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Pages 48 | 50

Published from : ★ India

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OCTOBER 2019

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August mixed bag for European & Middle East carriers



Carriers based in Europe and the Middle East reported mixed cargo traffic results in August as protectionist policies and the upcoming Brexit issue continue to create friction for global trade. Both Lufthansa Group and International Airlines Group reported year-over-year declines in cargo traffic, while Air France-KLM's August performance was flat, in comparison to August 2018.

Turkish Cargo reported significant volume growth for the month.

Beyond the poor political-economic environment all over the world, summer months are traditionally slower periods for air cargo, so some stakeholders are optimistic that carriers will see a return in traffic as the industry moves into the holiday peak season.

For a closer look at carrier results

Air France-KLM's August cargo traffic declined by 5.7 per cent y-o-y to 699 million freight-tonne kilometer (FTKs). Both Air France and KLM saw similar declines in traffic, of 5.4 per cent y-o-y to 306 million FTKs, and 5.8 per cent to 393 million FTKs, respectively, for the month.

International Airlines Group reported group traffic down 6.1 per cent y-o-y in August to 443 million FTKs. Traffic flatlined at Aer Lingus and increased at Iberia, which both account for a relatively small share of IAG's overall cargo traffic. Meanwhile, traffic declined by 8.9 per cent y-o-y at British Airways for the month, which accounts for most of the group's traffic.

Lufthansa Group reported a negligible improvement in y-o-y August traffic, which increased by 1.5 per cent to 898 million FTKs. The main inhibitor to growth can be traced to the carrier's Asia-Pacific traffic, which declined 8 per cent y-o-y, offsetting growth in all other regions that ranged from single-digit (Americas/Europe) to sharply higher in the Middle East and Africa.

Turkish Cargo reported a 11.5 per cent y-o-y increase in cargo volumes during August, to just over 130,000 tonnes. For the first eight months of 2019, cargo volumes are up 9.6 per cent y-o-y to more than 985,000 tonnes.

Big leap for LA and Doha

Airports Council International's (ACI) latest world airport traffic report has revealed the world's fastest growing airports for 2018. There was no change among the world's top five cargo gateways in 2018 but there was movement further down the table, reported Airports Council International. Hong Kong International Airport, Memphis International, Shanghai Pudong, Incheon and Ted Stevens Anchorage all held their positions from the previous year as the top five cargo hubs.

In total, the world's airports accommodated 122.7 metric tonne of cargo - a 1.4 per cent increase. This is down on the 6.8 per cent year-on-year increase recorded in 2017.

Rank 2018	Rank 2017	Airport City/Country or Area/Code	Cargo (Metric Tonnes) (Loaded and Uploaded)	% Change
1	1	Hong Kong, HK (HKG)	5,121,029	1.5
2	2	Memphis TN, US (MEM)	4,470,196	3.1
3	3	Shanghai, CN (PVG)	3,768,573	-1.5
4	4	Incheon, KR (ICN)	2,952,123	1.0
5	5	Anchorage AK, US (ANC)	2,806,743	3.5
6	6	Dubai, AE (DXB)	2,641,383	-0.5
7	1	Louisville KY, US (SDF)	2,623,019	0.8
8	9	Taipei, Chinese Taipei (TPE)	2,322,823	2.4
9	8	Tokyo, JP (NRT)	2,261,008	-3.2
10	13	Los Angeles CA, US (LAX)	2,209,850	2.4
11	16	Doha, QA (DOH)	2,198,308	8.8
12	12	Singapore, SG (SIN)	2,195,000	1.4
13	11	Frankfurt, DE (FRA)	2,176,357	-0.8
14	10	Paris, FR (CDG)	2,156,327	-1.8
15	14	Miami FL, US (MIA)	2,129,658	2.8
16	15	Beijing, CN (PEK)	2,074,005	2.2
17	18	Guangzhou, CN (CAN)	1,890,816	8.2
18	20	Chicago IL, US (MDW)	1,807,091	5.0
19	17	London, GB (LHR)	1,771,342	-1.3
20	19	Amsterdam, NL (AMS)	1,737,984	-2.7
TOTAL			51,313,665	1.4

Fastest-growing airports (handling over 250,000 metric tonnes of air cargo)

Rank	Airport	Cargo	% Change
1	Rockford Airport, USA	306,332	56.6
2	Nairobi Airport, Kenya	342,579	25.2
3	Liege Airport Belgium	871,596	21.6
4	Xi'An Airport, China	312,639	20.3
5	Philadelphia Airport, USA	503,766	20.0

Source: Airport Council International

CODEX for ease of doing business

Container Digital Exchange (CODEX) – Port Community System, developed by Kale Logistics Solutions, makes India proud by winning the ‘Trade Facilitation Innovation Award’ at the Asia-Pacific Trade Facilitation Forum 2019.



India ratified the WTO Agreement on Trade Facilitation (TFA) in April 2016. However, the measures for trade facilitation have been underway since long as enhancing trade facilitation dovetails with the government’s policy objective of improving the ease of doing business climate. The government seeks to transform the trade ecosystem by reducing the time and cost of doing business. This can be achieved by simplification of procedures, easy access to all trade-related information and infrastructure augmentation.

CODEX – Port Community System is developed to enable ease of doing business in the maritime industry. The platform was nominated from India for the most innovative trade facilitation initiative at the Asia-Pacific Trade Facilitation Forum (APTFF) – a leading regional platform for the exchange of information, experiences and practice on trade facilitation.

The Asian Development Bank (ADB), the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and a growing number of partners, including UNCTAD, WCO, and WTO, organise it. CODEX was recognised as the winner for its contribution to the maritime sector and Digital India for aiding ease of doing business.

CODEX is an initiative by Tuticorin CFS Association (TCFSA) and Kale Logistics Solutions. The platform is adopted by TCFSA and VOC Port, Tuticorin, Tamil Nadu to enable seamless movement of containers from the CFS to the port with 100 per cent shipment visibility and security. The APTFF award recognises the benefits CODEX has brought to the maritime community; like a common central platform for trade to exchange information, monitor transactions, make trade paper free and enable error-free filing of EGM on ICEGATE. The error-free EGM filing has facilitated the

exporters to get their IGST refunds without any delay in seven days from erstwhile 90 days.

The platform is designed to offer several fulfilment mechanisms as per the guidelines around the Trade Facilitation Agreement (TFA), outlined by the World Trade Organisation (WTO) and United Nations TFA Recommendation no. 33. It connects the entire community of MLO, Feeder Operators, CFS/ICD operators, Customs Port, and Terminals on a common highway. This is in keeping with Kale’s commitment to catalyse trade facilitation, empower ease of doing business, and enable trade through single window systems, globally.

Speaking on the achievement, **Vineet Malhotra**, Director, Kale Logistics Solutions, said, “It gives us great pride in being recognised for this award by the APTFF. The CODEX platform has not only streamlined trade but also reduced carbon emissions by 75 per cent by reducing the container dwell time at the Tuticorin Port to 100 minutes from CFS to Port including Customs verification.”

He further adds, “CODEX, our future-ready, agile platform brings together the power of best-of-breed Port Community System with scalability, cognitive automation, and context-aware. We continue to be inspired to strive towards facilitating seamless cross-border trade across the globe.”

More information:
info@kalelogistics.com

Advertorial

Ease of business

- CODEX is developed to enable ease of doing business in the maritime industry

- CODEX has brought to the maritime community; like a common central platform for trade to exchange information, monitor transactions, make trade paper free and enable error-free filing of EGM on ICEGATE

UPS converts four major US gateways into FTZs

UPS has announced the integration and expansion of Zone Solutions within its customs brokerage, warehousing, logistics and transportation business. The addition gives UPS a portfolio of Foreign Trade Zone (FTZ) consulting, management and fulfilment services. UPS also converted four of its major US international air freight (IAF) gateways into FTZs: Chicago (ORD), New York (JFK), Dallas (DFW), and Los Angeles (LAX).

The expansion extends UPS's FTZ-related capabilities beyond warehousing and distribution to create a comprehensive FTZ solution for helping clients manage the end-to-end process from dealing with customs to inventory control. Any of the 42 US distribution centers of UPS Global Logistics can become FTZs.

"UPS is constantly searching for ways to add value while decreasing the cost and complexity of our customers'



Jeff McCorstin, President, Global Brokerage and Customs, UPS

supply chains," said **Jeff McCorstin**, President, Global Brokerage and Customs, UPS. He further said, "Adding FTZs enables customers to streamline compliance validations to mitigate risk and promote savings on their IAF shipments by leveraging FTZ-designated gateway facilities." According to the most recent data

from the Census Bureau (2017), import duties totalled \$33.1 billion – equal to 1.4 per cent of the total value of all imported goods, and 4.7 per cent of the value of all imports, subject to duty. For businesses looking to grow and expand, proper management and payment of duties is critical.

Agility Ventures invests US\$ 18m in green supply chain tech

Agility Ventures has invested US\$18 million in technologies to make its supply chain more energy efficient. In Agility's 2019 sustainability report, the company affirmed its plan to cut emissions from 2016 levels by 25 per cent by 2025. To reach that goal,

building green standards as it adds more than 300,000 sqm of facilities to its portfolio of warehousing and light industrial facilities across the Middle East and Africa. Some of the \$18 million also will go towards green technology start-ups, including hybrid trucking technology company Hyllion and solar thermal technology company TVP Solar.

"Green technology is a major focus of our investment strategy, and we're always on the lookout for dynamic new businesses that can revolutionise the supply chain to help protect the planet," said **Henadi Al-Saleh**, Chairwoman, Agility. According to its sustainability report, Agility also invested in road freight booking platform CargoX which focuses on markets like Brazil. The platform is meant to reduce the number of empty trucks on the highway in Brazil. The trucks in Brazil are estimated to run empty about 40 per cent of the time to reduce freight costs and carbon footprints.



Henadi Al-Saleh
Chairwoman
Agility

the company is implementing renewable energy pilots in large facilities across the world and

Ethiopian Cargo starts freighter service to Bangkok and Hanoi



Ethiopian Cargo announced a weekly 777 freighter service to Hanoi (HAN) and Bangkok (BKK) from its Addis Ababa (ADD) base. The weekly flight departs ADD on Fridays, arriving in HAN that evening and then continuing to BKK, where it arrives Saturday morning. From Thailand, the freighter service returns to ADD mid-day on Saturday. "The carrier's new service to HAN and BKK will

supplement the daily belly hold cargo capacity on passenger aircraft and will create better connectivity for cargo transport not just between Ethiopia, Thailand and Vietnam but also to over 60 destinations we serve in Africa," says **Tewolde GebreMariam**, CEO, Ethiopian Group. Ethiopian Cargo's freighter fleet includes 10 777Fs and two 737-800SF, though the carrier expects to continue growing its cargo fleet.

