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CONCOR plans coastal service to ...

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Tamil Nadu: Farmers form panel against ...

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Adani to develop Container Terminal ..

# The time has come to make the VOC Port as a Transshipment Hub: David Raja

## Mr. J David Raja

President National Association of Container Freight Stations (Tuticorin Chapter) and Convener, Logistics Panel of Confederation of Indian Industry.



### AREAS OF EXPERTISE

- Sales, Marketing, Administration
- Quality Management System
- Business Continuity Planning
- Fostering Innovation

### INDUSTRY EXPERTISE

- Maritime Logistics
- Multi Modal Logistics
- Yard Management

### EDUCATION

- Post Graduate

### INDUSTRY LEADERSHIP

- President of National Association of Container Freight Stations, Tuticorin
- Executive committee member of Tuticorin Steamer Agents Association
- Convener CII Logistics Panel
- Served as VP of National Association of Container Freight Stations
- Served as Board of Director in VOC Port (Tuticorin) for the period 2015-16 & 2016-17.

### PROFESSIONAL EXPERIENCE

David Raja is the senior Vice President at St. John Freight Systems Limited, which has presence in 20 countries with 58 global offices and 1400+ employees. He currently helping the company's Sales, Marketing and Administration. Mr. Raja brings with him more than three decades of experience from various sectors of Logistics and Maritime operations.

### IMPORTANT PORTFOLIOS

\* FedEx – Handled important portfolios of Sales and Marketing during his 10 year tenure with the company.

\* St. John Freight Systems Ltd., – As the senior vice president, David Raja has been handling sales, marketing and administration for more than 24 years.

\* CFS/ICD Operations – Over all responsible for ICD operations, Feeder Vessel Network, Heavy Equipment Management, Bulk Vessel Operations, Yard Management, Container Yard and Quality Management Systems in St. John Freight Systems Limited.

\* International Markets – Feeder Agency work as well as the Principle representative for marketing overseas accounts.

\* Quality Management System – Management representative responsible for implementation of Quality Management System in the organization.

\* Port Community System – Played an important role as an architect for developing and execution of CODEX a unique port community system for all the ICD's/CFS's at Tuticorin linking with Port/Customs & Terminal.

\* Liaison - Over all co-ordination with Port, Customs and MLOs

Guest lecturer – He is a regular guest faculty at leading management institutes to deliver lectures on supply chain management.

*Interview of Mr. J David Raja, President National Association of Container Freight Stations (Tuticorin Chapter) and Convener, Logistics Panel of Confederation of Indian Industry.*

**Sagar Sandesh:** Under of the ease of doing business, Customs authorities are encouraging direct port entry of exports and direct port delivery of imports for the past two years. How has this move affected the fortunes of Container Freight Stations operating from the VOC Port Tuticorin?

**Mr. J David Raja:** The VOC port in Tuticorin situated near the land's end is predominantly a port for consolidation of cargo. It is a Gateway Port for Garments, Made ups, Fabrics and Cotton piece goods. The major chunk of the trade through the port is accounted for by Textiles.

Under today's economics of matrix, an importing buyer prefers fuller utilization of the containers when goods are exported. The Buyers do-not wish any empty space inside the container and rather they would like the box (container) to be fully used. Hence consolidation of goods offers a big opportunity at VOC port, Tuticorin.

Normally there are many shippers for one buyer. VOC port in Tuticorin is a consolidation point where less than container load brought by several shippers gets consolidated. The consolidation business at the port has got expanded as many Less than container load (LCL) consolidators are currently consolidating multi shipper multi buyer consignments. This is going to be the future business of the Port.

With this multi shipper multi buyer consolidation which has just started in full gear, the container capacity will be fully utilized and hence the transportation costs and freight costs will come down.

The consolidation activity takes place in container freight stations numbering about fifteen in and around the VOC Port Tuticorin besides the one Inland Container depot. Moreover, Tuticorin CFS/ICD Tariff is the lowest in Indian ports and very competitive for Exporter/Importers and all these 16 infrastructure located within the radius of 20 KM hence the movement of containers to the port in and around is hardly taking two hours, still the DPD/ DPE is happening in VOC Port for factory stuffed an factory de-stuffing customers with Customs permission. There is no business problem for the existing infrastructure.

VOC port Tuticorin is the cheapest for handling containers in India.

## Editor speaks...

Exploiting an infrastructure to the fullest is minimum business goal and VOC Port, Tuticorin needs an outer harbor to become a full-fledged Transshipment hub. And Mr. David Raja is right that there is budget allocation way back in 2014 by the Finance Minister and the work, though unfortunately not yet begun for reasons well-known to the authorities, regional and national, must receive immediate attention for execution. Heaps of money can be generated if VOC Port grows into a transshipment hub.

