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SOUTH ASIA'S LEADING CARGO MONTHLY

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# CARGO TALK<sup>®</sup>

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**COVID CRISIS**  
unprecedented role  
of warehousing

**AUTOMATION**  
set to redefine  
the future

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**LAST-MILE**  
deliveries surge  
in a socially  
distanced world



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Head – Freight Forwarding, Nagarkot Forwarders

**Sarini Sachdeva**

CEO, Aardour Worldwide Logistics

**Sanjam Sahi Gupta**

Director, Sitara Shipping

**Kruti Jobanputra**

Director, JWC Logistics Park

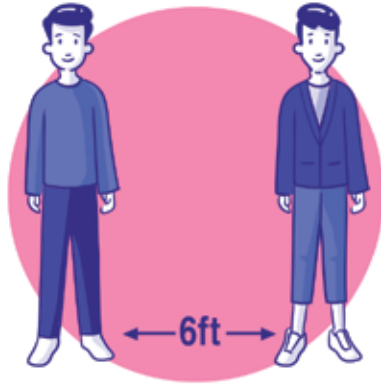
## BATTLING THE SUPPLY SHOCKS

# CORONAVIRUS PREVENTION



PINKCITY LOGISTICS LIMITED

## Take steps to protect yourself



Avoid close contact



Clean your hands often



Stay at home



Cover coughs and sneezes



Wear a facemask  
if you are sick



Clean and disinfect

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# Cargo the bright spot but challenges exist too

Cargo industry is facing its biggest crisis ever and is battling hard to keep the entire air cargo supply chain operational to support the need of the hour. **Alexandre De Juniac**, Director General and CEO, IATA and **Brian Pearce**, Chief Economist, IATA discusses the challenges associated with regulatory and border issues as well as safety concerns and operational support.



Kalpana Lohumi

IATA recently organised a webinar to discuss how the entire air cargo supply chain has adapted its operation during this crisis to keep cargo flying. Despite a capacity shortfall by nearly a quarter, as per IATA's air cargo market analysis for the month of March, cargo business has suffered less in this crisis.



**Alexandre De Juniac**  
Director General and CEO  
IATA

✈ Airlines are doing whatever it takes to gain the physical capacity by taking freighters out of storage and using them more intensely ✈



**Brian Pearce**  
Chief Economist  
IATA

✈ Cargo business is suffering far less than passenger at the moment because cargo business has been essential to fly around the medical supplies ✈

Explaining it how, **Brian Pearce**, Chief Economist, IATA, says, "In the global financial crisis of 2008-09, we saw a fall of 23 per cent while the cargo tonne kilometres (CTKs) flow down 15.2 per cent from March last year. However, this is a very steep fall reflecting the impact of the COVID-19 crisis."

Secondly, cargo business is suffering far less than passenger at the moment because cargo business has been essential to fly around the medical supplies. He also highlights that pharmaceutical shipment has doubled in volume since the beginning of the year.

Agreeing with Pearce, Juniac calls cargo the 'bright spot' for industry because air cargo is the only part that is operating and earning revenue at any scale.

However, he adds, "There are challenges as well. Since the demand has fallen by 15 per cent, in the short-term, we don't have sufficient capacity. Airlines are doing whatever it takes to gain the physical capacity by taking freighters out of storage and using them more intensely. They are also adapting passenger planes to all-cargo operations. That, however, is only half the solution."

Juniac listed down three fundamental issues which are not yet fully sorted out by government:

➔ It takes too long to get the approvals for special or charter operations.

➔ Some governments are still treating operating crew as if they were arriving passengers, even though they don't interact with the local population. They need to be exempted from special quarantine measures.

➔ And we are still finding it difficult to secure proper facilities to process cargo or to rest the crew.

Juniac also highlights the importance of International Civil Aviation Organization (ICAO). Calling it a global standard setter for aviation, he says, "The industry is in its biggest crisis ever, suffering even more than most other economic sectors. We were shut down by unilateral actions of governments. But the restart will require governments to work together. We need a strong ICAO now more than ever."

Since some states are finding it difficult to meet their funding commitments to ICAO, Juniac encouraged them to prioritise keeping ICAO strong. He says, "The main financial issue we are facing in the short run is to run out of cash. An orderly restart for aviation needs coordination that only ICAO can provide. This will be critical for the economic recovery from the COVID-19 crisis." ✈



# TIACA urges action for air cargo in Africa

The International Air Cargo Association (TIACA) has raised its concern on the air-cargo sector in Africa which has experienced a significant drop in capacity to Europe by 70 per cent compared to 2019 according to CLIVE Data Services.

The association calls on the air cargo community in Africa to rise up to the challenge by formulating a recovery plan that will enable it to sustain the shocks of the pandemic which will require a collaborative strategy between the airlines, airports, handlers, forwarders and shippers. Despite the vital role this activity plays in providing people with basic necessities and essential medical equipment, the situation is very concerning on the continent. "We



are encouraging African airlines to respond to capacity requirements immediately, in particular by putting passenger freighter systems in place, such as those implemented by airlines including Ethiopian Airlines, Kenya Airways, SAA and RwandAir," said **Sanjeev Gadhia**,

TIACA Vice Chairman and CEO of Astral Aviation. "Collaboration and cooperation between African airlines across their respective fleets and networks are both essential so we can overcome the challenges we are facing," he added. According to Gadhia, a concrete example is the

drop in capacity has resulted in a capacity crisis in Nairobi for its perishables exports to Europe from 5,000 tonnes to 1,800 tonnes per week, which will have disastrous effects on the agriculture sector in Kenya, which is yet to recover from the COVID-19 pandemic.

## UPS adds over 200 flights to support Project Airbridge

UPS has added over 200 air freighter flights in April to support FEMA's Project Airbridge and other healthcare-related missions. Project Airbridge is a public-private partnership to get vital and life-saving equipments to where it is needed with greater speed.

These additional flights serve to meet the soaring demand to ship test kits, personal protective equipment and other supplies

necessary for the global response effort. "With our scale and flexible global network, we are in a unique position to handle coronavirus response shipments for FEMA and healthcare customers," said **David Abney**, UPS Chairman and CEO. "In these uncertain times, our customers depend on us more than ever. Our employees are keeping America moving and meeting the urgent needs created by the pandemic."



## JAL launches CHAMP for domestic cargo operations



Japan Airlines (JAL) has successfully launched an advanced digitalisation platform CHAMP, designed to revolutionise the cargo processes – initially across the airline's busy domestic network, whilst simultaneously delivering major benefits to the carrier's valued customers. Built on CHAMP's Open Cargo Platform (OCP), consists of an ergonomically-designed, workflow-based portal that enables the airline's customers to transact business digitally, together with an advanced 'smart' mobile app that fully automates the end-to-end processes within JAL's cargo warehouses. The new digitalisation platform enables completely paperless trading whilst

transforming the entire JAL domestic cargo business from start to finish. The introduction of the platform requires JAL's customers to book all outbound shipments through the intuitive and intelligent portal, featuring dynamic flight selection and pricing.

The airlines customers will gain additional benefits from full real-time shipment visibility, as well as access to tools such as allotment and invoice management. As booked shipments arrive at the JAL warehouse, the handling processes - from acceptance to flight build and departure - are streamlined through the airline's use of CHAMP's integrated mobile app.

# 100 tonnes weekly airfreight by DHL

**D**HL Global Forwarding has launched a dedicated 100-tonne weekly air freight service for organisations and governments shipping goods from China to Middle East and Africa. The service is currently scheduled to run for four weeks from April 21, 2020. Capitalising on Dubai's strategic geographical location as the gateway to countries in the region, the leading international provider of air, sea and road freight services will consolidate cargo from across China into Guangzhou and airfreight them via Dubai to their various destinations across Africa and Middle East, all within two or three days.

"Ubuntu Connect, named for its connotations of humanity and virtue, will prioritise the shipment of health and medical-related items for aid and relief efforts to Africa,



whilst part of the cargo will be slated for countries in the Middle East," said **Steve Huang**, CEO, DHL Global Forwarding Greater China. Personal protective equipment (PPE) including facial masks, goggles, coats, hand sanitisers and gloves remain in high demand in some parts of the region. To combat the coronavirus outbreak, the World Health Organization (WHO)

estimates that 89 million medical masks, 76 million examination gloves and 1.6 million goggles are required per month. China is the world's dominant producer of a variety of medical supplies with a purported daily output of 20 million pieces of medical masks, and has recently implemented measures to ensure the quality of medical supplies before export.

Steve added, "As the COVID-19 pandemic continues to disrupt trade flows and supply chains, airfreight capacity is also significantly affected by government travel restrictions and grounding of commercial passenger airlines. This guaranteed uplift of 100 tonnes of goods will ensure that aid relief and medical supplies reach those who need them the most in a region home to 1.6 billion people."

## Connectivity

- Much-needed personal protective equipment will make up the bulk of the cargo
- New service will plug the airfreight capacity shortage shippers face with travel restrictions and changing freight routes amid COVID-19 developments

## Delta expands cargo flights between US & Asia

**A**s demand for medical supplies continues to grow in the US, Delta is expanding its cargo-only flights between the US and Asia to give vital supply lines an even bigger boost. Beginning this week, Delta's scheduled cargo operation will grow to daily service with the addition of flights from Los Angeles, supplementing the Detroit service that launched in March 30. The flights will operate daily to and from Shanghai, with a stop in Incheon.

Detroit-Incheon-Shanghai service will operate four times weekly, and Los Angeles-Incheon-Shanghai will operate three times weekly. Once the cargo arrives in Detroit or Los Angeles, it will be transferred to domestic passenger flights to be shipped to destinations around the US.

"We know getting surgical masks, gloves, gowns and other protective equipment expeditiously to facilities across the country is imperative to protecting medical professionals and helping address the COVID-19 pandemic," said **Shawn Cole**, Vice President – Delta Cargo. "Operating regularly scheduled cargo flights means suppliers in China can get these supplies to hospitals and healthcare facilities across the US within hours, not the days or weeks it would take via cargo ship."



## Etihad expands freighter to UAE and the world

**E**tihad Cargo launched five additional routes to increase the flow of essential supplies into the United Arab Emirates and provide further east-west connectivity between major markets. Using bellyhold capacity on a mix of Boeing 777 and 787 aircraft, Etihad Cargo is introducing services between Abu Dhabi and Melbourne, Chennai, Kerala, Karachi, and Amsterdam, in addition to passenger freighters already operating scheduled cargo-only flights to Seoul, Beijing, Bangkok, Singapore, Manila, Jakarta, Mumbai, Delhi, Bangalore and Riyadh. The new routes will further ensure continuity of fresh imports to the UAE including meat, fish and seafood, fruits, and vegetables, in addition to pharmaceuticals and medical supplies, as the nation continues to take responsible measures to



ensure food security and national health as part of its response to the COVID-19 pandemic.

