



AUTO EXPO2012 BIDS ADIEU WITH CHEERS AND TEARS



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Infrastructure status

The New Year has ushered in with lot of hope and excitement for the Indian auto industry as well as the air cargo sector. The overall automobile industry is expected to grow by 11-13 per cent this fiscal. The same for passenger cars has been pegged at 0-2 per cent, while that of two-wheelers are at 13-15 per cent, three-wheeler segment by 6-9 per cent and that of commercial vehicles at 18-20 per cent.

Sales volumes of cars is expected to be driven by growth in sales of diesel cars attributed to the pent up demand from 2011 which saw sales curtailed due to demand supply mismatches.

The factors that are affecting the automobile industry such as high interest rates, inflation, high petrol prices and negative economic sentiments are still prevalent. Hence, taking those into consideration the growth in the ongoing fiscal seems to be lower from the previous forecast. Structural changes in the Indian auto industry in terms of increased number of companies is likely to restrict any significant improvement in margins from current levels, even during future economic upturns. About the expectations from the Budget for 2012-13, the auto industry hopes that the Rs 15,000 additional duty imposed on big cars will be removed.

The long awaited aviation policy may at last see the light of the day thanks to Civil Aviation Ministry which has started working overtime to formulate a new policy to cater to the latest concerns of the aviation industry, especially issues relating to its sustainability like jet fuel pricing, infrastructure, airfare pricing, safety and security.

It is projected that 200 freighter planes would be required in the next 20 years, and hence the government should upgrade infrastructure,

attract domestic investment and ease FDI norms. As the trade body Assocham has mooted, civil aviation should be granted infrastructure status and aviation turbine fuel should be notified as declared goods (of special importance) with central sales tax of only four per cent.

The government should upgrade infrastructure, attract domestic investments and ease norms on foreign direct investments so that the sector growing annually by eight per cent can raise freight traffic at airports from 23.5 lakh tonnes now to 70 lakh tonnes in the next ten years. To achieve India's standing as a global trans-shipment hub, there is a need for simplification of procedures like 100 per cent electronic approvals. Land should be demarcated for air cargo villages at airports or nearby regions. An Air Cargo Promotional Board should be set up for further organised growth and deployment of air cargo hubs across the country. Automatic storage and retrieval system should be a mandatory requirement for any air cargo terminal exceeding a specified volume of cargo handled. Air freight stations should be established in hinterlands to decongest warehouse and offset limitations of space. There should be cargo facilities at tier II and III cities as alternate growth centres. The dwell time at Indian airports is 40 to 120 hours as compared to international average of four to 12 hours. From supply chains ravaged by the Japanese tsunami to economic instability permeating the U.S. and the euro zone, the airfreight industry has taken numerous hits throughout 2011. But can the lessons learned from these difficult times be used to avoid similar fates in the future?

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AUTO EXPO 2012 BIDS ADIEU WITH CHEERS AND TEARS

The next edition may move out of Pragati Maidan as attempts were on to create a new exhibition centre for international shows in South West Delhi's Dwarka as the hosting capacity of the current venue has reached its saturation point.

THAT this year's Expo witnessed 50 new launches - the largest the event has ever seen - comprising cars, two-wheelers and commercial vehicles. Of these, 32 were just cars - with 24 domestic launches and 8 global. Nine new two-wheelers were unveiled of which 8 were domestic launches and one global. The rest were commercial vehicles and the 'others' category. The expo also drew some 500,000 footfalls.

DWARKA AS FUTURE VENUE

On the sidelines of his valedictory address at the Auto Expo Union Minister Kamal Nath said attempts were on to create a new exhibition centre for international shows in South West Delhi's Dwarka as the hosting capacity of Pragati Maidan has reached its saturation point.

"We are looking at venues in Dwarka and we are talking to international exhibitors who got skills for an exhibition centre of international standards," Nath told reporters.

"It is true because we have limited exhibition centres and many exhibitors also come there and the number of common people who visit is also increasing each year," he added.

Nath admitted that Pragati Maidan, the present venue, was already stretched to accommodate the Auto Expo

"The carrying capacity of this exhibition centre has been saturated. So we are making attempts to create a new exhibition centre in Delhi," he said.

However, the Urban Development minister did not made it clear that whether a new venue would be ready by the time the show is held next year. "By next year there may be announcement for the creation of a new exhibition centre, but it may take more time to build it," he said. Nath said relocating

the auto show to another venue did not mean that it would move away from the heart of the city.

"Today there is no area which can claim to be centre of Delhi. Those who say that they live in Dwarka or East Delhi also can claim that they live in the heart of Delhi," Nath said.

That a venue shift was on the cards was also hinted when Nath unveiled a plaque which mentioned February 5 to 12 as the dates for the next Auto Expo. In place of venue, only the "National Capital Region of Delhi" was mentioned.

While auto sales have started on a phenomenal note in the Indian market, the export scenario might be a different story altogether. The Society of Indian Automobile Manufacturers (SIAM) has predicted that the country is likely to miss the export target for passenger vehicles, primarily because there is a decline in demand for small cars in Europe.

"Earlier we had set export target of 5 lakh units of passenger vehicles this fiscal, but it is unlikely that we will meet it," SIAM Senior Director Sugato Sen said. Even with a outstretched luck, passenger vehicle exports by the end of the fiscal could reach not more than 4.5 lakh units.

So far in this fiscal, total passenger vehicle (Utility and Multipurpose Vehicles) exports from India stood at 3,58,538 units in the April-January period, as against 3,69,180 units in the same period last fiscal, down 2.87%.

"This is mainly because the European market, the biggest market for Indian small car makers, has not recovered from the slump," Sen said. During the 2008-09 economic recession, many European countries started to provide incentives for purchase of new car in exchange of old car to boost the sales. But once the sales picked up, these incentives have been stopped.

The two major exporters in the Indian market are Hyundai Motor India and Maruti Suzuki India. Most of their exported cars are sold in the European market. These two carmakers have been busy trying to meet the domestic demand and exports have taken a backseat.

During the April-January period this fiscal, passenger car exports went down 3.34% to 3,53,533 units as against 3,65,731 units in the same period last fiscal. Exports of utility vehicles went up by 50.24% to 3,167 units as against 2,108 units in the same period last fiscal. While the export of multipurpose vehicles also increased 40.41% to 1,883 units so far this fiscal compared to 1,341 units in the corresponding period last fiscal.





OUTLOOK FOR AUTO SECTOR STABLE IN 2012

Meanwhile Ratings agency Fitch assigned a stable outlook for the Indian auto industry in 2012 and said passenger vehicles volumes are expected to grow by 3-5 per cent during the year, with car sales increasing by up to 4 per cent.

It, however, said that commercial vehicles (CVs) segment is likely to register a higher volume growth of 8-10 per cent.

"The 2012 outlook for the Indian auto industry is stable, driven by the expectation that the credit metrics of most companies, though may weaken, will continue to be in line with values expected during a cyclical downturn," Fitch Ratings said in its 'Outlook 2012: India Auto' report.

It further said: "Fitch expects passenger vehicles (PVs) to register volume growth of 3-5 per cent in 2012, contributed by growth of 2-4 per cent in cars, 6-8 per cent in utility vehicles and 8-10 per cent in multi-purpose vehicles."

According to the report, the sales volumes of cars will be driven by growth in sales of diesel cars attributed to the pent up demand from 2011 which saw sales curtailed due to demand supply mismatches.

It said the auto sector will remain stable even as competition-led pricing pressure amid muted sales will lead to a drop in operating profitability and a consequent weakening of coverage and leverage indicators. "Fitch believes that a weakening of household finances and higher cost of ownership will continue to curtail the buying power of consumers in

2012, especially buyers of cars in small- to mid-size segments which contribute to the bulk of PV sales.

"Moreover, any reduction in interest rates this year is unlikely to boost auto sales significantly given negative sentiments of buyers with regard to general economic conditions," it said

Regarding the commercial vehicles (CVs) segment, Fitch said it is likely to register overall volume growth of 8-10 in 2012, driven largely by the sales of light commercial vehicles (LCVs).

"Fitch expects LCVs to continue displaying strong volume growth of 18-20 per cent in 2012. However, medium and heavy CVs are likely to display muted volume growth of at 3-5 per cent, considering that they are deployed to a greater extent for industrial and mining-related transportation activities," the report said.

The agency, however, warned that structural changes in the Indian auto industry in terms of increased number of companies is likely to restrict any significant improvement in margins from current levels, even during future economic upturns.

CAR SALES TO GO UP TO 13 PC IN FY13

Automobile industry body SIAM lowered car sales growth forecast for the third time to 0-2 per cent for the ongoing fiscal citing unfavourable macro economic conditions, but said the same could see a jump by 11-13 per cent in FY13.