The atmosphere is tense with the US and Iran though both the leaders avow that they are not for war. Even today, US President has warned Iran that if it chooses to begin war, it will be an official end of Iran. On the one hand, the trade war between two largest economies negatively affects the growth of the global trade. Mutual tariff hit-backs stifle the trade ultimately affecting the consumers of the countries. Somebody asked, it is said, President Trump whether he is not directly punishing American consumers by his fight with China. But Trump enthuses the Americans saying that the trade war will fetch good things to America.

With the expiry of US sanctions waivers, India is facing a real tough time with

the supply of crude oil. Indeed, countries like Saudi Arabia have come forward to make good the short-fall created by stopping the Iranian crude. But Iranian crude came with massive benefits which the other suppliers do not promise. Enough time to pay, to pay in Indian rupee, supply of oil in its own vessels with additional advantage of insurance---these benefits sum up the cost advantages which cannot be ignored. Of course, India has said that it has a robust plan that will see to it that Indian refiners do not suffer for want of crude oil.

In Basel Convention in Geneva, India has raised a real concern that there is a possibility of developed countries dumping their e-waste into the developing countries in the name of re-use and re-cycle. And India's concern has been well received by the other countries and further discussion on that matter has to be there before any final decision is taken.

With less and less people moving towards agriculture, there is a real apprehension that there will be shortage of fruit-pickers. To deal with this challenge, CQU university Australia has initiated field trials of mango-harvester. Danger foreseen is half-avoided.

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

## The time has come to...

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**SS:** VOC port Tuticorin authorities have a vision to develop the Port as a Transshipment and Logistics Hub taking advantage of the strategic location of the port near the International shipping lanes. What needs to be done in terms of infrastructure and connectivity to achieve this goal?



VOC port Tuticorin

**Mr J DR:** Tuticorin is the closest Indian port to the International Shipping Lanes, as close as 32 nautical miles. The Colombo Port is 145 nautical miles away from VOC port Tuticorin. All the International lanes cargo are connected through Colombo port; as of now in Tuticorin, all the cargo except FAREAST only connected at Colombo Port which is 145 nautical miles away from Tuticorin port.

If you take the total volumes handled by Colombo Port, nearly seventy per cent of the volumes handled by the Sri Lankan Port Authorities are accounted for by Indian Origin cargo. Some experts even put it at eighty per cent. The East coast ports of Chennai, Visakhapatnam, Mangalore besides Vallarpadam could easily shift their transshipment Volume from Colombo to Tuticorin for Direct Europe /US/FAREAST connections.

The export and import volumes that the east coast ports transship through Colombo port during the calendar year 2018 are Chennai over five lakh Teus, Vallarpadam 1.78 lakh Teus, New Mangalore Port over 72,000 Teus and Visakhapatnam Port 1.58 lakh Teus.

As for as development of infrastructure in VOC Port is concerned, the Port administration has already declared its intention to Commission the Third Container Terminal. With the commissioning of the terminal, the port's container handling capacity is expected to go up to two million Teus.

To become a full fledged Transshipment Hub like Colombo, the VOC Port has to implement the Outer Harbor project which has been approved by the Shipping Ministry nearly six years ago and the first union budget presented by finance minister Arun Jaitley has cleared the allocation of funds.

*(Excerpts from the budget speech of finance minister Arun Jaitley to the Lok Sabha in July 2014 while presenting his maiden budget to the lower house)*

*111. A policy for encouraging the growth of. Development of ports is also critical for boosting trade.*

*Sixteen new port projects are proposed to be awarded this year with a focus on port connectivity.*

*Rs 11,635 crore will be allocated for the development of Outer Harbour Project in Tuticorin for phase I.*

*SEZs will also be developed in Kandla and JNPT. A comprehensive policy will also be announced to promote year.)*

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# Sagar Sandesh

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## Students' Corner - 136

### Sustainability in Supply Chain Management



#### Save Earth; save ourselves; save our children and their children

We will look into the ways a company can achieve sustainability in its supply chain by following the ways suggested below.

Going Green has caught the attention of the public to a very large extent, thanks to the media that has played a vital role in impressing upon the public the urgency of adoption of green efforts. In fact, the awareness of the importance of Green has been so pervasive and insistent that even in marketing, it is pointed out customers prefer to purchase any 'green' product. So, marketing personnel know that going green pays.

Let us see some of the most popular ways that a performing company can choose to follow in all its operations.

Let us start with the energy. All companies use energy but not many companies have a systematic analysis of how much energy is used for all the activities of the company and from which source it gets the energy. What we call energy audit which will spot out the areas where energy consumption can be reduced.

Air conditioners have become a must for every company and its ancillary buildings which include manufacturing unit, stocking, so on; first principle of economic use of ACs are proper

and periodic maintenance. Systematic maintenance of all electrical gadgets brings in many advantages, one of them, we can say, avoiding unexpected failures of the machines leading to extra cost in everything.

