



# Sagor Sandesh

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, February 20, 2019 | Voyage 8 Wave 03



## SHIPPING - 4

Madurai city now has the first Inland container ...



## LOGISTICS - 7

India, China contribute most to global greenery: Nasa



## EXIM - 9

Crude oil prices hit 2019 highs amid ...



## PORT - 10

Chennai port reaches to the aid of Gaja cyclone ...

## Indian sailors were sought after by the industry nearly twenty years ago because they were committed sailors: Capt.G.Ramaswamy, CEO, Sea Team Management



Capt. G. Ramaswamy,  
CEO, Sea Team Management

### Sagor Sandesh Exclusive Interview with Capt. G. Ramaswamy

**Sagor Sandesh:** Indian sailors who used to be much sought after for recruitment by the global shipping companies have lost out to other countries in recent years. How do you retrieve the situation and regain the lost ground?

**Capt. G. Ramaswamy:** Indian sailors were sought after by the industry nearly twenty years ago because they had the right attitude to the job, performed well and were committed sailors. Today we rarely find such traits among recruits from the country. They view sea life to make money and basically there is no passion for the profession. They join the profession as the last option.

After the students complete the plus two exams, they have their order of preference. They seek admissions in engineering, medical colleges or join, army, navy, air force. Their last option is Marine engineering.

I have been recruiting personnel for the industry during the last 25 years. I could very well see the quality of the products reducing by every passing year. There is no passion among them they should be the best sailor or the captain of the ship. This attitude has to change if the

situation has to be retrieved. I don't see this trend happening.

The international ship operators want people who perform and not those who want to pass time in the ship. Going by the current trend, Indian sailors are not the preferred employees. They are taken in if there is no other alternative.

When I started this company about ten years ago, the initial option was to have Indian officers and engineers. About thirty per cent of the recruits used to be from India. Today our company has 1100 Filipinos and 600 Indian employees.



Indian sailors

Out of the 200 students picked up for screening, about forty of them make it in the first round. After final screening about ten of them get recruited for various positions. My company recruits around 25 Junior engineers and an equal number of cadets on an average every year.

**SS:** Has the quality of education got to do with the fall in standards of our maritime personnel?

**Capt. G. R.:** The problem with most of the faculty members in Maritime Training Institutes is that they teach the students what they saw in the ship thirty years ago. Things have changed in ship operations over the years. You need to teach the students the latest developments in the industry. For example when I was sailing, I was using charts to ascertain the position of the ship. Today we have electronic chart display.

We also used sextants to determine the position of the ship. Now Global positioning system is available. Today, the movements of ships are being monitored every second.

**SS:** Sailors from Russia, Ukraine,

Bulgaria, Philippines, have emerged as the most sought after nationalities by the Industry in recent years. How have they achieved the feat despite their deficient knowledge of the universal ship language English?

**Capt. G. R.:** The Indian recruits think that they are indispensable to the industry. They still nurse that notion though they are no longer the preferred nationality in recruitment. Indian junior officers

prefer six months contract and the crew seven month contract, which in shipping parlance is short term. Russians and the Filipinos choose longer contracts on board which suits the ship operators. More importantly they don't make noise when the contract ends and continue with their work even after the expiry of the contract till the reliever is in position to take over.

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## Editor speaks...

The out-spoken interview with Capt G.Ramaswamy throws light on the present state of affairs in respect of Indian sailors in the industry. Two vital facts need urgent and unprejudiced attention: Today Indian sailors are not viewed as they were viewed about twenty years ago because today Indian sailors do not appear to be committed to their profession; second: they do not seem to appreciate the difficulties involved in getting their reliever in time. These two facts are quite likely to distance them from the prospective companies and employers.

But this trend seems to be prevalent in other fields also if you care to listen to the educationists.

The strategy of China has succeeded in finally acquiring the Hambantota port which the debt-trapped Sri Lanka has given over to China. A top US Navy official has remarked that this handing over the port by Sri Lanka to China has caused wide international concern. Obviously, US is not happy with the transfer of the Port to China with which the Washington has started a relentless trade war. But all the same, America continue to offer military equipments to Sri Lanka, as the Navy official has said, in the interests of the United States.

With US sanctions against Iran making the relationship with Iran complex and difficult

to continue for India who has been importing huge quantity of crude from Iran, India has no other option but to seek other sources of supply and Saudi Arabia is a sure choice. Strategically maintaining friendly relationship with Saudi is a diplomatic necessity. The MoU between India and Saudi Arabia proves the fact.

