



Sagar 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, October 09, 2019 | Voyage 8 Wave 36

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India agrees to allow Nepal to use three inland



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Work of Solid Waste processing facility ...

The customer prefers one who can take care of all his requirements under one roof: Mr S K Pradeak



Mr. Seetharaman Krishnamurthy Pradeak,
Joint Managing Director,
K.S.R Freight Forwarders India PVT Limited., Chennai.

Profile of Seetharaman Krishnamurthy Pradeak Joint Managing Director – K.S.R.Freight Forwarders P Ltd

Mr. S.K. Pradeak – Joint Managing Director of K.S.R.Freight forwarders P Limited started his career as Customer Service Executive in K.S.R.Freight forwarders P Limited in the year 2010 and held various positions in the field of logistics. His career GRID is as follows.

Year	Company	Position Held
2010	KSR Freight Forwarders Pvt Ltd.,	Customer Service Executive
2011	KSR Freight Forwarders Pvt Ltd.,	Sr. Customer Service Executive/Imp/Exp
2012	KSR Freight Forwarders Pvt Ltd.,	Manager Imp/Exp
2014	KSR Freight Forwarders Pvt Ltd.,	Executive Director
2015	KSR Freight Forwarders Pvt Ltd.,	Joint Managing Director

With a humble beginning as an Customer Service Executive in the year 2010, he gained expertise in various avenues of LOGISTICS and after seventeen years of experience.

K.S.R.Group of companies started its operations initially at Chennai in the year 1991 is now a PAN INDIA company with its presence at ALL MAJOR GATEWAY PORTS / AIRPORTS .

K.S.R.Group of companies is rendering services in all the folds of LOGISTICS / SUPPLY CHAIN MANAGEMENT. Their services includes CHB / Freight forwarding / Warehousing & Distribution / MCC Transportation / Vendor management / buying house / Logistics consultancy and so on.

The wings of K.S.R.Group of companies is spread globally and is operating in more than 15 countries with strong functional partners rendering seam less Freight forwarding & Cross country logistics operations.

K.S.R.Group of companies have been nominated by some of the major American buyers / labels as freight forwarders to handle Exports through air from different locations in India

K.S.R.Group accreditation includes – IATA / FIATA / MTO

Personal Strenths

- a) Immense knowledge in the field of LOGISTICS c) Perfection and dedication to his work
b) Renders Out of box solutions for various logistics requirements d) Humane qualities



K.S.R Freight Forwarders (Pvt) Ltd are one of the leading freight forwarders and custom house agent based in Chennai having branch at Tuticorin in South Tamilnadu, India. Over the last 3 decades K.S.R Freight Forwarders (Pvt) Ltd have established as one of the premier service providers of freight forwarding solutions and supply chain management solutions. They are well equipped to handle all emergencies, airport closures, strikes, riots and any other disruptions which can hamper business. They have membership in Federation of Freight Forwarders Association in India and specialized in handling readymade garments, made ups, home furnishing, carpets and Brass wears.

Question Answer Session with Mr Seetharaman Krishnamurthy Pradeak, Joint Managing Director of K.S.R Freight Forwarders India PVT Limited.

Sagar Sandesh: The origin and the profile of your company and its performance over the past three decades?

Seetharaman Krishnamurthy Pradeak: The K.S.R Freight Forwarders India PVT Limited was formed way back in 1991 with headquarters in Chennai and I have been at the helm of affairs of the company for the past 12 years.

The company has now a Pan India presence. Besides Chennai, it has offices in Tuticorin, Tirupur, Bengaluru, Hyderabad , Cochin, Mumbai, Mundra, Kandla , Kolkata and Visakhapatnam, we recently started an office at Ahmedabad.

The Pan India presence became essential due to meeting the requirements of our Overseas Partners who have trade enquiries from all over the country. We have staff strength of 345 persons.

We have a separate Trucking Division which caters to the requirements of the trade all over the country. Close to 73 trucks are plying across the country South to North. We handle door to door delivery and Pick and Pack retail distribution.

Under the pick and pack service we provide service to Individual customers. A big importer imports the cargo in one big lot and we split the cargo into three or four parcels and have them, delivered to various industries. We pick each carton from the imported cargo, repack it and deliver it to various consignees. We have an exclusive ware house which takes care of Pick and Pack activities.

