# J. M. BAXI GROUP NGS **ISSUE XXI**

**APRIL - JUNE 2018** 



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Mr Bhushan Ghatkar

**COVER PAGE:** 

Cruise Vessel Costa Victoria entering the channel of New Mangalore Port.



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## From the Quarter Deck

ear Friends and Colleagues, It is with a deep sense of gratitude and gratification that I would like to share with you the great feedback and comments we received in response to the last "From the Quarter Deck" of Tiding issue XX, where the future was discussed, especially autonomous and intelligent vehicles and e-governance.

From the responses, it is clear that not only has there been a considerable amount of research and development into this, but also implementation steps are underway. On the same subject, in case it has missed your attention, Maruti Suzuki (one of our clients) has recently shared in the press their concept for an autonomous vehicle. We are certainly tempted to use the cliché "the future is now".

Coming back to the present, one of the controversial issues is the looming threat of a tariff war between the USA and its trading partners. Whilst it's too early to call and comment on the trade and volume implications of such an eventuality, the world will continue to watch any developments closely.

As with the changing times, the shipping and trading markets have seen some remarkable changes in some sectors. Oil prices have staged a robust increase, with prices climbing upwards of US\$60 per barrel, an increase of 50%. It is, therefore, hoped that the offshore oil and gas exploration sector should see a revival and renewed interest and activity. The last three months have seen a continued slump in tanker prices. The dry bulk sector, on the other hand, has shown signs of continued improvement.

The car carrier market continues to be subdued, but automobile companies are showing signs of growth in production and sales numbers. On the container shipping side, there seem to be general signs of stability, with all the top lines reporting decent results for 2017 and that trend seems to have continued into 2018. The charter market for container ships is moving more towards firmness than softness, and several ships have been deployed into various services.

Interestingly, several of the shipbuilders are seeing an increasing number of orders for gas-fuelled ships. With the looming changes expected by 2020 with regards to emission norms and higher specs for fuel, some shipowners have already begun to use gas as a fuel.This will in all likelihood result in a new fuel paradigm for ships. India is slowly but surely establishing various gas terminals along its coastline. In due course, India may well become an important fuelling station for international shipping trade routes.

It has been truly exciting to read in the press about the various giant lines trying to position themselves as the FedEx, UPS, DHL or Schenker of shipping. They are driven by the JIT concept, or just in time, and provide complete transport solutions, door to door. This is even more exciting for us because we are increasingly focussing on the same goal, which is a customer requirement.

As has been repeatedly mentioned in this column, we are there because of our customers, our principals and our partners. Understanding their needs, anticipating their expectations and finally delivering services to them are our main activities. This is possible only if we continue to adhere to our values and beliefs which are honesty, perseverance, innovation and excellence.

Increasingly, we are seeing that our clients and principals are rewarding our efforts, which go beyond the boundaries of established service offerings. Let me share with you a few examples.

#### 1. The Indo Bangladesh Trade

As you may well know, the trade between India and Bangladesh is substantial and most of it moves by road via the border at Benapole/ Petrapole. The route is long and



expensive. Our clients were seeking a solution to bring down both costs and transit times. With the active involvement of our principals, our clients and our partners, we have been able to connect Haldia to Pangaon, which enables the trade to bypass Chittagong, which at present suffers from congestion. Moreover, Pangaon is closer to Dhaka. This move is expected to result in a greater enhancement of our bilateral trade as well as creating possibilities for the mega-carriers to provide reliable and competitive transshipments.

#### 2. Nepal Transit Trade

Due to the congestion and limitations faced by Kolkata, the Nepal trade and shipping lines were looking for viable alternative ports in India to provide suitable transit opportunities. Our organisation VCT along with Maersk and Concor provided a solution that has not only brought down transit times and costs, but also enabled a seamless solution for the Nepal trade.

#### 3. Cold Chain BOXCOLD at Sonepat

At DICT, we have partnered with the leading cold chain operator Coldman. NCR is one of the largest markets for commodities requiring a climate-controlled environment. Most of the products are for direct human consumption. Once again, we have been able to provide a safe, reliable and competitive multimodal solution for our customers. These are some examples from which we learn that our principals, clients and partners are now seeking not merely a service but a service solution. As an organisation, we must continue to up our game 📕

> Krishna B. Kotak Chairman - J M BAXI GROUP

### Agency & Services

# **GOI Initiative For Enablement Of Cruise Shipping**



### SERVICES & PROCEDURES

he various processes proposed to be streamlined as per the procedures established are as follows.

#### PORT FACILITIES



OPriority berthing of cruise vessels should be provided on arrival.

Single window port tariff.

In addition, the ports are to provide facilities for vessel navigation 24 x 7, suppliers of fresh water and ship's stores of verifiable good quality, bunkers at competitive prices and stp for receiving grey water.

#### BUREAU OF IMMIGRATION (BOI) CLEARANCE

- Advance entry of vessel wise passenger information and data in the online system' of BOI.
- Final re-validation of data online at least 4 days prior vessel ETA.
- Scrutiny and issuance of e-landing card (that will carry passenger identification and enabled with barcode) by BOI to each passenger to facilitate their local exit/entry quickly and correctly.
- The manifest and other documentation formalities will continue online while face-check of passengers will be carried out only at entry and exit ports for the voyage concerned.

#### CUSTOMS CLEARANCE PROCEDURE

On arrival of the vessel at the berth, customs shall clear the vessel after sealing the bonded ship stores and receiving the documents below.

 Procedure introduced for submitting soft arrival manifest providing arrival details of the vessel (form 56), general declaration (form 57), cargo declaration (form 58), declaration of goods (form 59), last port clearance and ship's currency declaration.

Cruise passengers can use either green/red channel while coming out of the terminal, as its the practice at airports.