A healthy tradition of inviting investors to the states through road shows or through conferences, or through Business summit annually has come to stay with the roots gone deep. After India jumped places in the World Bank Rankings in the Ease of Doing Business, the states also seem to follow suit making necessary reforms in starting businesses that appeal to the prospective investors, national and international. Clearances have been the major cause of concern for the startups and now the path to start a business has been rendered comfortable with minimal clearances. Even there, in one state, the investor after waiting for specified number of days can start the business if by then the approval or the clearance has not reached him. This enthusing regulation will certainly breathe in live confidence in the start ups. The more the businesses come up, the better it is for the economy of the country.

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

## Indian sailors were sought after by ...

From Page -1

The Indian officers and crew on the other hand make lot of noise if the reliever is not available on time at the end of their contract. My time is over. I don't care and I am not going to work from tomorrow is their normal refrain.

An Indian captain would say I will drop the anchor at the port and I will wait till the reliever comes because you did not relieve me on time. If this is the attitude which ship owner would like to have you on Board?

Every profession has its hassles and one has to endure them to become successful. For all you know there are several logistic problems in having the reliever on time in various parts of the world where the ship serves. The reliever might have missed the flight and could not reach the port where the ship is berthed.

The Russian, Chinese and the Filipnos crew and officers work together as a team in the ship while for Indians internal politics govern their work culture. They operate in cliques and more often they work at cross purposes. Sailors from Tuticorin cannot get along with the ones from Gujarat.

I keep telling my recruits when you are in the middle of Sea say Atlantic or Pacific Oceans, there is nothing like a Gujarati or Malayali. You belong

to the seamen community, support each other and solve problems. Otherwise you will make life miserable for yourselves and for the company which employed you.

Russians and Bulgarians of late have picked up the universal ship language English. Language skills are no longer an issue with them.

**SS:** The ship owners who are interested in cutting costs on wages used to employ Chinese crew who are available at lesser costs compared to other nationalities. Does this trend continue in the Industry even now?

**Capt.G.R:** Wages are the same for all the nationalities in the industry today. The wages of Chinese crew are the same as the ones given to other nationalities. There is no cheap labor in the industry.

Moreover, a Shipping company cannot have three sets of wages based on the Nationality of the employees. There are minimum wages in the industry and you cannot give what you want. The International Transport federation, a union of sea farers is closely watching the wage structure implemented in the Industry.

(To be continued...)

## President praises farmers of Haryana for adopting new methods to manage stubble, crop residue

NEW DELHI  
Sagar Sandesh News Service

President Ram Nath Kovind has praised the farmers of Haryana for adopting new methods to manage stubble and crop residue.

He was addressing the closing ceremony of the 4th Agri Leadership Summit 2019 organised by the Haryana government in Sonipat's Ganaur on 17 February 2019.

The President also expressed confidence that the farmers would help find a solution to the problem of pollution emanating from stubble burning.

Stubble burning by farmers in many states has been one of the major causes for air pollution for years, prompting the governments to ban the practice and encourage the growers to adopt alternative ways to manage crop residue.

Farmers find stubble burning as an easy option as a way of its disposal in the wake of limited time available for next crop sowing.

People would remember how Delhi suffered from air pollution and stubble burning was pointed out as one of the causes.

The President called for locating farming in a wider entrepreneurial context and linking traditional farming to the agricultural value chain.

Mr Kovind said the people and the government of the state were making efforts for the overall development, including enhancing ease of doing business and improving social indicators such as child sex ratio.

He said, adoption of modern, 21st century



President urged adoption of 21st century technologies in agriculture as part of doing ease of business

technologies in agriculture was part of this process, and farmers would benefit from such collaborations.

He also expressed confidence that farmers would help find a solution to the problem of pollution emanating from stubble burning.

Every year, Punjab and Haryana are blamed for rising air pollution and smog caused by crop residue burning by growers. The two states annually generate 220 lakh tonne and 65 lakh tonne of paddy stubble, respectively.

The President also condemned the terrorist attack at Pulwama in Jammu and Kashmir in which 40 CRPF soldiers were martyred on Thursday.

On the occasion, Mr Kovind honoured some farmers with 'Kisaan Ratna' and 'Krishi Ratna' awards.

