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# CILT NEWS

e-Newsletter

The Chartered Institute of Logistics and Transport India

## 25 years of Public-Private Partnerships & the Road Ahead

# View | 25 years of Public-Private Partnerships and the road ahead

It is now over 25 years since infrastructure reforms, and the famous, once ubiquitous, **"Public-Private Partnership"** (PPP) format was introduced in India. It is, therefore, perhaps, worthwhile reviewing this journey, its achievements, and learning.

*"No man is an island, Entire of itself. Each is a piece of the continent, A part of the main... Therefore, send not to know For whom the bell tolls, It tolls for thee."* These lines by 17th-century English poet John Donne could well have been written for infrastructure in modern times.

It is now over 25 years since infrastructure reforms, and the famous, once ubiquitous, "public-private partnership" (PPP) format was introduced in India. It is, therefore, perhaps, worthwhile reviewing this journey, its achievements, and learning.

The Indian experiment in infrastructure has been a bag of mixed results. Socialist philosophy and policy over decades since Independence had yielded a failing infrastructure by the 1990s, unable to meet requirements for laying the foundation required for a liberalising economy aspiring for higher economic growth rates.

Successive, fund-strapped coalition governments grabbed the conceptually sophisticated PPP model for infrastructure development as much for its realpolitik transference of fundraising, implementation and operational responsibility away from the government to the private sector as for the appeal of its arcane philosophy.

However, academic proponents of the model found no takers in the real world then, to even experiment with the new PPP format. It fell upon a hybrid creation, a PPP itself, to take up the first projects to demonstrate the format's viability.

**The first projects and IL&FS**

The first two projects under the PPP format in India – the Rau-Pithampur Road in Madhya Pradesh and the larger NOIDA toll bridge in Delhi – were undertaken by Infrastructure Leasing & Financial Services (IL&FS).

Irrespective of its failure to hubris, greed, and mismanagement, the fact is that IL&FS pioneered PPP in India not only through policy advice, creating required contractual frameworks and financing, but by implementing and operating on-ground projects that paved the way for subsequent projects by the private sector.

**The shortcomings of PPP**

The structural shortcomings of the PPP format on the ground in India were immediately evident.

Successful PPP projects require a modern and independent regulatory framework, a quasi-judicial arbitrator demonstrably independent of the government, who would set standards, and tariffs, hold contractual parties to account and act as the pivot on which conflicting interests would be transparently balanced.

That was a tough ask in the colonial-feudal administrative and judicial environment of institution-deficit India.

Retired bureaucrats staffed newly created regulatory institutions as an extension of long years of government service, even as big corporate players undertook familiar regulatory capture.

**Mad rush for licenses**

Political capital deficit governments looked on as the old nexus of politicians-bureaucrats-big industry made merry in crony capitalism at the cost of public interest. In telecom, roads, power, ports, airports et al., no regulatory institution functioned to its public mandate independent of bureaucratic, political and dominant industrialist machinations.

The frenzy of the opportunity, lure of windfall riches and India's "*jugaad*" – if you can't beat them, join them" – saw even small "mom-and-pop" private players join the lemming-like rush in attempting to game the system in obtaining licenses, concessions, and easily available bank funds.

The results of judicial verdicts in the ongoing trials of coal and telecom scams are now visible.

Large sections of this framework, viable in concept but unpractised in regulation, collapsed under its contradictions between 2012 and 2019, bringing to an end the high investment-led growth rates of the 2010s.

PPP, as it stands today, is practically dead in the water. Most previous small and midsized players are either bankrupt or struggling to survive.

Consequently, the infrastructure push is left to the government to undertake projects independently. And a few big private sector "national champions" in the making, in style similar to the South Korean *Chaebol* and the Japanese *Keiretsu* model of development.

**A 'revised' model?**

The government proposes generating resources for investment recycling through monetising existing brownfield assets to private players, hopefully, pension funds and insurance companies with long-term investible funds.

This "revised" model may yield better outcomes in terms of asset creation. With infrastructure projects being undertaken by the government or by select large players, the ability to navigate the many realpolitik pitfalls of project implementation and operation that shipwrecked many in earlier storms may improve.

However, what remains unaddressed from earlier times is the question of getting independent regulatory institutions to function and prevent the build-up and abuse of monopolistic power inherent in PPP infrastructure projects, to the detriment of the public and user interest.

Tariffs and service standards are the two public interest keystones on which any PPP project's theoretical and realpolitik arch rests. With government and an unaccountable bureaucracy as an interested party and big business interests seeking patronage, which independent institutional mechanism of even minimally demonstrated competence and trust ensure a level playing field where public and consumer interest is protected from regulatory capture? It is a question that continues to remain unanswered.

**Farming of toll collection**

A case in point is toll roads.

In experiments of monetised farming of toll collection, first undertaken in the MSRDC-owned Mumbai-Pune Expressway, which was awarded long-term toll collection contracts in 2004, there has been little incentive for the toll collection agency to maintain service standards on the project.

The service standards stipulated are also few and flexible, easily manipulated or fudged in connivance with those tasked with oversight of them. As a result, the focus is entirely on "milking" the project to maximise cash flows even as users suffer.

Surplus land in proximity to toll plazas can be better used to build food courts to increase toll operator profits rather than for increasing toll lanes to prevent traffic jams from building up at the toll booths.

There are, of course, no standards for maximum waiting time at toll plazas beyond which the operator will face a penalty and users will be compensated with lower toll charges. Similarly, part funds from toll collection that would be required to be spent on a highway policing system to ensure smooth traffic flow (trucks, for example, being fined for not driving in designated lanes, occupying all lanes and slowing down traffic) can be financially better spent on hiring food court staff. It is a problem that is increasingly evident across all highway projects.

As a result, the user paying the toll that is theoretically based on his time and cost savings and, as elaborately and eloquently argued before, the purportedly independent regulatory authority is frustrated with the reality of the continuance of an opaque "zamindari" toll collection by an unaccountable private entity and a "hands-off" but complicit government whose only interest is revenue farming with least accountability but with all controls and a continued ability for patronage.

The case is the same in electricity tariffs, airport user charges, telecom tariffs et al., where manipulation of the "independent" regulator is used to distribute largesse or a market dominance beyond contractual terms at the cost of user and public interest.