#### PORT HEALTH ORGANIZATION (PHO)



• According to the new procedure, submission of all documents notified by PHO at least two working days prior to the arrival of the vessel concerned has been mandated.

PHO would normally board a vessel on arrival for checking its safety for cruise operations only if the vessel and/or any of its crew members and/or any passengers arrive from yellow fever endemic area within 30 days from departure or from an area declared as affected for public health emergency of international concern (pheic) by WHO/GOI within the said prescribed period or incubation period; vessels carrying sick or dead personnel on board under (continued from issue XX) these circumstances and with other suggestive symptoms would also be boarded, prior the issuance of pratique. All other vessels will be treated as healthy vessels and will be granted pratique and health clearance after inspection and verification of documents and information, as per convenience of PHO/ship agent without any restrictions and/or undue delays.

#### OTHER SERVICE AND FEATURES



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#### OEntry and exit of vehicles through access control system/ pedestrians

The designated gate and part of the port or dock identified and dedicated for cruise ships shall be kept open and accessible for the duration of the stay of the vessel concerned at berth.

#### Entry/exit of vehicles deployed for emergency services

Ambulance, fire tenders and port vehicles deployed in the event of emergencies would be accorded overriding priority for free entry/ exit under such circumstances.

#### **CISF** (intra-port security)

The new sop has established a seamless and transparent set of security protocols for cruise ports, minimizing divergent security practices. The focus of the new protocol is to allow cruise passengers and all other stakeholders to enjoy a positive experience at our ports without any dilution of the standards, drills and processes required and/or stipulated under the ISPS code of the port concerned

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### Logistics

## BOXCO Designs An Advanced Skidding System

ith structural obstacles in the Unloading site and a road away from the foundation with restricting access, maneuvering ODC Cargo into their final assembly position was proving problematic for any crane or Engineering & transport company. In the face of such demanding site constraints, the company turned to a novel hydraulic skidding solution

Boxco team calculated the component capacity required to skid 300 MT ODC and started preparing the initial designing on Autocad and arranging to dentify the material required by checking the material properties and specification.

We discussed with local cylinder manufacturer to build the push/ pull cylinder as per our requirement. Further, we identified the control valve from local market which was required to match with our specification. Most difficult part was to fabricate the track with sawtooth type cuts so cylinder can lock during push condition in that cuts and regain its position for next push by using the hydraulic lever without any manual help. A four roller shoes was developed in-house with each having capacity of 75 MT.

This is the perfect design for the Hydraulic skidding system due to its modular design, light weight and ease of assembly.

This system works on hydraulic and converts hydraulic pressure into mechanical movement.

Following are the main benefits as compared to old Skidding method

- Rail track is not required Low operation time due to High Speed of Skidding.
- Skidding speed can be adjusted by cylinder control valve
- Skidding speed is 280mm / minute
- Easy handling for operation
- 50 % less operational time in comparison to conventional skidding system
- Efficient and safe compared to traditional manual winch and pully system
- Counterweight or anchor point not required
- System will use weight of cargo as a counterweight.

- Easy to transport and cheaper compared to foreign skid system. Easy operation so any one can operate with a minimal training.
- Can skid up to 300 MT ODC Cargo and is the only hydraulic skid system available in India.

BOXCO displayed the system to our esteemed client "Wartsila Engines" who were convinced that this was the right equipment they were looking for all these years for skidding their engines. Wartsila immediately gave order to us for skidding of 7 nos. DG Set of 130 mtr at their site in Assam where they faced a lot of space constraints. Boxco successfully skidded the 7 numbers DG sets for a distance of 50 mtrs. After completing the job, Wartsila repeated the order to skid another engine of 130 MT at their site at Bawal, Haryana 🔳







### Logistics

## **BOXCOLD Handles Door To Door Logistics Of Kiwi Fruit**

fter successfully launching its first Temperature Controlled Warehouse (TCW) in Sonepat, BOXCOLD has moved its first EXIM consignment of Kiwi Fruits from Bandar Abbas for M/s Devbhumi Agri Products Ltd.

This movement will be a shot in the arm for fruit importers in Northern India who were suffering with erratic schedules and lack of adequate infrastructure for direct deliveries of perishable into North India.

The Cold Chain space in India is largely domestic in nature and the JMB GROUP has always maintained that they would like to bring in their experience in EXIM logistics into play to become the pioneers in EXIM Cold chain logistics in India.

The consignment was moved in 2 x 4oft Reefers from the port of Bandar Abbas on the 9<sup>th</sup> of February 2018 and it reached Mundra on the 11<sup>th</sup> of Feb 2018 which reached DICT New Delhi on the 16<sup>th</sup> of Feb 2018. The container was customs cleared on the same day and moved to the Boxcold warehouse in Sonepat for storage. Utmost care was taken to maintain the temperature at 2 degrees throughout the transit.

Boxcold started operations of its first TCW in Sonepat in November 2017. The state of the art facility has a capacity of 8300 pallet positions with 19 independent chambers capable of catering to multiple products. The warehouse offers possibilities of storage in Ambient, Frozen and Chilled conditions. Boxcold will also be offering Bonded storage in a couple of chambers in the warehouse.

The warehouse is being operated in collaboration with Coldman Logistics Pvt Ltd one the leading names in the Coldchain space in India with facilities across the country. You

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Within two months of starting operations TCW is running at 85 % Occupancy which are expected to be stored here.



BOXCOLD TEMPERATURE CONTROLLED WAREHOUSE (TCW) IN SONEPAT

### **Logistics**

Boxcold also intends to start its own reefer container service shortly.

In collaboration with its group company ICT which operates the terminals both at Kandla and in Sonepat. Boxcold will ensure complete control on the movement until the cargo is stored at the Boxcold warehouse. The groups rail logistics division RIPL also owns the power packs required for maintaining the temperature setting even during the rake movement.

