

NEW MANGALORE PORT LEADING LIQUID AND MULTI-CARGO PORT







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Potential to be a global transshipment hub

mid all the indecisiveness and policy paralysis, the Indian port sector is seeing a surge in development. As mentioned by the minister of Shipping Mr G.K.Vasan, an investment of Rs.2.77 lakh crore will be required in the next ten years to enhance the cargo handling capacity at Indian ports to 3,130 million tonne. India's share in the global trade is around 1.5 per cent and the plan is to reach at least 5 per cent in the next ten years, which is still low comparing the huge potential that the Indian ports have. About 80 per cent our India's exports is carried by sea, out of which 60 per cent is carried through containers.

Ports play undoubtedly an important role in the economic development. There can be no two options about the need to upgrade ports, improve their efficiency and make them world-class. The ports' efforts have to be to find all possible ways to improve the performance, particularly exports. The importance of these cannot be understated in the current environment, where investments in general have virtually come to a halt.

A marginal dip in cargo handling notwithstanding, the depreciating rupee has brought some cheer for ports. This is because most major ports make up to a quarter of their earnings in dollars. The share of dollar-linked earnings varies depending on the extent of export import (EXIM) cargo handled by a port because specific charges of the EXIM cargo are billed in dollars. The dollar earnings range from five-25 per cent of total earnings, which means an appreciating dollar, marks a significant upside. The Shipping Ministry should study the net impact. Since November, rupee has fallen by 10 per cent against the dollar. In terms of cargo handling though, major ports registered a marginal dip in cargo handled in November. The depreciating rupee is likely to leave a larger impact in the current fiscal's earnings. Major ports, meanwhile have registered a muted growth of below two per cent in cargo handling during the April-November period.

The government likely to come up with a new civil aviation policy in the next five months aimed at boosting investment and infrastructure for the fast-growing sector over the next ten years, is a welcome move. Also, the government should lay emphasis on a new economic regulatory mechanism for pricing of air tickets as the industry has been passing through a turbulent phase despite growth in passenger traffic.

The air cargo industry has been averaging annual growth of 12 per cent, as the GDP was growing annually at nearly eight per cent. Indian airports handled a total of 2.33 million tonne of cargo in 2010-11, up from 0.5 million tonne in 2005-06. While the domestic cargo is expected to increase from 0.8 million tonnes to 1.7 million tonne by 2016-17, the international cargo traffic is projected to move up from 1.5 million tonne to 2.7 million tonne during the same period. Reforms in the customs procedure and speedy clearances of cargo are required for the sector to maintain high growth rates.

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NEW MANGALORE PORT LEADING LIQUID AND MULTI-CARGO PORT

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OCEAN BRIGH

Over the years the Port has grown from the level of handling less than a lakh tonne of traffic during the inception period to 31.55 million tonne handled during 2010-11. he New Mangalore Port (NMPT), the only major port of Karnataka was declared as the 9th Major Port on 4th May 1974. The port has been functioning as a catalyst for the economic development of this region and caters the needs of the shippers. Over the years the Port has grown from the level of handling less than a lakh tonne of traffic during the inception period to 31.55 million tonne handled during 2010-11.

The major commodities exported through the Port are iron ore concentrates & pellets, Iron Ore Fines, POL Products, granite stones, containerized cargo, etc. The major imports of the Port are Crude and POL products, LPG, coal, limestone, timber logs, finished fertilizers, liquid ammonia, phosphoric acid, other liquid chemicals, containerized cargo, etc.

Dr.P. Tamilvanan, Chairman of NMPT in an interview with Mickee Menon spoke about the port's growing challenges and emerging needs of the 21st century and his mission to see that this port become a leading liquid and multi-cargo port by adopting state-of-the-art technology infrastructure and cargo handling systems, complying with environmental, social, safety and security standards.. Excerpts of the Interview:

WHAT IS THE STATUS OF CONTAINER CAPAC-ITY AUGMENTATION INITIATIVE AT NMPT?

Container traffic is steadily growing. Over the last 6 years it has grown from 9000 TEUs handled in 2005-06 to 40,000 TEUs in 2010-11. One of the significant achievements is that main line vessels from West Africa and East Africa started calling at the Port which has benefited the trade in handling their cargo at economical rates with less transit time. In view of the steady growth in container traffic, it is proposed to go for a dedicated container terminal on BOT basis at the Western Dock Arm.

industry**update** COVER STORY



Dr. P. Tamilvanan Chairman, NMPT

BESIDES TRADITIONAL CONTAINER TERMI-NAL SERVICES, WHAT OTHER SERVICES AND VALUE ADDITIONS DOES NMPT PROVIDE TO ITS CLIENTS?

The major users are MRPL, KIOCL, MCF, HPCL. IOC, BPCL etc. Major commodities imported are Petroleum Crude, LPG, Chemicals, timber, coal etc. and export items are petroleum products, granite, iron ore etc. The value added items are timber(exportplywood in containers), raw cashew import and cashew kernels – export, Crude Oil Import(Export: HSD/MS, ATF/FO), edible oil, metcoke etc.

WHAT IS NMPT'S INSTALLED CAPACITY AND THE NUMBER OF WINDOWS CURRENTLY AL-LOTTED FOR SERVICES?

The port has got 9 general cargo berths including 1 deep draft general cargo with a draft of 14 mtrs and 4 oil berths. The present total capacity is 45.57 million tonnes. 1 coal berth for UPCL is ready for commissioning and additional oil jetty is under construction – both will add another 12 million tonnes of capacity.

WHAT ARE THE ONGOING DEVELOPMENTS AT THE PORT?

■ Coal handling facility for UPCL at a cost of Rs.230 crores on BOT basis is completed. Berth is expected to be commissioned shortly.

 TCS has bee entrusted with the assignment to develop and implement ERP at New Mangalore Port, which would emphasize on internal computerization in day to-day activities of the Port operations in all the departments and also to synchronize the operations/ transactions with the PCS / Indian Customs Electronic Data Interchange Systems. Trial run is on
The work of additional POL berth is in progress

WHAT IS THE TONNAGE HANDLED BY NMPT DURING THIS FISCAL AND WHAT HAS BEEN THE SHIPDAY OUTPUT IN THE PAST THREE MONTHS?

During the current fiscal year 2011-12 (Upto Oct. 2011) the port handled a total traffic of 18.05 million tonnes as against 18.0 million tonnes handled during corresponding period of previous year. The berthday output during the past 3 months are as below:-

COVER STORY industry update



Mallya Gate, NMPT

August 2011 : 13,943 tonnes Sept.2011 : 10,799 tonnes Oct. 2011 : 11,816 tonnes

WHAT ARE YOUR FUTURE DEVELOPMENT PLANS FOR NMPT?

NMPT stands committed to be a partner in progress to customer. The cargo throughput of the Port is likely to grow to at least 55 TPA within the next 5 years as per the Port's Master Plan. This growth is due to the expansion of the existing Mangalore Refinery & Petrochemicals, new thermal plants, export of iron ore pellets, import of coal, crude and the growth in the requirement of POL/chemicals in the hinterland of the Port and container traffic. When such a sudden and critical development is taking place, all the port resources and operations will have to be optimized in order to serve the development of the region and also to earn maximum revenue to the port.

Some of the future Projects proposed to be taken up are:-

- Container Terminal on BOT basis
- SPM by MRPL
- Port based SEZ
- LNG Terminal
- Deep draft general cargo berth at the western dock arm.

THE CURRENT STATUS OF THE MAJOR CON-NECTIVITY PROJECTS AT YOUR PORT AND THEIR IMPACT ON THROUGHPUT?