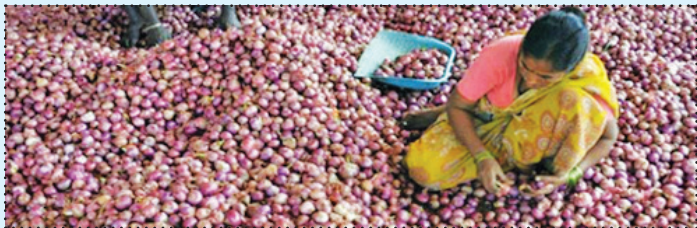
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SHIPPING - 3

Blue Economy - Wave 10

Onion prices fall below Rs 30/kg at Lasalgoan after govt measures



Lasalgoan mandi sets price trend across the country. Any fluctuation in this market reflects in other parts of the country.

NEW DELHI
Sagar Sandesh News Service

Onion prices fell below Rs 30 per kg level at Lasalgoan in Maharashtra, Asia's largest wholesale market for the bulb crop, after the government banned export and imposed stock limit on traders.

The maximum wholesale rate of onion at Lasalgoan in Nasik district has declined from the peak of Rs 51 per kg during mid-September, according to the data maintained by the National Horticulture Research and Development Foundation (NHRDF).

Lasalgoan mandi sets price trend across the country

It may be noted that Lasalgoan mandi sets price trend across the country. Any fluctuation in this market reflects in other parts of the country.

The average wholesale price of onion was Rs 26 per kg on Thursday at the

Lasalgaon Agriculture Produce Market Committee, while the maximum rate was Rs 30.20 per kg and minimum rate quoted was Rs 15 per kg.

Onion prices started rising in August due to flood-like conditions caused by heavy rains in major onion producing states like Maharashtra and Karnataka. Due to the decrease in the area under the kharif onion crop, its prices were also under pressure.

Onion is sensitively a political crop

Currently, onions kept in Rabi crop warehouses are being sold in the markets. The fresh kharif crop is expected to hit the market from November. Onion is sensitively a political crop, so the government has taken several steps to increase its supply in the domestic market and curb its rising prices in retail markets.

The retail price of onions in all parts of the country including the national capital had reached 60 to 80 rupees per kg.

The customer prefers one ...

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The company is in all modules of trade besides dealing with Logistics. We have a specialized Brokerage Division, Divisions handling trucks, Air Freight and Sea Freight. It plans to expand its truck fleet and is getting on to E Commerce Business.

We are in talks with small E Commerce companies based out of China and Hong-Kong. They require deliveries to be made to retailers all over India. We are targeting these e commerce companies to provide support to last mile delivery to their retailers in India.

We do not have plans for international presence immediately. Talks for having one, is however at a preliminary stage. We are not focused on the international market since we have very good tie up with overseas partners. It is a long term relationship which is going strong.

Sagar Sandesh: What is the state of the global shipping industry? Has it come out of the woods from the decade long recession? What has been the impact of merger of shipping companies on the freight market and whether consolidation phase of the industry is over?

SKP: *Shipping industry continued to face recession but that has not come in the way of Indian EXIM trade achieving its volumes.* On the whole, volumes are pretty good. But I cannot compare them port wise. Chennai and VOC port Tuticorin are however not doing well.

JNPT, Mundra Ports and

Inland Container Depots around Delhi are doing well and handle high volumes. *The Logistics sector in India needs to diversify and provide end to end solutions to customers.*

The industry at present has single track operations. We have people handling only customs brokerage while others concentrate on trucking business. There are others who have only warehouses. *The customer prefers one who can take care of all his requirements under one roof.* Taking this reality into consideration, the industry needs to diversify to remain in business.

Globally the markets are down. Freight rates both air and sea have come down drastically. Two years ago transporting a kilo of air cargo used to cost four US dollars but now the rates have come down to 2 dollars sixty cents.

In the Sea freight section, the Liners are offering unrealistically low rates for the inbound cargo from China. *Overall freight rates have touched rock bottom.*

A number of multinational companies who have entered the industry of late are offering attractive credit to Shippers. It is all chaos and freight war is on. It all depends on how freight forwarders unite and bring in sanity to business.

