In association with R L Institute of Nautical Sciences, Madurai, Tamil Nadu. | RNI No. TNENG/2012/41759 | Wednesday, December 19, 2018 | Voyage 7 Wave 46



SHIPPING - 4

Corporation creates History with its ...



praises India's renewable energy



partnerships that will get



PORT - 10

Inaugural **Call of the** first Mainline Vessel to ...

The export awareness to earn foreign- exchange is very low in this part of the country: Mr. K. Tirupathi Rajan



Mr. K . Tirupathi Rajan, **Managing Directer** Raj Exim Group of Companies

(Transformation of a wage earner into a globe-trotting Exporter, the true story of K.Tirupathi Rajan, Managing Director of Raj Exim Group of Companies.

A drive along the by lanes of Southern Madurai suburb near the airport leads you to the office of a leading Export House Raj Exim. The site of the Export House, which started functioning from the premises by the turn of the century, should have been a regular paddy field earlier. Patches of fields still remain when this reporter of Sagar Sandesh visited it last week.

The Office premises of the export house, is a mere eight hundred square feet carpet area in the first floor of a building. There is no sign of any goods being stored in the vicinity. Only small packets containing the export samples were displayed at the entrance. There were no trucks or trailers parked in the area. In short it looks like any other building without giving any impression that you are around a leading export house.

Seven or eight employees were seen glued to the computer screens for hours together as internet connectivity remains their main tool in identifying buyers in the international market, sourcing the product in the domestic market and arranging logistics for exports to the destination. Each of the employees is

assigned an exclusive portfolio to handle

The company was a one man show of Mr Rajan during the first ten years of its existence. The office used to close down once the Malik cum Mazdoor leaves. Since this led to the problem of coordination with clients during his absence, he recruited some people to join his business. The live wire of the company, Mr Tirupathi Rajan, had acquired business traits of his parents, who were buying hardware in the Madurai Wholesale market and selling them off in their home town Bodinaickanur.

Rajan, however, had no appetite for joining domestic business. When he was in his teens his economics professor dinned into him the need to improve the country's export potential during the classroom lectures on International Trade. His professor's sermon on exports had a lasting impact on him to the extent that he even shunned the flourishing import business saying they would be a drain on the economy. The East coast ports especially in Tamil Nadu thrive on import business.

After finishing his college, Rajan joined a company in Madurai on a meager salary of Rs seven thousand a month. The zeal in him for taking up export business was always working at the back of his

In the nineties use of internet was a novelty among the youth. The environment for Non- traditional business was also taking shape as the then government unleashed policies of liberalization. Rajan took to internet browsing as a hobby during his spare time. During one of the sessions in his computer, he found to his surprise that markets for safety matches could be found in distant South American nations and that too in a non-descript country called Peru.

He knew the safety matches were not difficult to procure since they were manufactured on a large scale in Sivakasi, about 50 kilometers from his town. He swung into action and got in touch with the manufacturers and persuaded them to take up the Overseas Orders

and accept him as a commission agent. He earned several thousand rupees by way of commission from various orders from the South American nations. At the same time he decided to chuck his job to become a full fledged exporter.

As orders mounted, he persuaded the manufacturers to deliver the goods to him directly and he slowly graduated from a commission agent to become a sort of an exporter. A buyer from a Gulf country placed orders for eggs. The egg basket of the country, Namakkal in western Tamil Nadu gave him the packed eggs. Export of eggs and safety matches put together made him enter the big league of exporters, from then on Rajan never looked back.

Turn to Page - 2 ▶▶





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Delivering your strategy.

Sagar Sandesh | Wednesday, December 19, 2018

Editor speaks...

Rajan's Tripathi statement that the export awareness and itspotential to earn foreign- exchange for the country is very low in this part of the country demands attention. Scaling to heights in business requires the determination to take risks of greater scope; of course, business itself is risk. Your product or service must be required by the people who can then become customers based on their experience with the product or the service. Steady movement in so called comfort zone which differs from person to person does not have scope for innovative courage which ultimately promises sustainability to any business. Today customers of any product or service are more market conscious and generally on the lookout for better products or enhancement of the same product in some attributes. Failure to modernize looms resulted in Sellur losing its market to somebody else and a market is lost, it is not easy to regain it.

Improving ease of doing business has become an inevitable must for any country and for any trade in any country.

A business that does not bring return on investment cannot merit the very name of business and the faster it brings return on investment the firmer the business remains in the field. After the Modi-led government took up the reins, it has achieved admirable progress in ease of doing business which ultimately encourages both national and international investment in business. Successful businesses guarantee prosperity to the country. PM Modi says his government is taking all steps to improve ease of doing business. The World Bank's report on rankings proves that the government means business.

Tata Steel gets Prime Minister's Trophy for the Best Integrated Steel Plant for 13 times. Is it not an enviable record? Getting trophies in a row for 13 times speaks volumes of the efficient and responsible administration of the Management.

IMO 2020 regulations have driven the shipping industry including the cruise lines to think of alternatives for compliance and it is said LNG is gaining ground for its innate benefits. Good to hear that cruise lines too have taken to taking immediate efforts towards compliance.