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## SHIPPING - 4

**Scrubber Debate Heats up as EC Calls on IMO to ...**



## LOGISTICS - 7

**PM-KISAN will not only provide them relief, but will also mark ...**



## EXIM - 9

**33rd GST Council brings relief to real ...**



## PORT - 10

**GAC named Top Steamer Agent at Krishnapatnam..**

## Perform or perish is our employment motto: Capt GR



**Capt. G. Ramaswamy,**  
CEO, Sea Team Management

### (Interview Contd)

**Sagor Sandesh:** The cadets who pass out of Indian Maritime Institutions remain unemployed as they have not been able to secure in most cases the mandatory on board ship training. The shipping companies are unwilling to train them. The Industry faces severe shortage of officers. How do you reconcile the two situations?

**Capt. G. Ramaswamy:** The thinking of the Owners or the Operators of the Indian Marine Institutions has to undergo drastic change. Their aim should not be merely to fill up seats but produce good products to benefit the end users. How long will the industry tolerate a bad product?

In the ship manning industry by the time you complete the exams and the training on board the ships, you are offered a tax free salary of Rs two lakhs a month for a start. Companies like us monitor the performance of the employee on a monthly basis. You will be thrown out of job if you don't perform. Perform or perish is our employment motto.

We have asked Captains of ships leave their jobs at short notice when they did not perform. The same is the case with the treatment meted out to junior officers. Today performance is the key barometer to remain in employment.

The Maritime Institutes should bring about changes in the selection process. The school children need to be motivated

to enter the profession from the Ninth standard onwards. Sea life awareness program should be included in the curriculum. Besides providing various facets of sea life it should also include how the profession catapults people to high positions in life.

Once the student is through with the awareness program, he knows exactly what the profession is all about and things expected of him as a sea farer. There are no surprises. Once he completes the course, they are not blindfolded and brought into the ship. This is how you make the profession attractive.

The selection of students into the Marine Institutes should be on the lines of intake of students into Indian Institutes of Technology. So long as recruitment methods in Institutes and training and induction in the industry are not professionalized, the industry will be hesitant to look at Indian boys.



**You are open to "mother nature", being tossed around, face cyclones, Tsunami and depressions on a regular basis.**

Sea life, unlike the life of pilots of airlines is full of rigors. After a four year course and training, they go on board the ship and do not get to see their family for months together. They are put to all kinds of harsh life. You are open to "mother nature", being tossed around, face cyclones, Tsunami and depressions on a regular basis.

Also they have to cope with tough competition in recruitment as many third world countries have started providing crew and officers. Today we are getting trained boys from Myanmar, Bangladesh, Pakistan and Vietnam from Asia. From

East Europe there are candidates from Croatia, Bulgaria, Ukraine, Romania besides the Russian Federation.

The African cadets are the latest to enter the profession. They are from Angola, Kenya and they are all a hard working lot.

So when there are qualified personnel from so many countries how do you expect the industry to buy the bad apple from India?

The DG Shipping has given approval to any number of Maritime training institutes all over the country. You have institutes in Chennai, Mumbai, Patna, Ahmedabad, Cuddalore and Puducherry. It is time that everyone works whole heartedly to change the system.

The Maritime training Institutes also need to rework their curriculum laying emphasis on practical aspects of running a ship rather than theory. Practical training needs to be given to navigate a ship, load and discharge of cargo and preventive maintenance of ships.

Also a note of caution about the mushrooming of ship management companies in the country. The recruiting companies should earn the trust of the sea farers. At the end of the day they should get their wages in time. The company which recruits them should be safe for them to stay and help them to build their career. There are management companies which own two or three ships and more often the crew and officers are not paid wages for months together. Sea farers should be careful while choosing their employers.

Some of the employees may be in dire distress and hence they are willing to take the risk in joining small ship management companies. If they are lucky, everything goes well for them.

There are nearly four hundred ship management companies in the country which are issued RPSL licenses by the DG shipping. DG shipping conducts annual audits of these companies to monitor their functioning on a regular basis. But still there are lacunae in the system and we often hear reports of sea farers being left to fend for themselves in the mid sea.

**SS:** The shipping Industry is likely to see increasing pace of automation in the years to come in an effort to cut

costs. Concepts like artificial intelligence if implemented could see ships being operated without crew. What are the changes expected in the industry and whether they will reduce the scope of recruitment?



**World's first automated cargo ship**

**GR:** There may be reduction in the level of recruitment once the pace of automation and robotic operations are introduced. This may lead to reduction in employment. There will still be demand for officers and crew who are needed to undertake preventive maintenance of ships. Recruitment will not stop all of a sudden just because the automation is introduced.