The Port is well connected with all modes of transportation

RAILWAYS:

The port provides a railway siding at its Panambur yard. The Railway links spread into the neighboring states of Maharashtra, Kerala and Tamilnadu besides the hinterland. The rail network extends to major industrial cities like Bangalore, Chennai, Coimbatore and Mumbai in addition to numerous other commercially important cities. The Konkan Railway has given a great fillip to the port/rail interface and thereby to industrial development in the adjoining regions and direct connection to Goa and Mumbai.

The Hassan Mangalore line has been converted into a broad gauge capable of carrying more tonnage of cargo by rail and now the Port is fully accessible to its hinterland. This broad gauge line made to connect Bangalore from Mangalore and Chennai via Bangalore route is shortened. The port has provided all infrastructure at the Railway Marshalling Yard to handle the increased volume of rail traffic. There is rapid increase in the railway traffic due

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Heavy lift for MRPL

Over the last 6 years it has grown from 9000 TEUs handled in 2005-06 to 40,000 TEUs in 2010-11. One of the significant achievements is that main line vessels from West Africa and East Africa started calling at the Port which has benefited the trade in handling their cargo at economical rates with less transit time.

to the benefit of less freight and distance. The rail traffic at the Port has grown from 5 lakh tonnes in 2005 to 67 lakh tonnes in 2010.

ROADS:

The Port is connected with 3 National Highways The National Highway NH 66 is passing near the Port. This highway stretches from Kochi to Mumbai linking many important cities and towns in its route. The NH 75 connects directly Mangalore to Bangalore and NH 169 Mangalore to Sholapur. In addition to the above, four laning of NH from Bantwal to Surathkal is nearing completion.

AIRPORT:

The nearest Airport, Bajpe (Mangalore Airport) is just 18 Kms. from the Port. There are daily flights to Gulf countries and domestic flights to Mumbai, Bangalore, Chennai and Hyderabad.

GIVE US SOME MORE INSIGHT ABOUT YOUR PORT'S HANDLING THE LPG PARCEL

NMPT is the largest LPG handling Port in India. During the last financial year 2010-11, a record qty of 1.91 million tonnes of LPG handled at the Port. It is expected to cross 2 million tonnes by the end of the current financial year. Taking into consideration the increase in LPG traffic one more berth(No.12) has been modified for handling LPG in addition to Berth No.9. Now large LPG tankers with a parcel size of 40,000 tonnes could be handled at this berth.

WHAT ARE THE KEY IMPEDIMENTS THAT YOU FACE IN DELIVERING GREATER THROUGHPUT?

Road connectivity from the hinterland to the Port is the main bottleneck.

WHAT ARE THE KEY NEEDS FOR ANY PORT TO SUCCEED?

Good Road/Rail connectivity, skilled labour, mechanization, Modern cargo handling equipment, Proper training etc. are the key needs to succeed.

YOUR GROWTH STRATEGY FOR 2011-12?

Inspite of the ban on iron ore export, the port could make up the shortfall by attracting more cargo from the hinterland through pro-active marketing efforts and the infrastructure addition made during the past few years. This has shown positive results and the first half of the current year shows good signs. The commissioning of the new coal berth will add 3 more million tonnes of cargo per year in addition to the growth in container traffic and POL traffic.

WHAT ARE THE BUSINESS OPPORTUNITIES THAT AWAIT ENTREPRENEURS AT NMPT?

There is ample scope for entrepreneurs like operating container terminal, dedicated berths at the western dock arm, hiring of cargo handling equipment, container freight station, etc. Likely establishment of Port based SEZ has created more opportunities for starting export oriented business utilizing the concessions available at the SEZ zone.

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industry**update** FEATURE



Turkish cargo big lift to 2012

s globalization shrinks the planet and turns international commerce into something that feels like an outdoor, neighborhood farmer's market, where everything and anything is available to all, the search for new markets has never been more important. The spotlight has now turned on "The New Europe," specifically the countries and new independent states that emerged after the splintering of the Soviet Empire.

Places like Albania, Slovenia, the Danube Delta, the Carpathian Mountains, the Curonian Spit on the Baltic Coast and even Cappadocia in Turkey are all somewhat below the radar, strikingly beautiful, anxious to establish their own identity, parade their own culture and celebrate their own history.

Today, with most of Eastern Europe wide open for business, there is no shortage of airline companies willing to fly into new addresses in hopes of plugging into what will stack up to be an exciting decade of growth and development ahead.

Enter Turkish Airlines, based in its legendary home, Istanbul—it's amazing that what was once old is brand new again as this storied airline, currently celebrating 79 years since its creation, is vibrant and full of life, with big plans for adding fleets of new aircraft and destinations all around the world. Today Turkish Cargo is one of the more exciting and wideranging operators with both freighter and extensive belly lift. Istanbul, situated at the ancient and now modern crossroads of Europe and Asia, launches a fantasy of multi-modal transportation resources to all points of the globe with Turkish Cargo smack dab in the middle of all the action and excitement.

Much was made of the showcase buzz that Turkish Airlines received earlier this year in March as IATA World Cargo Symposium was conducted in Istanbul.

But Turkish Cargo does not stop there.

Right now with a new organi-

FEATURE | industryupdate

zational set up, the flag carrier has earmarked an even more dramatic change in the form of enhanced air cargo services and additional new destinations in 2012. Recently we spoke to Halit Anlatan, Turkish Cargo vice president of sales and marketing, Ebubekir Kusak, the carrier's cargo publicity and advertisement manager, and Ali Turk. who serves Turkish Airline as Vice President of cargo operations. It was an open and wide ranging conversation that took place inside the airline headquarters at busy Ataturk International Airport Istanbul.

Listening to these people whilst gazing out a picture window at the airport below, confidence and destiny was the message, delivered loud and clear.

Turkish Cargo can't wait until tomorrow because they look better every day.

"We are developing our Istanbul hub, which is situated at the crossroads of Europe, Middle East, Africa and former CIS countries.

"There is much potential for air cargo and many niche markets within these areas for us," said Halit Anlatan declares.

"Turkish Cargo strongly believes that in the near future, our vision of growth by adding destinations and new aircraft will continue to develop our cargo business with Istanbul as a hub.

"Turkey is not to be overlooked—it is a country of 70 million and itself represents great potential for the entire menu of air cargo services and we are expanding and developing our capabilities to meet that need.

"Turkey represents a balanced import/export business as the economy is quite strong here."

Another main focus right now

at Turkish Cargo, Mr. Anlatan pointed out, is security and the development of e-freight.

"We have dedicated considerable resource to security, offering multi-layered security up and down the system. Turkish Cargo is also investing in implementing and continually upgrading our IT offering with e-freight and other paperless efforts all destined to offer transparency with our customers and ease of use every step of the way.

"Hub Istanbul is looking via Turkish Cargo to open connections across Africa and Middle East and former CIS with destinations such as Addis Abba and Nairobi (early 2012).

"Our passenger side includes many narrow-bodied services to these gateways whilst continuing with our bigger aircraft to Asia. To USA, we operate double dailies to New York and also service to Chicago and Los Angeles.

"Turkish also connects many of the capitals of Europe and we are looking to add capacity by expanding our all-cargo freighter served network.

"Looking ahead to our regional Middle East, former CIS, Africa, India Asia offerings will serve our expanding markets based on inbound demand weakness, using the great flexibility of the freighters, A310s and others to build payloads by adding cities while awaiting development of better two way traffic.

"For example, one routing under this philosophy is Cairo/ Addis Abba, "Where we already have a solid, thrice-weekly service operating in and out of Cairo, we expand to Addis Abba, opening new avenues for trade and opportunities all around," Mr. Antalan said.

"In summary, Turkey enjoys great historical ties with many



L-R: (Standing) Ebubekir Kusak; (Sitting) Halit Anlatan; (Standing) Ali Turk

countries of the world, including a vast number of 'New Europe' destinations that used to be part of CIS.

