

Cargo Shop 2022 - Shippers & LSP Forum facilitates an interesting deliberation among key stakeholders

VISAKHAPATNAM: SOME of the leading lights of the entire spectrum of the trade associated with Visakhapatnam and the wider eastern region and beyond were present for a comprehensive deliberation on 'Visakhapatnam - The fast-growing Ex-Im cargo gateway', the event theme, at Exim India's Cargo Shop 2022 - Shippers & LSP Forum, at Hotel Novotel, Visakhapatnam, on December 9, 2022.

It was a thought-provoking exchange of views across three sessions that raised a number of pertinent points on the current state, potential and the way ahead for the maritime, cargo and logistics trade in the region. The fact that it was helmed by stalwarts associated with the fraternity, including shippers, made for an enriching experience for the large number of delegates who were present.

Inaugural Session

The Inaugural Session set the tone, beginning with the incisive welcome address by Mr G. Sambasiva



Mr K. Engineer, IRS

Mr Anup Kumar Satpathy, I. R. T. S.

- ★ Capt. Sudeep Banerjee, Terminal Head (Sr. Vice President), Visakha Container Terminal Pvt. Ltd. (Theme Presentation)
- ★ Mr Ramesh Babu, MD, Seashell Logistics Pvt. Ltd (Special Address)

Some of the topics highlighted in this session were the best global practices in reefer transportation with respect to last mile connectivity; the potential of Visakhapatnam as a container shipping gateway and transhipment hub on the east coast, the value-added services offered by the Railways to the Visakhapatnam maritime trade, the changing scenario in Customs facilitation & regulation in Visakhapatnam, and the emergence of Visakhapatnam Port as a regional shipping & logistics hub.

First Technical Session

The First Technical Session, on the topic 'Containerised & Reefer Cargo trends and Hinterland



The Inaugural Session set the right tone for the event. It was graced by (from left) Mr G. Sambasiva Rao, Mr Anup Kumar Satpathy, Capt. Deepak Tewari, Mr K. Engineer, Capt. Sudeep Banerjee and Mr Ramesh Babu

Rao, MD, Sravan Shipping Services Pvt. Ltd. The session was graced by:

- ★ Mr K. Engineer, IRS, Commissioner of Customs, Visakhapatnam (Chief Guest)
- ★ Mr Anup Kumar Satpathy, I. R. T. S., Divisional Railway Manager, Waltair Division, East Coast Railway (Guest of Honour)
- ★ Capt. Deepak Tewari, MD, MSC Agency (India) Private Limited (Guest of Honour Delivering Keynote Address)
- ★ Mr G. Sambasiva Rao, MD, Sravan Shipping Services Pvt. Ltd (Welcome Address)

'Connectivity - An Overview', had as participants:

- ★ Mr V. Jeevan Vikas, VP, Seaways Shipping & Logistics Limited and President, Visakhapatnam Container Lines Association (Session Chairman & Moderator)

Panelists

- ★ Capt. Brijesh Midha, Vice President, T.S. Lines (India) Pvt. Ltd
- ★ Mr C. M. Muraleedharan, India Area Director, Unifeeder Group
- ★ Mr Sriram Swaminathan, General Manager, Goodrich Maritime Pvt. Ltd

- ★ Mr R. Srikanth, Executive Director, K.S.R. Freight Forwarders Pvt. Ltd
- ★ Mr M. Venugopal, President, Visakhapatnam Customs Brokers' Association
- ★ Mr Tapan Sengupta, CEO, Vivek Freight & Logistics Pvt. Ltd
- ★ Mr Gunturu Pawan Kumar, MD, Sprint Exports Pvt Ltd

This session conferred on the potential of Visakhapatnam as a container shipping hub on the east coast, current scenario and potential regarding coastal cargo movement, challenges in Visakhapatnam compared to other Indian ports, trends and growth prospects in ISO tank movement, value added services offered by LSPs, first and last mile connectivity, changing service and operational profile of CHAs, difficulties faced by Custom Brokers and their expectations from shippers and policy-makers, the impact of digitisation and technology, challenges faced by exporters in reefer logistics and their expectations from ports, LSPs, Customs and on the policy front.