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

The export awareness to ... From Page -1

By 2010, he started setting up several companies $\,$ to undertake export orders of various commodities basically agricultural products. Having learnt the tricks of the trade, he started organizing coaching classes for the budding entrepreneurs of the area. Lessons like how to identify an importer in the international market, sourcing the product in the domestic market, Logistics arrangements to reach sea port and the customs formalities that followed. The budding entrepreneur has to only locate the product for export and other nuances are taught in the class room. The identification of the product for export cannot be spoon- fed and the entrepreneur has to do his own homework in this regard says Rajan during the course of an hour long interview with Sagar Sandesh.

Through this exercise which our chamber had sponsored, we are able to catapult nearly twenty new entrepreneurs every year from the region.)

Question and Answer session with Mr .K. Tirupathi Rajan Managing Director Raj Exim Group of Companies

Sagar Sandesh: Your Company is the leading Export house in the region. Tell us about the activities of the company, its turn-over, Profitability and its expansion programs.

Mr.K. Tirupathi Rajan: We started off as a proprietorship company way back in 2004. We were exporting safety matches and eggs and expanded our export basket by including agricultural commodities in our profile.

We do exports from VOC Port Tuticorin, Chennai, Cochin, New Mangalore, Mundra, Pipapav ports, Inland container depots in Delhi and Air cargo complex in Bengaluru.

We export products to as many as 75 countries including non-traditional areas like Peru, Argentina, Mexico, Gautemala in South America, Latvia, Poland, Spain and United Kingdom in Europe, Egypt, Kenya, Uganda and Mauritius in Africa, Ghana and Nigeria in West Africa, Dubai, Oman, Kuwait and Qatar in the Middle East and Vietnam, Malaysia and Indonesia in the far-East.

We use internet as a marketing tool and a platform to reach international buyers.

He however declined to comment on the turnover of his Group of Companies and their expansion plans saying these things better not disclosed in business.



An automatic match filling machine at a manufacturing unit

Suffice to say that we have grown to set up several companies and some of them have become Public limited firms.

SS: What are the problems faced by the exporters near the Land's end in Southern Tamil Nadu and how they need to be addressed?

Mr. K. TR: The export awareness and its potential to earn foreign- exchange for the country is very low in this part of the country. They are content with domestic trade and are very apprehensive about the possibility of non payment for the goods supplied for exports and how to chase them in the event of their default.

The companies here are mostly owner driven and he decides whether to go in for exports or not. There are industries like Yarn, Granite, food processing and edible oil which have good scope for exports. None of these companies have an International Marketing Division for proper channelization of exports. Infrastructure here also is not supportive of exports.

Sellur, the Northern suburb of Madurai was doing roaring export business in terry towels to Europe in the 1970's. The exports have virtually stopped during the last fifteen years. Global slowdown was primarily responsible, for the industry's down fall.

Coupled with it is the failure of the local terry towel industry to modernize the looms from handloom to power and auto looms. Sholapur in Maharashtra which modernized the looms has snatched the business from Sellur. What is the loss for Tamil Nadu is a gain for Maharashtra.

(To be continued...)

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Focusing on last-mile delivery essential for improving Ease of Doing Business: PM

.....

NEW DELHI Sagar Sandesh News Service

Focusing on last-mile delivery and simplifying systems and procedures are key to improving India's 'Ease of Doing Business,' Prime Minister Narendra Modi said recently

"Emphasised on the need to focus on last mile delivery, simplifying systems and procedures, which will improve both 'Ease of Doing Business' and 'Ease of Living.' We are devoting all possible efforts to further improve our 'Ease of Doing Business' rankings," the

Prime Minister told officials at a meeting held to review steps being taken to enhance India's Ease of Doing Business rankings.

Discussions were also held regarding construction, power, resolving insolvency and other areas that will make business easier in the times to come; the Prime Minister tweeted after the meeting was held.

Earlier in the year, India leapfrogged 23 places to the 77th spot on the World Bank's Ease of Doing Business index. Furthermore, the Country saw a 53-place jump in the last two years, making it the largest

improvement by any Country since 2011. India was also recognized as one of the top ten improvers for the second time in a row.

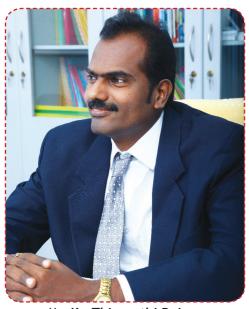


We are devoting all possible efforts to further improve our 'Ease of Doing Business' rankings: PM Modi

In association with R L Institute of Nautical Sciences, Madurai, Tamil Nadu. | RNI No. TNENG/2012/41759 | Wednesday, December 26, 2018 | Voyage 7 Wave 47



The poor and inadequate infrastructure in the area has not helped exports: Mr. K. Thirupathi Rajan



Mr. K . Thirupathi Rajan, **Managing Directer** Raj Exim Group of Companies

(Interview Continued)

Sagar Sandesh: Barring safety matches (Sivakasi) Eggs (Namakkal) Turmeric (Erode) and some varieties of non basmati rice (Thanjavur) your export house has to source goods from different parts of the country. Do you find the road, rail and port infrastructure adequate for transportation of

Mr. K. Thirupathi Rajan: The poor and inadequate infrastructure in the area has not helped exports. There is no Inland Container Depot in Madurai for the past fifteen years. Recently an ICD has come up in the private sector. It is yet to be formally commissioned.