**Past mistakes need to be addressed**

The PPP format is now ostensibly being revisited for modifications for a more successful second run. The basic institutional issue of the lack of independent and equitable governance and regulation that caused its earlier failure must be addressed upfront and, in a workable manner, if past mistakes are to be avoided.

For each piece is linked to the other, without which it cannot be whole and cannot function.

Trust and equitable treatment for all stakeholders, including users, like the curve of the stone arch that uses countervailing and interlocking forces to hold keystones in place, are central to PPP and tariff-based infrastructure success. And, like the stone arch, it will have to be demonstrably built on the ground.


# Cargo Transportation Insurance to Witness Huge Growth by 2031

## Cargo Transportation Insurance Market Overview:

Since ancient times, sea routes have been the preferred mode for the transportation of goods for international trade. Long before aeroplanes and trains were invented, ships used to be the primary mode of transport for movement of the trade-related goods between the countries. However, the cargo transportation through this channel involved significant risks that were both – man-made as well as natural.

In the First and Last Mile transport whether it is by Road or Rail, Cargos is exposed to several risks including natural perils, road accidents, damages, theft, and improper stowage by the carrier. Cargo insurance is an option to protect shipments from physical damage; insuring cargo ensures that the value of goods is protected against potential losses which may occur during air, sea, or land transportation. The movement of goods around the world entails some risks. These risks are mitigated through insurance coverage since there is no guarantee that damage or loss will not occur.

Cargo insurance, also known as freight insurance, is an absolute necessity when it comes to protection of shipment while in transit.

Cargo protection, otherwise called freight protection, is an outright need with regard to the security of shipments while on the way to their destination. Cargo can be presented with a few dangers including regular hazards, street mishaps, harm, burglary, and ill-advised stowage by the transporter. Cargo Transportation Insurance is a choice to safeguard shipments from actual harm; ensuring cargo guarantees that the worth of products is safeguarded against potential misfortunes which might happen during air, ocean, or land transportation. The movement of cargo all over the planet involves a few dangers. These dangers are alleviated through protection inclusion since there is no assurance that harm or misfortune won't happen. The rising awareness and investment of cargo owners, cargo handling companies and logistics owners is leading to the growth of the Cargo Transportation Insurance Market

**Market Dynamics:**

Expanding demand and awareness about cargo insurance among transport proprietors, cargo proprietors, and charterers who can suffer immense misfortunes from harm caused to ships, cargo vessels, and terminals, is a key factor that drives the growth of the Cargo Transportation Insurance Market.

Fast development in the domain of IoT, which helps in risk checking, works with misfortune expectation and counteraction, and improves on claims handling, and is therefore projected to support the growth of the Cargo Transportation Insurance Market.

Rising interest in marine Insurance is on the grounds that it offers inclusion against a wide scope of hazard measures and helps in the smooth working of exchange exercises. According to a survey, almost 85% of worldwide exchange is conveyed via ocean and lots of cargo ships are dynamic in activities, to a great extent adding to the worldwide economy.

Moreover, cargo proprietors, transport proprietors, and charterers face immense misfortunes like harm to ships, cargo vessels, and terminals because of the huge marine business activities. In this manner, cargo Insurance assumes a fundamental part in defeating such misfortunes as dealing with these dangers and misfortunes in the marine business turns out to be extremely alarming. This is predicted to magnify the interest in cargo Insurance leading to the overall growth of the Cargo Transportation Insurance Market.

**Market Segment Analysis:**

**Cargo Transportation Insurance Market segments and Market Data Break Down:**

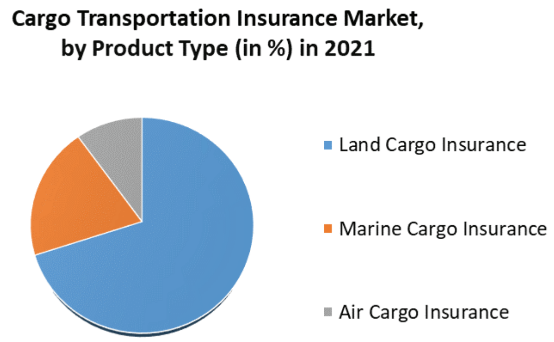
- ✓ **By Product Type:** Land Cargo Insurance, Marine Cargo Insurance, Air Cargo Insurance.
- ✓ **Forms of transport:** Sea transport, Domestic rail transport, International rail transport, Domestic road transport, International road transport, Air transport.
- ✓ **Policy type:** Open cover cargo policy, Specific cargo policy, Contingency insurance policy.

Based on the Product Type, the Cargo Transportation Insurance Market is segmented into Land Cargo Insurance, Marine Cargo Insurance and Air Cargo Insurance.

The Marine segment is predicted to have a much greater CAGR throughout the forecast period. Increased worldwide exports of commodities and products, expanding investment in marine cargo insurance, and the growing need to carry items across borders in a safe and efficient manner are all contributing to this segment's revenue growth. Marine transportation delivers roughly 10 billion tonnes of containers, solid, and liquid bulk cargo annually, accounting for nearly 80-90% of world trade.

The marine cargo insurance market is expected to grow to $61.3 bn by 2027, which can be ascribed to developing worldwide transportation, the rate of growth of marine projects and global transportation through a wide variety of dangers and grave monetary results, further boosting the growth in the marine Insurance market.

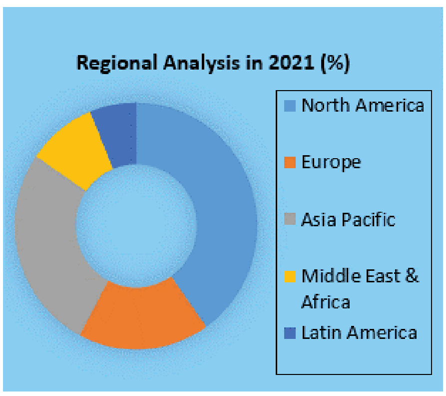
Every year, the marine transportation sector loses billions of dollars due to cargo theft and loss, driving up demand for comprehensive marine insurance policies that cover transit risks such as storage and processing, consignment property, and items in storage.




Marine Cargo Insurance covers a wide range of misfortunes or harms caused to ships or some other transportation or the cargo, through which the products have been delivered. This Insurance monetarily assists policyholders with handling the costs caused because of harm, loss of products, burglary, or general normal.

