

# AMTOI NEWS



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06 **SPECIAL IN THIS ISSUE**  
**WOMEN IN LOGISTICS**



## ABOUT AMTOI

AMTOI, The Association of Multimodal Transport Operators of India, was formed with the object of organizing Multimodal Transport Operators at the national level and improving the quality of their services. The members of the Association are Multimodal Transport Operators registered with the Directorate General of Shipping, Mumbai under the Multimodal Transportation of Goods Act, 1993 which also includes some associate members like CFS operators, tank container operators etc.

The Association is a non-profit making body registered under the Indian Companies Act and is managed by the Managing Committee comprising of 7 members elected by the Operator members. The Committee is assisted by a Board of Advisors consisting of the representatives of Government / Public Sector Organizations. Also, it has various trade association representatives on its extended board and is thus likened to an apex body.

As a unique initiative, AMTOI has set up a forum called the Grievance Redressal Forum (GRF). The objective of this Forum is to create a platform for dispute resolution and thereby addressing grievances of the members of the trade.

The Association has a two-tier membership – Ordinary members who are registered as MTOs and Associate members who are not MTOs themselves but who are involved in operations connected with multimodal transport. The Associate members are not eligible for voting rights or contest in the Elections.

The Association from time to time has made suggestions for the consideration of Government and in fact the suggestion for amending the Multimodal Transportation of Goods Act and for adopting other related measures.

AMTOI has been able to secure representation on Government bodies like the Standing Committee on Promotion of Exports, (SCOPE Shipping and SCOPE Air), Task Force on Multimodal Transport and various other forums of the Ministries of Shipping, Commerce & Finance of the Government of India. The Association is also a member of the International Multimodal Transport Association based in Geneva and has thus acquired International recognition.

For the benefit of its members, regular training courses are conducted by it on tax issues, insurance or other such related subjects.

An awaited event of the year is the MULTIMODAL DAY or an AMTOI DAY which the Association organizes as an 'Annual Day' for the last many years wherein the entire shipping fraternity of Shipping Lines, Ports CFS operators, Freight Forwarders, NVOCC's, CHA's, Airlines, Government authorities in addition to MTO's come together to network and interact with each other under one roof.

Members are kept abreast of the happenings in the industry by MULTIMODAL TIMES or AMTOI Newsletter which is published as a quarterly magazine currently and we hope to graduate into a monthly publication which will attempt to capture critical issues that are close to the industry and along with opinions of the industry leaders.

Lastly, keeping abreast with the advancing technologies, AMTOI continuously improvises its website and offers tools for various industry players to come together and thus endeavoring to be a leader in its class.



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## MANAGING COMMITTEE MEMBERS 2017 - 2018

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## EXTENDED BOARD MEMBERS 2017 - 2018

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▪ THE AIR CARGO AGENTS ASSOCIATION OF INDIA

▪ THE CONTAINER SHIPPING LINES ASSOCIATION

▪ INDIAN NATIONAL SHIPOWNERS' ASSOCIATION

▪ FEDERATION OF SHIP AGENTS ASSOCIATION

OF INDIA

▪ CONSOLIDATORS ASSOCIATION OF INDIA

▪ CFS ASSOCIATION OF INDIA

▪ INDIAN PRIVATE PORT & TERMINAL ASSOCIATION

▪ ASSOCIATION OF CONTAINER TRAIN OPERATORS

▪ WOMAN'S INTERNATIONAL SHIPPING & TRADING

ASSOCIATION

▪ COASTAL CONTAINER TRANSPORTERS ASSOCIATION

▪ ALL INDIA MOTOR TRANSPORT CONGRESS

▪ HYDRAULIC TRAILER OWNERS ASSOCIATION



## NAILESH GANDHI FROM THE PRESIDENT'S DESK

It has been an eventful two months since we held our Annual Day in February.

While I am sure all of you would have enjoyed reading the previous special issue on our Annual Day, the first time we have come out with this special newsletter, I am excited to report since then, we have followed up on our north-east India initiative by actually visiting the region. Six managing committee members, me included, visited three states, Assam, Meghalaya and Manipur between April 16-20. I am happy to say the trip was not only an eye-opener for all of us but having met the chief ministers of all the three states, few academicians and bureaucrats, we are tremendously excited about the potential that exists to develop the logistics and supply chain industry in these states and the pioneering role that AMTOI can play in this effort. You can read about the details of our visit in the pages that follow.

A return visit of some delegates from the north east to Mumbai is now scheduled towards the end of May. I look forward to all your cooperation in making them feel welcome and at home in this city.

Even as we remain caught up in excitement with our new initiatives, we are sad to see Mr. Vardarajan leave his place as a member of AMTOI's managing committee. At this time, we are also pleased to welcome on board Mrs. Anjali Bhide as a special invitee, indeed, the first lady member among the managing committee to grace us with her presence. In fact, the contribution of women to the workplace was celebrated

worldwide on the occasion of Women's Day just recently. We think it only fit to introduce a special section on women in the logistics industry from this issue onward in order to highlight their achievements and contributions to their workplaces. We begin this section with none other than Dr. Malini V Shankar, Director General, Shipping, a lady whose very enviable academic profile is matched only by her achievements and excellent professional track record.