Tirupur, Erode, Karur and Sivakasi have emerged as leading export centers of the country earning several billion dollars to the country in foreign exchange. The railway infrastructure in the area is woefully inadequate. There is a single railway line connecting the commercial city of Madurai to Tuticorin Port. It is one of the backward

railway zones in the country. Though the railway freight has a big potential for the railways, the zone is considered as passenger oriented and therefore investments from railway board are hardly forthcoming.

There is good scope for exporting nonbasmati rice, food products, spices powder and packed grocery items meant for the Indian diaspora. To improve the awareness among the local industry for exports, the local Chamber of commerce has set up an Export Promotion Centre where workshops and seminars on exports are conducted for budding entrepreneurs. The center has trained nearly 1500 entrepreneurs during the last ten years.



Single railway line does not promote commerce with its inflexible schedule timings that may not suit traders' requirements

The net result of the exercise is that 20 new exporters emerge out of Madurai every year. The products added to exports from the region include coconuts, human hair and cow dung. Cow dung is exported from here to Maldives to provide energy to bio gas plants in the islands. Private initiatives rather than government's support on improving the infrastructure has kept the export industry alive in the region.

SS: The VOC Port Tuticorin has become a feeder port for the past fifteen years, dependent on Colombo port for transshipment of goods from all the Indian east coast ports. Gone are the days when mainline vessels

bound for United States East Coast, Continent and China used to have weekly services from Turicorin port. Transshipment costs have added to the exports woes affecting their competitiveness. Have Indian exports lost their competitive edge due to additional costs including Colombo port's transshipment levy?

Mr. K. TR: Barring one mainline service introduced on December 12th, there are no mainline vessels calling at VOC Port, Tuticorin for the past several years. The exporters have to pay transshipment charges for being handled at Colombo port before being taken on board the main line vessels for destinations in Africa, Middle East, US and the Continent.

The trade has to incur additional burden of 250 US Dollars for a 20 foot and 400 US dollars for 40 foot containers as transshipment charges at Colombo port for every container being exported through the Sri Lankan capital. This levy affected the competiveness of our exports. We have lost out to Vietnam in the case of cashew and pepper exports on sheer pricing

SS: Are the exporters in the region get GST refunds in time? What is the current situation in this regard?

Mr. K. TR: On refunds payable to exporters after the introduction of Goods and Services Tax GST, the trade faced lot of problems till the portal was set right in last November.

The finance ministry offered an attractive scheme by which the exporters need to pay only 0.1 per cent of the shipping bills as GST. The scheme only helped the corrupt GST officials who demanded heavy bribes to secure input credits.

Our company had faced lot of problems for having opted for the scheme. But at present we pay the full duty and get the refunds within fifteen days. The Only problem is that exporter's funds get locked up for nearly two months. But you are sure of getting the refunds in time.

(To be continued...)



cruise, cargo ...

In association with R L Institute of Nautical Sciences, Madurai, Tamil Nadu. RNI No. TNENG/2012/41759 Wednesday, January 02, 2019 Voyage 7 Wave 48



TN, Odisha and West Bengal remain far behind on issues of adhering to quality control norms required by the importers: Mr. K . Thirupathi Rajan



Mr. K . Thirupathi Rajan, Managing Directer Raj Exim Group of Companies

(Interview Continued)

Sagar Sandesh: The Union Cabinet has recently cleared the export policy for agricultural products and has set an ambitious export target of sixty billion US dollars per year in the next three years and one hundred billion US dollars in five years time. The position on the ground is that our agricultural exports have come down to 38 billion US dollars during the last financial year from 40 billion US Dollars per year five years ago. In this context the ambitious target of 60 billion US Dollars is realistic and achievable? If it is a realistic target how do you go about achieving it?

Mr. K. Thirupathi Rajan: The 100 billion dollar export target for agricultural commodities exports is achievable if the

farming community cooperates on quality issues demanded by the importers.

The industries in North and Western India are fully geared to take up the challenge. States like Andhra Pradesh and Karnataka have also caught on. But states Tamil Nadu, Odisha and West Bengal remain laggard and far behind on issues of adhering to quality control norms required by the importers.

The mills processing groundnuts in Gujarat and Maharashtra are conscious of apolotoxin (fungus level) in peanuts and have set up processing units to remove them so that importers have no problems. But farmers who grow them in Cuddalore or Puducherry as well as the millers are blissfully ignorant of these standards. They do not fulfill the import country norms on removal of fungus from peanut and hence their consignments often get rejected.

The government agency APEDA has set a norm that only those peanuts which go through the processing for removal of fungus are qualified for exports.

Consequently, we the traders from Tamil Nadu are forced to buy peanuts from Gujarat and Maharashtra to export them through Mundra Port to avoid the consignment getting rejected based on quality.

