



# 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 30, 2019 | Voyage 8 Wave 39



**Mr. A.V. Vijayakumar,**  
MD & CEO,



## Question Answer Session with Mr. A.V. Vijayakumar, Managing Director Paramount Shipping Services PVT limited and Chairman Federation of Freight Forwarders Association in India

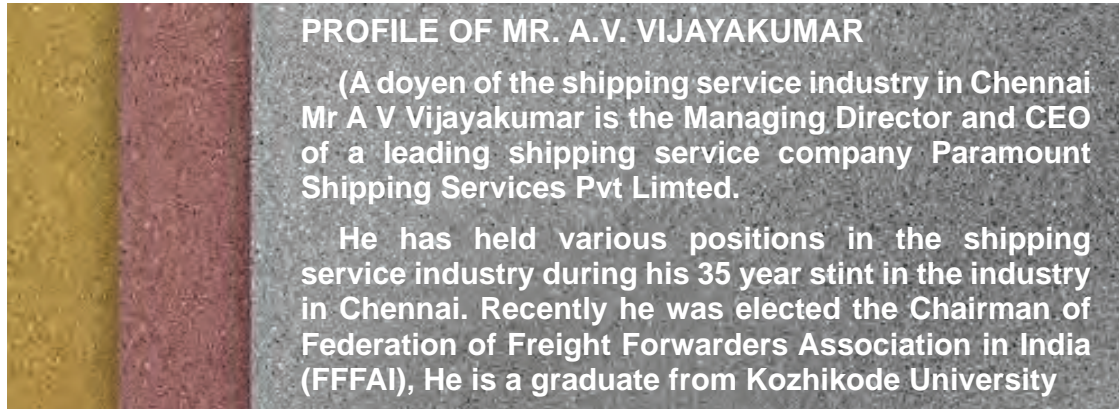
**Sagar Sandesh:** Your firm Paramount Shipping Services has been in business for the last 2 decades. Give us the profile of your company, its achievements and its expansion plans.

**A.V. Vijayakumar:** The firm was started in Chennai way back in 1988. We are in the business of freight forwarding, transportation, ware housing distribution and handling of project cargo. Our clients are from the automobile and energy sectors.

They include Hyundai, Toyota, Volvo, Caterpillar, Honda, Tier 1 and Tier vendors of automobile companies and wind mill and solar power projects. We have offices all over Southern India besides a Pan India presence. We have agents all over the world. The firm has two hundred full time employees.

The company is planning expansion on ware housing space. We plan to expand Ware Housing space from the present 2 lakh square feet capacity to over one million square feet capacity in the next few years. **The demand for Ware housing is increasing following growth of both domestic and multinational E marketing companies which need massive storage space for their retail operations.**

## We may soon expect a moderate upswing in our exports: AVV



### PROFILE OF MR. A.V. VIJAYAKUMAR

(A doyen of the shipping service industry in Chennai Mr A V Vijayakumar is the Managing Director and CEO of a leading shipping service company Paramount Shipping Services Pvt Limited.

He has held various positions in the shipping service industry during his 35 year stint in the industry in Chennai. Recently he was elected the Chairman of Federation of Freight Forwarders Association in India (FFFAI), He is a graduate from Kozhikode University

Space near Airports, Seaports besides National Highways, have become hot spots for setting up ware houses.

Chennai, Coimbatore, Madurai, Tiruchirapalli, Salem besides Cochin and Hyderabad are among the cities where ware housing space is in demand. The ware housing industry is faced with problems including difficulties in Land acquisition, cost of construction and labor costs in their expansion projects.

**Sagar Sandesh:** When do you think the shipping industry will come out the longest ever recession in recent decades. I am told the bulk cargo is picking up so also containers. What is the scenario like? Has the merger of shipping companies helped to consolidate their business and improve their performance?

**AVV:** Shipping industry is closely related to the World Trade and has witnessed many peak and low cycles. The current international political development does not augur well for the international trade to expand drastically. **The new Mantra is not FREE Trade but FAIR Trade from the perspective of individual nations.** Hence a return to year on year growth in EXIM Trade is not likely to return anytime in the near future.