Second Technical Session

The Second Technical Session deliberated on 'Enhancing Logistics Competitiveness in handling Non-Containerised Cargo'. It was graced by:

- ★ Mr Ramesh Babu, MD, Seashell Logistics Pvt. Ltd (Session Chairman & Moderator)

Panelists

- ★ Mr B. G. Gandhi, CEO, Adani Gangavaram Port Pvt. Ltd
- ★ Mr G. Sambasiva Rao, MD, Sravan Shipping Services Pvt. Ltd
- ★ Mr Punit Oza, CEO, WIZ Bulk

Among the topics discussed in this session were the specific logistics requirements for the seamless handling of non-containerised cargo, whether too many ports are

sharing the same hinterland, whether ports in the region are well equipped to handle cargo like coal and minerals, shortcomings in the overall logistics scenario and how they can be improved, and the salient features/advantages in the digital forwarding of bulk commodities.

Felicitations & appreciation

Some of the leading authorities, organisations making a difference to the trade were felicitated on the occasion, as shown in the accompanying box.

Deserving Felicitations

- ★ Custom House, Visakhapatnam
- ★ Anup Kumar Satpathy, I. R. T. S., Divisional Railway Manager, Waltair Division, East Coast Railway
- ★ Visakha Container Terminal Pvt. Ltd
- ★ MSC Agency (India) Private Limited
- ★ G. Sambasiva Rao, MD, Sravan Shipping Services Pvt. Ltd
- ★ K.S.R. Freight Forwarders Pvt. Ltd
- ★ Visakhapatnam Container Lines Association
- ★ Visakhapatnam Customs Brokers' Association
- ★ Andhra Pradesh Chambers of Commerce and Industry Federation

The event saw enthusiastic participation from the trade, who were appreciative of this opportunity for stakeholders to come together under one roof in Visakhapatnam to deliberate on a range of key issues. They commended the event theme as well as the topics formulated for the sessions.

Cargo Shop 2022 in Visakhapatnam was thus a successful occasion for the fraternity to gather to listen, interact with top speakers and panelists, members of the fraternity and trade, entrepreneurs and professionals on a range of issues, as well as avail of the opportunity to network.

A summary of the key points made by each of the speakers and panelists follows.



TOP-NOTCH SPEAKERS & PANELISTS WERE INSIGHTFUL & FORTHRIGHT

Inaugural Session



Among the participants in the Inaugural Session were (from left) Mr G. Sambasiva Rao, Capt. Deepak Tewari, Mr K. Engineer, Capt. Sudeep Banerjee and Mr Ramesh Babu



Mr G. Sambasiva Rao, MD, Sravan Shipping Services Pvt. Ltd., delivered the **welcome address**, in which he appreciated the role being played by Visakhapatnam Port and also Gangavaram Port which is coming up well. He pointed out that the mindset in Visakhapatnam is to want to say yes and not to refuse. He praised Visakhapatnam port for its facilitation and connectivity, where the port, lines, rail operator and Customs all work as a team. Visakhapatnam now has a wide hinterland, even handling North Indian cargo, in addition to a lot of cargo going to Nepal. He called on the ex-im trade to take advantage of Visakhapatnam.



Capt. Sudeep Banerjee, Terminal Head (Sr. Vice President), Visakha Container Terminal Pvt. Ltd., in his **theme presentation**, stressed that Visakhapatnam is indeed a fast-growing ex-im cargo gateway that is strategically located and well-connected by road and rail, and has a primary, secondary as well as tertiary hinterland. He highlighted that the J M Baxi Group's VCT is contributing to the growth of containerised trade in the region with its state-of-art infrastructure, good productivity and efficiency, many associated CFSs, etc. It also operates trains to Nepal.