Sagar Sandesh: Nearly 85 per cent of the cargo moved in the country and in particular from the Southern Region move by road. When will this dependence on road for transporting goods

reduce and cargo move to cheaper modes like rail and coastal shipping?

SKP: There are two ways of looking at this issue. Firstly we should understand why the trade prefers to move cargo by road. It is mainly because they don't get proper connectivity especially the last mile when they transport through Rail or Coastal Shipping.

Secondly it is faster if you move by road and reach the last mile without any hitch. We have a regular trucking service from Chennai to Delhi and back. The transit time is hardly 72 hours to cover the distance of 2200 kilometers. If the same cargo moves by rail it will take at least a week.

With periodic increase in diesel prices which adds to the cost of road transport, the trade wants to switch over to rail and coastal shipping. It is for the governments to take the initiative and promote cheaper modes of transport. If road transport has to get reduced, steps should be taken to promote rail and coastal shipping.

The end customer wants the last mile delivery as soon as possible. Our customers in Delhi want the trucking time from Chennai to get reduced from the present 72 hours. We in the road transport industry, consider the persistent demand from the shippers for reduction of transit time, a huge challenge. It will be great if the government takes the initiative to provide rail connectivity to enable faster transportation of cargo.

(To be continued...)

www.porttoport.in

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The trade wants better rail connectivity and faster transit time and JNPT and Mundra ports provide them: SKP

*Mr. Seetharaman Krishnamurthy Pradeak,*Joint Managing Director,
K.S.R Freight Forwarders
India PVT Limited.,
Chennai.

(Interview Continued)

Sagar Sandesh: Whether the relaxation of cabotage laws by the government in allowing foreign flag vessels to handle coastal traffic has helped the coastal movement of cargo and which are the ports that got benefitted by this move?

SKP: The coastal movement of goods is taking place in a big way in bulk and break bulk cargo especially thermal coal. But when it is tried out for transporting automobiles and cars, it has not succeeded so far.

For instance, a leading automobile manufacturer in Chennai chartered a vessel to transport their products to Bangladesh a year ago but they did not succeed in their efforts due to various problems.

Coastal movement is a useful and cost effective option but had not made its mark in India so far unlike in the far-east where they increasingly move cargo through barges in rivers.

Sagar Sandesh: The impact of the on-going trade war between United States and China and how the Indian EXIM trade could get benefitted by this development. There are indications that countries like

Vietnam are thriving because of the trade war? To what extent the Indian trade will reap benefits?

SKP: The trade war is certainly going to help India in our export effort but not to the extent we want it to happen. We don't figure in the list of top ten countries that are likely to be benefitted by this development. India stands in the 17th position among the countries that could get benefit out of the trade war according to a latest international survey

The List of countries that will reap maximum benefits are Vietnam, Chile, Malaysia, Argentina, Mexico, South Korea, Singapore, Brazil and Canada.

India is expected to do well in garment exports. Exports could improve but will still be way behind Vietnam, Bangladesh and Cambodia.

Sagar Sandesh: Ten years ago, cargo meant for National Capital Region especially automobile spares for the Marthi plant at Gurugram from Japan used to go from East coast ports including Chennai. This was before the arrival of JNPT and Mundra Ports. Now the cargo has shifted to these West Coast ports. How

do you reverse the trend, in order maintain balance between the traffic handled in west and east coast ports?

SKP: Chennai port used to handle cargo meant for North India ten years ago and special freight trains used to run on a regular basis from the Port to Tughlakabad Container station near Delhi.

The traffic has now shifted to JNPT and Mundra because both these ports have excellent Main line vessel connectivity to

United States and Europe. The transit time from JNPT or Mundra Port to East coast ports of United states is hardly 19 days but the if the same cargo is booked through Chennai port it takes at least 30 days to reach the same destination. Sometimes they get delayed indefinitely due to transshipment at Colombo port.