It is somewhat economical and covers three principal strategies, including open cover approaches, explicit cargo arrangements, and possible approaches. It additionally covers outsider liabilities, which can emerge from any harm or misfortune caused to the boat, port, or other vehicle structures by the safeguarded cargo. These are a few key variables helping its reception across the globe and consequently driving the development of the market.

**Regional Insights:**




In terms of region, the global cargo insurance market can be divided into North America (NA), Europe (EU), Asia Pacific (APAC), Middle East & Africa (MEA), and South America (SA)

The growing import and product market and rising marine transportation are prime elements driving the growth of the Cargo Transportation Insurance Market in North America.

North America accounted for largest share of the global cargo insurance market owing to a growing shipping industry in the region. Growing import and export industry and rising sea transportation are prime factors driving the growth of the cargo insurance market in North America.

The Cargo Transportation Insurance Market in the Asia Pacific is projected to grow quickly during the forecast period because of the rising cargo transportation in the area. Developing economies offer critical open doors for marine backup plans to extend and foster their contributions, particularly in nations like China, India, Australia, Singapore, and South Korea.

Market Scope:

| Global Cargo Transport Insurance Market | | | |
|---|---|---|---|
| **Report Coverage** | **Details** | | |
| Base Year: | 2021 | **Forecast Period:** | 2022-2027 |
| Historical Data: | 2017 to 2021 | **Market Size in 2021:** | US $ 53 Bn. |
| Forecast Period 2022 to 2027 CAGR: | 3% | **Market Size in 2027:** | US $ 61.3 Bn. |

Cargo Transportation Insurance covers the compensation for loss due to the natural disasters or accidents. The enterprises such as import and export, processing trade, logistics companies and foreign investments are the target customers. This insurance is also used for the shipments according to the terms of delivery.

**Market Drivers:**

Increasing demand and awareness about cargo insurance among ship owners, cargo owners, and charterers who can face huge losses such as damage caused to ships, cargo vessels, and terminals, is a major factor that propels the growth of the cargo insurance market.

Rapid growth in incorporation of IoT, which helps in risk monitoring, facilitates loss prediction & prevention, and simplifies claims processing is projected to boost growth of the cargo insurance market in the coming years.

Rising demand for marine insurance is because it offers coverage against a wide range of risk measures and helps in the smooth functioning of trade activities. As per Uniglobal, a leading knowledge sharing institution, nearly 85% of global trade is carried by sea and tons of cargo ships are active in operations, largely contributing to the global economy.

Providers in the cargo insurance market are focusing on becoming more proficient and working toward offering extra coverage and minimum premium which will enhance their competitive advantage and their market share globally. Furthermore, insurance companies are investing heavily in IoT to manage engine performance, CO2 emissions, and navigation & cargo supply chains, which accelerates streamlined offerings of cargo insurance.

Further, cargo owners, ship owners, and charterers face huge losses such as damage to ships, cargo vessels, and terminals due to the massive marine business operations. Thus, cargo insurance plays a vital role in overcoming such losses as managing these risks & losses in the marine business becomes very complex. This is expected to propel the demand for cargo insurance globally.

Fluctuations and sudden rise in insurance premiums is a factor that can limit the growth of the cargo insurance market.

**Marine Insurance market in India**

Owing to the fact that the seas surround India on three sides, marine shipping is an important industry here. Large volumes of cargo are managed and transported daily via various ports located in different parts of the country. Hence, the marine insurance market is pretty enormous in India.

Almost all well-known insurance companies offer various types of Marine Insurance policies in India. Since 1963, the law of marine insurance has been put in a statutory form in our country.

As per the Insurance Information Bureau of India, the country's Marine Insurance market roughly translates to ₹ 9,500 crores. However, marine or transit insurance constitutes only 5% of India's overall insurance market.

Maharashtra, Delhi, Tamil Nadu, Gujarat, and Haryana were the top five states contributing to India's Marine Insurance market. Machinery, cotton, metal, crude oil, and liquid chemicals are the top five cargoes that the customers wanted to insure. In terms of policy count, export policies contributed to the second highest number of written policies and one-tenth of the total premium.

A major chunk of the total claims paid by the insurers was for machinery cargo, followed by mixed cargo consignments and cotton. The leading cause for these claims was cargo damages caused due to the perils of the sea.

As per the estimated figures, the Marine Insurance business recorded an overall growth of 18% in the year 2018-19. Whereas, the number of transit insurance claims paid by the insurance companies during this year also rose by 30%.

With the rapid growth of the economy and the Government taking various initiatives to promote local manufacturing and trade, the Marine Insurance market is expected to boost further in the upcoming years.

# GatiShakti-NIP-NMP Trinity

As India embarks on its journey of $5 trillion economy, the importance of more supply side initiatives cannot be undermined. In line with the concepts of completely in-house manufacturing such as "AtmaNirbhar Bharat" and "Make in India", the government is intent to push infrastructure development at par with global standards for the overall success.

Various policy level initiatives being taken for infrastructure development in key sectors, especially in promotion of manufacturing sector, will lead to rapid urbanization and demographic transitions across states. For this, a host of infrastructure facilities will be required such as water, sanitation, power supply, transportation, digital, etc.

This will increase the demand for an efficient movement of goods and services across the value chain. In FY20-21, the Indian economy suffered massively due to pandemic induced disruptions and registered a de-growth of -6.6%. While the economy witnessed a sharp rebound in FY22 registering a growth of 8.7%, there is still a lot of ground to cover to reach pre-pandemic economic levels. The Government has recognized 'comprehensive infrastructure development' as a key lever to accelerate the economy boosting employment & income levels and put it back on the fast lane of growth.

This is also evident in the infrastructure fueled Union Budget for FY23 where capital expenditure has been enhanced sharply by 35.4% to Rs 7.50 lakh crore from Rs 5.54 lakh crore in FY22. To realize the goal of infrastructure led growth, the Government has adopted a 3-pronged approach laying impetus on:

a. Integrated infrastructure planning
b. Asset Creation
c. Asset Recycling & resource generation.