The recession has affected the Logistics sector also. The upswing in bulk cargo is driven by disruptions of the past year and low inventories of essential raw materials. This will stabilize during the course of 2020.

The container volumes are also increasing year after year. Container volumes in Indian

ports especially in Mundra or JNPT are doing well and have not dropped.

The container handling capacity in East coast ports has increased. If you combine the volumes handled at Chennai, Kamarajar, Katupalli and Krishnapatnam ports the numbers are increasing. Two container terminals of the Chennai port have handled 2.5 million TEUs last year. Some of the volumes which Chennai port was handling in the past have shifted to nearby ports.

Economic necessity has catalyzed the business mergers amongst shipping companies. It must be noted that freight is no longer a unique proposition but a commoditized offering. **Hence only the economics of scale will dictate the robustness and profitability of the merged ventures.**

**Sagar Sandesh:** How is the freight market behaving and whether the shipping industry is subsidizing the freight costs of the trade?

**AVV:** The free freight phenomena is still existing in India- South East Asian routes while freight rates are looking up in sea routes connecting the Middle East, Europe and United States.

I do not agree with the view point that trade is being subsidized by the shipping industry. In a market place, the merchant needs to face highs and lows and adjust his pricing according to the existing conditions.

The uncertain times arising out of trade spats continue and

the imposition of punitive tariffs across a range of commodities originating from China/Turkey/Europe to United States and the retaliatory steps of the affected countries has certainly contracted the Shipping Volumes and quick fix resolutions does not appear to be a reality.

**Sagar Sandesh:** India's exports have not picked up during the last 2 years despite the number of incentives announced by the Commerce department and imports are also dropping. IMF Chief has warned that India will face the brunt of the Slow down for the next 2 years. How do you see the Volumes move in the next few years in the light of these developments?

**AVV:** Yes. Indian exports have stagnated and have lost its momentum. But foreign trade is impacted by a host of international developments and this trend cuts across the entire world. India competes with the rest of Asia on its export basket and falling demand and consuming nation's withdrawal of some duty benefits under Generalized system of preference has put India on distinct disadvantage especially amongst the competing Asian countries.

In the case of garments, fabrics and textile sector, Bangladesh and Vietnam are doing well and Indian exports face price competition.

Increase in production cost, raw material cost and withdrawal of duty benefits from the countries in the European Union have affected our textile exports.

Turn to Page - 2 ▶▶

### SHIPPING - 3



Blue Economy -  
Wave 13

### LOGISTICS - 7



Toyota, Suzuki plan  
early launch of  
battery EVs in India

### EXIM - 9



India turns refined  
copper importer  
after a gap of 18  
years

### PORT - 10



In 20 months PSA  
Terminal in JNPT  
handles One million  
TEUs

## Dr. Sukhbir Singh Sandhu takes over as Chairman, National Highways Authority of India



Dr. Sukhbir Singh Sandhu,  
Chairman, NHA

NEW DELHI  
Sagar Sandesh News Bureau

**D**r. Sukhbir Singh Sandhu has taken over as Chairman, National Highways Authority of India on 28 October 2019.

He is an IAS Officer of 1988 batch Uttarakhand Cadre, who has held important positions in the Central Government and the Government of Uttarakhand, Government of Uttar Pradesh and Government of Punjab.

### A physician with Master's Degree in History and Law Graduate

Dr. Sandhu has done his MBBS from Government Medical College, Amritsar

and Master's Degree in History from Guru Nanak Dev University, Amritsar and is also a Law Graduate.

Prior to his current assignment, Dr. Sandhu was Additional Secretary in the Department of Higher Education, Govt. Of India where he looked after Technical Education.

He has vast experience in field of State Roads, Infrastructure development, PPP Projects, Finance, Urban Development, Environment, Health & Family Welfare, Tourism, Revenue Administration, Rural Development, Power, New & Renewable Energy, Information Technology, Industries and Science & Technology.

## We may soon expect a moderate . . .

From Page -1

Withdrawal of GSP by the United States has affected our engineering exports. The imports have also fallen since the domestic manufacturing industries are not doing well because of the slow down. The import export ratio in the Chennai region is around 60:40 on an average.