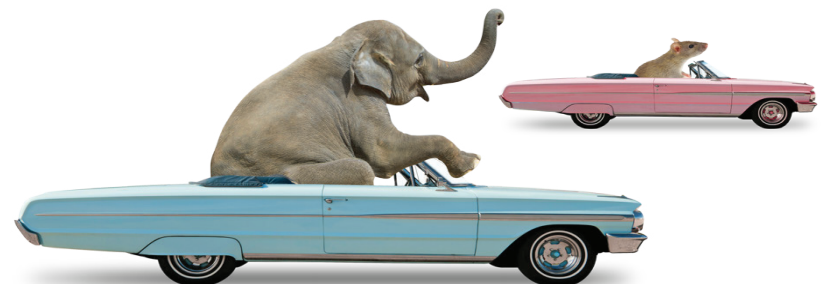
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Government takes key decisions to contain prices of Tomatoes



Safal has agreed to provide Tomato puree from all its outlets in Delhi at Rs. 25 per 200 gram pack which is equivalent to about 800 grams of Tomatoes.

NEW DELHI
Sagar Sandesh News Service

The Secretary, Department of Consumer Affairs chaired 10 October 2019 an inter-ministerial meeting to take stock of the rise in prices of Tomatoes in some parts of the country including Delhi-NCR.

The following key decisions have been taken to ensure that price rise is contained:

To mitigate the shortfall in availability of Tomatoes in Delhi, Safal has agreed to provide Tomato puree from all its outlets in Delhi at Rs. 25 per 200 gram pack which is equivalent to about 800 grams of Tomatoes. Another larger pack worth 825 grams worth Rs. 85 will also be made

available which is equivalent to about 2.5 Kgs of Tomatoes. The stocks have already been moved to all the outlets and the sales will begin from tomorrow (11th October, 2019) onwards at all booths.

Tomato producing States will be requested to facilitate augmenting the supply from their respective States to regions which are in short supply including Delhi to improve availability and moderate prices.

Tomato producing States have been regularly advised to interact with APMCs, Traders and Transporters to ensure regular supply. The same is being reiterated to 4 major Tomato producing States namely, Maharashtra, Karnataka, Himachal Pradesh and Andhra Pradesh so that prices normalize and supply is augmented immediately.

The trade wants better rail ...

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The cargo has to move from Chennai to Colombo port where the mother vessels are berthed. There are chances of a roll over at Colombo Port if there was excess booking in the mother vessel. The Indian cargo has to wait at Colombo port indefinitely if the mother vessel is overbooked and there is space congestion. The cargo has to await the arrival of the next vessel in the route.

The trade does not face these hassles if they move their cargo through West Coast Ports. There is both cost and time benefit for the trade if they opt for west coast ports.

Moreover the railways have concentrated in developing world class connectivity between JNPT and Mundra ports to National Capital Region. The hinterland for the ports is also deep and covers besides the National capital region, industrial cities of Ludhiana, Moradabad, Ferozabad, Agra besides Nagpur and Hyderabad.

The hinterland for Chennai port is however confined to Northern and western Tamil Nadu. Even the Andhra Pradesh cargo moves through Visakhapatnam or Krishnapatnam ports.

It is too late for East coast ports to regain their lost ground since select West ports in Maharashtra and Gujarat have already captured volumes. **The trade wants better rail connectivity and faster transit time and JNPT and Mundra ports provide them.** It is a win-win situation if they operated through these ports.

Sagar Sandesh: Direct Port Delivery of imports and Direct Port Entry of exports have made a huge headway in Indian ports during the last two years making the concept of routing cargo through container freight stations and inland container depots redundant. Cargo clearance from ports, have improved vastly after the introduction of the scheme. In the changed situation, what do you think would be the role of CFSs and ICDS?

SKP: Direct Port Delivery (DPD) of imports, have improved discharge from the ports. After this system has been introduced, the discharge and delivery is completed in 18 to 20 hours on an average as against three to four days time taken when they were routed through container freight stations.

The Direct Port Entry (DPE) along with RFID tags have helped the exporters immensely to cut down the dwell time for loading cargo. Transportation costs have also come down by 20 to 25 per cent.

The Container Freight Stations will still have a role of consolidating the LCL cargo. But business opportunities for freight stations might get reduced across India in the days to come. Leasing and bonding opportunities are also getting reduced.

Sagar Sandesh: Logistics is emerging as major industry as the manufacturers are keen on cutting costs and reduce their inventory to the bare minimum. Logistics costs in the country are 14 per cent while it ranges between

7 to 8 per cent in developed countries. This has direct bearing on the competitiveness of our Exports. What are the measures the government and the industry should take to reduce logistics costs?