Another exciting development is the creation of the NVOCC, TANK and technology councils. The first two have already been created and enthused by this success, we are on course to set up the tech council as well, which will be led by Mr. Vivek Kele, immediate past President, AMTOI. The genesis of the first two councils was during one of the committee meetings last year when we decided to invite Tank Operators Interest Group and NVOCC Operators group to become AMTOI members and use its visible and powerful platform to address issues related to their relevant fields. Subsequently, both groups held meetings at AMTOI's board room and formed the Liquid Tank Council and NVOCC Council respectively. Over the last couple of months, both councils have managed to attract more members who have now become AMTOI members.

The proposed tech council will bring together all latest technological advancements for the logistics industry and address relevant issues. We are now in the process of identifying and inviting stakeholders within this sphere to be a part of the council.

It bears repetition, since 1998, AMTOI has been growing in strength. It has an extended board consisting of members from prominent logistics trade bodies. AMTOI has led them and the initiative to form a Federation of Indian Logistics Associations (FILA), which, I am happy to report, has been incorporated by the Ministry of Company Affairs (MCA).

Last but not least, the final draft of the proposed amendment to the Multimodal Transport Goods Act (MMTG) envisages a concept of self-regulatory organization (SRO) and AMTOI is all set to assume this role. The new role as an SRO will entail several new functions and we can all expect a busy time ahead.

As always, I thank you all for your support and at this critical time of our growth with several new initiatives planned, I call on each one of us to rededicate ourselves to the cause of promoting multimodal transport in India. I wish you all a very happy and prosperous FY19 ahead!



## EDITORIAL LACK OF A DIGITAL CULTURE

*Smaller players need to deal with emergent challenges and threats by better planning of demand and supply.*

Lack of digital culture and training is the biggest challenge facing transportation and logistics companies - PwC's Future In Sight series

Following the enactment of the Multimodal Transportation of Goods Act, 1993, AMTOI (Association of Multimodal Operators of India) was established in the year 1998. The main objectives of the Association are to:

- Organise multimodal transport operators (MTO) at the national level
- Study issues faced by MTOs and seek resolution with appropriate authorities
- Promote multimodal transport services in domestic and foreign trade
- Improve the quality of such services and reduce transaction costs
- Facilitate skill development for logistics sector
- Promote implementation of cargo community system

AMTOI has rendered yeomen's service to the EXIM trade by its initiatives to promote multi-modalism. We, at AMTOI, in addition to fulfilling the main objectives, have always endeavored to ensure building harmonious relations among the maritime community; and to bring a culture of consensus among all segments of the EXIM trade, particularly while

making representations to various authorities for trade facilitation.

AMTOI Day, the most sought-after event in the maritime sector, was celebrated on February 23, 2018. The theme for the event was Northeast Rising. AMTOI Day, right from its inception, has become a prestigious event as it demonstrates the spirit of outreach and is always organised creatively. In return, we get a great response from all stakeholders. Celebrated with a trendy and popular theme, fulfilling social responsibilities, since AMTOI Day, 2017, AMTOI has resolved that all successive themes will be based on a noble cause.

This year, the objective was to create awareness among AMTOI members and others of the maritime community about the emerging opportunities in the north-east of India, and also to create a platform for networking.

Digitalisation is among the most talked about topics in logistics. The questions are: Is this something new or was it always around? How will it change the logistics industry? Is it old wine in new bottle or is it as Heraclitus (535 BC–475 BC) said, "No man ever steps in the same river twice, for it is not the same river and he is not the same man". To understand the issue better, we will need to take stock of new technologies, such as advanced analytics and machine learning, and how this can help companies automate some of their back-end and customer-facing processes; as well as raise utilisation levels. This will be further catalysed by e-commerce, particularly B2B e-commerce. However, these technologies will also disrupt air-freight forwarding profoundly over time.

How many of you use traditional travel agents for booking flights or hotel rooms? The forwarder provides far more custom-made and value-added services, rather than just mere cargo booking. Hence, the digital challengers cannot replace every step in the value chain, at least for now. However, they will transform the industry over time, and they will do so in more than one way.

We always said if we were going to target a millennial consumer, then we had to do it in their mother tongue, which is digital.

- Angela Ahrendts

Although digitisation will change the marketplace, the course of technological progress is harder to predict now than it was in past disruptions. Several future scenarios are conceivable,

depending on the success of the technologies that influence the pace of change. Nonetheless, the pressure on traditional forwarders will surely increase as digitisation continues its long march through the world economy.

If we look into the past, transport intermediaries have dealt with several disruptive forces, some strong, some not so strong. Some forces of change, which don't seem so strong now in hindsight, did create uncertainty when they came about. Some notable disruptions in the past in the freight forwarding industry are:

- Scheduled liner service
- Containerisation and development of the hinterland through the emergence of inland container depots (ICD)
- Computer revolution
- Globalisation, liberalisation and simplification, multilateral agreements and trade blocks
- Internet revolution and proliferation of information technology
- The emergence of multinational and global forwarders; and convergence in the logistics sector
- Emergence of integrators

The list can be bigger. However, forwarders have so far not only dealt with them successfully but have, in fact, benefited from them due to their ability to adapt. As a company, and even as an industry, many of us, are presently considering the strategic choices carefully. First, how do we embrace digital technology in both customer service and back-end processes? Second, we are studying options for partnering with digital platforms and other support service providers. We are studying how we can make our mark in B2C cross-border shipments. Currently, we are focused on B2B business only. Above all, excelling in our current offerings, based on people, expertise and relationships, is something we are loathe to turn into commodity-like services, at least for some time to come.