Traditional lightings can be replaced with LEDs. Massive savings on energy consumption coupled with the long life of the bulbs. The life is said to be longer by many times than the life of a traditional bulb.

Next important thing is avoiding printing as much as possible. Of course paperless offices have become almost order of the day. Digital version of administration saves money, time, paper with additional values of speed and accuracy. Through programs, administrative obligations and necessities can be obtained without loss to the systems. In other words, digital transformation saves time and energy and at the same time ensures increased productivity.

Along with all these initiatives, focus on eco-friendly products will make the company greener. Market is flooded with organic products and environmental friendly provisions. Attention to these things reveals the company's commitment to go green.

## The time has come to...

From Page - 2 ▶▶

If only a sum of Rs four thousand crores is earmarked by the Ministry from the allotted funds for the construction of Outer Harbor, VOC port Tuticorin could be developed as another Container Hub like the JNPT.

More over it would not be wise to put all the eggs in Colombo Port for transshipment purposes since the political situation in the island nation is not conducive for growth. Terrorists have already struck in various parts of Colombo and the island government itself is admitting that there will be more such strikes.

In view of the fluid political situation in the island, it would not be wise for India to allow Colombo port to handle large proportion of India's exports and imports. If Colombo Port itself comes under the terrorist target, Indian EXIM trade will be the first casualty. There is the threat of Indian exports and imports getting halted. India therefore has to look for alternative options and development of its own port. VOC Port offers the best solution and make VOC Port as South Asia Hub.

The Shipping Ministry should immediately focus on releasing funds for the Outer Harbor project in Tuticorin which was approved in the Union Budget way back in 2014. The time has come to make the VOC Port as a Transshipment Hub and to start with it will handle the country's own cargo. The port provides the best connectivity to both East and West Trade routes owing to its proximity to International Shipping Lanes.

The Outer Harbor Project at the Port could provide a natural draft of nineteen meters which could be deepened further so that a modern Cape Size Container Vessel could berth at the port.

**SS:** The Colombo Port Administration has announced its intention to graduate itself as a global hub on the lines of Singapore Port from the current status of a Regional Hub. A top official of the Sri Lankan Port Authority has gone on record saying that the port should no longer depend on Indian cargo. Do you see the possibility of Colombo Port

sustaining without Indian cargo? How do you see the competition between Colombo on one side and the string of ports developed by India Vizhinjam, Vallarpadam and Colachel besides Tuticorin taking shape in the region in the coming years?

**Mr J DR:** Indian origin cargo handled at Colombo accounts for nearly seventy per cent of its turn-over. The figure is likely to go up when India emerges as a manufacturing hub of the region. Colombo port could become a global transshipment hub only on the back of Indian Industrial Output. It is not practically possible to achieve that status without the Indian component. Even to remain as the regional hub, Colombo port needs Indian transshipment cargo. Out of seven million TEUS handled by the three container terminals in Colombo port in the calendar year 2018, the Indian origin cargo alone accounted for around five million TEUs.

**SS:** Colombo port is taking steps to develop its East terminal to enable the port to receive modern container vessels requiring at least 20 meters draft. How is Tuticorin planning to compete with the Sri Lankan port in terms of infrastructure?

**Mr J DR:** If the sanctioned Outer Harbor project takes off, VOC port Tuticorin will get 20 meters draft in a few years time. This is a sanctioned project of the government which has received the nod of the Lok Sabha way back in 2014.

The present problem about the paucity of length in the existing Container Terminals at Tuticorin port will be addressed when the Outer Harbor project is implemented. The project will provide one thousand meters of quay length on each side with 20 meters draft to handle the next generation modern container vessels. We need to proceed at rapid pace with the Outer Harbor project considering that Colombo Port is going ahead with East Terminal and Indian economy will be making rapid strides in the next few years.

(To be continued...)

## India worst affected by... From Page - 5 ▶▶

### Not possible to run refineries with some other form of crude when Iranian crude stopped

Banchero Costa concluded that "to stop buying crude oil from Iran puts India in front of many concerns, including refiners' crude oil grade related issues: "It is not possible to suddenly convert those refineries (to run) some other form of crude," said in this respect the Indian Ambassador to United States Harsh Vardhan Shringla at Carnegie's event.

### Largest problem: crude oil prices

But the largest problem lies on crude oil prices.

"We are apprehensive that that impact can translate into inflation, (and) higher oil prices" that could affect the common person in India, said the Indian ambassador Shringla.

Moreover, India purchases crude oil from Iran at cheaper freights, free of cargo insurance and with a longer credit period (60 days) compared to other suppliers. But United States cannot help on this matter: "Oil is owned by private people, so government cannot force people to make concessionary price" said U.S. Commerce Secretary Wilbur last week while in India".

