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RNI No. TNENG/2012/41759

Wednesday, July 11, 2018

Voyage 7 Wave 23

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SHIPPING - 4 Overview of the Trade **War And The** Effect On ...



LOGISTICS - 7 Piyush Goyal launches Apps to check illegal mining

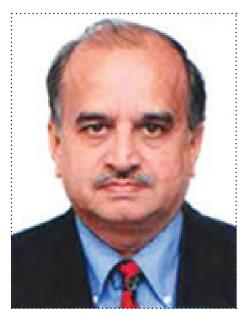


EXIM - 9 Why India must hold its ground against ...



Chennai terminal gets an award

The impact of the consolidation will be felt in the Logistics segment as well: S. Narasimhan, Vice Chairman Sattva Logistics PVT LTD



S. Narasimhan, Vice Chairman **Sattva Logistics PVT LTD**

Brief profile of mr s.narasimhan, vice chairman of sattva group of companies

Mr.S Narasimhan is the Vice-Chairman of Sattva group of Companies who have their Presence In east coast of India spreading from Chennai to Vishakapatnam. His father Mr Santhanam has been a doyen and father figure in the field of Logistics.

Mr.S Narasimhan who holds a Masters Degree in Science and Business Administration has done specialization in Marketing, Information System and Operations Research. After spending about eight years in Middle East in reputed IT Companies such as WANG, AT&T, Microsoft, he decided to move to India to take on the Vice Chairmanship of Sattva Group and steer the operations by establishing various units in India.

He was the Past President (2015-16) of CII Pondicherry and present member of Southern Regional

Council of CII and also is a member of various Trade Associations. Happily Married to Mrs Usha and blessed with grandchildren, he spends his weekends in philanthropic activities

Question and answer session with Mr.S. Narasimhan, Vice Chairman **Sattva Logistics PVT LTD**

Sagar Sandesh: What is the state of the global shipping industry which had to forgo banking finance for nearly ten years because of the economic down turn? What has been the impact of merger of global shipping companies on the freight market for containers and bulk cargo? Your views on the future of the industry after the completion of the consolidation phase.

Mr.S Narasimhan: The shipping industry is going through the Consolidation phase. The industry has come to this situation because of the price wars unleashed by the shipping companies.

I hope the Logistics industry should not fall a prey to the price war and get into the same shape or status as the Shipping industry.



However, the Consolidation phase has a positive impact on the industry because everyone talks in terms of size of the company. So long as size of the company is big, you have the right and the authority to run the company much better.

A Lot of shipping companies are downsizing their units so that they could cut costs. Multiple offices they were running across the world have folded up. The industry also witnessed certain extent of manpower reduction. There is lot of firing of manpower, resulting in loss of

However over a period of time, the industry will certainly settle down. I think the consolidation phase is good for the industry. The impact of the consolidation will be felt in the Logistics segment as

For example if we look at Container Freight Station and Inland Container Depot Market, Direct Port Delivery of Imports and Direct Port Entry of Exports will play a major role in the way the Logistics industry would run in the country especially in the EXIM side.

We also expect that a lot of consolidation that is taking place in the shipping industry, will have an impact in the transportation sector as well. The transportation segment of the supply chain industry is currently run on a traditional

approach and not on a scientific basis as is ought to be.

We also keep talking about Multi Modal Logistics but that again is confined to some selected segment of running train services. Eighty five per cent of the cargo is still moved in the country by the road

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Editor speaks...

Narasimhan, Chairman Sattva Logistics LTD says that the shipping industry is passing through consolidation and one traditionally adopted measure when an industry or even a company facing crisis is downsizing the manpower or any area that allows downsizing without much detriment to the company. Since a business, particularly an industry like shipping is a complex network of so many related activities, consolidation will have its impact in every area of the business. And logistics has grown in significance to such a height that without effective contribution from the logistics sector no business can run smooth. But the industry will soon come out of consolidation phase. Like all analysts, Mr. Narasimhan also foresees growth in the coastal shipping. Development of the coastal shipping has always been the preoccupation predominant with the Centre and he does not leave any stone unturned to achieve its goal. Growth and development of coastal shipping brings an immense benefit in reducing the logistics cost which as of now is very high compared with the developed countries.

The U.S's Iran sanctions have put India in a dilemma; something like caught between two stools, India is finding difficult to manage relations with Iran and US with US demanding that Iranian oil

import must be zero by India too and in the event of not having to reach zero import, US threatens with sanctions on those countries that continue to have import relation with Iran. Two views have been expressed with regard to India's relation with Iran. One view is that India's relation with Iran has been quite critical at least with Chabahar port and the import of oil; Trump's threat must be faced and the Iran should not be let down. Another view is that it is possible to find alternative source for oil and US relations must not be viewed lightly. Future developments show the final decision.

With regard to shipping industry and the now on-going unsettling trade war among the established economies of the world, BIMCO says there is an element of uncertainty and it has already affected the volume of business in certain routes.

Container evacuation has always been a difficult problem and the Maduravoyal elevated corridor has been found an effective solution to the problem. But no government has bestowed any serious attention to it and of course now with the necessary clearance, it is set to begin the construction. Hopefully it is better to have it completed it soon

Other stories of importance will make a very informative reading.

