



Logistics Sector to Witness Greater Growth
S Ramakrishna, Chairman, FFAI

INLAND WATERWAYS We are Sailing, Finally

TRANSHIPMENT Quick Passage for Bangladesh Exports

SLS AMARAVATI Global Logistics Hub: Destination Andhra Pradesh

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Delivering Deep into the Hinterlands

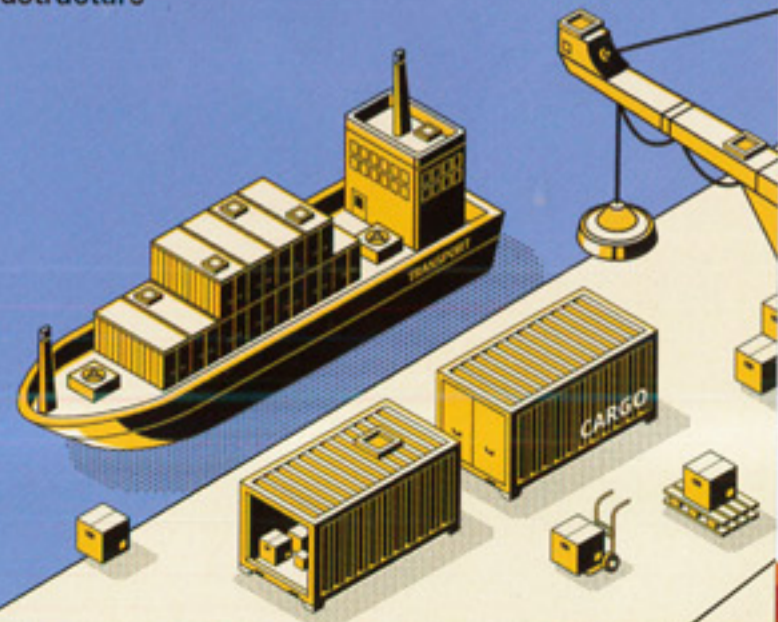
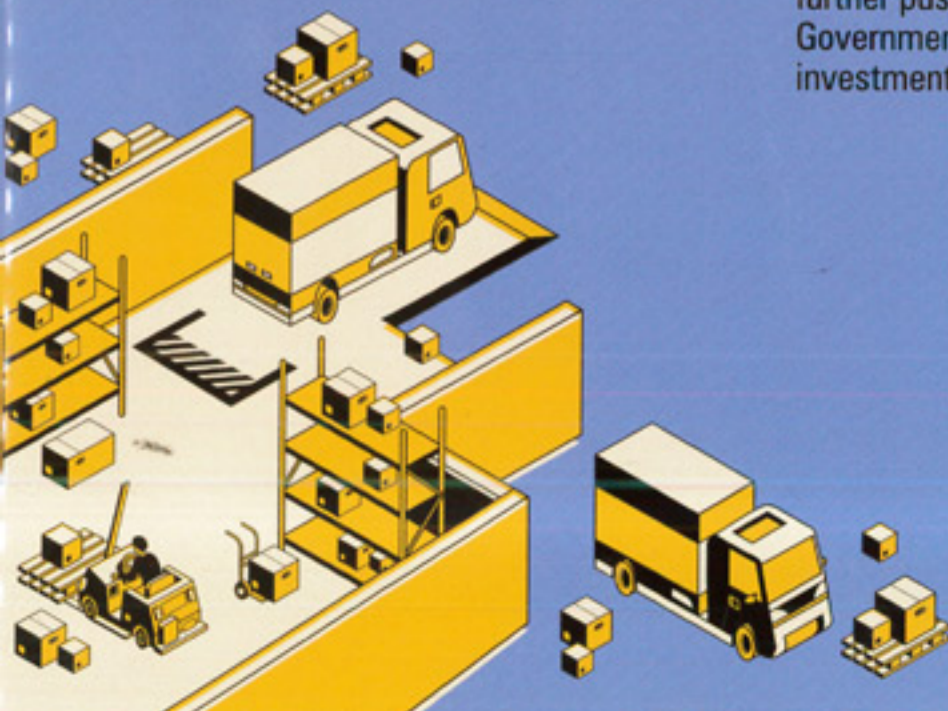
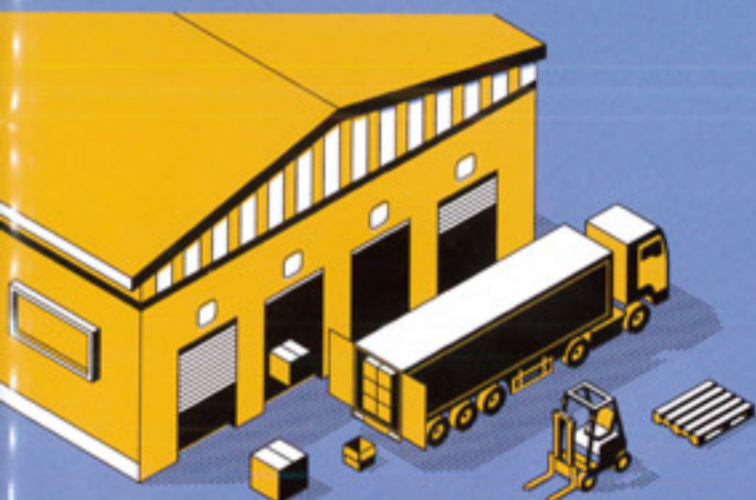
Ajit Venkataraman, MD
APM Terminals Inland Services South Asia