"Today, as these now open trade countries look to expand their offering with the rest of the world, Turkish Airlines stands ready to deliver the service and support to make growing business possible.

"For example we have just launched twice-weekly freighter services flying to Bishkek, the capital of Kyrgyzstan into Manas Airport via Shanghai.

"We already serve Almaty, and we are planning to add Ashgabat, capital of Turkmenistan, to our network soon.

"These are names that are not always in the news, but they are traditional markets to Turkey and we are moving to serve them with our world class air cargo service.

"Turkish Cargo will expand its India offering with flights to Chennai.

"We began with Mumbai earlier this year. "Maybe lesser known," points out Ebubekir Kusak, "is that Turkish Airlines is the eighth largest air carrier in the world, serving with 177 aircraft to 190 destinations and 32 freighter or all-cargo destinations in our winter schedule.

"Currently about 1000 people at Turkish Airlines are assigned to air cargo, which delivers about 9 percent of income to the airline," Mr. Kusak points out.

"In terms of challenges, what people should understand about Turkish Airlines is that we are not just a regional but actually a global network carrier," Ebubekir Kusak attests.

"And every flight is an air cargo flight," Kusak says.

"We are undergoing an unprecedented fleet expansion as THY operates about 35 wide bodies at the moment, including two new, just delivered A330-200F aircraft with 3 new ones coming every year.

"THY currently operates four A310Fs and two A330Fs at the moment, with three new freighters coming every year into the future as we grow our business through 2014," Mr. Kusak said.

"Our strategy is to grow our business 15 percent a year into the future as we feel our expansion to new destinations and new aircraft deliveries will help us grow out of much of the financial difficulty felt elsewhere," Halit Antalan said.

Touching for the moment on e-freight, Mr. Anlatan noted that while customs in Turkey can be challenging, the biggest bottleneck in his estimation is the "varying demands of various countries that are otherwise eager trading partners.

"It is past time for some kind of standardization recognized by all international trading partners that will allow our electronic initiatives to take paperwork out of air cargo, for the good of the industry and our customers."

Finally we spoke at some length to a key player in the Turkish Airlines Cargo plan: Ali Turk, Vice President of Cargo Operations.

Mr. Turk had joined the carrier from the forwarder side having served CEVA, the big multi modal forwarder in a similar capacity.

"We are operating at peak capacity and successfully bridging the past with the future as tonnage increases exponentially around here, whilst fast at work building an all-new cargo center for Turkish Cargo at gateway Istanbul."

While the erstwhile Mr. Turk and his team are building to accommodate all kinds of freight, including pharma, perishables and other commodities, Turkish Airlines Cargo, under its cargo director, Soner Akkurt, alongside people such as Halit Anlatan, Ebubekir Kusak and others, is working its way toward eventually moving 2 million tons annually through IST.

The backdrop to all of this is management's stated goal to building the cargo business of Turkish Airlines to that number by the airline's centennial year of 2033.

Fasten your seatbelts! Here comes an exciting, globally savvy air cargo player to be recognized and reckoned with.

Courtsey: Air Cargo News



Eurozone crisis to hit Gulf severely

he Eurozone crisis will have severe repercussions on the GCC petrochemical industry, analysts said at a recent petrochemicals conference.

According to Andrew Monro, partner and global head of petrochemicals at KPMG, continued Eurozone turmoil will have a big impact on petrochemical demand worldwide and in turn a negative impact on the burgeoning GCC petrochemical industry.

"Europe is China's largest export market and many emerging markets including the Gulf hold large portions of European sovereign debt. The continued uncertainty in Europe is a big risk to the chemical industry here in the region," said Monro, speaking at the sixth Gulf Petrochemicals and Chemicals Association Forum conference in Dubai. The EU is the world's largest economy and a major consumer of plastics.

The crisis will not only affect global demand and trade in petrochemicals but will also produce tighter financing conditions, creating an unwelcoming environment for the growth of an industry. "It's not a government finance crisis, it's a banking sector crisis. A disorderly break-up of the Eurozone would cause a shortage of liquidity and more caution by the EU would discourage them from participating outside the euro area while they correct their balance sheets. It could also bring a risk of further regulation, so financing could become more costly," said Brad Bourland, chief economist and managing director of proprietary investments at Jadwa Investment, a Riyadh-based petrochemical house.

Around \$30 billion (Dh110.17 billion) of GCC bank lending goes to the petrochemical sector, said Bourland.

"As a per cent of total lending it's between 5 and 6 per cent. If you consider all forms of lending with banks in the region such as credit cards and corporate loans, for the petrochemical sector alone to make up 6 per cent of total loans is quite impressive," he said.

The petrochemical industry has emerged as a prominent sector in the GCC as the regional governments look to develop the downstream industry in order to create jobs for a growing population. Prince Faisal Bin Turki Al Saud, adviser to the Saudi Ministry of Petroleum and Mineral Resources, had on Wednesday urged regional players to focus on increasing supplies to the refining industry to foster sustainable growth and job creation.

"Exporting the vast majority of the petrochemical production means jobs are being created elsewhere and this is a growing concern. With a fast-growing, well-educated population who want jobs, successful economic diversification and downstream expansion have become a necessity," he said.

Oil exploration and refining are capital-intensive and not labour-intensive activities.

In order to produce the volume of jobs needed, there needs to be a stronger GCC collaboration, according to Monro.

"We need much stronger than GCC collaboration. Not only between countries but between chemical producers.

"We don't see enough collaboration between the big players and the countries in the region to create a really powerful chemical industry," he said.

KSB pumps from Halle provide Palm Island with drinking water

Specialists from the city on the River Saale are in demand throughout the world - KSB Aktiengesellschaft focuses on research and development.

I is considered to be the eighth wonder of the world. Palm Island in Dubai arose in the sea. 50 luxury hotels, 2,500 ultra-modern villas and 2,400 apartments with a sea view were built. In addition, there are marinas, restaurants and shopping streets. A seawater desalting plant provides the fresh water for the giant complex. So that it can fulfil its duties, 18 pumps from Halle, among other things, are used. "Such projects confirm the confidence in our products," says Christian Haag, site spokesperson of KSB Aktiengesellschaft in Halle.

The lists of references of the Halle-based pump manufacturer are impressive; Burj Khalifa is on there. For the highest building in the world, measuring 860 metres high, they constructed 31 water transport pumps, which ensure that the air conditioning works on all 162 floors. Every hour, they move up to 10,000 cubic metres of cooling water.

Not just the most cost-effective prices alone are the decisive factor in such spectacular projects and "everyday business". Stable quality and short delivery times are more important. The company, which relies on its own research and development, benefits from this. After the purchase of their business in 1991 by the KSB with its headquarters in Frankenthal, the Halle residents did not become a workhorse, emphases Haag. Instead, it became a competence centre.



Today, the Halle-based factory undertakes an important task within the KSB network with the development and production of pumps and technical sewage agitators, explains Ullrich Bingenheimer, Head of Communication for the KSB Group. In the past 20 years, 65 million Euro have been invested in machinery, halls and test engineering at the site. Quite consciously, the decision was made to strengthen the factory in Saxony-Anhalt. The development of motors as drives for sewage pumps also happens here today.

With 496 employees, KSB is currently the largest industrial employer in the city on the River Saale. In 2010, they achieved a turnover of about Euro125 million. 11,000 pumps are built each year. In order to counteract the expected skills shortage, 38 trainees are obtaining an apprenticeship. There is constant contact with Merseburg University and the Ottovon-Guericke University in Magdeburg to keep engineers in Saxony-Anhalt and attract them to KSB, among other things. 80 per cent of all products from KBS in Halle are exported directly, says Haag. This would be at least 90, if you included the exports from plant construction companies supplied by KSB.