Mr Ramesh Babu, MD, Seashell Logistics Pvt. Ltd., delivered a special address, and began by saying that reefer movement is evolving day by day. Visakhapatnam plays an important role in seafood and pharma exports, which is projected to grow further and therefore more reefer containers would be needed. Logistics has to be ready. He stressed on the importance of first mile connectivity in perishable cargo movement, for maintaining the quality, as also the last mile movement. Storage should be avoided so that perishables reach from producer to consumer in the fastest possible time. He also called for ports to have more plug-in infrastructure. He concluded by saying that India's outlook is positive and it doesn't present a gloomy picture like many regions of the world.



Capt. Deepak Tewari, MD, MSC Agency (India) Private Limited, was the Guest of Honour delivering the keynote address. He stressed on the huge potential for shipping and ports to cater to the growing global population and praised India's investment in port infrastructure in the last few years, which has facilitated increased cargo movement without any congestion. India is today waiting for export demand. However, ships are getting bigger and therefore many terminals are constrained. Given that customer expectations have increased manifold, he underscored on the importance of going digital, in processes, clearances, as it is efficient, reliable, cost-effective, transparent and secure. He highlighted electronic booking and smart containers, and also called on public sector banks in India to accept electronic bills of lading. Containerised trade is growing in India faster than the average global rate, and would be further boosted by the country's recently inked and on-the-anvil FTAs, it was pointed out. While a lot of container ships are on order and freight rates have fallen, the IMO carbon emission regulations which come into effect from January 2023 will decrease tonnage across the board, with many vessels having to go in for conversions. This will entail huge expense and therefore freight rates may not come down to the levels expected, he said. He also emphasised the huge potential of Visakhapatnam Port, with its efficient terminal that has capacity. He thanked Visakhapatnam Customs for facilitating the trade and lauded recent key government initiatives like PM Gati Shakti and NLP-ULIP which will speed up processes and reduce logistics cost.

Mr Anup Kumar Satpathy, I. R. T. S., Divisional Railway Manager, Waltair Division, East Coast Railway, who was the Guest of Honour, gave an overview of the Division and its handling of commodities like minerals. He said the Division is being modernised and will see better facilitation in the next 2-3 years. He invited investment in the cargo terminals that the Division is trying to develop, adding that they can facilitate stakeholders to invest in terminals anywhere in the country. He praised government initiatives like PM Gati Shakti, National Logistics Policy (NLP), and the focus on developing MMLPs.



Mr K. Engineer, IRS, Commissioner of Customs, Visakhapatnam, who was the Chief Guest, talked about the dramatic change in the Customs Department in recent years with its emphasis on facilitation and solving problems, the paradigm shift from the earlier two main pillars of revenue generation and enforcement to the third predominant pillar of facilitator. The focus was on improving the country's Ease of Doing Business ranking. So the Department embraced technology and today majority of imports are facilitated without human interface. There is also faceless assessment. The aim is to reduce dwell time and hence logistics cost, and bring down transaction cost. He also pointed out that Customs constantly interacts with stakeholders to mitigate issues and for better facilitation. As regards Visakhapatnam Port, he said cargo is cleared expeditiously and it is poised to grow further. He called on stakeholders to come to Visakhapatnam.



First Technical Session - 'Containerised & Reefer Cargo trends and Hinterland Connectivity - An Overview'



The First Technical Session had as participants (from left) Mr M. Venugopal, Mr C. M. Muraleedharan, Mr Sriram Swaminathan, Capt. Brijesh Midha, Mr V. Jeevan Vikas, Mr R. Srikanth, Mr Tapan Sengupta and Mr Gunturu Pawan Kumar

This session was moderated by **Mr V. Jeevan Vikas, VP, Seaways Shipping & Logistics Limited & President, Visakhapatnam Container Lines Association**, who in his initial remarks pointed out that Visakhapatnam Port has changed over the years with regard to volumes handled, cargo profile, infrastructure, economic contribution, facilitator of the trade, and as a hub for ex-im as well as coastal cargo. It is emerging as a hub port for the neighbouring ports, he said. On digitisation, he stressed that it is having a huge impact and the fraternity will have to accept the change.



