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VOL 2 - ISSUE 4 ■ DECEMBER 2012 ■ Rs.75/-

SOUTH ASIA'S CARGO & LOGISTICS MONTHLY

MHE SECTOR ON A CUSTOMIZATION BIND


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CUSTOMIZATION IS THE KEY

The Indian material handling Equipment (MHE) industry is said to be around INR 50 billion and is growing at a rate of 15% to 20% year -on -year. The fast-expanding economies of the Middle East are among the key growth engines driving global demand for materials handling equipment. The region, along with Latin America and Asia, are the fastest growing markets for this sector, which is expected to be worth a whopping $98 billion worldwide by 2015. Market reports inform the size of the global MHE industry is expected to cross INR 5.5 trillion by end 2012 from INR 3.75 trillion in 2005, growing at around 7 per cent annually, which in turn is expected to have large implications on the Indian MHE industry. Apart from India, China, Turkey, Mexico and Russia, will propel strong growth for the MHE sector. The growth is seen not only in terms of volume but also in terms of technological advancement, reflecting access to better technology at an affordable price. Increased customisation of products suited to specific client needs, has become the need of the hour.

Steady inflow of investments from foreign multinationals, increase in domestic spending on infrastructure construction and power projects, robust domestic growth rates, strong internal fundamentals and a healthy banking system has made India an extremely attractive destination for companies that are facing shrinking sales in developed countries. Consequently, India is emerging as one of the best global investment options. And as long as industrial investments continue to be made, the demand for capital goods such as material handling systems will be on the upswing.

Recently the capital goods sector has seen a rebound for the quarter ended March 2012, with sales growth climbing to 15 per cent, according to the financials of more than 200 companies in the sector. This is in sharp contrast to the sector's performance in the previous three quarters when the growth rate averaged less than 3 per cent.

However, the current inflationary scenario will show its impact on the demand for material handling equipments on the face of double dip recession expected in the developed world. Before Indian material handling equipment gets full acceptability, it is essential to improve the quality, features and finish of the equipment. Customers in overseas markets have tasted Japanese, European and American equipment. Even though Indian equipment is value for money, acceptability of equipment is still a question mark. Even though a small quantity of material handling equipment is exported, the sustained exports will happen only when we continuously keep improving our products and also our service. Exports are possible in 'Indian look-alike markets'.

For understanding the near-term prospects of material handling sector, the industrial and economic indicators need to be closely monitored.

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VOL 2 • ISSUE 4 • DECEMBER 2012

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Published by V Ravi and owned by V Ravi and Published from 2/2 Sixth Street, Gopalapuram, Chennai 600 086 and Printed by V Ravi at Jai Ganesh Offset Printers, 19 Venkatasamy Lane, Santhome, Chennai 600 004.

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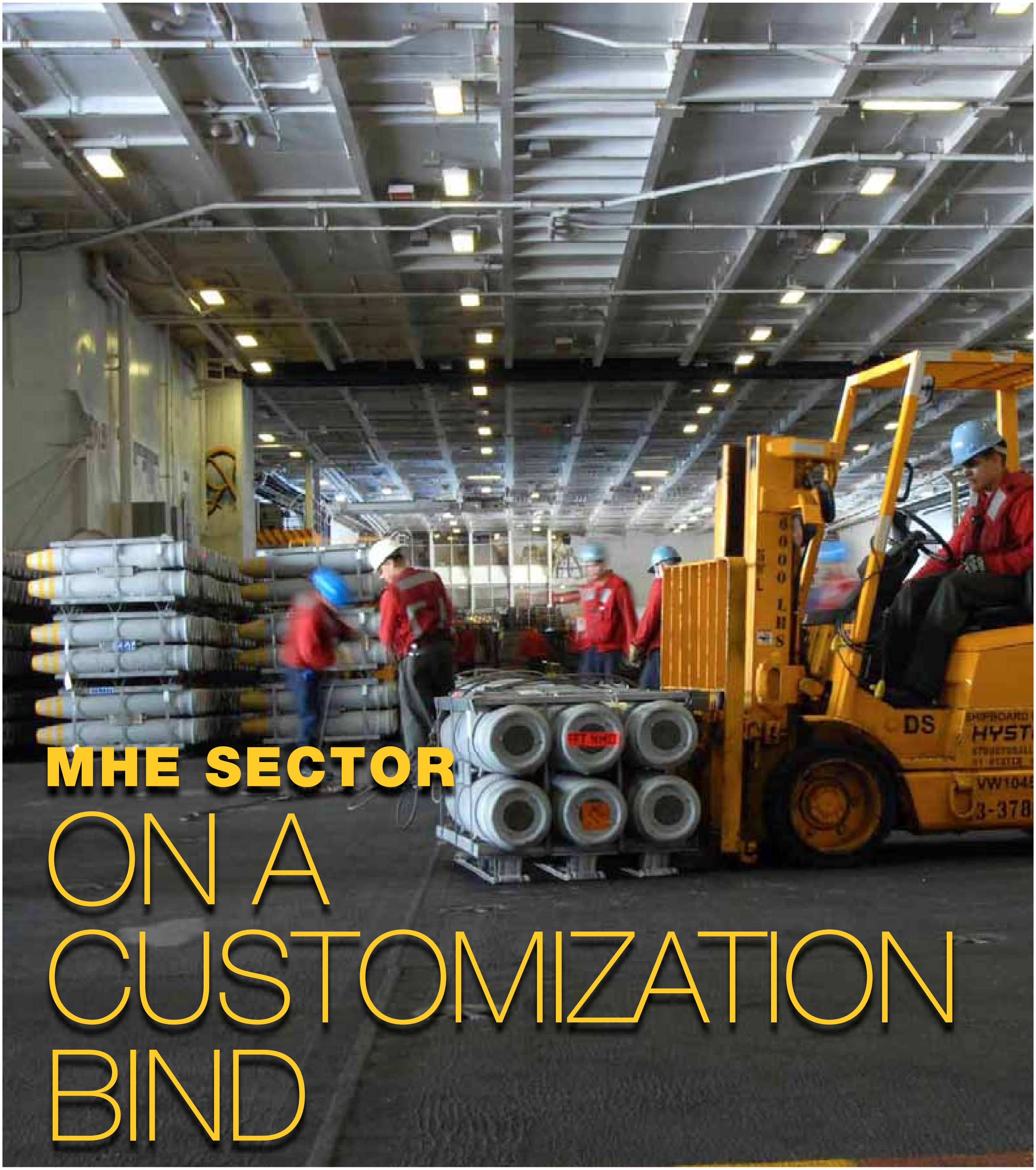
MHE SECTOR
ON A CUSTOMIZATION BIND