Etiha Cargo strengthens North American footprint

To mark an increased presence in the United States of America and other strategic global cargo markets, Etihad Cargo introduces new weekly freighter services between Abu Dhabi International Airport (AUH) and Columbus, Ohio. A weekly service, now via Europe to Ohio's Rickenbacker International Airport (LCK), will be supported by an extensive road feeder network between LCK and other US destinations including Atlanta, Chicago, Dallas, Houston and Philadelphia. The outbound flight will operate via Frankfurt (FRA) and return via Amsterdam Schipol (AMS). Etihad Cargo plans to introduce a second weekly flight to LCK, opening

up an additional European gateway before the end of the year. The LCK freighters provide the perfect main deck complement to existing belly hold capacity

on Etihad's direct widebody services between Abu Dhabi and major US gateways including Chicago, Los Angeles, New York and Washington D.C. The airline's updated freighter

network also introduces a weekly Boeing 777 freighter service into Johannesburg's Tambo International Airport (JNB) from October 5, which establishes

the South African city as a seasonal African gateway 'hub' for trade flows of perishables and other goods to and from Europe and Asia. Additional belly hold capacity has also been

introduced through increased flights between Abu Dhabi and London Heathrow Airport (LHR) with a fourth daily frequency confirmed from October 27, as well as tactical aircraft changes from A380 to Boeing 777 on the second daily frequency to Charles De Gaulle International Airport (CDG) in Paris. Etihad Airways will also replace its current Airbus 330 operations on routes to Jakarta's Soekarno-Hatta International Airport (CGK), Bengaluru's Kempegowda International Airport (BLR) and Johannesburg (JNB), with a Boeing 787 to further increase additional cargo capacity.



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INDUSTRIAL/SEW

Economic slowdown douses coal import: ICRA

According to an ICRA report, the volume growth at major ports has witnessed a four per cent fall in coal volumes (63.6 MT vs 66.3 MT) and the fertiliser and liquid volumes have also witnessed a decline.



CT Bureau

Major ports have reported only a tepid 1.9 per cent cargo growth in the first five months of FY2020 from 289 metric tonnes (MT) to 294 MT. Healthy volume growth in container, crude and iron ore segments has been offset by the decline in coal and some other bulk cargo volumes. As per an ICRA note, the volume growth at major ports has witnessed a four per cent fall in coal volumes (63.6 MT vs 66.3 MT) and some decline in fertiliser and liquid volumes. Coal volumes at major ports had grown 11 per cent in FY2019.

Throwing more light, **K Ravichandran**, Senior Vice President and Group Head - Corporate Ratings, ICRA, says, "Even Coal India Ltd's (CIL) dispatches have fallen by three per cent during this period to 247 MT from 241 MT. Thus, the slowdown in coal imports is most likely at-

tributable to the economic slowdown in recent months which has brought down the overall demand and is also likely to impact the domestic port sector."

Also, thermal power generation has increased during the first five months by four to five per cent indicating that the decline in thermal coal demand is driven by other consuming industries. Some of the growth in coal demand is also stifled by the impact of higher generation from newly-added renewable capacities. Systemic inventory with users is also possibly down on account of lower ordering following the anticipation of a further slowdown in demand."

If the demand from the power sector remains tepid and industrial demand also remains slack, there is a possibility of further pressure on

coal import volumes, as per ICRA. Commenting on this, **Ankit Patel**, Vice President and Co-Head - Corporate Ratings, ICRA, mentions, "If the demand from the power sector remains tepid and industrial demand also remains slack, there is a possibility of further pressure on coal import volumes. In the long term, a sustainable pick-up in industrial activity and power demand will be crucial for the sustenance of healthy coal imports as domestic production also ramps up to meet the incremental demand. CIL's supply is likely to increase every year by five to seven per cent at least and this will continue to be a risk for port players that are highly dependent on coal volumes for optimal utilisation of their port capacities."

Container volume growth has also slowed down to six per cent as compared to 11 per cent in FY2019 indicating some sluggishness in trade movement. While non-major port data is not available, many non-major ports have significant dependence on coal cargo and thus could face challenges, if the slowdown continues.

In FY19, total cargo handled at Indian ports had registered a moderate increase of 5.9 per cent to 1,280 million tonnes from 1,209 million tonnes during FY18. ↴



K Ravichandran
Senior Vice President and Group Head -
Corporate Ratings, ICRA



Even Coal India Ltd's (CIL) dispatches have fallen by three per cent during this period to 247 MT from 241 MT



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Chinese dragon eats up Indian rice

With China emerging as an export giant and countries like Pakistan, Thailand and Vietnam disturbing the market for Indian rice in Asia & Africa, countries like Egypt, China, Mexico, Malaysia, Indonesia and the Philippines could be potential new markets for Indian rice exports, says, Cogoport. The study talks about the potential new markets for rice.



CT Bureau



Kunal Rathod
Co-founder and Head of Growth
Cogoport

“
Indian rice exporters need to look for potential new markets, such as Mexico, which is relying less on supplies from the US
”

According to a market update by Cogoport, before other countries extend their market share, there is merit in establishing trade relationships. Global rice production is expected to see a decline, as smaller crops are expected in the United States, North Korea, and Thailand. India is expected to see a drop in non-basmati rice exports in 2019 while basmati rice exports from India is expected to grow, but at a slower rate in 2019.

Considering the challenging times ahead for the rice industry ahead, **Kunal Rathod**, Co-founder and Head of Growth, Cogoport, comments, “Indian exporters face stiff competition now as China turns into a low-cost rice exporter while higher tariffs on non-basmati rice threatens India’s chances to export to Bangladesh. Indian rice exporters need to look for potential new markets, such as Mexico, which is relying less on supplies from the US.”

“Countries like Egypt, where availability of affordable Asian rice can fill tight domestic supply gaps,



could also be potential markets, whereas countries like China, Malaysia, Indonesia and the Philippines continue to be major rice importers and can be targeted,” he adds. 🐉

Customer speaks:

“**Nikhil Singh**, CEO, Rajputana Rice, shipping 100 containers of rice monthly to West Africa, says, “Rice exports can be challenging. Exporters face liquidity issues as payment can take months to come and competition from high quality and cheaper Pakistani and Thai rice is increasing.”

Nikhil Singh, CEO, Rajputana Rice

“Another Cogoport customer, **Vishal Agrawal**, CEO, Saya Overseas, who ships rice to African and Gulf countries, adds, “We used to ship 60-70 containers monthly. Now because of the challenges, we’re moving about 40 to 50. The economy is slowing down and there is tough competition from other countries. Pakistan, Thailand and Vietnam are offering better rates. There are losses because of defaulters in this industry. Competition among rice exporters is also increasing. Every other manufacturer is now becoming an exporter and while manufacturing exporters get the benefit of subvention scheme, mill exporters do not.”

Vishal Agrawal, CEO, Saya Overseas

“Sharing an advice for exporters in the industry, **Rakesh Kumar Singh**, Vice President, The Rice Exporters Association, says, “We remain a strong player in rice exports to West Africa. We should now be targeting new markets like China, Malaysia and the Philippines. To avoid payment challenges, exporters should take an advance of 10-20 per cent and the balance on fax or through the bank. If you have some money upfront, the buyer will not default.”

*Rakesh Kumar Singh, Vice President,
The Rice Exporters Association*

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Sunil Arora is ACAAI President

The Air Cargo Agents Association of India (ACAAI) has appointed Sunil Arora of Delta Air Freight as the President of ACAAI for 2019-2020. Arora, who held the post of Vice President earlier, takes over from TA Varghese of Aroscan Cargo Trade. Afzal Malbarwala of Galaxy Freight, who previously served as Secretary General, has now been appointed as the Vice President of ACAAI. CK Govil of Activair Airfreight India and Anil Vazirani of Robinsons Cargo & Logistics have taken over as Secretary General and Treasurer, respectively. The announcements were made during the 49th annual general meeting in Mumbai.





Break in the cold chain

Gopi G, Regional Business Manager – South, Snowman Logistics, talks about the challenges in delivering cold chain products to the end-user in the right temperature. He lists out areas, which need development and urges traders to look at long-term gains rather than opting for low operating costs.

When it comes to maintaining the quality of the product right from the source to its destination, an efficient cold chain strategy is the only way. Thermal and refrigerated packaging methods in the cold chain, effectively keep all products fresh and sealed. In India, cold chain has been seeing visible progress in horticulture produce, meat and confectioneries over the past decade.

Based on application, the cold chain market is bifurcated into fruits and vegetables, bakery and confectionery, dairy and frozen desserts, meat, fish and seafood, and others. Cold chain plays a major role in the storage and transportation of fish, meat and seafood products, as they need refrigeration right after slaughter, during processing, and during packaging. Meat, fish and seafood account for the largest market share due to increasing consumer preference for packaged food products.

Considering the temperature range, the cold chain market is further divided into chilled and frozen. With an increasing demand for perishable foods, the trade in the cold chain is expected to grow exponentially soon. Even with the constant conflict between supply and demand, there are drawbacks that the cold chain industry in India faces every day.

A FEW GROUND REALITIES:

- **A decline in the quality of food:** Although the distribution is good, mismanagement in supply chain logistics causes confectioner-

ies to deteriorate. The quality of the products starts declining as soon as they are stored in the warehouses or vehicles and it further goes down when it reaches the wholesaler. Storing in direct sunlight affects the texture and taste of the products.

- **Lack of technology:** This has led to the depreciation of meat through the cold chain industry. Consumers need meat while it's fresh so that it can be consumed on the same day or a day after it has been bought. The absence of efficient tech worsens the quality and eventually leads to wastage or even health concerns. Technologies like GPS and sensors can monitor the trucks centrally to track the temperature and position to ensure better control of product quality.

- **Supply chain inconsistency:** While a lot of fishermen tend to send the products all over India, the unavailability of continuous supply chain wanes the quality and eventually leads to national waste. The discrepancies in temperature at warehouses and vehicles fluctuate the temperature and the seafood starts to disintegrate.

- **Insufficient infrastructure:** Due to minimal infrastructure in India, supermarkets tend to sell the products in bulk by launching schemes. As the product quality starts declining, the improvement in the supply chain management will lead to a reduction in these solutions.