Many pro active policy measures are being initiated by the government and the enhanced focus is to bring down the Logistics related cost which will see the Indian products gaining competitive edge. *We may soon expect a moderate upswing in our exports.*

**Sagar Sandesh:** The implementation of Direct Port Delivery of imports and Direct Port Entry of Exports have sounded death knell to the prospects of Container Freight

stations and Inland Container Depots. Do you see any future for them in cargo handling operations?

**AVV:** The implementation of Direct port delivery and Direct port entry have brought down the total logistics cost substantially.

The cost reduction for the shipper works out to nearly Rs 8 to ten thousand for every 20 foot container if he resorts to Direct Port Delivery of Imports by-passing container freight stations.

In the case of Direct Port Entry, exporters gained on an average a sum of Rs 2 to three thousand for every container. The cost reduction is seen in Chennai port terminals.

Most of the 30 odd container stations operating around the Chennai port area are more

than two decades old and hence did not make huge investment unlike the new ones where the investment ranged between Rs 150 to Rs 200 crores.

None of the container stations in Chennai area have folded up because of DPD or DPE. About 20 per cent of the shippers continued to use the container freight stations as storage points and customs authorities have provided facilities for examination of the cargo there.

CFS can do bonded ware housing and other value added services. Their revenue is likely to come down after the introduction of DPD and DPE. Certainly it is not the end of the road for them. Many value additions could be offered by them to retain their business.

**(To be continued...)**

## All Nippon Airways launches direct flight from Chennai to Tokyo



It is hard to ignore the growth potential of Chennai and when the nearby cities of Bengaluru and Hyderabad are factored in, the case for expansion becomes overwhelming: ANA general manager (India)

CHENNAI  
Sagar Sandesh News Service

**C**hennai now has a direct air service to Japanese capital when All Nippon Airways, one of the largest airlines in Japan, launched direct service to Tokyo.

### Chennai first city in South India to have this connectivity

With the new service, Chennai has become the first city in South India to have the flight connectivity to the Narita International Airport, Tokyo.

"All Nippon Airways is here!!! Chennai will be the third in India and the first city in the South to welcome direct flight from Japan," Airport Authority of India said.

### The flight thrice a week with nine hour duration

"The Chennai-Narita connect will operate thrice a week. The flight is of nine hour duration and inaugural offers include a Rs 19,000 return flight from Chennai to Tokyo.

### Inaugural flight when reached Chennai given traditional water salutes

All Nippon Airways, in its website, said, "Bringing a new attraction flight closer. The only direct flight from Chennai to Tokyo". As the inaugural flight from Tokyo made its touchdown at the Anna International Terminal here on October 27, it was accorded with a traditional water salute.

Earlier in January, All Nippon Airways (ANA) had said it would commence direct flight from Japan to Chennai making it the third city in India after launching direct flights from New Delhi and Mumbai.

The addition of Chennai brings the total number of ANA destinations to 46. ANA general manager (India) Yasuo Taki had said, "It is hard to ignore the growth potential of Chennai and when the nearby cities of Bengaluru and Hyderabad are factored in, the case for expansion becomes overwhelming."

"We look forward to offering service to Chennai in the years to come and hope we can play a part in bringing the best of this dynamic city to the world," he had said.

www.portport.in

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## SHIPPING - 3

Blue  
Economy -  
Wave 14  
.....



## LOGISTICS - 8

Railways signs  
Memorandum  
of Under-  
standing ...



## EXIM - 9

India will  
not sign any  
free trade  
agreement ...



## PORT - 10

Essar Ports win  
"The Environ-  
ment Protection  
Award" ...



## The government of India has woken up to the fact that there can be only two types of business, Efficient / inefficient: AVV

### (Interview Continued)

**Sagar Sandesh:** Too many ports in the country are involved in transshipment business in the name of taking away volumes from Colombo, Singapore and Malaysian ports besides Jebel Ali. Some are operational but many of them are in the pipeline. Do you think the time has come for the government to declare one port each in the West and East coast as hub ports for transshipment and all the cargo gets aggregated at the hub port?