SKP: Logistics costs have been brought down considerably since our exports are forced to compete with Vietnam, Bangladesh and Cambodia. There is not much scope for further reduction of costs, especially when the fixed costs like vessel handling charges or the cost of labor involved in the exercise will remain constant.

There is an area where the government can help in reducing costs in road movement. Instead of revising diesel or petrol prices almost on a daily basis, their price revision could be done on a monthly basis. This could bring down the transportation costs by road.

Sagar Sandesh: Krishnapatnam port has made big strides in handling transshipment business in the last two years, managing to wean away Indian transshipment cargo from Colombo and Singapore Ports besides attracting main line vessels to call at the port. The Chennai port which followed suit had not made much progress in this effort. The VOC port Tuticorin is also gearing up for transshipment business and intends to develop a transshipment hub. What is your take on the outlook for transshipment business from east coast ports?

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The trade wants better rail connectivity and faster transit time and JNPT and Mundra ports provide them: SKP

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SKP: Transshipment business has not picked up across India. The East Coast Ports including Visakhapatnam, Krishnapatnam, Chennai, Ennore and VOC port Tuticorin depend on movement of cargo through feeder vessels to Colombo for shipments to the ports in the United States.

Chennai port however has the advantage of having a direct connectivity to European ports once a week. Hence the transit time to Europe gets considerably reduced.

The major markets for Indian exports continue to be United States, Canada besides the European Union.

Transshipment has not picked up in the East coast ports and movement of cargo is basically

through feeder vessels to either Colombo or Singapore or Port Klang.

Besides not providing world class rail connectivity to east coast ports, the government has also not taken the initiative or provide adequate infrastructure at East Coast ports like deepening and widening the entrance channel so that Main Line vessels could get attracted.

He said Singapore and Colombo ports are not supported by the domestic industry but they get cargo from India, Pakistan and other South Asian countries. Hence mother vessels queue up at these ports for handling cargo.

But Ports like Chennai in the East coast are dependent on cargo from Bengaluru, areas

around Chennai, Coimbatore, Tirupur. Even cargo from Andhra Pradesh goes to Krishnapatnam or Visakhapatnam ports.

Unlike Colombo or Singapore ports, the ports in the East coast are not able to attract cargo from other South Asian countries in the region.

No other South Asian country is dependent on our east coast ports for transshipment barring Nepal which is using both Kolkata port systems and Visakhapatnam.

For example the main line traffic of East coast port like Chennai is only around 20 per cent and the rest is all feeder traffic dependent on Colombo or Singapore ports.

(To be continued...)

Sagarmala aims at over 3,300 mtpa of port capacity by 2025



Sagarmala aims to modernize India's Ports so that port-led development can be augmented and coastlines can be developed to contribute to India's growth: Wikipedia

NEW DELHI
Sagar Sandesh News Service

The Sagarmala programme aims at enhancing the country's port capacity to over 3,300 million tonnes per annum (mtpa) by 2025.

As per a Ministry of Shipping communication, this envisages 2,219 mtpa of capacity at the Major Ports and 1,132 mtpa at the non-major ports by 2024-25.

This is part of Sagarmala's special attention towards capacity enhancement and utilisation of the ports to cater to the

projected traffic, the communiqué stressed.

Sagarmala, a very ambitious and visionary initiative, aims at reducing logistics cost for both domestic and EXIM cargo which will result into overall cost savings of INR 35,000 to 40,000 crore annually. And the concept of Port-led development is central to the vision of Sagarmala which focuses on the so-called Four Pillars of Sagarmala: Port Modernization, Port connectivity, Port-led industrialization and Coastal Community Development.



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2019 Special Issue



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SHIPPING - 9

Blue Economy - Wave 12



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Sagar Sandesh

Wishes its valuable Readers, Supporters & All the Stakeholders of Maritime Industry



LOGISTICS - 10

TOTAL joins Adani to create India's premier integrated ...



Chennai port should reduce the vessel related charges to face the competition from neighboring ports: SKP



Mr. Seetharaman Krishnamurthy Pradeak
Joint Managing Director,



(Interview Continued)

Sagar Sandesh: What is your take on the future of transshipment terminals like the one at Vallarpadem and the one that is coming up at Vizhinjam or the one proposed at Colachel?