While each segment of the industry and each mode of transport will be affected, the chances are air-freight will be the first, and perhaps be affected to the greatest extent. In fact, the impact is already felt, if we take a look at cross-border B2C e-commerce, coupled with the offerings of integrators and couriers. The websites of many leading companies (such as Cargolux, Delta Cargo, and Lufthansa Cargo) have web features for online quotes or bookings, so they are targeting some of the forwarders and smaller customers too, directly. Even customers like Amazon, have their offering of freight, including last-mile delivery on offer to

B2B and the B2C segments. One of the biggest of them all, an asset-heavy logistics company with a global presence, during our brainstorming session with them, explained how they are transforming into a technology company, from being a logistics solutions company.

We, the smaller players, need to deal with the emergent challenges and threats by better planning of demand and supply. There could be greater consolidation in the industry, leading to growth in volumes of the new players, and lowering costs of staff due to technology, leading to lowering rates at a faster pace, even for small customers.

We should certainly improve our offering to the customers, in line with the demands of time, and emergent challenges. We ought to do better in what we are good at and offer more solutions to the customer in the segments in which we have greater challenges from new players, as well as existing players who are adopting new technologies. This means, building stronger relations with customers by playing a greater role in their planning and execution, for which we need to create collaborative models for both technology solutions (at affordable costs) and augmentation of volumes (for improving buying rates), reduce operational costs to stay competitive, learn how to use information and data more smartly. In short, we will be required to create a new business model, and also look for new customers. Forwarders have for centuries been good at adapting to changes, we need to be faster in adapting to faster changes even faster.

The next issue of AMTOI will focus on the impact of technology on logistics and supply chain management. As always, we seek your contribution in terms of suggestions. We also welcome your contributions that are always insightful.

We value your leadership and look forward to having your continuous support.

Shantanu Bhadkamkar  
Editor & Managing Committee Member

## WOMEN IN LOGISTICS Q&A WITH DR. MALINI V SHANKAR



*"A better question to ask is what the industry would lose if it ignores women." Dr. Malini Shankar makes no bones about the fact women have as much to contribute as men, if not more. She shares her thoughts with AMTOI News on the inclusion of women in the logistics and supply chain industry in India.*

Dr. Malini V Shankar is an officer of the Indian Administrative Service, currently posted as the Director General, Shipping, Government of India. She obtained her doctoral degree in Public Policy/Institutional Economics from the prestigious Indian Institute of Technology, Madras (India) & Management degree from the Asian Institute of Management, Manila, Philippines. She also holds a Master's Degree in Chemistry from Mount Holyoke College, Massachusetts, USA. She had her professional mid-career training at the IAP (Institut Internationale d'administration Publique), in Paris, France, from where she obtained a diploma in International Economics.

She was also nominated by the Government of India to the Harvard University for training programmes on two occasions. Dr. Shankar has had an illustrious career spanning over three decades, in the field and in policymaking. Her key assignments have been in industry, electricity and water sectors. Her postings include - Collector & District Magistrate of Nagpur; Joint Development Commissioner of Madras SEZ (Ministry of Commerce); Commissioner of Industries in Maharashtra; Principal Secretary, Water Supply and Sanitation; Principal Secretary, Irrigation (Maharashtra); and Additional Chief Secretary, Environment (Maharashtra).

She considers her most noteworthy contributions to have been in the water sector, among them, the Maharashtra Sujal Nirmal Abhiyan in the Department of Drinking Water and Sanitation, the Integrated River Basin Plan (for Godavari Basin) and the e-jalseva (integrated computer information system) in the Water Resources Department.

**What is the gender mix like in the logistics and supply chain industry in India? About 80% of the employment opportunities must be males. Your thoughts?**

The proportion of women in the industry is perhaps miniscule, although I see that more and more women have been eager entrants in recent times.

**Is there a cultural dimension as to why opportunities, and consequently, the presence of women in this industry is not as much, compared to some other countries?**

It is no different from any other industry. Women were traditionally perceived to have a better fit in 'soft' sectors, and logistics was not seen to be one. For instance, a decade or two earlier, there were very few women in engineering fields; today their presence is more than 25%. Irrespective of the industry, it is important that (a) women are aware or made aware of the opportunities available, and (b) they have an equal opportunity to realise their potential. I don't see why logistics would be a difficult industry for women to thrive in.

**Would you say women want to get into this industry? What are the barriers for them, if any?**

Working women look for a secure workplace, hygienic wash rooms, and access to child care facilities. The lack of access to sanitary toilets, I remember, was a discouraging factor for women working in the field. Improvements in infrastructure, digitalisation of the industry, and better communication facilities are features that are favourable to women and will encourage the best female talent to enter the industry.

**Is there adequate support by companies to include women in their workplace? How do we compare to other developing countries, and indeed, with developed countries with regard to workplace attitudes and support?**

Several companies have put in place gender diversity policies. It is desirable that all entities adopt such inclusive strategies so as to attract the best leadership to the industry. The industry could do with assiduous and innovative minds. Excellence in leadership is definitely not confined to the male species.

**What do you think the future is for women in this industry?**

It is heartening to note that the younger generation do not tend to distinguish themselves as male or female, urban or rural, rich or poor. They are confident, ambitious, and are raring to have a go! It is for the industry to identify and tap the energy and talent. A better question to ask is what the industry would lose if it ignores women.