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Guiding Spirit to Shipping Industry

# Sagar Sandesh

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## Krishnapatnam port has all the advantages of being a private port: Mr. J David Raja



▶ Mr. J David Raja

With the introduction of the services to the two major industrial clusters of Southern India, Coimbatore and Bengaluru, volume at the port is expected to increase rapidly and therefore several mainline vessels will reverse their earlier decisions and start calling at VOC Port at regular intervals. The CONCOR service will act as a catalyst for mainline vessels to revive their calls to the Port.

As for doubling of railway tracks from Madurai to Tuticorin, the port administration is regularly in touch with the Rail Vikas Nigam which is implementing the project. As per the feed-back received from the RVNL, the 170 kilometer railway track doubling project with electrification between Madurai and Tuticorin will be implemented during the current financial year. During the second phase the doubling of the railway track between Maniyachi and Kanyakumari will be taken up. With the implementation of the double track between Madurai and Tuticorin, rail connectivity from the Port is expected to improve.

As for the 153 kilometer new railway line between Tuticorin and Madurai via Aruppukotai the track laying work has been on for the last two years. Since no major land acquisition problem is likely on this route, the project will be executed in the next two years. The proposed new railway line from Tuticorin will terminate at Tiruparankundram, ten kilometers south of Madurai.

Both Commerce Ministry and the Tamil Nadu government have announced the implementation of Tuticorin Madurai Industrial Corridor and extension of Visakhapatnam Chennai Industrial corridor to connect Tuticorin. Both the central and state governments should expedite the implementation of this Corridor which will make a huge impact on reducing Logistics cost for the goods handled at VOCT Port. Both the state and the central governments should also take into account the availability of plenty of skilled labor in the vicinity of the Port to make the corridor a success.

The governments should take immediate steps to identify industrial nodes where planned industrial growth could take place in the proposed Corridor. A few years ago, Tamil Nadu government officials held preliminary discussions with the Port authorities on identifying the nodes but no progress has made in the identification of the nodes. If the Corridor project is expedited the exports

of the country will become competitive and could match the costs of exports from Vietnam and Bangladesh, especially the textiles.

**SS:** Container terminals have been in Operation at the VOC Port Tuticorin for nearly twenty years. The Krishnapatnam port which came into existence ten years ago has handled five lakh TEUS annually mostly by way of transshipment. How do you plan to replicate the Krishnapatnam model though the VOC port has the additional advantage of being close to international shipping lanes?

**Mr. J DR:** Krishnapatnam port has all the advantages of being a private port. The growth of the port in the last few years has become visible because of the timely implementation of Port Infrastructure and their periodic Upgradation. The Port has seventeen meters draft at the berth besides excellent connectivity both road and rail for the speedy evacuation of cargo.

In comparison, the VOC port has been identified as a potential Port for growth and given a thrust by the Shipping ministry by sanctioning the massive outer harbor project. The first union budget presented to the Lok Sabha by finance minister Arun Jaitley provided funds for the implementation of Outer harbor project at a cost of Rs 12,000 crores. Unfortunately the thrust given by the Union Government in the budget has not been translated into action for the past five years.

VOC port Tuticorin which was set up way back in 1967 is handling seven lakh teus whereas the Krishnapatnam port that came into being hardly ten years ago has a turnover of five lakh teus.

Location wise the Krishnapatnam port may be close to the ports in the Far East, the VOC Port has the distinct advantage of proximity to East West trade route catering to the requirements of both South East Asia and the Continent.

**SS:** With India's trade with United States and the European Union having reached a saturation point, the future holds good for trade with Africa and South East Asia besides China, Japan and South Korea, Tuticorin and Colombo ports besides Vallarpadem and Vizhinjam ports are ideally located to reap the benefits of the possible increase in India's trade. Colombo has already geared up for the situation. The East Coast ports are still lagging behind in infrastructure. How do you visualize the situation in the next ten years?

**President National Association of Container Freight Stations (Tuticorin Chapter) and Convener, Logistics Panel of Confederation of Indian Industry.**

### (Interview Continued)

**Sagar Sandesh:** Tuticorin port has a single Railway line at present connecting it to the nearest commercial city Madurai. With ambitious plans to develop the port as the transshipment hub, what are the plans to improve Connectivity so that Evacuation of cargo will not be problem?

**Mr. J David Raja:** Considering the connectivity problem of the VOC port Tuticorin, the Container Corporation of India (CONCOR) has proposed to introduce Container Rack Scheme connecting the Port with Irugur (a suburb of Coimbatore) as well as White field (Near Bengaluru) where CONCOR maintains huge stockyards. This will be a weekly service and depending on the volumes generated at Tuticorin port, the frequency of the service will be increased.



**As per the feed-back received from the RVNL, the 170 kilometer railway track doubling project with electrification between Madurai and Tuticorin will be implemented during the current financial year**

### SHIPPING - 4

ALPHALINER

Global Container throughput to grow ..