The Halle-based specialists are not lacking in experiences. After the complete disassembly of all the production technology at the end of the Second World War, the pumping station was redeveloped. Later, it became the regular company location of the state's holding company for pumps and compressors with 15 factories and a scientific and technical centre. From there, pumps were delivered largely to the chemical industry.

After reunification, there was a refocusing of the production department. The focal point today is water technology, irrespective of whether this deals with technical solutions for industrial purification plants, the treatment of water or its transportation. Submersible motor agitators in biogas production were also developed in Halle. For customers in Belgium, Italy, the Netherlands, Austria, Croatia and other countries, 70 biogas plants have been equipped with these products to date.

Jaigad Port rechristened as Kanhojiraje Angre



oa-based Chowgule Group have christened their upcoming \$ 115 million greenfield port at Jaigad in Ratnagiri, about 110 nautical miles south of Mumbai, 'Angre', after the great Maratha Admiral Sarkhel Kanhojiraje Angre of the 17th century. The port based on the West coast of India and scheduled to be commissioned early next year will initially handle 5 MTPA of cargo.

Expected to provide efficient gateway facility to the growing hinterland of Southern Maharashtra, North Karnataka and parts of Andhra Pradesh, the allweather port will have dedicated road and rail connectivity with 900 meters berthing length and a 13 m deep draft.

Chowgule's had, during past 5 years facilitated export of Bauxite from this location before starting this development work. Angre Port will have handling equipment suitable for both bulk and containerized cargo with a focus on clean and environment friendly operations. A dedicated liquid cargo berth is also proposed with tank farm facility. There will be 24x7 navigation facility for assisting pilotage and towage support. Steps have been initiated to develop necessary warehousing and storage infrastructure in the available back up area.

Further, the group is proposing to invest \$ 94 million for developing a state-of-art ship repair facility within the same harbor, having a ship lift and 6 repair berths on land. This facility is expected to be operational by mid 2013. According to an official of Chowgule Ports & Infrastructure Pvt Ltd. "The repair yard will have the capacity to handle six ships every day of up to 10,000 DWT size ship. This integrated ship repair facility will be able to accommodate all kinds of activity including electronic navigation, underwater, etc. Once commissioned somewhere in the last quarter of 2011–12 it will have the highest operational standards in keeping with the needs of the most demanding ship owners."

As per the Group's philosophy, the Company has taken up all inclusive local area activities to foster integrated development processes. Technical training of local youth to acquire the required skills is already underway.

The Chowgule Group has diversified business interests including Mining, Shipping and Ship Building, Auto Dealerships, Explosives, Industrial Salt, Industrial Gases, Material Handling, Building Renovation and Education. This latest initiative of the Group to develop and operate a Private Cargo Terminal at Jaigad, midway between Mumbai and Goa under a 50 year Concession Agreement with the Govt. of Maharashtra under BOOST policy. The agreement was signed in 2008 and the project was granted Environmental Clearance in June 2010. The development works began immediately after that and the port is expected to start commercial operations by the 1st quarter of 2012.

The Company owns about 350 acres of land behind a 1,600 m long waterfront at Jaigad, which is a naturally maintained safe Harbor on the Coast. The landmass of Jaigad head provides shelter from the Southwest monsoon active in the region and does not require any breakwater construction.

With the growing economic activity, India's EXIM and domestic cargo movement is increasing. The Major ports under Government control are facing perennial congestion. With new technology and flexible tariffs, non-major Ports are fast emerging as the future for India's port sector. Private ports such as the Angre port close to cargo generating hinterlands therefore will boost EXIM trade. Angre port will also provide a gateway to the engineering and agro-based Industries situated in the hinterland thereby creating more economic activity in the Konkan and surrounding region.

According to an official conversant with the development, the group used to operate a coastal passenger service between Bombay and Goa with a stopover at Angre in Jaigad. They were the first to introduce fishing trawler to the fishing community at Ratnagiri and started building, fishing trawlers, etc. The group also set up the Narmada cements, the country's first split location cement plant. It was sometime later that the group entered ship building.



Gulf Air targets 50% revenue rise in India

Bahrain's national carrier Gulf Air marked its successful 40 years of service to India reinforcing its longstanding relationship with the country.

Addressing the media in a press conference held in Mumbai, Gulf Air Chief Commercial Officer Mr. Karim Makhlouf said. "Gulf Air is proud of the fact it was one of the first Gulf carriers into India landing in Mumbai in November 1971. Since then we have been serving the commercial capital of India, expanding into New Delhi, Kochi and Chennai. Today we offer as many as 12,000 seats a week between these cities and Bahrain including double-daily flights to Mumbai and New Delhi."

Mr. Makhlouf continued, "As the largest Middle East network carrier with excellent onward connectivity to Africa and Europe, we offer our Indian travellers seamless and faster connections in less than 3 hours giving a choice of as many as 730 flights a week to the Gulf, Middle East, North Africa and Europe via our efficient hub Bahrain."

"As we commemorate this 40year historical landmark, we reiterate our commitment to the Indian market and we will continue to connect the subcontinent with the Gulf and beyond" Mr. Makhlouf concluded.

Gulf Air, that generates almost 10 per cent of its total revenue from India, expects the country's contribution to its total revenues to rise by almost 50 per cent to 14-15 per cent in next one year. The national carrier of the Kingdom of Bahrain looks at increased focus on corporate customers and introduction of higher capacity and more luxurious aircraft.

"At present we have a tie-up with 50 corporates and expect to sign deals with 2,000 corporates by 2012 with main focus on SME customers. This move will help us increase revenues from India. At present, corporate contributes 20 per cent of our India revenues. By end of the next year, we expect it to be 30 per cent while the remaining share will be contributed by leisure travel segment and others," Karim Makhlouf, chief commercial officer (CCO) at Gulf Air .

The airline is looking at companies in oil and gas, information technology, construction, marine and consultancy business for tie-ups.

The airline is part of the Oneworld global explorer fare. It has extensive codeshare agreements with other airlines and special partnerships with Jet Airways and Oman Air's Frequent Flyer Programmes.

In order to regain market share in flight traffic, to and fro from West Asia, Gulf Air has decided to double the incentives it pays to top performing travel agents in India. "We were giving around 3 to 5 per cent commission and incentives to travel agents. But, with closure of certain routes and competition our market share fell," said Makhlouf.

The airline, which has been flying to India for the past four decades, holds around 50 per cent of air traffic to Bahrain but it flies only 10 per cent traffic bound to West Asia.

To celebrate 40 years of operation in India, Gulf Air has announced special 40 per cent promotional discount till 16th of this month for flights from New Delhi, Mumbai, Kochi and Chennai to Rome, Milan, Geneva, Copenhagen, Entebbe and Nairobi.

In a move to upgrade customer experience, the airline has decided to replace existing A320 aircrafts that flies to India with the new A321 planes. "The new A321s will have eight flatbed business class seats and 161 economy class seats, while existing A320s have 14-16 business class and 120 economy seats," Makhlouf said. The aircraft will offer more legroom, individual entertainment screens, wider alley space and in business class will offer a lie flat bed too. The move to patronise Indian customers is because Gulf Air enjoys 78-80 per cent load factor on Indian routes.

Gulf Air officials are in talks with the government to increase their number of flights out of the country and add destinations such as Pune and Ahmedabad on the Indian map.

Record exhibitors at INMEX India 2011

The biggest event in South Asia, the show lays stress on exposition

onsidered the biggest maritime event in South East Asia, INMEX 2011, lived up to its expectations notching up a record number of exhibitors totaling 532 participating companies from 42 countries and featuring country pavilions from Holland, Norway, Denmark, Germany, Korea, Singapore and China.