**AVV:** The approach of Individual port to enter transshipment business is based on their own feasibility study and market requirement.

When the Shipping Ministry started work in Vallarpadem transshipment terminal nearly ten years ago, their intended target was to bring in one million TEUS initially. The Ministry planned the terminal as a transshipment hub.

Initially the terminal was doing hardly three lakh TEUs annually due to cabotage restrictions on foreign flag vessels. Even after the lifting of cabotage restrictions, the terminal's turn-over has not exceeded six lakh TEUs per year. The ministry has invested nearly Rs 2500 crore on the project.

Still majority of the transshipment of Indian container cargo takes place only at Colombo port. Lower port handling costs at Colombo port attracts Liner vessels to Colombo.

Market forces should decide how many ports in the east and west coast of the country should handle transshipment business. Any intervention from the government will attract negative comments from affected interests.

A single Hub for East and West Coast also has the potential to deteriorate into a Monopoly with its attendant evils. Any port that offers an efficient and viable cost options to the Main line Operators is bound to succeed in attracting transshipment cargo.

**Sagar Sandesh:** What do you think of the government's move to fix distance between two ports and alter the limits of each port? The proposed Indian Ports Bill



besides fixing the distance between the two ports would also specify the standards and the facilities to be created for operating a Port. Do you think such moves will help to increase volumes in Ports?

**AVV:** We witnessed similar government's policy announcement with regard to Airports in the past but Hindon airport recently commissioned near the Delhi airport has deviated from this stated policy.

The throughput of any port is dependent on the hinterland it serves and the economic efficiency it offers to its customers. The norms for the Ports can be bit of a misnomer.

Not all ports in the country are Multi Commodity Ports and hence it may be self defeating to fix norms for Ports, without considering its core business focus of the commodities, it seeks to attract.

Business success is totally dictated by time and cost efficient offering. Without adequate infrastructure, both physical and technical, such efficiencies cannot be offered by the Ports.

The trade is not affected by concentration of too many ports in a given area say like Chennai. The only problem they may face, is that volumes get shifted from one port to another.

The container business in Chennai port has been affected by the new ports springing up in its vicinity. Maersk Shipping line which was operating from Chennai port has shifted to nearby Kamarajar port. (Ennore)

Hyundai Merchant shipping which

operates weekly service to far-east from Chennai port has shifted to Katupalli port recently.

The state of Gujarat has too many ports in close vicinity and most of them are doing well. This is because only Mundra and Kandla ports are situated in close vicinity of fifty kilometers while in the case of all other Ports, the distance between ports ranged between 300 to 400 kilometers.

**Turn to Page-2 ▶▶**

## The human touch

### Keeping it real

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## Pirates Kidnap Four Crew from Greek Tanker off Togo - Togo Navy



(MT Elka Aristotle Photo: MarineTraffic.com/Peter Beentjes)

NEW DELHI  
Sagar Sandesh News Service

Pirates attacked a Greek oil tanker off the coast of Togo on Monday, 4 Nov, and fled after taking four crew members as hostages, the West African nation's navy and Greek authorities said, two days after a similar attack in the waters of neighboring Benin.

### Two Filipinos, one Greek, one Georgian missing; one security wounded in the attack

Of the missing crew members, two are Filipinos, one is Greek and one is Georgian, the navy said in a statement. One security guard was also shot and wounded in the attack, it said.

"Monday, 4th of November 2019, around 0300, the tanker boat Elka Aristotle was attacked around 18 kilometers (11 miles) from the port of Lome by armed individuals," the statement said.

### Greece's shipping ministry closely monitoring the issue

The vessel's manager, European Product Carriers Ltd, confirmed the early morning attack, without providing further details. Greece's shipping ministry said it was "closely monitoring the issue."

### West Africa's Gulf of Guinea is a high-risk area though piracy decreased

While piracy has decreased worldwide, West Africa's Gulf of Guinea is a high-risk area for abductions and armed robbery, according to the International Maritime Bureau.

Armed guards were present on the Greek boat and tried to fight off the attackers, but one was wounded, the Togo navy said. An investigation has been opened.