The fruits have been moved to the Boxcold TCW. Post storage the fruits are being delivered in part loads as per the clients requirement to the Azadpur Fruit market in New Delhi.

Boxcold will be organizing movement of Apples ex-USA for this customer.

Boxcold will replicate the doorto-door logistics for the import requirement of customers for other products such as food stuff and pharmaceuticals in the future.

The J M BAXI GROUP's infrastructure and the experience of personnel in the Reefer-Exim space will ensure complete control of the movement for the end customer









KIWI FRUIT STORED IN A DEDICATED CHAMBER AND DELIVERED IN SMALL TRUCKS TO THE MARKET

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### In Conversation

# **Bonhomie With BAHRI Shipping**

ahri Logistics, formerly known as the National Shipping Corporation of Saudi Arabia, recently appointed United Liner Shipping Services as its agent in India. The logistics division was the first business unit established within the Bahri Group and today it is one of the top ten break-bulk carriers in the world.

Bahri Logistics operates six stateof-the-art multipurpose vessels each of 26000 DWT. Bahri's vessels offer a unique solution for parcels, since break-bulk and containerised shipments can be moved together under a single document. The company runs a regular liner schedule from India to major ports in the Persian Gulf. the Mediterranean. the US east coast and the Gulf. The business unit serves global multinationals and various Saudi government entities through longterm contracts. It is the exclusive logistics provider for both the Ministry of Defence and the Ministry of Interior in the Kingdom.

Bahri Logistics, in combination with the extensive network and logistics capabilities of the JMB GROUP, aims to increase the number of calls it makes in India and to add new service lines in the near future. Captain Bhosale spoke to us at length about Bahri's vision, its plans in India and its expectations of the collaboration.

Q: The Bahri India to US service has been in operation for 20 years now. What are the drivers that contribute to the success of this service? Ans: With more than 38 years of heritage, Bahri Logistics has a novel approach with its focus on the optimal cargo mix whilst specialising in under deck storage capability. Our multipurpose vessels, with an average age of less than 4 years, are all uniquely designed to carry



Bahri logistics team is led by Captain Jiten Bhosale. He has a wide range of experience from having handled various types of ro-ro cargo, both in his sailing days and as a port captain for Wilhelmsen Ship Management. In 2010, he joined Hoegh Autoliners as a port captain in Mumbai and later he progressed to Dubai as regional head of operations for the Middle East, the Indian subcontinent, Singapore and Africa. In May 2016, he returned to India as the head of Bahri India. With his extensive experience and commercial acumen, he is successfully leading Bahri to become a force to be reckoned with in the Indian breakbulk space.

multiple types of cargo in a single voyage, including project, ro-ro, break-bulk (heavy-lift) and container cargoes. We are the leading direct full liner service provider from Mumbai to US East Coast ports, including wayport calls along the liner service route in the Mediterranean and Europe. Four vessels connect the United States to Saudi Arabia and major ports in the Persian Gulf, the Indian subcontinent and the Mediterranean, and two vessels connect Europe to Saudi Arabia and key ports in the Persian Gulf and the Mediterranean. In India, this direct westbound coverage with liner schedules from Mumbai gives Bahri a unique selling point compared to the competition.

Q: Could you please give us some insights on the Bahri organisation that deals with the India service? **Ans:** Bahri Logistics officially set up a new branch office in India in February 2017. The opening of this new office in Mumbai was a strategic long-term investment by Bahri and it underscores the company's strong commitment to the Indian market as we look to expand into other verticals of the marine transportation industry. Previously, Bahri had operated in India as a liaison office, working with agents. The Bahri Logistics team has nine employees in India, who manage operations, sales, documentation and accounts.

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#### Q: Your vessels can carry multiple cargo types. What is you preferred mix?

Ans: Bahri vessels are multipurpose vessels equipped with two heavy lift cranes giving a total of 240 MT of lifting capacity. They have a large stern ramp of 250 MT and all the necessary equipment onboard. Ideally, the carrying capacity of these vessels is configured 70-20-10, which means 70 per cent for break bulk, 20 per cent for ro-ro and 10 per cent for containers. Our preference is for project cargo, especially with the versatile handling capacity of our vessels due to the high ramp door and the LoLo operational capability.



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### In Conversation

#### Q: What difference do you think the introduction of ULSS as your agent will make to the service and the profile of customers using the service?

**Ans:** Bahri has ambitious plans in India with its long-term commitment to the Indian market. In view of this, Bahri needed a partner with extensive pan-India coverage who would work in tandem with us for future opportunities. J M BAXI GROUP is a well-established set-up with a detailed insight of the Indian shipping market, along with inland options. With J M BAXI GROUP's extensive network, Bahri will be able to make positive proposals for hinterland projects including inland logistics.

#### Q: The market knows Bahri as a shipping line serving the Persian Gulf, Mediterranean ports and the US. Is Bahri also in a position to service other sectors?

**Ans:** As well the two services offered by Bahri, we are exploring other opportunities, such as a feeder service from Chennai and the African market.

#### Q: Who do you consider as your major competitors?

**Ans:** For Bahri, the competition is with ro-ro, break-bulk and container players westbound from Mumbai. Hoegh is a partner in the Veracruz



sector, whereas it is a competitor in the Red Sea, Mediterranean and US sector. Break-bulk operators such as BBC and Hansie are always in the market for spot shipments. For container, Bahri competes against major line operators who have similar trade lanes.

#### Q: Do you see other areas of opportunity for cooperation between J M BAXI GROUP and Bahri?

Ans: There are various opportunities for Bahri and JMB Group to work together, especially for inland transportation, yard management, feeder services, freight-forwarding support, etc. Discussions along with specific studies are in the pipeline. J M BAXI GROUP has close relations with government projects in which Bahri could participate. Presently, Bahri intends to settle in with its present trade routes and to improve them.