National-level programs aligned to the aforementioned principles have been introduced. 'Asset Creation' through the launch of ₹ 111 Lakh Crore National Infrastructure Pipeline (NIP); 'Asset Recycling and resource generation' through ₹ 6 lakh Cr. National Monetization Pipeline (NMP) and 'Integrated infrastructure planning' through the PM Gatishakti comprehensive master plan.

PM GatiShakti-NMP aims to achieve nation-wide integrated infrastructure development by integrating all economic zones through a network of multimodal connectivity infrastructure. This in turn creates a logistics interface capability resulting in reduced logistics costs and improved competitiveness. Infrastructure projects under NIP form the base for GatiShakti. A digital platform has been established in which existing and proposed infrastructure are being mapped using GIS-based ERP.

It is envisaged that in the near future, National and State master plans will be merged on a single GatiShakti platform that will be globally accessible and aligned across all GoI and State departments. In tune with the vision of PM GatiShakti, GoI initiated the process to integrate systems of various ministries dealing with logistics related transactions under one platform. Unified Logistics Interface Platform (ULIP) has been designed as a national open data ecosystem for enabling private players to get access of data available with various govt. systems through a unified interface.

The logistics sector is poised to be benefited immensely with the transparency created by the open access to the datasets laying with government systems. Some of the digitally enabled logistic systems that are being integrated through ULIP include LDB of NICDC, FASTag of NPCI, Vahan Saarthi of MORTH, etc. ULIP ensures all modes of operators are under a uniform interface and assist in JIT inventory management, minimal documentation, real-time information, faster movement of goods, and lower inventory carrying cost.

ULIP's immense benefits for all stakeholders of the sector, includes:

- Government Agenciesthrough assistance in data-based policy making and promotion of ease of doing business;
- Logistics Service Providers-through simplification of tedious documentation process and real-time monitoring & tracking
- Industry Players-through reliable supply & delivery of goods and discovery of transparent pricing, and
- Consumers-through lower waiting time and economical costs of goods.

Presently, India is at the cusp of entering into the phase of consistent high growth considering recent innovative reforms undertaken by the GoI in Industrial and Infrastructure space. The world is also looking at India to provide much-needed growth momentum to the global engine especially in post-pandemic era. With the advent of GatiShakti-NIPNMP , a world-class infrastructure is expected to be delivered swiftly, thus accelerating India's growth.

# Rail Post Gati Shakti Initiative


In a yet another boost to PM Gati Shakti programme, Western Railway in collaboration with India Post has commenced the scheme of "Express Cargo Service" in Gujarat Express train, a new initiative under the aegis of Rail Post Gati Shakti Express Service.

The first consignment from Mumbai under this scheme was loaded in Train No. 22953 Mumbai – Ahmedabad Gujarat Express was flagged off on Thursday, 28th July, 2022 by G V L Satyakumar, Divisional Railway Manager of Mumbai Central Division & Ms.Veena R Srinivas, Chief Postmaster General, Maharashtra Circle alongwith other senior officials of WR & India Post.

According to Sumit Thakur Chief Public Relations Officer of Western Railway, "Express Cargo Service" under the aegis of Rail Post Gati Shakti Express Service initiative has been implemented to provide seamless connectivity for the logistic movement of goods & parcels. The Joint Parcel Product in collaboration of Indian Railways & India Post has been developed to target Business to Consumer (B2C) & Business to Business (B2B) market.

It focuses on e-commerce & MSME market offering affordable price as per the market trends of weight category between 35 to 100 kg. This initiative is pursuant to the recent Budget announcement for providing end to end Logistic solution by leveraging the strengths of the First Mile and Last mile connectivity advantage of Postal department and the Middle Mile strength of Railways. It will help in providing door to door experience with advanced security. This Service will be beneficial especially to e-Commerce companies, pharma companies, readymade cloth factories, manufacturers of engineering goods, motor vehicles parts, consumer products, etc.

Thakur further informed that during the Press Meet held for the launch of Express Cargo Service at Conference Hall, GPO Building at Mumbai, DRM Satyakumar & Ms. Veena R. Srinivas, Chief Postmaster General, Maharashtra Circle addressed the Press. Satyakumar briefed that this initiative is a big step by Western Railway & India Post for starting such a service from Mumbai which is the commercial Capital of our country. It will help in tapping the potential for transporting domestic cargo by Railways. This service will provide end to end solutions to the aggregators at affordable prices and at a faster pace.

Thakur further mentioned that the Rail Post Gati Shakti Express Service was first started as a pilot project on Western Railway's Train No. 19045 Tapti Ganga Express departing from Surat station. This scheme was a first of its kind over Indian Railways and the first Parcel Van loaded with consignments departed from Surat for Varanasi on 31st March, 2022.

# How multimodal logistics parks are revolutionising India's logistics landscape

'You will not find it difficult to prove that battles, campaigns and even wars have been won or lost primarily because of logistics.'

General Dwight Eisenhower's famous observation, made decades back, is palpably resonant in today's times where the logistics sector has the critical task of ensuring the unhindered flow of goods and essential items across the globe amidst the pandemic, geopolitical tensions and supply chain disruptions. The Indian logistics sector, however, is beset with concerns, such as clogged transport networks, a skewed mix of transport modes, insufficient storage and handling facilities for in-transit commodities. This leaves the country in a disadvantageous position vis-à-vis other leading Asian manufacturing nations. Multimodal logistics parks (MMLPs) precisely aim to address these challenges and will help India attain competitiveness by lowering logistics cost.

**What are Multimodal Logistics Parks?**
Part of the Gati Shakti National Master Plan, MMLPs form a key policy initiative of the Government of India, which are aimed at improving the freight logistics sector by lowering overall freight costs and time, cutting warehousing costs, reducing vehicular pollution and congestion, and improving the tracking and traceability of consignments through infrastructural, procedural and technological interventions. These parks, to be set up under the Logistics Efficiency Enhancement Programme, will serve as intermodal freight-handling facilities with mechanised material handling provisions and will contain warehouses, specialised cold chain facilities, freight/container terminals and bulk/break-bulk cargo terminals. The facility of intermodal connectivity—such as dedicated railway lines, access from prominent highways and expressways—will allow the movement of commercial vehicles and connectivity to an airport or a seaport. MMLPs will also include various value-added services, including labelling, packaging, tagging and crating, thereby offering a variety of services at a single location.