- **Online supermarket crisis:** As the liking for online supermarkets increas-

es, their efforts to provide fresh groceries also gets complicated. Products like vegetables, fruits, dairy, ice cream, and butter go through numerous stages of logistics. There has been phenomenal growth in the dairy products market, which includes ice cream and butter. Due to shortage in infrastructure capacity, these products worsen due to fluctuating temperatures. These companies often use thermal boxes to maintain the temperature throughout the product's journey. This eventually leads to high logistics cost.

The cold chain logistics companies in India are everywhere, the Western, Southern, Eastern, Northern, and Central regions. Cold chain logistics are categorised into temperature-controlled vehicles and temperature-controlled warehouses

The technical mandates employed are quite incompatible for Indian conditions resulting in failure of reaching the optimal performance of standard refrigerating systems. Insufficient labour knowledge and training in handling temperature-delicate products are also a reason, including the cost involved.

Cold storages require a stable power supply. This is an age-old problem in India. Recurrent power cuts is a major cause of distress in India. These companies must invest distinctly in power back-ups which escalate the capital investment requirement. The government is taking up many initiatives for the development of the cold chain industry, it might be a good idea for traders to look at long-term gains rather than opting for low operating costs.

“
In India, cold chain has been seeing visible progress in horticulture produce, meat and confectioneries over the past decade
”



Gopi G
Regional Business Manager – South
Snowman Logistics

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

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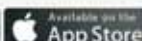
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WANTED: FTZs near airports

With an objective to create trade-related infrastructure, Free Trade Zones provide a one-stop clearance of import and export formality. To make India an air cargo transshipment hub, we would need such zones closer to airports. **CARGOTALK** delves deeper into this subject to understand the need for more FTZs near airports.



Kalpana Lohumi

A Free Trade Zone (FTZ) or Export Processing Zone (EPZ), also called Foreign-Trade Zone, is an area within a country in which goods may be landed, stored, handled, manufactured or reconfigured, and re-exported with the minimum intervention of customs authorities. The FTZs are designed to attract Foreign Direct Investment (FDI) and to provide a business-friendly environment with incentives, good infrastructure and other advantages. The primary purpose of FTZs is to remove hindrances to trade at seaports, airports or border caused by tariff and customs regulations. The zones are fundamentally established around major seaports, international airports, and national frontiers—areas with many geographical advantages for trade. But if we look at India, many of them

are located along the coast or near sea transport routes to leverage international transportation. India was also one of the first countries in Asia to set up exclusive Export Processing Zones (EPZ) at Kandla port in Gujarat in 1965 to boost export and promote economic growth. **CARGOTALK** looks at the possibility of setting up FTZs near airports.

Explaining the need for FTZs near airports, **Nihar Parida**, Industry Expert, expounds, “FTZs have not been very successful till a few years in India. Now we see a lot of traction happening and many investors are building up FTZs in the country. The reason why most of them have gone for the seaport is because the minimum requirement for an FTZ is of 100 acres of land. But the need

for FTZs is growing for cross-border business of e-commerce. An FTZ at the airside is possible if either the government or the airport developers earmark certain land within the Special Economic Zones (SEZs). The smaller Indian traders or sellers do need this kind of a facility whereby they can get smaller amount of cargo from different countries to the Indian market. SMEs and MSMEs can also export their goods through this.”

PS Atree, President, Delhi Customs Brokers’ Association (DCBA), points, “Airport-based FTZs would be very beneficial to the ex-im trade as well as the logistics industry at large. However, the success of it depends on the intent of the stakeholders. Internationally it is very encouraging but in India, the concept of SEZ/FTZ,

its implementation and experience are not very satisfactory. And, when it relates to Indian airports, there might be several issues involved. Above all, there should be good balance of demand and supply to make it commercially viable."

Adding to that, **Vipin Vohra**, Chairman, Continental Carriers, shares, "No doubt, FTZs are important sourcing and manufacturing destinations for foreign investors. Regardless of the challenges attached to FTZs, government's stress on 'Make in India' and infrastructural investment is surely going to make it work successfully. Undeniably, FTZs provide increased inflow of foreign exchange;

land development; improvement in infrastructure, government services, technology and skill development for the domestic market."

S Ramakrishna, Immediate Past Chairman, FFFAI, says Free Trade Warehousing Zone (FTWZ) is a good idea if it is used as a manufacturing facility. "Most of the FTWZs which are used for stock and sale do not have adequate increase in value in terms of foreign exchange. The endeavour should be best utilisation of the facility," he explains.

Explaining the concept, **Ashish Asaf**, CMD, SA Consultant & Forwarders, says, "The idea of FTZs,



after its inception and implementation, has been an alluring factor for businesses as this is attributed to the reduced or deferred customs duties, faster and efficient processes, and reduced freight forwarding and logistics costs. In India, currently there are around 220 SEZs, located in 15 states. We would require more SEZs and FTZs near major international airports that would assist augmenting international trade further by expediting the imports/ exports and customs clearance processes."

Sharing his views on airport-based FTZs, **Amit Tandon**, Managing Director, AS India, says, "If and when the goods are moved to consumers within the country, they become subject to the prevailing customs duties. Airport-based FTZs would essentially handle goods imported by air or those to be exported by air. These would mostly be high value/ low volume materials. Therefore, these would also need urgent handling and disposal. Urgent processing of these materials for re-export or transshipment, with or without value addition is essential. Also, with the help of facilities at the FTZ and the advantage of not having to go through the customs and other time-consuming formalities for import and then for re-export, will lead to expeditious and cost-effective handling of the goods."

What is an FTZ?

- An FTZ is a US terminology and can be categorised under the Special Economic Zones.

- In India, the concept of SEZ was implemented in 2000 following a successful model of China to stimulate foreign and domestic investment, to shoot up exports and also generate employment opportunities.

- Until then, India only had a number of EPZs (Export Processing Zones) that were not very productive.





Initiatives taken

■ The Department of Commerce is taking several initiatives to increase the number of SEZs to a targeted number of more than 400 from the current 220 as these zones are significantly becoming sourcing and manufacturing hubs for foreign investors.

■ International freight hubs like Hong Kong, Singapore, Panama, Copenhagen, Stockholm, Gdansk (Poland), Los Angeles, and New York City house major FTZs.

Sharing the potential benefits of having FTZs in the vicinity of airports, a **MIAL spokesperson**, explains, "The FTWZ was announced in the Foreign Trade Policy by the Government of India. This was initiated to set up zones to create a trade-related infrastructure to facilitate the import and export of goods and services with the freedom to carry out trade transactions in free currency. Talking about FTWZ from SEZ to FTZ in the airspace, FTZs within close proximity to airports can offer potential benefits to the air ex-im trade. Similarly, there are many benefits of the FTZ as it can majorly help improve cash flow, increase global logistics efficiency, reduce unnecessary logistics costs, and retain flexibility."

"As per IATA's recent study, India will be the world's third largest aviation market by 2024-25. Likewise, airfreight is one of the key

enablers to economy of a country. With proper implementation and use, the FTZ will be a valuable addition to airfreight to further strengthen its contribution in integrating the country to the global economy. FTZs not only enhance the overall airfreight business but it also works at a larger scale when talked about global trade portfolio and the throughput capacity of the airports. A strategic package of FTZ and airport can create transshipment cargo hubs in India and promote cross border air trade," he adds.

ADVANTAGES

The next task at hand is to find out if airport-based FTZs maximise the benefit of import and export. "The existence of airport-based FTZs facilitates the storage of goods on arrival without immediate payment of duties and taxes at the destination,

handling, break-bulk, processing, manufacture, re-packing, relabelling etc. in the FTZ and re-export of the same. This avoids the necessity to incur additional efforts and expenses for taking out the goods from the customs area (including payment of custom duty), storing and processing the same at the factory location and bringing back for re-export of the same after re-processing and claiming refund of the custom duty paid on import. The goods may be imported from more than one supplier or location, manufactured or assembled in the FTZ, with or without the locally-produced components, and re-exported, again to one or more foreign parties, without leaving the FTZ at any time, thereby saving considerable time and costs for transportation, storage and handling etc. The savings may far outweigh the costs incurred for putting up these facilities within the FTZ," notifies Tandon.



Nihar Parida
Industry Expert



PS Atree
President
Delhi Customs Brokers' Association (DCBA)



Vipin Vohra
Chairman, Continental Carriers, and
Gallery of Legends (India Cargo Awards 2015)

“
An FTZ at the airside
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certain land within
the SEZs
”

Parida explains, “When small traders or even the bigger ones get goods for the Indian market, they find it difficult to get the goods in bulk or even if they do, they have to pay the complete duty. With the FTZs near to the airport they can get a smaller portion to at least know the market and if they feel it is good, they can go in for a bigger option and the same is for small exporters. Many can consolidate their cargo and optimise their processing and freight cost while exporting goods. The foreign buyers can also register and be closer to the market for sourcing.”

“Airport-based FTZs also serve as a transshipment hub. India has a very strategic location for international transshipment of goods, not only between the neighbouring countries, but also for supply of goods to and from these countries to other parts of the world,” adds Tandon.

Talking about the amount of time and money saved, Asaf explains, “The dwell hours at the airports will come down and the turn-around time will improve. Also, expenses and time related to customs requirements will condense for airfreight transiting FTZs to the final destination for exports and similarly custom fees get deferred till the imported goods leave the FTZ for local distribution. Consequently, FTZs assist global shippers and trade bodies in optimising cost efficiency by curtailing the operational costs. In this era of globalisation and increased cross border trade, even production of goods endures innovative protocols like spare parts manufactured

“
Requirements
from logistics
industry should
also be given equal
importance to make
the venture a
great success
”

in one country, gets assembled in a second country and is exported for sale in another. Nations import and export raw materials, finished goods and vivid services as FTZs facilitate duty-free zones for imports, exports and re-export processes thereby gaining significance. Although all industries may not benefit from FTZs, but some like the automobile industry heavily depends on FTZs. An FTZ’s primary advantage is its ability to improve a company’s competitive position. Businesses can avoid import duties if goods are stored, sorted, tested, repackaged, and otherwise handled within the FTZ and then exported without ever entering the US marketplace.”

“
FTZs have had
mixed impact, some
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and sometimes
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disappointing
”



S Ramakrishna
Immediate Past Chairman
FFAI

Sharing the airport perspective, MIAL spokesperson says, "The Indian aviation industry is poised for tremendous growth in the coming years. Airfreight has registered a CAGR of 6.79 per cent between FY10 to FY19 while Chhatrapati Shivaji Maharaj International Airport (CSMIA) itself has recorded a growth of six per cent in FY19 compared to the previous year. Similarly, being the commercial capital of India, Mumbai plays a vital role wherein goods are landed, handled, manufactured or reconfigured, and re-exported with ease. With FTZ emergence in the airspace, the economic boost fostered by import and export of goods and services is sure to benefit the country."