The impact of the consolidation... From Page -1

Even though the government is building new Roads and National Highways, they are not sufficient to meet the growing demands of the industry.

Stakeholders of the Logistics industry to look at converting the cargo moving by road on to trains and coastal shipping segment

The consolidation of the Shipping industry will also help to a certain extent the internal movement of Non EXIM cargo through coastal sector as the government has allowed Foreign Flag vessels to take Indian cargo through changes in the Cabotage laws. Increased coastal movement of cargo will help the growth of East Coast Ports. I see a great future for coastal movement of goods in the East Coast



Today the West Coast Ports are well developed compared to their Eastern counterparts because of the phenomenal growth of Mundra and JNPT Ports in the last decade. This has become possible because of the excellent rail connectivity, the government had built over the years between North Western States including the National Capital Region with the West Coast ports . In comparison rail connectivity to East Coast ports is inadequate.

SS: What will be impact of the On-going Trade Wars on the International Trade and the Shipping industry? Will the movement of goods in certain shipping routes be affected because of the trade war between United States and China?

Mr.S N: The on-going trade wars will have a severe impact especially on Indian foreign trade because the country is caught between United States and China and both the countries are among the biggest trade partners of India. We are therefore forced to have a re-look at the duty structure on the goods manufactured in United States and China. However I see a little impact on the movement of goods because of the trade war. I am sure the impact will be more structured and organized especially for the goods coming from China.

(To be continued...)

Evacuation of Containers from Chennai port to Kolkata high way in 30 minutes flat

CHENNAI Sagar Sandesh News Bureau

It is now only a question of a few years when containers unloaded at container terminals in Chennai port will reach the city's outskirts within half an hour as the work on the much delayed Chennai Port-Maduravoyal Elevated corridor is all set to begin. It now takes at least three hours to cover the distance causing severe congestion.

The Detailed Revised Project Report prepared by a private firm is likely to be ready within a week and on its receipt the resumption of work on the project is only a question of time according to an official of the National Highway Authority of India, the promoters of the project.

Besides sanctioning a sum of Rs 3,500 Crores towards the revised cost of the project, the government has also decided to extend the Elevated Corridor from Maduravoyal to Sriperumpudur the automobile hub of the city, a distance of about 20 kilometers under the Bharat Mala project.

The Elevated Corridor is now designed as a six lane high way with a width of around thirty meters. The original design is for four lanes. There will be ten exit ways from the corridor



Chennai Port; evacuation will be fastest once Maduravoyal corridor is completed.

in various parts of the city including Kamaraj road near the Port, Sterling Road, Koyambedu and Ponnamallee high road. Two wheelers and autorickshaws will not be permitted to use the corridor primarily meant for Chennai port traffic.

The foundation stone for the project was laid way back in 2009 and the project was expected to be completed at a cost of Rs 1,665 Crores. Pillars were raised in various parts of the city for the corridor when Jayalalitha government came to power. It stopped the project in 2012 on grounds of environment. The project was stuck for nearly six years,

The project was taken up after she passed away last year. The delay in the project had almost eclipsed the fortunes of Chennai port. Congestion due to merely one exit from Chennai port forced the Shipping lines to skip the Chennai Port and go in for nearby Kamaraj, Kattupalli and Krishnapatnam ports.

A shipping agent said late Chief Minister Jayalalitha caused irreparable damage to the fortunes of Chennai port by stopping work on the elevated corridor project. It is colossal loss of revenue for the port besides damaging its reputation.



Mumbai Office

217, Secands Road, Unique Industrial Estate, off Veer Savarkar Marg, Bombay Dyeing Compound, Prabhadevi, Mumbai - 400025 Ph: 022 - 24211583 / 24210193. Fax: 022 - 2421 2149

Chennai Office

No.6, Ground Floor, Nungambakkam First Lane (Opp. Regional Office,Indian Oil Corporation), Nungambakkam High Road, Chennai - 600 034 Ph: 044-42664408 / Mob: +91 72000 84866

Admin. Office

21 "LAKSHMI", Sathya Sai Nagar, Madurai-625 003. Ph: 0452 437 8300 / +91 72000 84864

EDITOR & PUBLISHER EXECUTIVE EDITOR CONSULTING EDITOR

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SHIPPING - 4

Milaha Deploys Flagship Vessel ...



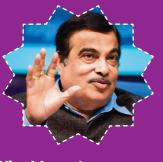
For India, action on climate change ...

EXIM - 9



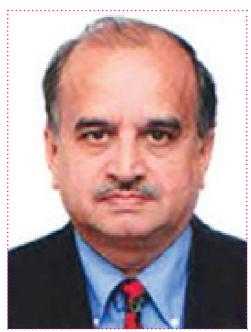
Another \$200 billion of Chinese goods ...

PORT - 10



Visakhapatnam port's iron ore ...

