



The Role of Inland service in India's Maritime Trade

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India Port Traffic

- Major Ports – 555 MT
(Mumbai, Chennai, Cochin, Kolkatta , Haldia and Tuticorin)
- Non – Major Ports – 417 MT
(Vizag, Pipavav, Krishnapatinam, Mundra)
- Percentage of Traffic at Major Ports 57%
- Percentage of Traffic at Non Major 43%



India Container Traffic in 2014

- Major Ports 7.4M TEUs
- Non Major Ports 2.5M TEUS
- Percentage at Major Ports 75 %
- Percentage at Non Major 25%



Major Container Handling ports in India

- JNPT 4.1 M TEUS
- Chennai 1.1 M TEUS
- Mundra 1.94 M TEUS
- Pipava 0.35 M TEUS
- Others 2.41 M TEUS



INLAND CONTAINER TRAFFIC IN 2014

50% of the over all traffic is handled in ICD and CFS

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Growth of ICD and CFS in India

- 247 listed CFS and ICD in India
- Most of these are CFS located close to the Port
- Maharashtra has 48 facilities(30 CFS in Nhavasheva)
- Tamil Nadu has 60 facilities (33 CFS in Chennai)
- Gujarat 33 ICD Facilities
- Uttar Pradesh 18 ICD facilities
- NCR Put together 56 ICD and CFS Facilities
- Large Portion of Cargo traffic is bound for inland locations
- Concor is the largest player operating 48 Terminals which handles Exim cargo
- 14 others handles domestic cargo only



Container Rail Operations

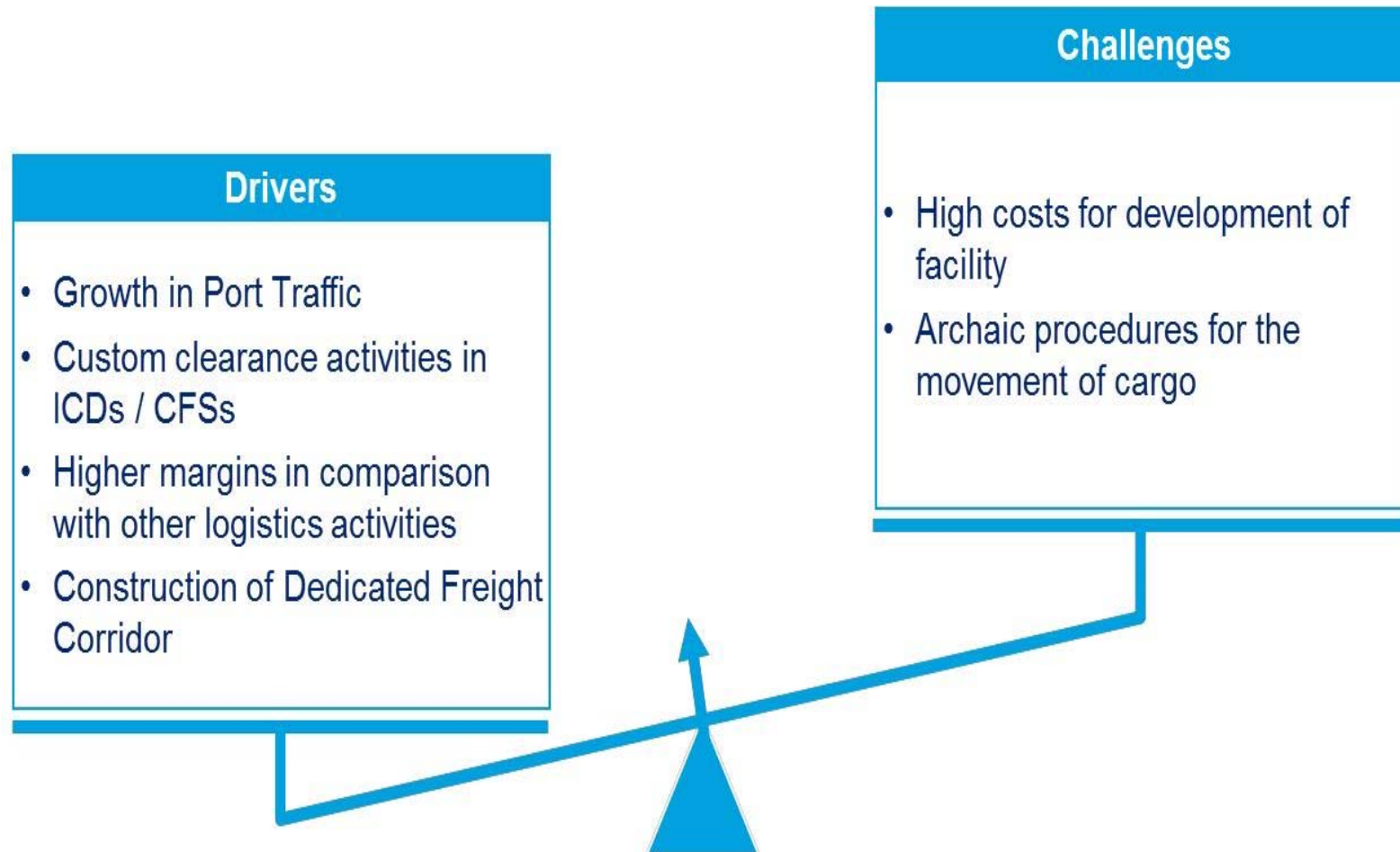
- In order to make Inland transportation Cost effective/ Competitive and timely movement , there are 16 private operators besides Concor or also moving Containers by rail
- Among he 16 Operators , CONCOR remains the market leader and handles over 2.2 M Teus