FTZs enable regulatory clearance and also upgrade the inventory management of ex-im freight. Offering a wide range of services, the FTZs include warehousing, transportation, office

spaces and centralized clearance for goods which are imported like raw materials, spare parts & components among others. Bundled with special regulations and status, the objective of FTZs is to facilitate ease of doing business to ex-im freight through faster supply chain, reduced cost and complexity in transactions. It also streamlines the compliances & clearances and lowers the import duties and taxes. Furthermore, FTZs also help in the export of finished products along with services like software, research & development and financial services," he adds.

Explaining how it would facilitate cargo operations and reduce hassles owing to the proximity between airports and manufacturing units, warehousing facilities and cargo clearance mechanisms, Atree mentions, "It would help in reducing transaction costs as well as logistics costs to make

end products competitive in the international markets."

Ramakrishna points out that the FTWZs in Chennai, Mumbai or Kurza are not functioning efficiently and remain underutilised. He advises, "The maximum benefit can be accrued if the manufacturing facility or assembly unit is established. The second most important issue is the payment in foreign convertible currency which is unpredictable in terms of exchange rate. The rules need to be tweaked in terms of the unit holder. Currently, the unit holder remains the FTWZ, whereas it should be mandated that the importer should be the unit holder, unless the goods belong to unregistered persons, an overseas supplier or recipient."

"Over the years, due to the rise in sourcing and manufacturing platforms like FTZs, exports have continually been increasing. The absence of interference and directives by



The maximum benefit of FTWZs can be accrued if the manufacturing facility or assembly unit is established





customs authorities in these zones offer several distinct benefits for consumers, businesses, manufacturers, importers and exporters. However, FTZs have had mixed impact, some times these led to export growth and sometimes results have been disappointing due to external factors like private investment and the international market," informs Vohra.

Talking from a freight forwarding perspective, Tandon says, "Having the goods handled, stored and processed at the airport-based FTZ will minimise the involvement of the freight forwarders by reducing the formalities and documentation involved, both for import and export. However, the freight forwarder will still have his role cut out for arranging the pickup of goods from the airlines in bonded transport, inspection by customs if required, transporting it to the FTZ, and arranging for the processing for the re-export of the same, either in the same or in repacked, reprocessed, reassembled or refurbished condition, with whatever documentation is required, till the stage of handing over to the airlines. The FTZs should have adequate facilities for the freight forwarders to also undertake consolidation and break-bulk activities at the FTZs."

"Currently, freight forwarders make use of only a limited segment of FTZs like cargo movement, preparing and managing documents and reporting

it to customs. These zones can be seen as prospective sources to attract more business and increase a company's competitive advantage by avoiding duties for the goods that are stored, re-packed, tested, and sorted within the premises. Also, freight forwarders have the advantage of maintaining cash-flow as FTZs render an advantage of postponing payments," adds Asaf.

SETTING UP FTZs NEAR AIRPORTS

The country is on its way to upgrade infrastructure development and seamless cross-border trade with global economies. Adding on these lines, the MIAL spokesperson feels, "India is seeing robust potential for pharma, electric vehicles, e-commerce and IT services like Internet of Things, blockchain & Artificial Intelligence (AI) in the coming years. A well-planned collaboration of FTZs in airspace, airports and sea ports together with multimodal connectivity is required to optimise this opportunity in line with the government to make India a US\$5 trillion economy."

According to Parida, "The government just needs to either give land for the unit holders to build FTZs inside the airport land which will be cost-effective or make it mandatory for the private airport developers to earmark certain land for FTZ within the airport land premises. The service providers are now ready to build and operate warehouses in these earmarked lands. And also a certain subsidy can be extended for logistics infrastructure for building smaller FTZ units within the airport."

Vohra believes that we are yet to achieve the desired results from FTZs. He continues, "Lack of transparency, self-serving agendas, site selection are some of the issues hampering the success of FTZs. Also, in some



Ashish Asaf
CMD, SA Consultant & Forwarders, and Face of the Future (India Cargo Awards 2018)



Amit Tandon
Managing Director, AS India, and India Cargo Award Winner 2016

“We would require more SEZs and FTZs near major international airports that would assist augmenting international trade

“The airport-based FTZ will lead to expeditious and cost-effective handling of the goods

of the cases people manufacturing outside FTZs are getting better benefits in comparison to that are being given to people working under FTZ. One of the major problems in case of FTZs has been that they could not achieve the projected objective of encouraging manufacturing exports from India due to excessive requirements in the policy. Policy makers need to rework on such conditions to engage more people to make FTZ a success."

According to Atree, "Apart from manufacturers and export/import organisations, requirements from logistics industry should also be given equal importance to make the venture a great success."

Advantages

- The advantages the government provides of investing in an SEZ like exemption from the Goods and Services Tax (GST) and levies imposed by the state government, supplies to SEZs are zero rated under the IGST Act, 2017, permission to manufacture products directly, as long as the goods produced fall within a sector which allows 100 per cent FDI.

Perfect use of Space IndoSpace

Being a pioneer of modern industrial and logistics real estate in India, IndoSpace offers Grade A distribution centres across industrial zones to its customers. **Rajesh Jaggi**, Managing Partner – Real Estate, Everstone Group, speaks to **CARGOTALK** about the warehousing sector in India and how IndoSpace is making a difference.



CT Bureau

How do you see the present status of the logistics and warehousing industry?

According to Economic Survey 2017-18, the Indian logistics market is expected to reach about US\$ 215 billion in 2020, growing at a CAGR of 10.5 per cent from US\$ 160 billion in 2018. The warehousing sector is growing rapidly and has seen a strong build-up in the last two years due to the structured

reforms, including the infrastructure status and the implementation of Goods & Services Tax (GST) Act. The warehousing market is estimated to be worth ` 561 billion in 2018 and is projected to reach ` 968 billion by 2024. The top warehousing markets in India (Ahmedabad, Kolkata, Pune, NCR, Chennai, Hyderabad, Mumbai and Bengaluru) witnessed a growth of 77 per cent year-on-year (y-o-y) in leasing in FY 2019, according to a Knight Frank report. Not only this, the sector has also received investments of over US\$ 6.8 billion from institutional investors and developers since 2014.

Where does the Indian warehousing industry stand vis-a-vis the international market?

Globally, warehousing has evolved into a sophisticated multi-storeyed space, particularly in the developed markets where there is paucity and high cost of land. The growth in e-commerce across the globe has also significantly led to evolution of warehouse design and inclusion of systems such as pallet racking, which can significantly improve stock-rotation, ease of access, and how



and Time:



The three major enablers that allow our clients to stay on top of their game are innovative customised solutions, value-added services and enabling technological advancements



your stock is picked resulting in streamlining the supply chain for e-commerce companies.

In India, majority of the warehousing market is still unorganised with most warehouses having an area of less than 10,000 sq ft but now the trend is changing. Unlike traditional times, warehousing is no longer limited to just storage of goods in godowns. Clients clearly understand the value of Grade A warehouses which is leading to more demand for

Grade A warehousing. According to estimates, 56 per cent of the total 32 million sq ft of industrial and logistics leases in the year 2018 were concluded in Grade A warehousing spaces. Warehouses in some of the developed countries have witnessed gradual adoption of latest technology over the last decade. Warehousing in India is also in the cusp of a technological transformation. We

are witnessing adoption of automation, robotics, artificial intelligence (AI) and warehouse management system (WMS) to help streamline the movement of goods from manufacturer to warehouse to retailer and eventually the end consumer.

Everyone talks about challenges in the Indian logistics industry, what is the accountability of the government and the industry to bring about efficiency at work?

The government has been supportive and has provided the necessary boost to the industry, be it in terms of capital investment, policy reforms (implementation of GST and giving infrastructure status) or infrastructural development initiatives such as highway construction or Bharatmala and Sagarmala programmes. The latest union budget announcement includes planned investment of around ₹ 100 lakh crore

Why pick Grade A...

- The warehousing market is estimated to be worth ₹ 561 billion in 2018 and is projected to reach ₹ 968 billion by 2024

- Clients understand the value of Grade A warehouses which is leading to more demand for Grade A warehousing

- According to estimates, 56 per cent of the total 32 million sq ft of industrial and logistics leases in the year 2018 were concluded in Grade A warehousing spaces



The year so far for IndoSpace:

- Everstone-backed IndoSpace has made its foray into Gujarat, with the launch of its park in Bavla near Ahmedabad. The facility will help IndoSpace move towards its goal to build a pipeline of 120 million square feet of modern logistics infrastructure to support the growth and modernisation of India's supply chain.
- IndoSpace buys Orris logistics park near Gurugram. This park - IndoSpace Luhari III - is close to the Delhi-Jaipur highway and spread across 67 acres. The company already had two operational parks in Luhari (Luhari I and Luhari II), spread across a combined area of 66 acres and catering to the key markets in North India.
- The company also added two industrial parks near Chennai - Mevalurkuppam and Koodapakkam - to its existing portfolio of five parks in Tamil Nadu.



towards infrastructural upgradation in the next five years. The logistics industry is still affected by occasional delays, frequent damage to cargo and cumbersome processes, but as warehouse builders and providers we continuously try to streamline processes to help improve efficiency.

How would you like to contribute towards making the industry more efficient?

An integrated approach towards logis-

tics will help in achieving efficiency like seamless integration of infrastructure into a multimodal system. We, being the largest, most modern and the only national network of industrial real estate in India, provide clients with Grade A distribution centres across industrial zones, with proximity to their customers, which makes a difference in delivering within time along with the flexibility of maintaining inventory.

How do you ensure that your company stays on top of its game?

We create world-class warehousing facilities that help our clients derive maximum value. Our three major enablers that allow clients to stay on top of their game are innovative customised solutions, value-added services and enabling technological advancements. Being the only national network, we have a strong foothold with over 31 million sqft of warehousing space across 31 logistics and industrial parks, including developed as well as parks under various stages of development. 📍



Integrated approach to logistics

Arpita Mukherjee, Professor, Indian Council for Research on International Economic Relations (ICRIER), shares five steps to faster cargo clearance and lower logistics costs.

In recent years, a number of policy documents, including the draft National Logistics Policy and the report of the Logistics Development Committee, Economic Advisory Council to the Prime Minister, October 2018, have highlighted that delay in cargo clearances and high logistics costs are key impediments to global competitiveness of the Indian logistics industry. Outdated regulations, lack in inter-agency coordination and gaps in technology adaptation are leading to high logistics costs.