SKP: The terminal coming up at Vizhinjam and the one proposed at Colachel are long term projects which will provide dividend to the country after a span of say twenty years.

The connectivity which JNPT

or Mundra ports currently enjoy will get extended to Cochin port or Vizhinjam may be after 20 years. These are long term projects for the country.

Sagar Sandesh: While the private ports like Katupalli., Krishnapatnam, the private terminal at VOC Port besides JNPT and Mundra ports are doing well in container volumes during the current year.

Chennai port terminals registered a negative growth.

What do you attribute this trend to? Is this because of the competition from neighboring ports or due to evacuation problems in the port?

SKP: The advantage of moving cargo through Katupalli or Krishnapatnam ports is tremendous since these ports have wide connecting roads. Moving cargo to the port or evacuation becomes swift and less cumbersome unlike in ports like Chennai.

As private ports they also provide good customer care. Some of the vessels that have stopped calling at Chennai port recently are the Hyundai Merchant Marine mainline service.

The service has shifted its call to nearby Katupalli from Chennai port. This is a weekly service direct to the Korean port of Busan.

The Adani group which owns the Katupalli port is offering lot of benefits to attract Liner vessels and cargo.

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UPCOMING PORTS: Paradip Coal Terminal | Paradip Iron Ore Terminal | Nandgaon Jetty

FM Nirmala Sitharaman says more reforms on anvil this fiscal to boost growth



Our ambition to become economically strong has been driven more by our desire to become a less poor nation: FM Nirmala Sitharaman

NEW DELHI
Sagar Sandesh News Service

Addressing Columbia University's School of International and Public Affairs, Finance Minister said "We have just entered the second half of 2019-20 and already implemented a series of reforms with more on the anvil before the close of year. The reforms were and will be guided by close scrutiny of growth evidence in the economy. Our mission to become a \$5 trillion dollar economy in 2024-25 remains unchanged and further strengthened by our resolve to deliver on the resounding mandate given to us by the largest electorate in the world."

"A critical component of our mission is high levels of investment, driven by the private sector, a larger presence in the global markets, and a lower level of public debt," she said.

On IMF's latest growth projection, Nirmala Sitharaman

said: "We continue to remain one of the fastest growing economies in the world.

Our growth story is not hostage to performance in some quarters."

"We are well and truly on our way to becoming a \$5 trillion economy by 2024-25. A five trillion dollar economy will make India a global economic powerhouse moving us from the 7th to 3rd position in terms of current dollar exchange rate.

The Finance Minister further said that the growth impulses in the economy have been buffeted by the winds of trade wars, protectionism and volatility in crude prices, as well as improved supplies that the world is witnessing.

"However our ambition to become economically strong has been driven more by our desire to become a less poor nation," she said.

The lecture was organised by the University's Deepak and Neera Raj Center of Indian economic policies.

Chennai port should reduce ...

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Chennai port has suffered a set-back in recent years since a number of mainline vessels which were calling at the port have shifted their base to either to Katupalli or Kamarajar port Ennore.

Chennai port should reduce the vessel related charges to face the competition from neighboring ports. The administration and trade should take effective steps to stop the wild cat strike like the ones recently organized by the tractor trailer operators.

I am aware of some cargo consolidators, who were operating in Chennai port for decades shifted to Tuticorin and Mumbai ports two years ago. A temporary decision they took has

become permanent as they have decided not to look back since they enjoy good services at both VOC port Tuticorin and Mumbai

Sagar Sandesh: When do you think the satellite port project at Puducherry is expected to take off? Has the dredging work at the port completed? Is the trade confident the Coastal movement of containers from Chennai to Puducherry and Karaikal Ports will be more economical than the road transport undertaken at present?

SKP: The coastal movement of containers from Chennai port to Puducherry and Karaikal tried out on a pilot basis is not found to be economical. More over this multimodal transportation

has the potential of affecting the existing container volumes at Chennai port. The trade finds the road option in this short route better cost wise.

Sagar Sandesh: What is the status of Chennai port Madurvoyal elevated corridor project? When do you think work on the project will resume? Is there any progress on the proposed Logistics part at Jolarpet? Has the Southern railway handed over the required land at Jolarpet railway station to the Chennai Port to make it operational?