### LOGISTICS - 7



ADB to provide \$750-mn loan to fund ...

### EXIM - 9



GST on fuel, easier licensing rules ...

### PORT - 10

adani

Adani to set up a Terminal in Myanmar

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## Editor speaks...

The rapid growth of Krishnapatnam port has been attributed by Mr David Raja to the upgrade infrastructure and effective connectivity. What is necessary and unavoidable for the growth of the port had been added with no much loss of time because, as Mr David Raja says, the port has all the advantages of being a private port. It is common knowledge and experience of almost all the industries that private concerns manifest better commitment towards performance. Potentials may be identified but they must be translated into performing entities in time; otherwise, identification remains theoretical, far away from the practical standpoint.

Positioning in the market is a very strategic feature that ensures business; and to stay in the right position in the market, identifying the simple and subtle needs of the customers must be a continuous task. CMA CGM's Traxens solutions contain all that the stakeholders need such as, for example, containers position at sea and on land. Any initiative that frees the authorities from anxiety of any kind will prove a most welcome one.

It is really a historic

moment for British Airways when the Queen visits them. The Royal visit must have inspired all of the British Airways with overwhelming gratefulness to the Queen for Her Majesty's noble gesture.

It is a long pending demand from the industry that petrol, diesel, crude etc, must be brought under GST. The industry also points out that they do not have input tax credit as the other sectors do. It ends in loss to the extent to the industry.

Much has been talked about the trade war between US and China and it seems it will not end soon. Analysts keep telling that the trade war will put a hurdle on the growth of the global trade.

It is welcome information that GSL has distributed Medical benefits to its employees and also to its ex-employees. In some families, medical budget corrodes into the financials.

It is heartening to note that Mercy Ships take surgery to those who need it but who cannot dream of having it in their places. Humanity lives and it will, no matter to what height political wrangle may scale up.

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

## Krishnapatnam port has... From Page -1

**Mr. J DR:** Being close to international shipping lanes and having the added advantage of being protected all weather port, Tuticorin could emerge as both Gateway and Transshipment port for cargo landing from both Africa and South East Asia. The port basin is not affected by either cyclones and Tsunamis.

**SS:** Will the proposed transshipment terminals being put up at Vizhinjam and Colachel besides the operational terminal like Vallarpadem near Cochin will supplement and complement the efforts of VOC port in attracting both transshipment cargo as well as main line vessels or they could prove to be a competitor posing a threat to VOC port?

**Mr. J DR:** The government concentrated on developing Vallarpadem as a transshipment terminal but the terminal accumulated large quantities of sand during the South West monsoon. The terminal has been forced spend large funds on both capital and maintenance dredging which gets added to the transportation cost.

VOC port Tuticorin is naturally designed port which can handle transshipment volumes. The Port is already linked to Industrial clusters situated in various parts of Central and Western Tamil Nadu besides enjoying proximity to the international shipping lanes. With the introduction of regular container service to both Irugur and Whitefield by the Container Corporation of India, it is clear that VOC Port will emerge as the leader in transshipment.

**SS:** Unlike other ports in the country Tuticorin attracts large volumes of Coastal cargo mostly

from Gujarat. How do you propose to expand the service? The recently started weekly coastal service by CONCOR from Kandla Port ends with VOC port and does not proceed into the Tamil Nadu coast. How do you promote Coastal Shipping to cover all the East coast ports of the country?

**Mr. J DR:** With the relaxation of cabotage law restrictions imposed on foreign liners from handling coastal cargo, a new phase of development will take place in coastal shipping in the country. Coastal shipping can pool the EXIM cargo from Indian ports and get it consolidated in ports like Tuticorin from where the cargo will get international connectivity to both Europe and the Far East. This trend will help the Indian exporters save cost on transshipment charges that they are paying by routing the cargo through Colombo. There will be considerable saving on foreign exchange for Indian exporters besides saving on time. It is a win-win situation for Indian exporters saving on cost as well as time if they shift the transshipment operations to Tuticorin from Colombo.

Considering the fact that many minor ports have sprung up in the East coast from Gangavaram, Katupalli Cuddalore and Karaikal, they can pool their EXIM cargo and consolidate them at VOC port. The volumes in VOC port could increase persuading mainline vessels to resume their service to VOC port.

(To be continued...)

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**India gets a foothold in Colombo port**

## We have full confidence the diversion of cargo to Cochin Port from Coimbatore and Pollachi regions will end soon: Mr. J David Raja

**Mr. J David Raja: President National Association of Container Freight Stations (Tuticorin Chapter) and Convener, Logistics Panel of Confederation of Indian Industry. (Interview Continued)**

**Sagar Sandesh:** Non conventional energy from wind and solar are picking up fast in the country and dependence on thermal energy is likely to come down drastically in the coming years. Has the VOC port, which currently has big chunk of coal cargo to feed the nearby thermal stations, devised an alternative strategy to reduce dependence on coal cargo?