"The factors that are affecting the automobile industry such as high interest rates, inflation, high petrol prices and negative economic sentiments are still prevalent. Hence, taking those into consideration we see growth in the ongoing fiscal to be lower from the previous forecast," Society of Indian Automobile Manufacturers (SIAM) S Sandilya told reporters. As per the latest revised forecast, the overall automobile industry is expected to grow by 11-13 per cent this fiscal. The same for passenger cars has been pegged at 0-2 per cent, while that of two-wheelers are at 13-15 per cent and that of commercial vehicles at 18-20 per cent.

He further said the auto industry is expecting RBI to reduce interest rates by 250-500 basis points in the next fiscal.

Based on these assumptions, SIAM said while the passenger cars sales will grow by 11-13 per cent in FY13, commercial vehicles will witness 12-14 per cent growth. The two-wheeler segment is pegged to rise by 11-14 per cent and three-wheeler segment by 6-9 per cent.

"Overall we see the auto domestic industry growing by 10-12 per cent in the next fiscal," Sandi-



lya said.

He, however, said the forecast has not taken into account the possible impact of any change in excise duty structure in the Budget or any other announcement that can impact the auto industry.

Asked about expectations from the Budget for 2012-13, Sandilya said the auto industry hopes that the Rs 15,000 additional duty imposed on big cars will be removed.

With around 1,500 participants from 24 countries, the 11th Auto Expo was host to 50 new launches including cars, two-wheelers and commercial vehicles, and a special focus on green technologies and environment

The media personnel were addressed by Rajive Kaul, Chairman, Steering Committee, Auto Expo 2012, S.Sandilya, President SIAM, Vikram Kirloskar, Vice-President SIAM and Arvind Kapur, President, ACMA.

The theme of this year's Expo was "Mobility for All." Going by the number of launches, the bi-annual event did live up to its theme. Leading the charge were several international car-makers, who were upbeat despite the current lull in the market. The participants at this year's show came from coun-

tries like Germany, China, Canada, France, Italy, Japan and the UK - the forerunners in the automotive industry.

Exhibitors from the auto component industry also had a strong presence at this year's Expo. Here, too, a surge in international component manufacturers was seen including those from Belarus, Canada, China, France, Germany, Hong Kong, Japan, Malaysia, Netherlands, Portugal, Russia, Switzerland, Singapore, Thailand, Turkey and UAE, making it truly "India's global automotive show," said Arvind Kapur.

There were focused pavilions for accessories, audio, alternate fuels, gas technologies, design, IT diesel equipment and the 'asli-naqli' pavilion, which will aim to make visitors aware about the disadvantages and dangers of using fake vehicle parts. "Like in the past, the 11th Auto Expo also showcased future vehicles that will be launched in the Indian market during the coming months and years, and the event was a harbinger of revival of the industry in the new year," concluded Vikram Kirloskar, VP, SIAM.

The Expo will also focussed India as a champion of green mobility with a focus on alternative fuels, electric and hybrid vehicles, etc. As in the previous edition, the first day of the show (January 5) was observed as Goodwill day, where media personnel aside, the gates was also thrown open to the physically challenged.

Organised by the Confederation of the Indian Industry (CII) in association with Society of Indian





Automobile Manufacturer (SIAM) and Automotive Component Manufacturers Association (ACMA), the Auto Expo is the only auto show to be accredited by Organisation Internationale des Constructeurs d'Automobiles (OICA).

Quite apart from the claim to be the first in the calendar of global automotive shows to throw open its doors, the Auto Expo in New Delhi, a biennial event, is more importantly a key showcase of the changes and new developments that can be expected during the next two years in the Indian market.

And if the previous edition of the show in 2010 was an indicator of the small personal mobility vehicles that were due to be launched, this year's - the 11th - Auto Expo 2012 was loaded with family mobility solutions with the new launches and unveils of both due-to-be-produced and concept vehicles in the MPV and SUV segments.

Institutional buyers who are seeing their operating margins going southwards due to the hike in fuel prices would have been looking for a vehicle with a smaller footprint - both in terms of fuel usage and size.

From the manufacturers' perspective, it must have been a difficult proposition to develop and produce a vehicle in these two related categories and yet keep the costs low enough to make them attractive for the Indian middle-class. Most often, the need would have been the availability of a platform, which can be shared with an existing, successful low cost platform. That is why it's no surprise that the first to roll out a new vehicle in this emerging compact MPV/ SUV categories will be Maruti Suzuki India, a company that is a leader in compact vehicles. The success of the Mahindra Xylo and the new Mahindra XUV 500 shows that a stylish, affordable vehicle with a diesel engine in this class of cars can actually wean away buyers

from sedans in the same price segment.

The Maruti Suzuki Ertiga will be launched before April this year and will attempt to catch buyers in with its hatch style design, but seven-seater configuration. The Ertiga's central premise is to capture the imagination of the upwardly mobile young Indian who is looking for a family tourer, but doesn't want an oversized vehicle.

The Ertiga on show at the Auto Expo 2012 is the final production version. Maruti also unveiled a new compact SUV concept called the XA Alpha. Positioned as an elegant off-roader Concept XA Alpha is said to be a fresh view on the SUV segment and captured our attention with its compact dimensions, aggressive styling and futuristic detail. According to Maruti, the 'Alpha' in the XA Alpha represents trendiness and newness that the youth connect to. The 'A' signifies that this compact, 4 metre long concept, is designed for customers wishing to enter the utility vehicle segment. The 'X' denotes the cross-over category.

The point that most onlookers will make, however, will be that Maruti's final production vehicles don't seem to carry forward too many of the concept's design and futuristic features. That was the case with the A-Star and now with the Ertiga too. Let's see how the XA Alpha turns out if it goes into production.

Ford India, which has had a taste of the mass market with the success of the Figo small car, will join the race with its own compact SUV. The company showed off a swank design concept of the EcoSport, and called it the urban SUV. The EcoSport will make it to the market by the end of the year and it will sport a three-cylinder, one-litre turbo petrol and a 1.5-litre diesel engines. The new compact SUV is said to be based on the Fiesta platform.

The other concept at this year's Auto Expo that holds a lot of promise - though it is going to take much longer to make it to the market, if at all - is the Hyundai Hexa Space. Code named HND-7, it is a Multi-Purpose Vehicle (MPV) Concept that will focus on the efficient use

of interior space with innovative interior design. The vehicle features eight slim, hexagonally shaped seats that fit together like puzzle pieces, maximiz-



ing internal space while minimising vehicle width.

Hexa Space is targeted at urban customers in their 30s and 40s who have a demanding lifestyle and who live in bustling cities of the world's emerging economies. Like the new Sonata, the new concept is also built on the principles of 'Fluidic Sculpture' which gives its bold character lines on the side panels.

The seats offer multiple configurations – centre seats fold flat for greater comfort, the second row folds flat to create a limousine function, the back row folds flat for light-cargo use. In addition, seven seats fold flat for heavy hauling and all eight folds flat for camping. Despite the roomy interior, the Hexa Space manages a narrow overall width, key for manoeuvring in crowded streets.

On the other hand, the compact sports utility vehicle that is likely to be launched first, by the second half of this year to be precise, is the Renault Duster, Renault's fourth vehicle in the Indian market.

The new Duster will be positioned as a compact, premium, yet affordable sports utility vehicle. Renault officials, however, haven't announced the price, specifications or trim levels of the Duster yet. This mid-size crossover will attempt to combine the comfort of a sedan and the bold styling and performance of a SUV. The Duster will be manufactured with high local content and will be available in both petrol and diesel variants.

The other vehicle in the MPV/ SUV segment that will make it here this year will be the Nissan Evalia. Earlier code-named the NV200 MPV, the Evalia will be a seven-seater with sliding doors on either side at the rear. The vehicle will be about 4.4 metres long and will possibly sport the same 1.5-litre dCi diesel engine that is currently available in the Sunny.

Meanwhile, Tata Motors launched the Safari Storme, which looked like a reworked, redesigned version of its Safari SUV, with the 2.2-litre DICOR engine and variable geometry turbocharger. Toyota Kirloskar Motor also launched new, face-lifted versions of the Innova MPV and the Fortuner SUV.

Amongst the cars that were on display at the expo, the one that will make it very soon will be the Hyundai Sonata. Hyundai, which has had the two earlier generations of the Sonata in the market already, will hope to score better with this new gen model. Looking much more appealing and in step with its new fluidic design philosophy, the new Sonata will surely be positioned at an affordable price point amongst the other luxury-segment sedans. The Expo also witnessed the launch of the MINI brand here finally. The iconic British brand is part of the BMW group and four of its models have

been launched in the Rs 25-31 lakh price range.