The attack follows the abduction by pirates of nine Filipino crew members from a Norwegian-flagged boat off the coast of Benin on Saturday.

# The government of India has woken...

Hazira Port is close to the commercial city of Surat and the city's large industrial base supports the port.

**Sagar Sandesh:** How come the world renowned container terminals like DP World and PSA operating from Chennai port are not able to attract more number of mainline vessels?

**AVV:** The PSA terminal in Chennai port is doing well and its turn-over is around Eight lakh containers a year. The DP World terminal which was doing 11 lakh TEUs a year but its turn-over has dropped to six lakhs TEUs recently because of the arrival of new players like Katupalli and Krishnapatnam ports.

DP World lost business initially due to congestion and evacuation problems in Chennai port and Katupalli port took advantage of the development.

**Sagar Sandesh:** Your comments on the Major ports Authority bill to be introduced in Parliament next month. The bill proposes to give more Operational freedom to the Chairmen of the state owned major ports to take decisions based on the prevailing market conditions and improve efficiency.

**AVV:** The government of India has woken up to the fact that there can be only two types of business, Efficient/

inefficient and not Public sector and Private sector. The bill is a step in the right direction.

The move will help to improve the operational efficiency of the major ports. Barring Kolkata, New Mangalore all other major ports are doing well. Chennai port had lost coal and iron ore cargo while Marmugoa Port is deprived of its main cargo, the iron ore.

**Sagar Sandesh:** Ware housing capacity in the country is likely to go up to five hundred million square feet in the next 10 years as against 170 million square feet at present. What is the capacity addition expected in the Chennai port area?

**AVV:** The advent of Goods and Service Tax has forced drastic re-engineering of the supply chain especially the distribution process. Ware housing decisions are no longer dictated by the friendly state tax regimes but rather more on geographical access and efficient connectivity.

Ware housing demand will explode in the coming years but this will spread across the entire country and not necessarily Port focused. The Port based ware housing shall primarily be only transit hubs and not distribution centers.

The demand has increased

recently with the entry of domestic and multinational E Commerce firms. The problems in ware housing projects are the delay in acquiring lands, spurt in cost of construction and shortage of labor.

**Sagar Sandesh:** What has been the impact of relaxation of cabotage laws allowing foreign flag vessels to carry domestic cargo and whether it has helped to improve volumes from East Coast ports?

**AVV:** The move by the government to implement relaxation of cabotage laws has not been as successful as it was expected. The volume of domestic cargo carried by the foreign flag vessels has not increased substantially through this measure.

In the light of experience gained during the last one year when the relaxation was announced, the government should hold dialogue with the Shipping lines and announce further relaxation so that it helps the trade.

The move has not been a resounding success as it was expected.

The East Coast Ports are poorly served by domestic coastal shipping and hence the relaxation has only helped only the Hub Ports.

(To be continued)

## Indian-origin researcher's work on environment-friendly batteries awarded by Australian govt



I find the study of sodium-ion batteries particularly fascinating: Sharma, a professor at University of South Wales (UNSW)'s School of Chemistry

NEW DELHI  
Sagar Sandesh News Service

Indian-origin researcher Neeraj Sharma has been given the 'Early Career Researcher of the Year' award by the Australian government for developing next-generation battery systems such as sodium-ion battery that will leave minimal environmental impact.

Thirty-five-year-old Sharma, a professor at University of South Wales (UNSW)'s School of Chemistry, was handed over the award at the Government House in Sydney by New South Wales Premier Gladys Berejiklian on Tuesday, the varsity said in a statement.

"To develop the next generation of technologies we need better performance, at a lower environmental cost. My work explores lithium-ion batteries - found in electronic devices, electric vehicles and the grid - as well as next-generation battery systems such as sodium-ion batteries. I find the study of sodium-ion batteries particularly fascinating and we have been developing new electrodes for these systems," Sharma said.

### The awarded research explores inherently safe solid-state batteries

The awarded research explores inherently safe solid-state batteries, energy-dense lithium-sulfur batteries, dual function solar batteries and methods for recycling.