**Abdulla Mohamed Shadid**, Managing Director Cargo and Logistics at Etihad Aviation Group, said, "We are pleased to play a leading role in continuing to deliver essential supplies to the UAE, in this unprecedented environment. We are also playing our part in supporting international requirements for essential freight, carrying significant consignments of goods between other nations."





# CARGOTALK Cargo Conclave

## Weathering the storm and gearing up for better days

Combating the COVID-19 crisis, the logistics industry is going through major disruptions. Realising that the present need of the industry is to discuss the way forward, **CARGOTALK** announces its first-ever digital conclave to help the industry understand the global pandemic and its impact on business in the short term and long term.



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The theme of the conclave is 'Weathering the storm and gearing up for better days'. The conclave is aimed to help the logistics trade survive in present times amid the COVID-19 crisis, while also focusing on what the future holds for trade.

The session will focus on what will be the life after corona and when will it restart? What would be the size of new market? The speakers of the conclave are **N Sivasailam**, Former Special Secretary (Logistics), Ministry of Commerce & Industry, **Vipin Vohra**, Chairman, Continental Carriers and **Samir J Shah**, Partner, JBS Group of Companies. The conclave is structured as a platform to exchange views and engage in conversation with fellow professionals to help the industry recuperate.

The speedy rise of COVID-19 pandemic and government decision to contain the disease outbreak in India through a nationwide lockdown is adversely impacting the logistics sector. The sector will see a sharp fall in availability of freight because of the restrictions

**SPEAKERS**

 <p><b>N Sivasailam</b> <i>Former Special Secretary (Logistics) Department of Commerce, Ministry of Commerce &amp; Industry</i></p>	 <p><b>Samir J Shah</b> <i>Partner JBS Group of Companies</i></p>	 <p><b>Vipin Vohra</b> <i>Chairman Continental Carriers</i></p>
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imposed on production of non-essential goods and on the movement of already stored non-essential goods in the warehouses. This is not only taking the space but also increasing the cost.

The idea of the conclave is to understand what each segment of the industry is doing and the way forward. Seeing the current scenario wherein the entire nation is working from

home, this is the time for the industry to understand the importance of being technologically advanced. The conclave will discuss the possibilities of industry, understanding the importance of being more digitised and less dependent on manual work processes. However, the questions remains that will adoption of technology be affordable? And, who will absorb the cost? 📌

### Day & Time

On Thursday,  
7<sup>th</sup> May 2020,  
11 am to 12:00 noon

# Cargo agents struggle with COVID-19 crisis

Freight forwarders are currently facing many challenges at different levels, from shortage of staff, lack of e-passes, and lack of transport to meeting CASS calendar for freight payment to airlines. Here, cargo agents share what difficulties they are facing to meet the CASS calendar.

IATA has decided not to give any extension for fortnightly freight to airlines through its CASS programme. It is not at all a trade-friendly move. The freight forwarding industry is already suffering due to the entire EXIM under lockdown. All payments from clients are blocked. In such a scenario, how IATA and their member airlines can expect us to pay freight on time? **Our member community is not in a position to meet the CASS calendar for freight payment to airlines. It establishes, once again, that IATA is inconsiderate towards its approved agents.** IATA has asked for relief from government of India on various grounds but want agents to pay on time without any extension. ACAAI has requested government to intervene and ask IATA and Air India to consider our plea.

In fact, we feel they would be able to secure their freight payment by allowing extension of time. The trade is not asking discounts waivers or financial help on salaries etc. but just little grant of time. This does not signify principal to principal relationship but seems like master to slave scenario. India is one of the biggest markets worldwide for IATA members and still Pakistan and Bangladesh and many other jurisdictions have got relief from IATA, then why not India?



**Sunil Arora**  
President, Air Cargo Agents  
Association of India (ACAAI)

IATA CASS is not unique to India but is a worldwide payment gateway and no exclusive dispensation is available country wise. I understand there was some relief granted only in the form of deferment by a few days in our neighbouring countries. I wish Indian agents were also extended this deferment from IATA. **Indian forwarders have been caught snapping as their payments from the shippers on the agreed timelines have not materialised.** This has caused untold misery in the liquidity of the forwarders who also have to face the added strain of maintaining their establishment intact. There is a steep drop in business thereby impacting future revenue streams."

We have also witnessed steep increase in the freight charges being asked by carriers and there is only very small segment of the exporters who are willing to accept the two to three fold increases in the freight rates thereby affecting the air freight industry as a whole.



**AV Vijaykumar**  
Chairman  
Federation of Freight Forwarders  
Association in India (FFFAI)

**W**e all are going through a time where everyone in the industry is stressed for survival. Presently, all EXIM units, EPZ, manufacturing houses, buying houses are shut. What we need in this difficult phase is just a reasonable date extension for payment and not any waiver. **IATA must understand that its members are facing difficulty at various levels such as slow cargo movement due to lack of staff and flights.** There is a genuine crisis of inflow of funds. In the present scenario, freight forwarders are definitely not in a position to meet the CASS calendar for freight payment to airlines and expect IATA CASS to give some extension of the date to make payments."



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

In times of crisis expectation from the bigger brother are justified. While the airlines also need money, a sensitive approach is needed. **IATA's insistence will have very different reactions and the results could be varied. A number of IATA agents will be forced to default, even if they have always been compliant.** Member airlines may also want to exit the CASS since business is generated not by the airlines but by the agents. A simple fact missed out in the insistence of remaining insensitive. The problems are many and the biggest is continuity of business. The model is based on rotation of funds; clients' payments have dried up or are delayed. This break in cycle will break many organisations.



**Samir Shah**  
Advisor, Federation of Freight Forwarders  
Association in India (FFFAI)  
and DDP Game Changer  
India Cargo Awards 2017



## GOVERNMENT

# Maintain integrity in these grim times

While government has offered some respite on the movement of goods, there is still ambiguity on handling businesses now and in the post-lockdown period. **N. Sivasailam**, Former Special Secretary - Logistics, Ministry of Commerce and Industry, addresses some significant concerns of importer, exporters, and logistics service providers.



CT Bureau


**F**reight forwarders and CHAs are a very essential part of the business and it is important that they remain strong for the chain to stay unaffected. The government is working on the proposal for a platform which will offer new and streamlined solutions for trade processes.

Another important change is the strong need for e-documentation. An e-bill of lading will be crucial to handle the current situation as well as those that arise in the future, if any. The government is working

on a proposal for e-documentation, but stakeholders need to be open to digitally transmitting original documents between parties.

Sivasailam said, "I would like to ask organisations and companies to enforce a strong health system to ensure the safety of their employees. While the government will put out standard protocols, the onus was upon individual companies to consider and incorporate elements like social distancing, routine testing and

staggered working as norms in their daily schedules for their employees "

He added, 'I urge service providers to maintain integrity while charging during these grim times. In terms of detention or demurrage charges, the government will not be offering any blanket concession at CFSs and ports. Individual companies should work together with their freight forwarders to evacuate. He expresses these views in a webinar organised by Freightwalla and FICCI.' 



**N. Sivasailam**  
Former Special Secretary - Logistics  
Ministry of Commerce and Industry

# Turn passenger aircrafts to freighters

The lockdown has shut many production facilities and therefore there is not much demand of air cargo space for exports. **Bharat J Thakkar**, Joint Managing Director, Zeus Air Services and Past President & Member – Adviser Board, The Air Cargo Agents Association of India (ACAAI) talks about the challenges being faced by freight forwarders in the wake of COVID-19.



CT Bureau


*Could you please elaborate the challenges currently freight forwarders are dealing with?*

We forwarders are the vital link of global economy but still are unsung heroes. In spite of our services being declared essential, our offices could not be opened during early part of lockdown. Forwarders and customs brokers were finding it difficult to convince health and security officials to allow our team to attend office and go to airport for cargo clearances. Even now there are issues with no public transport and extended lockdown, customers are closed, our payments are getting delayed and in addition import shipments are lying at airports attracting detention, including trucking shortages. Our biggest challenge is that we have to make our payments on time without any expectation of getting payment from customers. Due to

lockdown, production facility is shut and therefore there is not much demand of air cargo space for exports. Pharmaceuticals, vaccine, life saving drugs and perishable are being flown on freighters of few airlines and on passenger freighters also. Due to pandemic, pharmaceutical industry has no other option but to fly goods as per the requirement at high cost. The airlines who are currently operating passenger freighters explain that their cost of operation has gone up. Hence, increase in transport charges.

The demand for travel will not be even 60 per cent in next nine to 12 months as compared to last year. Airlines must consider converting few of the aircrafts in their fleet into freighters to increase their revenue when fuel prices are under control to offer level playing transportation charges.

*What are your requirements from government?*

Government must permit airlines, willing to operate passenger freighter, in the same way they are allowed to operate freighter under 'Open Sky Policy' until COVID-19 exigency is over. Air India must be allowed to convert few of their fleet into freighters, instead of operating only passenger freighters. This will reduce its cost of operation, expand their network and offer options to country's export and import, as demand for India pharma and other products will increase and for that transportation cost needs to be feasible. A clear legible pass, which can be recognised by every health security official mandated to maintain law, order and discipline, to allow holders to move for their duties without delays. 



**Bharat J Thakkar**  
Joint Managing Director, Zeus Air Services  
and Past President & Member –  
Adviser Board, The Air Cargo Agents  
Association of India (ACAAI)

# Domestic logistics to fall by 6-8% in FY 2021: ICRA

According to ICRA, muted consumer demand in sectors such as automotive, FMCG, capital goods and retail coupled with the slowdown in the production of bulk industrial commodities would adversely impact the growth of the sector. **Shamsher Dewan**, Vice President, ICRA Ratings shares the current picture of Indian macroeconomic growth scenario.



CT Bureau

The rapid rise of COVID-19 pandemic and Government of India's decision to contain the disease outbreak in India through a 40-day lockdown is adversely impacting the logistics sector, especially the road transportation sector. The immediate impact of the pandemic on the logistics sector has been a sharp fall in freight availability because of restrictions on production of non-essential goods, and shortage of fleet for movement of essential goods owing to dearth of drivers thereby resulting in spike in truck rentals.

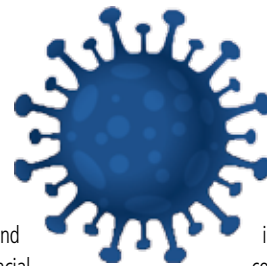
**Shamsher Dewan**, Vice President, ICRA Ratings, comments, "With the likelihood of lockdown being lifted gradually and muted recovery in industrial activity, the logistics sector including warehousing sector is likely to witness sharp demand contraction in the near-term. In our view, while the entire value chain in logistics right from transportation to warehousing would be adversely impacted, entities with asset-heavy business model will see a greater impact owing to high fixed costs. Further, the immediate term growth prospects of the sector also remain subdued owing to the outbreak of the COVID-19 pandemic, which has exacerbated the Indian macroeconomic growth scenario. Accordingly, the domestic logistics sector is expected to contract in the current fiscal."