The Rail connectivity issue needs to be looked into if the East Coast ports have to get adequate cargo: S. Narasimhan



S. Narasimhan, Vice Chairman **Sattva Logistics PVT LTD**

(Contd from the previous issue)

Sagar Sandesh: The Ports situated in the West Coast especially in Gujarat and Maharashtra are flourishing while the ones in the East coast are working only fifty per cent of their capacity. What kind of railway infrastructure is required to connect East coast ports with Central India and the National Capital Region which have emerged as manufacturing centers of the

Mr.S Narasimhan: The rail connectivity from West coast ports and their hinterland have improved substantially over the years. It will get further boost when the Mumbai Delhi Dedicated Freight Corridor is commissioned. All industrial investments in the country are going towards Western India because of this infrastructure.

Congestion in some of the East Coast ports like Chennai have also contributed to Shipping lines moving to the West Coast. There was a time when Ninety five per cent of the cargo meant for Hyderabad or Nagpur used to go via the East Coast ports. Now one hundred per cent of the cargo, meant for Central India, is moving through West Coast

The only way to reverse the trend is to improve the rail connectivity between East Coast ports and their hinterland.

The government is talking of Chennai Bengaluru Industrial Corridor for quite some time. But the proposed corridor unlike the one between Mumbai and Delhi has no Dedicated railway track for freight. The same is the case between Visakhapatnam and Chennai Industrial Corridor.



Rail connectivity must improve for the East Coast ports to reach their potential performance

Karnataka government is building a Multi Modal park on the proposed Chennai Bengaluru Industrial Corridor about sixty kilometers from Bengaluru. However the Park has no rail connectivity. The Park cannot be called Multi Modal unless there is

The Rail connectivity issue needs to be looked into if the East Coast ports have to get adequate cargo. We have taken up the issue with the government several times at various meetings.

SS: The Direct Port Delivery of imports and Direct Port Entry of exports (delivery of cargo from the port to the factory premises with Minimum customs intervention) have taken off in a big way thanks to encouragement from the Customs. In the changed supply chain scenario in the handling of EXIM cargo, will not the role of Container Freight Stations and Inland Container Depots become redundant? Do CFS and ICDs have to change their business model and diversify into areas like Ware Housing and Cold Storage?

Mr.S N: The Government has eased the Customs clearance part through direct port delivery of imports and direct port entry of exports. The clearance time has been brought down drastically, to a minimum level. Hence these schemes of delivery have taken off from major Ports in a big way. The government has set a target for major ports to achieve at least forty per cent of the total turn-over through DPD and DPI. Some ports like Chennai have exceeded the target by achieving forty five per cent last month. The scheme is good for

But some customers other than big clients like Ford or Hyundai, especially on the MSME sector have space constraints to store cargo. They don't have space in their factory premises to receive imports directly. Because of this problems, even Customs cleared DPD containers which could have directly gone to

the factory premises, land up in Container Freight Stations for storage. So there is a big shift in the pattern of cargo flowing into CFS



A Container Freight Station

They not only handle directly imported containers, but also customs cleared containers which land up. Citing an instance Chennai port handles 45 per cent of the import containers through DPD. But at least fifty per cent of the customs cleared ones which could have moved directly to factories lands up at Container freight stations for last mile connectivity.

Hence the introduction of DPDs and DPIs has not affected the business of container freight stations or the Inland container depots.

But Container freight stations and Inland container depots are reorienting and reinventing their business models to face any eventuality in future. For instance many CFS companies have decided to create specific areas, where the infrastructure for handling customs cleared DPD containers, are created. We are also adding more ware-housing and storage space within the freight stations. There are around forty container freight stations in and around Chennai Port.

SS: Logistics is emerging as a major industry since manufacturers want to cut costs and bring down inventory costs. Since the Logistics costs in India are as high as 14 per cent of the GDP. What needs to be done to bring them down to realistic level? This has a direct bearing on the competitiveness of our Exports.

Mr.S N: The government must take up the development of East coast ports to bring down the logistics cost. This will help to divert the cargo coming from China and far-East countries to east coast port rather than going all the way to west coast ports for onward movement to Central India and Northern states. Such a move will down the time as well as cost.

Sagar Sandesh Wednesday, July 18, 2018

Editor speaks...

issues pertains to the difference in the levels of operations between the East Coast ports and the West Coast ports. While the latter reach highest performance level, the former could claim only to 50 percent of their potential capacity. Much has been talked about the ways and means of improving the performance of the East Coast ports and all experts say that the absence of effective connectivity is the villain for the east coast ports. And it is also pointed out that the government itself does not and has not been keenly concerned with the augmenting the performance of the east coast ports. Of course, after inordinate delay for some reason or other, now elevated Maduravoval corridor seems to have been taken out of the shelf for implementation. All the same, much has to happen before we see the project is completed. Shri S. Narasimhan also has expressed the same view. In fact, from another point of view also, he has urged the government to devote attention to the development of the east coast ports since it would in the final analysis reduce the high logistics costs that hurt Indian economy

Gender equality general in all professions and particularly in the maritime sectors has always been another hot potato that keeps coming up for discussions. The winds have started blowing in favour

of gender equality with leading shipping companies pledging themselves to focus and attain gender equality in marine fields. Apart from being just and fair to the efficient women, it also helps reduce the gap between the demand and supply of quality seafarers for the industry to survive effectively. Shortage of able hands has dogged the industry too long a time. The traditionally male-dominated shipping industry is at crossroads and is driven to acquiesce in to the induction of female seafarers. It is good news that major shipping companies like Carnival UK, BP Shipping, the Port of London Authority, DP

World, Associated British Ports and Peel Ports as well as trade bodies including British Marine, British Ports Association, UK Major Ports Group, Society of Maritime Industries, Maritime London, and the UK Chamber of Shipping have signed the pledge for gender equality.