#### Q: From your experience in operations, what improvements would you like to see in port operations in India?

Ans: The major auto manufacturers use various ports on the west coast, causing multiple port calls. Our challenges are port congestion along with high port costs. The handling of ship equipment (such as Mafis), the positioning of cargo handling equipment, etc. need to be streamlined by Mumbai Port. Mumbai Port has restrictions, such as draft restrictions, berth load densities, the limited storage area in the vicinity of vessels, the lack of cargo handling equipment, etc **■** 



### We Connect



J M BAXI ANNUAL GOLF CHALLENGE 2018

(Alphabetical order): Capt Amar Galliara, Capt Biswajeet Chakraborty, Capt Jiten Bhosale, Capt Vivek Anand, Ms Jyothi Rao, Mr Aasmaan Bhardwaj, Mr Abhijit Desai, Mr Ajay Sahoo, Mr Ajay Sawhney, Mr Ajay Tolani, Mr Akira Watai, Mr Ameet Kulkarni, Mr Anand Chopra, Mr Anandbir Singh, Mr Andrew Lin, Mr Anil Seolekar, Mr Arron Chiou, Mr Arun Gupta, Mr Arunabha Sen, Mr Ashok Sharma, Mr Balrajsinh Parmar, Capt Amit Wason, Mr Dee Waddell, Mr Deepak Bali, Mr Dinesh Kumar Srivastava, Mr Donghwan Oh, Mr Frank Teeuwen, Mr Harihara Subrahmaniam, Mr Harish Khatri, Mr Harmesh Joshi, Mr Harsharan Singh Dharni, Mr Hiroo Yamamoto, Mr Hisaya Sakata, Mr Hiten Kataria, Mr Hoon Park, Mr Jeffrin Rodrigues, Mr Jiten Nisar, Mr Jongsuk Kim, Mr Jose Chen, Mr Kanishka Agiwal, Mr Kazutaka Imaizumi, Mr Keita Hashiba, Mr Kideuk Bae, Mr Kota Enomoto, Mr Kwanghee Lee, Mr M. Pishbin, Mr Mahesh Patnaik, Mr Maheshkumar Bhadangkar, Mr Mani Nair, Mr Manoj Arora, Mr Mark D'sa, Mr Motoshi Murakami, Mr Muneesh Sud, Mr Myrko Anthonio, Mr N. Kilaru, Mr Nand Sah, Mr Nandan Yalgi, Mr Nayan Navsariwala, Mr Nishant Bhide, Mr Nobuo Shiotsu, Mr Noritomo Morishima, Mr P. K. Borthakur, Mr Parmeet Singh Bawa, Mr Patrick Shoniker, Mr Pawan Gupta, Mr Prakash Correa, Mr Prakash Tolani, Mr Pranav Dholakia, Mr Prasad Gore, Mr Rahil Shaikh, Mr Rahul Bhargava, Mr Rajiv Gaur, Mr Rajnish Khandelwal, Mr Rakesh Vijay, Mr Ram Madhav, Mr Ramesh Kumar Perumal, Mr Ransom Lobo, Mr Ravindra Thakur, Mr Reby Nair, Mr Ritesh Thapa, Mr Rohan Seolekar, Mr S. Vardarajan, Mr Sachin Johri, Mr Saket Adhikari, Mr Samir Shah, Mr Sandeep Rajani, Mr Sanjeev Tokhi, Mr Sanjiv Kapoor, Mr Siho Lee, Mr Sovit Chakraborty, Mr Sudesh Kamath, Mr Sudhir Gupte, Mr Sunil Dhulekar, Mr Thomas Varghese, Mr Ullas Verma, Mr Unnikrishnan Kp, Mr Vaarad Gupte, Mr Vasant Menon, Mr Venkatramani K., Mr Viinay Negglur, Mr Vijay Kumar, Mr Vijay V. Anand, Mr Vikas Jain, Mr Vikas Yadav, Mr Vishal Bhardwaj, Mr Wilson Lu, Mr Yang Wen Yueh, Mr Yasuhiro Kubota, Mr Yong Kwon, Mr Youngdong Park, Mr Yutaka Nakamura, Mr Zareer Colabavala, Mrs Anjali Bhide, Mrs Bandana Varma, Mrs Bernadine Engineer, Mrs Mi Jeon Kim, Mrs Myeong Ok Lee, Mrs Sharmila Amin, Mrs Vandana Rao, Ms Danae Bezantakou.









#### We Connect





Winner Individual Stableford with Double Peoria Handicap Mr Donghwan Oh Hyundai Merchant Marine India Pvt Ltd.







Winner Closest to the Pin Mr Donghwan Oh Hyundai Merchant Marine India Pvt Ltd.





Non Golfers Putting Competition Mr Manoi Arora J M BAXI GROUP



Non Golfers Putting Competition

Mr Ameet Kulkarni

Glencore India Pvt. I td.







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2<sup>nd</sup> Runner Up Individual Stableford with Double Peoria Handicap Mr Sushant Khosla



Winner Second Shot Closest to the Pin Mr Aditya Pusalkar



Non Golfers Putting Competition Mr Hiten Kataria Sunraj Shipping Agency





### Infrastructure

## Transforming Trade Efficiencies Of BANGLADESH

ndia's total trade with Bangladesh in FY17 was approximately 80 million tonnes, the majority of it carried by sea. The trade characteristics of Bangladesh are highlighted below:

- Approximately 92 per cent of the total seaborne trade passes through Chittagong Port.
- In FY17, the total volume handled at Chittagong Port was approximately 73.1 million tonnes (MMT) of cargo. About 60% of this was handled at anchorage and moved through IWT.
- The total cargo handled at a berth in Chittagong Port was 29.33 MMT, of which 23.80 MMT (approximately 81%) was in containers.
- This translates into 2.4 million TEU of containerised cargo. The total amount of container imports was approximately 1.2 million TEU and the total amount of container exports was approximately 0.59 million

TEU, resulting in a negative trade balance.

