-19 Logistics Celje Slovenia 22-24 Intermodal Asia Shanghai, China 22-25 TransSiberiaTranslogistica Novosibirsk 28-30 Med Ports Casablanca **JUNE 2019** Domestic 20-22 India Warehousing Show New Delhi International 4-7 Air Cargo Europe Munich, Germany 18-20 Multimodal 2019 Birmingham, UK 18-20 Expo Carga Mexico 26-28 SIL Barcelona Barcelona, Spain

#### **JULY 2019**

Domestic		
Logmat	Chennai	11-13
International		
Black Sea Ports & Shipping	Constanta, Romania	9-11
Al	JGUST 2019	
International		
Logistics Development Forum	Colorado, USA	5-7

Logistics bevelopment rorum	colorado, osn	51
Transport Logistics Philippines	Pasay	15-17
TILOG LOGISTIX Bangkok	Thailand	28-30
SEP	TEMBER 2019	
International		
Materials Handling Middle East	Dubai, UAE	3-5
Shipping Technics Logistics	Kalkar, Germany	24-25
CeMAT Russia	Moscow	24-26

#### LAUNCH

## **FIEO & WeSchool support** export start-ups



To attract new entrepreneurs in exports and bridge the gap of skilled manpower in Exim trade, the Federation of Indian Export Organisations (FIEO) has signed a MoU with Prin. L N Welingkar Institute of Management Development & Research (WeSchool), Mumbai, to launch a Post Graduate Programme in Foreign Trade Management (PGP-FTM) at Mumbai. The MoU was inked by Khalid M Khan, Regional Chairman, FIEO (WR) and Dr. Uday Salunkhe, Group Director, WeSchool. The MoU aims to jointly develop and deliver the Post Graduate Programme in Foreign Trade Management (PGP-FTM), which shall endeavour to develop the human capital for meeting the growing demand in international trade ecosystem. The programme will broadly encompass the General Management Principles, Export Import Procedures, Foreign Trade Management Techniques and International Marketing Concepts. The course will equally benefit professionals working in the area of international trade and also students aspiring to pursue a career in export or imports.

Khan said, "Academia and industry are two different worlds which are operating in isolation, both unaware of the requirements of each other.



Considering the dynamic changing business environment and increase in demand for skilled and industry ready professionals, there is a felt need to develop a course that imparts both theoretical concepts and practical knowhow. FTM Programme aims to achieve that."

The duration of the programme will be 11 months and it will be offered in two batches.

Qualified Graduates from recognised university can apply for direct admission to the course and the first batch will commence from August 2019.

# Technology, a game changer in logistics

**Ruchi Dogra**, Director and Co-founder, FreightCrate Technologies, explains how not just simple automation but a combination of new-age technologies for the new-age logistics service providers are at the tipping point of mass adoption by the industry.

Today, there isn't just one unique identifiable technology that can create a quantum impact on the logistics industry. Simple automation, which seemed like the panacea for all logistics-related issues, is no longer the natural option. The way automation is impacting the logistics industry and its value chain is evident from the emerging new business models which are disrupting traditional forms.

### THE EMPOWERED EXECUTIVE

Employees of logistics providers are now more aware, utilising toolsets and systems that enable them to deliver more. Whether it is performing routine tasks or taking high-value decisions, automation has enabled the creation of both time and decision support systems to help prioritise shipments and ensure they are not just planned effectively but also delivered within the planned parameters.

#### IOT, AI AND DATA ANALYTICS

IoT (Internet of Things) has the potential to be the bigger disrupter. Optimising cost, reducing cycle times, and transparent and efficient documentation – all are seen as basic requirements today. The supply value chain is employing IoT to ensure all relevant data is generated in a uniform and manageable dashboard format. Decision-making support from AI algorithms and modelling is a norm for supporting decision making.

#### **EXPERIENCE COUNTS**

Integration of all areas of business activity is imperative for both small and big enterprises. Smart decision making, efficiency gains, timely execution, and transparent pricing models that impact profitability are both demanded and delivered by the logistics industry's new-age providers. It's all about enabling a business that uses logistics to plan for and reorganise the business model and market acquisition strategies. All of this leads to improved experiences for shippers, carriers, and valueadded logistics players in the value chain.

#### INFORMATION FLOW IS FASTER, CHEAPER, AND TRANSPARENT

All participants want to have information for their own use, in their own format, and without cost. Is this possible? Yes, and it is being delivered using the advancements of AI, machine learning, and implementation of business intelligence systems. Sharing of data in a standardised format and making available deThe way automation is impacting the logistics industry and its value chain is evident from the emerging new business models

-66—

cision dashboards that can easily be understood are the norm. This development is enabling movement of information at a fast pace as required by buyers, shippers, and other providers within the logistics supply chain. The underlying systems create a level of transparency which is acceptable to all and is improving day by day.