**Mr. J David Raja:** Tamil Nadu has emerged as the leader of wind energy generation in the country and is among the very few states which have done well in generation of solar power. In this context the VOC port is likely to lose coal cargo in the near future. The transshipment terminal is being planned to take advantage of the port's geographical location to compensate the loss of coal cargo to the port.

**SS:** VOC port has minimum rail connectivity and nearly eighty per cent of the cargo gets evacuated through roads. While the Port has a four lane road linking it to Dindigul, the road between Dindigul and Coimbatore is a primitive two lane road. Will the shipping fraternity persuade the National High Way Authority of India to improve the road infrastructure for the Port?

**Mr. J DR:** The National Highway Authority of India is taking steps to expand the two lane road from Dindigul to Coimbatore to Four Lane. The work is in progress. We will persuade the NHA to take up the work to expand the road network from the Port to Coimbatore into an Eight Lane Expressway considering the fact that the Port's dominant Hinterland is situated around the city in Western Tamil Nadu.

**SS:** Due to the aggressive marketing strategy of the Cochin Port, the industry in Coimbatore, Pollachi, Erode and Karur are shifting their cargo to the Kerala port

skipping Tuticorin in recent months. Whether improvement of road and rail infrastructure in Western Tamil Nadu will stop the diversion of traffic through VOCT port? Will the VOC port administration and the shipping fraternity step up the marketing efforts in Western Tamil Nadu?

**Mr. J DR:** The VOC port has the potential and the unique advantage to render value added service to Individual clients. The port administration held trade meet with all the stakeholders in Pollachi and Coimbatore



Mr. J David Raja

region where the services offered by both the port and the shipping fraternity including the value added ones was explained in detail to the shippers of the region.

We have full confidence the diversion of cargo to Cochin Port from Coimbatore and Pollachi regions will end soon. I am confident that the entire cargo from Coimbatore and Pollachi regions will come back to our port because of the services rendered by the shipping fraternity. VOC port exports seventy per cent of the hosiery consignments from Tirupur and 90 per cent of the furnishing items from Karur.

With the improvement in infrastructure, the dwell time of cargo received from Industrial clusters from Pollachi and Coimbatore will get reduced to 24 hours while it takes three to four days for the cargo to get cleared at Cochin Port.

**SS:** Ports like JNPT have made considerable progress in setting up industries in the Port premises under the

government of India's policy of Port led industrial growth. VOC port has also offered land to the industries in the port premises. What has been the response from the Industry? Whether any specific proposal for locating industries has been received?

**Mr. J DR:** The Port itself has taken steps to allocate its land to the EXIM related industries. About 1400 acres of

port land have been earmarked for the purpose. The port has witnessed eight per cent growth in trade in recent years. It will soon become double digit. The Port has been conducting road shows in various parts of the country especially in Chennai and Mumbai to promote EXIM trade.

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## Editor speaks...

Mr. David Raja strikes a convincing optimistic note that the diversion of cargo to Cochin port from Coimbatore and Pollachi regions will soon end. The confidence emerges from facts like improvement in infrastructure and considerable reduction in dwell time of the cargo to 24 hours from three to four days, the time taken for the cargo to get cleared at Cochin port. The enhancement of the bottom line forms the basic motive of any business engagement. Ease of Doing Business sends a powerful call to the industry since it promises hassle-free execution of the commercial activities. Competition in a way tends to wring out the hidden skills of the stakeholders and the benefit ultimately goes to the stakeholders in terms of less cost or more revenue.

CMA CGM's inaugural edition of Mov'India augurs well for the future of the industry. Periodic review of the industry and its challenges gives a boost to the industry which goes on to find newer initiatives to life the trade to the next level. Innovations do emerge when experts from the related domains put their heads together to chalk out the map of action for the industry. Insightful comprehensive analysis of the present situation of the industry is another great benefit of such move.

Pulwama and Balakot

incidents which have written some exciting pages in the history of India and Pakistan led to closure of airspace severely affecting Afghanistan and Central Asia travellers subjecting them to drastic schedule revisions and escalations of travel cost. To show that India means well for its neighbors, India opened 11 points for Pakistan and of course unless Pakistan also equally reciprocates the opened airspace points could not be utilized.

Another very deeply exciting history is the return of the Modi-led government with an unprecedented success in the general elections of 2019. Now, the new Shipping Minister is Mansukh Lakshmanbhai Mandaviya. He is both Union Minister for Shipping and Minister of State with independent charge for shipping.

US unrelenting efforts to make Iran dissociate itself from terrorists association appear to have begun yielding fruit; a large number of countries including India have cut down their Iranian crude oil import almost to zero. India says it has a robust plan to get adequate crude oil to its refiners. US has extended its sanction exemption to India's involvement in the development of Chabahar port.