Another piece internationally good news is that Hamburg Sud cuts its CO2 footprint by 40 percent. It is moving in the right direction at a correct pace to achieve its emissions target.

Mention must be made of the Major ports workers getting their much delayed pay hike and the Finance Minister's optimistic forecast that India will become the fifth largest economy if it continues at the current pace of growth.

warm regards.

Mumbai Office

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Chennai Office

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The Rail connectivity issue needs ...

Direct port delivery and direct port entry will also end up cutting logistics cost. Implementation of projects like providing short road connectivity to ports through Sagar Mala scheme will also help in



With the proposed 8 highway lane completed, Salem to provide connectivity to Southern states

The proposed eight lane Chennai Salem can also help in containing logistics cost. Salem which can provide excellent connectivity to South Tamil

Nadu, Southern Karnataka and Southern Andhra Pradesh besides Kerala can emerge as Logistics hub of Southern India provided net work of roads are built to connect the city with ports in the region like Tuticorin, Karaikal, Cochin and Vizhinjam.

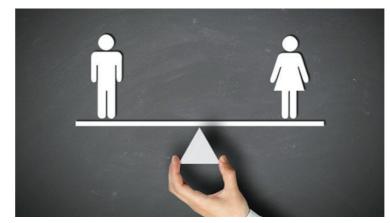
Taking advantage of the location advantage of the city, a large number of ware housing projects have come up in around Salem during the last few years. There must be an organized way of developing Salem into a Logistics Hub.

The whole project should not end up merely by providing eight lane highway from Salem to Chennai. It is not as if that you go and drop your boxes (Containers) at Salem. The city should be linked with modern highways to provide connectivity to Tuticorin, Cochin and Vizhinjam ports besides Chennai. The projects should be integrated with Sagar Mala Scheme so that there is an overall development of the area.

The government should also set up a Multi Modal logistics hub near Salem with proper rail connectivity. Salem should be developed on Hub-Port Model.

(To be continued...)

Leading Maritime Companies Sign Gender Equality Pledge



Leading shipping 'lights' pledge gender equality

NEW DELHI Sagar Sandesh News Service

ccording to Maritime UK, ships move 95% of Britain's international trade with the industry supporting about one million jobs; but women make just only 2% of world's maritime workforce.

Gender equality demands that women have all the same legal rights men have. Though it is often argued that the western societies have achieved gender equality, feminists still seem engaged in the battle for gender equality; the battle, it is said, has not been won yet.

But obviously, gender

equality has gained ground internationally. In the UK maritime sector, leading shipping players sign the pledge for gender equality.

The Women in Maritime pledge follows the creation of the Maritime UK's Women in Maritime Taskforce which was established in January. The group aims to increase the number of women in maritime as well as in senior roles in the shipping, ports, services, engineering and leisure marine industries. To achieve this end, the group will bring the sector leaders together to identify the steps to be taken towards reaching their goal.

Those that sign the pledge will be invited to engage with the development of the Women in Maritime Charter, which is due to be launched in autumn 2018.

The companies that sign the pledge must begin with their organizations creating positive

Nusrat Ghani MP, Minister for Maritime and Shipping, said: "I am delighted to see Maritime UK taking action to attract more women into our maritime industries, and I welcome this Taskforce as an important first step. There is a fantastic wealth and breadth of career opportunities in maritime, and I am determined to see more women accessing these."

The pledge has been signed by major companies including Carnival UK, BP Shipping, the Port of London Authority, DP World, Associated British Ports and Peel Ports as well as trade bodies including British Marine, British Ports Association, UK Major Ports Group, Society Maritime Industries, Maritime London, and the UK Chamber of Shipping. Other signatories include the Institute Chartered Shipbrokers, Nautilus International, Seafarers UK, Solent LEP and Mersey Maritime

In fact, IMO too has demonstrated its commitment to gender equality by announcing the theme for World Maritime Day 2019 as 'Empowering the Women in Maritime Community'.

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LOGISTICS - 7 Union Minister Nitin Gadkari lays the Foundation ...

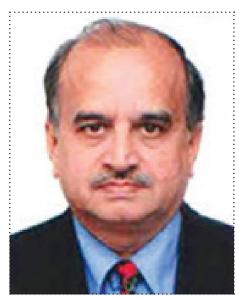


EXIM - 9 India, Iran discuss boosting economic.



PORT - 10 Cruise tourists' visit to India to be hassle-free ...

Last ten years of neglect of Chennai Port has taken a heavy toll: S. Narasimhan



S. Narasimhan, Vice Chairman **Sattva Logistics PVT LTD** •••••

(Continued from the previous issue)

Sagar Sandesh: An owner of a container terminal was quoted recently as saying that India needs more cargo and better connectivity to the port instead of building new ports and terminals. Your comments.