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English translation of the poem by PM Modi on his visit to Mamallapuram

(By Mrs. Neela Murali, Hindi Dept, Subbalakshmi Lakshmiathy College of Science, Madurai- 625022)

Hey... Ocean!!!

My Salutations to you.

Your courage, your pride,
Gives life to the world,
Blue is your colour.
This huge expansion,
This vastness,
Strange your form is.

Hey... Ocean!!!

My Salutations to you.

Walks on the surface
This uproar, this evolution,
Sometimes above sometimes below.
The majestic thunderous waves,
This is your pain,
Is angry or anguish?
Your are not distracted,
Neither apprehensive nor afraid,
Because you have depth!

Hey... Ocean!!!

My Salutations to you.

Consists of immense power,
Unlimited energy wrapped in yourself.
Still stick to your limits,
You never exceed your limits!
Every moment brings a sense of nobility.

Hey... Ocean!!!

My Salutations to you.

Hey education giver,
Hey sacraments giver
Message of life in your waves.
No wish for wow,
No wish for shelter,
Regardless this stay.



PM Modi on Mamallapuram beach during morning walk when the poem was born

Hey... Ocean!!!

My Salutations to you.

Your move embellished the life,
Your race of waves.
Neither stops, nor tired,
Chants the mantra "keep on moving, keep on moving, keep on moving"
Continuously everywhere.
A Relentless journey,
A Relentless message.

Hey... Ocean!!!

My Salutations to you.

New waves emerging from the waves.
Rise in merger too,
The order of birth - death is unique,
It fades - erases, fits in you
Makes you feel reborn.

Hey... Ocean!!!

My Salutations to you.

Your relationship with sun is old,
Heats - gets heated
This lively water, yours
Erases self, touches the sky,
As if kisses the sun,
Clouds again, rains too,
Spills honey thoughts,
Decorates the world with Rich water and ripened fruits.

Hey... Ocean!!!

My Salutations to you.

This beauty of life,
Reflects the ideal of NEELAKANTH,
The poison of the earth, absorbed in itself,
Crush the salinity within,
Bestowed new life to the world,
Taught the secret of living life.

Hey... Ocean!!!

My Salutations to you.

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Sagar Sandesh

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Logistics: Distribution and Supply Chain

Students' Corner - 157

Distribution connects the producer of the product and the consumer of the product. Without the consumer, no business is possible and in a way, he decides the volume of the business including the other features like design and packaging. Consumer is the king of the market. Of course, between the producer of the product and the consumer, there are many intermediaries who are inevitable in the channel of distribution.

Distribution to be effective must deliver goods to all stakeholders in right time, in the right place and in the right quantity without any damage to the goods.

Delivering the goods in right time brings in many advantages. First of all, the customer is satisfied that he has received the goods in right time in the sense that his need for it can be fulfilled as he wished. Additionally, it reinforces the brand image of the company because it makes the customer feel that the company has responded correctly to the customer since it values the customer.

Nothing damages the name of the company than a delivery of goods in a wrong place. And no blame should be laid at the door of the customer at any cost, generally. Verification of the address is a valid measure because the place is the final destination in the journey of the product.

So also the right quantity: Quantity is not just the number but it also includes correct packaging. Very often, a good packaging leaves a good impression on the mind of the customer.

Distribution has some more tangible benefits. It creates job opportunities. It is said in distribution is involved a huge number of graduates and even post-graduates in international food delivering companies like Zomato. In catering domain, the distribution of food items ordered under home-delivery mode has been gaining popularity which means business for the catering organisation is on the increase. Flipkart and Amazon are reputed examples that solely depend on the efficient supply chain which functions effectively in distribution.

Of course, through distribution channel, information flow can be easily and cost-effectively maintained. The company can pass on vital information about its products and also get direct feedback from the customers.

We will spend some more time on distribution management in our next.



Won't you be delighted to receive the product you ordered with flowers?

As PSA SICAL, we have grown up...

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Regulations designed to protect a transshipment hub rarely work, simply because of the availability of competing hubs

The regulatory infrastructure extends beyond the port. A transshipment terminal does not operate in isolation. It needs a supporting network of marine feeder operators and road/rail access, indeed a supporting network of connectivity in not just the physical shipment of the containers, to and from the terminals, between terminals in the same port, but also in the exchange of information.