Capt. Brijesh Midha, Vice President, T.S. Lines (India) Pvt. Ltd. too appreciated Visakhapatnam Port for its deep draught, connectivity, including to Nepal, absence of congestion, etc. He added that it is an ideal gateway for transhipment to destinations like Kolkata/Haldia, Chittagong and Yangon. There exists huge potential for hub and spoke movement.



Mr C. M. Muraleedharan, India Area Director, Unifeeder Group, made the point that coastal shipping and inland waterways transport will play a key role in reducing logistics lost, and emphasised that Visakhapatnam has huge potential for coastal movement as well as transhipment to ports in the neighbourhood. It is a strategic location for transhipment. A major challenge in coastal shipping is one-sided movement, he added, pointing out that operators need sufficient cargo for the service to sustain. He also called for improved first and last mile connectivity.



Mr Gunturu Pawan Kumar, MD, Sprint Exports Pvt. Ltd., said that container freight rates have come down from the peak of the Covid period and are rationalising, which is a good thing. What exporters want is stable freights, he added, neither too high nor too low. Small fluctuations are ok, but major fluctuations are a problem. He also highlighted that container trade has come a long way in Visakhapatnam. Liner turnaround is fast today. But CFSs could do with improved infrastructure. He raised concerns about proper container washing, especially in the context of sensitive cargo like seafood. Customs again wanting to check random cartons in containers should be avoided, it was pointed out.



Mr Sriram Swaminathan, General Manager, Goodrich Maritime Pvt. Ltd

Pvt. Ltd, said that the potential of Visakhapatnam has not been fully tapped. Far East cargo, for example, can come to Visakhapatnam. There also exists huge potential for transhipment and dedicated coastal business, which have to be developed together by all the stakeholders. ISO tank movement/business here is lopsided. There is need for better testing and certification facilities.



Mr R. Srikanth, Executive Director, K.S.R. Freight Forwarders Pvt. Ltd

Pvt. Ltd, stressed that offering value-added services is critical for LSPs; it is the only way to grow. Single-window facilitation is what the ex-im trade today wants, he said. Service providers need to make available warehousing solutions and should offer timely guidance to the ex-im trade on Customs rules, incentive schemes, etc. He too called for Visakhapatnam to be developed as a transhipment hub. The launch of the National Logistics Policy is a positive development as it integrates all transport and cargo related departments on one platform, he added.



Mr M. Venugopal, President, Visakhapatnam Customs Brokers' Association

Association, was appreciative of the Customs Department, its responsiveness, new initiatives and improved facilitation. Visakhapatnam Customs is proactive, promptly addressing the issues of the trade. He called on the ex-im trade to increase business through Visakhapatnam and emphasised that Customs Brokers have been providing the best of services. It is the responsibility of CFSs to deliver clean containers to exporters and lines should stress on this, he added.



Mr Tapan Sengupta, CEO, Vivek Freight & Logistics Pvt. Ltd

pointed out that digitisation and digital processes are gaining wide acceptance in the sector, and Visakhapatnam is one of the places that has a much better understanding of this option. Pre-Covid, stakeholders such as lines were conservative regarding digitisation/adoption of technology, but Covid changed all that and gave digitisation a massive impetus. Freight forwarders don't have a choice; they have to adopt technology to survive. It cannot be ignored.



Second Technical Session - 'Enhancing Logistics Competitiveness in handling Non-Containerised Cargo'



The Second Technical Session heard from (L-R) Mr B. G. Gandhi, Mr Ramesh Babu, Mr G. Sambasiva Rao and Mr Punit Oza

Mr Ramesh Babu, MD, Seashell Logistics Pvt. Ltd, who moderated the session, highlighted that a majority of the cargo handled in Visakhapatnam and adjoining locations is bulk, be it dirty cargo, raw materials, semi-processed cargo, and even agri commodities some of which shifted from containerised to bulk during Covid. The deep draught port is an advantage. But more needs to be done by all stakeholders, including the government, to further develop the ecosystem, at ports, with regard to connectivity, to create warehousing facilities and other infrastructure, he said. On more ports being developed and sharing the same hinterland, he said that as a vessel operator, he is more than happy to have multiple facilities, which enables quick discharge and turnaround. Cargo evacuation, however, is a different thing that calls for better infrastructure and connectivity.