- In Bangladesh, approximately 86% of exports were through 40-foot containers and 65% of imports were through 20-foot containers. As a result, huge numbers of 20-foot containers need to be repositioned.
- No direct-line calls are made at Chittagong, so the entire trade is routed through Singapore or Colombo ports.

Chittagong Port has not been able to keep up with the rapid growth of transport demand, resulting in delays and poor services to port users. The volume of containers handled has increased by over 10 per cent over the last decade and a similar or faster growth rate is projected for the foreseeable future. The port has not been able to respond effectively to the growth, resulting in heavy traffic congestion and delays. The trade with Bangladesh is affected due to various system failings and an inefficient logistics infrastructure, as highlighted below:

Chittagong Port faces challenges in terms of space and expansion possibilities, leading to inefficiencies.

Approximately 70% of the containers handled at Chittagong Port originated from or are destined for the Dhaka region. The distance between Dhaka and Chittagong is only about 260 km and the N1 is the only highway that connects Chittagong with Dhaka.

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The N1 is four-lane single carriageway road and it takes a minimum of 8 hours to complete the journey. During the peak season, this time increases to more than 24 hours. Mr Tapan Chowdhury of the Bangladesh **Textile Mills Association** informed our team that due to a lack of certainty in road transportation, sometimes exporters miss the intended vessel and as a result they need to transport their cargo via air, which increases their costs many times.



 

 Impacting problement
 No expansion possibilities of existing facilities at chitegong Por

 Poor road Infrastructure

 Imadequate wage of available WT network
 Constraint network

 Imadequate wage of available WT network
 Constraint network

 Stringent & Outdated regulation
 Mon-reliable logistics evice providers

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#### Newsletter Issue XXI

### Infrastructure

- There is only one ICD in Kamlapur. Near Dhaka, it connects Chittagong Port via rail. However, the ICD at Kamlapur has been running close to its full capacity of around 70,000 TEUs for the last 5 years. No new expansion has taken place to increase the rail share.
- Mr Ruhul Amin Sikde, secretary of the Bangladesh Inland Container Depots Association, informed our team that 'there are about 16 CFS located near Chittagong Port to support and decongest the port. However, all CFSs are running at more than 90% capacity utilisation. No new CFS are coming up because of the changes in regulations.'
- Bangladesh has a good river network, yet it has not been used efficiently till date for container transportation. Pangaon is the only inland container terminal near Dhaka. In FY 2017, it handled only around 11,000 TEUs, well below its capacity.

#### Dhaka based Ready Made Garments (RMG) Industry is keen to transship cargo via Haldia using IWT

Our discussions with various Dhakabased entrepreneurs indicated that the ready-made garment (RMG) industry is keen to solve the congestion issues by making use of the Indo-Bangladesh Protocol on Inland Water Transit and Trade (PIWTT). This agreement allows the direct transportation of cargo between Dhaka and Haldia through coastal vessels. Many of the entrepreneurs have shown an interest in sending or receiving containers through coastal routes to neighbouring India. Cargo can be trans-shipped from Haldia Port, as the port is well connected by reliable feeder services to and from Vizag, Colombo and Singapore.

The following table compares the costs and times of sending



Dhaka to Singapore via Chittagong										
Location	Dł	naka		Total						
Services	Loading on Covered Truck	Transportation	Unloading at CFS	Container Stuffing	Transportation to Port	Loading to Vessel	Voyage to Singapore	Dhaka to Singapore		
Time (Hours)	4-5 Hours	18-22 Hours	4-5 Hours	170-192 Hours	5-6 Hours	24-36 Hours	~190 Hours	~16-19 Days		
Cost	~USD 255		~USD 163				~USD 250	~USD 668		
Dhaka to Singapore via Haldia										
Location	Dhaka		Pangaong ICT			Total				
Services	Container Stuffing	Transportation	Loading to Vessel	Voyage to Haldia	Unloading from Vessel	Unloading from Vessel	Voyage to Singapore	Dhaka to Singapore		
Time (Hours)	48-60 Hours	4-6 Hours	24-36 Hours	62 Hours	24-48 H	24-48 Hours		~15-17 Days		
Cost	vst ~USD 150		~US	D 225		~USD 850				

containers from Dhaka to Singapore via Chittagong and from Dhaka to Singapore via Haldia.

Sending a container from Dhaka via Haldia increases the transport cost by around \$160 but saves a significant amount of time. Mr Chowdhury told us that 'saving two to three days is a big help for apparel makers who always lack lead time.' The cost difference can be overcome through scale and the diversion of more feeder services. Apart from saving time, routing the trade from Bangladesh through Haldia can provide many efficiencies:

- The empties that are repositioned through Singapore can be directly shipped to India, thus reducing the cost of transportation.
- The Indo-Bangladesh trade through land stations can be routed by sea, thus reducing the total cost and time.
- The road and rail connections between Chittagong and Dhaka would become less congested and new capacity can be created.

Thus, using Haldia to trans-ship Bangladesh-bound cargo opens up new possibilities. HICT, a terminal operated by the J M BAXI GROUP, presently has a service every 10 days to Bangladesh. The terminal has a 432-metre-long jetty equipped with two Panamax rail-mounted quay cranes. The total area of the container yard is 45,000 sq metres (1436 ground slots). It is equipped with four rubber-tyre yard gantry quay cranes, three reach stackers and 16 internal transfer vehicles. HICT can provide scheduled services, better delivery lead times and a reliable service for the RMG trade with Bangladesh.

At present, Pangaon ICT is operational and there is service every 10 days between Pangaon and Haldia via MVKSL Pride, which has a capacity of 186 TEUs. So far, the industry has shown significant interest in the facility. There is still a need, however, to make more river terminals near Dhaka operational and to remove the few remaining administrative obstacles

### Infrastructure

# **Going Green At VCTPL**

CTPL has two eight-seat LMVs in the terminal for personnel movement. When these vehicles came up for replacement in early 2018, we opted to purchase battery-operated electric vehicles.