**Unique advantages of MMLPs**
Logistics parks drive reduction in overall freight cost by enabling freight transportation on higher-sized trucks and rail. The immediate benefits of MMLPs will include:

Reduction in transportation cost: MMLPs enable small trucks to transfer load to larger trucks, which have 60 per cent[ Logistics Efficiency Enhancement Program (LEEP): Development of multimodal logistics parks, Ministry of Road Transport and Highways, accessed on 7 July 2022. ] lower freight cost on a per tonne per kilometre basis when compared to smaller-sized trucks. This is estimated to achieve at least a 10 per cent reduction in transportation cost.

Reduction in carbon emissions: Freight movement by rail has 65 per cent[ Logistics Efficiency Enhancement Program (LEEP): Development of multimodal logistics parks, Ministry of Road Transport and Highways, accessed on 7 July 2022. ] lower $CO_2$ emissions compared to road freight on a per tonne per kilometre basis. With India targeting 45 per cent reduction in carbon intensity by 2030, MMLPs will go a long way in reducing freight pollution.

Reduced congestion: Increased freight movement on higher-sized trucks and rail will lead to a 20 per cent[ Logistics Efficiency Enhancement Program (LEEP): Development of multimodal logistics parks, Ministry of Road Transport and Highways, accessed on 7 July 2022. ] reduction in freight vehicles catering to the demands. Further, with the shifting of warehouses and wholesale markets (currently which are based in urban areas), space in cities will be freed up, thus reducing congestion.

Improved warehousing: Warehouses operating in cities will stand to benefit after shifting to MMLPs as they will incur low rentals. Additionally, modern and mechanised storage solutions provided by logistics parks will enable reduction in storage and handling losses.

Further, MMLPs will help in the transition from the current situation of point-to-point freight movement to an efficient and smooth situation of hub and spoke model freight movement, enabling faster delivery of goods among manufacturers, sellers and customers. Additionally, the strategic geographical positioning of MMLPs (such as in Jogighopa, Nagpur, Chennai, Indore and Bengaluru, to name a few) aims to restructure the supply chain in a more agile and cross-country manner.

By supporting faster and efficient freight movement and reducing logistics cost, MMLPs are expected to make Indian exports more competitive in the international market. This will also create employment opportunities and further trigger the development of Small and Medium Enterprise (SME) manufacturing clusters across MMLP areas, boosting entrepreneurial opportunities.

**Capitalising on opportunities**

MMLPs, well-placed to leverage the new opportunities thrown up by dedicated freight corridors (DFCs), are expected to attract INR50,000 crore[ Multi Modal Logistics Parks to be set up at 35 prime strategic locations, Press Information Bureau, accessed on 15 July 2022.] worth of investment. Of the 35 MMLPs planned under phase 1, one project is being developed in Chennai. Another MMLP in Nagpur is being created across 346 acres of land. Both MMLPs are expected to be ready by the end of 2024.

Strong push being given to enhance the efficiency of multimodal infrastructure is encouraging logistics companies to invest in the sector. A leading real estate major, for instance, in collaboration with a foreign private equity firm, is planning to invest more than INR2,500 crore to develop industrial, logistics and warehouse parks across the country. Another leading industrial and warehousing developer seems is optimistic about MMLP growth opportunities and is planning to build two logistics parks in major industrial states. A leading port operator, on the other hand, expects its MMLP, spread across more than 1,000 acres of land, to attract large investment. Investment activity in the logistics sector is likely to gain further momentum with more MMLPs becoming functional.

**Resolving obstacles**

While MMLPs have significant potential to lower logistics cost, its viability depends on identifying land near to consumption centres and industrial clusters. For instance, the success of Logistics Park Kansas City (LPKC) in the US had a lot to do with its proximity to the urban and industrial centre of Kansas. Direct access to rail and road infrastructure—especially access to four major interstates—together with large tracts of land that could be quickly acquired and developed led to LPKC being a successful model, which generated employment, nourished local manufacturers and added to the state's income.

So, while the benefits of MMLPs remain beyond doubt, their success will rely on parallel infrastructural development and policy initiatives (such as the National Railway Plan 2030, National Infrastructure Pipeline and National Logistics Policy). The availability of land at an affordable rate is a challenge when it comes to land allocation for MMLPs. Furthermore, multiple approvals are required from various Central and state ministries for the execution and working of these MMLPs, which can cause delays in completion of these projects. There are chances of numerous conflicts/ disputes arising during the various stages of construction, which can take a long time to resolve. This can be a key concern for private players.

While infrastructure status to the logistics sector could help firms borrow money at competitive rates, the focus should also be on developing the corporate bond market, which is essential to avert the risk of asset-liability mismatch for banks. Further, state governments have a substantial role in the development of logistics infrastructure as they provide land, subsidies and requisite approvals, all of which need to be aligned for MMLPs to come up faster. Finally, the completion of these projects on time and within budget also remains a challenge, which will require a closer scrutiny.

To conclude, MMLPs have the potential to transform India's logistics sector by reducing the transportation cost and time taken to deliver. As with other infrastructure projects, there are challenges when it comes to MMLP implementation, and addressing them at the earnest would help the logistics sector play a crucial role in propelling India to become a USD5 trillion economy.

***The author is Co-Head and COO, India Global, KPMG in India.***

# Adani Logistics acquire ICD Tumb for INR 835 crore

Adani Logistics Ltd, a fully owned unit of Adani Ports and Special Economic zone ltd (APSEZ), has successfully acquired the inland container depot (ICD) at Tumb in Vapi from Navkar Corporation ltd. for an enterprise value of INR 835 crore as India's biggest private port operator blosters its door-to-door capabilities en route to becoming a transport utility.

The arrangement contains securing the functional ICD with the ability to deal with 0.5 million TEUs. The associated 129 acres of land will give an extra extension way to increase capacity and cargo in the future as extra industrial corridors and logistic parks get added along these DFC courses.

The Tumb ICD also includes a private cargo terminal with four rails taking care of lines associated with Western DFC and has custom notified land and bonded warehouse facilities.

**"Tumb is one of the largest ICDs in the country. Given its strategic positioning in the middle of one of the busiest industrial zones and access to the dedicated freight corridor allows it to meaningfully serve the vast hinterland with access to two of the busiest ports on both sides, Hazira & Nhava Sheva,"** Karan Adani, CEO and Whole Time Director of APSEZ.