## AMTOI MEETS NORTH-EAST MINISTERS MAY SET UP OPS IN REGION

The association of Multimodal Transport Operators of India (AMTOI), with the assistance and support of Mr. Atul Kulkarni, Chairman, Student's Experience in Interstate Living (SEIL), met the chief ministers of three north-eastern states - Meghalaya, Assam and Manipur - in mid-April, with a view to study the growth prospects for multi-modalism & to engage with students, educationists and professionals in the region.

A delegation from AMTOI, led by its President Mr. Nailesh Gandhi, along with six managing committee members, namely Mr. Shantanu Bhadkamka, Mr. RK Rubin, VP, Mr. Ravindra Gandhi, Hon. Treasurer, Mr. Pramod Srivastav, Convenor-Eastern Chapter and Mr. George Abrao, visited the north east between April 16-20. They met chief ministers Sarbananda Sonowal, CM, Assam, N Biren Singh, CM, Manipur and Conrad Sangma, CM, Meghalaya during their four-day visit to understand the region and attract the youth into the logistics sector in India.

Each of the honourable ministers expressed their enthusiasm and their interest in AMTOI's initiative and assured the committee of their support to impart training and conduct skill development programmes. Through this process, AMTOI can also be a catalyst to develop the logistics sector in the region.

The AMTOI members visited the William Carey University for undergraduate studies in Shillong, Meghalaya, as well as the Indian Institute of Management, Manipur University. They interacted with the students to appraise them about the role an efficient logistics supply chain can play in eliminating wastage and reducing overall product costs.

AMTOI proposed to arrange for a workshop to be conducted by an experienced faculty/industry professional at the two institutes it visited in order to impart more knowledge and training to the students. Moreover, the industry body also invited the students to Mumbai on an excursion which would include port visits to the country's largest container port, JNPT, as well as familiarisation programme into the logistics sector.

Mr. Gandhi said, "The objective is to get students ready not only for employment but also enable them to become an entrepreneur or become an extension to our offices in this region. They could also seek employment in the logistics industry in any part of the world. The other objective is to

invite them to Mumbai for internships so they get the feel of the industry in a major hub and port city such as Mumbai."

In Manipur, AMTOI was offered the use of the state government's office premises for setting up a branch office and for skill development of the state's students and youth. AMTOI was also offered the use of the building premises belonging to the Yuva Vikas Kendra in Assam, situated near the inland container depot at Amingaon, and operated by Container Corporation of India (CONCOR).

The AMTOI committee members shared with each of the ministers that each state needs to have a logistics policy. At present, Gujarat is the only state in India with a policy for logistics while various other states are in the process of developing one. Mr. Gandhi also proposed a logistics park to be situated at Guwahati to serve as a gateway for connectivity to the north-east hinterland as well as for efficient handling and movement of goods to and from Kolkata, the nearest port city in the region.





CM of Meghalaya, Shri Conrad Sangma



The faculties and administration of Yuva Vikas Kendra, Guwahati, Assam



The students and faculties at the William Carey University



Mr. Thongam Biswajit Singh member of the Manipur Legislative Assembly



CM of Manipur, Shri Nongthombam Biren Singh



CM of Assam, Shri Sarbananda Sonowal



Mr. Ravindra Gandhi addressing the students at the Manipur Institute of Management



Dr. Nongbri, Registrar, William Carey University, Shillong



The students and faculties of MIMS, Manipur

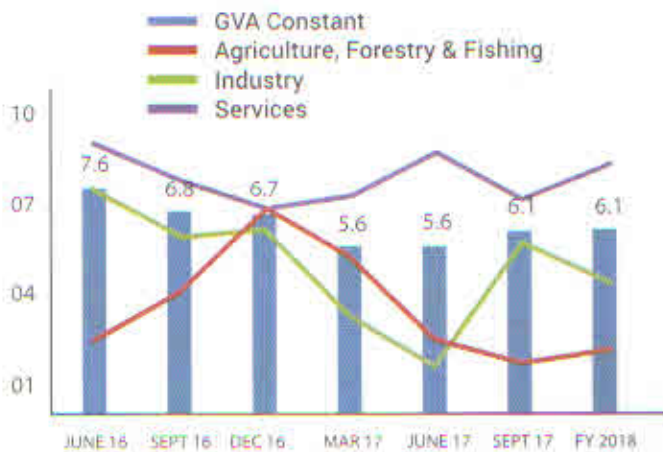
## TRANSFORMING THE LOGISTICS SECTOR

*Trade activity may get further enhanced with the effective implementation of the freight corridor plan.*

A remarkable shift occurred over the last year, brought on by the implementation of key structural reforms by the government. These reforms – or policy measures – have largely defined the scope of India's growth and are likely to set the momentum of growth in the coming period.