**SS:** As a CEO of a company which has emerged as the largest manager of front line group vessels, what is your assessment of the state of the shipping industry? Last two years saw a lot of merger of shipping companies to help achieve the Economics of scale. Have these measures helped to improve the profitability of these companies? Has the decade long recession in the industry ended? What is the outlook for the future?

**GR:** While there are several shipping companies surviving on hand to mouth existence some of them are making money. The operating expenses of ships are much more than their earnings through cargo handling. There are more ships in the market than the demand from the shippers.

Embargos and sanctions like the ones imposed on Iran or Venezuela are also making things complicated for the ship operators.

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## Editor speaks...

Make in India is a visionary concept that tries to benefit India in many significant ways. First of all, its aim is to transform India into a manufacturing hub with attractive initiatives that will make investors both national and international seek India as a profitable choice of manufacturing products. This will have the consequence of creating employment opportunities, a great responsibility of any government. The Revised Guidelines of the Shipping Ministry effectively promotes Make in India programme; it will give a boost to shipbuilding industry. It is an efficient step in the right direction.

India's ranking among major shipbuilders rose from the 10th position (0.4% market share) in 2006, to 5th (1.1% market share) in 2009. Thereafter, India's ranking has steadily declined and, in 2014, it was ranked at the 11th position (0.6% market share). The withdrawal of the subsidy scheme and the collapse of the market after 2008 played a role in the decline.

India is looking to achieve a 5% share of the global shipbuilding market by 2020, according to a target set by the shipping ministry. It is as such nowhere near the largest shipbuilders, South Korea, China and Japan from Asia.

This week we have three stories of Chennai Port and all the three underscore the

performing capability of Chennai Port. Taking the welfare of the erstwhile employees into consideration marks a true trait of a good human employer and the Chennai Port has done something really worthwhile for the pensioners.

GST Council time and again proves that its approach to the problems of the trade will be down to the earth attitude; this kind of pragmatic approach only will, in the ultimate analysis, will do good both to the stakeholders and to the country. And, again, this attitude will build up an understanding relationship with the authorities; doing business will be an invitation to the investors in such atmosphere of mutual understanding and promotion. This time, real estate sector has been given its due attention, to the satisfaction of the sector; of course, there will be scope for improvement still and we can hope GST Council will not fail to attend to any valid suggestions for the improvement of the trade as a whole.

It is really interesting to find robot police enters in service in Kerala. With so much in the air with automation, no wonder, this simple robot will develop into multi-skilled personnel for the department.

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

## Perform or perish is our... From Page -1

The companies which are loss making have formed consortiums to share the trade and cargo. Cargo from China is also slowing down. Bulk carriers which made one hundred thousand US dollars per day by carrying iron ore to Chinese ports three years ago are today looking at figures of 10 to 12,000 US dollars now, because of the slow-down in China.

But one cannot underestimate the fact that ninety per cent of the international trade is through the sea. An interesting development is that some shipping companies are buying more ships than ever before. Definitely, there is bound to be a boom in the industry in the next two or three years,

The Shipping industry has faced slow-down for the past nine years and since then a large number of countries have grown in the African continent. The international trade has to look to Africa for growth in the next forty years. There are as many as 54 countries that people lose track of when counting. They are all developing and an African Union is entrusted with that task. Africa, Asia and China are the potential markets in the coming years.

The economic slow-down in China and India is expected to end soon and when activities pick up in the two countries, they will decide the market.

(To be continued...)

## IMO 2020's impact, "with more unknowns that knows": Wood Mackenzie

NEW DELHI  
Sagar Sandesh News Service

With the new IMO's new emissions regulation being just a few months away, the shipping industry is seized of impact of IMO's 2020 and Wood Mackenzie throws light on the problems that crowd in when the new regulations come into force with consequent impact.

Of course, certainties are few and far between with more unknowns that knows.

Leaving aside the certainties for the time being, let us focus on the unknowns meaning the uncertainty that shrouds when the IMO 2020's impact is considered.

There are a number of key issues to watch.