OUTLOOK 2019

POSITIVE AFTER A CHALLENGING YEAR

After a difficult and challenging 2018, industry foresees a further push in digitalisation, more initiatives from Government on ease-of-doing business and greater investment into logistics infrastructure





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INLAND WATERWAYS

We are sailing, finally

IWAI has revamped the inland waterways by installing ultra-modern cranes, jetties and has deployed barges that can sail in lesser draft, to ensure logistics happens in the waterways round the year.

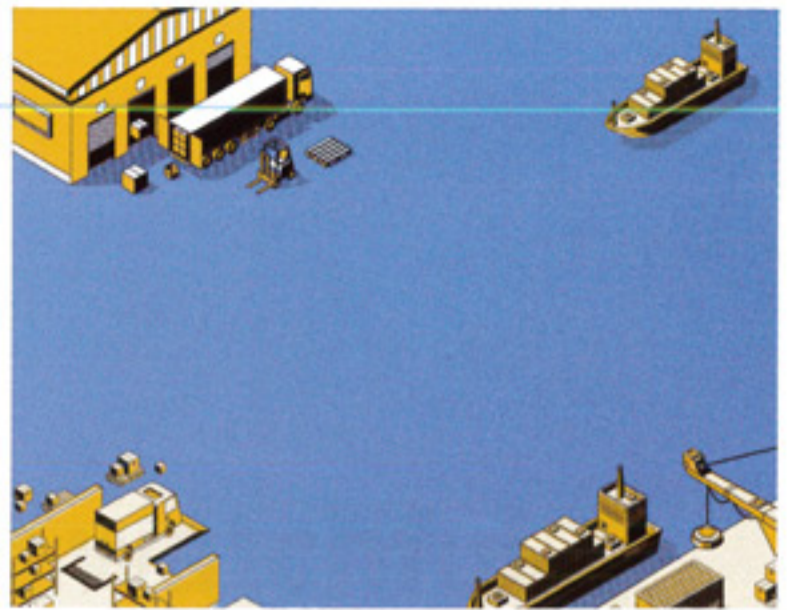


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TRANSSHIPMENT

Quick passage for Bangladesh exports

Transshipment through Indian ports can enable Bangladesh expedite its cargo movement, provided the bottlenecks at land customs stations are resolved.



INDUSTRY OUTLOOK 2019

STEVE FELDER

MD, (INDIA, SRI LANKA, BANGLADESH, NEPAL, BHUTAN AND MALDIVES), MAERSK LINE

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IMMEDIATE PAST PRESIDENT OF MANSA & VICE PRESIDENT, FILA

SHANTANU BHADKAMKAR

PRESIDENT, AMTOI

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CEO & MD FOR INDIAN SUBCONTINENT REGION, DP WORLD

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K SWAMINATHAN

DIRECTOR -SERVICE BUSINESS, BALMER LAWRIE & CO. LTD.