Therefore, as a first step, it is important to review and modify the customs and allied acts/regulations to promote seamless flow of goods and to enable global supply chain solutions and technological advancement. Many ministries and departments are responsible for different aspects of logistics transport and this has led to fragmented policy-making. Acknowledging this, the draft National Logistics Policy calls for a more integrated approach to logistics. However, the draft fails to fully acknowledge the role of air transport in just-in-time door-to-door deliveries. This needs to be rectified.

More recently, the Economic Survey 2018-19 brought forth the need for technology and data analytics. Integration of system for real-time exchange of data and information electronically between the customs and other government agencies will also help to build a robust automated

risk management system for fast-track cargo clearances. The cargo clearance process across multiple agencies generate and operate on large volumes of data from various touch points with respect to importers, logistics companies, courier and express delivery bodies and other participating agencies. This data can be used to identify high-risk and low-risk products, importers and countries. The high-risk products can then go through more examination while low-risk products can be cleared on a fast-track route. Integration and sharing of information across agencies and across different ports of entry will ensure uniformity of processes. This will be the second step to help reduce logistics costs and delays.

The third step is the use of a common product classification or HS codes, across multiple agencies. Since multiple clearance agencies are not putting down their requirements by a common product classification, importers and exporters are often unaware of the documentation requirements.

They sometimes submit incomplete documents and in some cases no-objection is required from multiple agencies, which then causes delays. Ideally, the requirements of different agencies should be consolidated by product categories at HS 8-digit level in a technology-based platform so that customs and other stakeholders involved in the clearance process are aware of the requirements and are

able to verify if these are met. Further pre-shipment document verification should be made mandatory across all agencies.

To reduce dwell time for interstate cargo movement by road, the process of the e-way bill system should be made easier for end users, including logistics service providers. The draft National Logistics Policy recommended implementation of technologies such as e-tolling, electronic document flow and digital verification at all checkpoints. Along with this, the logistics industry has been requesting for rationalisation of checkpoints and re-examination of high toll charges. This fourth step will help to reduce logistics costs and improve the average speed in highways/corridors.

The fifth step towards reducing the logistics costs and fast-track cargo clearances is to re-look the input costs. Excise duty charged by the Central Government and Value Added Tax (VAT) of the state governments add up to 30-35 per cent additional cost on the purchase of ATF. The GST has disallowed input credit on ATF, and all of this adds to the operating costs, which is then passed on to the users/traders/Indian manufacturers. Given that Indian government must phase out export-linked subsidies, the government should seriously consider using that money to reduce input costs so that the logistics cost declines.

“
Outdated regulations, lack in inter-agency coordination and gaps in technology adaptation are leading to high logistics costs
”



Arpita Mukherjee
Professor, Indian Council for Research on International Economic Relations (ICRIER)

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



ACCD glams it up at club night

The Air Cargo Club Delhi organised a spectacular club night for the members and their spouses. The members could be seen on the dancefloor. The evening was complimented with top-of-the-line drinks and authentic pan Asian and European cuisine.





Air cargo needs to

In today's economy, the air cargo sector has become indispensable to global trade, says, **Keku Gazder**, Chief Executive Officer, AAI Cargo Logistics and Allied Services Company (AAICLAS). He talks about the slowdown of the air cargo industry and what the government is doing to bring the sector back to its growth track.



CT Bureau

How has 2019 been till date for the Indian air cargo industry?

The air cargo movement during the first quarter of 2019-20 at Indian airports did not do well in comparison with the same period in 2018-19. The global trade tensions and sluggish demand have sustained the growth in India to seven per cent.

The reasons for the declining export could be attributed to the termination of preferential tariffs by US to India under the Generalized System of Preferences (GSP), effective from June 5, 2019. The rising trade tension between US and China may further aggravate the problem of global economic uncertainty. However this could also be an opportunity for the manufacturing sector to have their production shifted to India. The transition of e-commerce is going to benefit air cargo in India, as supply chains adapt to these new trends.

Like any other sector, air cargo segment too has its share of aspirations and apprehensions. On the policy side, the government has already taken and is taking several steps to boost the air cargo exports. It is quite difficult to foresee where the market will be heading towards, however, air cargo is likely to witness a moderate growth of between six to eight per cent in 2019-20.



Keku Gazder
Chief Executive Officer, AAI Cargo Logistics and Allied Services Company (AAICLAS)

What are the factors that need to be looked at to bring growth in the sector?

As economic growth is considered as the prime driver for air cargo demand, the forecast of air cargo can be projected based on the relationship between air cargo demand and economic development. The drivers of the air cargo growth in the country are growing demand, policy support and

pansion and upgradation of existing airports and development of low-cost airports by AAI, increasing private sector participation, increasing green-field projects, strong government support and strong projected demand making returns attractive

It is being hoped that the efforts being made by AAI/AAICLAS in establishing regional connectivity through air cargo movement across

“
Efforts being made by AAI/AAICLAS in establishing regional connectivity through air cargo movement across the country would ensure easy access to all EXIM traders
”

increasing investments. Let me elaborate these points:

Growing demand is the result of expanding middle income group and working population that is skilled to produce goods and services that has quality and value that the world requires.

Policy support with focus on infrastructure and FDI encouragement.

Increasing investment states modernisation and development of cargo projects by AAICLAS, ex-

the country would be ensuring easy access to all EXIM traders and thereupon would ensure overall air cargo growth. With proposed orders for induction of additional 500 aircraft to India's fleet, domestic cargo capacity will further increase. As stakeholders, this calls for a holistic view by airports and airlines to move together to sustain the business by aligning their objectives with the vision of the government.

What has been your vision for the sector and how much have you been able to accomplish?

soar high

To become the foremost integrated logistics network operator in India with primary focus on air cargo handling and allied services through brand equity, enhanced through trust, professionalism, integrity, respect & teamwork.

- Opened Amritsar for freighter charter flights to Kabul.
- India's first road/air trans-shipment between Dhaka and Zaragoza via Kolkata
- Reduction in free period to clear the international cargo.
- AAICLAS has recently been approved as RA by BCAS for all its cargo facilities.
- AAICLAS has recently been allowed to take over the function of In-line baggage screening at AAI Airports.
- Opened Cargo Terminals at Ranchi, Varanasi, Guwahati, Vijayawada, Trivandrum, Pune, Surat, Aurangabad, Madurai and Bhubaneswar Airports.

Could you please throw some light at extending cargo handling capacity at Chennai airport? What were the issues at the airport from the cargo perspective?

As per the prevailing volume of cargo movements to and from Chennai Air Cargo Terminal, the handling capacity of the terminal is sufficing till 2021-22. However, the export operation of M/s Air India (AITSL) has also been accommodated at AAICLAS cargo terminal recently and a dedicated space has been allotted to them for their export handling.

AAICLAS have also been working towards the capacity augmentation by merging the present export examination area and the truck dock. A complete revamp of the Chennai cargo terminal is under plan to augment our handling capacity for the next five to 10 years. We are also looking towards also expanding beyond the airport.

Which other airports are on the list for expansion?

Perishable air cargo facilities and multimodal logistics activities are planned at all state capital airports in NER. International air cargo operation at Surat Airport is on the list. Next on the list are international cargo plus courier at Trivandrum Airport, international courier at

Trichy Airport and commissioning of domestic air cargo facility at Hubli, Bhopal, Vadodra, Belagavi and last but not the least, construction of air cargo terminal at Silchar, Dibrugarh and Agartala airports. ↪


Initiatives in the pipeline

- Re-organization of ACC terminal in Chennai.
- Setting up of E-commerce facilities at top 20 airports.
- AAICLAS R&D labs using start-ups
- RA at all International and Domestic terminals.
- RA3 at International Airports having direct connections to EU Countries.
- ILBS actions at 13 AAI Airports and Chandigarh in two phases,
- Construction of another 23 cargo terminals at AAI Airports in next five years.
- Authorized Economic Operator (AEO).
- To reach the goal of Ministry of Civil Aviation for 10 million tonnes by 2027.
- Providing cold room at Lucknow, Srinagar, Varanasi, Pune, Indore and Jaipur Airports.
- Upgradation of infrastructure at Srinagar, Amritsar, Pune, Indore and Lucknow and dedicated pharma zone at Chennai.
- One additional freighter bay at Chennai.
- Development of Free Trade Warehousing Zone (FTWZ) by 2023.
- Development of complete range of documentation services on behalf of airlines to be rendered by AAICLAS.
- Development of Air-Cargo Community System (ACS) for air cargo sector by 2021-22
- Facilitation in setting-up for super hubs of various consolidators/ aggregators at various airports.
- Revamp process of existing ICMS 1.0 application for paperless activity and exploring the new state of the art ICMS 2.0 integrated cargo management application to which EOI has already been released and the system will be live within one year on pan India basis. Once installed the system will be self-sufficient to speed-up various processes.



Start-ups log in to

With a capital infusion of US\$ 6.25 billion in 2019 only, start-ups are making huge investments in the logistics sector. **CARGOTALK** gets industry stakeholders talking on why logistics is drawing such attention from investors.

 Kalpana Lohumi

DR. AMBRISH KUMAR

Founder & Managing Director, Logycode



The logistics and supply chain sector is making headway towards a thriving future, which is notably attributed to the colossal competition amongst logistics service providers in abundance. Globalisation and urbanisation are on its peak with an ever-increasing cross border trade and global logistics market growth expected to record a CAGR of almost seven per cent by the end of year 2022.

The consumers and end customers in this era are equipped with the digital knowhow of things and also possess increasing disposable incomes. Also, the retail and e-commerce avenues, which come with innovative disruptions in supply chain, expedite the fastest



Digitisation is another less-explored domain in the logistics arena, which the traditional players have failed to capitalise on. This has led start-ups to maximise on the opportunities



end-to-end logistics and warehousing solutions and structured inventory management. This has aided the customers in making sophisticated and planned purchase decisions. The abridged turnaround times and customer satisfaction levels that e-commerce services have built, in keeping with the consumers' high-end expectations and demands, has resulted in companies getting associated with the conventional logistics service providers.

Digitisation is another less-explored domain in the logistics arena, which the traditional players have failed to capitalise on. This has led the start-ups to maximise on the opportunities. In the past few years, innovative online platforms came up to serve logistics services and fill the loopholes.