Super bikes

Auto Expo 2012, also witnessed some new high-profile bike launches. One of the hugely popular super bike brands that formally entered the Indian market after unveils at the expo was Triumph. Triumph has brought in a portfolio of seven bikes chosen from four of its prominent model families. The line-up included the Modern Classic - Bonneville, the iconic naked sports bikes Speed Triple and Street Triple, the off-roader Tiger 800XC and the supersports bike Daytona 675. Prices will start from Rs 5.5 lakh for Bonneville and range all the way up to Rs 22 lakh for the flagship Rocket III Roadster.

However, buyers will have to wait for about six months before orders for these bikes can be placed at the company's dealerships here. Three outlets, one each in New Delhi, Mumbai and Bangalore will be set up initially, with a fourth possibly in Chandigarh during the next few months.

With more and more passionate buyers looking to buy into the big aspirational bike brands, Triumph and the others already here – Harley-Davidson and Ducati - are looking to assemble key volume models here. Harley, which already has a facility in Haryana, will now locally assemble two more models the FXDB Street Bob and the FXDC Super Glide Custom. This will enable the company to offer its bikes at lower price points thanks to the savings in import duties.

The Street Bob, a tough big-twin with classic bobber style, will be the most affordable 1,600cc bike in India with a sub-Rs 10 lakh price tag. The other bike that will now be locally produced will be the FXDC Super Glide Custom, which is a powerful custom-styled bike with a lot of chrome detailing, and will be priced at Rs 11.5 lakh (ex-showroom), a reduction of Rs 4 lakh compared to its CBU price of last year.

The other big bike launch at the expo was the Ducati Monster 795. Specially developed for the emerging markets in Asia, the M795 has been launched for a very aggressive Rs 6.99 lakh, ex-showroom. The engine of the Monster 795 is the legendary Desmodue, air cooled, Dual Spark L-Twin engine whose 87 hp gives it that unmistakable Ducati sound. The M795 comes to India after its launch in a few other south Asian countries like Thailand. 



Gulf Air eyes India with newer perspective



Unveils new commercial initiatives for Indian customers; to focus on corporate customers; to introduce new A321 aircraft on Indian sector



KARIM
MAKHLouF
Chief
Commercial
Officer
Gulf Air

Gulf Air, the national carrier of the Kingdom of Bahrain, that generates almost 10 per cent of its total revenue from India, expects the country's contribution to its total revenues to go up by 14-15 per cent in the next one year. The airline is looking at increasing corporate customer business and introduce new higher capacity luxurious aircraft. Gulf Air has been flying to India since November 1971 with first flight to Mumbai. Currently it flies to four Indian destinations namely, Mumbai, New Delhi, Chennai and Kochi with 44 flights across all its destinations offering nearly 12000 seats per week on each direction.

CARRIER OF CHOICE

Commemorating Gulf Air's successful 40 years of service to India recently, Mr. Karim

Makhlouf, Chief Commercial Officer, Gulf Air said, "as the largest Middle East network carrier with excellent connectivity to Africa and Europe, we offer our Indian travelers seamless and faster connections in less than 3 hours giving you a choice of as many as 730 flights a week to the Gulf, Middle East, North Africa and Europe via our efficient hub Bahrain. This is particularly beneficial for Indian businessmen, who have family and business connections for decades in the African markets such as Kenya and Uganda to where we provide excellent connectivity."

On the occasion, Makhlouf announced a special 40% promotional discount scheme on Gulf Air fares from New Delhi, Mumbai, Kochi and Chennai to its recently added destinations Rome and Milan in Italy, Geneva in Switzerland, Copenhagen the

capital of Denmark and Entebbe and Nairobi in Africa.

NEW COMMERCIAL INITIATIVES

He also unveiled the airline's four new commercial initiatives exclusive for the Indian market. Gulf Air is introducing Falcon Corporate Plus, a package designed exclusively for corporate travelers, offering a range of benefits that include special price discounts and free upgrades from economy to Falcon Gold class. The airline is also coming up with an innovative programme specifically for small and medium enterprises (SME's) in India that offers a range of incentives including a double bonanza by which both – the member organizations and their travelling employees - earn miles that can be redeemed for free flights, upgrades, etc. Said Makhlouf, "At

present we have a tie-up with 50 corporate and expect to sign deals with 2,000 corporate 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." The airline is looking for tie-ups with companies operating in oil and gas, information technology, construction, marine and consultancy business.

MODERN FLEET

As the airlines enjoys 70-80% load factor on Indian routes, Gulf Air, for the first time, will be introducing its new Airbus 321 narrow bodied aircraft in India shortly; the single aisle aircraft featuring eight full-flat bed on Falcon Gold class, 161 economy class seats, will offer more legroom, extra galley space for movement and comes with the latest in-flight entertainment of its class. Gulf Air already has 42,000 Frequent Flyer members from India. Makhoul also informed that Gulf Air officials are in talks with the government to increase their number of flights and add destinations such as Pune and Ahmedabad on the Indian map. Gulf Air's popular Frequent Flyer programme has also undergone a major change; renamed 'Falcon Flyer,' the new plan offers members even more attractive privileges and value added benefits such as bonus miles up to 250 per cent, guaranteed seats, priority baggage handling, half miles redemption and family membership. Gulf For families, Gulf Air will be introducing 'Family First' - a series of competitively priced packages for customers travel-

FALCON CARGO UNIQUELY POSITIONED

Crossing another milestone, the Gulf Air has introduced the 'Falcon Cargo,' its newly branded cargo umbrella brand encompassing Falcon Express that provides mail, animal, dangerous goods and high-value cargo transportation, among other services. "The launch of Falcon Cargo marks yet another milestone at Gulf Air in getting closer to our customers," said Gulf Air Senior Manager

Mr. Rory Black. "Falcon Cargo embodies the unique qualities of the bird - sharp, dynamic, agile and swift - reflected in our service delivery to our customers. In today's cargo world, your ability to respond to the market rapidly and offer value added solutions is key to success. Because of our network, size and mixed fleet, we believe Falcon Cargo is uniquely positioned to offer fast and reliable services to the Middle East and beyond."

He added, "With a faster and efficient Bahrain airport and a team of dedicated cargo professionals, strengthened by our unique advantage of operating the largest network in the Middle East, we can move shipments more rapidly than any other hub in the

Gulf. Customers will find Gulf Air the most efficient and cost effective choice providing greater access to unique markets delivered with a consistently faster and more efficient service."

Black said launching a new carrier is all about addressing demand and expediting service. "In today's cargo world, your ability to respond to the market rapidly and offer value-added solutions is key to success," he said in a statement. "Because of our network, size and mixed fleet, we believe Falcon Cargo is uniquely positioned to offer fast and reliable services to the Middle East and beyond." With Bahrain Airport's fully equipped with chiller rooms, air-conditioned areas for livestock, designated areas for dangerous goods and radioactive cargo, exclusive location for valuable cargo, separate areas for diplomatic cargo and air-mail, Falcon Cargo assures its wide range of customer segments the peace and satisfaction of safe and secure handling. Gulf Air offers its clients 51 destinations across the world in 33 countries. The list includes Kochi International Airport as well.

ing with their spouses and kids, offering special privileges both on the ground and in the air. This will be an attractive package particularly for Indians, who very often travel with their families on vacation. Most important of this suite of initiatives is the 'Sky Hub' - world's first full connectivity onboard Gulf Air's long-haul flights offering high speed internet, 3G-4G mobile data speed connectivity, voice over the internet (VOIP) i.e. skype, streaming videos and the world's first in-flight live TV via satellite, launched in October this year.

SPEED, CONNECTIVITY & EFFICIENCY

On the cargo front, Gulf air has recently launched Falcon Cargo, a brand encompassing Falcon Ex-

press and providing mail, courier, diplomatic and general, animal, dangerous goods and high-value cargo transportation, where the airlines focuses on speed, connectivity and efficiency in moving shipments more rapidly than any other hub in the Gulf.

REGAINING LOST MARKET SHARE

In order to regain its lost market share in flight traffic to and from West Asia, Gulf Air has decided to double the incentives it pays to top performing Indian travel agents. "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 Makhoul. [E](#)

Nissan making its mark in India

Against a backdrop of rising sales, international recognition for the quality of the locally built Micra and the launch of an innovative and exciting new family car, Nissan is making its mark in India

Booming sales, a top award for Quality and an innovative new segment-busting family vehicle to be built at Chennai... Nissan is making waves in India.

Appearing at the Delhi Auto Expo for the first time, Nissan has chosen this significant event to launch a brand new vehicle, built in India for India.