Mr G. Sambasiva Rao, MD, Sravan Shipping Services Pvt. Ltd, said that Visakhapatnam being an old port is doing its best, but could do with more harbour mobile cranes and more gates for speedy and dedicated in and out movement of cargo. It will be beneficial to the trade if technology is used to enhance cargo loading and discharge. More ports in a region means that the fittest will survive, and will facilitate reduced logistics cost, he said, adding that ports need to have more rail sidings for different cargoes. Industries must be developed to use the capacities of ports, with focus on ex-im cargo. He also called for all-round efficiency in the logistics chain, more warehousing facilities, and front- and back-end infrastructure.



Mr B. G. Gandhi, CEO, Adani Gangavaram Port Pvt. Ltd, made the point that for increased logistics competitiveness, one needs to be agile, adapt to changes as required, be on time, economical, smart and sustainable in all spheres of operations. All of these go hand in hand. Each and every subset of the logistics chain should be upgraded and up to date, competitive and efficient. It is happening but at a slower pace. Investment is needed in good roads, more lanes, safety and security on the highways; there should be speedy procedures at inter-state locations, rail movement from mines to nearest port should be in the shortest possible time, and rail rolling stock should be available in a timely manner, he stressed. Ports need to be competitive, facilitating faster turnaround, and bigger ports should be developed to berth bigger vessels. Berths should wait for vessels. Efficiency of the port as well as efficiency of the associated infrastructure is important, he said. On a lot of ports coming up in the same region, he said it is good for the end user who will get more choice.



Elaborating on the necessity and advantages of digital transformation, **Mr Punit Oza, CEO, WIZ Bulk**, said it allows information and data to be shared, stored, processed, analysed and used to make more intelligent decisions. Therefore, it is a must today if you don't want to be the weakest link in the supply chain and all your partners/customers are digitalising at a rapid pace. He emphasised the difference between digitisation, digitalisation and digital transformation: Digitisation is just converting all your analogue, manual data/features into electronic form; Digitalisation is to run some part of your operations using that electronic data; and, most importantly, Digital Transformation is to change the way you work and make decisions using data analytics as a part of your work processes. All of this will facilitate transparency, sustainability and ultimately profitability. It is a little more challenging in bulk because there are less standardised aspects compared to containers, which means the segment has to be more patient to create standards that a majority can accept. Adoption will then happen at a quicker pace, he said.

Felicitations

Custom House, Visakhapatnam



For its contribution towards the growth of Ex-Im trade

Anup Kumar Satpathy, I. R. T. S., Divisional Railway Manager, Waltair Division, East Coast Railway



For his contribution to trade facilitation in the region through Rail Cargo Logistics

Visakha Container Terminal Pvt. Ltd



For its contribution towards boosting containerised cargo movement to and from the Visakhapatnam Region

MSC Agency (India) Private Limited



For contributing towards the growth of Visakhapatnam Region Trade

G. Sambasiva Rao, MD, Sravan Shipping Services Pvt. Ltd



For his contribution towards the growth of Visakhapatnam Region Trade

K.S.R. Freight Forwarders Pvt. Ltd



For contributing towards the growth of Visakhapatnam Region Trade

Visakhapatnam Container Lines Association



For contributing towards the growth of Visakhapatnam Region Trade

Visakhapatnam Customs Brokers' Association



For contributing towards the growth of Visakhapatnam Region Trade

Andhra Pradesh Chambers of Commerce and Industry Federation



For contributing towards the growth of Visakhapatnam Region Trade

Enthusiastic participation from the fraternity



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