NISHITH RASTOGI

CEO & Co-founder, Locus



To understand why the logistics sector is gaining attention from investors and start-ups, it is essential to identify the reasons why investors choose to invest in a particular company or industry. One of the most important factors that investors look for is if a particular business can disrupt an addressable market. The business should be scalable, and the market backdrop should be in-tune with the solutions that are being provided by a start-up. If there is evidence that the product is gaining

traction amongst the big players of the industry, then it boosts the confidence of the investor as well as the start-up. Another increasingly important factor for investors is the kind of impact that the company can have on the sector. If the innovation is solving real-world problems while also delivering a financial return, then the investment becomes even more eye-catching.

Now, looking at the scenario of Indian logistics, with the growth of industries like manufacturing, retail, e-commerce, food delivery, and consumer goods, the Indian market is seeing a massive surge in demand for logistics and supply



If there is evidence that the product is gaining traction amongst the big players of the industry, then it boosts the confidence of the investor as well as the start-up



chain solutions. Add to this, the development of logistics-related infrastructure such as dedicated freight corridors, logistics parks, and free trade warehousing zones among other initiatives like GST, investments in road infrastructure, development of inland waterways and coastal shipping; and you have an economy all set for the next logistics revolution.

logistics



RAGHAVENDRAN VISWANATHAN

CEO & Co-founder, FreightBro



The logistics cost in India is 14 per cent of the GDP in comparison to the developed nations like USA which is at 9.5 per cent and the lowest is 8 per cent for Germany. Government is striving to reduce the logistics spend v/s the GDP and digitisation is the key to it. There are a few reasons why the industry is lucrative to the investors at this stage. Firstly, the market size is huge as the Indian logistics industry is estimated to grow to US\$ 215 billion by 2020. Secondly, the industry is still largely fragmented which is why it is still



The e-commerce boom has facilitated the automation of the first and last mile deliveries. This still poses as a good playground for the logistics industry to capitalise on



mired in inefficiencies. These inefficiencies are attractive to problem solvers and thus, technology has a role to play in that. Naturally, the industry has immense potential for significant return on investments for the investors. Thirdly, e-commerce as an industry is still booming. In 2018, the e-commerce industry was worth US\$ 48.5 billion in India alone. The e-commerce boom has facilitated the automation

of the first and last mile deliveries to a large extent. This still poses as a good playground for the logistics industry to capitalise on.



ANJANI MANDAL

CEO & Co-Founder, Fortigo Network Logistics



An integrated digital supply chain is the next big change to supplier economics and efficiency on one side and responsiveness to customer preferences and demand on the other. The global evolution and maturity of the supply chain ecosystem into an integrated digital supply chain seems to be within striking distance. Every ecosystem support component as well as the technology component of a digital supply chain is a reality today.

Within the domain of the logistics space, technology has provided solutions to the pressing problems, in terms of: (a) automating warehouses, (b) cloud-based solutions and mobile computing for connecting the players of the ecosystem and facilitating order data flow from the end-consumer/ industrial buyer to the manufacturer's warehouse and the manufacturer's planning and operations team (c) supply-chain-visibility from order placement to delivery (d) secure transaction – order, fulfillment, invoicing, dispatch and delivery – and digital payment system to close the loop for each demand fulfillment cycle.



Every ecosystem support component as well as the technology component of a digital supply chain is a reality today



The manufacturer or distributor moves all order flow information to the planning team that manages demand-supply gap on one side and the marketing team that manages promotions to act quickly on flagging demand, resulting in the ability to react to changing consumer preferences and demand patterns in near real-time. The release of funds blocked in working capital through the supply chain is potentially very significant – providing real saving & value-productivity to the full chain.



Highlights

- Digitisation is another less-explored domain in the logistics arena, which the traditional players have failed to capitalise on. This has led the start-ups to maximise on the opportunities.
- With the growth of industries like manufacturing, retail, e-commerce, food delivery, and consumer goods, the Indian market is seeing a massive surge in demand for logistics and supply chain solutions.
- The market size is huge as the Indian logistics industry is estimated to grow to US\$ 215 billion by 2020.
- With end customers expecting much more in terms of faster deliveries and lower costs, logistics has become a space where companies are looking for optimisation.

PURNENDU SHEKHAR

Founder & CEO, Cogopart



Logistics remains an untapped sector with a lot of potential simply because it is yet to witness a major disruption. Other industries like retail, travel etc. have seen digitalisation play a big role in shaking up the industries and while the challenges in logistics are similar, such as inefficiency, lack of transparency, no tech adoption, it is yet to see any radical technological developments.

“
To make disruption work, it's imperative that stakeholders evolve and move towards technology together

There is still a lot of paperwork, lot of manual processes, over-reliance on offline channels etc. Another angle to it is that logistics is a very fragmented industry with a lot of stakeholders involved in different aspects of the entire value chain.

To make the disruption work, it is imperative that different stakeholders evolve and move towards technology together. As such, there is a lot of opportunity for integrated solution providers.



SOHAM CHOKSHI

Co-Founder, Shippy



Bringing in digitisation and automation into industries has been a big theme since the advent of new-age technologies. The first aspect of a business to go through this transformation was sales as it was a revenue-generating function. Organisations like Salesforce have since made big headway into the global landscape. Most companies are now starting to look at other areas of their operations where they cannot also save costs in addition to revenue enhancements. Logistics and supply chain in this regard account for anywhere from eight to 14 per cent of a

company's total expenses and is a complete blackbox due to lack of digitisation and automation.

With end customers expecting much more in terms of faster deliveries and lower costs, logistics has become a space where companies are looking for optimisation. This has thus seen a surge in new-age start-ups trying to address problems in various aspects of the supply chain – from warehousing to distribution to freight. While the desire to adopt solutions by the industry is there, the need for investment is high because most start-ups are still trying to educate the customers about the benefits and ROI. The other big need for investment is to streamline the fragmented supply side of logistics; whether it be transporters or freight forwarders, the landscape of logistics vendors is very fragmented and addressing this challenge also needs capital. Overall, the logistics sector will continue to see a lot of capital infusion – both venture capital as well as private equity, as start-ups, try and bring in efficiencies across the landscape.

“
The other big need for investment is to streamline the fragmented supply side of logistics; be it transporters or freight forwarders

TRAFFIC STATISTICS

DOMESTIC FREIGHT

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

(A) 19 International Airports

1	Chennai	7273	8861	-17.9	28395	35614	-20.3
2	Kolkata	8968	9092	-1.4	26900	35781	-24.8
3	Ahmedabad	5322	5125	3.8	19794	18840	5.1
4	Goa	393	190	106.8	1295	951	36.2
5	Guwahati	1874	1852	1.2	7263	7228	0.5
6	Lucknow	1061	419	153.2	3754	1625	131.0
7	Jaipur	1328	1381	-3.8	4601	4926	-6.6
8	Trivandrum	114	92	23.9	834	352	136.9
9	Bhubaneswar	794	592	34.1	3060	2713	12.8
10	Calicut	68	41	65.9	389	180	116.1
11	Coimbatore	789	1054	-25.1	3189	3538	-9.9
12	Varanasi	309	200	54.5	1073	533	101.3
13	Srinagar	1023	597	71.4	4091	3282	24.6
14	Amritsar	133	129	3.1	596	405	47.2
15	Mangalore	0	34	-	24	155	-84.5
16	Portblair	580	350	65.7	2148	1544	39.1
17	Trichy	0	1	-	2	4	-50.0
18	Imphal	708	468	51.3	2519	1652	52.5
19	Vijayawada	208	0	-	865	0	-
Total		30945	30478	1.5	110792	119323	-7.1

(B) 6 JV International Airports

20	Delhi (DIAL)	31409	29525	6.4	120179	114127	5.3
21	Mumbai (MIAL)	24243	24314	-0.3	91637	93134	-1.6
22	Bangalore (BIAL)	13399	13461	-0.5	49173	48683	1.0
23	Hyderabad (GHIAL)	5012	5108	-1.9	19922	19543	1.9
24	Cochin (CIAL)	1200	1598	-24.9	4734	5216	-9.2
25	Nagpur (MIPL)	1676	777	115.7	3405	2855	19.3
Total		76939	74783	2.9	289050	283558	1.9

(C) 9 Custom Airports

26	Pune	3037	4650	-34.7	11747	19172	-38.7
27	Patna	1068	1115	-4.2	4088	3568	14.6
28	Bagdogra	563	683	-17.6	2561	2252	13.7
29	Visakhapatnam	570	528	8.0	2127	2009	5.9

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

30	Chandigarh	678	567	19.6	3472	1586	118.9
31	Madurai	94	302	-68.9	376	922	-59.2
32	Surat	24	152	-84.2	474	168	182.1
33	Aurangabad	58	220	-73.6	269	789	-65.9
34	Indore	791	1111	-28.8	3300	3927	-16.0
Total		6883	9328	-26.2	28414	34393	-17.4

(D) 23 Domestic Airports

35	Ranchi	359	487	-26.3	1980	1876	5.5
36	Raipur	494	419	17.9	1934	1421	36.1
37	Agartala	443	403	9.9	1666	1644	1.3
38	Udaipur	1	2	-50.0	2	2	0.0
39	Jammu	128	177	-27.7	507	622	-18.5
40	Dehradun	12	19	-36.8	45	51	-11.8
41	Vadodara	236	251	-6.0	1157	864	33.9
42	Leh	139	93	49.5	760	407	86.7
43	Bhopal	84	129	-34.9	414	469	-11.7
44	Jodhpur	0	0	-	1	2	-50.0
45	Hubli	9	0	-	39	0	-
46	Rajahmundry	0	6	-	0	21	-
47	Silchar	67	62	8.1	290	209	38.8
48	Dibrugarh	78	68	14.7	316	277	14.1
49	Rajkot	1	24	-95.8	8	99	-91.9
50	Dimapur	22	39	-43.6	103	185	-44.3
51	Bhuj	0	3	-	0	9	-
52	Tuticorin	5	5	-	23	11	109.1
53	Jorhat	0	5	-	0	17	-
54	Juhu	30	28	7.1	119	112	6.3
55	Kanpur (Chakeri)	18	0	-	49	0	-
56	Agatti	6	2	200.0	15	7	114.3
57	Jharsuguda	4	0	-	7	0	-
Total		2136	2222	-3.9	9435	8306	13.6

(E) 2 St Govt./ Pvt Airports

58	Lengpui (Aizwal)	39	44	-11.4	135	158	-14.6
59	Nasik (Hal Ozar)	0	15	-	7	37	-81.1
Total		39	59	-33.9	142	195	-27.2

Grand Total (A+B+C+D+E)		116942	116870	0.1	437833	445775	-1.8
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Contd. on page 36 ▶