However in this 7th edition of INMEX India, the focus was mainly on the exposition while the conference played a secondary role in the three-day programme which stretched from 29th September to 1st October, 2011. Several exhibitors showcased their latest products, some choosing to use the event to launch their new creations. In general the exhibition severed to give a fair account of the emerging trends in the maritime industry.

The presentations at the conference featured many participants from among the exhibitors who took the opportunity to show case their organization's strength, expertise and capabilities besides giving an in-depth presentation about their area of specialization.

Presentations that featured in the program post the inaugural session illustrated issues focusing on the versatility of marine engines, finance, technologies for the niche markets, dredging, infrastructural developments, dynamic positioning, maritime education, ship building and repairs, coastal and inland waterways shipping. To encourage greater number of visitors and delegates the organizers made entry to the exhibition and conference totally free.

Delivering his address at the inaugural session, the chief guest, K. Mohandas, Union Shipping Secretary, government of India informed that the government envisaged setting up of seven major ports by 2017 at an estimated invest-



Mr. K. Mohandas, Secretary - Shipping, Ministry of Shipping, Govt. of India lighting the lamp while inaugurating the INMAX 2011 event. To his left is Mr. L Radhakrishnan, IAS - Chairman, JNPT, Mumbai

ment of \$ 7.8 billion. He highlighted the dredging agenda of the ministry, the efforts being made to tackle piracy and steps being taken to encourage Indian shipping trade.

S. Hajara, Chairman and Managing Director of the Shipping Corporation of India (SCI) pointed to the current Golden Jubilee celebrations of SCI that were underway and the highlighted the role SCI played in Indian shipping. He stressed on the importance of shipping in the world trade and underscored the fact that contribution of Indian shipping in the India's international was on the way down.

The conference saw some interesting presentations by internationally known speakers. Akshay Jain, CEO of Vedam Design & Technical Consultancy gave an in-depth account of the latest development in ship building and ship repair technologies. Representing SENER Ingenería y Sistemas S.A., an Engineering, Construction and Systems Integration company in India, he explained the high points of their popularly known FORAN V70 system meant for the design and production of ships and off-shore platforms.

Presenting the ship building scenario in India Anand V Sharma of Mantrana Maritime Advisory, a well-known consultancy firm in the maritime domain explained in detail the different major ship yards in existence in the country and their contribution to the ship building activity.

Another well-known speaker was Martin Porsbjerg, Group Product Manager of Hempel A/s who talked extensively about protecting floating assets in the sea by employing the latest paints techniques.

Peter Bertling – Loggers revealed some remarkable facts on "Shock & Vibration control in Defence and Dredging". He illustrated an array of instruments and equipment that find use in ship building. He informed that all their products were being offered to the Indian market.

IATA Cargo Day: 2012 forecast downgraded



The International Air Transport Association has downgraded its 2012 forecast for airline profits from \$4.9 billion to \$3.5 billion. The biggest reason for the downgrade appears to be the economic unease permeating the eurozone.

A lmost reinforcing IATA's concern about the eurozone economy, the European Central Bank Thursday cut its key interest rate back another 0.25 percent, a move seen as a shoring up against a possible recession. The move mirrors the bank's action in early November, when it reduced the main interest rate from 1.5 percent to 1.25 percent.

But recent numbers from a few European carriers send mixed messages, showing cargo and passenger traffic are being affected differently by the crisis. While Air France-KLM saw a 2.5 percent rise in passenger traffic in November, cargo traffic fell 8.1 percent. In October, Lufthansa saw a year-overyear passenger traffic bump of 2.8 percent, but load factor declined by 3.9 percent. Traffic handled by Lufthansa Cargo declined modestly at 1.2 percent.

The disconnect between increas-

ing airline passenger numbers and the fall in cargo volumes has unpleasant echoes of the deepening economic crisis in late 2008 for Des Vertannes, global head of cargo at IATA.

If the speed of air cargo's recovery from the first phase of the crisis in 2010 had shown anything, it was that when cargo has a good year, it provides a massive boost to airlines' bottom lines, Vertannes told a cargo media briefing at IATA's headquarters in Geneva. This may have served to increase airline CEOs' awareness of the importance of cargo to their overall fortunes. He cited Thai Airways' formation of a separate cargo business unit and the fact that it is now keen to acquire freighters.

However, the unprecedented series of events outside the industry's control in 2011 — from the Arab Spring to continuing oil price rises, the Japanese earthquake, the Thai floods and and the uncertain future of the euro — has hurt carriers badly.

Brian Pearce, chief economist at IATA, underlined that passenger load factors remain close to all-time highs, consistently in the 78-79 percent range through 2011. Good asset utilization is one of the key reasons why airlines have managed to prevent cash flow and profitability from spiraling downward. Aircraft daily hours recovered in mid-2010 and have maintained levels of more than eight hours per day.

Yet cargo volumes have been shrinking since mid-year. This was "the canary in the coalmine," as both governments and private households cut back on their budgets, Pearce said. Global freight transport-kilometers were 5 percent lower in October than in May.

Intra-Asia airfreight traffic was more than 12 percent down in the first three quarters of the year while passenger

FEATURE | industry**update**

numbers rose 4 percent. The imbalance is just as marked on the key trans-Pacific lane (5 percent down) and Asia-Europe (2 percent down). Only trans-Atlantic freight traffic was noticeably stronger, with German auto parts still shifting to U.S. assembly lines and other goods continuing to flow

The weakness in Asia reflected a falloff in garments and most markedly in electronic goods. Semiconductor shipments are falling and remain an accurate marker of airfreight's wider fortunes, with the two graphs currently in perfect lockstep.

Pearce said the precipitous collapse in the market seen in 2008, when inventory soared relative to sales, was not evident this time around. Sliding cargo load factors had put yields under severe pressure, however, and new wide-body capacity exacerbated the problem.

"World trade has essentially stopped growing," Pearce said. He foresaw more weakness ahead. Express traffic was holding up better than general freight volumes, but the confidence of manufacturers' purchasing managers remains low. "Airfreight is the first thing they'll cut," he said.

Maritime trade has out-performed air in the last 18 months, with a shift to ocean evident as products mature and the value-to-weight argument no longer justifies airfreight rates.

IATA predicts the global airline passenger market will slow from six percent growth this year to four percent next, but that the cargo market will stay broadly flat through 2012. Even that looks optimistic set against the OECD's prediction of doom if Europe cannot find a way through its financial troubles. Should the Eurozone crisis deteriorate into a full-blown banking crisis, OECD estimates the EU will descend into a deep recession and the U.S. into a small one, pulling down growth in China and other emerging economies.



Des Vertannes



Multi Moving Systems

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#27/13 West Mada Church Road, Royapuram, Chennai - 600 013. Tamilnadu, INDIA Tel: +91-44-2598 0353/2598 0354 Fax: +91-44-2598 0232 : multimoving@multimodal.co.in Email Website : http://www.multimodal.co.in.

* Moving of personal effects from residences - overseas or to a domestic location * Moving of office equipments - overseas or to a domestic location * Moving of warehouse - overseas or to a domestic location

- * Moving of personal effects, office equipments, warehouse etc from overseas to India * Customs clearance, documentation etc (inbound shipment)
 - * Free cost analysis, International Packing, Quick delivery, Door-to-door service * Comprehensive Insurance coverage.

Airlines Transport





Sea Shipping

industry**update** | FEATURE

ICAO supports European airport CO₂ plan

Tust as the COP17 meeting took place in Durban, this vear's AIRPORT EXCHANGE conference in Abu Dhabi saw a ground breaking announcement about airports and their actions in relation to the fight against Climate Change.