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

## We have full confidence the...

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VOC port has been identified as the location for developing the pilot coastal employment unit. It is envisaged to be a large scale integrated multi product industrial zone catering to both domestic and export oriented manufacturing units.

The proposed coastal employment unit will provide zones for industrial activities, Logistics and Marine activities, ware housing and commercial activities, Utilities and facility spaces, power and water supply systems besides drainage and waste management.

**SS:** What are the traffic figures for the port during the last year?

**Mr. J DR:** The VOC Port Tuticorin handled 36.58 million tons of cargo during 2017-18. It also handled 6.97 lakh Teus Container traffic during this period. Container handling accounts for 39 per cent of the port's traffic followed by Thermal coal nearly thirty per cent. The other cargo handled at the port includes petroleum products and fertilizers. Nearly eighty per cent of the cargo of the Port is evacuated through roads. Hardly one per cent of the cargo moves by rail highlighting the urgent need for laying rail network connecting the port.

As many as 1,482 ships mostly feeder vessels called at the port during this period. The port provides several environment friendly measures including coal yard being sprinkled with water at regular intervals using mist fogging machines to control pollution. It has also commissioned 500 KW solar power plant which generates 8.5 lakh units.

The port has single window e business for users, direct port delivery of containers, RFID based port entry management, truck parking terminal.

**SS:** With the successful implementation of Containerized Digital Exchange CODEX at the VOCT port, the first port in the country to have

introduced the system, the IGST refund system has been streamlined in the Port? How did this happen?

**Mr. J DR:** The VOC Port Administration, the Customs and the Tuticorin chapter of the National Association of Container Freight Stations along with Kale Logistics Solutions developed the country's first container Digital Exchange Platform called the CODEX essentially to streamline the IGST refund system. The Platform automates and digitally streamlines the container movement inside the port.

The IGST refund was a major issue with the exporters after the introduction of Goods and Services Tax and with the commissioning of CODEX the challenge has been met effectively. After the implementation of Codex, the process of cross checking Export General Manifest with manual records has been eliminated with the CODEX digitalized format. This resulted in speedy sanction of IGST refunds to the exporters.

CODEX offers a digital platform enabling the Ocean trade stakeholders a clear visibility on the movement of containers. Through this application container movement inside the port can be tracked and authenticated at various check points on its way to the Port or from the port by means of a unique barcode attached to each container and the corresponding codex pass.

The bar coded pass helped to track the movement of shipment right from the port entry to shipment loading point for exports and from offloading to exit point in the case of imports. The CODEX pass brought about standardization and uniformity among various EXIM documents and is verified by the Customs.

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# Sagar Sandesh

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"He who loves practice without theory is like the sailor who boards ship without a rudder and compass and never knows where he may cast." - Leonardo da Vinci

## SHIPPING

# CMA CGM, MSC sail on blockchain bandwagon with TradeLens

NEW DELHI  
Sagar Sandesh News Service

Container carriers CMA CGM and MSC Mediterranean Shipping Company (MSC) have joined blockchain-enabled digital shipping platform TradeLens (www.tradelens.com).

### TradeLens developed by A.P. Moller - Maersk and IBM

The platform, which enables participants to connect, share information and collaborate across the shipping supply chain ecosystem, is jointly developed by A.P. Moller - Maersk and IBM. Apart from promoting TradeLens, the companies will offer their customers and partners complementary services on the platform.

### TradeLens, a transparent record of transactions for large networks

TradeLens members get a comprehensive view of their data and are able to digitally collaborate as cargo moves around the world. This helps to create a transparent, secured, immutable record of transactions, especially for large networks of disparate partners.

### It enables permissioned parties access to trusted data in real time

According to a press release, "blockchain establishes a shared, immutable record of all the transactions that take place within a network and enables permissioned parties access to trusted data in real time."

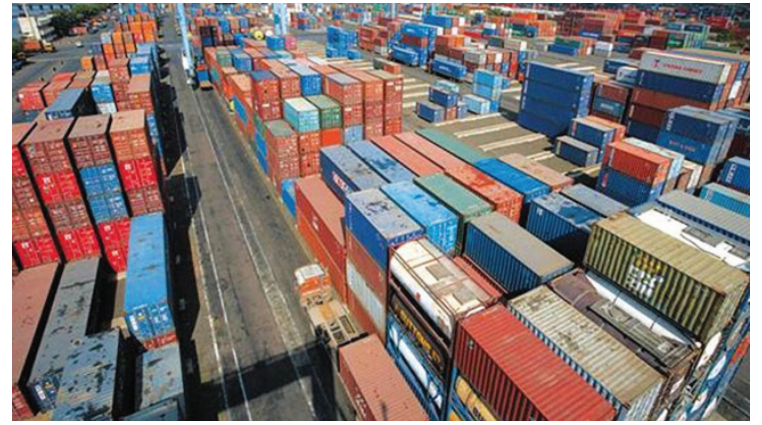
### Participants derive significant value from TradeLens

"Digitization is a cornerstone of the CMA CGM Group's strategy to provide an end-to-end

offer tailored to our customers' needs. We believe that TradeLens, with its commitment to open standards and open governance, is a key platform to help usher in this digital transformation. TradeLens' network is already showing that participants from across the supply chain ecosystem can derive significant value," said Rajesh Krishnamurthy, executive vice president, IT & transformations, CMA CGM Group.