The same is the case with non basmati rice. While the growers and millers in North and Western India are aware of the need to confirm to pesticide residue norms, awareness in Tamil Nadu is low. The farmers and millers have not even heard about issue of pesticide residue coming in the way of exports.

Turn to Page - 2 ▶▶

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SHIPPING - 4





LOGISTICS - 8

Andhra Pradesh gets new HC; to start functioning from Jan 1



EXIM - 9

The sun is setting on the 28 percent slab: Arun Jaitley



PORT - 10

Adani Ports receives 50 US-made GE locomotives, ... 2 Sagar Sandesh Wednesday, January 02, 2019

Editor speaks...

Quality control norms are most significant guidelines for the exporters from India. It is rather unpleasant and also painful to hear Mr. Thirupathi Rajan pointing out that the exporters from Tamil Nadu seem to attach less significance to these quality control norms. To improve trade particularly in the international market. conforming to these quality control norms is a must and being indifferent to it or even partial conformity means being indifferent to the prosperity of the region, to the very interests of the trade. Export forms the backbone of the national economy. See what Mr Thiruppathi Rajan

"While the growers and millers in North and Western India are aware of the need to confirm to pesticide residue

norms, awareness in Tamil Nadu is low. The farmers and millers have not even heard about issue of pesticide residue coming in the way of exports."

It is really a matter of pride for Tamil Nadu that Virudhunagar has proved efficient in achieving the top slot in the rankings of the Aspirational Districts, a programme the Centre launched to goad the less productive districts into action and performance.

The GST Council is doing a committed task of upgrading

GST in the sense making it more acceptable by more and more people of the country; its pragmatic approach, taking consideration the genuine difficulties of the traders into account and quickly efficiently addressing them. The goal of the GST Council is clear: to reduce the categories to the minimum thereby establishing justice to those who need it, thus reflecting a keen sense of social responsibility. FM Arun Jaitley warns: Irresponsible politics and irresponsible economics is only a race to the bottom.'

It is exciting to know that soon ISRO will be ready to send three Indian astronauts to space for seven days; it showcases to the world India's ability to register its footprint in space science.

President US Trump has attacked globalization; interestingly it has had a paradoxical effect on world trade flows. A rush to get ahead of new and higher tariffs, particularly on U.S. imports from China, has motivated retailers and other American companies increase orders, which has helped boost volumes at the country's ports.

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

TN, Odisha and West Bengal remain.. From Page -1



Groundnut processing plant

European standards on the presence of pesticide residue is restricted to 0.01 mg per kilogram of non basmati rice While the industry from north and western parts of the country generally confirm to the standards, the millers from Tamil Nadu have a residue content of 0.05 Mg per kilo and hence their consignment gets rejected. Chilli exports from this region also suffer from fungus issues.

The Agricultural export promotion agencies of the government like APEDA are active in Gujarat and Maharashtra and educate the local farmers but their presence in southern India is minimal. They have an office in Bengaluru to cover entire southern India

Instead of educating farmers on export quality issues, the farm export development boards run by the government are concentrating on banning agricultural products that do not qualify for exports. They must give up this negative attitude and educate farmers and make them aware of quality standards expected of them by the importers.

For a change officials of the Indian Oil seeds Export Council descended on Tiruchirapalli last year to educate the farmers of the region about the need to remove fungus from peanut crop using processing methods. Hardly when the session got started, farmers resorted to infighting on local issues and the session was abruptly called off.

The farmers in Andhra Pradesh and Karnataka have progressed in both quality control and storage technologies required for exports. Guntur region in Andhra Pradesh, one of the largest growing centers for chillies, has a large number of cold storage units to store them.

Chillies are grown in the state only in three months in a year during April May June in AP and

they are stored in cold chains and dispatched for exports throughout the year.

Coffee is grown in Karnataka for three months from January to March. But the farmers store them for a year and keep the continuity in exports.

The Mandi system for disposing agricultural commodities is active in both northern and western parts of the country. The farmers get remunerative prices through the process of auctioning their products in these Mandis.

Barring turmeric (Erode) and Cardamom(Bodi), the Mandi system is totally absent in Tamil Nadu. Consequently the farmers are squeezed by the middle men who offer distress prices. Since agriculture is a losing proposition the Generation Next among farmers in the state are not keen on continuing farm activities.

Coconut export from Tamil Nadu was doing well till a few years ago when production was hit by successive droughts and prices went up by 300 per cent. Tamil Nadu lost its competitive edge in the international market due to competition from Indonesia, Thailand and Sri Lanka.

India can do well in pulses export now that the production has exceeded consumption by three million tons this year following the state support for growing this cereal for the last four years. The country faced a severe shortage of pulses a few years ago and was importing them from Myanmar, Canada, Australia and Argentina.

SS: Government clamps down on exports on the slightest hint of inflationary pressure to protect consumer's interest. Export of onions and sugar gets abruptly disrupted when domestic prices go up. The government acts swiftly and bans exports. How has this trend affected your credibility as reliable supplier in the international market?