Mr.S Narasimhan: what he is saying is true. He must have talked about containerization of cargo. Most of the goods transported in India come under the bulk cargo category. Containerization of bulk cargo and conversion of bulk cargo to containers will bring down the transportation costs, bring down the wastage of goods and improve their quality of goods transported.



More than building a green field port, creating connectivity to hinterland from the existing ports is very important. That is why, it is very important to build more Inland Container Depots deep in the hinterland rather than container freight stations near the ports.

The Shipping Ministry has rightly decided that there will no more fresh licenses for container freight stations near Chennai, Visakhapatnam, Bengaluru, Mundra and JNPT ports. It has also made it clear that it is open to giving more licenses for inland container depots.

The ICDs are themselves Customs stations, situated in the hinterland of ports and therefore provides better facilities to the trade. More ICDs are coming up near Bengaluru, Salem, Madurai and Coimbatore in Southern India

SS: Krishnapatnam Port has made a big success in transshipment of cargo in the last few months. The Port was able to take away Indian cargo which was otherwise moving through Singapore ports. Chennai port intends to start transshipment business. How do you see this trend?

Mr.S N: While Vizhinjam and Vallarpadam Ports situated near the international shipping lane could emerge as transshipment hubs, Chennai and Krishnapatnam ports are not meant to do transshipment business.

SS: Not long ago Chennai port was the only facility for entire Southern India, Now three ports in the vicinity are competing with Chennai from the same hinterland. How does the competition from private ports impact the prospect of Chennai Port.? Chennai port is already feeling the pinch with many main line vessels skipping the port. There are some Chennai based shipping agents who assert that the port might fold up. How do you see the future of Chennai Port?

Mr.S N: The neglect of road connectivity to Chennai Port by successive governments has taken a heavy toll on its prospects. The issue was never addressed by them. Had the infrastructure like the Ennore- Manali Road Improvement Program (EMRIP) a six lane high way linking Chennai and Ennore ports with two lanes exclusively for port bound containers, had been taken up ten years earlier, Chennai would have been way ahead of ports in the West Coast.

Major shipping lines started skipping Chennai port once they found delivery of

cargo from the port took 48 to 72 hours. Last ten years of neglect of Chennai Port has taken a heavy toll. The entire south India is feeling the pinch of getting new industries in the absence of a robust port like Chennai. If the port was working to normal capacity Tamil Nadu would have been leading the table in industries in the country. Other southern states would have also picked up. Primarily the road connectivity to the port was neglected. This took a heavy toll on the Port.

SS: How is the situation in the Chennai Port now?

Mr.S N: Things have improved a lot during the last two years. During the peak congestion days it took nearly 48 to 72 hours to clear cargo from the Chennai Port. Now the time taken for delivery or receipt of cargo has come down to eight hours. The Elevated Corridor project to Maduravoyal is about to resume in a few months. Customers are finding it easy to handle containers in Chennai port as the delivery time has come down to eight

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2 Sagar Sandesh Wednesday, July 25, 2018

Editor speaks...

exception almost all industry analysts have underscored the point that Mr.S. Narasimhan, VP, Sattva Logistics Pvt Ltd has spoken about with regards to the decline in the volume of business in Chennai port compared with any port in the West coast. The absence of effective road connectivity to the Chennai port has led to the fall of the port compared with what it was . "The neglect of road connectivity to Chennai Port by successive governments has taken a heavy toll on its prospects. The issue was never addressed by them. Had the infrastructure like the Ennore-Manali Road Improvement Program (EMRIP) a six lane high way linking Chennai and Ennore ports with two lanes exclusively for port bound containers, had been taken up ten years earlier, Chennai would have been way ahead of ports in the West Coast."

Without indulging in blame game which is very much characteristic of politics, the present port chairman has started taking right initiatives to bring back the glory of the port. Efficiency does not labour much on what has not been done but on what has to be done. And it is being done.

The way the GST Council responds to the difficulties of the trade as a whole has unambiguously demonstrated its concern for the welfare of the exporters and

importers. And we are given to understand from reliable sources that the five slabs are likely to be reduced to three once the revenue generation is stabilized. Good things come to those who wait, goes a saying. Here, both those who give and who get are active in their respective areas of operations. More and more products continue to come under lesser tax slab reflecting the entire process is taking a realistic approach to the problem.

Of course, the thorn in the flesh is the oils, petrol and diesel.

The authorities in power must focus many things indeed; but now the most important thing is creating employment opportunities. The success of a government depends on the number of opportunities it creates to the number of people. The keen concern for this onerous responsibility is felt by all those in the top and the Vice President Shri Venkaiah Naidu's inaugural address at the celebrations of the New India Assurance Company Limited drives home the point that the men in power do focus on employmentcreation; it is evident the way the Vice President takes the opportunity he got to urge the insurance companies to help the Nation in creating job opportunities.

Wishing you an interesting and informative reading, and with warm regards.

Last ten years of neglect of Chennai ... From Page -1



File photo of the Chennai Port to Maduravoyal Elevated Four-Lane Corridor Project

Chennai Port will soon emerge as Ultra Modern Container Port. The present Port Chairman Raveendran, who belongs to the Railway Service is taking measures to improve the Rail connectivity to the port.