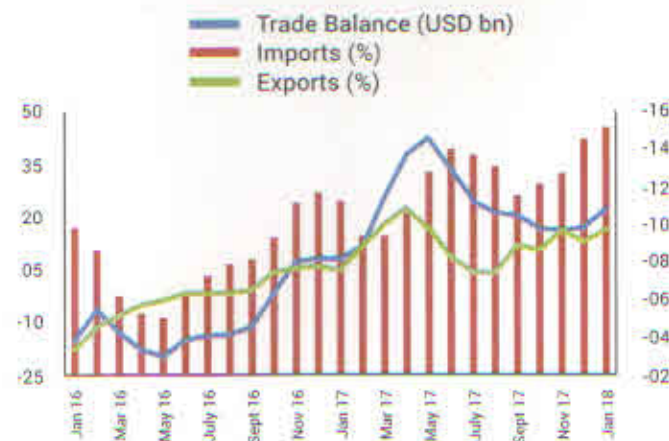
To provide some perspective, gross domestic product (GDP) has been on an upswing while certain high frequency indicators have shown strength (fig below).

GVA Quarterly Growth Rates (y-o-y, %)



Source: CEIC, Deloitte  
AE 2018 is 6.1% over FY 2017 growth of 6.6%

Trade Deficit & Imports (3mma y-o-y, %)



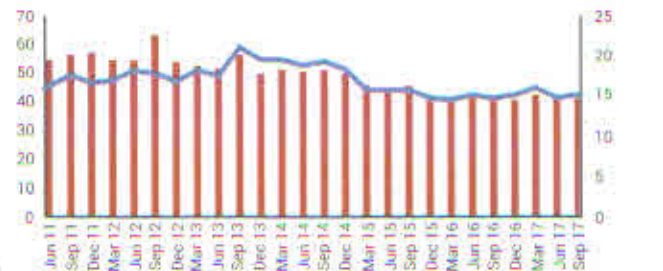
Source: CEIC, Deloitte

Overall, while government action is welcome there is an increasing need for policy action to be directed toward infrastructure building, improving supply chain management, and specific schemes to facilitate export growth. One of the key components that has gained emphasis recently is the need to improve the scope of logistics that is likely to provide remarkable opportunity in the period ahead.

### Role of Logistics in Building Economic Strength

India is currently the seventh largest economy with a GDP of \$2.2 trillion and is expected to become the fifth largest economy, ahead of UK and France in the coming year<sup>1</sup>. In fact, by 2050, India is likely to reach the second spot only behind China, as per a report by the World Economic Forum. Among other things, trade activity remains a major component for sustained economic growth and the strength in growth momentum can be said to have partly emanated from the recently rising exporting behavior. The government has also emphasized on the need to improve India's share in global exports from the current 1.6% to 5% by 2020<sup>2</sup>. There has been a growing integration of the Indian economy with international markets as productive processes have started to become more interlinked and India has especially benefitted from this increased integration that has facilitated export diversification and has enabled exchange of disruptive technologies that have significantly opened up new production possibilities.

Importance Of Trade (% Share of GDP)



Source: CEIC, Deloitte

Total foreign merchandise trade has multiplied from 20% of GDP in 2000 to 41% of GDP in 2017 with a similar trend recorded in the volume of freight traffic movement. Despite this phenomenal growth, logistics infrastructure and services in India has remained below par. For an economy, an effective logistics chain encompassing shipment, warehousing, cargo consolidation, and border clearances is imperative for growth of key sectors. Some of the major reasons for an undeveloped logistics segment in India constitute higher costs, lack of trained manpower resources and lower adoption of technology in its processes. India's rank in World Bank's

1] <http://www.thehindu.com/business/India-to-become-fifth-largest-economy-in-2018/article22282335.ece>

2] <https://www.hindustantimes.com/business-news/india-exports-grow-fastest-in-5-years-in-2015-17-despite-demonetisation/story-Fwip98TvrquZQdLe55xXf.html>

Logistics Performance Index (LPI)<sup>3</sup>, which measures a country's performance on six key criteria, has seen no significant improvement, moving from 37 in 2007 to only 35 in 2016, while China remains at a remarkably higher position at 9. The muted logistics performance has been linked to poor quality of trade and inadequate transport-related infrastructure (ports, railroads, roads and information technology), inefficiency of clearance process, and logistics services.

Logistics costs in the economy are currently at around 13-15% of the product cost in India compared to a low 6% global average. That said, the logistics industry has a tremendous opportunity for growth especially with the buildup seen across retail, e-commerce and manufacturing sectors. Only recently has more focus been laid on effective enablement of the logistics industry has been increasingly recognized, especially optimization and automation of logistics have become an important management priority. Specifically, the rising dominance of e-commerce space is expected to lead the way for the industry in the coming years while at the same time, the service oriented logistics industry is seems to be buckling up and is expected to see a takeoff in the coming decade.

To give perspective, the Economic Survey 2017-18 reported that India's logistics industry is expected to be worth \$160 billion and is likely to reach \$215 billion by 2020, marking a compounded annual growth rate (CAGR) of 10.5%<sup>4</sup> with the implementation of the goods and services tax (GST). Over the previous five years, the industry has grown at a CAGR of 7.8% and employs more than 22 million people. Acknowledging the significance of revamping the logistics segment, the government has included the sector in the Harmonized Master List of Infrastructure Subsector which is likely to be helpful in facilitating the credit flow into the sector and the status will possibly simplify the process of approval for construction of multi modal logistics (parks) facilities that includes both storage and transport infrastructure. Broadly, the market has started to acknowledge the merits of logistics optimization while the government has begun to streamline the sector with greater realization on the sector's potential in facilitating a competitive edge and deepening an economy's integration with the global supply chain. In fact, to seize this opportunity, the government has taken a proactive approach to improve India's logistics performance, one of which can be seen in terms of the thrust provided to highway network building to improve connectivity to major production and consumption hubs. This is an important development given

that road carries more than half of freight cargo and this is likely to minimize truck turn-around time as well as vehicle downtimes, enhance productivity and reduce inventory related costs.