The region, along with Latin America and Asia, are the fastest growing markets for this sector, which is expected to be worth a whopping $98 billion worldwide by 2015.

View a noteworthy Express highway, a bridge, or a latest hi-tech warehouse and you may have countless words to admire the delighting beauty. However most of us are not aware of the role that the Material handling sector (MHE) plays in the construction, building and operation of such an Expressway, bridge or warehouse. Though not one of the core sectors of the economy, MHE assists almost every Indian sector and thus contributes tremendously towards the industrial growth of the country. The material handling industry in India is said to be around INR 50 billion and is growing at a rate of 15% to 20% year -on -year. Hoists and cranes form a major part of the MHE market and hence it's a promising opportunity for its manufacturers especially the ones with customer focus and value driven products.

The fast-expanding economies of the Middle East are among the key growth engines driving global demand for materials handling equipment. The region, along with Latin America and Asia, are the fastest growing markets for this sector, which is expected to be worth a whopping $98 billion worldwide by 2015. As per the current reports available in the market, the global demand for material handling products will grow 5 percent annually by end 2012. There shall be continued growth for MHE (Material Handling Equipments) in sectors like Manufacturing, Logistics, warehousing, General Engineering and much more. Manufacturing will contribute a quarter of India's gross domestic product over a decade with the government betting on the sector to power economic expansion and to create jobs.

Comprising of cranes, hoists, pallet trucks, specialised trucks, forklifts, stackers and a wide variety of loading and unloading equipment, Material handling sector mainly derives its demand from construction and mining activities. With a wide production capacity base, India is perhaps the only developing country, which is almost self-reliant in such a highly sophisticated equipment manufacture. India has a small number of large players on one hand and a large unorganised segment on the other, engaged into manufacturing of these equipments. The technology barriers are high, especially when it comes to sophistication and increased complexity and therefore the role of SMEs is restricted to manufacture of components and some sub-assemblies.

Occupational Safety and Health Administration (OSHA) of USA has specified various standards for use and handling various types of material handling equipments. These include standards for safety requirements, handling of equipments; load testing, other tests such as overturning, breaking, lifting heights, types of hazards in handling, etc. Apart from these, there are emission regulation standards for forklift trucks, standards for ergonomics published by various organizations.

In India, there is no such mention of any specific standards available though there is a need to have one unified standard that will govern the MHE industry in a broader form. In absence of such standard, we have no option but to follow available standards such as OSHA etc.

HIGHER GROWTH PHASE

Due to very high correlation with the core sectors, the MHE

sector growth curve is gradually moving upward. Demand has now shifted from simple mechanical handling of loads to complex processes and more automated equipment. The industrial cranes and intra-logistics industry has seen strong demand from infrastructure, energy, steel, automobiles and ancillaries, chemicals, pharmaceuticals, cement and food processing industry.

The growth is seen not only in terms of volume but also in terms of technological advancement, reflecting access to better technology at an affordable price. Increased customisation of products suited to specific client needs, has become the need of the hour. Steady inflow of investments from foreign multinationals, increase in domestic spending on infrastructure construction and power projects, robust domestic growth rates, strong internal fundamentals and a healthy banking system has made India an extremely attractive destination for companies that are facing shrinking sales in developed countries. Consequently, India is emerging as one of the best global investment options. And as long as industrial investments continue to be made, the demand for capital goods such as material handling systems will be on the upswing.

