



Guiding Spirit to Shipping Industry

Sagar Sandesh

Maritime Tabloid English Weekly E-Paper

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Exporters fish for smaller shrimp to meet ...

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Cochin Port Trust makes a turn-around

Response from the trade to the coastal shipping is very encouraging : Director, Krishnapatnam Port



Ms. Vinita Venkatesh a WISTA member and Director Krishnapatnam Port Container Terminal speaking in "Colombo International Maritime Conference 2015."

PROFILE

A shipping, port and ocean cargo logistics professional with over 25 years of experience in delivering measurable commercial results.

POSITION

Director - Krishnapatnam Port Container Terminal

KPCT has recorded an exceptional growth rate, far surpassing industry norms in a highly competitive business environment, attributed to innovative marketing initiatives

Managing Director - Ocean2Door

An end to end cargo logistics service provider bringing cost and time efficiency to the supply chain through transparency and digitization.

EDUCATION

MBA - Indian Institute of Management (IIM), Ahmedabad
Bachelors Degree - Mumbai University * Economics & Statistics

Member - Institute of Chartered Shipbrokers, London

PROFESSIONAL FOCUS

To stimulate a thought and action process in the cargo logistics industry that promotes a holistic approach to bring to cargo owners the most efficient logistics for their cargoes and thereby realize business growth

Interview

Sagar Sandesh: You are one of the few terminals which has seen success in getting positive responses in handling coastal cargo. How is the journey?



Krishnapatnam Container Terminal is capable of handling 1.2 million 20-foot-equivalent units per year

Vinita Venkatesh: We are very fortunate to get the support from Shreyas Shipping which is India's largest coastal operator. They are not only able to provide sufficient vessels to cater to the EXIM transshipment volume to mainline operator between Krishnapatnam and Kolkata/Haldia, but also through their NVOCC wing, they are able to provide domestic containers for carrying domestic cargo. Further, we also received good support from the mainline operators such as, Maersk,

Safmarine, Hyundai Merchant Marine (HMM), ZIM Line, Shipping Corporation of India (SCI) and Shreyas Shipping who used our port for transshipment operations to/from Kolkata/Haldia.

SS: How is the coastal cargo movement on the east coast? The Government is keen to see the growth the present level of 7 % to 10 % 2020. Do you think this target is achievable considering the current growth rates?

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Editor speaks...

When Ms Vinita Venkatesh, Director, Krishnapatnam Port Container Terminal says that the response from the trade to coastal shipping is very encouraging it is really encouraging to note that the aim of the government is getting fulfilled. It has been the major concern of the Modi-led government to promote coastal shipping nation-wide so that the logistics cost which is very high in India will be brought to the international standards of 7 or 8 percent. Another concern of equal significance is India's commitment to climate change. Besides decongesting the road traffic, coastal shipping reduces greenhouse gas emissions, so to say, considerably.

Of course, it has been repeatedly pointed out by the analysts and the shipping personnel that the port connectivity suffers from inadequacy; the same is cited as the major reason for comparatively lesser performance of the ports on the east coast. Sagarmala project, the flagship project of the Prime Minister to positively impact on the economy of the nation, will be an answer to such problems.

Maersk has given glowing tribute to India's performance in 2017 which is most likely to continue in 2018. It hits on the major merit of India's performance: "India's robust trade performance in 2017 reflects

the equity the country enjoys with its trade partners globally." Indeed, the concerted

planned strategic efforts of the government to move up in the list of World Bank in relation to Ease of Doing Business have started yielding fruits and the approach of the administration of crucial departments has undergone a radical change from bureaucratic stiffness to trade-friendly support. The upward progress of the country in the World Bank's rank for Ease of Doing Business may be slow but it will be steady.

Much has been talked about IMO's emission regulation and this time IMO seems determined to have the regulation so that the shipping emission is brought down to 0.05% of sulphur content. Yet, there are views that assert that 2020 is too close for the shipping to undertake necessary changes so as to comply with the regulation; besides, the no-so-much encouraging market for the sector will not give the industry necessary monetary strength. We have to wait and see what is going to happen in London soon.