SHAILESH GARG

MD, DREWRY MARITIME SERVICES PRIVATE LIMITED

SLS AMARAVATI REVIEW

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Global Logistics Hub: Destination Andhra Pradesh

Initiatives being taken by formulating policies and developing infrastructure to reduce production and logistics cost for making Andhra Pradesh a logistics hub were detailed.

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Building an Ecosystem for Global Logistics Hub

Development of infrastructure and connectivity, formulation of logistics policies, skill development and need for promoting digitalisation was voiced by the panel members.

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EXIM Growth, Cargo Transportation and Connectivity

Shippers of major commodities from the state voiced their logistics concerns and improvements needed in infrastructure and connectivity were highlighted.

OUTLOOK 2019

POSITIVE AFTER A CHALLENGING YEAR

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COVER STORY

After a difficult and challenging 2018, industry foresees a further push in digitalisation, more initiatives from Government on ease-of-doing business and greater investment into logistics infrastructure.

INTERVIEWS

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DELIVERING DEEP INTO THE HINTERLANDS

AJIT VENKATARAMAN, MD, APM TERMINALS INLAND SERVICES SOUTH ASIA



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LOGISTICS SECTOR TO WITNESS GREATER GROWTH

S. RAMAKRISHNA, CHAIRMAN, FFFAI



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Business in 2018

The dry market has been going up and down the year after and the W/D customers are absent. On an average there has not been much change except in the water market. Accordingly our business has also been flat. Some time we have managed to keep our level above water and expect to close the financial year on a positive note.

Trends that shaped the industry in 2018

Like I said above the industry is still not sure if we are out of slump. There have been some positive signs. Going forward we do expect positive developments as the oil change month is concerned. January 2019 should see some of the risk coverage going to the wetting part. Fitting of weather on such month may not be such a good idea. Availability of compliance fuel will be also an issue and as will be the price differential for 1.7% (W/D). How much of this will get passed on the trade and how much the owners will have to absorb will be a governing factor.

Expectations in 2019

2019 will see lot of discussion and action on fitting of weather and use of compliance fuel. Already there are some points on how long or upon long weather or typical weather. Next concern would be that our volumes of dollars for fitting these and are fitting the right one could be counterproductive. Singapore has already said it will only allow China long weather in its waters. With most of the East West trading routes using these waters, the choice seems to be obvious.

On the market it is expected to change much. The USK (China Trade / Transit) war will have its own repercussions and industry will be watching that. Other war it don't expect much change.

In the regulatory front

The Govt is trying hard to promote Indian Shipping as well as coastal and inland waterways. The initiatives have moved from paper to fact. Proactive steps have been taken including creating a task to improve connectivity with ports, building inland terminals, begin to setting out for promoting trade movement etc. What has not been acted on is how to incentivise the ship-ship owners. It has been left to itself and the market forces. Opening up of Callahage has brought some challenges to Indian ship owners. We would like the authorities to realize if the ship owner does not find a particular trade lucrative, he will not come to time and money to acquire and operate ships. We see it as the business for charter. The authorities need to work on rules and regulations applicable to coastal shipping. There must be a law which is ground reality and focused towards ease of doing business.



Business in 2018

2018 is going to be witnessed significant growth in volumes, revenue and profits in current financial year. The railway business is in an exciting growth phase and is likely to grow further with the introduction of the ... CPM in India by Indian Railways.

Trends that shaped the industry in 2018

The industry is trying hard to become more organized and changes are visible. The approach of the companies and industry is more professional and there is a desire to change things. The most significant emerging trend is the focus on efficiency in the operations. Going digital is the way forward.

Expectations in 2019

Not only the central, but also the state governments are willing to look at the policy framework to promote business. There is a desire to change and the government is willing to take and solve problems.

In the regulatory front

Overall 2019 will come with its ups and downs, much more exciting by the upcoming general elections. The year is expected to have steady growth for the industry. The government focus is ports, roads and railways should start delivering results towards the later part of 2019. With rapid growth of Indian economy, the legislative sector will find it difficult to manage the rate of growth and it may require more benchmark and some be witnessed. While the government is trying to play its part in developing policies and infrastructure, the industry players are set to go back on together. The scepticism of the industry has to go, it needs to be replaced with optimism, faith and positivity.