The Indian material handling equipment industry is very competitive in comparison to other major countries like USA, Japan and Germany. Machines and equipment are manufactured in India for incorporating the latest features available internationally and match the imported machines on performance parameters. Indian equipment is rugged and reliable and is competitively priced as compared to the foreign machines. The share of Indian equipment is over 80 per cent of the total machines in the domestic market. The equipment is slightly behind in terms of sophistication of technology in electronic controls and the overall ergonomics and aesthetics of the equipment, as compared to the foreign machines, but is competitive in terms of value for money to customers.

DEMAND DRIVERS

Recently the capital goods sector has seen a rebound for the quarter ended March 2012, with sales growth climbing to 15 per cent, according to the financials of more than 200 companies in the sector. This is in sharp contrast to the sector's performance in the previous three quarters when the growth rate averaged less than 3 per cent. This is in congruence with the large number of orders bagged by top industry players like L&T and BHEL. The outlook for the sector remains strong in terms of top line growth, with greater parts of the economy witnessing improving momentum.

- GoI has plans to increase its power generation capacity from the current 156 GW to 220 GW by 2012.
- Government plans to increase the capacity of government-controlled ports to handle up to 1,020 mn tons of cargo by 2012.
- Coal being the critical raw material for various industries, government has plans to increase the indigenous coal supply to 680 mtpa from 497 mtpa (2009).
- Steel demand has picked up with timely and swift actions of GoI after the global slowdown. Production capacity is targeted to increase to 124 mtpa from current 45 mtpa.

IMPACT OF INFLATION

The current inflationary scenario may affect the demand for material handling equipments on the face of double dip recession expected in the developed world. Due to the higher inflation, almost hovering in double digits, the central bank has undertaken anti-recessionary measures and has consistently increased the key interest rates, which has led to banks increasing their cost of lending to the capital goods sector.

MARKET DYNAMICS

According to a market reports the size of the global MHE industry is expected to cross Rs 5.5 trillion by end 2012 from Rs 3.75 trillion in 2005, growing at around 7 per cent annually. This is expected to have large implications on the Indian MHE industry. Many foreign companies have tied up with Indian companies for the sale and

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post-sales service of high-end equipments. Apart from India, China, Turkey, Mexico and Russia, will propel strong growth for the MHE sector. Godrej has partnered with Komatsu; ElectroMech has joined hands with ABUS Kransysteme and Voltas with SYM China to fulfill the domestic demand for material handling equipments.

Foreign equipments offer a high level of technology that facilitates automation. Forklift, important equipment for material handling, is mainly used in warehouses and container freight stations. Foreign players have introduced electric forks in a big way, which has reduced the demand for forklifts run by diesel, gas or any other fuel. Despite high initial cost, they score more over forklifts run by fossil fuels, as they save fuel costs during their life span. This trend is expected to wipe out small players engaged in manufacturing fuel driven forklifts. The present market, which is nearly Rs 700 crore, will easily double in next five years. The total forklift market is around 4,500 machines per year, while warehousing equipment will be around 10,000 trucks.

GOING AHEAD

Sales turnover of material handling sector in India clearly indicates a rising trend. However one needs to take a close look at the breakup of sales into three categories, viz. foreign high-end equipment, domestic high-end equipment (costs around 30-40 per cent lesser) and low-end equipment (produced mainly by unorganised sector). Actually the sales of foreign equipments have increased at a faster pace in comparison to the sales of domestic equipments. Domestic players in the organised sector can handle this situation by partnering with foreign companies; however SME players stand to lose on account of lesser competency with respect to cost and technology. The solution lies in pooling their resources and creating greater economies of scale to bring down the cost. They must understand and implement recent technological advances in the material handling sector for surviving in this challenging situation.

FORECAST

The material handling equipment industry will have a steady growth in the next five to seven years, mainly driven by investment in manufacturing taken up by various companies. Many multinationals are setting up manufacturing units in India and Indian companies are also investing in manufacturing plants. This is being seen in various sectors like automobiles, engineering, steel, metal, oil refineries, and electronics and consumer durables.

Further, a lot of investment is going into setting up warehousing and logistics centres which is required for supporting manufacturing plants. These would also be required for supporting the large investment being planned in retail chains and networks. There is a trend towards increasing mechanisation in lifting and handling materials. Due to this a lot of material handling equipment like forklifts, cranes, warehousing equipment, stackers and pallet trucks will be required by the industry and other material handling service providers. These will be the drivers of future growth.

WHAT MORE?

Before Indian material handling equipment gets full acceptability, it is essential to improve the quality, features and finish of the equipment. Customers in overseas markets have tasted Japanese, European and American equipment. Even though Indian equipment is value for money, acceptability of equipment is still a question mark. Even though a small quantity of material handling equipment is exported, the sustained exports will happen only when we continuously keep improving our products and also our service. Exports are possible in 'Indian look-alike markets'.

For understanding the near-term prospects of material handling sector, the industrial and economic indicators need to be closely monitored.