How can Inland services Benefit Ports

- Helps de congest the Ports at the gateway
- Reduce Carbon Foot prints and Consolidation of Cargo
- Provide One stop Logistics and Custom Provision
- Help Increase containerization(India is at 50% compared to global standards of 70%)

Drivers & Challenges for the development of Inland service





Drivers

- Owing to a distance of 1500 Kms from JNPT and 1100 from Mundra , the cost of road transport is extremely prohibited and a burden to the congested road network
- Rail transport by comparison far more cost competitive safer and leaves a lower carbon foot print
- ICD with efficient rail Links to ports ease gate congestion, Reduce dwell Time , documentation and inspection time
- Door to door transportation
- Ease of Business transactions at ICDs



Challenges

- Competition between Rail and Road
- Single largest cost for rail transportation is the High Haulage Cost paid to Indian railways estimated to be around 75 % of the total transport cost
- Availability of empty containers at ICD
- Difference in Ocean container freight by Shipping Lines for ICD Exceptions
- Congested Rail corridors
- Inadequate Rail frequency
- Lack of Last Mile Connectivity



Present Scenario

- Congestion prevails in most Gate way ports in the Country
- Nhava sheva is better connected to North ICDs than Chennai as it is connected only to Bangalore through Concor
- There is no space in facilities in one side of the Country (Nhava sheva) while there is too much capacity in the other side of the Country (Chennai)
- Private Rail operators are yet to be successful as a result of economies of scale
- There is No balance of trade in most gateway ports as a result haulage on one side is more expensive than the other



Conclusion

- CFS and ICDs form a key part of the logistics industry infrastructure.
- CFS/ICD/Dry Port can be defined as “Common user facility with public authority status equipped with fixed installations and offering services for handling and temporary storage of import/export laden and empty containers carried under customs control.
- The CFS/ICDs investments are lucrative investment avenues as they provide, high margins in comparison with other logistics activities while the entry barriers and overall development scope far more exceeds the other logistics services lines of business. The following table analyzes the above discussed point.



Scenario	Mature	Growth	Growth	Growth Capital	Growth	Mature
				Intensive		
Entry Barrier	Low	High	High	High	Medium	Low
Growth	5-10%	20-22%	15%	20%	35%	10-15%
EBIDTA	3-5%	8-10%	25%	30%	40%	4-6%
margins						

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Operations & Management -Wholly owned companies

- ★ **Container Freight Station (bonded depots):** Mumbai & Chennai .
- **Equipment Maintenance & Repairs (non-bonded depots):** Mumbai, Vizag, Pipavav, Dadri, Loni, Chennai, Tuticorin
- **Transportation (Road):** Mumbai, Chennai & Dadri (New Delhi)

Operations & Management- Leased & 3rd party facilities

- ★ **Pipavav CFS of APM Terminals Pipavav:** Gujarat, India
- ★ **DRT CFS:** Mumbai, India.
- ★ **Tuticorin CFS:** Tuticorin, India.
- ★ **INKEL Terminal:** Cochin, India
- Joint ventures
- ⚡ **Star Track Terminals (bonded depot):**New Delhi

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