The Nissan Evalia, an award-winning seven-seater family car, is the first Urban-Class Utility Vehicle. Innovative and exciting, Evalia boasts best in class fuel economy, a truly versatile interior with multi-use functionality and a host of sophisticated features such as Rear View Camera and Intelligent Key.

Nissan has developed the Evalia in partnership with Ashok Leyland and will produce the car at its plant near Chennai.

The Evalia, that is said to be launched in the middle of this year, will be the third model to be rolled-out from the company's Chennai plant after Micra and Sunny models.

When sales start later in the year, Evalia will add a new dimension to Nissan's range in India, joining the locally built Micra and Sunny models and the imported X-TRAIL SUV, exciting 370Z sports car and Teana premium sedan. Its arrival marks

the start of not only a new segment for the Indian market but also a new phase in Nissan's presence in the country.

Besides Evalia, the company also showcased a zero-emission electric car LEAF, Nissan GTR and third one is Compact Sports Concet (CSC).

Speaking about the company's expansion plan at the 11th Auto Expo, Nissan Motor Company Corporate Vice President Gilles Normand said, "Currently, there are 50 dealer outlets in India but that figure will more than double by the end of the next year. The target is to reach 150 outlets by 2015."

When asked about the launch of the car, Andy Palmer Executive Vice President (Global Planning and Programme Management) at Nissan Motor Company said, "It will be launched in the middle of this year and it will be very competitively priced. We are targeting multi-purpose vehicle segment."

Commenting on the company's plan to expand capacity, Normand said, "We are adding a second production line at the plant in Oragadam near Chennai by March this year." However, the company did not divulge the price or the date of launch.

About its investment plans, the company had announced an investment of Rs 4,500 crore to be made till 2015 at the Oragadam

plant. Out of the total amount, the company has already invested Rs 2,800 crore.

For the fiscal year ended March 2010, the company expects to sell 40,000 vehicles in India that includes brands like Micra, Sunny, TEANA, X-Trail, 370Z sports car.

A comparative newcomer to India, Nissan's sales have exploded over the past two years. From selling around 13,000 units in FY2010, Nissan is aiming to almost triple that to around 40,000 in 2011.

The biggest seller in the country so far is the Indian-built Micra, a little car that has established 'Made in India' as a byword for quality. The internationally respected JD Power organization recently ranked Micra first in the premium compact segment for customer satisfaction.

Nissan is also rapidly building its dealer presence in the country. Currently there are 50 outlets established, covering around 70% of the country, but that figure will more than double by the end of next year, with 110 dealers giving 85% market coverage. The target is for 150 outlets by 2015.

"Our progress in India has been exceptional. An impressive rise in sales, award-winning quality from locally-built products, and an expanding range of



innovative cars from a growing dealer network underlines the strategic importance of India to Nissan's future growth plans," said Gilles.

"Indeed, such is the global demand for products built here in India, that we have brought forward plans to open a second production line at our state-of-the-art Oragadam plant near Chennai. The second line will open in March, well ahead of schedule, which will ultimately create an extra 1,500 jobs at the plant – further proof of our commitment to the country."

As well as the full range of Nissan models on sale in India, the company has taken the unusual step of showing a number of products that aren't on sale here. But the idea behind displaying the potent Nissan GT-R, multi-award winning zero-emission electric Nissan LEAF and the one-off Compact Sports Concept (CSC) is to underline the key ele-

ments of innovation and excitement that's infused into the DNA of every Nissan car, light commercial and truck produced and sold globally.

CSC is an idea for the future, a look at how a small sporting three hatchback might look. Even though it has obvious links to the Nissan Micra, CSC is officially no more than a concept, designed to engage with younger customers in emerging markets such as India.

Two cars most firmly in production, though, are LEAF and GT-R. They might be complete opposites in terms of performance and appeal but both carry equal amounts of the Nissan DNA.

GT-R has an advanced four-wheel chassis, almost 500bhp from its twin-turbo 3.8-litre V6 engine and is the fastest production car around the famed Nurburgring race circuit in Germany.

LEAF's performance figures are

equally as startling in their own way. The family sedan performs against the clock as well as – and in some cases, better than – its conventional rivals, but with a battery-powered electric engine under the bonnet, there are no tail pipe emissions whatsoever.

"We want to show India the depth of Nissan's global offering. Although neither LEAF nor GT-R is currently available in the country, we feel the chance to see two of the most remarkable cars on sale anywhere in the world is something visitors will not want to miss," said Normand

"As to whether LEAF and/or GT-R will ever be sold in India all I can say is that we are constantly evaluating and re-evaluating marketing plans. What I can confirm is that we are committed to launching a growing range of innovative and exciting models in India over the coming months and years – there is a lot more to come from Nissan." 



Namakkal Transport Carriers Pvt. Ltd.

A name to reckon with



K. CHANDRAMOHAN,
Chairman & Managing Director
of NTC

Chennai's George Town area, which is typical of several intervening streets scattered with old buildings, offices, hardware stores selling motors and pumps, lathe and machinery has become famous over the years for its Linghi Chetty Street thanks to one prime logistics mover Namakkal Transport Carriers Pvt Ltd (NTC).

Established in the year 1997 and incorporated as a Private Limited company in the year 2001 with an objective to cater to the specific logistics needs of the business and trade NTC was established at a time when the Indian transport entrepreneurs were severely handicapped due to non-availability of specialty vehicles, especially for the transportation of heavy over dimensional consignments.

From a humble beginning just about a decade ago, NTC today

is a multi-crore business group, providing end-to-end logistic solutions to the specific needs of its prestigious customers, aiming to branch out into allied businesses in India and abroad.

The NTC Group, comprising of many entities in allied and diversified field of activities, is headquartered in Chennai, India.

Says Mr. K. Chandramohan, Chairman & Managing Director of NTC, "We have recently branched out into other activities such as International freight forwarding, stevedoring, shipping services, warehousing and logistics consultancy, providing end-to-end logistics solution to our customers."

With its massive fleet strength NTC enjoys the reputation of being one of the largest fleet owners in India today. It has branches all over India and over 1500 employees on board. This apart,



NTC Group has its own manufacturing facility for designing and manufacturing of trailers, under the name and style Sreevari Engineering Private Ltd.

NTC firmly believes that Quality Service, Safety and timely delivery not only satisfy the requirements of Customers and establish long term relationships, but also identifies NTC as a company with a competitive edge in the Transport spectrum across India. The recognition thus earned, further influenced new scope and dimensions in the

logistical segments in transport industry. Its all-round efficiencies and competencies in providing optimal solutions to the customers backed by strong systems, controls and procedures have led the company to certification on ISO 9001:2008 by TUV NORD – Germany.

Within a span of just 11 years, NTC group had registered a combined turnover of US \$ 47 million as of March 31, 2011 and has ambitious plans to achieve a combined turnover of US\$ 150 Million by 2011-12.


GLOBAL LINKS

After consolidating their position in India, NTC Group has expanded their operations abroad. They have recently opened offices in Malaysia & Singapore and will soon mark their presence in Sri Lanka, Middle East, Far East & Europe. The company is in the process of tying up with a well reputed multinational logistics company which will enable them to operate in many countries such as Spain, Angola, South America, Brazil, Chile, etc. and further consolidate their position as one of the fastest growing Indian logistics company in the international arena.

AWARDS & ACCOLOADES

- Mr.Chandramohan has won many awards in his personal capacity such as –
- Ten Outstanding Businessmen, Industrialist, Personality (TOBIP) award for 2009 given by Junior Chamber International – India (JCI);
- Seva Chakra Puraskar Award – 2011 given by Exclusive Ajatak –Newspaper in association with All India Economy Survey Awards Council;
- TRANSPORT SAMRAT award given by the All India Motor Transport Congress, New Delhi.
- In addition NTC group has also won many prestigious awards namely:
 - APOLLO CV award 2010 for emerging transporter in Niche segment;
 - APEA 2010 for Outstanding Entrepreneurship;
 - APEA 2011 for Outstanding Entrepreneurship and
 - CEAT India Road Transportation Award 2011 in two categories namely, Personnel Management and Customer Experience.

COMMUNITY INVOLVEMENT

As a respectable corporate citizen, the Group, through Palaniammal Kandasamy Trust, a charitable organization, is involved in many philanthropic activities such as, opening and running of educational institutions, Financial assistance to poor students, Encouraging school toppers with Awards every year, Rural Developmental activities, Free Medical camp in Rural areas, free counseling for AIDS awareness to motor vehicle drivers and general public at Namakkal. It has recently started NTC College of Transport Education & NTC Institute of Driver Training & Research in Namakkal to teach safe driving, defensive driving, crisis management, driving of sophisticated vehicles etc., thereby improving the quality and standard of living of the drivers. Apart from these, the Group is also helping the physically challenged, by providing suitable employment opportunities to them. 