At a ceremony taking place yesterday evening at the Emirates Palace in the presence of close to 800 aviation industry and institutional representatives, ACI EU-ROPE's flagship climate change initiative, Airport Carbon Accreditation, was formally extended to the Asia-Pacific region, in cooperation with ACI ASIA-PACIFIC.

Having already achieved significant results in Europe, this new development is a decisive step in the establishment of Airport Carbon Accreditation as the global standard for carbon management at airports. In line with this objective, the launch of the programme in the Asia-Pacific region coincided with its recognition and support by the International Civil Aviation Organisation (ICAO). As part of this, ICAO will participate in the Advisory Board of Airport Carbon Accreditation.

Olivier Jankovec, Director General ACI EUROPE commented "When we first launched Airport Carbon Accreditation in June 2009, there was cynicism from some quarters that a voluntary initiative without quantifiable targets wasn't going to have much success. With 46 European airports accredited³ and a reduc-

tion of more than 700.000 tonnes of CO₂ last year*, the results speak for themselves."

He added "The demand for the programme has outgrown Europe and ICAO's support is an acknowledgement that aviation is really leading the field in taking action to address its impact on Climate Change."

Patti Chau, Regional Director ACI ASIA-PACIFIC commented "We are delighted that Airport Carbon Accreditation is now available to Asia-Pacific's airports. This corner of the earth will soon be the biggest aviation market in the world and airports are keenly aware of the need to make their facilities and operating processes as environmentally sustainable and efficient as possible."

Raymond Benjamin, ICAO Secretary General said "Airport Carbon Accreditation is a highly significant initiative by airports for meaningful and measurable action in addressing their greenhouse gas emissions. I commend ACI for its success with the programme in Europe and for extending it to the Asia-Pacific region, in line with ICAO's global strategy for dealing with climate change."

The launch ceremony also saw Abu Dhabi Airport become the very first airport in Asia-Pacific to achieve certification within the programme. Bangalore Airport has also committed to becoming Airport Carbon Accredited within 12 months. 텾

Global Aerospace Summit 2012 **EADS/Airbus** and Boeing to be foundation partners

ADS/Airbus and Boeing, the two largest Original Equipment Manufacturers (OEM) in the world, have confirmed I their positions as foundation partners of Global Aerospace Summit 2012 to be held in Abu Dhabi from 16th- 19th April,2012.

As Foundation Partners, EADS/Airbus and Boeing will play a key role contributing to the development and shape of the Summit programme content, and already have representatives on the Summit's Advisory Board, which also includes personnel from Mubadala Development Company, Booz & Company, Abu Dhabi Aircraft Technologies (ADAT), Abu Dhabi Airports Company (ADAC), Sanad Aero Solutions, and Etihad Airways.

Global Aerospace Summit 2012 is an exclusive, invitation only, international forum bringing together international and regional senior executives from across the aerospace, aviation and space sectors for a four day event that will promote cross industry thought leadership and discuss future growth strategies.

The format combines two days of high level debate-led discussions on aerospace, aviation and space, followed by two days of field trips to aerospace and aviation facilities. There will also be closed door discussions, a private procurement meeting programme, and a careers development programme targeting vocational and professional development.

Commenting on Boeing's involvement in Global Aerospace Summit 2012, James Albaugh, President and CEO, Boeing Commercial Airplanes, said:

"The Global Aerospace Summit 2012 in Abu Dhabi will be an excellent platform for thought leadership across our industry. Boeing is pleased to participate and help make this Summit relevant to the needs and demands of our industry now and in the future."

Marwan Lahoud, Chief Strategy and Marketing Officer, EADS/Airbus added:



"Through a collaborative effort and a cohesive plan, Abu Dhabi is demonstrating to the world at large that it has the potential to become a major hub for aerospace, aviation and space innovation and development. Our position on the Summit's Advisory Board as well as being a Foundation Partner for the event itself, allows us to play a role in ensuring that Global Aerospace Summit 2012 can harness the collective insight from some of the leading figures within the industry."

In addition to the confirmation of Boeing and EADS/Airbus as Foundation Partners, the list of confirmed speakers for Global Aerospace Summit 2012 continues to grow. Representing the space and satellite industry is George T. Whitesides, CEO and President of Virgin Galactic. At the Summit there will be panel led discussions focusing on the future of Space and Aerospace Markets, Satellites as tools for national economic development, and the new era of commercial space business.

George T. Whitesides, CEO and President, Virgin Galactic commented:

"Commercial space business is heading towards a new era and there are a number of opportunities for new players as well as the potential for innovation and technology development. For Virgin Galactic it is important to be a part of the debate with our peers as the industry can really benefit from collaboration in building a skilled workforce and maximizing the positive impact on local economies."

"The level of response and participation from such leading global companies and representatives is indicative of the position that Abu Dhabi is building for itself in the aerospace, aviation and space industries. We look forward to next year's Global Aerospace Summit as we believe that it will have a major impact in shaping policy and decision making for the future," concluded Homaid Al Shemmari, Executive Director of Mubadala Aerospace.

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Swiss WorldCargo to deploy lightweight containers

As of December 2011, the cargo division of Swiss International Air Lines Ltd will start deploying "lightweight" containers in its ULD fleet by replacing 150 of its LD3 – AKE devices. By 2014, the whole AKE fleet, which numbers over 1300 devices, will be replaced in four steps by the new type of composite containers provided by ULD management partner Jettainer.

For many decades, international aviation has exclusively used aluminium containers for the transport of cargo and baggage. In the last few years, the demand for further weight reduction has inspired container manufactures to research new, lighter composite materials such as glass fibre, Kevlar fibre or Dyneema®. Most of these materials are completely recyclable. 120,000 trial runs and six months of material testing in collaboration with "Süddeutsches Kunststoffzentrum Würzburg" (a German institute for quality assurance monitoring) revealed that lightweight containers significantly reduce the transport costs and environmental impact of airline operations.

For Swiss International Air Lines, the estimated reduction in CO2 emissions will amount to over 3,000 tonnes per year upon completion of the container replacement plan in 2014, equal to the total annual emissions produced by a Swiss village of 500 inhabitants. The revolutionary containers, which are carried in the lower deck of wide-bodied aircraft, offer advantages when it comes to ground handing, too: firstly, due to their lower weight, they require less space.



Singapore Airshow 2012 -**Returning for the best**

sia's largest and one of world's top three aerospace and exhibitions defence promises to deliver more business opportunities for industry players as the show scales greater heights in 2012.

The biennial Singapore Airshow, set to return from 14 to 19 February 2012, aims to reinforce its role as the choice platform for defence and civil aviation leaders. and industry players to build relationships and explore valuable business opportunities by providing an engaging and holistic experience to all participants.

To date, almost 80% of Singapore Airshow 2012 exhibition space, has already been confirmed, underscoring its importance as a "must-attend aerospace and defence event" in the global industry calendar.

Returning exhibitors for Singapore Airshow 2012 include major industry leaders like Airbus, Boeing, EADS, Finmeccanica, Raytheon, Rolls Royce, Lockheed Martin, Northrop Grumman, ST Engineering and MTU. As a reflection of their positive experiences in the last show, IRKUT, B/E Aerospace will be expanding their exhibition space. Daimler and Ryca will be joining the event as first time participants in the land defence pavilion.

With the theme, 'Big Show, Big Opportunities', Singapore Airshow 2012 is primed to be a platform for insightful exchanges of ideas among industry's finest minds, strategic networking op-



portunities with key players and will offer invaluable showcases of the newest and leading innovations, tailored to respond to the ever-changing industry trends and market demands which create an avenue for conducive business prospects. In addition to the latest exhibits of aerospace and defence technology, participants can maximize their experience through activities such as business forums, high-level strategic conferences and procurement networking forums.