"We can enable and enhance the uptake of electric vehicles, ensure batteries are recycled leaving minimal environmental impact, and transition away from fossil fuels for energy generation and transportation. There is significant opportunity to shape how we live into the future.

### Research really does change the world: Sharma

"As researchers we are all working in our niche and there is potential, sometimes it is obvious as in batteries and at other times it is more subtle - but research really does change the world," he said.

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## SHIPPING - 3

Blue  
Economy -  
Wave 15  
.....



## LOGISTICS - 8

Coal Minister  
announces  
300% increase  
in Ex-Gratia ...



## EXIM - 9

India gained  
Rs 5354  
Crores in  
additional ...



## PORT - 10

Shipping Minister  
Mansukh  
Mandaviya  
inaugurates ...



# Inter departmental differences have always been a speed breaker to many infrastructure projects: AVV

## (Interview Continued)

**SagarSandesh:** Coastal shipping has not picked up despite several concessions offered by both Port administration and the Shipping Ministry. Is there a need for evolving a standard operating procedure common to all the ports governing the handling of coastal cargo in areas like customs, immigration and other governmental procedures?

**AVV:** Multiple handling of cargo when it is transported through coastal shipping has added to the transaction costs as well as increased the time of delivery. So Coastal shipping has not proved to be competitive on the ground in comparison to road.

For example if an automobile manufactured in Chennai is to be transported through coastal shipping to Northern India there are as many as six sets of transportation to be undertaken before it reaches the destination. They include transportation from the manufacturing unit in Chennai to Chennai or Katupalli port, loading operations at the port, sea freight to carry the cargo to a Gujarat port, discharge of the cargo at Gujarat port, transportation from the port to the warehouse and from then on to the retailer end.

The initial approach of the government to develop coastal shipping was to make this an add on proposition to the existing ports together with foreign trade. But this approach has proved to be flawed be it on tariffs or connectivity from Ports or the process involved.

A rethink of the process is urgently required so that sub-optimal minor ports are strung together in a cluster focusing only on coastal trade.

There must be regular sailings of vessels to these minor ports where the cost of handling cargo would be less compared to major ports. Barges and small vessels should be deployed exclusively for transporting coastal cargo so that draft is not an issue.

The arrangement also requires



**Mr. A.V. Vijayakumar,**  
MD & CEO,

**PARAMOUNT**  
SHIPPING SERVICES PVT. LTD.

enhancing land side access for entry to minor ports and setting up of logistics parks close to these ports for Multi Modal evacuation of cargo.

In Major ports where coastal cargo is handled, the area should be de-notified so that customs will have no role or jurisdiction over the cargo.

Our firm has been handling coastal cargo from Chennai Port to Andaman Island and we never faced any problems from the Customs. We file a declaration in the bill the entry declaring that the cargo is meant for domestic consumption.

**Sagar Sandesh:** Container terminals in the West Coast especially Mundra and JNPT are performing exceedingly well in terms of volumes but the ones in the East coast are operating hardly 40 per cent of their capacity. What do you think needs to be done to correct the imbalance?

**AVV:** The imbalance is due to the vast

hinterland the West coast ports especially JNPT and Mundra enjoy in Northern and Central parts of the country. The east coast ports (too many in Number) on the other hand compete with each other to tap the cargoes originating from the eastern seaboard of peninsular India.

The mainline vessels have shifted to west coast ports as there is no adequate cargo in east coast ports. Escorts and Maruti used to receive automobile components through Chennai port during the 1980s and transported by rail to northern India. The volumes have since shifted to west coast ports.

West coast ports have an added advantage of a dedicated freight corridor linking JNPT with the Northern India's manufacturing centers.

Besides the industrial development near east coast states have not kept pace with cargo handling capacity installed in east coast ports.

**Sagar Sandesh:** Do you think there is need for setting up Dedicated railway freight Corridors connecting the east coast ports with the National capital region where consuming centers and manufacturing industries are located. Southern railway had Originating cargo till about 20 years ago but they have stopped after the growth of JNPT and Mundra Ports and the setting up of Dedicated railway corridors linking them to Northern India?