Firstly, government capabilities to monitor adoption and their appetite to enforce this regulation, as this will determine overall compliance... It will be illegal for a vessel to have non-compliant fuel on board, but not all ports have the capability to test the quality of marine fuels and not all countries have ratified this IMO regulation into their national legislation

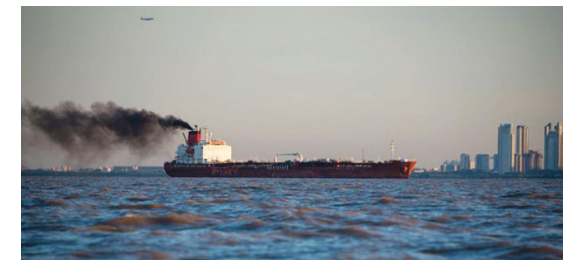
Refinery investments will also be important, as refiners could undertake major projects to supply 0.5% sulfur fuel oil...

The early market signals associated with the supply of 0.5%S fuel oil indicate it is not likely to be readily available, nor priced at a discount to crude (typical of the current 3.5% S grade). This is influencing ship owner decisions, as they seek to secure a low-cost fuel.

Ship owners' investment behavior also needs watching. After a "phony war" that lasted a year after the announcement, ship owners are now investing heavily in vessel exhaust treatment systems, called scrubbers. These systems typically "wash" the vessel exhaust gases with sea water, which reduces airborne emissions. There are now over 2,000 scrubbers on order, mostly destined for large, long-distance vessels. This is modest in a global shipping fleet that numbers over 90,000 vessels.

In spite of the legislation coming into force in less than 12 months, the range of potential outcomes still remains very wide, as neither potential boundary case has been fully eliminated.

One boundary case is that the regulatory enforcement is strict, delivering high global compliance. This would be disruptive for the refining sector, as it would be unable to process all of the displaced high-sulfur fuel oil as a refinery feedstock. The surplus fuel oil would need to



From 1 January 2020, the ships must burn fuel with sulfur content less than 0.5%, a massive reduction from the current levels of 3.5 wt%.

complete its way into the power sector by pricing at comparable levels to coal.

The surge in gas oil demand would require refiners to process more crude and we would be in an era reminiscent of the early 2000s, when strong demand growth for clean fuels drove up the global price of crude oil, distorting crude pricing and product pricing relationships. This would deliver enormous profits for the refining sector, but history suggests such distortions are often short-lived...

Wood Mackenzie's base case is reliant upon high, but not full, global compliance and the shipping sector swapping 1 million barrels per day of high-sulfur fuel oil demand by a similar volume of marine gas oil.

Our analysis of the refining sector suggests the refining system will absorb the displaced high-sulfur fuel oil volumes as feedstock and will then largely supply the necessary distillate. However, prices would change, rewarding those ship owners that have invested in scrubbers.

In this scenario, refiners will do better financially, but there will be a wide variation in earnings performance. Broadly put, the oil majors will do well, as after years of high-grading their portfolio, they have high-quality refineries that are well configured for this legislative change. Some majors may even see their refining earnings double in 2020.

Given the legislation comes into force on 1 January next year ship owners will need to take action soon. We are expecting to see this new market reality emerging late in the northern summer, but legislative clarity will not appear until early in the fourth quarter, as that will be the last meeting of the IMO at which a compromise could be adopted.

Only at that point, will the fog of uncertainty start to lift.

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**SHIPPING - 4**

Inland Waterways Authority of India and ...

**LOGISTICS - 8**

My only family is 130 crore Indians. I will live for them ...

**EXIM - 9**

Donald Trump delays tariff hike on ...

**PORT - 10**

Government to sell its stake in Kamarajar Port to Chennai ...

## Red tape and excessive bureaucracy has hurt the Indian port industry: Capt GR



**Capt G. Ramaswamy, CEO, Sea Team Management (India) Pvt Ltd**

**(Interview Continued)**

**Sagar Sandesh:** Though the global trade from India, both exports and imports put together is surging towards one trillion US dollars, the domestic Port and shipping industry have not kept pace with the development. None of the Indian so called major ports, some of them century old, figure in the list of top global ports. While the Singapore port has arrived and Colombo growing at rapid pace, what is ailing the Indian Port sector?

**Capt G. Ramaswamy:** Red tape and excessive bureaucracy has hurt the Indian port industry. Persons who have little knowledge of shipping, port or wharf are made to head the ports. Most of them are given long tenures with little accountability.



**You are not allowed to move though you are expected to move**

We have a new President in Angola who has evolved fresh norms for heading various ministries. The health ministry has to be headed by a medical professional while the Shipping minister has to be associated with the industry for at least fifteen years. Every ministry in that country is headed by a professional.

I had been to the Chennai port about a year ago. I was shocked to find a tree growing inside the ware house. The roof of the warehouse was broken and the walls collapsing. The British had built the port and we should at least maintain it.