Reflecting the pulse of the industry, two pavilions, namely Unmanned Systems Pavilion and Land Defence Pavilion will be highlights of Singapore Airshow 2012. Making its debut in the show, both pavilions will represent two key sectors that are expected to experience high growth, particularly in the Asia Pacific region, in the short to medium term

With a multitude of exhibits and programmes where key decision makers and aviation leaders meet, Singapore Airshow 2012 will provide participants with the experience of a global marketplace at one convenient location 🤅



powerhouse for the world's Airshow also features a series of high level conferences dedicated to leading players in the global aviation industry – Singapore Airshow Aviation Leadership

GVK acquires 13.5 per cent in MIAL for '1,140 cr.

dnata (www.dnata.com) the fourth largest air services provider in the world has announced its first foray into the Indian market with the official launch of its travel services operation in India.

dnata, in partnership with the award-winning international corporate services company and one of the world's leading travel management companies, Hogg Robinson Group (HRG), will offer corporate travel solutions in India with services including a 24x7 Contact Centre facility for reservations, online corporate booking tools (TMS), visa services, travel insurance, worldwide car rentals, event management, incentives and VAT reclaim.

dnata will offer a broad spectrum of travel products and services to corporate customers in the country. With two offices, located in Delhi (Noida) and Mumbai, the company has initiated operations in India with the manpower of 100 employees.

In the current economic environment when companies are exploring innovative ways to control costs in all spheres of their operations without impacting the service standards, dnata will deliver tailor-made solutions to meet the specific needs of the Indian corporate market. With over 50 years of experience in the travel industry, dnata has developed its own technology platforms which will offer services in all aspects of travel including flight reservations and ticket purchase, hotel reservations, ground transportation, tailor-made packages, excursions and much more.

"As a rapidly expanding economy, India is a market of strategic importance to us and the travel business on the whole", said Gary Chapman, President, dnata. "Our expertise lies in sourcing, supplying, distributing and promoting the best in travel products from around

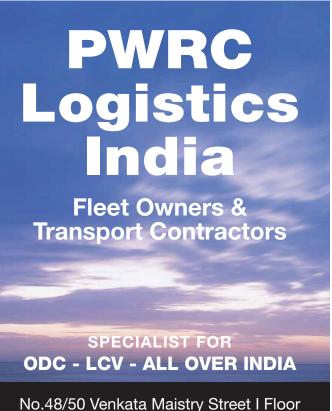
the world and making them easily accessible. Cutting edge technology coupled with skilled and professional staff that can deliver travel-related products and services to international standards are what will set dnata apart from its competitors in India."

dnata will first showcase its expertise and knowledge in India through the corporate travel segment, before implementing a phased approach to other travel verticals including: Retail/ Leisure travel, online, and the MICE (Meetings, Incentives, Conferences and Exhibitions) market.

"India continues to grow in importance for our clients and it is vital that we have a consistently reliable and high quality service to offer them". said Stewart Harvey, Group Commercial Director of HRG. "We have a long-standing and successful relationship with dnata who, as well as having existing business interests in India and therefore a comprehensive understanding of the culture, also understand the needs and requirements of HRG's multinational clients

for whom a seamless service is vital. This addition to our worldwide network provides our clients with a level of expertise and knowledge in India that is unsurpassed."

dnata's relationship with HRG is well established; dnata is the strategic managing partner for HRG in the Middle East and West Asia, the joint network of this business partnership has offices in Afghanistan, Jordan, Bahrain, Egypt, Iran, Kuwait, Lebanon, Morocco, Oman, Pakistan, Qatar, Syria, Saudi Arabia, Sri Lanka, Sudan, Tunisia, the UAE and Yemen.



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Lufthansa Cargo opens cool centre at Frankfurt



Lufthansa Cargo began operations today at its Inew facility for temperature-sensitive freight in Frankfurt. The Lufthansa Cargo Cool Center was built in the space of just six months. It is equipped with four cool storage rooms for four different temperature ranges as well as a deep-freezer cell on an area of 4,500 square metres. From now on, all temperaturecontrolled shipments carried by the airline in Frankfurt will pass through the new facility.

At the inauguration of the Cool Centre, Board Member Product and Sales Dr. Andreas Otto underlined the status of temperature-sensitive freight. He told around 200 invited guests at the opening ceremony: "Our Cool/td product is assuming everincreasing importance for Lufthansa Cargo thanks to growth rates of 15 per cent. The Lufthansa Cargo Cool Center will enable us to ship temperature-controlled freight faster, more reliably and more efficiently at our Frankfurt hub, and further expand our position as a leading provider of cool transports."

Lufthansa Cargo earmarked substantial capital expenditure last year in the Cool/td product. Besides investing in the development of the Opticooler, the industry's state-ofthe- art and most efficient cooling container, the cargo carrier commenced operations at its first international pharma hub at Hyderabad in India.

Reliable cool transports are imperative in the pharmaceuticals industry. Medicines, vaccines or insulin must frequently be transported within narrow temperature margins, which need to be rigorously maintained from start-to-finish of the transport chain.

Airbus builds 1,000 eco-efficient aircraft in just under two years

Airbus delivered its 7,000th aircraft, an A321, to US Airways – the airline that operates the largest fleet of Airbus aircraft in the world – from the Airbus facility in Hamburg, Germany. This milestone comes just two years after the delivery of Airbus' 6,000th aircraft which underlines the continued vibrancy of the commercial aviation sector and the market's clear vote for ecoefficient aircraft.

The 1,000th Airbus delivery was an A340-300 that went to Air France in 1993, nineteen years after the first Airbus aircraft was delivered – an A300B2 also to Air France, in 1974. The 2,000th delivery was six years later in 1999. It took half that time, just three years, to get to the 3,000th delivery in 2002 and three more years to reach 4,000 deliveries. The tempo went up another notch taking Airbus only two years to hand over its 5,000th aircraft, an A330-200 to Oantas in December 2007. The 6,000th Airbus was an A380 which was delivered to Emirates in January 2010.

"It's particularly fitting that our 7,000th aircraft is an A321 going to US Airways.The airline not only operates the largest fleet of Airbus aircraft in the world; with over 220 A320 Family aircraft flying in US Airways colours today, they also operate the largest fleet of our best-selling, eco-efficient A320 Family," said Tom Enders, Airbus President and CEO. "This milestone is a tribute to the hard work and commitment of Airbus teams around the world. We have improved efficiencies companywide and this has enabled us to deliver record numbers of latest generation aircraft at continually increasing rates, with an environmental footprint ever decreasing."

"Airbus has been a long-term strategic partner to US Airways. Today we celebrate a significant milestone in Airbus' history," said US Airways' Chief Executive Officer, Douglas Parker. "It is an honor to be the recipient of their 7,000th delivery. On behalf of the 32,000 employees at US Airways, we applaud this tremendous accomplishment and look forward to a continued successful partnership."

By the end of the year, US Airways will operate a fleet of 93 A319s, 72 A320s, 63 A321s and 16 A330s. The airline also has firm orders for an additional 58 A320 Family aircraft, eight A330 aircraft and 22 A350 XWBs on backlog.

Over 8,200 A320 Family aircraft have already been ordered and more than 4,900 delivered to more than 340 customers and operators worldwide reaffirming its position as the world's best-selling singleaisle aircraft family. The A320neo has over 95 percent airframe commonality with the current A320, making it an easy fit into existing fleets while offering up to 500 nautical miles (950 kilometres) more range or two tonnes more payload at a given range.

New Indian civil aviation policy soon

The Government's new civil aviation policy is expected to be ready in the next five months, the Civil Aviation Secretary, Mr Nasim Zaidi, said at an Assocham meet.