- Operations are becoming more and more customer focused. This will warrant for more speedy and accurate warehouse operations requiring more efficient and effective MHE and their use.
- Focus on employee, equipment and product safety is increasing day-by-day. For such safe operations, industry will have to go for higher end MHE which are safer in their operations.
- MHE operators are key personal on which any warehouse operation efficiency depends. In the current situation where getting and retaining good MHE operators is a challenge, industry will have to go for more user friendly and ergonomic equipments that provide comfort to operators.
- With the GST coming in force few months from now, the warehouse consolidation process is likely to start. This will result in concentration of ware-

houses in certain locations according to market and industry presence. So this consolidation process will require more MHE in terms of numbers and types.

- Customer's service level expectation are increasing and becoming stringer. This is the result of increasing consumer awareness. To fulfill the SLA's, logistics operations have to respond in a positive manner requiring again higher end and efficient MHE's.
- Need for more efficient operations

The above factors will impact positively on MHE industry in India in the coming years. Use of MHE will move from low to middle end MHEs to middle-to-higher end MHE's. Industry will tend to use higher number and more advanced equipments. This situation has been forecasted by all major international MHE manufacturers and their Indian trading/servicing/JV partners. They have set up bigger organization structures in different parts of India. These set ups include sale and marketing teams, technical support, after sales servicing centres, inventory holding of spares and consumables, mobile service teams and user friendly AMC procedures. All these companies and even importers are increasing their visibility in the market by sponsoring, organizing and participating in industrial trade exhibitions. Such exhibitions are now happening in smaller cities as well.

The major issues and challenges faced by material handling equipment today relate to the low level of demand and volume as compared to major markets outside India like China, USA, Japan and Europe. Due to these reasons, Indian manufactures face a cost disadvantage due to economies of scale as compared to foreign manufactures from China and other countries.

Further, the availability of components from ancillaries and other suppliers is at a much lower level in the Indian market as compared to other countries. Also, we have a lot of administrative and infrastructural bottlenecks related to power cost, delays in transportation, and delays in import and export clearances, administrative problems, high taxation limits, and high interest rates and so on. These make the equipment manufactured and higher cost uncompetitive with imported machines from China. These issues have been taken up with relevant government agencies for addressing them. Government can certainly take action in many of areas listed above.

Some of these like development of suppliers, upgradation of technology and so on are being worked upon by various companies in the industry. The Indian MHE sector needs major consolidation and economies of scale blended with technology upgradation.

Some of the major brands now available in India are:

- Godrej in tie-up with Crown and Efacec for MHE and ASRS systems along with their own Godrej brand equipments
- Linde in tie-up with Jungheinrich of Germany
- Kirloskar Textile Machinery tie-up with Toyota and BT
- Voltas tie-up with Kion Group along with their own Voltas brand equipments
- Nilkamal tie-up with Mitsubishi
- Yale with Maini
- SSI Schaefer for Automated storage solutions
- Datar Engineering in tie-up with Rite-Hite for dock equipments, goods lifts
- Gandhi Fabrication for dock equipments
- Elite - dock equipments

One thing is very clear, that this is one of the biggest contributors to global supply chain and with all this in picture, the material handling equipment manufacturing industry is all set towards the growth path.

Source: SKP securities

Driving for the Future

FedEx Points the Way

Eco-Drive Program Launched Across EMEA

FedEx Express has launched an Eco-drive campaign in the EMEA region (Europe, Middle East, Indian Subcontinent and Africa). A subsidiary of FedEx Corp. and the world's largest express transportation company, FedEx Express has kicked off the programme in the United Arab Emirates before expanding to Switzerland and other countries across the region. The aim of the Eco-drive programme is to improve fuel efficiency by changing the daily driving habits of thousands of FedEx Express couriers.

The launch of the Eco-drive program coincided with World Environment Day, a global day commemorating positive environmental action celebrated by the United Nations and the international community each year.

The Eco-drive campaign empowers couriers at FedEx Express with practical information and driving tips to operate their vehicles in a more environmentally friendly way. The programme underpins the company's unwavering commitment to environmental sustainability including the promotion of a vibrant green workplace culture. Among the leading benefits of the Eco-drive program are fuel efficiencies, lower emissions leading to a cleaner environment, and, vehicle accident prevention promoting safer roads. First launched two years ago at FedEx Express in Japan, the program now makes its way to EMEA.

Briefing the media Beth Galetti, vice president, Planning and Engineering of FedEx Express, EMEA said,: "The Eco-drive programme has created excitement at FedEx Express; our team members are proud to be empowered with the knowledge and skill set to drive in a more environmentally sustainable fashion. We understand that

every investment—both large and small—counts in creating a more sustainable future for the company and our planet." "We are highly enthusiastic about the tangible ways the Eco-drive program can benefit the company's environmental performance while also helping point the way forward for our industry."

The techniques and tips learned from the programme can be applied on the job and outside of work. Thousands of FedEx Express couriers in Europe, the Middle East and India will increase their awareness of the importance of energy conservation, environmental protection and general road safety.