The implementation of Visakhapatnam Chennai Industrial Corridor, which is now at the final stages of project structuring, will play a major role in development of industries in the East coast Cargo feeding for the ports will not be a problem any longer.

The proposal to extend the Corridor from Chennai to Kanyakumari, however has not made much progress so far.

(To be continued...)

GST Council meet: Sanitary napkins exempted, tax returns simplified, and other highlights

NEW DELHI Sagar Sandesh News Service

The GST Council which met on 21 July 2018 for the 28th time to discuss and decide necessary changes in the new indirect tax regime, exempted sanitary napkins from GST Delhi finance minister Manish Sisodia told the press.

This exemption is a proactive response to criticism for its earlier 12% tax on sanitary napkins.

The tax on bamboo also has been slashed to 12%, media report notes.

It is also said that a new

GST GOODS AND SERVICES TAX

simplified filing system will also be brought it so as to enable businesses easy compliance.

As it is, the GST collection had hit Rs 1 trillion-mark in April, followed by Rs 94,016 crore in May and Rs 95,610 crore in June.

The move of the council is seen as an effective initiative in

the direction of simplifying the return filing process. In fact, this simplification process, industry chamber CII has observed, will increase the compliance rate and add to revenue buoyancy.

Going forward, Bihar Deputy Chief Minister Sushil Kumar Modi has said that the GST slabs can be reduced to three from five at present in coming days for the convenience of consumers and businesses.

Another crucial issue on the agenda, it is said, was the issue of sugar cess. Group of Ministers (GoM), it is reported, is not in favour since it would prove detrimental to some states.

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Mumbai Office

217, Secands Road, Unique Industrial Estate, off Veer Savarkar Marg, Bombay Dyeing Compound, Prabhadevi, Mumbai - 400025 Ph: 022 - 24211583 / 24210193. Fax: 022 - 2421 2149

Chennai Office

No.6, Ground Floor, Nungambakkam First Lane (Opp. Regional Office,Indian Oil Corporation), Nungambakkam High Road, Chennai - 600 034 Ph: 044-42664408 / Mob: +91 72000 84866

Admin. Office

21 "LAKSHMI", Sathya Sai Nagar, Madurai-625 003. Ph: 0452 437 8300 / +91 72000 84864

EDITOR & PUBLISHER EXECUTIVE EDITOR CONSULTING EDITOR

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Indian Navy helps ONGC in stopping offshore gas leak at Bombay High

NEW DELHI Sagar Sandesh News Service

Responding to an alert from the ONGC about a gas leak reported onboard the offshore ONGC platform S1-6, Indian Navy deployed a helicopter to take the ONGC technician to fix the gas leakage on an unmanned ONGC platform at Bombay High on Sunday

The operation lasted almost 4-5 hours and the leakage was fixed and averted a major disaster.

"Since the ONGC field helicopters could not undertake the mission due to adverse weather conditions they asked for assistance," said a spokesperson of the Indian Navy.

The Indian Navy launched a Seaking 42C helicopter to



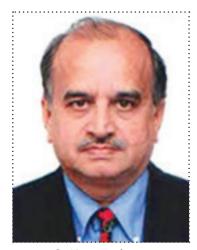
Risky repairs: An ONGC technician is lowered onto the platform.

transfer the ONGC technical team to the platform on 22 so that repairs could be undertaken.

"The naval helicopter had to undertake this mission in challenging circumstances including strong and gusting winds of over 30 knots. Due to

the small size of the helipad on the imperiled offshore platform, the repair team had to be winched down from the helicopter. The daring mission was carried out with skillful precision and helped to avert a potentially dangerous outcome," said the official. In association with R L Institute of Nautical Sciences, Madurai, Tamil Nadu. | RNI No. TNENG/2012/41759 | Wednesday, August 01, 2018 | Voyage 7 Wave 26

After the commissioning of the Puducherry Satellite port the containers will go through the coastal route: S. Narasimhan



S. Narasimhan, Vice Chairman Sattva Logistics PVT LTD

Sagar Sandesh: The Satellite port for Chennai at Puducherry has not taken off though the project has been talked about for more than two years. When will the project take-off?

S. Narasimhan: Puducherry is not conceived as a full-fledged port. Barges used to carry cargo to ships anchored outside the port. Now dredging of the port to a limited depth is being undertaken. The work has not been completed as yet. It would take at least six months to one year to complete the dredging project. The port with limited depth will then be commissioned.

We had a trial run of a ship carrying containers from Chennai to Puducherry a few months ago. It was successful. Once the project is commissioned it will decongest the Southern Highway linking Chennai with Puducherry.

About ten thousand boxes (containers) move every month from Puducherry to Chennai port. They now move by road. After the commissioning of the Puducherry Satellite port the containers will now go through the coastal route and be loaded into the ships directly in Chennai port. In the return voyage the ship will take containers meant for Puducherry and south Tamil Nadu to the satellite port. The customs formalities will be completed at Puducherry itself, so that containers could be directly loaded into ships in Chennai port.

For the benefit of the readers.