After studying various options, we decided that the best choice was

the Mahindra E-Supro eight-seater vehicle. These vehicles can run for 110 kilometres on a single charge, eliminating maintenance costs for engine repairs and oil changes.

To further this green initiative, a parking area topped with 4kW solar panels was constructed for the two electric vehicles. These panels generate all the power needed to charge their batteries.

By using solar power and not burning diesel or generating electricity, we are reducing our total Co2 output by 24 tons per year. This is only a small step in our commitment to making a greener, cleaner earth

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VCTPL Reduces CO2 By 24 TONS Per Year



### Technology

## IBM And J M BAXI GROUP Join Hands

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BM and J M BAXI GROUP, both over 100 year old organizations, have teamed up to form a strategic business relationship, one aimed at offering technology led solutions and offerings to EXIM Trade and logistics industry at large.

A Memorandum of Understanding, formalizing the relationship, was signed in Mumbai recently. Under this MoU, IBM and J M BAXI GROUP shall collaborate on multiple projects by bringing the joint expertise in domain expertise, techno-functional expertise and technology expertise to solve business problems afflicting the EXIM trade and logistics industry.

Under the arrangement, both organizations shall jointly set up a Technology and Innovation Council to provide guidance and leadership to teams in respective organizations. Each organization is represented on the Technology and Innovation Council at the highest levels.

The Technology and Innovation Council has, as its immediate goals, taken up feasibility studies and projects on block chain, enterprise data architecture and Al using Watson. The MoU envisages a joint go-to-market on feasible technology solutions.

This is a first such MoU signed by IBM in South Asia.

IBM is in the business of providing information technology products and services.

J M BAXI GROUP is in the business of shipping, terminals, ICD's, transportation, customs broking, marine services ■ MOU SIGNING CEREMONY BETWEEN J M BAXI GROUP & IBM MARCH 2018



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DHRUV K. KOTAK, JOINT MANAGING DIRECTOR, J M BAXI GROUP, AND DEE K. WADDELL, GLOBAL MANAGING DIRECTOR, TRAVEL & TRANSPORTATION INDUSTRIES, IBM CORPORATION, EXCHANGING DOCUMENTS IN MUMBAI You Tube

### In Focus

## National Waterway 2-The Mighty BRAHMAPUTRA River

rahma means the "God of creation" as per Hindu mythology and "putra" refers to son, so Brahmaputra means the son of creator God. It is the only river in India bearing a male name. The river is around 2,900 km long and is considered as one of the longest rivers in the world. With an annual discharge of around 19,800 CBM per second (100,000 CBM per second during flood) at its mouth, the river Brahmaputra is the fourth biggest river in terms of discharge. The river originates in the "Angsi glacier" of the Himalayas in China and flows through the North East Indian state of Assam to join with the Ganges and Meghna rivers in Bangladesh before emptying into the Bay of Bengal. River Brahmaputra is known by different names during its journey. It begins as Yarlung Tsangpo in Tibet and becomes River Brahmaputra and Mahabahu Brahmaputra in India and finally

culminates into being the Jamuna in Bangladesh.

Brahmaputra is navigable for most of its length in India. The government of India realized its immense navigational potential and declared it as the National Waterway-2 in 1988 between Sadiya and Dhubri.

Inland Water Authority of India (IWAI) is responsible for maintaining River Brahmaputra's navigational channel with the required draft. The river carries about 735 million metric tons of suspended sediment loads annually hence continuous maintenance dredging is required to keep the channel navigable. The minimum river width is around 45 m across National Waterways -2(NW2) and the draft of 2.5 m between Dhubri – Neamati and 2.0 m between Neamati- Dibrugarh and 1.5 m between Dibrugarh – Sadiya is maintained throughout the year. In order to facilitate seamless travel during the day and night, IWAI is working on providing necessary navigational aids. It has set up terminal facilities for loading and unloading at strategic locations like Dhubri, Pandu, and temporary facilities at Jogighopa, Silghat, Neamati and Dibrugarh. Pandu (Guwahati) is being developed as a multi modal transport hub which can serve the entire North East region. A permanent terminal at Dhubri, constructed with an approximate cost of Rs. 46 Cr is fully operational now. The existing Inland Water Transport (IWT) terminal at Jogighopa is proposed to be upgraded to a bulk cargo handling terminal for products like Meghalaya coal, with rail connectivity up to the terminal.

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The potential cargo movements through NW2 include coal from Meghalaya, fly ash from Farakka to various destinations in the Northeast,



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### In Focus

limestone for cement plants, petroleum products from Numaligarh refinery, bitumen from Haldia, food grains from Kolkata, fertilisers, building material and bamboo. The other major cargo could be project cargo and machineries which shall arise from the ambitious power projects expected on various tributaries of the river Brahmaputra, particularly in Arunachal Pradesh.

Historically, the waterways of the Ganga and Brahmaputra were central to a flourishing trade in South Asia. Under British colonial rule, the rivers were neglected in favour of railways and road and later new political boundaries hindered cross border trade.

Though water is the major means of transport in Bangladesh, its scope is still hugely limited in India. With proper infrastructure, land locked countries like Bhutan and Nepal could also benefit from the development of inland navigation in India and Bangladesh.

A series of bilateral and multilateral agreements have been signed between India, Bangladesh and Bhutan which will work as a catalyst to trade along inland waterways. The key treaties were 1972 "Protocol on Inland Water Transit and Trade (PIWTT)" signed between India and Bangladesh where both the countries agreed for the transportation of goods and keeping their respective waterways navigable, while providing infrastructure facilities. The other major agreements between India and Bangladesh includes the 2016 and 2017 MOUs to allow tourists from Bangladesh and India to use coastal and protocol routes between countries. Bhutan also signed a MoU with Bangladesh in 2017 to use Bangladesh's inland waterways for transportation of goods and services through Chittagong and Mongla ports for both imports and exports.