Mr. K.TR: Since we have a basket of agricultural products for exports we are not affected. As a policy we do not deal in onions and other commodities whose exports get periodically affected due to domestic market pressures. We do however cater to the needs of individual importers in case of onions. Our company had done exceedingly well in coffee exports last year facing severe competition from Brazil, Vietnam, Columbia and Indonesia. We exported nearly three hundred tons of coffee last year.

(To be continued...)

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Nitin Gadkari lays foundation stone of 11 projects for Yamuna rejuvenation

NEW DELHI Sagar Sandesh News Service

Union Minister Nitin Gadkari on Thursday (27 December 2018) laid the foundation stone of 11 projects for Yamuna Rejuvenation under Namami Gange Programme in New Delhi.

Speaking on the occasion, Mr Gadkari said the water quality in Ganga has improved substantially.

Minister for Water Resources, River Development and Ganga Rejuvenation said his Ministry is taking the initiative to increase the flow of the Yamuna River. He also stated that the air pollution and water pollution that affects Delhi will soon be gotten rid of

A total of 11 projects have been taken up under Namami Gange Programme by National Mission for Clean (NMCG) to conserve the River Yamuna in Delhi. Most of the projects are for the sewerage infrastructure and are at various stages of implementation. These projects under Yamuna Action Plan (YAP) III are located in three drainage zones namely Kondli, Rithala and Okhla in Delhi.



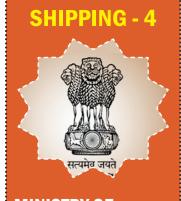
The water quality in Ganga has improved substantially: Minister Gadkari

The current sewage generation for Delhi city is about 327 crore liters per day against the existing treatment capacity of 276 crore liters per day.



Sagar Sand **Guiding Spirit to Shipping Industry** Maritime Tabloid English Weekly E-Paper

In association with R L Institute of Nautical Sciences, Madurai, Tamil Nadu. | RNI No. TNENG/2012/41759 | Wednesday, January 09, 2019 | Voyage 7 Wave 49



MINISTRY OF SHIPPING YEAR...

LOGISTICS - 7



National Entrepreneurship ...





Extension of Interest Equalization ...



Achievements of Major Ports

Mundra port in Gujarat is the most convenient port for the trade in the country: Mr. K. Thirupathi Rajan



Mr. K. Thirupathi Rajan, Managing Directer Raj Exim Group of Companies

(Interview Continued)

Sagar Sandesh: Your Export House handles business in almost all the ports in the country in both east and west coast. Give us your impression on which are the ports that are efficient in handling cargo, offer services at low cost and consumer friendly?



Mundra Port

Mr. K . Thirupathi Rajan: Mundra port in Gujarat is the most convenient port for the trade in the country. The port has good vessel connectivity, excellent logistics arrangement in terms of dedicated railway tracks from growing centers in Madhya Pradesh and Rajasthan and quick clearance of goods. The agricultural commodities we procure in Madhya Pradesh and Maharashtra like chickpeas and seasame seeds are being sent to Mundra port for export since terminal handling charges in the nearby JNPT are high. The port is congested with high volume of cargo and therefore we avoid that port.

Chennai and Katupalli ports also offer good services. We do not go to Krishnapatnam port in Andhra Pradesh because the port handles dusty cargo like coal in a big way. Export of agricultural commodities need clean environment in the port that handles them. We use Chennai port for export of mango pulp and chillies.

In VOC port, Tuticorin, we do export of safety matches and eggs. The container freight stations in the port barring one or two lacks standards. Cold storage facilities are not adequate. Though customs authorities say they are available round the clock and all through the week, officials make themselves scarce on Saturdays and Sundays. So it is virtually a five day week like a government department.

A section of the psycho sanitary department, which approves agricultural products is highly corrupt. If you take coconuts for examination they demand a bag of coconuts as bribe. Once this department issues certificate it cannot be amended. Some of them demand hefty bribes for effecting amendment to the clearance order.

The average cost of clearing a container in a Chinese port works out to eighty to one hundred US dollars while in Indian ports the cost vary between 350 to 500 US dollars.

SS: The cabinet note on stepping up agricultural exports talks about diversifying the country's export basket, concentrate on value added products with focus on perishables. How so you see the scope for such innovations in your region.

Mr. K. TR: We have decided to give a push to frozen food exports including frozen breads, snacks, sea foods, vegetables and fruits, focusing on the needs of the Indian Diaspora, living all over the world. Frozen dinners give busy people a way to have their local food in minutes without any health hazard. Frozen foods can hold their nutritional values for two years if stored at minus 18 degrees centigrade. Our company is considering the frozen food as an important segment of exports from our region.

Value additions could be made in the case of spices by grinding them into powders and edible oils.

SS: What kind of infrastructure and logistics support is needed from the government for the farming community and the trade involved in export of agricultural products to help achieving the target?

Mr. K. TR: Northern and Western states have developed the mandi concept of selling foods grains. They need to be replicated in other states so that farmers get incentives to

APEDA and other governmental export development agencies need to be activated throughout the country. Their activities in southern India need to be stepped up.

In the case of peanuts primary processing centers need to be set up all over the country. These processing centers which help to weed out fungus from the peanuts should be developed as a common facility for the farming community.