The government has taken the right step in the right direction by setting up an IT Grievance Redressal Mechanism to help the trade in GST. The government is after all monitoring closely the responses of the taxpayers and taking suitable actions. GST must not fail since it promises in the final analysis transparency in commerce and trade.

With warm regards.

Response from the ...

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VV: At Krishnapatnam Port, we commenced coastal cargo movement in Nov'16 with an initial volume of 2640 TEUs per month and this has rapidly developed and grown to 16746 TEUs per month in Feb'18. Response from the trade to the coastal shipping is very encouraging.

SS: Is your coastal berth ready for operations? How can infrastructure be improved in ports to ease coastal shipping? What infrastructure is required which is now currently lacking?

VV: Krishnapatnam Port is ideally positioned on the East-coast of India to facilitate the coastal shipping and transshipment operation. We are today the deepest draft port with 18.5 meters draft and 16 metres draft at our container berth to handle large mainline service which is a pre-requisite for transshipment operations. We have also made available coastal berth infrastructure with 15 meters berth length with two MHCs to facilitate handling of feeder vessel from Kolkata which are unable to maintain schedule and window time due to the congestion and berthing delays at Kolkata Port. Further, KPCT also offer a very competitive tariff to Indian flag vessel operators calling at our port.

SS: What are key concerns of customers to shift cargo to coastal route?

VV: There is a large volume of cargo which travels by road from KPCT hinterland to the north eastern states as well as to Kerala and Gujarat area. This cargo currently travels by road in trucks carrying small size consignments and crossing various state borders to reach the buyers factories. The cargoes for domestic distributions are chillies, granite and cotton yarn. The primary concern of

customer to shift the cargo to the coastal route is multiple handling as well as competitive ocean freight rate.



Is it not likely that the truck with a container will reach the port rather late?

SS: What more policy push would you like from the government?

VV: Currently, the cargo is moving by road for long distances into the North-East states in trucks adding to congestion on the roadways and pollution due to old and poorly maintained trucks being used. As against this, on the East-coast of India, there is large port infrastructure and sufficient port capacity to handle domestic cargo by sea route in an efficient manner. A policy introduction from the Government by way of subsidies provided for the movement of cargo on the sea route instead of road will be beneficial to transfer cargo from road to sea.

ACCC: K Line Pleads Guilty to Criminal Cartel Conduct in Australia

NEW DELHI
Sagar Sandesh News Service

Japan's shipping major Kawasaki Kisen Kaisha (K Line) pleaded guilty to criminal cartel conduct in Australia's Federal Court on April 5, Australian Competition and Consumer Commission (ACCC) said.

K Line's plea follows an investigation by the ACCC and charges laid by the Commonwealth Director of Public Prosecutions in relation to cartel conduct concerning the international shipping of cars, trucks, and buses to Australia between July 2009 and September 2012.

ACCC informed that the matter will now proceed to sentencing and is next scheduled for a sentencing hearing in the Federal Court on November 15 and 16, 2018.

This is the second guilty plea in Australia in relation to this cartel. In July 2016, K Line's compatriot Nippon Yusen Kaisha (NYK) pleaded guilty to criminal cartel conduct.

The cartel operated from at



K Line pleaded guilty to cartel conduct in international shipping of cars, trucks to Australia between 2009 and 2012

least February 1997 and affected vehicles transported to Australia by NYK and other shipping lines from locations in Asia, the US and Europe on behalf of major car manufacturers including Nissan, Suzuki, Honda, Toyota and Mazda.

In August 2017, NYK was convicted and fined AUD 25 million (around USD 19.2 million), the second-highest imposed in ACCC's history.

The Commission earlier informed that the maximum fine for each criminal cartel offence would be the greater of AUD 10 million; three times the total benefits that have been obtained and are reasonably attributable to

the commission of the offence; or, if the total of the benefits cannot be determined, ten percent of the corporation's annual turnover connected with Australia.

The ACCC's investigation into other alleged cartel participants is continuing.

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