Within the industry, segments such as fleet owner-cum-operators, warehousing

and Container Freight Stations (CFS) segment would see sharp decline in asset utilisation and in return weak financial performance. Furthermore, the small fleet operators would be the most vulnerable owing to limited liquidity and financial flexibility. Overall, while RBI's forbearance initiative and toll exemptions provide some relief but limited fleet utilisation in view of low margins would have an overwhelming impact on cash flows of fleet owners in the near-term.

In Q3 FY2020, revenue of ICRA's sample of 12 large logistics players had declined by 2.6 per cent Y-o-Y as compared to a growth of 18.6 per cent in Q3 FY2019 and 1.9 per cent in Q2 FY2020, in line with the continued moderation in GDP growth, which hit a 27-quarter low of 4.7 per cent, resulting in subdued freight availability.

ICRA expects that this trend is likely to continue in Q4 FY2020 and Q1 FY2021 with a greater degree of subdued performance. Muted consumer demand in sectors such as automotive, FMCG, capital goods and retail coupled with the slowdown in the production of bulk industrial commodities would adversely impact the growth of the sector.



The pandemic induced nationwide lockdown has further accelerated the ongoing slowdown in the Indian macroeconomic conditions resulting in subdued freight availability. Consequently, in FY2021 too, the ratings agency expects a contraction of 6-8 per cent Y-o-Y in revenue of its sample of logistics companies.

However, despite the contraction in revenues and negative operating leverage, the operating profitability of the leading logistics players benefitted from operational efficiencies and adoption of cost-rationalisation measures during Q3 FY2020. Accordingly, operating profitability margin (OPM) of the sample improved sequentially to 8.8 per cent in Q3 FY2020 from 8.6 per cent in Q2 FY2020. However, subdued demand scenario coupled with increased competitive intensity in sectors like e-commerce logistics and air cargo, constrained the performance of the industry.

"Over the near-term, ICRA believes the profitability of logistics operators to be impacted on account of the COVID-19 outbreak and lockdown, which has significantly impacted freight availability and fleet utilisation. Further, adverse impact from COVID-19 pandemic poses a downside risk on the credit metrics of ICRA's sample of logistics companies," Dewan added.



**Shamsher Dewan**  
Vice President  
ICRA Ratings

While the entire value chain in logistics would be adversely impacted, entities with asset-heavy business model will see a greater impact owing to high fixed costs




# BATTLING THE SUPPLY SHOCKS

across markets amid global pandemic



When the entire nation is sitting at home, logisticians are working day and night to make the ends meet. The logistics and supply chain industry is planning a refined budget and working on a seamless transition to offer logistics excellence remotely. **CARGOTALK** speaks to the women of the logistics industry to understand their strategy to remain in the business.

 Kalpana Lohumi

It has been more than a month that the industry is struggling because of the nationwide lockdown. The lockdown is undoubtedly good for all but the pandemic has affected the global trade to the point where almost every business has come to standstill. The logistics and supply chain industry is grappling with supply shocks across the markets amidst the outbreak. The women entrepreneur of the logistics industry talks about their strategies to mitigate business risk and what best can be done to cope with this pandemic.

"Women have always been good at multi tasking," says, **Saloni Agrawal**, Head – Freight Forwarding, Nagarkot Forwarders. She continues, "Even during these difficult times we are managing our work responsibilities from home. In the past two years, the logistics industry has become fairly digitised. This has made it easy for all of us to work from home and still manage the business. These are difficult times and we as logistics professionals are at the forefront in moving essentials across continents. And women are

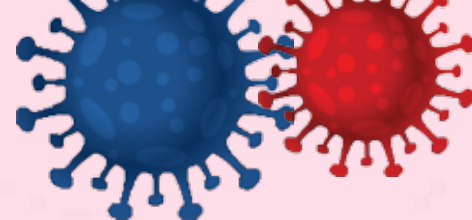
wholeheartedly playing a major role in this part. At Nagarkot, all our women employees are working efficiently and performing well from home."

Sharing her approach, **Sarini Sachdeva**, CEO, Aardour Worldwide Logistics, tells, "We are focusing on companies who are searching for suppliers in different geographical locations in anticipation of re-routing shipments from affected countries or consider having a secondary source outside the primary region to mitigate the impact. We are reaching out to technology companies so that they can consider diversifying production facilities with local sources of supply in each of its major markets, rather than relying on a single source. While keeping the economic state in our mind, we are trying to keep the cost low. We are not focusing on profit; just concentrating on staying in business."

"We work on 'people first strategy'. Hence, people are the most affected throughout this pandemic; we have found flexible internal solutions for

our employees and their families to do our part in containing the COVID-19," she adds.

"Today, the Government of India has announced the logistics industry as an essential industry since it is the backbone of the country; we women in the logistics industry are taking all the efforts and pains by coming to work to keep the operation working and servicing our customers and trade," shares **Kruti Jobanputra**, Director, JWC Logistics Park.



**Sarini Sachdeva**  
CEO  
Aardour Worldwide Logistics

✦ While keeping the economic state in our mind, we are trying to keep the cost low. We are not focusing on profit; just concentrating on staying in business ✦



**Kruti Jobanputra**  
Director  
JWC Logistics Park

✦ Post COVID-19, the companies who have consistently worked towards development will sustain. The industry will be more organised as the non-ethical companies will not be able to sustain ✦

Calling work from home the new normal, **Sanjam Sahi Gupta**, Director, Sitara Shipping says, "It has cut down travel time and costs. Using virtual meeting apps have proven work can be done just as efficiently from home."

She continues, "The COVID-19 pandemic has changed the way of working and I believe in the long run, the work from home will continue at least for those jobs that don't need a physical presence at work. This poses huge opportunities for women. Women can get more engaged, have more opportunities to work from home, greater flexibility. I believe a lot of work will be given by companies to freelancers or outsourced to cut costs."

### MITIGATE RISK

Challenges are there, but rather than only talking about the issues, it's time to make strategies and alleviate business risk. Having a clear picture of company's risks is an essential part of risk mitigation. On this, Sachdeva list five strategies to assist with the process of risk mitigation:

✦ **Risk identification and assessment:** Risk is inherently entwined with business. For a business to grow, it must engage in opportunity and not avoid risk altogether. Rather than avoiding risk, companies should try to understand and identify the levels of risk, and then properly engage in strategic planning and mitigation to increase development and growth. By establishing the context of any given risk, you help to identify the effects and from there you can plan a comprehensive management strategy.

✦ **Developing risk management strategies:** After analysing the context of a possible business risk, a business must launch an investigation to identify the source of that risk. Choosing the right methods and/or techniques to identify and analyse risks will help with the development and preparation of control structures and policies. SWOT has always been a useful technique to identify and evaluate risk.

✦ **Implementation of control activities:** Internal control activities cover policies and procedures that fit each business individually. The right application of internal control may help a business to either mitigate, or at least reduce, the effect of a risk. Control activities (automated and manual) should be developed by the leadership team and should be cost-effective. It is important to remember that the cost of implementation should never exceed the cost, if the control fails.

✦ **Respond to the risks:** When a risk is identified, the company must implement the control strategies that were prepared. First, the leadership team needs to decide if the risk is positive or negative. Is it something that could be exploited for the betterment of the project, or should steps be put in place to avoid the risk altogether? For each major risk identified, there should

be a strategy, or a preventative contingency plan implemented to mitigate and neutralise, or resolve the risk altogether.

✦ **Monitoring risk management performance:** The business' leadership team must be involved in monitoring the level of risk on a regular basis. For continuous growth and later reference, organisations should expand the control process further to the step of reviewing and post-process evaluation.

While one cannot avoid certain losses in this scenario and this pandemic was not something one could foresee; Sahi has always been cautious and planned ahead. She continues, "Our senior crisis team is working on our business continuity plan. As with all, we have to tighten our belts because we have hit a speed bump. The only silver lining exists in this situation are great stories of learning. It's time to think the worst case scenario and plan a more refined budget and a seamless transition to offer logistics excellence remotely. Identifying areas of cost, increasing organisation reserves and focusing on revenue enhancement is the need of the hour."

According to Jobanputra, "Since logistics industry is a service oriented industry and manpower is of prime importance. We, as a company, are taking all possible measures of safety for our people and other people coming to work."

"We are in touch with all our clients and offering as much support possible to them. In long run, this will build their confidence in us. We are adopting strategies to talk to potential clients and take this time to build relations with them. Furthermore, because our clientele majorly comprises of pharmaceutical clients we are on duty for them to arrange for logistics of essential medicines, devices and





**Sanjam Sahi Gupta**  
Director  
Sitara Shipping

✈️ **Industry will take two to three years to rebound. We need to be more flexible instead of rigid. Work from home will lead to more productivity with the reduced costs and travel time for employers and employees** ✈️

protective equipments across the world. This has built a sense of long-term reliability in us and enabled them to refer us to new clients," informs Agrawal.

### HEADING TO A HOPEFUL FUTURE

"There is 60 per cent slow down in the logistics industry and we might see a slowdown till the third quarter of the year. Final quarter might show some signs of improvement. However, there is huge opportunity for the logistics industry to grow as well. With government support we can attract more MNCs to start manufacturing in India."

According to Gupta, "Industry will take two to three years to rebound. We need to be more flexible instead of rigid. Work from home will lead to more productivity with the reduced costs and travel time for employers and employees."

Commenting on the post-COVID scenario, Jobanputra says, "There



**Saloni Agrawal**  
Head – Freight Forwarding  
Nagarkot Forwarders

✈️ **Even during these difficult times we are managing our work responsibilities from home. In the past two years, the logistics industry has become fairly digitised** ✈️

is a big potential for the logistics industry to grow along with all the other industries. Post COVID-19 the companies who have consistently worked towards development will sustain and survive the market. The

industry will surely be more organised as the non-ethical and non-organised companies will not be able to sustain in such conditions."

On the other side, Sachdeva is of the opinion that we have no clue how things will restart once this is under control but we suspect the recovery will be slower overall. She says, "Though, certain industries will boom and there will be new industries to emerge. We can ensure that after this our transports will continue and companies will get the goods they need."