While the newly developed private ports have deep draft to enable berthing of huge modern vessels, the draft available in most of the major ports are comparatively shallow imposing restrictions on entry of modern vessels.



**Ship waiting to berth, unproductive and 'burning' dollars (Representational image)**

One of my ships, a very large crude carrier (VLCC) of 3 lakh dwt is currently discharging crude at the Jamnagar port for the Reliance refinery. The vessel requires 20 meters draft which is not available in any of the major ports of the country. How can such vessels enter a major port in India?

The Board of Trustees of Major Ports needs to be recast, comprising only of sea farers of high repute and persons from the industry. Our port industry is lagging behind China by over one hundred years.

Our company has bought 25 ships from various Chinese ship yards in the last few years and we are operating them throughout the world without any problem. I would like to know how many the Indian ship yards have delivered ships to the global industry.

My tanker which came to the Chennai port recently had to wait for two weeks to get a berth. Tell me which ship charterer

will invest in chartering and wait for berths at ports. Port infrastructure and rail road connectivity to ports have to improve and congestion ended.

There must a free way for movement of cargo or containers from the Port to the Highway. Customs have improved their procedures for the EXIM trade over the years and have become trade friendly. But we have long way to go before we catch up with international ports. The port should be trade friendly.

**SS:** While the international main

line vessels prefer to dock at JNPT and Mundra ports in the West Coast, most of them have stopped calling at the East Coast Ports for the last few years. Some of the ports in the East coast like VOC port Tuticorin have become satellite ports of Colombo handling mostly transshipment cargo. What to do you think should be done to improve the prospects of East coast ports?

**Turn to Page - 2** ▶▶

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## Editor speaks...

What Capt GR says about the shipping industry is true of almost all industries: Perform or Perish. Business does not tolerate inefficiency and indifference since it means nothing less than stifling competition. Of course, there is a popular opinion prevalent that a government employee need not be afraid of perishing if he or she does not perform to the expectations of authorities. Possibly, it is not applicable to all. It does not require hawk eyes to note the difference in the levels of performance by the private ports and the major ports. Of course, with the present government which has only a few months more to be in power, having taken conscientious initiatives to promote shipping, major ports have started showing growth in performance. A good illustration is VOC port which is taking many steps to improve its performance such as deepening the draft.

The Israeli start up LADINGO is inspiring with its adventurous fling with the innovation. And ZIM's support will go a long way in their future progress. Nothing like customer satisfaction to promote business and to remain in it with continued success.

The EV industry and the sugarcane industry have had some good piece of information

with the government coming forward with a massive support. Actually FAME II has sent the industry into raptures and 'sugar' stock has risen up to 10%. Things happen. Visakhapatnam gets a Railway Zone, a facility much demanded persistently by the citizens who do reap some benefits out of this new Railway Zone. One is almost tempted to say: Come elections, come sops.

Another very significant thing to have happened is the Government selling its stake in Kamarajar port to Chennai port. We have to wait and see how this 'merger' of two different ports will yield result.

India's defensive offence strategy gets now sharper edge with its deal with Russia for Akula class submarine which is considered next only to American submarines in stealth and capabilities. India's defense arm is becoming formidable. On the other hand, the economists warn that election-spending which includes many concessions offered by the government is likely to affect the economic growth of the country against the backdrop of global trade slowing down with oil prices and trade war.

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

## Red tape and excessive bureaucracy... From Page - 1

**Capt GR:** If mainline vessels are not coming to east coast ports it must be because these ports lack rail road connectivity on par with facilities in the west coast. East coast ports lack draft that even the recently commissioned private ports possess.

The neglect of east coast ports in terms of rail connectivity and infrastructure has driven the main line vessels to JNPT or Mundra Ports. One has to undertake an in depth study why the container terminals in the East coast are working to fifty per cent of the capacity and come out with corrective measures.

Private ports in the east coast like Krishnapatnam

and Katupalli are doing well. I am told more vessels dock at Krishnapatnam port than the major port at Chennai. I do not have statistics but this is what I hear in the market.

There needs to be involvement by employees in the development of the port. There should not be a fixed tenure for the post of chairman. The leader should be made accountable. If a captain of a vessel who is on a four month contract with a shipping company is sacked for non performance, why should chairman of a port have a fixed tenure?

(To be continued...)

### Summary of the previous issues of the interview with Capt Ramaswamy, CEO, Sea Team Management (India) Pvt Ltd, given for the sake of continuity.