Cold storage using solar power should be implemented in a big way throughout the country if export of perishable goods like fruits and vegetables need to be given a push.

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SAGAR SANDESH E - PAPER

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P.Rengaraj, Ph: +91 9994885497 / 72000 84864 Email: admin@porttoport.in / rengaraj@porttoport.in/ promotion@porttoport.in 2 Sagar Sandesh | Wednesday, January 09, 2019

Editor speaks...

Mr Thiruppathi Rajan's views on Mundra port brings out the essentials a business man needs for his business to continue and to thrive. "Mundra port in Gujarat is the most convenient port for the trade in the country. The port has good vessel connectivity, excellent logistics arrangement in terms of dedicated railway

tracks from growing centers in Madhya Pradesh and Rajasthan and quick clearance of goods. The agricultural commodities we procure in Madhya Pradesh and Maharashtra like chickpeas and seasame seeds are being

sent to Mundra port for export since terminal handling charges in the nearby JNPT are high. The port is congested with high volume of cargo and therefore we avoid that port".

point of first The significance for a business man to choose to have business with some other business: Convenience. This single word implies lot of facts that do matter. To put it differently: Ease of Doing Business. businessman surrounded by innumerable problems beginning with the procurement of raw materials or even finished products and ending with distribution of his products to the customers in good time and shape. Too many things demand attention that too immediately; in such stressed circumstances, any one item of the process of business activities gets stuck up means he loses, naturally, his much of energy to get things right and rectified. Here is where the convenience of doing business comes as most significant point of appeal. The other points Mr. Thiruppathi Rajan talks about are well-known advantages that attract any businessman.

For business how important money is needs no elaboration. Money makes business possible and businesses make economy of a nation possible and firm economy makes a nation strong regionally and internationally. Here, we know how urgent and inevitable the refund is for any trader who has paid money in the form of tax to the government. Luckily, the GST Council is keenly sensitive to the problems of the businessmen and it loses no time to take initiative in the right direction to address the problems of refund. Of course, there may be some lapses in refund but they can be attributed to the massiveness of task involving unfailing coordination from so many people from the government. Innovative and complex procedures are bound to generate teething problems and the government, aware of this predicament, takes steps to solve them.

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

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Mundra port in Gujarat is the...

Here again cold storage facilities are concentrated in Maharashtra Gujarat Karnataka and Andhra Pradesh while all other states are lagging behind.

SS: The government's policy note also talks about attracting private investment in agricultural production and processing. What is the scope for such projects in your region?

Mr. K. TR: There is scope for corporate farming in cash crops like sesame seeds, cashew, mango and coffee. The present holdings are fragmented and their average size is less than an acre. With the result there is no economics of scale in their operation.

The Indian cashew has lost its competitive edge to Vietnam since the ASEAN country is able to price the product lesser by at least 25 per cent. In India we import raw cashew from African countries, process them. This added to the cost of the Indian cashew and lost its competitive edge in the international market. We need to grow cashew so that import of raw cashew is reduced.

SS: Following the trade war with United States, China has opened up its market for Indian agricultural products like non basmati rice, soya meals and sugar. How do so see the prospect of agricultural products exports to China in long term?

Mr. K. TR: I see China as an opportunistic partner and not a dependable trade ally. Because of the circumstances following the trade war with US, Beijing has opened up its market to Indian agricultural products. They are not all at all dependable buyers from India.

They used to reject Indian goods for no rhyme or reason in the past and therefore we used to avoid dealing with them. China will dump Indian products

once the trade war with US is settled amicably. Indications are that the war will be over soon.

SS: Food processing ministry is implementing Mega food parks in various parts of the country to establish direct linkage between the farmers and the processing industry. The parks are not coming up in Tamil Nadu though eight are operational throughout the country.

Mr. K. TR: Agricultural exports from Tamil Nadu are not homogenous which could help setting up food parks. The parks are essentially to create common facility for the industry but that does not work in our state where the product of the export industry is heterogeneous.

Moreover the political situation in the state where things do not move in governmental departments smoothly, infrastructure like food parks which requires government's consent at every level is difficult to set up.

SS: Besides exports, India has a vast domestic market for agricultural products. How can coastal shipping help increase the market potential in the region?

Mr. K. TR: Coastal shipping service which operates on a regular basis between Gujarat ports and Tuticorin carried cargo like sanitary ware and tiles for the construction industry. Attempts were made to bring premium wheat from Gujarat ports for the flour mills in Southern Tamil Nadu. But transportation cost through coastal shipping from Gujarat was found to be more expensive than importing them from Australia.

(To be continued...)

Prime Minister inaugurates, launches development works in Baripada, Odisha

NEW DELHI Sagar Sandesh News Service

The Prime Minister, Shri Narendra Modi, visited Baripada, in Odisha 5 January 2019

He unveiled a digital plaque to mark the commencement of work for conservation and development of Rasika Ray Temple, and Excavated Structure at Ancient Fort Haripurgarh.

He laid the Foundation Stone for three National Highway projects.

He dedicated to the nation, the Balasore-Haldia-Durgapur section of the Paradip-Haldia-Durgapur LPG pipeline of IOCL. He also inaugurated the Multi Modal Logistic Park at Balasore, and six Passport Sewa Kendras.