The India Bangladesh Protocol route (IBP) offers an alternate route of connectivity of North East India with



mainland India bypassing Siliguri corridor. The connectivity of NWs through IBP route can ensure better hinterland connectivity between parts of Nagaland, Tripura, Manipur, Mizoram and Arunachal Pradesh and rest of India. Bangladesh and India are currently working together and investing on infrastructure and maintenance to keep their protocol routes navigable throughout the year for cargo ships of no less than 2,000 tonnes capacity.

The inland water transport departments of both the state and central governments of India are very keen to realize NW2's full potential for cargo and passenger transportation. This can be achieved only by greater private participation. There is a huge investment opportunity for public private partnership (PPP) in areas like dredging, construction, operation and maintenance of barges, terminals, storage facilities, and navigation, as well as tourism. The recently concluded Assam Global Investors Summit showed great enthusiasm from private investors.

J M BAXI GROUP has realized the potential of using River Brahmaputra for cargo movements and has been effectively using it for ODC (Over Dimensional Cargo) movements for various prestigious clients. Some of the major movements undertaken by the group includes Numaligarh Refinery Project and Sibsagar Project. In both the cases, the cargo arrived at Kolkata port and were barged through River Brahmaputra to one of its tributaries called River Dhansiri where a jetty was provided and the packages were rolled off and carried to the site.

River tourism is another key potential area which can hugely contribute to the economy of the north eastern states. The presence of wild life sanctuaries at Kaziranga and Orang and tourist attractions like Sualkuchi, Sivsagar and Kamalabari along the River Brahmaputra attracts substantial tourists. The tourism prospects of this region can lead to inclusive development and economic opportunities as it relies heavily on local natural resources, culture, cuisine and art. If utilized effectively it has the potential to connect the BBIN (Bangladesh, Bhutan, India and Nepal) sub-region, which can bring overall economic prosperity for the region.

National waterways is cost efficient, enables an efficient logistics and is an environment-friendly mode of transport. The development of national waterway as a supplementary mode would enable diversion of traffic from over-congested roads and railways however the development has to be in sync with the larger connectivity development plans happening in the Bay of Bengal region. It is imperative to open up this isolated north east region of India to its neighbours and the rest of the world which will be possible only by way of an integrated transport plan with a focus on multimodal connectivity. This will ensure enormous gains in terms of economic growth, livelihood generation and prosperity, leading to political and social stability

### Port Statistics

The port sector performance monitored by the Indian Ports Association (IPA) for the designated major ports during the period (April to February) FY 2017-18, barring March, 2018 has seen about 5% annual growth, with a throughput level of 616.6 million tonnes up from 587.4 million tonnes that was attained during the same 11-month period in the last financial year 2016-17. While the throughput levels at major ports are suffering under severe pressure from shrunk imports of major bulks like coal and restrictions on exports of iron ore from India, the uptick in the overall traffic performance still stands out.

The major ports also recorded the highest ever capacity addition of 100.37 million tonnes in 2016-17, thereby raising the total available capacity to 1,065 MT per annum, as against 965.36 MT per annum in 2015-16. However, the modest growth in the traffic volumes contrasts with 9-10% growth in the throughput capacity of the major ports. According to IPA data, the port throughput capacity grew to 1,065 million metric tonnes in FY17, with a compounded average growth rate (CAGR) of 7.75 per cent since FY 2007. The capacity growth in private sector ports was however, even higher at 12-15 percent and with the growth in their cargo throughputs handled, more or less keeping pace with their capacity growth.



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The declining trend in capacity utilisation at about 60% of total throughput capacity has actually mandated that further expansion in port capacity be undertaken only in location-specific commodity sectors, where cargo demand can be expected. Coal, crude oil and LNG are among some of the cargoes where port capacities need to be enhanced, keeping in view growing demand for imports of these commodities. The low average rate of capacity utilisation, however has signalled increased efficiency in port operations, especially with the average turnaround time for vessels at most of major ports now reduced from a high of 5.29 days in 2011 to 3.44 days in 2017.

The impetus for improved efficiency in port operations, especially, in terms of reduced average turnaround time for vessels, has come mainly from the private sector ports in India, where commercial viability and return on investment (RoI) considerations drive the project investment. The rate of capacity growth has been also faster in the private sector ports than in the public port sector and panning out over relatively short period. The total contribution of non-major port's traffic to total all-India port traffic thus, rose quickly to 42.5 per cent in FY17 (till December 2016) from barely 28.6 per cent in FY 2007 and is pacing ahead to now surpass the combined throughput of all major public ports in too distant future.



The combined throughput capacity of public and private ports in India can now be reckoned at over 2,500 million tonnes, (or 2,493 million tonnes by end 2017) with the throughputs at private sector ports growing at a faster rate of 12-15% than is the case with the major public ports. The growth of the private port infrastructure in India and its high operational efficiency is also not limited to creation of berth-side cargo handling capacity but covers whole spectrum of logistics activities and support systems that include cargo processing facilities like container freight stations (CFSs), ICDs, Special Economic Zones (SEZs), road-rail-connectivity, cold chains, etc., which enable seamless trade and transportation.

The geographical distribution of port capacity across the peninsula and nature of port-specific cargo trades, further have a important bearings on the port operational dynamics.