The Indian sea farers were much sought after by the global shipping industry about twenty years ago since they had the right attitude, performed well on job and were committed sailors. We rarely find such traits among the new recruits from the country.

I have been recruiting sailors in India for the past 25 years and had seen the quality deteriorating over the years. Indian seafarers are no longer preferred employees of the global shipping industry. They are being engaged when there is no alternative.

Indian sailors and officers preferred short term contracts on board the ship say a maximum period of six months while the Russians and Filipinos go in for long term contracts which benefit the shipping industry. Even after the expiry of the contract the non Indian sea farers and officers continue with their work till the reliever replaces them. They don't make noise.

On the other hand Indian sailors create a scene if they are not relieved after the expiry of the contract. A captain of a vessel dropped the anchor and said he will not move the ship till reliever replaces him at the end of his contract. Indian sea farers operate as a clique and did not believe in team work which is a must in the industry. The attitude has to change if you have to be competitive in the industry.

Quality of education in Indian maritime training institutes need to be overhauled, Though lot of changes have happened in the shipping industry and how the ships operate, our faculty teaches the students the ship operations they had seen thirty years ago.

The attitude of the owners or the operators of Indian Maritime Institutes should also undergo drastic change. Their aim should not be merely to fill up seats but produce a good product for the end user. Monitoring the performance of the sailors by the shipping companies has become more rigorous and those who do not perform are shown the door. The selection process in the institutes should change and needs to be professionalized.

The school curriculum should include awareness program on sea life. Awareness about sea life should be inculcated at the secondary school level before they are led into the selection process in institutes so that the cadet knows exactly what the profession is he is about to enter and what is expected of him. There are no surprises for him nor is he brought to the ship blindfolded. This is how you make the profession attractive for talented youngsters.

So long as selection, training and induction methods undergo changes to produce a quality product for sea life, the global shipping industry will be hesitant to have a look at Indian boys.

Moreover keen competition awaits Indian boys intending to join the global shipping industry. Besides the competition from traditional countries like Philippines, Russia, Ukraine, Bulgaria, many third world countries Asia and Africa have entered the fray. They include boys from Myanmar, Bangladesh, Pakistan, Sri Lanka, Vietnam from Asia Croatians, Romanians from East Europe and Angolans and Kenyans from Africa. They are all a hard working lot. When there is so much of talent in the market who will buy the bad apple from India.

The Directorate General of Shipping has been liberal in issuing clearances for setting up Marine training institutes in the country. Everyone has to work wholeheartedly to streamline the system and bring about changes in the attitude of Indian cadets to the merchant navy.

On the status of the shipping industry he said Operating expenses of ships have become more than the earnings through cargo freight. There are more ships in the market than demand. The embargo against Iran and Venezuela is also putting pressure on the industry. The loss making companies have formed Consortiums to share their trade and the cargo. At the same time some companies are buying ships.

In his assessment there is bound to be boom in the shipping industry in the next two to three years. The industry has witnessed slow down since the year 2008. During this period a large number of Asian and African countries have grown. There are as many as 54 countries in Africa which people normally lose count. They are all growing and the African Union is working on that mission. For the next forty years, the shipping industry has to look to Africa. Africa, Asia besides China. They are the potential markets in future. The economic slowdown witnessed by China and India is only a passing phase. The economies in both the countries are expected to pick up and these countries will decide the market for the shipping industry.

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# Sagar Sandesh

Guiding Spirit to Shipping Industry

Maritime Tabloid English Weekly E-Paper

In association with R.I. Institute of Nautical Sciences, Madurai, Tamil Nadu.

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## We call ourselves a maritime nation when we do not even have large dry-docking: Captain G. Ramaswamy

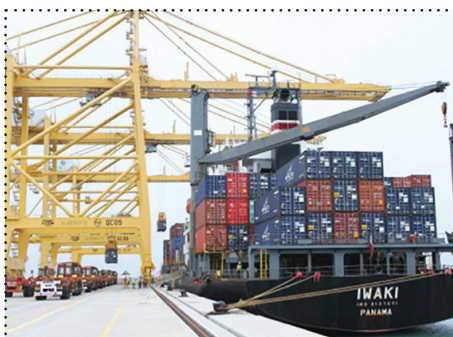


Capt G. Ramaswamy, CEO, Sea Team Management (India) Pvt Ltd

**(Interview Continued)**

*(For the sake of continuity, we begin from the last question and continue the answer from the beginning)*

**Capt G Ramaswamy:** If mainline vessels are not coming to east coast ports it must be because these ports lack rail road connectivity on par with facilities in the west coast. East coast ports lack draft that even the recently commissioned private ports possess.