Air cargo market in India

\$30 bn investment needed for next 15 years

The year 2011 saw mixed results in the Indian air cargo industry, which reported a substantial fall in the freight load factors compared to early corresponding period of 2010. Currently, the air cargo market in India is expected to grow by a compounded annual growth rate of 12-18 per cent.

Today Indian air cargo industry is fraught with a lot of challenges. According to Nasim Zaidi, Civil Aviation Secretary to Government of India, Indian will need an investment of US\$ 30 billion in aviation infrastructure in the next 15 years to keep up with the expected demand.

Meanwhile, over 2000 ACAAI-accredited and non-accredited cargo handling agents are in the Indian marketplace, vying for a piece of the total airfreight revenue pie of Rs.30bn per annum.

Says Bharat Thakkar, President, and Air Cargo Agents Association of India (ACAAI), "With global air cargo witnessing a slowdown, the Industry is turning to emerging markets where India is leading the growth both in domestic and international business." In order to meet the significant challenges faced by this industry he urges, "Indian forwarders will have to focus on costs and yield management rising up due to market uncertainties, put in place cost effective do's and don'ts, adapt to changing trends in logistics outsourcing and understand clients' perspective on what they expect in building up long-term clientele relationship and avoid pitfalls in client servicing by engaging them in a more pro-active manner by way of providing higher value propositions."

Even the Indian President Mrs. Pratibha Devi Singh Patil while addressing the 4th International Civil Aviation Negotiation Conference (ICAN) had said, "The rapidly expanding aviation sector moves 45 million tonne of cargo through 920 airlines, using 4200 airports and deploying 27,000 aircraft and handles 2.5 billion passengers across the world per year." Taking note of the importance of aviation in economic development of countries, President Prat-

ibha Patil has sought for 'flexible business modules' for expansion of the aviation industry.

DRAFT MoCA POLICY ON AIR CARGO

According to the draft policy report on aviation prepared by the Ministry of Civil Aviation (MoCA), given the fact that India is among the leading aviation markets in the world and is likely to strengthen that position, it is incumbent upon the nation to assume a greater international role in this arena. The country has already been recognised as a role model by FAA and shall strive to play a greater role in the governance of international bodies and their regional chapters.

The report informs that investments in cargo terminals and other infrastructure required for carrying out cargo operations in the airports are quite important. Also, there is a pressing need to augment Off-Airport cargo processing facilities on the lines of Container Freight Stations/ICD so that congestion and delays in cargo terminals at airports can be reduced. Air cargo terminals attached to the airports could at the best be a transit point if availability of space is an issue.

Congestion and delays in air cargo terminals in some of the major metro airports have become chronic. India's image as a reliable supplier in international markets is crucially dependent upon the performance levels of air cargo terminals in the country. Investments need to be made for up gradation/expansion of capacity and modernization of processes/systems to cater to the growing requirements. This needs immediate and effective intervention.

CARGO HANDLING

India's impressive growth in international and domestic trade over past few years has augured well for the air-cargo industry in India. Total freight traffic handled by Indian airports increased at a CAGR14 of 10.9% in last five years to reach 2.33 MMTPA by 2011. International cargo, which accounts for two-thirds of the total cargo handled, is mainly concentrated at metro airports like Mumbai, Delhi, Chennai, Bangalore and Hyderabad. During the 11th Plan period, these international airports witnessed entry of several leading private domestic and global cargo operators such as Celebi, CSC, Menzies bringing

in the latest technology and best practices.

CARGO TRAFFIC FORECASTS

Creation of Cargo Terminal Infrastructure: AAI will consider the development of Cargo Terminals at Pune, Srinagar, Guwahati, Chandigarh, Surat, Mangalore and Tiruchirapalli in the next 5 to 10 years. Recently, Cargo Terminal was operationalised at Port Blair for domestic cargo operation with the assistance of Andaman and Nicobar Administration. When International flights start at Port Blair, AAI will start International Cargo operation departmentally.

Automation and governance: On the initiatives of the MoCA and Commerce and Industry, AAI will upgrade the EDI from ICES 1.0 to ICES 1.5 version in coordination with customs and airlines in Cargo operation at AAI managed Airports to move towards paperless transaction. Continuing with EDI and automation, AAI will actively work with Banks for e- payment transactions for the customers to pay custodian charges.

AAI will be upgrading the cargo infrastructure at Chennai by automation and installing Automated Storage and Retrieval System (ASRS).

Integrated Facilities: AAI shall develop Cargo Villages; shall look to set up customs free zone within airport premises with permission of Customs Authorities and faster processing of non-courier express shipment by providing separate area in cargo terminal.

The Sub-Group on Air traffic forecast projects the domestic and international cargo to grow at a rate of 12% and 10% respectively during the 12th Plan period. The international cargo is projected to reach around 2.7 million metric tonne per annum

(MMTPA) and domestic cargo to around 1.7 MMTPA by financial year 2017.

INCREASING AUTOMATION

The entry of leading private air-cargo companies has brought in a wave of increasing automation, mechanization and process improvement initiatives at major air-cargo terminals in the country. Such investments in air-cargo handling at key airports such as Delhi, Mumbai, Bangalore, Hyderabad, etc. are expected to yield higher air-cargo throughput and improved service levels. The current share of air-cargo compared to other modes of cargo-transportation is fairly low in India. The potential for air-cargo growth in India can be gauged from the fact that some of the global airports such as Hong Kong, Dubai and Incheon (Seoul) handle more cargo volume than all Indian airports put together. The present operating parameters (daily throughput, dwell times) at most air-cargo terminals of the country are far from international best practices.

The following key enablers would be imperative for growth of India's air-cargo industry:

Higher automation: Poor cargo

handling infrastructure at airports leads to spoilage & pilferage, increased turnaround times and degradation in the quality of items causing perception issues for Indian exports. There is an urgent need to facilitate efficiency in air-cargo through IT tools and automated material handling.

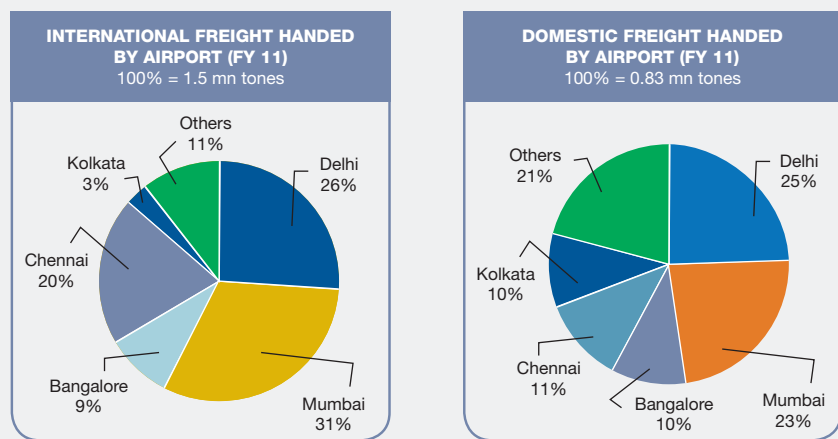
India as a trans-shipment cargo hub: Given its geographic location, India can aspire to become an international cargo hub. To begin with, India needs to facilitate trans-shipment of cargo to and from our neighboring countries, many of whom do not have regular air services to key markets in Europe and Americas. Trans-shipment has been a significant source of revenues for global international airports such as Incheon, Hong Kong and Singapore as seen in the table:

Trans-shipment at Indian airports is currently negligible. Major bottlenecks are absence of dedicated transshipment infrastructure at airports and lack of clarity on the trans-shipment procedures. Conservative estimates by KPMG indicate that the Indian subcontinent alone can offer trans-shipment opportunity of 80,000-100,000 mt per annum.

Dwell time reduction: Cargo dwell times for large Indian airports currently range from 3 to 5 days as compared to an average of 4 to 12 hours at leading global airports! Reduction in dwell time and faster clearance of cargo are extremely critical for India. The following table highlights India's glowing disparity with global standards:

GROUND HANDLING

In 2011, the MoCA announced a new ground handling policy under which only three ground handlers would be allowed at each of the six metro airports in the country. One would be an Air India



Airport wise break up of international and domestic freight handled in FY 11.

Source: AAI

subsidiary while the airport operator through competitive bidding can select the other two. This segment witnessed the entry of several large domestic and global players such as SATS, Celebi, Bird Group, Menzies, etc. AI-SATS is a joint venture between national carrier Air India and Singapore Air Transport Services.