"In addition to cargo moving by rail being 5X greener than that moving by road, another prime benefit of the access to the DFC is the savings in average transit times that are expected to be 10 hours by rail versus 24 hours by road. This acquisition fits well with our transformation strategy towards becoming a transport utility as well as moving us closer to our objective of providing economical door-to-door services to our customers. We are confident to grow the volumes at the ICD at high double digits as we build out a sustainable world-class multi-modal supply chain solution for the nation," he added

The acquisition based on the land value and replacement cost of existing assets is priced at an enterprise value of Rs 835 crore, suggesting that an EV/EBITDA varies by 7.8x (based on FY23(E) EBITDA). The deal is subject to customary regulatory and lender approvals and is expected to close in Q2 FY23.

# Coal transport on Kothagudem-Sathupally Railway line to begin

Newly laid railway line from Kothagudem to Sathupalli would be made operational from May 20 for coal transportation from SCCL's coal mines at Sathupalli, informed the company Director (Finance) N Balram.

Speaking to media here on Tuesday he said the 55 kilometre long railway was laid at a cost of ₹ 650 crore. Singareni Collieries Company Limited (SCCL) provided 70 per cent of the project funding and remaining by the railways.

The first coal load from Sathupalli was expected on May 20. The railway line would stop coal transportation by road and around 600 trips of lorries that were transporting coal every day would be off road. It would reduce pollution, traffic and accidents.

It was expected to produce 10 million tonnes of coal from Sathupalli. Public hearing for VK-7 OC was over and the coal production might commence in Sept or Oct. Environmental and forest clearance for the Naini project was given and production would begin in Oct. Public hearing for the Rompedu project at Yellandu was yet to be conducted, Balram said.

Though many projects across the country were facing severe coal shortage, SCCL was able to maintain a continuous supply of coal to its customers in Telangana, AP, Tamil Nadu and to NTPC in required quantities. Priority was to enhance coal production to meet the demand. It was aimed to reach 80 million tonnes of coal production by 2025-26, he noted.

In the next six months focus would be laid on improving medical and health infrastructure in SCCL areas across the State. It was planned to develop super-specialty health facilities in Singareni hospitals to bring down referrals to outside hospitals.

Balram revealed that an amount of ₹ 280 crore was spent towards medical and health care of the employees for the period of 2020-21. Around 13, 674 dependent and compassionate appointments have been given since June 2014.

Referring to Telangana Ku Haritha Haram, the official informed that the company planned to plant around 50 lakh saplings in the next phase. Director (Operations) S Chandrasekhar, GM (Personnel-Recruitment) K Basavaiah and others were present.


# Govt may change Railway land use policy to ease strategic stake sale of Concor

The Centre is planning to modify the railway land use rules and bring down the land licensing fee (LLF) for industrial use to 3.5 per cent from 6 per cent. Further, the move is likely to ease the strategic sale of the state-owned Container Corporation of India (Concor) by making the deal more attractive for players.

Citing a senior government official, ET reported that private players sought a cut in LLF and the plan would soon be taken to the Cabinet for its green signal.

Also, the railway ministry is expected to extend the tenure of the lease period to 20 years from existing five years. “Railways has agreed on reducing the land licensing fee to 3. 5 per cent for Concor post divestment,” the business daily quoted the official as saying.

Last week, a pact on the proposed modifications arrived at a meeting attended by officials from the Department of Investment and Public Asset Management (DIPAM), the railway ministry, Concor and NITI Aayog, the government’s apex think tank.

State-run logistics firm Concor, under the umbrella of the railway ministry, is involved in transportation and handling of containers.

Concor boasts the country’s largest network of 61 inland container depots, out of which 26 are on railway land leased on a per container licence fee basis.

In 2020, the Railway Board in its policy notified an LLF regime for industrial use of its land and extended the same to Concor. The transporters have to pay 6 per cent of the land value in the first year of licence, which rises by 7% every year, according to the policy.

Officials in DIPAM mentioned that many prospective buyers had highlighted the high licence fee and sought a cut to 3 per cent. However, the railways was unwilling to reduce the fee.

The ministry is busy finalising a detailed plan and it will be sent to the Cabinet for nod. The Centre can then issue an expression of interest for Concor.

The Cabinet, in November 2019, had okayed the strategic sale of 30.8 per cent stake in the company, along with management control, in Concor out of the government equity of 54.80 per cent. The government is poised to retain 24 per cent stake post sell-off.

The finance ministry has budgeted Rs 65,000 crore from divestment proceeds for the current fiscal year. It is expecting to garner Rs 8,000 crore from Concor stake sale as per the current valuation.

# CILT INDIA

## *successfully completes* ***Three Months Weekend*** *(On-line) Professional Certificate Program in* ***Terminal Management***


*Inauguration of Training Program on 14 May 2022*

The Chartered Institute of Logistics and Transport - India (CILT India), is duly accredited by "The Chartered Institute of Logistics and Transport – International (www.ciltinternational.org)" and holds the territory status to conduct education and training Programmes in the field of logistics & transport in India.

With the announcement and implementation of "Gati Shakti Mission – A National Master Plan for Multimodal Connectivity", hundreds of terminals are planned to be established. CILT India has designed and developed an exclusive training program namely "**Professional Certificate Program in Terminal Management**".

This training program was meant for aspiring and in-service professionals to equip them with the necessary skills to leverage the current and emerging patterns. The objective of the program was to provide an excellent understanding of entire activities related to Policy, Plan & Design, Construct and operate various types of existing & futuristic terminals in a safe & environment friendly manner for efficient handling & movement of all types of goods.

The training program was conducted in on-line mode on weekends (i.e., on every Saturday & Sunday) for three to four hours and the duration of the program was for of 03 months, starting from 14 May 2022 – 31 July 2022.

The training program was flagged off in a grand way through a live online inaugural session on 14 May 2022, which was attended by Sh. Suresh Prabhu, Member of Parliament (Rajya Sabha) & Patron CILT India, Sh. Shanti Narain, IRTS (Rtd.) and Chairman Emeritus of CILT India, N. Sivasailam, IAS (Rtd.) and National Chairman of CILT India, Sh. Sanjiv Garg, IRTS (Rtd.) and Secretary General of CILT India, Dr. Veni Mathur, Vice Chairperson, CILT India, Dr. Surendra Ahirwar, IRTS, Jt. Secretary – Logistics, Ministry of Commerce & Industry, Govt. of India and participants of the course.