TRAFFIC STATISTICS

INTERNATIONAL FREIGHT

Contd. from page 35

* Estimated

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

(A) 14 International Airports

1	Chennai	24636	28809	-14.5	96830	108662	-10.9
2	Kolkata	5453	5566	-2.0	20685	19518	6.0
3	Ahmedabad	4605	3474	32.6	17808	14171	25.7
4	Goa	109	226	-51.8	474	749	-36.7
5	Guwahati	0	0	-	0	1	-
6	Lucknow	342	277	23.5	1379	1043	32.2
7	Jaipur	180	175	2.9	792	787	0.6
8	Trivandrum	2857	1477	93.4	8855	6665	32.9
9	Calicut	2645	721	266.9	9615	4103	134.3
10	Coimbatore	196	201	-2.5	901	725	24.3
11	Varanasi	0	0	-	5	0	-
12	Amritsar	68	62	9.7	522	227	130.0
13	Mangalore	197	390	-49.5	852	1403	-39.3
14	Trichy	736	542	35.8	2653	2219	19.6
Total		42024	41920	0.2	161371	160273	0.7

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

(B) 6 JV International Airports

15	Delhi (DIAL)	53568	54536	-1.8	207244	219910	-5.8
16	Mumbai (MIAL)	48030	55159	-12.9	198400	231597	-14.3
17	Bangalore (BIAL)	19182	22469	-14.6	77668	84817	-8.4
18	Hyderabad (GHIAL)	7229	7319	-1.2	29169	28717	1.6
19	Cochin (CIAL)	5445	4018	35.5	21699	17569	23.5
20	Nagpur (MIPL)	309	79	291.1	532	205	159.5
Total		133763	143580	-6.8	534712	582815	-8.3

(C) 4 Custom Airports

21	Pune	11	2	450.0	20	7	185.7
22	Visakhapatnam	37	0	-	132	0	-
23	Madurai	128	171	-25.1	516	490	5.3
24	Indore	102	0	-	421	0	-
Total		278	173	60.7	1089	497	119.1

(D) Total 9 St Govt./ Pvt Airports	0	0	-	0	12	-
Grand Total (A+B+C+D)	176065	185673	-5.2	697172	743597	-6.2

(Source: AAI)

LAUNCH

Celebi launches bonded trucking from Kolkata, Indore, Vizag, Jaipur and Goa

Celebi Delhi Cargo Terminal Management India in collaboration with Shreeji Translogistics have started bonded trucking service from Kolkata, Indore Airport, Vizag and Goa to Celebi Terminal Delhi IGI Airport from October 1, 2019 to provide their customers a possibility to move air cargo in an efficient, safe, process-driven and cost-effective manner.

Celebi Bonded road feeder service is successfully running from Kanpur, Ludhiana, Indore SEZ 1&2, Ahmedabad and Noida SEZ which has



Murali Ramachandran
CEO, India Celebi Aviation Holding Inc

given tremendous opportunities to freight forwarders and airlines to solicit business from stations that are offline.

Murali Ramachandran, CEO, India Celebi Aviation Holding Inc,

says, "This has been the requirement of our customers for long time. Bonded trucking is the future in India and is here to stay. We hand pick our logistic partners and manage every aspect of the service for commitment, on-time performance and

transparency to guarantee quality of service to our customers. After these stations, we plan to commence bonded trucking operations from Jaipur on October 15, 2019 in collaboration with our business partner Rajasthan Bombay Transport."

These bonded services will facilitate Celebi's airline customers to offer services to a city to which they do not fly and help CHA/freight forwarders to custom clear, handle duty drawback and shipment documents at origin, while avoiding multiple handling and damage to cargo.

PM inaugurates multi-modal terminal at Sahibganj in Jharkhand

Prime Minister **Narendra Modi** inaugurated a state-of-the-art multi-modal terminal through a two-way digital communication system at an event in Ranchi, Jharkhand. This is the second of the three multi-modal terminals being constructed on the river Ganga under Jal Marg Vikas Project (JMVP). The new secretariat building in the state capital will come up at

an estimated cost of ₹1238.92 crore. The cargo terminal, which was inaugurated online by the Prime Minister from Delhi, has been built by Inland Waterways Authority of India on River Ganga at Sahibganj. It will have a cargo storing capacity of 30 lakh tonne per year, a stockyard and parking and berthing space for two vessels. It will also have offices of 32 departments.



The multi-modal terminal will open up industries of Jharkhand and Bihar to the global market and provide Indo-Nepal cargo connectivity through the waterways route. It will play an important role in transportation of domestic coal from the local mines in Rajmahal area to various thermal power plants located along NW-1. Other than coal, stone chips, fertilisers, cement and sugar are

other commodities expected to be transported through the terminal.

The convergence of road-rail-river transport at Sahibganj through the new multi-modal terminal will connect a part of the Jharkhand hinterland to Kolkata, Haldia and further to the Bay of Bengal. Also, Sahibganj will get connected to northeastern states through Bangladesh by river-sea route.

Exports get digitised with single-point access

Piyush Goyal, Union Minister of Commerce & Industry and **Hardeep Singh Puri**, Railways and Minister of State for Commerce & Industry have launched a common digital platform for Issuance of electronic Certificates of Origin (CoO) in the capital. The platform will be a single-access point for all exporters and agencies concerned to process all Free Trade Agreements (FTAs)/Preferential Trade Agreements (PTAs). CoO will be issued electronically and can be in paperless format if agreed to by the partner countries. Authorities of partner countries will be able to verify the authenticity of certificates from the website. Further, it provides administrative access to Department of Commerce for reporting and monitoring purposes.

Exporters may register on this platform and apply for CoOs to any of the designated agencies. EIC and its agencies are already on-board. Other agencies are in the process of registering on the



platform. The on-boarding process is only for the purpose of payment integration so that the application fees may flow to the respective agencies. The platform will be made live for FTAs in a phased manner as per the concurrence of the concerned partner countries. Various territorial divisions have already informed their partner countries. The India-Chile PTA is scheduled to start.

Further, once the partner countries agree to an electronic data exchange,

the CoOs will be electronically sent to the customs of the partner countries. After this, there will not be any need for a physical copy of the CoO, saving transaction cost and time for Indian exporters.

India has 15 FTAs/PTAs with various partner countries under which Indian exporters avail reduced import tariffs in the destination country. In order to avail this benefit, the exporters must provide a preferential CoO. About 7 lakh certificates are issued annually by

designated agencies. These verticals certify that exported goods are made in India. These certificates are issued by designated agencies in India after vetting the rules of origin criteria as per the respective FTA/PTA. Some designated agencies for CoO issuance are Export Inspection Council of India (EIC), Directorate General of Foreign Trade (DGFT), Marine Products Export Development Authority (MPEDA), textile committee and tobacco board.

Presently, a preferential Certificate of Origin is issued by the various notified agencies around the country through manual processes. A new common digital platform for issuance of electronic preferential CoOs has been conceptualised to address various challenges in the current process. The platform has been designed and developed by DGFT and Regional & Multilateral Trade Relations (RMTR) Division, Department of Commerce, Ministry of Commerce and Industry, Government of India.



Bollore Logistics participates in the Marathon Day

On September 26, employees from Bollore Logistics India, a part of Bollore Group took part in the the 4th edition of the Marathon Day. This internal sporting event was conceived by Cyrille Bolloré, CEO of the Bolloré Group, to raise funds every year for charity organisations. Since 2016, Marathon Day has brought together employees from all Bolloré Group subsidiaries around the world on the same day at the same time. The Group, which supports young people through its sponsorship programs, has decided this year to support SOS Villages d'Enfants, as it did last year. For over 60 years, SOS Villages d'Enfants has supported children whose family situations have forced them to be housed elsewhere. It allows siblings to grow up together in a family-like environment, supported by an educational and effective long-lasting relationship along with a family educator (the "SOS mother"). Talking about the initiative, **Sasmita Mohanty**, CHRO, Bollore Logistics, said, "Like every year we had an overwhelming participation from all our entities in South Asia. I would like to thank each of our employees for participating in this event and for coming out in large numbers to represent Bollore Transport & Logistics."





Freight incentive on track: Indian Railways

With an aim to support various segments of the industry and to boost the economy, **PS Mishra**, Member (Traffic), Railway Board, announced freight incentives to give a boost to the economy. The incentives announced the measures for freight rate and how to enhance ease of business and digitisation.

The details announced are as under:

FREIGHT RATE RELATED MEASURE:

1. Levy of busy season charge deferred:

- BSC, which is levied @ 15 per cent from October 1 – June 30, has been deferred till further advice (except for iron ore and POL).
- Coal & coke and container traffic are already exempt.

2. Waiver of supplementary charges on mini and two-point rakes:

- The five per cent supplementary charges applicable on loading on mini and two-point rakes is being waived off.
- This is likely to boost loading of smaller cargo sizes and help cement, steel, food grains and fertilisers loading.

3. Round-trip charging on container traffic:

- As per haulage charge rating of container traffic, 0-50 km is the minimum distance slab for charging.
- It is seen that container traffic in this ultra-short lead (0-50 km) is very low at present.
- Therefore, round-trip charging of container trip has been intro-



duced for less than 50 km on each way.

- Under this scheme, haulage charge for 0-100 km slab will be charged for total to and from movement, instead of charging for 0-50 km slab each way.
- Impact – this comes out to be about 35 per cent cheaper per TEU for the complete round-trip
- It is expected to especially give a fillip to ex-im traffic between ports and ICDS.

3. Discount on movement of empty containers and empty flat wagons

- A discount of 25 per cent in haulage charge of containers has been given to encourage movement of empty/flat to ports; thereby increasing loaded container traffic in return
- It is expected to enhance price-competitiveness of Railways vis-a-vis other modes of transport and expand freight basket by capturing new traffic.

4. Large scale de-notification of commodities for container traffic

- As per container haulage charg-

ing policy, notified commodities are charged at Container Class Rates (CCR), which is 15 per cent lower than General Tariff Rates (GTR). Rest of the commodities are charged at Freight All Kind (FAK) rates, which are even lower than CCR.

- Recently, 90 more commodities have been de-notified, which brought down their haulage charge from CCR to FAK rates.
- Now, out of total 635 commodities in goods tariff, only 38 commodities are under notified/CCR rates (11 of these are POL commodities).

5. Freight marketing initiatives:

- Induction of more New Modified Goods car rakes and introduction of new design of Bi-level Auto Car Wagons (BCACBM wagons).
- Rationalisation of road railer with four new weight slabs instead of earlier three weight slabs. More competitive rates.