By 2017, ground-handling market is expected to double from present Rs 2,000 crore to Rs 3,900 crore. A number of global ground-handling players have aggressive expansion plans in India. This would, however, depend significantly on supportive government policies and requisite airport infrastructure development.

The Ministry proposed a ground handling policy for 6 metro airports limiting the number of ground handling agencies therein. This has been contested by airlines. The matter is currently sub-judice in the Hon'ble Supreme Court.

Mechanization and modern ground handling processes would be the key to ensuring efficiency. There should be proper monitoring mechanism to oversee and enforce service level agreements between airlines and ground handling agencies.

AIRPORT INFRASTRUCTURE

Passenger terminal capacity in all airports put together is expected to be 230-240 million by 2012 and by 2017 it would be about 370 million across all airports as per the investment plans of the operators, reveals the report. Cargo growth presently being witnessed will necessitate investment in specialized cargo terminal and equipments. Independent investments suggest an additional requirement of 30 functional airports by 2017 and about 180 functional airports in all in the next 10 years.

The draft policy states that investments in cargo terminals and other infrastructure required for

carrying out cargo operations in the airports are considered quite important. Also, there is a pressing need to augment Off-Airport cargo processing facilities on the lines of Container Freight Stations/ICD so that congestion and delays in cargo terminals at airports can be reduced. Air cargo terminals attached to the airports could at the best be a transit point if availability of space is an issue. Congestion and delays in air cargo terminals in some of the major metro airports have become chronic.

India's image as a reliable supplier in international markets is crucially dependent upon the performance levels of air cargo terminals in the country. Investments need to be made for up gradation/expansion of capacity and modernization of processes/systems to cater to the growing requirements. This needs immediate and effective intervention.

It is pertinent to note that by the financial year ending 2012 beginning from 2007, Private Airport Operators would have invested about US \$ 7 billion including third party investment towards infrastructure for providing ancillary aviation services. AAI and the industry estimates indicate that the Indian airports would require an investment of about Rs

67,500 crore during the 12th Plan of which around Rs 50,000 crore is likely to be contributed by the private sector.

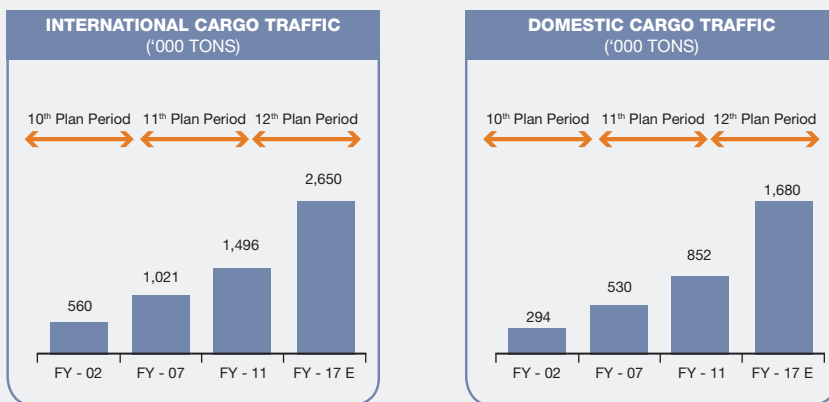
24x7 CUSTOMS OPERATION

The draft report stresses that a review of the current customs clearance procedures is extremely important. There is also a serious need for Indian Customs to operate in a 24x7 environment. This would require close and regular interaction between MoCA, Central Board of Customs and Excise (CBEC) and the industry. The following table illustrates the operating hours of customs at leading airports across the world:

AIRFREIGHT STATIONS IN HINTERLAND

A significant amount of congestion, damage and pilferage are caused by the current practice of cargo being brought to terminal in loose units (cartons, etc.), which is then unitized into pallets or containers before being loaded onto aircrafts. This problem can be alleviated by setting up Airfreight stations (AFS) in the hinterland. Customs check, X-ray screening, palletization, etc. can take place at the AFS and airport terminals would only act as a 'processing gateway' between airlines and cargo carriers. Success of Containers Freight Stations (CFS) for marine cargo is a clear indication of the need for a similar concept in the air-cargo industry.

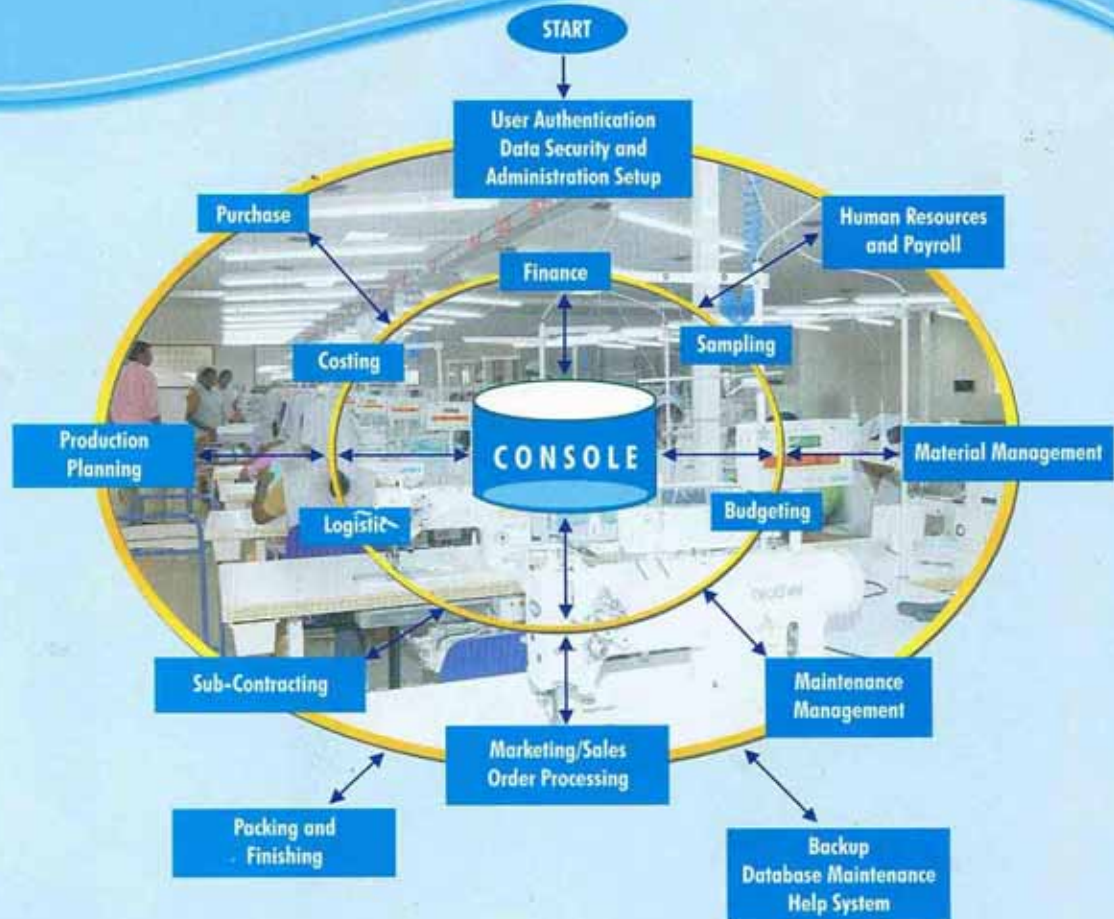
Relaxation on the cap for foreign direct investment (FDI) in aviation bodes well for the Indian air cargo market. In the aviation sector, the FDI flow in the domestic scheduled passenger airline sector is expected to remain capped at 49.0 percent; however, for non-scheduled airlines, the FDI limit goes up to 74 percent, along with



Growth trend in international and domestic cargo throughput

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that for chartered and cargo airlines. The Government's policies have been favorable toward the private participants entering the market. The major policies include 100 percent FDI permissible for existing airports and under automatic routes and 100 percent tax exemption for airport projects over a period of 10 years.

INADEQUATE INFRASTRUCTURE

Besides, the lack of proper infrastructure is proving to be a roadblock to efficient cargo handling in the Indian air cargo market, states the draft policy. Cargo warehousing facilities are not up to standards at India's major

airports, and most of these amenities are restricted to international freight. 'Domestic cargo operations have been largely limited because of non-availability of warehousing space in the Tier-2 and Tier-3 cities,' says an analyst from Frost and Sullivan. 'Very few private market participants have the license to operate bonded warehouses limiting the flow of investment.'