### TradeLens has 100 participants

TradeLens currently has 100 participants on its platform. It gives real-time ownership rights and permissioned access to shipping data while also committing to ensure privacy and confidentiality. "More than a hundred participants have put their trust in the TradeLens network and are



TradeLens members get a comprehensive view of their data and are able to digitally collaborate as cargo moves around the world. This helps to create a transparent, secured, immutable record of transactions, especially for large networks of disparate partners.

gaining greater transparency and simplicity in the movement of goods. Together we are advancing a shared aim to modernize the world's trading ecosystems," said Bridget van Kralingen, senior vice president, global industries, clients, platforms & blockchain, IBM.

### TradeLens with enormous potential to push industry to digitize

"Digital collaboration is a key

to the evolution of the container shipping industry. The TradeLens platform has enormous potential to spur the industry to digitize the supply chain and build collaboration around common standards. We think that the TradeLens Advisory Board, as well as standards bodies such as the Digital Container Shipping Association, will help accelerate that effort," said André Simha, chief digital & information officer, MSC.

# Police Arrest Cruise Ship Captain after Deadly Collision

NEW DELHI  
Sagar Sandesh News Service

A Hungarian court on Saturday ordered the arrest of the captain of a passenger ship that collided with a pleasure boat that capsized on the Danube, killing South Korean tourists on board, although it left open the possibility of granting him bail.

Flood waters prevented attempts to reach the submerged boat on Saturday (1 June), three days after it sank in the Hungarian capital with 28 people feared dead, nearly all of them from South Korea.

The Ukrainian captain of the cruise ship, who denies having broken any rules or committing a criminal offence, was taken into custody by Hungarian police on Thursday.

No formal charges have been brought against the 64-year-old, identified by Hungarian police as C. Yuriy from Odessa, but his arrest by a Budapest municipal court in effect means he will not leave the city while the case is pending.

The court ordered his arrest for one month with the possibility of release on a 15 million forint (\$50,000) bail, prosecution



He committed no navigational error...A lot of data is missing from the procedure here, barring us from declaring who is at fault and to what extent. Was it one captain or the other, were there external circumstances?: Attorney Gabor Elo

deputy spokesman Ferenc Rab told Reuters.

It is so far unclear what caused the accident, in which the 440-foot (135-metre) cruise ship hit and sank the smaller pleasure boat on Wednesday night.

Prosecutors appealed against the bail option, Rab said, so the captain of the cruise ship will stay behind bars until the court rules on the appeal in the next weeks.

The captain's lawyers said there was insufficient evidence to keep the captain locked up.

"Once he is released on

bail he will not be able to leave the boundaries of Budapest," attorney Gabor Elo said, adding there would be an electronic tracking device on the captain.

"He still feels distraught over the number of victims this accident produced and asked us to convey his condolences to the families of the victims."

The captain was not at fault and there was not enough evidence to keep him locked up, the lawyer added.

"He committed no navigational error," Elo said. "A

lot of data is missing from the procedure here, barring us from declaring who is at fault and to what extent. Was it one captain or the other, were there external circumstances?"

A spokesman for Swiss-based Viking Cruises, which owns the larger vessel, said in a statement that it was supporting and cooperating with accident investigators.

"We are deeply saddened by the incident and our thoughts and prayers go out to those who were impacted and as well as to their families," the spokesman said on Friday.

"We understand the Captain has been charged by the local authorities and it would be inappropriate for us to comment further while the legal process is ongoing."

## We have full ... From Page -2

Interfacing between the exporter/importer, Container freight station/shipper, the forwarder/customs brokers, transporter, the terminal operator, Customs, Port authority was established by virtue of the interconnected platform offered by CODEX. This ensured streamlining of operations and greater transparency in Port Operations.

To the custodians the CODEX ensured secured transit of export containers from customs stations to the Port, enabled monitoring of movements of containers by

custodians, customs and the port besides ensuring accuracy of data for custodians, customs and the vessel operators.

In the case of the Port it helped speedy movement of containers while crossing the green gate and port getting the benefit of digital data transferred in the process.

In so far as the trade is concerned it receives export documents immediately after the sailing of the vessels to facilitate follow up action. CODEX is a win-win situation for all the agencies operating in the Port.