Trade activity may get further enhanced with the effective implementation of the freight corridor plan. Once operational, this is expected to fuel trade activity further making it cheaper, faster, and more reliable to move goods between industrial heartlands. To this effect, the Ministry of Railway aims to expedite the process of renewal of tracks and completion of dedicated freight corridors (DFC) to minimize transport cost. It is expected that these DFCs will reduce close to 70% of the traffic via operation of freight trains on two vital routes of Delhi-Mumbai and Delhi-Howrah corridors. Separately, the roll-out of radio-frequency identification (RFID) sealing tags which will be used for factory-stuffed exports will likely boost trade activity. With this technology, logistics cost may be reduced significantly as the requirement for on-site inspection by customs officials will not be required while also bringing transparency in the supply chain. The technology still remains at early stages of development but once operational it is expected to significantly minimize freight cost and streamline operational complexity with offshoots in the form of enhanced asset utilization and improving transporter performance capabilities. Some of the other measures taken to push for an effective logistics sector include allocation of Rs 1 trillion (\$15.7 billion) for the development of logistics infrastructure which include 35 multimodal logistics parks, and an allocation of Rs 6.9 trillion (\$108.6 billion) to develop approximately 83,677 km of roads by 2022. The project also includes the ambitious Bharatmala scheme aimed at constructing 9,000 km of economic corridors across the country. During the Budget 2018-19, the government allocated close to Rs 6 trillion toward building infrastructure and expediting existing projects.

Looking ahead, the sentiment for trade relations and global economic growth have become stronger. Global economic conditions have improved substantially, effects of which have seemingly trickled down to other economies. With a broad-based recovery on the cards, global growth forecast has been moved up for 2018 and 2019 by international organizations, with an improved positive outlook for major advanced economies. However, growth expectations for emerging markets, while positive, are expected to be uneven, with Asia Pacific likely to be the strongest performer. Separately, India and China have started a shift toward Industry 4.0, and investments in innovation and technology

3) <https://lpi.worldbank.org/international/global>

4) <http://niti.gov.in/content/indian-logistics-sector-path-transformation#>

are expected to become stronger which should transform global businesses, banking and supply chains. In fact, the Agility Emerging Markets Logistics Index – which is a 50-nation index to gauge for emerging markets' competitiveness, places India and China in the top two among the largest emerging markets and remain the leading investment destinations for the logistics industry. India shows remarkable potential for logistics development but has been held back due to poor infrastructure and subdued business conditions. However, given the ongoing reformative process across segments, especially GST, there is definitely some positive news on the avenue and these changes have been greeted favourably by the logistics industry.

We believe that granting infrastructure status to logistics segment as well as setting up of a dedicated Logistics Division

will be a positive for the economy. The logistics segment is likely to be aided by ongoing amendments to the GST regime as well as implementation of key infrastructure projects. However, further action should be necessitated in terms of reducing regulatory barriers and provision of a transparent digital platform to ensure easy movement of goods. Separately, incentivizing the segment with focused fiscal incentives could encourage private sector investments.

Anis Chakravarty  
Lead Economist  
Deloitte India

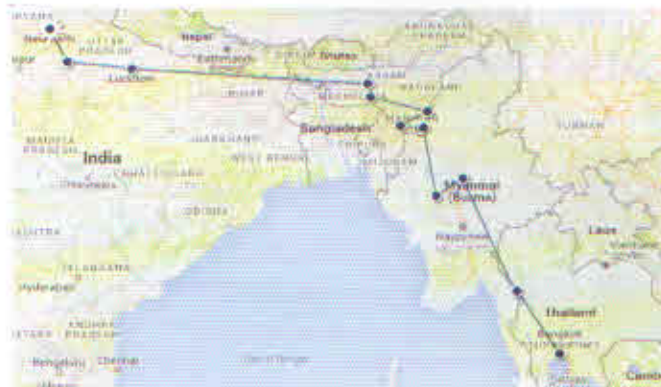


## INDIA'S ROAD TRANSPORT NETWORK WITH ASEAN

*India's connectivity with Association of Southeast Asian Nations (ASEAN) was conceptualised over 15 years ago.*

Road transport is an essential mode in a multi-modal transport system. India is trying to set up a road transport network with neighbouring countries such as Bangladesh, Nepal, Myanmar, and Thailand. Now, India is also planning to connect Vietnam through Cambodia and Laos. This network will help all concerned countries for their exim trade via road. The Indian Prime Minister Narendra Modi has proposed a joint task force on connectivity between Cambodia, Laos, and Vietnam, for the trilateral highway.

At present, India and Bangladesh trade mainly through the Land Customs Station at Moreh. India shares a 1,643-km-long border with Myanmar which touches Arunachal Pradesh, Nagaland, Manipur and Mizoram, but there are just a few Land Customs Stations (check-posts) alongside this long 1,643 km route between the two countries. Therefore, there is demand from both sides to open the Moreh check-post for trade. The road condition in Myanmar is also horrible. There are limitations to connectivity by road transport with Myanmar.