The training program received a very good response from the industry and a total of 41 nominations for participation has been received from 28 organizations, which included 02 PhD students (one each from IIT Roorkee and SPA, new Delhi). The list of organizations nominating the participants are as under:

| Organisation Name | No. of Participants |
|---|---|
| Adani Ports n SEZ Ltd | 1 |
| Ameya Logistics Private Limited | 1 |
| APM Terminals (Gujarat Pipavav Port Pvt Ltd.) | 3 |
| Asthraa Shipping and Logistics | 1 |
| Central Warehousing Corporation | 4 |
| Container Corporation of India Ltd. | 2 |
| Dakshin Bharat Gateway Terminal Pvt. Ltd. | 1 |
| Delhi Metro Rail Corporation Ltd | 1 |
| Distribution Logistics Infrastructure Pvt. Ltd. | 1 |
| DP World | 1 |
| H C Shipping Services | 1 |
| IIT Roorkee | 1 |
| India Seatrade | 1 |
| IndiaLinx | 1 |
| Indian Army | 1 |
| Indomatrix Logistics Pvt Ltd | 1 |
| Marine Solutionz | 1 |
| Nysa Shipping | 1 |
| Oman Based Group | 1 |
| Pipavav Railway Corporation Limited | 8 |
| Pristine Hindustan Infraprojects Pvt Ltd | 1 |
| Pristine logistics and Infra ( Kanpur logistics park) | 1 |
| Pristine Magadh Infrastructure Pvt Ltd | 1 |
| Pristine Mega Logistics Park Pvt Ltd | 1 |
| PSA Chennai | 1 |
| School of Planning and Architecture, New Delhi | 1 |
| Indian Railways (South Central Railway) | 1 |
| Super Handlers Pvt. Ltd. (Navin Group) | 1 |

Speaking at the session, Sh. Suresh Prabhu said "Gaining bookish knowledge cannot help people to go forward in their careers. The knowledge must be applied to make them better persons. I am confident that CILT's certification program in Terminal Management helps students to learn things practically and become skilled professionals."

Sh. N. Sivasailam said, "The terminal operators and service providers must adopt an integrated approach rather than think holistically." He urged them to forge more partnerships with whom they can create integrated and win-win solutions for customers.

Dr. Surendra Ahirwar applauded the CILT's initiative in coming up with a course on Terminal Management. He added, "There has been a go ahead given at the highest authority for the National Logistics Policy and will soon come out with the official announcement".

During the course of this training program spanning over 24 days (12 Weekends), a total of 46 lecture sessions has been delivered covering entire aspects of terminal management by more than 40 eminent experts of the trade. These eminent experts include several serving topmost officials of Govt. of India, Public Sector Undertakings and Private Corporate Houses. In addition, there were few eminent international experts as well, who took the sessions from Ireland & Malaysia to give a global perspective on the subject.

This training program also included two stage evaluation of participants, wherein participants were given two assignments meant to be submitted by them within the stipulated time frame. Based on the performance of the participants in this evaluation, the certificate issuance to participants of this training program were categorized into two parts:

- **Certificate of Proficiency:** The proficiency certificate has been awarded only to such participants, who qualified after the evaluation of both of their assignments, as submitted by them during this training program.

- **Certificate of Participation:** The participation certificate has been issued to all participants.

The training program concluded with valedictory on 31st July 2022. The course director Sh. Vinod Asthana summarized the audience about the entire training program with a target to make it widespread with bigger participation in future sessions.

Thereafter, Sh. Shanti Narain, Chairman Emeritus – CILT India deliberated on the importance of terminal and the vital role it plays in the entire logistics value chain and assured the further improve on the quality of content in future. Mr. Finbarr Clearry from CILT Ireland, emphasized about the existence of room of improvement lies everywhere and has shown his willingness to support CILT India on other areas as well.

Mr Gerard Deegan from Ireland, who also took a session as an eminent speaker during this training program was impressed about the participation from actual practitioners in the training program and has emphasized that irrespective of the various type of terminals, most of them have similar issues, however one size doesn't fit all and therefore, solutions should be based on individual needs.

Sh. Sanjiv Garg, General Secretary – CILT India has declared this training program as one of the most successful courses conducted so far by CILT India. He further discussed upon the need of reducing the higher logistics costs in India and also emphasized upon setting-up of standardization process in logistics.  Subsequent to this, feedback from some of the participants were also taken, who found the course content and speakers beyond their expectations and thanked CILT India for conducting such an excellent training program.

Finally, the valedictory was addressed by Sh. N. Sivasailam IAS (Retd.), National Chairman – CILT India, who thanked the Program Director and Associate Program Director for successfully conducting this training program. He deliberated upon the current scenarios of logistics and how redressal to issues be made. He also informed participants about evaluation of assignment / project as submitted by participants and declaration of results thereafter.

Finally, the program concluded with a vote of thanks by Dr. Veni Mathur, Associate Course Director to all the attendees, participants, and their nominating organizations.

**Rajesh Jha**
*Course Coordinator*


*Valedictory Session of Training Program on 31 July 2022*

The Chartered Institute of Logistics and Transport - India

## CILT India Launches

# "Professional Certificate Program in Terminal Management-2.0"

**Three Months Weekend (On-Line Programme) from 12 November 2022**

### OBJECTIVE

The **Professional Certificate Program on Terminal Management** is designed and developed by The Chartered Institute of Logistics and Transport, India **(CILT INDIA)** for aspiring and in-service professionals to equip them with the necessary skills to leverage the current and emerging patterns. The objective of the program is to provide an excellent understanding of entire activities related to Policy, Plan & Design, Construct and operate various types of existing & futuristic terminals in a safe & environment friendly manner for efficient handling & movement of all types of goods.

This course is taught by India's best transportation experts and leading industry stalwarts covering all aspects related to different types of Terminals (Multimodal Logistics Parks, Ports, Rail and Road). It will also provide a networking opportunity among participants from multiple industry domains.