Sharing the brighter side, Agrawal says, "COVID-19 has in fact helped us tackle the issues that were once thought to be possible only through manual intervention." She believes that logistics industry is under a major digital transition, in adding, "Gone are the days when logistics industry was ridden with institutional voids. We are already close to achieving the mettle of an organised sector by introducing single window scheme, e-DO and other such facilities. We are heading towards complete digitisation and this will lead to a major boom of innovation in the industry." ✈️



# LAST-MILE DELIVERIES SURGE



## in a socially distanced world

There has never been a time of greater demand for last-mile transport than the present scenario of lockdown amidst the infamous pandemic. Supply chain impediments eventually translated into challenges that citizens faced in getting their basic needs. **CARGOTALK** explores the impact and way forward for the global supply chain.



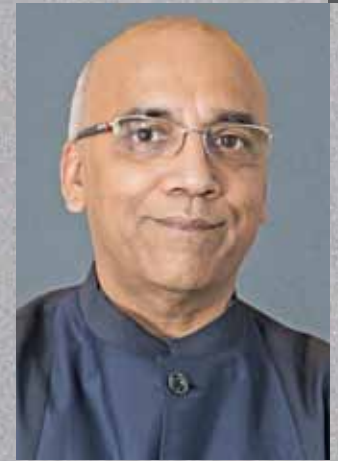
Kalpana Lohumi

**T**he COVID-19 pandemic has put an incredible strain on global supply chain, be it, medical supplies or household goods. The pandemic is putting pressure on deliveries and local logistics and an important question which has emerged amidst the nationwide lockdown is how to maintain the flow of essential supplies. Here is a look at how COVID-19 has impacted the last-mile

deliveries. Explaining the challenges being dealt at the local level during last-mile delivery, **L.R. Sridhar**, Founder & Chairman, Connect India E-Commerce Services, says, "The biggest challenge is movement. The other major challenge is traditionally many of the last-mile delivery boys are not from local location, hence, they have all gone back to their home towns and it has created huge gaps in terms of manpower. However, we are able to manage the last-mile delivery in some locations because of our partnership model of delivery through local brick and mortar stores."

Adding to the issue of shortage





**L.R. Sridhar**  
 Founder & Chairman  
 Connect India E-Commerce Services

🔥 Online buying will increase over a period of time and that will demand huge distribution network in the last-mile delivery 🔥

of trained manpower, **Rajiv Bhattacharya**, COO, V Xpress, says, "Initially the biggest challenge was getting the clarity at the local enforcement agency level. However, as days passed the situation improves."

According to **Ajay Khosla**, General Manager, Scorpion Group, "Despite the nationwide lockdown, the government ensures that supply of essential goods remains uninterrupted. Although, government has allowed production or movement of pharmaceutical, groceries and other hygiene products under essential category products but things are different in reality. We have witnessed various loopholes within few days of lockdown; smooth deliveries of essential goods will take few more days to get stable as logistics service providers are fronting dearth of manpower and roaring cost of hiring due to severe scarcity of trucks and significant paucity of truck drivers even after authorities approval and availability of shipment, pushing LSPs to scale down their operations. Present scenario with lockdown condition and lack of transportation

movement, inventories are piling up in their current warehouses."

Sharing the supplier point of view, **Bhupendra Kumar**, Head – Logistics, IOL Chemicals & Pharmaceuticals, says, "The prime objective of last-mile delivery is on-time, accurate and precision of the product when it reaches to customer. In current scenario, especially in developing countries like India main constraints are poor infrastructure, inefficient trade routes and inefficient transportation technology. We still do not have efficient consolidated trucking options. Specially, the smaller cargo loads that require LTL service face delays, in-transit damage due to multiple handling and higher cost. Commodities that require special handling such as pharma, dangerous goods, fragile goods etc. call for more planning and there are only few players equipped in handling such materials."

#### IMPACT

Hence, the government has permitted the supply of essential commodities,

but what about the other products that are taking space in the warehouses. On this, Bhattacharya adds, "As we can only deliver essential items, all other shipments are held up and taking the entire transit warehousing space. Cost has definitely shot up and normal routing optimisation is not working as deliveries are less and scattered and there is unpredictability of the operating areas due to frequent changing of zone's classifications. Vehicle passes still remains a challenge and opening of warehouses are bigger problem and are strictly being monitored by local bodies for good of all of us though."

"Rising risk of COVID-19 has created serious menace to SCM. Even after authorisation of movement of goods, service providers with lack of manpower and shortage of trucks limits the ease in complete supply chain of good. Another issue is consumers are not accepting good under doubt of getting contaminated that too when managing show with limited resources," shares Khosla.

## Planning is crucial

- ➔ Commodities that require special handling such as pharma, dangerous goods, fragile goods etc. call for more planning and there are only few players equipped in handling such materials.
- ➔ Consumers are not accepting goods under doubt of getting contaminated that too when managing show with limited resources.





**Rajiv Bhattacharya**  
COO  
V Xpress

✦ As we can only deliver essential items, all other shipments are taking the entire transit warehousing space. Cost has shot up and routing optimisation is not working ✦



**Ajay Khosla**  
General Manager  
Scorpion Group

✦ Even after authorisation of movement, service providers with lack of manpower and shortage of trucks limits the ease in complete supply chain ✦



**Bhupendra Kumar**  
Head - Logistics  
IOL Chemicals & Pharmaceuticals

✦ Logistics service providers need to increase efficiency in seamless handling. They should think for real-time tracking systems of the vehicle ✦

Kumar believes that COVID-19 pandemic has made business tougher. He continues, "With lockdowns and restrictions imposed all over world, there is shortage of carriers, service providers and manpower. Part loads specially came to stand still with labour shortage being the biggest challenge across India. Even the essential commodity delivery getting delayed due to many check points in transit. A high demand and less

supply has resulted in higher cost levels than usual."

The impact can be seen everywhere, the question remains how has the industry prepared itself for the current scenario. On this, Bhattacharya says, "We have used this time on retrospection of our entire operation and have identified various areas of enhancement which includes even the technology capability building aspect. We continue to deliver essential goods and for other non-essential consignments, our routing and prioritisation are ready and as and when the permissions are granted and customers are ready, we should be able to clear the pendency at the earliest."

Explaining his business model of delivery, Sridhar adds, "Since the government has allowed the last-mile delivery using the brick-and-mortar stores as source of distribution point, it would create great opportunity for brick-and-mortar stores network that Connect India has already built across the country."

**SHIPPER'S PERSPECTIVE**

The industry is facing several operational and logistical challenges. **Sanjay Bhutani**, Managing Director – India & SAARC, Bausch + Lomb explains how this nationwide lockdown has inadvertently disrupted the supply of essential services including medical devices; however, it has been imposed to prevent the community spread to a large extent. He says, "We are facing limited availability of courier services to deliver medical devices especially in the Tier 2 and 3 cities. Some courier/freight forwarding agencies are offering only airport to airport delivery in select cities. Even if we are able to locate any last-mile delivery logistics partner, they are charging surge prices. The several directives issued by the central government have not been correctly interpreted at the local administration level which has resulted in lock jam and has impacted the manufacturing, warehousing and distribution activities. There have also been instances of workforce being manhandled by police in some areas."

Sharing the brighter side, **Chand Tiwari**, Regional Head – Buying and Merchandising, Big Basket, says, "For e-grocers, the surge has come despite shuttered warehouses in the early days of the lockdown. If I talk about Big Basket, we have witnessed two to three times more traffic during the pandemic. I am sure, the traffic will sustain even after post COVID-19 scenario."

Commenting on how to ensure quality especially purchasing products online, Tiwari notes, "Despite such situation, right quality is important to us. 100 per cent quality measures are been taken at our centres." He explains, "For staples and fruits and vegetables, we have our own collection centres at various places from where we collect the goods from farmers and all the quality parametre are been checked at these centres. From collection centres, all the material moves to warehouses overnight and we start distributing to our customers in the morning."





Tiwari shares this piece of information at PHD webinar.

### HIGH HOPES

The way forward is not clear to anyone as of now but our priority in this scenario is first to ensure safety of our entire team and secondly to ensure that we play our role of shipping the essential and necessary goods as much as we can, while being abided with law and regulations and permitted limits. We were skewed on digitisation and have further coagulated our strategy to be more of a digital workplace.

According to Sridhar, "There will be a shift in the buying habits of many households due to COVID-19 and over a period of time online buying will increase and that will demand huge distribution network in the last-mile delivery." Explaining how it will benefit his business, he informs, "We are looking forward to expand our brick-and-mortar stores network aggressively from current 10,000 stores which would facilitate the local distribution and also identify local youth to participate as entrepreneurs in the last-mile delivery mechanism."

Commenting from the supplier's perspective, Kumar adds, "Logistics

service providers need to increase efficiency in seamless handling. Technology could be the key to it. Scanning and online tracking systems need to be in place at every step. Service providers should think for real-time tracking systems of the vehicles which will solve major issues of transit time and handling of third-party drivers etc. This will give complete visibility of goods till end point. A digital proof of delivery that could be obtained the same moment goods are delivered will ensure against lost or mishandling issues. Extending geographical scale, route optimisation and resource sharing between the big players could help in profit maximisation and on-time deliveries. World is moving towards technology driven deliveries such as commercial drones and self-driven lockers. It's high time that we should also think of increasing our boundaries."

Bhutani shares the ways that could be taken to ease the pressure. He points, "Ensuring the uninterrupted supply of medical devices becomes even more important since in the absence of a vaccine or proven drug against the COVID-19, it is the medical devices industry that is shouldering the war against this pandemic. Another way of easing the pressure could be segregation



**Sanjay Bhutani**  
Managing Director – India & SAARC,  
Bausch + Lomb



**Chand Tiwari**  
Regional Head – Buying and  
Merchandising, Big Basket

✦ We are facing limited availability of courier services to deliver medical devices in the Tier 2 and 3 cities as courier agencies are offering only airport to airport delivery ✦

✦ We have witnessed two to three times more traffic during the pandemic. I am sure, the traffic will sustain even after post COVID-19 scenario ✦

of healthcare centres into COVID-19 and non-COVID-19 units. In the non-COVID-19 hospitals, through the adequate use of PPEs and ensuring stringent safety protocols, the important surgeries could continue. This will enable the healthcare sector maintain cash liquidity, which at the moment has been greatly affected due to the pandemic. ✦



### Tech driven deliveries

- ✦ For e-grocers, the surge has come despite shuttered warehouses in early days of the lockdown.
- ✦ World is moving towards technology driven deliveries such as commercial drones and self-driven lockers. It's high time that we should also think of increasing our boundaries.
- ✦ With the shift in buying habits of many households due to COVID-19, online buying will increase and that will demand huge distribution network.





# COVID CRISIS

## UNPRECEDENTED

### role of warehousing

Warehouses are an essential component of supply chain which are mostly operational amid the lockdown, however not without challenges though. The industry experts believe that warehousing segment is one of the segments that is likely to benefit more from the COVID-19 outbreak and a post COVID-19 world and shares the same with **CARGOTALK**.