Kattupalli port is doing well in the east coast

The neglect of east coast ports in terms of rail connectivity and infrastructure has driven the main line vessels to JNPT or Mundra Ports. One has to undertake an in depth study why the container terminals in the East coast are working to fifty per cent of the capacity and come out with corrective measures.

Private ports in the east coast like Krishnapatnam and Katupalli are doing well. I am told more vessels dock at Krishnapatnam port than the major port at Chennai. I do not have statistics but this is what I hear in the market.

There needs to be involvement by employees in the development of the port. There should not be a fixed tenure for the post of chairman. The leader should be made accountable. If a captain of a vessel who is on a four month contract with a shipping company is sacked for non performance, why should chairman of a port have a fixed tenure?

Tuticorin, Vizhinjam and Vallarpadem are suitable sites for transshipment traffic since mainline vessels operating on the major sea lanes need not have to do lot of diversions to reach these ports.

Of the two major transshipment hubs in the region, Singapore port has already reached the status of a world hub. The Colombo port is being developed from a regional to a World hub. Both the ports enjoy the strategic advantage of being located at the junction of international sea lanes. All the ships sailing in the international sea lanes have to go via South of Sri Lanka and hence prefer to call at Colombo port.

If India has to make a success of Tuticorin or Vizhinjam as a transshipment port, their port administration has to give better service, bring down the tariff to less than what the Colombo port charges and make consignees happy with service. Rail connectivity from the port is crucial. At the end of the day the cargo has to be given by the exporter or importer and they will use the facility at Indian transshipment terminals only if they are economic.

But India is way behind in developing transshipment terminals of world class.

Colombo port is way ahead of us and we are behind China by over one hundred years.

One of our company's fully loaded very large crude carrier VLCC suffered an explosion in mid sea in Japanese waters recently. We brought the vessel to a Chinese ship yard for repairs. The ship Yard did the work on time and the rates were competitive. If Chinese ship yards could undertake such repair work why not the Indian ship yards?

Indian shipyards have no big dry dock to accommodate very large crude carriers for repairs. We call ourselves a maritime nation when we do not even have large dry-docking. Our ship yards are not known to undertake ship repairs for modern vessels.

**Summary**

If the mainline vessels have virtually stopped calling at East coast ports of India, it has got to do something with the port infrastructure, draft of the port, rail connectivity and lack of dedicated railway corridors as they have for the ports in the west coast from the manufacturing centers of the country.

These are the reasons why the

mainline vessels make a beeline to JNPT and Mundra ports in the west coast. But private ports in the east coast like Katupalli and Krishnapatnam are doing well despite the connectivity handicaps. I hear that more ships are calling at Krishapatnam than at Chennai port. I have no statistics but this is what I hear in the market.

Tuticorin, Colachel Vizhinjam ports are the ideal spots for setting up transshipment terminals as they situated near the international ship lanes. Mainline vessels do not have to take much of diversions to reach these places.

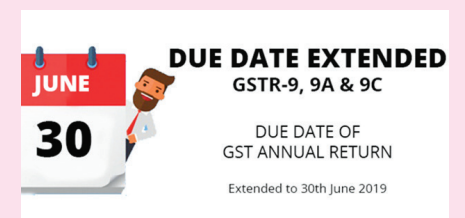
But we are too late to enter the transshipment business, Singapore has emerged as a global hub and Colombo is becoming one shortly. If we have to compete with them, the proposed Indian terminals have to offer better draft, better facilities and competitive tariff compared to Colombo. At the end of the day the cargo is given by the exporter and importer and they need to be happy if the port or the terminal has to be successful. We are behind the Chinese port industry by one hundred years.

### Last Date for Filing of Annual Return in GST for 2017-18 extended up to 30th June, 2019

NEW DELHI  
Sagar Sandesh News Service

The GST law mandates filing of annual return in FORM GSTR -9 and FORM GSTR-9A. Vide Order No 3/2018-Central Tax, dated 31.12.18, the last date for filing the Annual Return for the Financial Year 2017-18 has been extended to 30th June 2019.

It is being informed to the trade and industry that the form is now available on the common portal for filing and



taxpayers are requested to file their returns at the earliest.

Taxpayers may please exercise caution while filing this return as facility to revise the FORM GSTR -9 and FORM GSTR-9A is not available.