

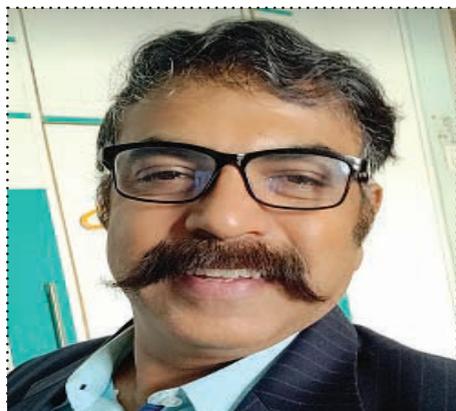
SHIPPING (REGIONAL)



"A sailing ship is no democracy; you don't caucus a crew as to where you'll go anymore than you inquire when they'd like to shorten sail. - Sterling Hayden

Blue Economy - Wave 55

(Series on "Blue Economy" By Capt. Gajanan Karanjikar)



Capt. Gajanan Karanjikar, Blue Economy Social Activist & Multi Modal Logistics Expert

Such a comprehensive plan is now pitched as India's primary infrastructure focus, rivalling China's Belt and Road Initiative (BRI) that seeks to expand and build regional connectivity infrastructure.



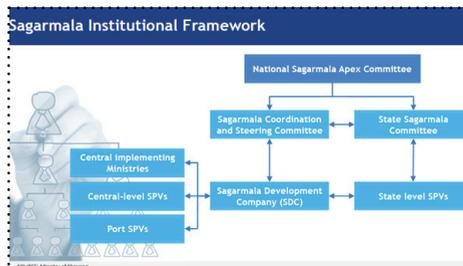
This includes building linkages between China and Eurasia, Southern China to Singapore, Bangladesh-China-India-Myanmar, and the China-Pakistan Economic Corridor that involves territory claimed by India as Pakistan-occupied Kashmir.

Under the Make in India program of the Government, shipbuilding industry can benefit from a major thrust. This industry has a high multiplier effect on

investment and can accelerate industrial growth along with its large number of associated industries. In December 2014,

aquaculture, marine biotechnology, ocean energy and sea-bed mining that have the potential to create jobs and spur worldwide economic growth

The Indian Ocean region needs a sustainable and inclusive framework for international partnerships. Countries in the region need to not only coordinate and manage the growing security challenges in the region but also realize the substantial economic potential the Indian Ocean area presents. India has significantly upped its development efforts in Seychelles, Mauritius, Africa, and Sri Lanka. Such an approach earmarks a shift from the traditional focus on naval operations and anti-piracy efforts to that of environmental protection, national security, infrastructure creation, industrial capacity building and marine development.



India had a fleet strength of just over 1,200 ships, which is expected to reach over 1,600 by 2025 [6]. A strong push in India's commercial shipbuilding and ship repair sectors, complementing the Sagarmala project of port development have the potential to drive economic transformation.

In this era of advanced technology, oceans will become new centres of economic activity. Oceans already account for significant trade and commerce in the fields of shipping, offshore oil and gas, fishing, undersea cables, and tourism. Besides these areas, there are other emerging industries such as

- Sagarmala Development Company (SDC)**
- > Implementation of the projects in Sagarmala will be taken up by relevant Ports, Line Ministries, State Governments and State Maritime Boards in the form of SPVs through private sector or PPP route
 - > Ministry of Shipping will set up the Sagarmala Development Company (SDC) to assist the project SPVs (State / Port / Line Ministry level SPVs)
 - > SDC may provide funding window / equity support / access to relevant technical consultants for the projects undertaken, as may be required and necessary
 - > SDC will implement only those residual projects that cannot be funded by any other means or mode

14% QoQ growth in containerised export drives India's recovery : Maersk

NEW DELHI
Sagar Sandesh News Service

The global shipping giant Maersk in its India Trade Update Q3, 2020 (July to September) noted that the 14 percent quarter on quarter growth in India's containerised export is helping the country's trade recover.

"Owing to the staggered supply and demand shocks across geographies, combined with challenging economic indicators in Q2 and Q3, Indian containerized trade has been severely impacted in 2020. Whereas exports have recovered strongly, imports remain subdued with signs of slow recovery coming in towards the end of the year," says the release.

Changing patterns in retail behaviours are reshaping the supply chain trends

Steve Felder, managing director, Maersk South Asia, said, "Changing patterns in retail behaviours are reshaping the supply chain trends to an extraordinary extent, leading to a growing focus on risk mitigation and resilience-building, while dealing with threats of growing trade protectionism."

Q3 2020

During Q3 of 2020, the Indian containerised trade contracted by about 8 percent as compared to the same period

last year. However, compared to Q2 of 2020, there has been a 31 percent increase in volumes, indicating that trade is on a path of recovery. Exports out of India are up by 14 percent over Q3 of last year while they are 47 percent higher than Q2 of 2020. Imports are however 28 percent lower than Q3 of 2019 but have recovered by more than 30 percent from Q2 2020.

Textiles and apparels drive export

The rising demand for Indian textiles and apparels, especially to the North American markets, has driven tremendous growth in exports in the past quarter. Other commodities that witnessed growth in exports include tile, stone and glass to the North European region, and seeds, beans, cereal and flour to the Middle East and Mediterranean countries.

Imports into India start showing first signs of recovery

Q3 of 2020 was yet another quarter where imports were lower than the same period in 2019, however, there is some growth compared to Q2 of 2020. Volumes of appliances and kitchenware coming from China are almost half of what they were last year in the same quarter but are showing a growth of 25 percent over Q2 2020. Imports of paper from the

USA show a similar trend, being 40 percent lower than last year's third quarter, but with a growth of over 25 percent from the last quarter, this year.

Outlook into 2021

As trade continues to navigate foggy conditions, the most recent trends indicate that an overall

recovery of import-export trade in India will begin in the first half of 2021.

Talking about the fundamental changes taking place in logistics and supply chains, Steve Felder said, "China + 1" sourcing strategies are benefitting South East Asian countries, and there is

much potential for India to take advantage of this shift

He further added, "An impetus towards long-term policy reforms should encourage local manufacturing, and developing bilateral and multilateral trade partnerships hold the potential to propel India further, and support its economic growth."

Sagar Sandesh

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