The Eco-drive programme complements FedEx overarching commitment to environmental sustainability. In the EMEA region, FedEx Express operates a combination of electric vehicles, hybrid vehicles and electric assisted tricycles offering customers sustainable delivery in urban centers. FedEx Express has also made impressive gains in meeting its sustainable objectives: the company's vehicle fleet is 16.6 percent more fuel efficient in FY2011 than it was in FY2005 and during the same time period, 20 per cent of the FedEx Express pick-up and delivery vehicles were converted to more efficient models. Last month, the company announced that it will be adding more than 87 all-electric trucks to its green fleet worldwide bringing the all-electric vehicle count to 130.

CARBON-NEUTRAL ENVELOPE

Meanwhile, the FedEx envelope, which is already made from 100% recycled content and is 100% recyclable, is getting another environmentally-friendly boost. FedEx have launched a carbon-neutral shipping programme for its most widely used packaging solution for shipping documents, making FedEx the first company in the transportation industry to offer a carbon-neutral shipping option at no extra charge to our customers.

In order to neutralise the impact of the carbon emissions from the shipment of all FedEx envelopes around the globe, the company will be investing in projects worldwide that displace or sequester greenhouse gas emissions from the atmosphere. The initiative is part of FedEx EarthSmart® sustainability programme which offers concrete solutions that benefit the planet and our company's environmental performance.

FedEx customers value responsible business practices. By making the FedEx envelope's shipping carbon-neutral, FedEx provide with a solution that is not only environmentally sound but also backed up by its renowned high-quality service.

A WIN-WIN SOLUTION

This is how it works. Through the carbon-neutral FedEx Envelope shipping programme, FedEx will calculate on an annual basis the amount of carbon dioxide released through the shipment of all global FedEx envelopes. It will then purchase the equivalent amount of carbon dioxide offsets from the not-for-profit organization: BP Target Neutral, which will neutralise the equivalent amount of CO2 emissions by investing in alternative energy or conservation projects. These will include biogas facilities on farms in the Netherlands, a reforestation project in the Tanzanian Southern Highlands that is converting degraded grassland to commercial forest, and a landfill gas collection system at Thailand's first sanitary landfill.

At FedEx they have already made changes and invested in technologies to directly reduce greenhouse gas emissions from our planes, trucks and facilities. The carbon-neutral programme for the FedEx envelope allows the company to further contribute to minimising the effects of greenhouse gas emissions from our operations by providing more sustainable options for our customers.

Standing from Left to Right: PS Ashok, Head – Research and Development, Mahindra Two Wheelers, Viren Popli - VP - Strategy & Market Development at Mahindra Two Wheelers, Anand Mahindra - Vice Chairman and Managing Director, Mahindra Group and Anoop Mathur, President – Two Wheeler Sector

Mahindra 2-wheelers instates Rs.100-Cr R&D set-up in Pune

Unveils new engine range & India's first scooter with Micro Hybrid technology

Mahindra 2 Wheelers, a part of the US$ 15.4 billion Mahindra Group, formally launched its new Research and Development centre in Pune recently. The future ready centre which is the third largest of its kind in India was inaugurated by Anand Mahindra, Vice-Chairman and Managing Director, Mahindra Group.

The centre has been recognised by the Department of Science and Industrial Research (DSIR) and will enable Mahindra Two Wheelers to undertake in-house design and development of engine technology for its motorcycles as well. It thus, bears further testimony to the company's commitment to utilize technology driven innovation to emerge as a serious player in the highly competitive two-wheeler market in India.

To mark the occasion the company also unveiled the new Duro DZ - India's first scooter with Micro Hybrid technology and two brand new engines indigenously developed and tested at the facility - a 110cc engine and a 300cc cutting-edge liquid cooled engine.

Inaugurating the state-of-the-art facility, Anand Mahindra said: "The new dedicated facility will enable us to harness the technology of the future to create tomorrow's products. It will allow us to design in India, for the discerning Indian consumer. The Micro Hybrid technology developed for the new Duro DZ is a clear validation of the value it offers the business. In future, I am sure we will see this R&D facility emerge as a symbol of Indian ingenuity."

Created with an investment of Rs.100 crore, the new facility will be home to over 175 engineers and designers, and has two wheeler experts who are leading various technology and product development projects. In fact, the new Duro DZ and the recently launched Rodeo RZ scooters with the all new 'Z' series engine were developed at this facility. This engine series incorporates the pioneering Dual Curve Digital Ignition (DCDI) technology and patented fuel level indication system.

Explaining further, Anoop Mathur, President-Mahindra Two Wheeler segment said: "This Centre will provide us with the dual benefits of indigenous design at lower costs and shortened product development lifecycles. These two tangible benefits, when coupled with a considerably shortened go-to-market strategy with newer and more technologically superior products, augur well for the future of the business."

He also revealed, "I am also happy to announce that Mahindra Two Wheelers is set to launch three new motorcycles in this financial year. We are committed to our customers and will go to any length to ensure that they get truly world-class products, at competitive price points to drive on Indian roads."