Currently, India is upgrading its major airports, which account for 93 percent of the total international and 84.4 percent of the total domestic freight handled. The move is intended to satisfy international standards and provide world-class airports for

business and the tourist industry. Once the infrastructure issues are addressed and the new cargo airports are made operational, the market will witness tremendous growth within the next 5 years.


The state of customs clearing and delivery of cargo has also remained a rough ride for cargo operators. Public-private partnerships (PPPs) at the major air cargo hubs are helping to develop the infrastructure according to international standards and increase the profit margins. India will soon develop into a transshipment hub with the upcoming Multimodal International Cargo Hub at Nagpur, which is designed to match the high international standards. It would greatly benefit Indian exporters in terms of reduction in dwell time, cost, and faster customs clearance and delivery of cargo.

MARKET SECTORS

As per World Bank, air logistics is that part of the supply chain process which plans, implements and controls the efficient, cost-effective, time-sensed information.

The World Bank has given a few suggestions on how to remove the barriers that hamper the growth of air cargo namely:

1. Privatization of state-owned airlines and cargo handling facilities to discourage government interference.
2. Modernization of bureaucracies.
3. Elimination of customs charges on the importance of aircraft spare parts and spare engines.
4. Elimination of citizenship tests for ownership and control of airlines and related businesses.
5. Promotion of a policy to separate cargo traffic rights and passenger traffic rights in the negotiation of bilateral or multilateral air treaties.
6. Encouragement of a world-wide policy of open skies for freight aircraft and the cargo they carry.
7. Elimination or at least serious reduction of corruption in some countries.
8. Modification of onerous airport charges.
9. Fair treatment for cargo aircraft in airport allocation of parking areas, handling facilities and take-off slots.
10. Modification of well meaning but misguided environmental protection measures, which unnecessarily restrict air cargo movement and thus curtail economic development.

While taking due regard for the current gloomy mood, there is no doubt that air cargo is growing over the medium term. Despite continual setbacks, airfreight offers specific advantages compared to other modes of transport. Its speed, reliability, security and ability to integrate within just in time supply chains that provide a robust answer to modern global logistics requirements. 

Airport	Cargo Handled (mmtpa)	Trans-shipment Cargo (mmtpa)
HongKong	4.6	1.5
Incheon	2.7	1.2
Singapore	1.7	0.8

Transshipment volumes at Global Airports
Source: Airports websites, KPMG analysis

Airport	Dwell Time - Exports	Dwell Time - Imports
Delhi	40-45 hours	110-120 hours
Sharjah	4 hours	4-8 hours
Singapore	6 hours	3-6 hours
Incheon	2-3 hours	2-8 hours

Transshipment volumes at Global Airports
Source: Airports websites, KPMG analysis

Airport	Dwell Time - Exports	Dwell Time - Imports
Delhi	0.60	1 Shift
Mumbai	0.67	1 Shift
Hong Kong	4.6	24 x 7
Dubai	3.0	24 x 7
Incheon	2.7	24 x 7
Shanghai Pudong	2.6	24 x 7
CDG, Paris	2.0	2 Shifts
Changi, Singapore	1.7	24 x 7
Schiphol, Amsterdam	1.6	2 Shifts
Suvarnabhumi, Bangkok	1.3	24 x 7

Customs operations at international airports
Source: Airports websites, AAI, KPMG analysis



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DHL strengthens presence in transport logistics business

Deploys latest new generation trucks on Indian roads

DHL, the world's leading logistics company, announced an upgrade to its transport fleet by introducing state of the art, new generation, 40 tonner Mahindra Navistar vehicles in India.

"This deployment of new generation trucks is in line with our strategy to bolster substantial growth in India", said Vikas Anand, Chief Operating Officer, DHL Supply Chain. "With the introduction of these vehicles we expect to bring in better operating efficiency, reduce down time and focus on safe and secure delivery within agreed standard transit times", he added.

DHL Supply Chain's continued investment in a specialized transportation fleet aims to raise the bar for customers' delivery performance, drivers' operating standards and to introduce more efficiencies in the Indian transport industry as a whole.

The new modernized fleet will help reduce carbon emissions and improve fuel efficiencies, an integral part of the Deutsche

Post DHL Group's global Go-Green strategy has the goal of improving the company's carbon efficiency worldwide by 30 percent by 20201. Additionally, on long hauls these vehicles are expected to increase capacity and reduce cost per unit, thereby allowing DHL to serve customers with sustainable solutions and improved resource efficiency.

Over the past two years DHL Supply Chain extensively studied various truck models, trailer types and container manufacturers. The detailed research included feedback from drivers and several customers based on which an exhaustive mapping was carried out of their expectations in terms of fleet capability. "These new generation trucks come with GPS, intensive driver

training programs, fleet management systems and a dedicated team to manage the transport fleet operations," said Les Kawoh, Director, Transport, DHL SupplyChain. "We also have established centralized control towers to monitor the safe movement of trucks and customer shipments across India", he added.

The new fleet will be used for customer specific projects and products to be transported between a network of national warehouses and transport hubs that DHL Supply Chain is building to support growth in India. The first of these Build To Suit (BTS) warehouses, being constructed in accordance with DHL Supply Chain's global quality standards, will be operational by end of February 2012 in Bhiwandi, Mumbai. The upgraded transport fleet will support in connecting these BTS warehouses to the various transport hubs across the country. 



BLR Logistiks (I) Ltd

Sky is the limit

As one of India's leading logistics companies BLR Logistiks (I) Ltd offers customized solutions to all industrial sectors with a focus on saving costs and providing world class services.



ASHOK GOYAL
Managing
Director,
BLR Logistiks
(I) Ltd

BLR Logistiks (I) Ltd stands for globally competitive solutions within a trusting and service oriented environment. BLR offers truly integrated Logistics Services to its customers through its privately owned fleet of more than 500 vehicles and over 24 general and custom bonded warehouses in all major cities across India.

Says **Ashok Goyal** Managing Director, **BLR Logistiks (I) Ltd**, "With our aim of "Creating Value by Simplifying Supply Chains, BLR started offering integrated logistics solutions to its customers from year 2005. The Logistics Division set up for this purpose offers services such as international freight forwarding, warehousing and distribution and project logistics to its clients. BLR offers door-to-door as opposed to port-to-port solutions in international freight forwarding. We manage about half a million sq ft of warehousing space and along with our transportation

services, are in a position to offer integrated 3 PL solutions to our customers."

"The future is bright for logistics companies which can offer integrated solutions to customers. I am proud of the committed team we have which always believes in delivering value to our clients and going that extra mile in doing the same."

With its 100 offices in India BLR offers an extensive network and overall coverage. Having grown 58% annually, and Reliance Capital Ltd taking on an equity stake of 31%, the company has developed from a small trucking company to a INR250 crore (equal to US\$50 million) turnover logistics provider.

Set up as a small trucking business in 1968, BLR has shifted gears to become one of the largest & most reliable Transportation & Logistic companies in India. The founder of the company Mr. L. C. Goyal started the "one man-one-office" trucking company Bombay

Ludhiana Roadways in 1968. Since then, the company grew steadily to a sizeable business of about INR 2 crores and three offices by 1989. Quality, Integrity and Social responsibility are the values that he practiced, preached and imbibed in the culture of BLR.

During the 1990s BLR achieved great growth to a network of more than 70 offices all over India and revenues of INR180 Crores under the dynamic leadership of Mr. Ashok Goyal, Commerce Graduate from Mumbai University and the 2nd generation entrepreneur and present Managing Director of the company.

The company is now equipped to provide a complete logistics platform for domestic & international logistic requirements with more than 100 offices all over India. With a highly competent management team, supported by the knowledge of the company's 600-people strong family, BLR has become one of the most sought after Transportation &

Logistics companies in India.

Transportation

Starting more than 40 years back as a transportation company, BLR Logistiks has built a reliable reputation within India's domestic transportation market. With a fleet of more than 500 vehicles of all types, small, medium and large, we can accommodate all your transport requirements. Our branch network is there to assist you in every region in India.

Container Movement

BLR moves more than 5000 containers on monthly basis between ICD-Port and (de)stuffing points. The company can move Full Truck Load Cargo all over India as well as developed specific routes all over India to move small cargo loads to give customers flexibility and economic advantage.

BLR has 32 feet containerized vehicles. These trucks are specially designed by BLR to provide its customers a very cost effective transport solution, leading up to a 30% saving on transportation costs.

Premium Car Transportation

This custom built vehicle is specially designed for the transportation of Single Premium Cars from your doorstep to destination.

Hazardous Cargo Transportation

BLR is capable of moving hazardous chemicals and inflammable materials to all destinations across India via ISO tank containers and specially designed vehicles.

24hrs Surface Express

BLR provides 24 hours service between Mumbai and Delhi and between Mumbai and Bangalore, with real time tracking of vehicle.