There is also the Bangladesh, Bhutan, India, Nepal (BBIN) motor vehicle agreement (MVA) for seamless movement of passengers and cargo vehicles. Bangladesh, India, and Nepal had signed a framework MVA in June 2015 to enable movement of passenger and cargo vehicles across borders between the four countries. However, Bhutan refused to ratify the agreement due to its Bhutanese immigration law and expected adverse environmental impact. Therefore, India has approached Bangladesh and Nepal through diplomatic channels for evolving modalities to operate the MVA among Bangladesh, India, and Nepal (BIN) only.

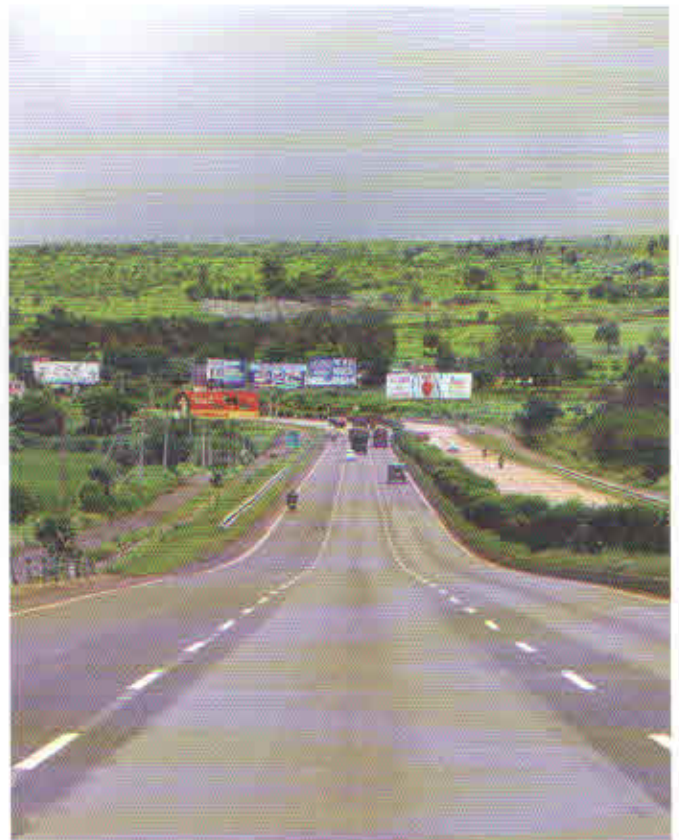
### CONNECTIVITY WITH ASEAN

There is also India's Kaladan multi-modal transport project in Myanmar connecting India's north-eastern Mizoram state with Sittwe port. This project includes a jetty in Sittwe port, inland waterways up to Kaladan and road transport to Mizoram. Now, India is looking beyond Myanmar.

India's connectivity with Association of Southeast Asian Nations (ASEAN) was conceptualised over 15 years ago. The deadline for this connectivity project was 2016. However, there was very slow progress. Now, India is pushing an ambitious highway initiative through Myanmar and Thailand to connect with Vietnam through Cambodia and Laos.

The connectivity with the 10-member ASEAN, which comprises Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam, is a central plank in India's Look East policy to develop regional relations. ASEAN countries are hoping this 3,200 km road gets completed by 2020.

There is also an agreement to establish an ASEAN-India maritime transport working group involving India, Cambodia, Myanmar, Thailand, and Vietnam to develop a shipping network.



Dr. Sham Choughule

## MARITIME LAW: A COMPELLING ELEMENT OF INTERNATIONAL LAW

*Much of international law is consent-based governance.*

International law is the set of rules generally regarded and accepted as binding in relations between states and between nations. It serves as a framework for the practice of stable and organised international relations. International law differs from state-based legal systems in that it is primarily applicable to countries rather than to private citizens.

Although, etymologically, Maritime (Admiralty) Law and Law of the Sea are identical, the former term is generally applied to private shipping law, whereas the latter, usually prefixed with the word international, has come to signify the maritime segment of public international law.

Much of international law is consent-based governance. This means that a state member is not obliged to abide by this type of international law, unless it has expressly consented to a particular course of conduct. This is an issue of state sovereignty. However, some aspects of international law are not consent-based but obligatory upon the state and the non-state actors, such as, customary international law and peremptory (obligatory) norms (jus cogens).

The sources of international law (authority based on Art 38 of the International Court of Justice (ICJ) Statute), are:

1. International conventions (treaties), codifications contained in conventional agreements, generally termed treaties;
2. Custom or customary International law (general practice of states and intergovernmental institutions that are legally binding and generally recognised by all states, consistent state practice accompanied by opinio juris);
3. General principles of law;
4. Jurisprudence and the teachings of eminent international law scholars, as a subsidiary means for the determination of rules of law; and
5. Globally accepted standards of behaviour [peremptory (obligatory) norms known as jus cogens].

The term "international law" refers to three distinct legal disciplines:

### **PUBLIC INTERNATIONAL LAW:**

Public international law governs the relationship between states (national governments) and international entities

(intergovernmental organisations) across national boundaries. It includes: Treaty Law, Law of Sea (UNCLOS 1982), Geneva Convention 1958, SOLAS 1974, MARPOL 73/78, International Criminal Law, the Laws of War or International Humanitarian Law, International Human Rights Law, and Refugee Law, etc.