Summary of the interview with S. Narasimhan, Vice President Sattva Logistics Chennai.

The Shipping industry is going through consolidation phase because of the price wars unleashed by them. The price wars they let loose to capture the market has led them to the present situation where they are forced to go in for consolidation. I hope the Logistics industry should not fall a prey to the price war and get into the same situation as the shipping industry.

Consolidation has also done some good to the industry. Everyone in the industry talks of size of the company. As long as the size of the company is huge, you have the right and the authority to run the company in a better fashion.

A Lot of shipping companies are downsizing their units in an effort to cut costs. Multiple offices they were running various parts of the world have been reduced. There has been reduction in manpower in the industry. Logistics segment will soon emulate the shipping industry in terms of consolidation and the industry will settle

The Direct Port Delivery of Imports and Direct Port Entry of Exports introduced by the Government as part of ease of doing business for the trade is expected to play a major role in the way the Logistics industry will run in the EXIM cargo side of the country. It will also have an impact on the transportation sector which is currently run on a traditional basis without scientific approach.

In India still Eighty five per cent of movement of goods is done through Roads. The time has come when government and other stakeholders in the Logistics industry look at converting the cargo moving by road on to trains and the coastal shipping segment.

The latest decision of the Shipping Ministry to permit Indian cargo to be carried by foreign vessels will pave the way for increased movement of non EXIM cargo through coastal sector. This will also help the development of ports in the East Coast. He saw a great potential in movement of coastal cargo from East Coast Ports

On the trade war being unleashed by the United States against China and other countries, he said it will have a great impact on India, since it is caught between the two economic giants. India is therefore forced to have a re-look at the duty structure on goods manufactured in United States and China. There will however be little impact on the movement of goods because of the trade war. The impact will be more structured and organized.

On the imbalance in port traffic between the Ports in said the Railway Connectivity to West Coast Ports from Central India, National Capital Region and Northern India, the manufacturing base of the country have improved over the year and will become even better with the commissioning of Mumbai Delhi Dedicated Rail Freight Corridor next year,

There were times when 95 per cent of cargo meant for Hyderabad or Nagpur used to go from Chennai Port. At present 100 per cent of the cargo meant for Central India and Hyderabad are moving through JNPT and Mundra Ports because of the better Rail connectivity. The only way to increase the traffic throughput of East Coast ports is through improving the rail connectivity.

Chennai-Bengaluru Both Chennai-Visakhapatnam Industrial Corridor has no railway component. Karnataka government is putting up a Multi Modal Park, about 60 kilometers from Bengaluru without rail Without connectivity. connectivity, the project cannot be called a Multi Modal Logistics Park. I don't know how far this project will be successful.

On the lack of adequate rail connectivity to east coast ports he said we have taken up the matter with successive central government in various meetings. We raise the issue in every meeting we have with them he

The introduction of direct port delivery and direct port entry aimed to bypass container freight stations has not affected the business of the freight stations. Instead nearly 45 per cent of the customs cleared DPD cargo at Chennai Port land up in container freight stations for last mile connectivity.

Small scale importers and MSMEs do not have adequate space in their factories to store and hence they prefer to keep the customs cleared DPD cargo at container freight stations.

Turn to Page - 2 ▶▶ the West and East Coast he



Thousands of boxes move by road from Puducherry to Chennai port now.

Sagar Sandesh | Wednesday, August 01, 2018

Editor speaks...

Puducherry Satelite port, as viewed by the Vice Chairman, Sattva Logistics Pvt Ltd S. Narasimhan, once completed, will bring a new life and solution to the Chennai port congestion issue. Necessary dredging will be finished in about six months to one year. The Puducherry industrial belt provides nearly ten thousand containers per month to Chennai Port which are currently moved by road. Once the project takes off, the containers, after cleared by Customs at Puducherry port itself can move directly to the ships in Chennai port.

The project will decongest the highway leading to Chennai from the Union territory. It only means that the regional economy will see growth.

FIEO, an active committed body for the welfare of the exim trade, never fails to take the difficulties faced by the exporters to the attention of the government and at the same time never does it fail to commend the good work of the government, its meaningful supportive response to the ideas of FIEO, a platform that helps promote the relationship between the industries and the government.

Hailing the decision to raise the limit of exports through and e-commerce exports through couriers and foreign post office, Mr Ganesh Kumar Gupta, President, FIEO said that the increase from Rs 25,000 to Rs 5, 00,000 shows the pragmatic approach of the Government and will go a long way in facilitating e-commerce retail exports from the country.

Calling for strike and calling off strike are events that always go with any industry and the government. Strike reflects the common misery of an industry and it compels the attention of the government since the consequent dislocation of normal life severely affects the ordinary life of the common man. Those who call for the strike know also when to call off the strike. It is all in the game at a global level too.

At the international arena, good things seem to happen for India. With the US second round of sanctions against Iran, India was in a fix with Iran for its oil import. Now, Iran offers ships and insurance so that the flow of oil from Iran to India will not suffer blocking hurdles. And the US, on its part, has given special status to India and this provision has immense benefits.