Weight and weighment conditions relaxed in perishable traffic when loaded in goods wagons

MEASURES TO ENHANCE EASE OF BUSINESS AND DIGITISATION

Weighment-related reforms

- Pre-weigh bin system for weighment of goods traffic has been permitted in private sidings. This is expected to bring down the time for weighment and loading and bring in higher accuracy in weighment. It shall go a long way in redressing the issues related to weighment.
- As per earlier policy, if a second weighment of wagons was done, the higher of the two readings was considered final for charging or levy of penalty. Now, the policy has been modified to state that second weighment will be considered final for charging. This policy change makes the provision of second weighment meaningful and is expected to redress customers' grievance in accuracy of weighment.

Low density commodities like Pet Coke, Met Coke, Chuni and De-oiled cake have also been exempted from mandatory weighment. This is likely to save transit time and increase fluidity.

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FM Logistic launches multi-client facility at Jhajjar

FM Logistic has broken ground on its new multi-client logistics facility (MCF) in Jhajjar, near Gurugram, Haryana. Located on a 31-acre site, the future facility will provide cutting-edge warehousing, handling, value-added and omnichannel services to clients of FM Logistic in the Northern region.

This warehouse, which is expected to be completed in December 2020, is part of the five-year US\$ 150 million investment plan that the company announced in March 2019.

Stéphane Descarpentries, Director for Asia and Strategic Projects, FM Logistic, says, "This new warehouse near Delhi fits into our strategy of constructing multi-client warehouses near major Indian cities, such as Mumbai, Bengaluru and Kolkata.

All these facilities will meet our customers' expectations in terms of cost efficiency, warehouse space optimisation, product safety and capacity flexibility. They also answer the demand for fewer, bigger distribution centres,



which is driven by the GST." Highlighting the key features of the facility, **Alexandre Amine Soufiani**, Managing Director, FM Logistic India says, "With a built-up area of 700,000 sqft, the Jhajjar MCF enjoys strategic access to the Kundali, Manesar and Palwal expressways for faster connectivity to all major consumption centres in the Northern region.

The new warehouse will have a storage capacity of 100,000 pallet positions and provide a dedicated area for co-packing and other value-added services. Furnished with best-in-class safety and security features, the warehouse will offer cost-efficient, quality storage and handling services. It will also allow for good working conditions, in addition to respecting the environment.



CMA CGM Logistics Park Dadri commences block train service

CMA CGM Logistics Park Dadri has started planning and running dedicated block train services, with all-export containers booked by its CFS, from ICD Dadri to Mundra in association with CONCOR Dadri. **Capt VM Bawa**, CEO, CMA CGM Logistics Park Dadri, informs, "The services would be on regular/weekly basis and this initiative will benefit the export trade at ICD Dadri in offering direct train services to Mundra with average

transit time of approximately 72 hours." The first dedicated block train service, comprising 45 FEUs to Mundra, was flagged off on the night of September 2, 2019, from ICD Dadri by Capt Bawa in the presence of CONCOR staff and the Station Superintendent of Dadri. The second dedicated block train from ICD Dadri departed soon after, on September 4, for Mundra with another 45 FEUs booked by the CFS.

TCI Express brings India's first automated sorting centres

India will get its first automated sorting centre in Gurugram and Pune. TCI Express will be coming up with a 200,000 sqft centre at Farukhnagar in Gurugram and a 150,000 sqft centre at Chakan in Pune.

The construction is expected to be complete by the end of the current fiscal year and operations are anticipated to begin from Q1 FY2021. The sorting centres will create ample opportunities for investment in complete automation and implementation of business intelligent tools, which will result in direct cost reduction benefits, shorter turnaround time and enhanced operational efficiencies in the long run.

Chander Agarwal, Managing Director, TCI Express, says, "The target capital expenditure outlay



Chander Agarwal
Managing Director
TCI Express

for the year has been revised to ₹ 80 crore which will essentially be utilised towards construction and IT infrastructure. The investment in two new sorting centres will generate new growth opportunities for business and create value for all our stakeholders in the long run."



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OCTOBER 2019

► Domestic

ACCD Diwali	Delhi	12
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► International

Breakbulk Americas	Houston	8-12
China (Shenzhen) International Logistics and Transportation Fair (CILF)	Shenzhen, China	10-12
3PL & Supply Chain Summit: Europe	Brussels	14-16
25th Annual Cargo Facts Symposium	San Diego	16 -18
2nd Annual Supply Chain Management Strategies Summit	Houston	21-22
5th China Digital Supply Chain and Logistics Summit	Kenya	23
CeMAT Asia	Shanghai, China	23-26
Air Cargo Americas	Miami, USA	29-31

NOVEMBER 2019

► Domestic

CILT India Expo	New Delhi	19
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► International

TransLogistica Poland	Warsaw, Poland	5-7
Logistics Madrid	Spain	12-13
Logitrans Transport Logistics Exhibition	Turkey	13-15
TIACA Executive Summit	Budapest, Hungary	19-21
ACAAI 45th Annual Convention	Thailand	21-24
5th China Digital Supply Chain and Logistics Summit	Shanghai	25-26
Logistics & Mobility	Frankfurt, Germany	26-28

DECEMBER 2019

► Domestic

Cold Chain Show 2019	Mumbai	4-6
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► International

7th International Conference on Logistics and Supply Chain Management	Iran	4-5
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EVENTS

Indospace makes space for 'Swachh Sundar Chakan'



IndoSpace has launched 'Swachh Sundar Chakan' drive under its Corporate Social Responsibility (CSR) initiative. Aligning with the Government of India's Swachh Bharat Abhiyan, IndoSpace announced the cleanliness drive across Chakan area of Pune. The initiative aims to raise awareness about waste segregation amongst the community living in the respective region. **Rajesh Jaggi**, Managing Partner, Real

Estate, Everstone Group, says, "Besides creating world-class industrial and warehousing parks, IndoSpace's mission is to upgrade the communities and the eco-system around these parks to world-class level. We wanted to launch our first CSR initiative here as Chakan holds a special place for us. Our first park was inaugurated in this location and we strive to contribute towards the betterment of Chakan."

JBS Academy salutes teachers



JBS Academy celebrated Teachers Day and honoured faculty members. Faculty members and dignitaries discussed future initiatives that the academy can contribute to the society and ways on engaging more professionals to contribute as teachers to meet the rising demand.

"We must resolve to take the study in logistics further to meet the rising demand expected in the coming days. Being a training institute, our endeavour must be to constantly try to address the problem at its

root and frame a proper structure of the needs and demands of the sector through a carefully assessed curriculum," said **Samir J. Shah**, Director and Mentor, JBSAPL.

Since inspection, over 800 certificate and diploma students of JBS Academy are currently working in various capacities in the industry. The institute has conducted over 300 bespoke programmes attended by 1800+ industry people, students, academicians and policy makers in over 10 cities other than Ahmedabad.

MOVEMENTS



Worldwide Flight Services UK

Worldwide Flight Services (WFS) has appointed **Paul Carmody** as its Managing Director for Cargo Operations in the UK. Carmody was previously Head of UK operations, and has been at WFS for the last decade. Prior to joining WFS, he was at Menzies Aviation since 2002, finally leaving the company as its General Manager for express baggage after less than a year in the role. He will be responsible for all aspects of the company's cargo operations in the UK, reporting directly to John Batten.



Kerry Logistics Hong Kong

Kerry Logistics Network has appointed **John Parkes** as its Managing Director - Integrated Logistics. Parkes will oversee the overall management of Kerry Logistics' global integrated logistics (IL) business. Parkes has over 35 years of experience in the transportation and logistics industry. With a specific focus on the Asia Pacific region, he has held operational leadership positions in major logistics businesses. Prior to joining Kerry Logistics, he was the Executive Director - Head of Hong Kong/Taiwan and Global Business Development of LF Logistics.

Asia Shipping International Transport India Delhi

Pushendra Pratap Singh has been appointed as Country Head of Asia Shipping International Transport India. He brings in 22 years of rich experience in various senior positions in multinationals in shipping, freight-forwarding & logistics like Schaeferco Intl, WW Shipping Agencies, Agility Logistics, JAS Worldwide, Hanjin Logistics India. His last assignment was at EUSU Logistics India as Chief Commercial Officer (CCO). He has been brought onboard to enhance and develop and lead the pan India sales team, including development and opening of new branches.



Menzies Aviation Europe

Menzies Aviation has announced the appointment of **Robert Fordree** as Executive Vice President - Cargo. Fordree's previous roles include Senior Vice President - Commercial and Vice President of Cargo Development. Fordree was previously a board member of cargoIQ and is a current member of IATA's Cargo Handling Consultative Council. Fordree said, "I look forward to meeting our customers at the IATA Air Cargo Operations Conference and the Annual Ground Handling International Conference this autumn."



DHL Supply Chain Africa, Europe & Middle East

DHL Supply Chain has appointed **Hendrik Venter** as Chief Executive for its Africa, mainland Europe and Middle East operations. Venter's appointment continues a more-than decade-long career with DHL, having joined the company in 2009 as Managing Director for Healthcare in South Africa. Three years later, he took over as Managing Director for Supply Chain in Poland before becoming Chief Executive of Central Europe in 2014. He then added eastern Europe to his list of duties in 2017. Venter replaces Oscar de Bok, who has joined the Board of Deutsche-Post DHL.



Menzies Aviation Europe

Chris Beale has re-joined as Vice President - Cargo Europe in Menzies Aviation. Beale initially joined the Menzies cargo business during its inception at London Heathrow, before moving to the US where he held various ground handling and cargo roles within the company. He then moved to the Middle East where he held positions in Abu Dhabi and latterly in Italy for Etihad Airways before returning to the UK to work for Worldwide Flight Services. Now, re-joining Menzies, Beale will drive operational excellence and support significant business growth across the region.

Delta Cargo Americas, Asia Pacific

Delta Cargo has appointed DP World's **Rob Walpole** as Vice President - Cargo Operations & Logistics. Walpole will lead the cargo department's global operations and the Delta Logistics Control Center teams. He has a strong operational background and brings extensive leadership experience in the logistics and supply chain sector. He was previously Chief Operating Officer for DP World's Global Logistics and Supply Chain, and has also been Chief Executive of Schenker Inc.



Freightos Global

Freightos has appointed **Camilo Garcia** as its Global Vice President for Business Development. Garcia was Director of Sales, Marketing & Products for IAG Cargo for nearly two years. Prior to that he was Head of global key accounts, following several commercial roles at British Airways, which he joined in 1988. Garcia will be responsible for heading up carrier relationships at Freightos's WebCargo and bridging the gap between cargo and technology.





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