Taking pride of place at the inauguration was the all new start–stop Duro DZ, India's first scooter with Micro Hybrid technology which is ideal for urban areas. This technology helps conserve fuel when the scooter is idle, such as at a traffic signal, resulting in increased savings.

Commenting on the direct and indirect benefits of the new R&D center, PS Ashok, Head – Research and Development, Mahindra Two Wheelers said, "This multi-faceted R&D facility boasts of truly advanced facilities in the two wheeler industry in India including a Design Studio, Prototyping Center, Engine Development Center (EDC), CAE/CFD facility, Fatigue Test and Reliability Lab, and an Electrical and Electronics Lab, amongst others. The centre will develop prototypes and components from design through to production, which will then be transferred to the company's brand new production lines at Mahindra Two Wheelers' Pithampur plant."

A CRUCIBLE FOR INNOVATION

Mahindra Two Wheelers' new state-of-the-art R&D Centre located in Pune will encourage a collaborative approach, permitting direct knowledge transfer between various teams. It promises to be a cradle of innovation for Mahindra 2 Wheelers allowing it to indigenously develop state-of-the-art products right from conception through to mass production.

- Created at an investment of Rs. 100 crore
- Third largest two wheeler R&D facility in India with recognition from Department of Science and Industrial Research (DSIR)
- Home to over 175 engineers and designers; to go up to 300
- Multi-faceted R&D facility with state-of-the-art Engine Development Center (EDC), vehicle design & development facility, testing facilities, prototype center, design studio, Fatigue Test Lab etc.
- Showcase's M&M's commitment to technology driven innovation

DESIGN STUDIO

A state-of-the-art design studio has been created exclusively for rendering visualization, clay mockup and digitization of new products for the future. This centre is fully equipped with the most modern software and hardware which will facilitate vehicle design and integration.

TESTING CENTRE

The Engine Development and Testing centre will address various issues involved in the development of engines. This integrated center will help Mahindra Two Wheelers indigenously design, modify, develop, calibrate and evaluate existing as well as new engines based on parameters like performance, reliability, durability, legislative and customer requirements.

CAE /CFD FACILITIES

The CAE / CFD facilities will provide Mahindra 2 Wheelers with the enhanced capability to capture realistic road conditions at the design stage through various advanced simulation tools and techniques, a critical component of Mahindra Two Wheelers' 'First Time Right Design' policy.

THE GROUP

The Mahindra Group, a US$ 15.4 billion multinational company based in Mumbai, India, focuses on enabling people to rise. It operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, and information technology and vacation ownership. Mahindra has a presence in the automotive industry, agribusiness, aerospace, components, consulting services, defence, energy, financial services, industrial equipment, logistics, real estate, retail, steel and two wheelers..

Volga-Dnepr stations new IL76TD-90VD aircraft at Leipzig/Halle airport


THE Russian cargo carrier Volga-Dnepr Airlines has stationed one of its new IL-76TD-90VD cargo planes at Leipzig/Halle Airport. The upgraded version of the tried and tested IL-76 is more powerful and much quieter than comparable aircraft.

Ivan Strelnikov, Deputy Commercial Director of Volga-Dnepr Airlines, explains the decision to deploy one of the latest generation of cargo aircraft at Leipzig/Halle Airport: "Stationing one of our new aircraft at Leipzig/Halle Airport will significantly reduce the costs of ferry flights and provide benefits for our German and European customers. The ideal location at the heart of Europe and the maintenance base directly on the site allow us to effectively use our highly efficient cargo plane."

Volga-Dnepr Airlines has five IL-76TD-90VD aircraft in its fleet in all. The aircraft is extremely efficient and can transport up to 50 tonnes of freight. The plane is also one of the quietest in its class and is classified according to Chapter 4 by the International Civil Aviation Organization (ICAO). Fuel consumption has also been cut by 15 percent compared to the previous model and the aircraft's maximum range has been increased to 10,200 km. On-board electric winches and lifts make it easy to load heavy-duty items.

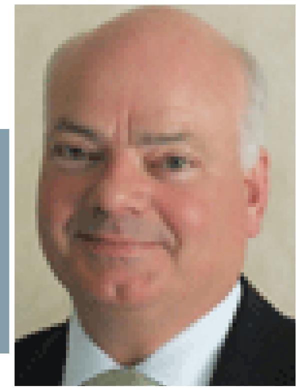
About the Volga-Dnepr Group

The Volga-Dnepr Group is an international network of companies specialising in providing charter and scheduled air freight services. The Group includes the two largest Russian cargo airlines, Volga-Dnepr Airlines and AirBridgeCargo Airlines. Volga-Dnepr Airlines, the world's leading provider of transport services for heavy loads and extra-large items, handles its charter flights using ten Antonov AN-124-100 cargo planes and five Ilyushin IL-76TD-90VD aircraft. AirBridgeCargo has a fleet of eleven modern Boeing 747s for its scheduled services.