From a national perspective, the relaxation of some cabotage restrictions in May 2018 was a move in the right direction, borne out by the increase in coastal volumes and the reduction of Indian cargoes handled abroad. Detractors remain, in part because domestically flagged vessels are subject to more stringent regulation than foreign. In addition, despite the relaxation of some cabotage restrictions, we have the strange situation for the terminals whereby the coastal tariff is reduced by 40% from

the exim tariff, but the royalty remains at the higher exim levels. It's all well and good encouraging coastal trade, which is crucial to support transshipment, but at the same time, such a contradiction discourages the terminals from handling coastal volumes. Again, we suggest a level playing field for this, and we understand the Ministry of Shipping is actively considering reducing the coastal royalty levels to be in line with the lower tariffs.

The transshipment hub in Freeport, Bahamas is a good example of how regulation can drive transshipment growth elsewhere. Cabotage restrictions in the US mean that transshipment in the US will never happen, since the cost of operating domestically flagged vessels is just too high, compared to foreign flag vessels operating from foreign hubs. So the regulatory barriers in the US presented an opportunity to offshore transshipment hubs, in the same way that foreign hubs have benefitted from regulations.

In that regard, I don't think I would be betraying any great secrets by saying there is a good

way to go as far as regulatory infrastructure. Unfortunately every single global terminal operator present in major ports is locked onto some arbitration or litigation with the Port Trust or Tariff Regulator or with both. PSA always does its best to work alongside all our stakeholders, our track record speaks for itself. There also needs to be a more effective approach to dispute resolution for major projects, else the uncertainty will be priced into projects by participants.

So in summary, as a nation that has for many years, seen more than 25% of its containerized cargo transshipped at foreign hubs, it is logical for India to strive for a hub of its own, particularly given many of the physical components are either in place or achievable. However, with the highly competitive nature of transshipment, a hub in India needs to be able to more than match the competition, in every aspect, not just a few key ones, in order to stand a chance of success and so reap the benefits. So we wish the concept all the best and as PSA, stand ready to play our part. ❖❖❖

Chennai port should reduce the vessel related charges to face the competition from neighboring ports: SKP

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SKP: The EXIM trade wants the elevated corridor project to be commissioned as early as possible for this would help speedy evacuation of containers.

In my view the proposed Logistics Park has practical problems. The Park authorities would like to move the rakes to the Chennai port only if they get sufficient cargo. Hence there is a possibility of waiting period for the cargo which arrives at the Park.

Moreover once the park gets commissioned there will be no work for the 30 Odd Container Freight Stations functioning at present around Chennai port. Already they are reeling under the impact of Direct Port Delivery and Direct Port Entry Schemes introduced by the Customs authorities.

Sagar Sandesh: Coastal shipping has not taken off despite various promotional measures offered by the shipping ministry and the individual Port

Administrations for the past four years. While several multi modal parks have taken off on the river Ganga during the last few months, no such effort is forthcoming in coastal India. Has the government failed to promote end to end movement of cargo with coastal shipping as one of the components?

SKP: The exporters are not briefed about the advantages on cost if they resort to coastal shipping. The cost benefit needs to be explained so that they increasingly resort to this mode of transport. The domestic exporters need to be educated about this.

Sagar Sandesh: Do you think the commissioning of the Sethu- Ship-Canal project will promote coastal shipping in the country since the project as and when commissioned will reduce the sailing time of ships between the west and east coast by at least two days flat?

SKP: if the project is

completed it would help further increasing the traffic from the west coast.

South Indian exporters would shift base to west coast ports because of the reduction in sailing time. Instead of Colombo or Singapore they will make JNPT or Mundra their transshipment destinations.

Sagar Sandesh: The existing Indian ports especially in the east coast need more cargo, Hence the government should concentrate on utilizing the capacity in the existing ports rather than concentrate on creating Greenfield ports said leading container terminal operator. Your take on the issue.

SKP: This is one hundred per cent true. The existing ports need more cargo and government should concentrate on creating conditions including infrastructure to facilitate calling of liner services at all Indian ports and improve the rail connectivity to east coast ports. ❖❖❖