

India - Nepal Logistics Summit 2019

28th July 2019

Changing Landscape of Shipping and Logistics – Preparing for future



- The fourth industrial revolution is underway and it will change the character of every sector
- Shipping is one element in the value chain that comprises many interlocking parts, including ports, harbours, goods distribution centres and vessel traffic services
- With new data systems and the growth of connected technologies, these can interact to a greater degree than ever, boosting the efficiency of maritime operations
- How we think about future skills, the ways we adopt technologies, how we ensure the demands of a greener shipping – are going to be the concerns
- Growing demand for digital talent, industries will be looking for employees who clearly have that level of specialist skill and thought, and that entrepreneurial drive

Future initiatives to be taken by Nepal to match global standards

- Kolkata controls 70 % and Vizag controls 30 % share of Nepal's volumes
- Paperless cross border transaction for free flow of EXIM Cargo
- Relooking at expeditious evacuation of cargo for the benefit of trade from Kolkata and Vizag
- This is huge opportunity to tap for both India and Nepal for inland waterways connectivity
- DFC expansion in UP and West Bengal will bring cargo from west part of India faster to Nepal
- Kolkata – Varanasi inland water movement
- Seamless interface with PCS system from India
- ICD facilities into Nepal

Indian government has introduced Electronic Cargo Tracking System (ECTS) to facilitate transport of Nepal-bound cargo from Kolkata

The Benefits of ECTS are as follows:

- Kolkata customs has notified a new simplified procedure for movement of containers by rail from Kolkata to Nepal
- It provides facility of sealing containers using high security electronic seals which have tracking functionality embedded
- The Indian customs has waived the requirement for a Nepal's importer of filing a Customs Transit Declaration (CTD) at Kolkata customs
- The Nepalese traders to seek permission and file transit declaration has been removed completely
- It reduces time and the end to end cost by roughly USD 200 per container

- Ports play an important role in supply chain logistics
- Complexities of port operations increase because of multi stakeholders like CHAs, CFS, Govt etc
- Ports and companies involved in logistics are under pressure to introduce new processes and technology to cut down time and improve efficiency
- But, only 3% of maritime terminals in the world are either semi or fully automated
- Adaptation of these technologies and dealing with their repercussions is the concern
- New tech can not run on old processes.
- The key change is psychological than technical

- The major ports had a capacity of 1,452 million tonnes by FY18 end. The Maritime Agenda 2010-20 has a 2020 target of 3,130 MT of port capacity
- Ministry of Shipping allowed foreign flagged ships to carry containers for transshipment
- Fast tracking Sagarmala and Bharatmala
- Government of India is targeting to make the country the first in the world to operate all 12 major domestic government ports on renewable energy. The government plans to install almost 200 MW wind and solar power generation capacity by 2019 at the ports. The energy capacity could be ramped up to 500 MW in future years
- Creation of Coastal Economic Zones near ports to boost manufacturing and jobs
- PPP Model in port sector has been successful

- India is using only 0.5% of its inland waterways network to transport freight, which presents an extensive scope for leveraging the trade potential of the country's vastly untapped marine channels and coastal routes.
- The abolition of highly restrictive cabotage rules by the Indian government that eased key rules for foreign registered vessels regarding intra-India freight transport, hold the promise of positioning India as a global transshipment hub and significantly improve the business competitiveness of Indian ports by shifting container traffic from established port hubs in the vicinity.
- Infrastructure development remains key to realizing the penetration of container freight movement to the hinterlands of the country.
- Free Trade Warehousing Zones, Multi-Modal Logistics Parks (MMLPs) will be the future.
- As Indian logistics shifts to 'point-to-point' operational mechanism with 'hub-and-spoke' model, agile supply chains and streamlined operations will become pivotal to improving last mile connectivity and reducing cargo transport downtime.

THANK YOU