Business in 2018

Business could have been better. However, we are grateful that we managed to come through another year safely; without being scarred by the onslaught of recession or severe cash flow problems.

Cash flows are my main worry.

Along with unprofitable business. There is too little

business being chased by too many people and this is unhealthy for all. Even the customers.

Our major achievements were winning the ONGC contract for supply and installation of Communication equipment on their rigs and platforms and entering the Charts business by winning the SCI charts tender. However, both are almost with zero profit, so the going will be tough.

Trends that shaped the industry in 2018

I think Defense has still been our saviour this year too. And of course Service.

We render service to a host of foreign customers who actually do pay on time, enabling us to keep our cash flows safe.


Our thrust towards quality and honest lifeboat and fire fighting services, especially putting up a state of the art hydrotesting machine is something I am very proud of. Considering all the accidents that have taken place last year, especially SCI, I do hope it encourages ship owners and vessel managers not to only go by L1 but to give due credence to quality and integrity.

Expectations in 2019

I do hope the offshore industry picks up and for the return of new shipbuilding orders. Shipyards have a cascading effect on the job market. Currently all private shipyards are in the doldrums.

Interesting will be the development of the Marina in Mumbai. I hope the Government has the good sense to continue with its thrust in this sector. The development of Inland Shipping should also provide an impetus for growth to our industry. Hopefully it will bring about the revival of shipyards and facilitate relatively pollution free transportation !

On the regulatory front

I think GST rates need to be rationalised. 18% is too high for the shipping industry especially on Services. It makes us uncompetitive as a result we lose business to counterparts in the UAE or Singapore. I am waiting for the new software from DG Shipping for liferaft servicing and supply of Pyros etc. The current scenario of spurious Pyros and unethical LSA servicing is worrying especially since the dishonesty in this segment is so blatant and obvious!! The Government needs to step in and regulate it. 

PRADIP KUMAR
CEO, MARINA LOGISTICS



Overview of the year gone by and outlook for 2019

"As Maritime Logistics Limited (MLL) we believe that the year 2018 continued to be transformational for the logistics industry. This was due to continued government focus on the sector. The work that commenced in 2017 with CPT continued in 2018

with E-way bill, Logistics Performance Index for States, and a solid Department for Logistics.

In addition, there is an umbrella initiative (LDFP) i.e. Logistics Efficiency Enhancement Program, under which several steps are being planned by the Department of Logistics. The department has also unveiled a new logo for Indian Logistics and working towards ensuring that only credible players are permitted to use the logo. The 'National Logistics Forum' has also been launched recently. This period will be the market place for all services for the entire logistics ecosystem.

One of MLL's corporate principles is 'Shaping the Industry'. We are working with the National Council for Logistics under CIL and Department of Logistics on initiatives like standardization in the logistics industry.

From a contributor to CPT, Logistics sector as a CPT, it almost an important in agriculture and fisheries work proper attention. Government is advocating White in India. We believe that for this to succeed there is India has to be more efficient. That is the importance of end-of logistics sector.

In conclusion, as Maritime Logistics, we foresee another exciting and action-filled year for logistics!" 

SUBRAMANIAM
DIRECTOR, LOGISTICS, MARINA LOGISTICS LTD



Business in 2018

Performance in calendar year 2018 was satisfactory for Indian Logistics as far as Logistics business is concerned. We have done marginally better than last year, but for certain headwinds which were beyond the control of the industry, we could have done even better. We have started handling more CPT cargo in the last couple of years and received multiple shipments of CPT cargo,

the biggest shipment being that of 107 tons in one lot in 2018 as far. We have been handling a lot of international air-shipment and in the year, we have ventured into domestic air-shipment too. The freezing up of oil prices in the third quarter of the calendar year led to volatility in freight market. We also noted that many important started converting FCB shipment to CPT shipment citing ease of transaction which is a matter of great concern for any Indian freight forwarder.

As far as CPT business is concerned, there has been no growth and it is becoming increasingly difficult to hold on to the existing volumes as CPT volumes go up and the "available volumes for CPT" is being chased by too many players leading to chaos in the market place as far as revenue and margin are concerned.

Trends that shaped the industry in 2018

Year 2018 is proving to be transformational for the logistics industry. The government has given the "alpha"