**AVV:** Eastern ports do not have dedicated freight corridors to attract cargo from Central and Northern India and these needs to be developed for increased and efficient port connectivity. We also need a dedicated railway freight corridor connecting Tuticorin to Kolkata which should branch out to Punjab and Jammu.

**Sagar Sandesh:** Do you think there is need for putting on hold the proposals by the government to set up new ports in the light of the trend that existing ports, especially in the east coast, have not been able to utilize the created capacity?

**AVV:** Business decisions by the investors are based on feasibility and

profitability studies. Hence legislation restricting the entry into a particular business is not the best way to approach the issue of over capacity in Ports.

Market forces including demand and supply should decide whether new port proposals are required or to be jettisoned.

**Sagar Sandesh:** Is congestion or competition from ports in the vicinity marring the growth of container terminals in Chennai port?

**AVV:** Initially it was congestion that persuaded shippers to divert their cargo from Chennai port to neighboring ports. Now that the congestion issue has been sorted out by the Chennai port administration, it is now the competition of neighboring ports.

It is the shared hinterland of the ports around Chennai that is the main cause for sub optimal performance. Congestion issues have been largely addressed. Now the management of Chennai port is aggressively marketing the Port.

Chennai Air cargo complex also faced a similar experience in the past. Five years ago, the complex faced congestion issues. And a section of customers moved to Bengaluru to get over the problem.

Congestion issue has since been sorted out by the Chennai Air Cargo complex authorities but many of the shippers, who moved out to Bengaluru have not come back to Chennai.

There is also price war going on between the ports in the region and Katupalli port offers competitive tariff.

**Sagar Sandesh:** When will work on the much delayed Chennai Port-Maduravoyal Elevated Corridor resume? The Tamil Nadu government and the Centre have given green signal to resumption of work on the project over a year ago and a revised DPR for the project is ready for the past several months. What is holding up the National Highways authority of India for resuming work on the crucial project for the Chennai Port?

Turn to Page - 2 ►►

## Tata steel to deploy EVs for employees in Jamshedpur



Tata Motors is playing a leading role in proactively driving electric mobility in the country

NEW DELHI  
Sagar Sandesh News Service

Tata Steel is introducing a fleet of electric vehicles for employees commuting in Jamshedpur under its Go-Green initiative. "The company has partnered with Tata Motors to deploy 40 Tigor Electric Vehicles (EVs) by FY22 in a staggered manner," Tata Steel said in an official statement.

### Nine EVs handed over to Tata Steel by Tata Motor

A batch of nine Tigor EVs were handed over by the Tata Motors' team to Tata Steel, on

Friday, at the company's plant in Jamshedpur.

The EV fleet will also be listed on Digiwheels, Tata Steel's digital solution (application), to enable employees to manage their commuting related requirements in the operational areas of the company, the statement added.

Tata Motors is playing a leading role in proactively driving electric mobility in the country. To build a sustainable future for India, the company has been working collaboratively on various electric and hybrid vehicle solutions.

## Inter departmental differences have always.....

From Page -1

**AVV:** It is my understanding pending legal issues with the previous contractor has to be resolved before the new tender is awarded for resumption of work.

Once the project is commissioned it should only be a cargo corridor and there should be no mix up with the City traffic.

**SagarSandesh:** The Shipping Ministry has put on hold the proposed Multi Modal Logistics Park at Jolarpet since the Southern Railway is demanding a sum of Rs 85 crores for the land parcel at Jolarpet railway station. Do you think the project could be revived to enable speedy evacuation of containers from Chennai Port?

**AVV:** Inter departmental differences have always been a speed breaker to many infrastructure projects. I am hopeful that such differences will be resolved by officials of government of India especially from the newly created Logistics department expeditiously.

**SagarSandesh:** While Katupalli port is doing extremely well in container volumes the same cannot be said of the nearby terminal at Kamarajar port (Ennore) though both the terminals are owned by the same firm. What is the future of the

container terminal at Kamarajar port? Do you think the terms of revenue sharing with the private promoters need to be revised?

**AVV:** World trade is not on the ascent and this is also reflected on India's export performance during the last two years.