The third major business arm for the Volga-Dnepr Group involves servicing and maintaining Russian and international cargo aircraft. Volga-Dnepr Technics currently operates three maintenance bases at Sharjah (UAE), Moscow (Sheremetyevo International Airport) and the company's base at Ulyanovsk. Its fourth maintenance and repair facility will be opened at Leipzig/Halle in the near future.

Volga-Dnepr has regularly been involved in providing aid flights in the aftermath of natural disasters and other emergencies around the world since the Group was founded 20 years ago. It uses its fleet of AN-124-100 and IL-76 aircraft for this purpose. Government agencies have repeatedly made use of these cargo aircraft, which can be deployed in a very flexible way, and individually developed transport concepts in order to supply aid to those affected as quickly as possible.

Swissport Intl. Cargo gets new CEO



David Bermingham
CEO
Swissport International

Swissport International has appointed David Bermingham as its new CEO Cargo for the United Kingdom. He assumed his duties on 20th June, bringing more than 25 years of international logistics and transport industry experience to the role.

David spent 17 years with TNT working in different management positions within their supply chain services (which became Ceva Logistics) and was then Managing Director, UK for TDG Logistics responsible for the contract logistics and transportation divisions. His latest position was as an interim Divisional Managing Director with TNT Post UK developing their e-commerce supply chain strategy.

With his appointment to Swissport Cargo Services, David Bermingham will continue the turnaround process of Swissport Cargo in the U.K. with additional focus on service quality and customer satisfaction.

John Batten, Swissport's Executive Vice President Global Cargo, commented: "The Management team at Swissport Cargo Services in the European region has performed a fantastic turnaround in recent years, significantly improving the overall quality of our products and as a result gaining new business from airline customers. We need to see the same progress in the U.K. and with his proven skills and experience in the logistics industries, I am very pleased to have David join the Swissport Cargo team and look forward to building on this sound foundation with his leadership."

Continental sets up new validation lab in India

INAUGURATES product lines for fuel rail assemblies and fuel pumps at the Pune facility; Sets up a test & validation lab for fuel supply products at its Bangalore development centre

THE leading international automotive supplier Continental is expanding its manufacturing and validation competence in India. Continental, under its Power train division sets up the new test & validation lab for Fuel Supply Systems at its Bangalore development centre, while two product lines for Fuel Rail Assembly and in-tank Fuel Pumps are being inaugurated at the Pune facility. The lab and the two new product lines are intended to attain Continental's proposed goal of achieving the highest degree of localization across the value chain and also to satisfy the increased demand from customers.

The new lines added at the Pune plant will have the capacity of producing 1 million additional units of Fuel Rail Injectors and Fuel Pumps of different range. The test & validation lab for Fuel Supply Systems ensures local testing infrastructure and competence. With the globally standardized testing & validation process at Continental, the results at the India center can be shared and compared with other global locations, hence the OEMs will benefit from Continental's global expertise.

Addressing the Press Dr. Markus Distelhoff, Executive Vice President, Business Unit, Fuel Supply at Continental AG said, "We are witnessing a huge traction for our Power train systems and technologies in India and we have been working on the Indianisation of these solutions tailor made for Indian OEMs over the past few years. The current investments will definitely help us in meeting the increased customer demand and also to leverage our global expertise in the Power train domain for Indian OEMs".

According to Claude d'Gama Rose, Managing Director of Continental India, "We have yet again proved our commitment to the India market. We have had series of investments and corporate announcements in 2011 including the acquisition of Modi Tyres, buying back remaining shares at a JV with Rico Auto, the entry of Benecke-Kaliko(a part of the ContiTech division) into the Indian market, Phase III expansion of our Technical Center India, etc. With the backing of these investments, we are quite confident of reaching the projected growth in India".

Joerg Laatsch, Head of Business Unit Engines Systems India added, "The localization of the Fuel Rail Assembly is a further milestone in coming closer to complete localized Gasoline Engine Management systems and support our strategy to serve our customers directly here in India".

Continental is banking on its localization strategy and believes it is the key to its growth and success in the developing markets. With a high degree of localization of the value-added chain, Continental is capable of offering high-end technology with global standards customized for the Indian market and more importantly at an affordable cost. Continental collaborates its technical expertise and global exposure with the know-how of its Indian engineers and specialists. Earlier in 2011 Continental announced its strategy to double growth in India and made significant investments across its divisions and business units to spur growth.

With sales of €30.5 billion in 2011, Continental is among the leading automotive suppliers worldwide. As a supplier of brake systems, systems and components for power trains and chassis, instrumentation, infotainment solutions, vehicle electronics, tires and technical elastomers, Continental contributes to enhanced driving safety and global climate protection. Continental is also an expert partner in networked automobile communication. Continental currently has approximately 167,000 employees in 46 countries.