### WHO SHOULD ATTEND?

(a) **WORKING PROFESSIONALS:** The course is designed for all professionals directly or indirectly associated with planning and management of transportation of all types of goods. This Programme on Terminal Management aims to create talents prepared for taking responsible assignments in Terminals, enhance vertical growth in professional hierarchy and gain real-life experience to the next generation of high-potential employees.

The program will be of great importance for Operations, Commercial, IT and Management professionals working in Steel Plants, Aluminium Plants, Other Metals & Minerals Processing Industries, Cement Industry, Chemical & Fertilizer plants, Paper & Pulp Industry, Food Grain Logistics, POL Manufacturing & Distribution Companies, Logistics Companies, Container Train Operators, Ports & Inland Waterways, MMLP, PFT, ICD, CFS, NHAI and other industries.

(b) **STUDENTS:** Gaining Certification of this program by candidates will bring substantial value addition and will widen their employment opportunity. In addition to the existing operational terminals of various kinds, more than 1000 Terminals are planned to be established in the coming years due to implementation of **PM Gati Shakti Mission** (A National Master Plan for Multi-Modal Connectivity). Students from any stream are encouraged to take up this course as it would provide an opportunity of entering this expanding sector. Concession in fee for joining this Programme by students can be considered.

### PROGRAM COVERAGE:

- Transportation Systems and Multimodal Transport
- Need & Type of Terminals
- Planning, Design and Construct various type of Terminals (including PPP mode)
- Terminal Management & Operations
- Telematics
- Safety & Security aspects of Terminal

**MODE OF INSTRUCTIONS:** English in **ON-LINE** mode through video conferencing. Printed study material will be provided by post.

**COURSE DURATION:** 12 Weeks. (12 November 2022 – 05 February 2023)

There will be a session of 04 Hrs. each on every Saturday & Sunday comprising a total of 24 Days accounting for nearly 100 Hrs. in total. Link for joining the training program will be sent in advance to all the participants.

## PROGRAMME FACULTY:

This course will be taught by India's best logistics & transportation experts. Some of our faculty members include:

| | |
|---|---|
| **Sanjiv Garg** | Managing Director – Pipavav Railway Corporation Ltd. & Former Additional Member, Railway Board |
| **Vinod Asthana** | Former Managing Director – CRWC, Vice Chairman – CILT, India & **Course Director** |
| **Sachin Bhanushali** | Chief Executive Officer, Gateway Distriparks Limited |
| **Dr. Veni Mathur** | Visiting Faculty – IIT Delhi, Vice Chairman – CILT, India & **Associate Course Director** |
| **N. K. Tuli** | Former Vice Chairman – Railway Claims Tribunal |
| **Manish Puri** | Managing Director – Rail Runner Innovations & President – ACTO |
| **Rajesh Nigam** | Former Executive Director – Indian Oil Corporation Ltd. |
| **Rajiv Kochhar** | Former Vice President (ICD Business) – Worlds Window Infrastructure & Logistics Pvt. Ltd., Former GM (CONCOR) |
| **Girish Acharya** | Asst. VP (Sales & Marketing), The Thar Dryport Ltd. |

**COURSE CO-ORDINATOR:** Rajesh Jha (+91 9717511883) / rjha.ciltindia@gmail.com

## CERTIFICATION:

The training program will have periodic evaluation system and on successful completion, Certificate will be awarded to the participants.

# REGISTRATION FORM

## Professional Certificate Program in TERMINAL MANAGEMENT-2.0

**(Three Months Weekend On-Line Programme)**

(Starting from: 12 November 2022)

Prior Registration for this program is mandatory.
Sponsoring Organizations may please fill the details of participants

| PARTICIPANT NAME | DESIGNATION / STUDENT ID NO | CONTACT NO. | EMAIL ID |
|---|---|---|---|
| | | | |

**NAME OF THE INDIVIDUAL / ORGANIZATION:** ______________________________

**ADDRESS FOR COMMUNICATION:** ______________________________

______________________________

**PARTICIPATION FEES:**

| Category | Fees per Participant |
|---|---|
| Standard Fees | INR 15,000.00 + Applicable GST |
| **(Students can be considered for concession in fees)** | |
| **Multiple Nomination Discount** | **10% discount shall be applicable, in case of 3 or more nomination from the same organization in working professional's category** |
| **Life Member & Corporate Members** | **10% discount shall be applicable for participation by Life Members & nominations received from Corporate Members of CILT India** |

**Note: Certificate & Study Material will be provided after completion of Training Program**

Payments can be made by cheque / DD favoring **"CILT INDIA"** payable at New Delhi or through NEFT at State Bank of India, Rail Bhawan, New Delhi **Account Number:** 10211844226, **IFSC Code:** SBIN0003771.

Please note, our GST No. **07AABAT7910J1ZC &** PAN Number is **AABAT7910J**

**AMOUNT (IN WORDS): RUPEES** ______________________________

**DATE OF TRANSFER:** ______________ **CHEQUE / DD / UTR NUMBER:** ______________

**NAME OF BANK & BRANCH DETAILS:** ______________________________

______________________________

**(SIGNATURE)**
**NAME:**
**PHONE NUMBER:**
**EMAIL ID:**

**The Chartered Institute of Logistics and Transport - INDIA Headquarters (www.ciltindia.in)**
3 Palam Marg, 3rd Floor, Vasant Vihar, New Delhi, 110057; Mob: +91-8368108840
Email- usha.ciltindia@gmail.com, vicechairman.ciltindia@gmail.com, managercilt@gmail.com

**"Please send a scan copy of this filled-in registration form at the abovementioned email ID for registration confirmation"**

The Chartered Institute of Logistics and Transport

## Who We Are

The Chartered Institute of Logistics and Transport India is part of the leading, global professional body for those engaged in supply chain, logistics and transport – covering all sectors of the industry, namely air, land and sea, for both passenger and freight transportation.

Our primary objectives are to support our members in continuous professional development to future-proof their careers, as well as to work in close collaboration with the public and private sectors, Government agencies and the academia to develop opportunities and synergy for industry transformation and growth, underpinned by strategic thrusts in digitalisation and sustainability.

## Contact Us

**The Chartered Institute of Logistics and Transport**

CILT –India, Headquarters, 3 Palam Marg,3 rd floor,
Vasant Vihar,  New Delhi – 1100 057
Tel: +91-11-40809939
Email: info@ciltindia.in