Kalpana Lohumi

The COVID-19 pandemic has impacted the entire value chain, from transportation to warehousing. A warehouse is an essential centre for procurement, manufacturing and distribution services but the industry is facing challenges to keep the business going. Warehouses are meant for essential and non essential goods, and since approvals are granted for essential commodities only, so the facilities for non essential are abandoned. The KPMG report says that in the times of this global pandemic, storage facilities

such as warehouses which are majorly dependent on EXIM and domestic trade are expected to experience reduced cargo volume impacting revenue. **CARGOTALK** discovers how COVID-19 has impacted the warehousing sector and sector's requirements from government.

While there is usual pessimism about the likely recessionary trend as forecasted by IMF and other bodies, **Sandeep Chadha**, Founder & CEO, Warehouse Capital Advisors India observes that the general outlook is positive and





encouraging for the warehousing sector. He continues, "Industry in general and customers in particular are realising the importance of stocking up goods for any likely eventuality. Warehousing as an essential ingredient of the erstwhile supply chain, are mostly operational. Due to the pan-India lockdown, supply chain has been disrupted especially the one dependent on road transportation. So some challenges still prevail."

"Considering the changing habits and social distancing caused a lot of frustration and also could lead to social divisiveness. So, the growth prospects are looking very promising for this sector. The regulatory orders prohibiting shopping malls and high-street retail from operating would result in e-commerce emerging as an undisputed winner in the wake of same. And that also means an enhanced demand for strategically located warehouses," he adds.

Since warehousing is considered as an essential service and is active in the times of COVID-19, **Rajesh Jaggi**, Managing Partner – Real Estate, Everstone Group, informs "All IndoSpace parks are operational and we are following the protocols advised by the government to ensure safe and infection free workplace. Once the lockdown period is over and

operations are running in a full-fledged manner, we are expecting sectors like pharmaceuticals, e-commerce and food industries to ramp up their storage capacities in line with the demand."

The COVID-19 menace has affected all sectors and warehousing is no exception to that. Amid the lockdown, current reports show that the domestic warehousing industry is facing challenges to keep the business going. However, **Abhishek Bhardwaj**, Chief Marketing Officer, Shristi Infrastructure Development Corporation, believes, "Once the lockdown is lifted, the warehousing sector is well positioned to weather the COVID-19 disruption and bounce back stronger," in adding, "On the one hand, demand for warehousing is likely to move down due to reduced production and EXIM activities and reduced cargo volumes will affect revenues. In the short run, investment in real estate logistics might take a hit too. However, on the other hand, a surge in online purchases due to social distancing norms will result in retailers carrying higher inventories, and the warehousing sector would be a direct beneficiary to such a trend."

"Investment in this sector will increase in the coming days as interest rates, at its lowest levels, would make the sector



**Sandeep Chadha**  
 Founder & CEO, Warehouser Capital  
 Advisors India and India Cargo Awards  
 Winner 2019

✦ Industry and customers are realising the importance of stocking up goods. The changing habits and social distancing could lead to social divisiveness ✦

more lucrative than ever. The need for storage of pharmaceuticals to cater to future emergencies will also be high. Hence, warehousing sector is expected to be one of the foremost sectors to cope up with the COVID crisis and bounce back stronger," he added.

**PROBLEMS AND OBSTACLES**

**Naveen Rawat**, Co-Founder of Holisol Logistics, shares the struggles warehousing segment is facing in the times of COVID-19. He says, "Getting individual curfew passes for the warehouse team was initially a challenge. Different local administrations were having different procedures and requirements which were creating confusion and delays. Nevertheless, things have improved lately with most of the e-curfew pass process having gone online now. Apart from this, getting the team to the facility is an issue. We have organised pick and drop facilities for the co-workers at the warehouse because of the total restriction on public transport."

**Aditya Virwani**, Spokesperson, Embassy Industrial Parks & COO,



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

✦ We are expecting sectors like pharmaceuticals, e-commerce and food industries to ramp up their storage capacities in line with the demand, post COVID-19 ✦

**Policy**

- ➔ A comprehensive policy guideline and procedure regarding the essential delivery services is needed under such circumstances.
- ➔ Since it's going to be a long drawn out emergency, the government should facilitate the minimum wages by helping, even if, partially. The industry on its own may not be able to sustain the steeping salaries without the commensurate revenue, so a stimulus package needs to be chalked out.



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

✦ Once the lockdown is lifted, the warehousing sector is well positioned to weather the COVID-19 disruption and bounce back stronger ✦



**Naveen Rawat**  
Co-Founder  
Holisol Logistics

✦ We are ensuring that a minute to minute update of the situation on the ground is being shared with our customers regarding any unexpected delays ✦

Embassy Group states the challenges the Indian warehousing sector is currently facing amidst the lockdown, even though the ports get jammed with cargo. He points, "Some warehouses in specific regions need approval to operate from local administration which is currently taking more than a week while such approvals generally come in two days. It is because a warehouse is not always a fulfillment centre or a manufacturing unit; it may not always be essential commodity warehouse. Due to these factors approvals are needed during COVID-19 crisis. Warehouses are operating currently with minimal staffs. There are concerns of health and safety of workers; warehouses have to be functional to cater to the essential needs of supply chain business."

Striking a note of caution, Chadha says, "While the demand for well-placed and well equipped Grade-A warehouses is palpably evident and visible, the sector though is still not unscathed in the wake of the holistic lockdown. Goods transportation by road, which is



about 60 per cent in India, has been severely impacted. Though it is likely to be resumed shortly, it is hampering the sector. With the mounting uncertainty over the duration of the lockdown, and unrest in the available labour pool across the key metros, the same is emerging as a big challenge for the incumbents. Due to some restrictions, major e-commerce players haven't been able to capitalise to serve the daily needs of the average consumers, and that resulted in local kirana store score a brownie point and assume the

lead. But these are still the early days and players involved will soon ramp up the operations and logistics needed to serve a market as diverse and as big as India."

According to Jaggi, "The priority for the warehousing sector in these challenging times is to provide safe and seamless operations and facilities to their clients." He adds, "Taking a cue from our international partners, IndoSpace had taken proactive measures to prevent the spread of the virus, in February

**Policy**

- ✦ GST needs to be minimised as it significantly increases the cost for developers.
- ✦ Single window clearance system should be enforced which will enable faster acquisition, development as well as setting up of clusters of industrial parks.





2020 itself. Also, we have activated our business continuity plan in the middle of March which helped us in planning the business better."

"We are ensuring that all required norms in term of social distancing, PPE's & hygiene are strictly being adhered. We have also piloted an RF-based proximity monitoring system for our fulfillment centre to effectively monitor and manage social distancing," Rawat informs.

Since the approval is being granted to essential commodities only, Virwani highlights the issues with the other non-essential goods already stored in the facility. He states, "Most of our customers in the e-commerce and 3PL categories are being able to cater to the requirements of essential commodities. However, in regards to the non-essential goods for e.g. white goods or retail goods have been facing issues of not being able to

cater to their customers due to the current lockdown and in line with the order from the government. Post the lockdown, we hope business gets back to normal."

Adding to this, Chadha points, "The inventory is piling up, but regulations are expected to be lifted subsequently, albeit, in a phased manner. It's a global crisis and things are getting hampered which is expected but over the long haul it will smoothen out. Post COVID-19, recovery is definitely going to result in e-commerce emerging as a viable alternative especially in the wake of mounting rents in traditional retail. And that means an unprecedented demand for Grade-A warehouses. The normal operations are being affected to an extent but things will pan-out in a favourable manner sooner than later."

"Indospace is not facing issues at its warehouses and we are always available

for our clients as our service delivery norms are customer-centric. All clients are being taken care of at facilities for both essential and non-essential goods," informs Jaggi.

**PERSONNEL IS SCARCE**

Warehousing industry is struggling with shortage of staff in the middle of this lockdown. Sharing how to deal with this situation, Chadha notes, "It needs to be comprehended that not all boxes are operating in full capacity, and the need for commensurate staff is also decreasing. However, the trained manpower supply is critical and needs to be paid heed to. The unrest in available migrant labour across the key markets is an area the government and incumbents have to resolve on priority basis. The labour force shouldn't be reverse migrating when normal operations resume. That would be a major stumbling block and must be avoided."

Rawat adds, "In certain cases, the permission only allows operating at 50 per cent of the total strength to maintain social distancing. We are managing work with staggered shift times to follow the safety guidelines while maintaining business continuity. Some relaxations on committed delivery timelines have been agreed with the customer. We are also ensuring that a minute to minute update of the situation on the ground is being shared with our customers, through proactive communication regarding any unexpected delays or disruptions."

"Indospace is not experiencing lack of staff due to COVID-19," informs Jaggi. He adds, "Our facility management and support staff on ground has been the driving force in ensuring that we would be able to meet customer expectations in this period. The delivery of the products is a factor affecting the clients than the warehousing industry. As we are aware that state and union governments are working tirelessly to solve the transportation hassles, we are hopeful that the delivery times should return to normal soon." 📌



**Aditya Virwani**  
Spokesperson, Embassy Industrial Parks & COO, Embassy Group

📌 **Some warehouses in specific regions need approval to operate from local administration which is currently taking more than a week while such approvals generally come in two days** 📌

**Policy**

- ➔ The government should incentivise the industry and announce tax holidays for at least two years. And then considering the need of funds, the lending rates need to be prioritised and a sector specific mechanism needs to be in place as it still falls in MSME.
- ➔ At a macro level, post this lockdown government should release the National Logistics Policy which has been scheduled to come in existence from a few months. This will give the logistics sector a framework.

# Automation set to redefine the future

Many companies are now expected to opt for automation and robotic themes to keep their business going in the post-COVID-19 world. **Ajay Jhalani**, Managing Director – India, Winner Interplast Company shares the insights of the pallets industry.



CT Bureau

## *What is expected to happen post COVID-19 in supply chain and warehousing?*

Automation will get a boom once things will get back to normal. A lot of companies will focus on automation in palletisation, post COVID-19, to maintain social distancing. For example, for loading and offloading of any truck, approximately five to six labours are being used. This can be reduced through palletisation. Apart from this, automation and robotic themes will also work.

## *Why has the demand for plastic pallets suddenly increased?*

Globally, a lot of manufacturing companies were using wooden pallets. After the sudden outbreak of COVID-19 and self-realisation of how businesses can be knocked off, companies are taking strategic calls in supply chain and warehousing to use recycled plastic injection moulding pallets. The global market for pallets is distributed around 90 per cent to wooden pallets and 10 per cent to plastic pallets. However, this trend is changing and by 2025 the demand in global market for wooden pallets will get reduced by 60 per cent and plastic pallets demand will be increased by approx 30-35 per cent. The rest will be for other materials like steel and fibre.