He also flagged off the second passenger train from Tatanagar to Badampahar.

Addressing the gathering, he said the total worth of projects inaugurated, or for which the Foundation Stone was laid today, is over Rs. 4000 crore.

He said the Union Government is focusing on infrastructure



PM Narendra Modi

development, which will make a fundamental difference in the lives of the common man.

He said the Balasore-Haldia-Durgapur LPG pipeline, will ensure easy supply of LPG in parts of Odisha and West Bengal, saving transportation cost and time.

He emphasized the importance of connectivity, in the 21st century. He said unprecedented investment is being made in the creation of modern infrastructure and connectivity in India. He said that emphasis is on road, rail and air connectivity, even in Odisha. He said enhanced rail connectivity will facilitate movement of people and make mineral resources more accessible to industry.

The Prime Minister said that the maximum benefit of enhanced

infrastructure will be for the middle class, and the medium enterprises of the country. He said modern roads, clean trains and economical air travel, all contribute to ease of living for the middle class.

The Prime Minister said that in the last four and a half years, the Union Government has attempted to reduce the difficulty faced by people in obtaining passports. He said that the six Passport Sewa Kendras being inaugurated today, are a step in this direction. He described this as another effort towards "ease of living."

The Prime Minister said that the Government has also been making efforts at conserving the rich cultural heritage of the country. He said sites related to faith, spirituality and history; along with the knowledge of Yoga and Ayurveda, are being actively publicized and promoted. In this context he mentioned the commencement of work today, for the Rasika Ray Temple, and the Excavated Structure at Ancient Fort Haripurgarh. He said such efforts by the Government are helping boost tourism.



agar Sar **Guiding Spirit to Shipping Industry** Maritime Tabloid English Weekly E-Paper

In association with R L Institute of Nautical Sciences, Madurai, Tamil Nadu. | RNI No. TNENG/2012/41759 | Wednesday, January 16, 2019 | Voyage 7 Wave 50



SHIPPING - 4

Foreign flag vessels can transport fertilisers ...



LOGISTICS - 7

No light at the end of the tunnel for Meghalaya miners



EXIM - 9 Commerce Minister

Meeting ...



PORT - 10

Shri T.K Ramachandran assumed charge as ...



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HAPPY PONGAL



Mr. K . Thirupathi Rajan, **Managing Directer** Raj Exim Group of Companies

Sandesh: implementation of Sethu ship canal project will give a fillip to coastal

shipping in South Tamil Nadu and

project will definitely give a fillip to

both domestic and international trade

from this area. Tuticorin port will start

getting more main line vessels if the

Sethu canal project work gets resumed and implemented. Coastal shipping in the

SS: What are the prospects for

Mr. K. TR: The awareness in the

improving agricultural exports from

southern Tamil Nadu? What needs to be

Mr. K. Thirupathi Rajan: The

increase exports from the region?

state will also receive a boost.

done to increase exports?

Gujarat and Maharashtra.

(Interview Continued)

Sagar

Railways need to play a major role in providing good connectivity from Tutircorin port

APEDA should set up an office in Madurai. It has an office in Bengaluru at present which looks after the needs of entire southern India.

If these measures are taken there potential to export Agricultural commodities to the tune of Rs 2000 crores annually from Tamil Nadu.

Summary of the interview with Mr Thirupathi Rajan MD Raj Exim group of companies, Madurai ••••••

India can achieve 100 billion US dollar export of agricultural products the target set by the Govt says a leading exporter from Madurai Mr.Thirupathi Rajan, Managing Director of Raj Exim group of companies.

The country can easily achieve the target set by the government recently to achieve 60 billion US dollarsworthexportofagricultural commodities annually in the next two years and touch the figure of 100 billion US Dollars by 2022 provided agriculturists and the trade wake up to the quality control requirements of importing countries and the government providing extension facilities and improving the railway infrastructure in southern parts of the country.

Northern and Western parts of the country are fully geared to take up the challenge and even the states like Andhra Pradesh and

Turn to Page - 2 ▶▶

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industry to take to exports needs to be strengthened. Infrastructure to boost exports should be set up by both central and state governments. Railways need to play a major role in providing good connectivity from Tutircorin port. Cold storage facilities should be set up like

2 Sagar Sandesh | Wednesday, January 16, 2019

Highest safety standards for airlines: Suresh Prabhu



Civil Aviation Minister Suresh Prabhu

NEW DELHI Sagar Sandesh News Service

In response to the reports of a Pratt & Whitney engine of an IndiGo A320 neo plane stopping mid-air, Civil Aviation Minister Suresh Prabhu has said that the government is ensuring that all domestic carriers conform to the highest safety standards.

"As far as we are concerned, we are ensuring that all Indian carriers must conform to the highest safety standards. I have directed the Directorate General of Civil Aviation to conduct safety audit of not only all the airlines but also of other organisations on a regular basis," Prabhu said at a media briefing here about the 25th edition of the CII Partnership Summit, to be held in the city from January 13.

An IndiGo Airbus A320neo plane suffered a mid-air engine failure with a "loud bang" on January 3, forcing the aviation ministry to take a serious note of the incident.