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### **Port** Statistics

			SHIP	PING & O	CARGO	PERFOR	MANCE				
	QUAF	TERLY UP	DATES ON	INDIAN M	AJOR & M	INOR PORT	S (QTY IN	MILLION T	ONNES)		
OCTOBER - D	ECEMBER 20	017 (III <sup>rd</sup> QU	IARTER) 20	17 - 2018	/ OCTOBE	R - DECEM	BER 2016	(III <sup>rd</sup> QUAR	TER) 2016 ·	- 2017 (QT	y in MT)
	AGRICULTURAL PRODUCTS										
		SUGAR SOYAMEAL				WHEAT		RICE		MAIZE	
		III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16
No.	of Ships called	32	50	19	10	23	38	42	28	0	1
lotal	Jargo Handled	1.052	1.367	0.409	0.189	0.888	1.3/1	0.581	0.546	0.000	0.006
	Export	0.173	0.279	0.000	0.162	0.000	0.005	0.564	0.546	0.000	0.000
		LIR	FΔ			BOCK PH					
		IIIrª Qtr'17	LA IIIª Qtr'16	Ill <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	Ill <sup>rd</sup> Qtr'17	Ill <sup>rd</sup> Qtr'16	Ill <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	Ill <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16
No. o	of Ships called	43	34	13	19	48	54	36	16	37	44
Total C	Cargo Handled	1.842	1.412	0.360	0.464	1.943	2.197	1.079	0.690	1.084	1.185
	Import	1.842	1.412	0.232	0.322	1.943	2.197	1.052	0.690	1.084	1.185
	Export	0.000	0.000	0.128	0.142	0.000	0.000	0.027	0.000	0.000	0.000
						co	AL				
		THERMA	AL COAL	COKIN	G COAL	MET	COKE	PET (	COKE	ANTHRAC	ITE COAL
		III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16
No.	of Ships called	254	209	241	177	28	27	50	57	13	8
l otal (	Cargo Handled	13.621	11.311	11.228	9.522	0.781	0.986	2.232	2.532	0.394	0.175
	Export	6 220	5 479	0 228	9.420	0.745	0.902	0.238	0.073	0.394	0.175
	Export	0.220	0.110	0.220	0.000	0.020	0.021	0.200	0.070	0.000	0.000
						STEEL & REI	ATED ORE	S			
		STEEL PRODUCTS SCRAP METAL				CHR	CHROME MAGNESIUM ORE				
No	of Shina called	III <sup>re</sup> Qtr'17	III <sup>®</sup> Qtr 16	III <sup>re</sup> Qtr'17	III <sup>rd</sup> Qtr 16		III <sup>re</sup> Qtr'16	10 UII <sup>re</sup> Qtr'17	III <sup>re</sup> Qtr'16	111 <sup>rd</sup> Qtr:17	111 <sup>rd</sup> Qtr 16
Total (	Cargo Handlod	303	207	0.033	0 120	0 000	0.016	40	0 403	294 16 480	17 000
Total	Import	1.921	1.721	0.033	0.139	0.000	0.010	0.815	0.403	5 509	4.350
Export		2.725	1.574	0.000	0.000	0.000	0.016	0.000	0.000	10.980	13.640
			-						-		
INDIAN	PORT PEF	RFORMA	NCE - Q	3 & FY :	2 <mark>017 -</mark> 1	8 THRO	UGHPU <sup>.</sup>	<mark>t (qty I</mark> I	N METR	IC TONN	ES)
OCTOBER -	DECEMBER	2017 (III <sup>rd</sup> G	UARTER)	2017 - 201	8 / JULY -	SEPTEMBE	R 2016 (III		R) 2016 - 2	2017 (QTY	IN MT)
Ports	Types of Ports	NO. OF	SHIPS	LIQUID	CARGO	GO BULK CARGO		CONTAINERS (TEUS)		TOTAL CARGO *	
		III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16	III <sup>rd</sup> Qtr'17	III <sup>rd</sup> Qtr'16
Kandla		441	441	3.148	3.063	5.758	6.138	20,343	-	8.906	9.201
Mumbai		470	490	8.168	7.365	2.129	2.001	12,029	-	10.297	9.366
Nhava Sheva		173	176	1.596	1.856	0.266	0.228	1,189,155	1,120,153	1.862	2.084
Mormudao		162	212	0.257	0.323	5.010	8.283	-	-	5.267	8.606
Mangalore		383	360	7.930	7.633	3 491	3 633	25 544	22 672	11 421	11,266
Cochin		180	197	4 847	4 160	0.393	0.504	119 760	124 538	5 240	4 664
Tutioorin		000	201	0.268	0.416	5.050	6 080	155 670	1/8 9/9	5 602	6 /06
Chappel		200	001	1 175	4.052	0.200	1 105	155,072	270 107	5.025 6 105	5 020
Chennal		203	201	4.1/0	4.003	2.020	C01.1	400,270	312,101	0.190	0.230
Ennore		207	212	1.211	1.103	6.335	5.873	-	-	7.546	6.976
Vishakhapatnam		310	285	2.719	4.068	7.851	5.561	80,571	88,948	10.570	9.629
Paradip		526	405	9.505	8.029	18.966	15.383	-	-	28.471	23.412

**Total Vessel Calls** 

at all ports

Haldia

Kolkata

Pipavav

Mundra

Dahej

Hazira

Navlakhi

Kakinada

Gangavaram

579

46

5

145

797

203

207

42

196

5568

489

97

28

118

700

174

209

30

196

5351

3.383

0.287

0.349

6.377

5.708

1.612

0.717

62.357

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2.864

0.323

0.242

5.923

4.632

1.517

0.625

58.195

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6.433

0.478

0.216

1.855

11.308

2.716

2.245

2.482

2.743

87.950

139.086

7.932

0.323

1.380

1.662

16.152

6.203

3.508

1.794

3.194

47,371

145,048

154,713

938,416

103,163

3,442,061

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38,324

146,145

167,412

836,635

100,580

3,166,442

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9.816

0.765

0.216

2.204

17.685

7.953

4.094

2.743

0.717

147.591

5.068

1.380

1.420

10.229

1.571

1.991

1.794

2.569

80.891

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