Applicable for 10 years, this new policy will focus on attracting higher private sector investment into the ailing sector and improving the cost viability for the stakeholders. It will also look to set up a promotion board for air cargo.

"We have decided to frame a new civil aviation policy that will help meet the challenges of the next decade. The challenges are wide-ranging from viability of the sector to human resources. The policy will encompass all that," Mr Zaidi said.

He added that his Ministry is also working on a "economic regulatory framework" for monitoring air fares. This would look more at legality of changes in fares by airlines and not work on fixing exact fares.

With debts mounting daily for airlines such as Air India and Kingfisher, the sector is under huge pressure from high fuel (ATF) prices and taxation.

AIR CARGO

Mr Zaidi also said that air freight stations at Mumbai and Chennai will be made operational soon to keep up with the booming traffic.

"We need to decongest cargo terminals with simplification of customs procedures, greater use of mechanised handling and speedy clearances of shipments. India has the potential to emerge as a global transhipment hub," he said.

According to Assocham, the air cargo industry has been averaging an annual growth of 12 per cent. The total cargo handled by domestic airports in 2010-11 was 2.33 million tonnes, up from 0.5 mt in 2005-06.

While the domestic cargo is expected to increase from 0.8 mt to 1.7 mt by 2016-17, the international car-

go traffic is projected to move up from 1.5 mt to 2.7 mt in the same period.

Other industry officials at the event said that air freight stations will eventually have to be moved to tier 2 and tier 3 cities to offset limitation of space and decongest warehouses at the existing main airports.

As the infrastructure sector expands to keep up with rising passenger and cargo traffic, investments of Rs 1.5 lakh crore will be required in the next 15 years in the aviation space.

India's scheduled airlines have 430 planes now, but would need 1,500 by 2025, said the chamber.

FDI IN AVIATION

A top aviation industry representative has expressed doubts whether allowing foreign airlines to invest in Indian carriers would attract them enough to put in money now, when the domestic industry was in a financial mess.

However, he strongly supported the need for further liberalisation of India's FDI policy in aviation as well as slashing of high taxes on jet fuel.

"In today's difficult environment, generally speaking, many airlines are trying to keep their balance-sheets strong rather than investing in other airlines. Investing in loss-making business is obviously not a winning strategy," IATA Director General and CEO Tony Tyler said. Almost all Indian carriers have suffered losses in the past two years.

But Mr Tyler made it clear that if investment by foreign airlines was allowed, "then investments from different kind of sources will arrive. ... Certainly, Indian laws are very restrictive on foreign investments in airlines."

If FDI policy was liberalised, "you will see foreign money coming into the aviation market, because it is a rapidly growing market. Therefore, aviation-friendly policies are required, particularly lifting the dead weight of taxation," Mr Tyler said when asked about the proposal to allow foreign airlines to pick up equity in Indian carriers.

Describing India as a big aviation market, he said getting across the country by air was the best way. "We need good domestic air transport infrastructure to facilitate foreign investment." To questions on high taxes in India on jet fuel, Mr Tyler said "globally, even in the bad days, fuel costs do not account for more than 30 per cent of the total costs of airlines (the world over). But in India, it is 45 per cent."

Terming high fuel prices in India as the "main problem" which was having "a significant drag" on Indian carriers, the IATA chief said "it handicaps the whole industry. It pushes costs up. So fares have to be increased to break even. Then you will have less traffic and less revenue. It is a horrible spiral of cost. It is penalising the industry."

He asked the government to set India's aviation industry free by expeditiously reducing taxes, especially those on jet fuel, instead of "micromanaging" the cash-strapped sector.

Mr Tyler said the service tax on tickets and high taxes on jet fuel "should be reduced or eliminated".

"We urge the Indian government to set the aviation industry free (from policy interventions like checking airfares). Concentrate on building infrastructure and the air navigation system. There is a lot the Indian government can do," he said.

In India, Mr Tyler said the aviation industry contributed five per cent of the GDP, around Rs 291 crore in tax revenue, provided four million jobs and another seven million jobs through tourism and related activities.

Etihad to grow fleet with 777Fs

Etihad Airways has ordered two Boeing 777 freighters and 10 787-9 Dreamliner aircraft. The combined order is valued at \$2.8 billion.

Etihad, which operates freight and passenger routes to Europe, the Middle East, Africa, Asia Pacific and North America, plans to expand into new markets with the aircraft.

In fact, Etihad CEO James Hogan stated, "Both the Boeing 787 Dreamliner and the 777 freighter offer highly attractive operating economics and will facilitate our global expansion plans by allowing us to transport passengers and cargo into new global markets from our hub in Abu Dhabi."

The Dreamliner order, in particular, highlights Etihad's commitment to flying one the most fuelefficient fleets in the world, Hogan asserted. It also makes the United Arab Emirates flag carrier the world's largest Dreamliner operator, according to a Boeing press release.

Not that Etihad has all of the aircraft in its possession. The carrier currently has 41 Dreamliners on order, in addition to its backlog of 12 777s; 10 of these aircraft are 777-300 extended-range airplanes.

Ajit Singh gets Civil Aviation portfolio

Rahtriya Lok Dal (RLD) chief Ajit Singh has been sworn in as a Union Cabinet minister . He has been given charge of the Civil Aviation portfolio. This is the fourth time Mr. Singh has been inducted into the Union Cabinet.

Apart from the Prime Minister and UPA Chairperson Sonia Gandhi, the swearing-in ceremony at the Rashtrpati Bhavan was also attended by senior cabinet ministers like P Chidambaram, Kapil Sibal and Beni Prasad Verma. Vayalar Ravi, the current Civil Aviation Minister, though was conspicuous by his absence.

The 72-year-old Jat leader from western Uttar Pradesh has

become a part of the Manmohan Singh cabinet a week after his party formally joined the UPA, the first political outfit to do so since the alliance came to power for the second time in May 2009.

Mr Singh's inclusion in the UPA is significant in that it comes ahead of the crucial Uttar Pradesh elections due in a few months. His party, the RLD, has a significant base in the western part of the state.

The alliance is also important given the sustained bid by the Congress, particularly its general secretary and youth leader Rahul Gandhi, to retrieve lost ground in Uttar Pradesh. 🖨

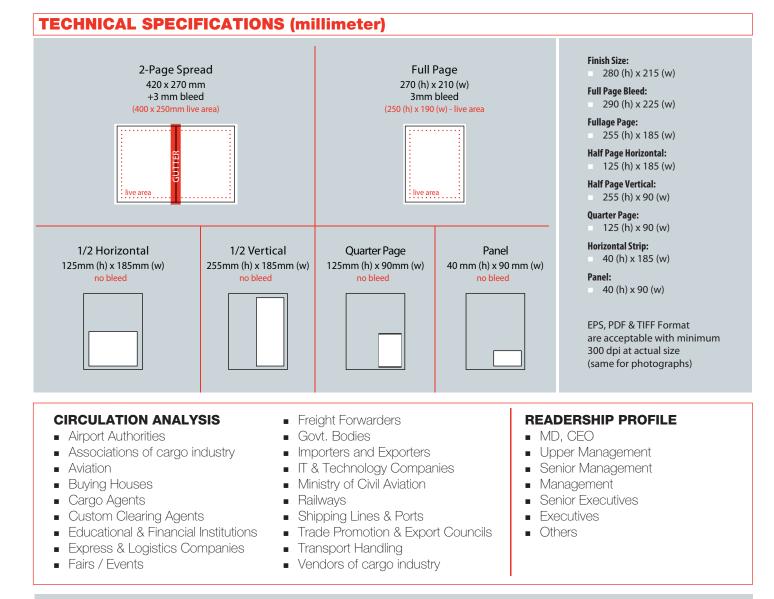
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