The United Nations Convention on the Law of the Sea (UNCLOS) 1982 is a UN agreement and a body of public international law. It was originally signed by 119 nations on December 10, 1982. The convention defined a treaty regarding protection of the marine environment, various maritime boundaries, territorial waters, sea lanes, ocean resources, navigational rights, mineral rights, jurisdiction over coastal waters and international law governing relationships between nations.

### **PRIVATE INTERNATIONAL LAW OR CONFLICT OF LAWS:**

Conflict of laws is often called private international law. It governs conflicts between private persons, rather than states (or other international bodies with standing).

It concerns the questions of which jurisdiction should be permitted to hear a legal dispute between private parties, and which jurisdiction's law should be applied, therefore raising issues of international law. In other words, this law governs the choice of law to apply when there are conflicts in the domestic law of different nations related to private transactions between those nations.

In brief, this law addresses the questions of (1) which jurisdiction may hear a case, and (2) the law concerning which jurisdiction applies to the issues in the case.

Private international law deals with a variety of topics such as contracts, marriage and divorce, jurisdiction, recognition of judgments, child adoption and abduction, marine commerce, marine navigation, marine salvaging, shipping, sailors and the transportation of passengers and goods by sea, and the like. Admiralty law is very much part of private international law and covers many other commercial activities too, although land based or occurring wholly on land, that are maritime in character.

Today, because of shifting of capital, labour supply chains and trading across borders, the number of disputes of an inter-state nature outside a unified legal framework have increased and raises issues with respect to the enforcement of standard practices. Increasing numbers of businesses use commercial arbitration under the New York Convention 1958,

Supranational Law or the Law of Supranational Organisations: Supranational law is a form of international law, based on the limitation of the rights of sovereign nations between one another. It is distinguished from public international law, because in supranational law, nations explicitly submit their right to make judicial decisions by a treaty to a set of common tribunals.

The United Nations Security Council and subordinate organisations such as the International Court of Justice are the only globally accepted supranational tribunals.

This law concerns regional agreements too, where the laws of nation states may be held inapplicable, when conflicting with a supranational legal system when that nation has a treaty obligation to a supranational collective.

#### **AMERICAN SUPRANATIONAL LAW:**

The Articles of Confederation, formally the Articles of

Confederation and Perpetual Union, was the first supranational agreement where 13 sovereign states were unified in a common government, which later became the United States of America.

The central government proved too weak to manage the growing economy as the sovereign states incurred national debts and independently managed their national currencies without central coordination. The supranational government was terminated and the sovereign states were united into a unified nation by the United States Constitution in 1785.

#### **EUROPEAN UNION SUPRANATIONAL LAW:**

European Union Law was the next example of a supranational legal framework. In the EC, sovereign nations have pooled their authority through a system of courts and political institutions. They have the ability to enforce legal norms against and for member states and citizens, in a way that public international law does not.

Advocate (Captain) Ashwani K Jhingan  
CMD, Malaxar Shipping and  
Logistics India Private Limited





## AMTOI & MAERSK TRAINING PROGRAM

*The training programme in February was held at AMTOI's brand new premises, next to the tony Bandra Kurla Complex (BKC) business district, Mumbai.*

Continuing with the initiative for skill development to professionals in the shipping industry, AMTOI, in coordination with Maersk Training Centre, Chennai, conducted a training programme at its new office premises.

The training programme, held at the new premises at Kanakia Zillion, Kurla West, Mumbai, on February 1, was on the topic of Project Cargo. On the second day of the programme, February 2, the topic dealt with was HAZMAT Awareness. Captain Satya Narayan, a popular and seasoned faculty from Maersk Training Centre, once again conducted the training programme on both days. As always, the sessions were very well attended and duly appreciated by the participants from a cross-section of the shipping industry.

In the days to come, AMTOI will continue to conduct more programmes. It is now also planning to hold similar programmes in the coming months not only in Mumbai but also at other locations across India for the benefit of its members and the shipping industry.



## NEW MEMBERS JANUARY 2018 – MARCH 2018

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### **MTO MEMBERS**

P. M. Relocations Pvt Ltd	Mumbai
Systematic Logistics Pvt Ltd	Mumbai
NAVIO Shipping Pvt Ltd	Navi Mumbai
Partex Aeromarine Logistics Ltd	New Delhi
LANCER Container Lines Ltd	Navi Mumbai
Mathrua (M Line) Container Logistics Pvt Ltd	Jodhpur
MSA Global Logistics Pvt Ltd	Mumbai

### **ASSOCIATE MEMBERS**

SAI Siddhi Clearing And Forwarding Pvt Ltd	Mumbai
LAVA Engineering Company	Tamil Nadu
AMFICO Agencies Pvt Ltd	Mumbai
Deccan Transcon Leasing Pvt Ltd	Andhra Pradesh
Tank Tech Depot Pvt Ltd	Mumbai
Transliner Maritime Pvt Ltd	Mumbai
Majestic Maritime Pvt Ltd	Mumbai
Newport India Pvt Ltd	Mumbai
GAC Shipping (India) Pvt Ltd	Mumbai
Take Care Global Services Navi	Mumbai
Darabshaw B. Cursetjee's Sons (Gujarat) Pvt Ltd	Mumbai
Novel Lines & Logistics Pvt Ltd	Mumbai
Dolphin Marine Enterprises Pvt Ltd	Mumbai
CEL Logistics Pvt Ltd	Mumbai
PERMA Shipping Line (I) Pvt Ltd	Mumbai



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