#### TRANSFORMATION THROUGH DIGITISATION

The growth in new-age logistics intermediaries with an edge in technology is here to stay and in turn provide an edge to clients. Whether planning of shipments is ad hoc, regular or long-term, the ability to provide a quote electronically in a standardised format is enabling logistics players to capture the opportunity with instant price modelling. This is creating a unique business model within the industry, enabling spot pricing, efficient logistics routing and above all, a satisfying experience for all.

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



**Ruchi Dogra** Director and Co-founder FreightCrate Technologies

# movements



#### **TIACA** Singapore

**Bertrand Schmoll**, Chairman at General Sales and Service Agent (GSSA) ECS Group, was elected to the board of The International Air Cargo Association (TIACA). Schmoll's election to the TIACA board is concurrent with the early departure of Sebastiaan Scholte, Chairman, TIACA, who is stepping down a few months earlier than planned and is also departing from his position of CEO of Jan de Rijk Logistics on July 1. Returning to Schmoll's election to the board, a statement from TIACA noted that ECS Group is the first GSSA to be represented on the board, which Scholte noted as a positive move providing representation for all sectors of the supply chain.



#### ★Marseille-Fos Port France

**Hervé Martel**, Managing Director of the Port of Le Havre since March 23, 2012, has been appointed Head of the Seaport of Marseille (Grand Port Maritime de Marseille). He replaces Christine Cabau-Woehrel, who turned down the opportunity to renew her five-year contract with GPM de Marseille to return to CMA CGM. The Port of Le Havre is a major hub for foreign trade and the fifth ranking port on the North European range for container traffic. It welcomes nearly 6,000 vessels each year, including the largest containerships in the world.



#### ★Allcargo Logistics Mumbai

Allcargo Logistics has announced the appointment of **Eddy Bruyninckx** as Independent Director on ECU Worldwide board. ECU Worldwide is the fully-owned international subsidiary of Allcargo Logistics. Bruyninckx has been associated with Port of Antwerp as CEO for 25 years. He has been instrumental in strategising extremely strong performance for the port. Under his able leadership, Port of Antwerp has emerged as a major logistics hub.



#### ★JSW Infrastructure Mumbai

JSW Infrastructure appointed **Arun Maheshwari** as its Joint Managing Director and Chief Executive Officer. Maheshwari has been associated with JSW Group since November 1995 and has handled multiple roles and responsibilities, including his role as Executive Vice-President (commercial), JSW Steel. With over two-and-a-half decades of experience in the steel industry, he has been responsible for sourcing major steel and power generating raw materials, corporate strategy, and international marketing, steering each of these areas with his entrepreneurial skills, creative approach and lateral thinking.



#### ★ACP Worldwide United Kingdom

ACP Worldwide has promoted **Rod Entwistle** to the newly created position of Managing Director. Entwistle has a total of 33 years of experience in the aviation industry and for almost 30 of those has worked alongside ACP's Founder and Chief Executive, Graeme Howard. Together with Howard, Entwistle has helped spearhead the company's global development including commercial operations, airline client sales strategies, project planning and service delivery.



#### ★Imperial Logistics China

Joshua Mclarin has been named as the company's new Managing Director for China. Originally from New Zealand, Mclarin has spent the past 13 years of his logistics career in senior positions at Singapore Post group companies in New Zealand, Thailand, Australia and (most recently) Singapore, where he was Vice-President, Group Sales, responsible for 13 countries. Mclarin has considerable experience in providing logistics solutions for some of the world's largest and best-known online and retail brands, and successfully drove the positioning of Singapore as an e-commerce consolidation and distribution centre for Asia.







# INGENIOUS LOGISTICS



# **CO-CREATING CUTTING EDGE TECHNOLOGY SOLUTIONS THAT DRIVE YOUR WORLD BEST!**

For over 85 years, SEW-EURODRIVE has closely engaged with customers to develop precise, customized solutions; by selecting the right products for a new application or retrofitting an existing one.

SEW drives your business the best as it has the most comprehensive range of products (hardware and software) and services that cover the entire value chain; from engineering and selection to start up, maintenance and future expansion.

Our consultative, co-creation approach is what makes us unique, and hence your natural partner: you visualize your world, we will plan solutions that can drive your business in the best possible way!

To know more, do call us or visit our website.

www.seweurodriveindia.com

#### How we drive your world:

- · Energy efficient solutions
- Life cycle service
- Customised training
- German design & innovation



LEADER IN DRIVE ENGINEERING | MOTION CONTROL AUTOMATION EXPERT IN INDIA SINCE 1997 | OPERATING IN 50 COUNTRIES © +91 96866 24322 | Email : marketing@seweurodriveindia.com



Driving the world