Another matter of great significance for the shipping industry at the global level, the new IMO's sulphur cap regulations, effective January, 2020. In this context, scrubber appears gaining ground with the ship owners to become regulation-compliant.

Wishing you an interesting and informative reading, and with warm regards.

After the commissioning of the ...

Meanwhile the existing Container Freight Stations are reorienting and reinventing their business models to cope with the situation. We have created specific areas within the station to store the DPD containers. We are also adding more space for storage and ware housing inside

On ways and means to reduce the Logistics cost which is as high as 14 per cent of the GDP in India, he said development of rail connectivity to East coast ports and movement of goods through trains will considerably bring down the Logistics cost in the country.

The Direct Port Delivery of Imports and Direct Port Entry of Exports are good initiatives of the government to bring down the Logistics cost.

The proposed construction of eight lane highway between Chennai and Salem is a first concrete step to make Salem, a Multi Modal Logistics Hub of Southern India.

Salem has the location advantage of being situated in close proximity to South Tamil Nadu, Kerala, Southern Karnataka and Andhra Pradesh besides Chennai. Ware housing business has taken off in a big way in and around Salem in the last few years taking advantage of the location.

But there must be an organized attempt by the government to develop Salem as the Multi Modal Logistics hub of Southern India. The government should not end with the construction of the eight lane highway. A net-work of modern highways needs to be constructed to connect Salem with Tuticorin, Karaikal, Cochin

Ports and the proposed Vizhinjam transshipment terminal. Salem needs to be developed on Hub and Port model.

Commenting on the statement by an official of a container terminal that India needs more cargo and better rail connectivity between ports and hinterland and not new ports he said he agreed with his contention. The container terminal chief would have emphasized on containerization of cargo as large volume of Indian cargo remains bulk. They need to be containerized so that transportation is quick, When containerized quality of the goods transported are not affected More facilities should be created for the trade in the hinterland including Inland Container Depots.

The government is currently encouraging setting up of more Inland Container Depots and have stopped issuing fresh licenses for Container Freight Chennai, Stations around Visakhapatnam, Mumbai, Mundra and JNPT Ports.

Though Krisnapatnam port has made success in transshipment of cargo during the last two years and Chennai port is about the enter the business, both the ports are not meant to be transshipment hubs since they are not near the international shipping lanes like Vizhinjam or Colachel.

The chronic issue of Road congestion in Chennai port was not attended to over a decade successive governments. Had the EMRIP road project intended to provide six lane road connectivity between Chennai and Ennore ports implemented ten years ago, Chennai port would have been ahead of JNPT or Mumbai

lines Shipping skipping Chennai port when congestion resulted in delay of 48 to 72 hours for delivery of cargo. Industries were reluctant to invest in Southern India when a robust port like Chennai was hit by congestion.

The situation in Chennai improved since commissioning of EMRIP project, Container delivery and intake of exports into the port at present does not take more than eight hours on an average, The Elevated corridor project between Chennai Port and Maduravoyal which was stalled for the past five years is about to recommence,

The present chairman of the Chennai port Raveendran who belongs to the Railway Services has initiated several measures to improve the rail connectivity to the port.

Chennai Port will soon become a Ultra Modern Container Port.

The Puducherry Satellite Port project conceived to decongest Chennai Port will take off in Six months to One year once the dredging work at the Puducherry port is completed. The Puducherry industrial belt provides nearly ten thousand containers per month to Chennai Port which are currently moved b y road. Once the project takes off, the containers, after cleared by Customs at Puducherry port itself can move directly to the ships in Chennai

The project will decongest the highway leading to Chennai from the Union territory.

Sagar Sandesh

Mumbai Office

217, Secands Road, Unique Industrial Estate, off Veer Savarkar Marg, Bombay Dyeing Compound, Prabhadevi, Mumbai - 400025 Ph: 022 - 24211583 / 24210193. Fax: 022 - 2421 2149

Chennai Office

No.6, Ground Floor, Nungambakkam First Lane (Opp. Regional Office,Indian Oil Corporation), Nungambakkam High Road, Chennai - 600 034 Ph: 044-42664408 / Mob: +91 72000 84866

Admin, Office

21 "LAKSHMI", Sathya Sai Nagar, Madurai-625 003. Ph: 0452 437 8300 / +91 72000 84864

EDITOR & PUBLISHER EXECUTIVE EDITOR CONSULTING EDITOR : Dr R Lakshmipathy

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FIEO hails increase in limit for Courier exports and E-commerce exports

NEW DELHI Sagar Sandesh News Service

ailing the decision to raise the limit of exports through courier and e-commerce exports through couriers and foreign post office, Mr Ganesh Kumar Gupta, President, FIEO said that the increase from Rs 25,000 to Rs 5, 00,000 shows the pragmatic approach of the Government and will go a long way in facilitating e-commerce retail exports from the country, says a FIEO release.

President FIEO said that time has come to expand the list of products which can avail MEIS benefits, if exported through e-commerce. The present list excludes many products which are traded through such platform. Mr Gupta also suggested extending the benefits to all International exports in the country as well as all Foreign Post



Office instead of restricting it to few airports and post offices so that artisans and entrepreneurs located in tier 2 and 3 cities can also exploit the potential of e-commerce exports.