## *What are your thoughts on 3R policy?*

The world is moving towards a circular economy which is 'reduce, reuse, and recycle'. It calls for an increase in the ratio of recyclable

material, further reusing of raw materials and manufacturing wastes, and overall reduction in resources and energy used.

## *How easily available are the raw materials for plastic and wooden pallets?*

Globally, for manufacturing to retail; the preferred wooden pallet is pinewood and in plastics; it is HDPE (High Density Polyethylene) which is a polymer. In the Indian context, three to four major private and government companies are making raw material. Hence, availability is not a concern. However, importing pinewood with new norms of sourcing will be challenging.

## *In what circumstances would you recommend use of wooden pallets, and when would plastic pallets be a better choice?*

Naturally, most exports are happening for wooden pallets due to flexibility of dimensions and sizes. However, going forward, companies will switch over to standard plastic pallets due to automation.

## *Have you developed any new lighter export pallets?*

We have responded to the innovation and we are the first company in Asia to develop lightweight pallets of 4.2 kg. Since, the pallets are lighter, they are also cheaper.

## *What change you have seen in 25 years in pallet business?*

In 1996, there used to be small go-downs for storage in India and people used to



**Ajay Jhalani**  
Managing Director – India  
Winner Interplast Company



operate them manually. By 2006, people started developing warehouses with vertical racking. From 2016 onwards, companies are using a lot of ASRS (Automatic Static Retrieval Systems). The metamorphosis from a go-down to a warehouse and to a logistics park is evident.

## *How do you see the logistics and supply chain sector in the last five years?*

Global logistics spend is around eight per cent of GDP but in India it is approx 14 per cent of GDP. The government is aiming to reduce the logistics spend from 14 per cent to 10 per cent of GDP with automation and high quality of infrastructure.

After the sudden outbreak of COVID-19 and self-realisation of how businesses can be knocked off, companies are taking strategic calls in supply chain and warehousing to use recycled plastic injection moulding pallets



# Department of Commerce

## Export Import Data Bank | Export : Commodity-wise

\* ITC HS Code of the Commodity is either dropped or re-allocated from April 2019

Dated: 22/4/2020, Values in Rs. Lacs

S. No.	Commodity	2018-2019	%Share	2019-2020	%Share
1.	LIVE ANIMALS.	29,808.78	0.0129	13,363.95	0.0072
2.	MEAT AND EDIBLE MEAT OFFAL.	2,603,392.48	1.1281	2,039,400.76	1.0960
3.	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC INVERTABRATES.	4,383,218.83	1.8994	3,818,788.50	2.0523
4.	DAIRY PRODUCE; BIRDS' EGGS; NATURAL HONEY; EDIBLE PROD. OF ANIMAL ORIGIN, NOT ELSEWHERE SPEC. OR INCLUDED.	377,324.01	0.1635	212,838.51	0.1144
5.	PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED.	92,761.45	0.0402	56,652.99	0.0304
6.	LIVE TREES AND OTHER PLANTS; BULBS; ROOTS AND THE LIKE; CUT FLOWERS AND ORNAMENTAL FOLIAGE.	57,143.33	0.0248	44,548.99	0.0239
7.	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS.	909,020.39	0.3939	637,688.19	0.3427
8.	EDIBLE FRUIT AND NUTS; PEEL OR CITRUS FRUIT OR MELONS.	1,129,227.10	0.4893	753,856.89	0.4051
9.	COFFEE, TEA, MATE AND SPICES.	2,233,600.16	0.9679	1,894,122.67	1.0180
10.	CEREALS.	5,682,855.00	2.4625	3,696,956.54	1.9869
11.	PRODUCTS OF THE MILLING INDUSTRY; MALT; STARCHES; INULIN; WHEAT GLUTEN.	224,939.95	0.0975	201,411.64	0.1082
12.	OIL SEEDS AND OLEA. FRUITS; MISC. GRAINS, SEEDS AND FRUIT; INDUSTRIAL OR MEDICINAL PLANTS; STRAW AND FODDER.	1,144,991.17	0.4962	1,020,377.46	0.5484
13.	LAC; GUMS, RESINS AND OTHER VEGETABLE SAPS AND EXTRACTS.	737,581.97	0.3196	492,032.69	0.2644
14.	VEGETABLE PLAITING MATERIALS; VEGETABLE PRODUCTS NOT ELSEWHERE SPECIFIED OR INCLUDED.	37,887.11	0.0164	27,929.11	0.0150
15.	ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PRE. EDIBLE FATS; ANIMAL OR VEGETABLE WAXEX.	766,269.97	0.3320	692,492.26	0.3722

S. No.	Commodity	2018-2019	%Share	2019-2020	%Share
16.	PREPARATIONS OF MEAT, OF FISH OR OF CRUSTACEANS, MOLLUSCS OR OTHER AQUATIC INVERTEBRATES	303,042.74	0.1313	283,411.61	0.1523
17.	SUGARS AND SUGAR CONFECTIONERY.	1,140,470.65	0.4942	1,110,986.38	0.5971
18.	COCOA AND COCOA PREPARATIONS.	135,086.15	0.0585	110,093.34	0.0592
19.	PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK; PASTRYCOOKS PRODUCTS.	374,274.13	0.1622	313,608.19	0.1685
20.	PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER PARTS OF PLANTS.	412,052.59	0.1786	353,013.90	0.1897
21.	MISCELLANEOUS EDIBLE PREPARATIONS.	538,704.42	0.2334	489,827.54	0.2632
22.	BEVERAGES, SPIRITS AND VINEGAR.	227,757.59	0.0987	150,849.49	0.0811
23.	RESIDUES AND WASTE FROM THE FOOD INDUSTRIES; PREPARED ANIMAL FODER.	1,341,335.12	0.5812	699,748.67	0.3761
24.	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES.	685,860.79	0.2972	539,892.98	0.2902
25.	SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME AND CEMENT.	1,559,348.24	0.6757	1,169,215.56	0.6284
26.	ORES, SLAG AND ASH.	1,290,944.88	0.5594	1,899,145.89	1.0207
27.	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES.	33,547,439.80	14.5370	25,825,725.73	13.8796
28.	INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OR RADIOELEM. OR OF ISOTOPES.	1,405,626.44	0.6091	1,021,647.55	0.5491
29.	ORGANIC CHEMICALS	12,756,673.67	5.5278	10,324,164.08	5.5485
30.	PHARMACEUTICAL PRODUCTS	10,323,992.70	4.4737	9,658,753.65	5.1909
31.	FERTILISERS.	103,816.01	0.0450	65,891.78	0.0354
32.	TANNING OR DYEING EXTRACTS; TANNINS AND THEIR DERI. DYES, PIGMENTS AND OTHER COLOURING MATTER; PAINTS AND VER; PUTTY AND OTHER MASTICS; INKS.	2,312,403.45	1.0020	2,054,491.89	1.1042

**CARGO STATISTICS**

S. No.	Commodity	2018-2019	%Share	2019-2020	%Share
33.	ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC OR TOILET PREPARATIONS.	1,444,857.75	0.6261	1,349,970.54	0.7255
34.	SOAP, ORGANIC SURFACE-ACTIVE AGENTS, WASHING PREPARATIONS, LUBRICATING PREPARATIONS, ARTIFICIAL WAXES, PREPARED WAXES, POLISHING OR SCOURING PREP.	432,968.50	0.1876	369,579.04	0.1986
35.	ALBUMINOIDAL SUBSTANCES; MODIFIED STARCHES; GLUES; ENZYMES.	176,265.00	0.0764	133,145.51	0.0716
36.	EXPLOSIVES; PYROTECHNIC PRODUCTS; MATCHES; PYROPHORIC ALLOYS; CERTAIN COMBUSTIBLE PREPARATIONS.	84,501.46	0.0366	71,536.47	0.0384
37.	PHOTOGRAPHIC OR CINEMATOGRAPHIC GOODS.	8,434.48	0.0037	6,652.05	0.0036
38.	MISCELLANEOUS CHEMICAL PRODUCTS.	3,239,659.32	1.4038	3,010,785.43	1.6181
39.	PLASTIC AND ARTICLES THEREOF.	5,607,897.32	2.4301	4,172,054.06	2.2422
40.	RUBBER AND ARTICLES THEREOF.	2,241,875.16	0.9715	1,876,574.40	1.0085
41.	RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	504,836.62	0.2188	318,936.08	0.1714
42.	ARTICLES OF LEATHER, SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONT. ARTICLES OF ANIMAL GUT(OTHER THAN SILK-WRM)GUT.	1,792,293.99	0.7766	1,454,811.92	0.7819
43.	FURSKINS AND ARTIFICIAL FUR, MANUFACTURES THEREOF.	9,050.22	0.0039	7,587.48	0.0041
44.	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL.	343,308.28	0.1488	265,305.75	0.1426
45.	CORK AND ARTICLES OF CORK.	2,594.98	0.0011	1,975.59	0.0011
46.	MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAINTING MATERIALS; BASKETWARE AND WICKERWORK.	28,130.13	0.0122	27,201.66	0.0146
47.	PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL; WASTE AND SCRAP OF PAPER OR PAPERBOARD.	2,476.68	0.0011	5,697.22	0.0031

S. No.	Commodity	2018-2019	%Share	2019-2020	%Share
48.	PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD.	1,391,517.57	0.6030	1,162,601.27	0.6248
49.	PRINTED BOOKS, NEWSPAPERS, PICTURES AND OTHER PRODUCTS OF THE PRINTING INDUSTRY; MANUSCRIPTS, TYPESCRIPTS AND PLANS.	280,157.52	0.1214	207,678.14	0.1116
50.	SILK	59,156.10	0.0256	50,784.83	0.0273
51.	WOOL, FINE OR COARSE ANIMAL HAIR, HORSE-HAIR YARN AND WOVEN FABRIC.	139,017.44	0.0602	96,309.26	0.0518
52.	COTTON.	5,502,070.31	2.3842	3,304,881.42	1.7762
53.	OTHER VEGETABLE TEXTILE FIBRES; PAPER YARN AND WOVEN FABRICS OF PAPER YARN.	311,771.37	0.1351	250,707.62	0.1347
54.	MAN-MADE FILAMENTS.	1,601,769.37	0.6941	1,398,172.91	0.7514
55.	MAN-MADE STAPLE FIBRES.	1,330,758.50	0.5767	989,886.57	0.5320
56.	WADDING, FELT AND NONWOVENS; SPACIAL YARNS; TWINE, CORDAGE, ROPES AND CABLES AND ARTICLES THEREOF.	299,084.18	0.1296	244,201.98	0.1312
57.	CARPETS AND OTHER TEXTILE FLOOR COVERINGS.	1,236,468.75	0.5358	1,004,204.49	0.5397
58.	SPECIAL WOVEN FABRICS; TUFTED TEXTILE FABRICS; LACE; TAPESTRIES; TRIMMINGS; EMBROIDERY.	263,862.70	0.1143	248,153.52	0.1334
59.	IMPREGNATED, COATED, COVERED OR LAMINATED TEXTILE FABRICS; TEXTILE ARTICLES OF A KIND SUITABLE FOR INDUSTRIAL USE.	180,461.84	0.0782	168,926.91	0.0908
60.	KNITTED OR CROCHETED FABRICS.	308,024.69	0.1335	251,417.41	0.1351
61.	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED.	5,469,178.09	2.3699	4,513,201.87	2.4255
62.	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED.	5,813,591.85	2.5192	4,580,946.68	2.4620
63.	OTHER MADE UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS	3,676,823.96	1.5933	3,025,041.04	1.6258
64.	FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES.	2,032,853.50	0.8809	1,592,061.14	0.8556