Prabhu said that two leading global aviation organisations – Federation Aviation Administration of the USA and International Civil Aviation Organisation (ICAO) – have certified that India's safety apparatus has improved its performance, adding, "the domestic air passenger demand is growing at 20 per cent each month and we are seeing an increased number of passengers (every month)."

He said the number of airports in country has gone up to 101 from 67 five years ago. "We have a target of having another 100 airports with a USD 100 billion investment," he added.



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Summary of the interview with Mr Thirupathi Rajan ... From Page -1

Karnataka are gathering momentum. But Tamil Nadu, Odissa and West Bengal which have huge potential remain the laggard states yet to catch up with the rest of the country. Export awareness is lacking in these states.

Govermental export promotion agencies are active only in north and western parts of the country. For example the APEDA has done lot of spade work among farmers and agricultural exporters in Gujarat for the past five years. They hardly have presence in southern India. APEDA have an office in Bengaluru which is expected to cover entire southern India. The railway connectivity to ports in Southern India is woefully inadequate. For example a Major port in existence for nearly fifty years in Tuticorin, near the land's end still has a single railway line connecting the hinterland. The railway freight corridors a prominent feature of the railways network in other parts of the country is non-existent in South.

Southerm and central Tamil Nadu towns like Tirupur, Karur, Erode and Namakkal and Bodinaickanur have emerged as major exporting centers of agricultural commodities. Hardly any infrastructure support is provided by the government to boost therir exports. Railways are laying a Broad gauge line to the cardamom town of Bodinaikanur from Madurai for the past ten years after dismantling the meter gauge line.

From the farmers and traders side in southern Tamil Nadu, there is hardly an awareness to resort to exports and earn money for the country. The companies which have huge potential for exports are mostly owner driven. If they want, they do exports but there is no systemic effort to take to exports. None of these companies have International Marketing Divisions. The potential to export products like Yarn, granite, food processing and edible oil are yet to be fully exploited.

Unlike northern and western parts of the country the farmers in this area have no awareness about the quality standards expected by the importer. While the farmers and traders have set up processing units to weed out fungus from the peanuts, no such arrangement exists in Tamil Nadu. States like Gujarat do exceeding well in export of peanuts

With the result, peanuts consignments from the south are rejected by the international importers.

The farmers and millers here have absolutely no idea about the issue of pesticides residue, a major concern for non basmati rice importers from Europe. The European importers have set a norm that the pesticide residue level should be below 0.05 mg per kilo of rice. The farmers in northern and western India particularly from Gujarat strictly adhere to the standards and do roaring export business.

There is hardly any awareness about the pesticides residue in states like Tamil Nadu, Odissa and West Bengal. The pesticide residue level of non basmati rice grown in Thanjavur delta is around 0.05 mg per kilogram of rice and hence export of such rice is ruled out. The export trade in Madurai buys rice from Northern

Indian states like Madhya Pradesh or Gujarat and sends them through Mundra port.

Cold storage facilities are lacking in Tamil Nadu whereas agriculturists in western India dominate in export of perishable goods since storage facilities are more than adequate. Cold storage facilities have caught up even in states like Andhra Pradesh where the red chillies grown for three months in a year are kept in cold storage near Guntur and exported throughout the year for a better price. Karnataka does exceedingly well in storing coffee seeds which are harvested during three months in a year.

The trade in southern Tamil Nadu is dependent on Tuticorin port. Since the government had not invested in the port infrastructure for the past several years, mainline vessels that provide direct connectivity to export markets in United States and Continent skip the port. Tuticorin has been reduced to a feeder port totally dependent on Colombo port for export through transshipment.

With the result the trade has to bear additionally the transshipment costs which works out to 200 to 250 US dollars for a 20 foot container and 400 US dollars in the case of 40 foot containers. The additional cost makes our exports lose their competitive edge. Our cashew and pepper exports lost out to Vietnam because of the pricing differential,

Though the customs claim that their services are available at Tuticorin port round the clock and all through the week, officers make themselves scarce on Saturdays and Sundays. Like a government department, the customs sta works five days a week unmindful of the sailing requirement..

Major sections of the psycho sanitary staff, the enforcement agency of the Union Agriculture Ministry operating in the port which certifies and clears agricultural product export are corrupt openly demanding bribes.

The railway connectivity to Tuticorin port needs to be strengthened. The trade is totally dependent on road for providing connectivity to the port.

Mandi system to enable farmers to get remunerative price for their products which is popular in northern and western parts of the country should be introduced throughout the country. Under the system the farmers bring their products to the mandi where they are auctioned and given to the highest bidder. Farmers get a better deal and middle men are eliminated. In Tamil Nadu this facility is available for Turmeric in Erode, cardamom in Bodi and vegetables in the state

APEDA the government export promotion agency for agricultural products is active in West Indian states like Gujarat, the agency needs to spread its wings throughout the country. It has to set up an office in Madurai. If the government and the trade work in tandem to strength the export related infrastructure, South Tamil Nadu has the potential to export Rs 2000 Crore worth agricultural products in the next two to three years.