Warehousing & Distribution

With more than 20 warehouses around the country linked to its

overall distribution network, BLR offers warehousing and distribution services across industries. All the warehouses are linked through state of the art IT infrastructure. BLR Logistiks gives real time inventory visibility to customers. Equipped with modern handling equipments and highly trained personnel, BLR Logistiks gives utmost importance to the safety of the goods.

General Warehousing

BLR offers full warehousing services. Besides their bonded facilities BLR operate and manage a substantial amount of general warehousing facilities. In all facilities the company offer cargo consolidation services and value added services.

Custom Bonded Public Warehouses

BLR operates custom bonded warehouses and facilitates high value imports including highly regulated commodities like imported wine & liquors. The warehouses are built up to cater to good which require temperature/humidity control. Company also manages eatable and perishable goods in these warehouses.

Excise Bonded Public Warehouses

It has created excise bonded public warehouses near the ports and use them specifically as extension of the factories for the stuffing purposes to save time and money for our customers.

Temperature Controlled Warehousing

BLR also offers you temperature controlled warehousing for your sensitive goods, such as wines and perfumes.

Promotion Logistics

Companies spend substantial amounts of their budget in promotional merchandise and sales support material. However, the importance of this material is

AWARDS AND ACHIEVEMENTS

1. Maritime and Logistics Container Transport Operator of the Year (Road) 2010.
2. CEAT India Road Transportation Award for Customer Service Western Region
3. 7th National SME Entrepreneurship Excellence Award 2008
4. Amity HR Excellence Award 2008
5. National Trade Excellence Award 1996

CERTIFICATIONS AND RATINGS

1. ISO 9001:2008 Certified
2. Got the CRISIL SME-1 Rating. The rating indicates that the level of creditworthiness of BLR, adjudged in relation to other SMEs, is Highest.

rarely acknowledged. BLR Logistiks, through its established network and capability, provides support for these types of industry requirements. It manages the inventory of the merchandise, pack it as per requirements and delivers it anywhere in India.


International Freight Management

'Door-to-door' service solutions in global freight forwarding is being provided.. The client can avail off import and export services both through sea and air freight and the company can arrange all necessary steps to handle custom clearance. BLR's range of ocean freight services covers all delivery requirements, supported by a tariff structure that is both straightforward and competitive. Forwarding services start with an analysis of the transportation task. This allows the company to find the optimal route coupled with the best time-to-cost variation. According to Ashok Goyal, "Our own fleet of vehicles gives us extra edge covering the inland locations within India. Our tie-up with experienced agents all over the world makes sure that we can give you full logistics solutions for your international cargo to and from India."

Air Import/Export Freight Management

BLR ships cargo to all major airports in the world. Our contacts with the Airlines and expertise within the company make sure that your cargo gets delivered in a fast and timely manner.

Project & ODC Transportation

BLR has the capacity to move special project and ODC cargo. It provides with a tailor made transport solution, supported by its own vehicles and material. Whether the cargo is for import or export, BLR has its own Volvo puller and hydraulic axles to transport heavy lifts and the rest of its fleet, (semi) low bed and normal trailers, is ready to take care of the rest of the packing list. 

Indo-German Euro 20bn trade target by 2012

Indian investors look to Germany



MICHAEL PFEIFFER
Chief Executive
Germany Trade & Invest GmbH

GERMANY TRADE & INVEST, the foreign trade and inward investment promotion agency of the Federal Republic of Germany in partnership with the Indo German Chamber of Commerce (IGCCI) hosted an investor event in Mumbai recently for Indian companies looking for business opportunities in Germany.

The event 'Go Europe! Eastern Germany- Your Gateway for European Business Success, presented the advantages of doing business in East Germany to the Indian potential investors.

Addressing various sectors of the trade and industry including a large segment of the SMEs, Michael Pfeiffer, Chief Executive, Germany Trade & Invest GmbH, gave an insight on the activities of the foreign trade and inward

investment agency and summarized the various advantages of the business locations in East Germany, paying special attention to the new federal states.

Pfeiffer addressing the press said, "The importance of Germany's economic partnership with India cannot be overstated. A growing number of German and Indian companies are discovering excellent opportunities for co-operation and growth."

About the euro zone crisis affecting Indo-German trade, Pfeiffer stated, "Both Germany and India had come out stronger from the 2008 crisis and they will do it again, due to the strong fundamentals. Germany is Europe's leading economy, with a fifth of European total Gross Domestic Product (GDP) generated by Germany alone.

Similarly, India's economy is vibrant. India has a huge market and the entrepreneurship of its people and companies and competitiveness will help the country to continue to grow".

India and Germany have set an ambitious target of Euro 20 billion bilateral trade turnover by the end of 2012 with major German companies planning investments in India, he added.

Indo-German bilateral trade reached Euro 15 billion in 2010. In the first six months of 2011, German imports from India amounted to Euro 3.92 billion, up 36.1 per cent, while German exports to India rose to Euro 5.15 billion, up 19.5 per cent.

Pfeiffer added, "One in three Indian businesses in Germany are active in information tech-

nology. Renewable energy is increasingly drawing Indian investors. German machinery is in demand worldwide, but is even more critical in India. For India, machines made up a third of all imports from Germany last year. Besides, chemicals, pharmaceuticals and automobile tools are other sectors where both countries can explore investment opportunities."

While high-quality German machinery continues to make a major contribution to India's rapid modernisation, Indian IT and software companies thrive in Germany on the foundation of a cutting-edge communications infrastructure, consistently one of the highest ranked in the world. With the German government's decision not to pursue nuclear capacity additions, there are ample opportunities for Indian companies to invest in renewable in Germany. Suzlon and its 100 per cent German subsidiary, REpower, is a key example. More companies can come and invest in Germany in renewables.

Reinhard Buck, Representative for India, Investment and Marketing Corporation Saxony-Anhalt gave a presentation on the Saxony -Anhalt region while Herbert Stutz, Director Asia Pacific region of the State Dev Corporation of Thuringia gave a brief presentation.

Introducing Saxony -Anhalt region to the Indian investors Buck said, "670 large businesses in the region generated nearly Euro 19 billion total turnover in the first six months of the year. The greater part of this - Euro

LOOKING AHEAD

The significance of future industries like renewable energies is shaping the partnership as well. Indian wind energy heavyweight Suzlon and its 100 percent German subsidiary Repower is a key example. Tusli R. Tanti, principal shareholder and chairman of Suzlon recently announced the company's dual strategy of serving Europe from Germany and markets in Asia and Oceania from India. This type of strategy serves as a blueprint for German and India companies large and small. Tanti also praised Germany as a location for research and development, citing the company's global leadership in wind energy innovations.

13.5 billion – was from domestic business; Euro 5.5 billion of turnover was generated by the sale of products abroad. Large businesses for the purposes of the statistics were defined, as companies with at least 50 Saxony-Anhalt have become an interesting site for Indian companies. Word of successful collaborations has got around – some companies in Saxony-Anhalt have Indian owners or chief partners. The good experiences, which they have gathered in Saxony-Anhalt, are the best ambassadors. About six times a year, the Investitions- und Marketinggesellschaft (IMG) goes directly to India.

Compared to the first half of 2010 the total turnover generated by Saxony-Anhalt's industrial sector was thus up 16.7 percent, and domestic turnover 14.2 percent. Export turnover rose as much as 23.2 percent within the year as a whole. According to the statistics given, electronic equipment, vehicle components and

metal products were among the items in high demand. With its Indian partners, IMG appeals to companies that are planning a Greenfield investment in Germany. Another step in the Indian – Saxony-Anhalt direction: The city of Halle (Saale) has been a member of the EuroIndia Center since 2009, which takes care of the mediation of profitable contacts between the European Union (EU) and India.

Earlier during the reception, Dr. Leopold-Theodor Heldman Consul General of the Consulate of the Federal Republic of Germany in Mumbai and Bernhard Steinrücke, Director General of the Indo-German Chamber of Commerce in Mumbai welcomed the guests. Also present on the occasion were Peter Attschekow, Managing Director, Marketing & Communications Director East Germany, Germany Trade & Invest GmbH and Asha-Maria Sharma, Director, Germany Trade & Invest GmbH. [u](#)

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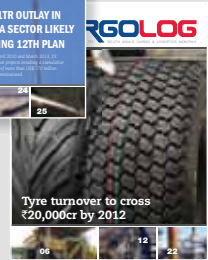
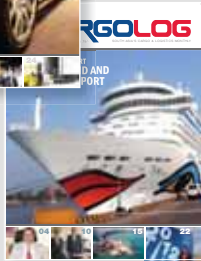
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