S. No.	Commodity	2018-2019	%Share	2019-2020	%Share
65.	HEADGEAR AND PARTS THEREOF.	32,047.23	0.0139	35,882.22	0.0193
66.	UMBRELLAS, SUN UMBRELLAS, WALKING-STICKS, SEAT-STICKS, WHIPS, RIDING-CROPS AND PARTS THEREOF.	2,273.09	0.0010	1,731.44	0.0009
67.	PREPARED FEATHERS AND DOWN AND ARTICLES MADE OF FEATHERS OR OF DOWN; ARTIFICIAL FLOWERS; ARTICLES OF HUMAN HAIR.	155,055.84	0.0672	159,309.79	0.0856
68.	ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS.	1,105,367.59	0.4790	988,730.87	0.5314
69.	CERAMIC PRODUCTS.	1,113,632.91	0.4826	1,112,171.58	0.5977
70.	GLASS AND GLASSWARE.	665,535.40	0.2884	512,038.10	0.2752
71.	NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMIPRECIOUS STONES, PRE. METALS, CLAD WITH PRE. METAL AND ARTICLES THEREOF; IMIT. JEWELRY; COIN.	28,279,365.85	12.2542	21,858,570.17	11.7475
72.	IRON AND STEEL	6,807,482.60	2.9499	5,616,608.26	3.0186
73.	ARTICLES OF IRON OR STEEL	5,098,296.95	2.2092	4,200,061.58	2.2573
74.	COPPER AND ARTICLES THEREOF.	700,303.54	0.3035	519,823.28	0.2794
75.	NICKEL AND ARTICLES THEREOF.	46,488.33	0.0201	59,708.56	0.0321
76.	ALUMINIUM AND ARTICLES THEREOF.	3,987,562.54	1.7279	3,030,149.01	1.6285
77.	LEAD AND ARTICLES THEREOF.	281,997.82	0.1222	227,239.67	0.1221
78.	ZINC AND ARTICLES THEREOF.	418,999.08	0.1816	322,747.96	0.1735
79.	TIN AND ARTICLES THEREOF.	7,182.70	0.0031	6,486.49	0.0035
80.	OTHER BASE METALS; CERMETS; ARTICLES THEREOF.	41,148.57	0.0178	29,430.83	0.0158
81.	TOOLS IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF BASE METAL; PARTS THEREOF OF BASE METAL.	624,386.36	0.2706	521,517.04	0.2803
82.	MISCELLANEOUS ARTICLES OF BASE METAL.	445,365.66	0.1930	386,885.17	0.2079
83.	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF.	14,665,227.99	6.3548	12,238,067.36	6.5771

S. No.	Commodity	2018-2019	%Share	2019-2020	%Share
84.	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS.	8,919,233.08	3.8649	8,930,394.97	4.7995
85.	RAILWAY OR TRAMWAY LOCOMOTIVES, ROLLING-STOCK AND PARTS THEREOF; RAILWAY OR TRAMWAY TRACK FIXTURES AND FITTINGS AND PARTS THEREOF; MECHANICAL	351,595.51	0.1524	172,885.69	0.0929
86.	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF.	12,653,335.85	5.4830	9,928,674.63	5.3360
87.	AIRCRAFT, SPACECRAFT, AND PARTS THEREOF.	1,194,291.88	0.5175	848,180.31	0.4558
88.	SHIPS, BOATS AND FLOATING STRUCTURES.	3,925,894.45	1.7012	2,463,445.09	1.3239
89.	OPTICAL, PHOTOGRAPHIC CINEMATOGRAPHIC MEASURING, CHECKING PRECISION, MEDICAL OR SURGICAL INST. AND APPARATUS PARTS AND ACCESSORIES THEREOF;	2,276,458.36	0.9865	1,999,873.82	1.0748
90.	CLOCKS AND WATCHES AND PARTS THEREOF.	70,510.41	0.0306	53,217.96	0.0286
91.	MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES OF SUCH ARTICLES.	14,021.47	0.0061	16,742.95	0.0090
92.	ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF.	77,871.63	0.0337	74,827.07	0.0402
93.	FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHING; LAMPS AND LIGHTING FITTINGS NOT ELSEWHERE SPECIFIED OR INC	1,196,532.91	0.5185	1,102,988.11	0.5928
94.	TOYS, GAMES AND SPORTS REQUISITES; PARTS AND ACCESSORIES THEREOF.	292,427.42	0.1267	251,007.04	0.1349
95.	MISCELLANEOUS MANUFACTURED ARTICLES.	432,261.45	0.1873	363,236.96	0.1952
96.	WORKS OF ART COLLECTORS' PIECES AND ANTIQUES.	71,806.42	0.0311	75,558.77	0.0406
97.	PROJECT GOODS; SOME SPECIAL USES.	29,823.43	0.0129	12,912.61	0.0069
98.	MISCELLANEOUS GOODS.	104,265.92	0.0452	114,652.17	0.0616
<b>India's Total Export</b>		<b>230,772,619.38</b>		<b>186,069,677.58</b>	

Source: Ministry of Commerce &amp; Industry

# Railways to carry out long pending work

**Piyush Goyal**, Union Minister for Railways, Government of India brainstorms the possible ways and means towards transforming the freight operations of the Indian railways, in a meeting with key stakeholders of the logistics industry. Highlighting the key role that railways is playing during this pandemic, the minister said that railways looks upon the COVID-19 crisis with great deal of concern



and sympathy and during this period, railways has acted as a lifeline for the nation by carrying essential goods across the country. "We also utilised this time for completion of some of our long pending works like increasing connectivity to the main lines, carrying out maintenance works, dismantling/repairing damaged bridges and improving our existing infrastructural facilities", said Goyal.



**Piyush Goyal**  
Union Minister for Railways,  
Government of India

He continues, "Simultaneously, we have also acknowledged the tremendous opportunity presented by the freight and logistics business and have planned several measures to improve our services in the near future." The meeting saw a host of constructive suggestions which included switching to an assured time bound delivery model, providing some kind of insurance mechanism to the partners, rationalising the freight

rates and make logistics costs more reasonable, improving the efficiency of loading/unloading at terminals as well as ports in a phased manner etc. Welcoming the suggestions from the industry, Minister said that innovation is key and the solutions need to be profitable to bring the logistics cost down. "We need end-to-end nonstop faster trains, better signaling systems, better scheduled and time table cargo trains and better financing options, to transform the freight operations and help achieve the target of doubling the total freight traffic to 2.5 billion tonnes", said Goyal.

# Blue Dart fights COVID-19

Blue Dart Express has operated its Boeing 757-200 freighter cross border on the Kolkata – Guangzhou, China – Guwahati - Kolkata route to bring critical PPE and COVID-19 related medical supplies. **Ketan Kulkarni**, CMO & Head – Business Development talks about Blue Dart's fight against pandemic.



**Ketan Kulkarni**  
CMO & Head – Business Development  
Blue Dart

**We are working on a two-pronged strategy to prepare the logistics infrastructure and ensure both lines operate smoothly**



CT Bureau

*How Blue Dart is ensuring medical supplies to India to fight against COVID-19 pandemic?*

There are several components and ingredients that are coming from different places, whether it's a drug, medical equipment or PPE. To ensure continuity of the global supply chain and help our nation and companies to adapt their operations during this critical health crisis, Blue Dart is flying Boeing 757-200 freighters round-the-clock to carry medical and other vital supplies in these difficult times and is firmly committed and honoured to be a part of the 'Lifeline Udan' initiative. Since the lockdown began, we have operated numerous cargo flights transporting more than thousands of tonnes of medical supplies,



medicines, medical devices and other essential items for various state governments, medical and pharma companies.

*What is your strategy to achieve this goal?*

We are working on a two-pronged strategy to prepare the logistics infrastructure for being future ready and ensure both lines operate smoothly; essential supplies to fight COVID-19 and all other non-essential supplies in the pipeline post the lockdown exit. In addition to this, we are providing support with daily shipments

across India for requisitioned items by state governments, municipalities, hospitals and research centres during this challenging period. Some of these include special food for paralytic children; medicines for senior citizens residing in another town sent by their children; important and confidential papers for legal agreements; masks for cancer affected children as well as healthcare staff; temperature controlled medicines that need to be maintained at a specific temperature in order to maintain their efficacy among others.



## Ethiopian launches cargo services to Hyderabad

Hyderabad International Airport got connected to African markets with the touchdown of the maiden cargo flight of Ethiopian Airlines from Addis Ababa, amidst the ongoing COVID-19 pandemic and lock-down. This new direct connection between Hyderabad and Ethiopia opens new opportunities to reach out to the markets in Africa and beyond leveraging the robust cargo network of the Ethiopian Airlines.

Expected to be operating one frequency per week, Ethiopian Airlines will be operating Boeing 777-300 aircraft with a capacity

of 50 MT per flight. With the latest addition of Ethiopian Airlines, Hyderabad Airport is now handling 12 freighters weekly along with some special cargo charters, which are connecting Hyderabad to all major international destinations in the United States of America, European countries, Middle East, Africa, Far East, etc. moving emergency supplies. Among the key scheduled freighters that are operating from Hyderabad International Airport include Cathay Cargo, Turkish Cargo, Qatar Cargo, Lufthansa Cargo, SpiceXpress Cargo (Domestic and international) and Blue Dart Cargo.



## Pawan Kumar Agarwal is the new Secretary (Logistics)

**Pawan Kumar Agarwal**, IAS, is appointed as the new Special Secretary (Logistics) under the Department of Commerce, Ministry of Commerce & Industry in the reshuffling of secretary portfolios. Agarwal is a 1985 batch Indian Administrative Service (IAS) officer of West Bengal cadre. He also served as Chief Executive Officer, Food Safety and Standards Authority of India (FSSAI) from December 24, 2015 to February 17, 2020. Agarwal has also served in Ministry of Skill Development & Entrepreneurship, Planning Commission, Ministry of HRD and UGC in Government of India.