Any infrastructure project, especially on the Port Sector have fairly long gestation period and hence the future of the container terminal at Kamarajar port to supplement and complement the business at Katupalli port should not be doubted.

Royalty model of development is part of a well established policy and hence I do not wish to comment on this model.

**Sagar Sandesh:** While the top brass of the customs are supporting the trade facilitation measures whole hog, the same cannot be said of the middle level officers. Has the situation improved? Is the 24X7 service promised by the customs at sea ports and airports only on paper or are they working only at select places?

**AVV:** The processing time at customs has certainly reduced sharply and this would not be possible without the cooperation of the entire department. India's best ranking improvement is on account of efficiency in

Trade across borders and customs play a major role.

24X7 service by the customs can succeed only when every other enforcement department of the government gears up to this new environment. The current sub optimal performance is due to non cooperation from other governmental agencies.

**Sagar Sandesh:** Government has recently initiated measures to contain the Logistics cost in effort to improve the competitiveness of our exports. Commerce department has initiated a serious dialogue with the stakeholders in this regard. Can you enlighten us on the thrust of the government's efforts?

**AVV:** The Government is attempting to evolve a Standard Operating Procedure (SOP) for payment of Ocean Freight to International Carriers. The Logistics Secretary is involved in the talks to bring together all the stakeholders in an effort to evolve the SOP. The attempt is to streamline the procedure for payment of Ocean Freight.

As of now majority of the exporters are using the services of freight forwarders and Consolidators for conducting their export business.

The standard operating procedure is now in the pipeline. It should be ready in a month's time.

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## Indian Oil expands low sulfur fuel oil bunkering to more ports

NEW DELHI  
Sagar Sandesh News Bureau

Indian Oil Corp will expand its bunkering operations for 0.5 per cent low sulfur fuel oil to more ports in India ahead of IMO 2020, the company said in a statement. The new stipulation to use only low sulfur fuel comes into effect from January 1st 2020.

IOC has made its first 0.5 per cent LSFO bunker deliveries at Cochin and Paradeep ports last week, the company said.

### First deliveries made on Nov 4 to the vessel MT UACC Ras Tanura at Cochin port

The first deliveries were made on November 4 to the vessel MT UACC Ras Tanura at Cochin port and to the vessel MT Harmony at Paradeep port.

According to shipping sources, the Medium Range tanker, UACC Ras Tanura, was chartered by Trafigura to carry a 35,000 million ton cargo of gasoil for a Cochin to East Africa voyage. The vessel is currently en route towards Mozambique, where it is due to arrive on

November 24. The other tanker, Harmony, is still located at Paradeep.

### The east coast ports to get low sulphur fuel in the next one week

IOC's recent expansion in LSFO bunkering operations follows a pioneer delivery at Kandla port, made to the LPG tanker Berlian Ekuator in late-October.

A top IOC official said while they have completed supplies to west coast ports, the east coast ports like Tuticorin, Chennai, Ennore and Visakapatnam will get low sulphur fuel in the next one week. The official was addressing a seminar in Chennai last week..

The LSFO 0.5 per cent sulfur is produced from sweet crude oil grades and complies with the ISO 8217:2017 RMG380 standard, the company said.

The fuel addresses all quality considerations detailed by the ISO 23263:2019 document, it added.

Earlier this year, the company said that it aimed to supply more than 1 million mt/year of cleaner

fuel from its Haldia refinery on the eastern coast and the Gujarat refinery on the western coast.

The International Maritime Organization will cap global sulfur content in marine fuels at 0.5% starting January 1, 2020, from 3.5% currently, outside the designated emission control areas where the limit is already 0.1%.

### Refiners across Asia gearing up to comply with IMO's low sulfur mandate

Refiners across Asia have been gearing up to comply with IMO's low sulfur mandate and to meet the bigger demand for cleaner fuels.

"Some tanker owners have started buying small quantities already, to plan for any unforeseen delays, and those vessels booked for long voyages would need to take in more [if they can only bunker again after the IMO 2020 deadline]," a shipping source said.

At the key bunkering hub of Singapore, bunker suppliers are in the process of converting their fleet of ships to supply low sulfur bunkers.

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# Sagar Sandesh

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