Of Consumer Affairs, Food & Public Distribution since February 2020. The central government has also



**Pawan Kumar Agarwal, IAS**  
Special Secretary (Logistics) under the Department of Commerce, Ministry of Commerce & Industry


Agarwal is currently serving as secretary in the department of consumer affairs under the Ministry

appointed new secretaries for the Ministry of Shipping and Ministry of Road & Highways.


## Automate supply chain with Locus QuickStart

Locus has launched QuickStart for Small and Medium Enterprises (SMEs) and startups to manage volatile demand, fleet and resource efficiency, and rising costs due to the COVID-19 pandemic. This tool is a self-serve lite version of the product suite startups and SMEs. The free trial is for a period of two months from the start of the subscription. With this state-of-the-art artificial intelligence (AI) platform, companies can automate decision making while taking into account the on-ground reality.

The free trial gives access to limited features of Locus Dispatcher and Locus MotionTrack, the route optimisation solution, and fleet tracking insights and analytics solution, respectively. One can



### Locus QuickStart for SMEs and Startups



### Features

- Distance and time-based optimisation
- Fleet optimisation
- State-of-the-art geocoding
- Machine Learning-powered algorithms for optimisation
- Collection of electronic Proof of Delivery (ePOD)
- Predictive Alerts
- Planned vs. Executed view
- Planning and execution Insights

also access the Locus on the Road (LOTR) mobile application, with real-time tracking through Locus MotionTrack.

“Supply chain management is an old problem. It has only become more dynamic and complex with time. While changing on-ground scenarios

and pandemics like COVID-19, may impact your operations. Locus QuickStart can provide you with tools to improve and analyse the situation. We wanted to reach out to startups and SMEs at this time so as to support them with relevant tools. This offering will continue even after the situation on the ground eases

up,” says **Nishith Rastogi**, CEO and Co-founder of Locus. He adds, “It is a non-integrated offering to improve the existing processes and enable SMEs and startups to automate their supply chain decision-making to bring efficiency, transparency, and consistency in operations.”

# Building resilience in supply chains

Lockdowns and no sale scenario has affected the cash flow and no one has any definitive view of how long this situation will prevail. It's long-term consequences have yet to completely play out, **Manish Ahuja**, Director, Holisol Logistics shares the strategies that can be adopted during and immediately after COVID-19.



CT Bureau

**G**iven the size of the crisis and the rate at which it is evolving, developing a coherent supply chain in response to the COVID-19 outbreak is extremely challenging. Businesses need to respond on multiple fronts immediately and at an equivalent time they need to work to guard their employee safety while safeguarding their operational viability. Many businesses are ready to mobilise rapidly with a short-term focus, whereas this is the time when the supply chain leaders also plan to steel themselves against the medium and long term effects and build resilience in their supply chains. It's long-term consequences have yet to completely play out, the COVID-19 outbreak already provides some lessons about how we can better prepare our company to affect future large-scale crises.

## How the epidemic can impact the supply chains?

This can impact the supply chain in several ways, be it material, labour, sourcing, logistics or consumers.

→ **Materials:** The restriction in movement of various means of transportation, due to complete or partial lockdowns will lead to the shortage of raw materials and finished goods routed through logistical hubs. Also, the confusion of what is essential and what is not, adds up to the shortage.

→ **Labour:** Shortage of labour is visible as people are moving back to their

villages to save themselves from paying rent and managing themselves without salary. This wasn't envisaged as a part of the effect.

→ **Sourcing:** With the travel restrictions and people being asked to work from home, finding new areas or vendors for sourcing as of now is going to be difficult.

→ **Logistics:** Established hubs and supply networks may experience limitations in capacity and availability of transportation to move goods even if they are available. Finding alternative routes and means of transportation will become difficult.

→ **Consumers:** Consumers would be more cautious in their purchasing habits due to the fear of being out



**Manish Ahuja**  
Director  
Holisol Logistics

and potentially exposed to the virus. This may lead to a shift towards online sales channels.

It's the time when companies must invest more in tech-based supply chain solutions, map their upstream supplier, revisit their business continuity plans, their procurement policy and the supply chain designs





**What businesses can do now?**

First of all, there is a need to rethink people practices. It's going to be necessary to introduce or improve remote work policies, health & safety guidelines and hygiene practices for the protection of people. Next, accurate information may be a rare commodity in the early stages of this emerging disaster, therefore, it is very important to think critically and engage with industry experts who can help you build an empirical view for decision making.

In multi-tier supply chains, it is important to establish an inventory of critical components, determine the origin of supply and identify alternative sources. Identify those that are sourced from high-risk areas and lack substitutes. We should even estimate available inventory along the worth chain, including spare parts and after-sales stock for using it as a bridge amid slow down in production to serve the customers.

A crisis may increase or decrease demand for a specific product, assessing customer demand is important. The utilisation of AI will now be more prominent in improving the accuracy of forecasting.

The situation is very fluid; demand will change and there will be a shortage of manpower. It is time to revisit the processes and optimise your production and distribution capacities accordingly. Being flexible will enable businesses to respond better to any deviations or fluctuations. At this point of time, we should identify and secure logistics capacity.



We should even run stress tests to know where supply chain issues will start to cause a financial impact so that we can manage cash and net capital. Expect the unexpected. AI-based technology solutions can help in simulating the variations and can provide actionable intelligence.

Lastly, create a comprehensive emergency operations centre. Most organisations today have some semblance of an emergency operations centre (EOC), but in our studies, we've observed that these EOCs tend to exist only at the company or business unit level. These centres need to be exercised now, more than ever.

**What is the way forward?**

The COVID-19 pandemic isn't just a short-term crisis. It's a long-lasting implication for the way people work and

the way supply chains function. There's a pressing need for businesses to create long-term resilience in their value chains for managing future challenges. This requires holistic approach to manage the availability chain.

It's the time when companies must invest more in tech-based supply chain solutions, map their upstream supplier, revisit their business continuity plans, their procurement policy and the supply chain designs.

Nobody ever envisaged that this will ever happen to such a developed world. We feel from now on the strategies will change. Organisations will create a 'risk management team' which can check out the availability chain holistically and can move towards digitalising the entire chain to bring it into one platform.



**Trivia**

- ➔ **94%** of Fortune 1000 companies are seeing supply chain disruptions from COVID-19
- ➔ **75%** of companies have had negative or strongly negative impact on their businesses
- ➔ **55%** of companies decide to downgrade their growth outlooks (or have already done so)

Source: Accenture

# FFFAI on key issues with various ministries

**A.V. Vijayakumar**, Chairman, Federation of Freight Forwarders' Associations in India (FFFAI) shares an update and status of customs brokers industry regarding effects of COVID-19. He informs that federation is doing regular follow ups and sharing representation with the Ministries to protect industry's interest and at the same time improving the economic activities.



CT Bureau



**A.V. Vijayakumar**  
Chairman, Federation of Freight Forwarders Associations in India (FFFAI)

**Under the present dispensation, delays in handling of export-import cargo are inevitable and unavoidable. Till all restrictions are lifted and normalcy is restored, any delay is unavoidable and beyond our control as a customs broker**

In the first phase of lockdown of 21 days with no public transport; air, road or rail, moving around was a challenge and it was intended to be so to overcome possible spreading of the virus. In the process, all commercial activities such as manufacturing, trading, production, supply, etc., came to a standstill. Despite the relaxations provided by the government and more activities got permission to function, this is yet to take off. If our EXIM cargo activities are considered, during the first phase of lockdown, only about 10-15 per cent of the volume would have been handled across the country. Factors that can be attributed as reasons for diminishing the normal capacity of EXIM cargo handled are:

- 1) Lack of transportation facilities – be it for commuting or for cargo
- 2) Factories/warehouses/manufacturing units including for import or export cargo not functioning
- 3) Non availability of adequate drivers to operate transport vehicles
- 4) Shipping lines/forwarders not operating fully resulting in challenges to obtain delivery orders
- 5) Customs houses performing with minimum officers for processing of documents, though online activities have been enhanced,
- 6) Ports/terminals/CFS/ICDS operating with limited resources to carry out normal activities

Despite all the restrictions and harsh realities at field level, customs brokers

across the country are endeavouring their utmost to provide support for handling of import or export cargo. Initially getting permit to commute during lockdown was a major challenge. Subsequently with support of state administration and regional police, this concern is partly resolved. FFFAI has so far pursued various concerns with multiple Ministries and to illustrate few:

#### A. MINISTRY OF FINANCE:

- Implementation of paperless concept, online Out of Charge (OoC)
- Waiver of late filing charges, penal charges – demurrage/storage by custodians, detention by carriers, interest on deferred payment of duty, interest on GST / TDS for delayed payment
- Insurance cover for our staff treating them as frontline warriors
- Reduction of rate of tax – both for GST and IT for our industry
- Working capital and term loans from bank at nominal interest

We have succeeded in getting the first two concerns done.

#### B. MINISTRY OF COMMERCE

- Waiver of penal charges for imports by air cargo
- We have sought for full exemption on cargo storage unconditionally as against the present conditional partial relief.
- For sea shipments, we have

suggested that there should be a direction to custodians or carriers that they should abide by the Circular of DG Shipping and no penal charges should be collected during lockdown period.

- Revival of industrial activities at manufacturing, production, industries for restoring normal activities for EXIM cargo.

#### C. MINISTRY OF SHIPPING

- Waiver of penal charges for sea shipments; suggested that there should be a direction to custodians or carriers that they should abide by the Circular of DG Shipping and no penal charges should be collected during lockdown period

#### D. MINISTRY OF CIVIL AVIATION

- Waiver of penal charges for imports by air cargo, have sought for full exemption on cargo storage unconditionally as against the present conditional partial relief

However under the present dispensation, delays in handling of export-import cargo are inevitable and unavoidable. Till all restrictions are lifted and normalcy is restored, any delay is unavoidable and beyond our control as a customs broker. When external factors contribute to delays, accountability cannot rest on us and we are confident that the industry and our clients will understand and appreciate our position.



# 360<sup>0</sup>

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# DIGITAL CONCLAVE

On Thursday, 7<sup>th</sup> May 2020, 11 am to 12:00 noon

## TOPIC

Weathering the storm and  
**GEARING UP**  
for better days

## SPEAKERS



**N Sivasailam**

*Former Special Secretary (Logistics)  
Department of Commerce, Ministry of  
Commerce & Industry*



**Samir J Shah**

*Partner  
JBS Group of Companies*



**Vipin Vohra**

*Chairman  
Continental Carriers*

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