Dr. Markus Distelhoff
Executive Vice President, Business Unit, Fuel Supply, Continental AG

Claude d'Gama Rose
Managing Director
Continental India

The Automotive Group with its three divisions Chassis & Safety (sales of approximately €6.5 billion in, 33,000 employees), Power train (sales of approximately €5.8 billion in 2011, 31,000 employees) and Interior(sales of approximately €6.1 billion in 2011, 32,000 employees) achieved sales of approximately €18.5 billion in 2011. The Automotive Group is present in more than 170 locations worldwide. As a partner of the automotive and commercial vehicle industry, it develops and produces innovative products and systems fora modern automotive future, in which cars provide individual mobility and driving pleasure consistent with driving safety, environmental responsibility and cost-efficiency.

The Chassis & Safety Division develops and produces electronic and hydraulic brake and chassis control systems, sensors, driver assistance systems, airbag electronics and -sensorics, washer systems and electronic air suspension systems. Its core competence is the integration of active and passive driving safety into ContiGuard®. The Power train Division integrates innovative and efficient system solutions for vehicle power trains. The comprehensive range of products includes gasoline and diesel injection systems, engine management, transmission control, including sensors and actuators, as well as fuel-supply systems and components and systems for hybrid and electric drives. Information management is at the very heart of the Interior Division, which provides a range of products that includes instrument clusters and multifunctional displays, control units, electronic car-entry systems, tire-monitoring systems, radios, multimedia and navigation systems, climate control systems, telematics solutions and cockpit modules and systems.

Greaves Automotive widen pact with Atul Auto

Greaves Automotive Engines business, part of Greaves Cotton Limited, one of India's leading engineering companies, has entered into a Long Term Supply Agreement with Atul Auto Limited for supply of diesel engines for their 3- wheeled diesel vehicles. The Agreement comes into force with immediate effect and is for a period of seven years. Currently, Greaves engines power Atul Smart, Atul Shakti and Atul Gem vehicles plying across the country.

Mr. Sanjiv Kumar, CEO - Automotive Engines Business, said: "Greaves engines have been driving vehicles from the Atul Auto stable for almost three decades. This Agreement has reposed faith in each other and strengthened the business relationship further. With a customer focused approach, we believe that our technologically superior engines backed by a strong after market network will compliment Atul Auto's business plans and will together help grow the business."

Mr. JJ Chandra, CMD, Atul Auto added: "We enjoy a long standing relationship with Greaves and they continue to be our preferred choice of engine suppliers. Their understanding of customer requirements, commitment to quality and highest service levels have catalysed and indeed partnered our growth. With emerging categories in the auto segment we believe that new vehicle platforms can be developed faster and more time efficiently with a partner we can trust."

Greaves Automotive Division has a wide portfolio in automotive engines and in single cylinder engines they are among the largest independent manufacturers with a production of over 4.5 lakh engines annually. These eco-friendly light diesel engines are supplied to major automotive players like Piaggio, M&M, Tata Motors, and Scooters India among others.

The Company's manufacturing units, located at Ranipet in Tamil Nadu and Aurangabad in Maharashtra, are ISO/TS 16949 certified. The plants at both the locations are equipped with world class manufacturing facilities. The company's state-of-the-art Technology Centre is located at Aurangabad. The automotive diesel engines are also available for adaptation on CNG/LPG usage. Greaves Cotton has an excellent after-market product support infrastructure throughout India with a countrywide network of offices and over 1200 authorised dealers.

Greaves Cotton Limited, a Rs. 1800 crore, multi-product, multi-location company is one of the leading engineering companies in India with core competencies in diesel / petrol engines, gensets and construction equipment. The Company sustains its leadership through eleven manufacturing units which produce world class products backed by comprehensive marketing and service / parts network throughout the country.

Air Pacific, CHEP signs ULD outsourcing pact

Air Pacific, the national carrier of Fiji, and known as 'the world's friendliest airline', has selected CHEP Aerospace Solutions to supply and manage its fleet of Unit Load Devices (ULDs) under a new three-year contract.

CHEP Aerospace Solutions is providing Air Pacific with containers and pallets from its global pool of more than 45,000 ULDs, eliminating the administrative hassle and reducing costs to Air Pacific of positioning, maintaining and managing its own ULD fleet.

As Air Pacific transitions to a fleet of newer, more fuel-efficient aircraft over the coming years, CHEP Aerospace Solutions will be supporting this transition with newer ULDs, enabling Air Pacific to save on capital expenditure and to focus on its core business.

Air Pacific Freight Manager, Francis Tan, said: "For more than five years we have had an excellent relationship for the maintenance and repair of our ULDs with JMI Aerospace, which is now part of CHEP Aerospace Solutions. So our decision to outsource our ULD supply and management to CHEP Aerospace Solutions was a simple one. Taking that extra step to outsource fully supply and logistics, as well as maintenance and repair, to CHEP is already delivering additional cost savings and benefits to our business."

CHEP Aerospace Solutions President, Dr Ludwig Bertsch, said: "We are extremely pleased to welcome Air Pacific as one of our newest pooling customers in the Asia-Pacific region. The synergies Air Pacific will gain from joining the CHEP pool will not only drive down costs for the airline, but also deliver benefits to our other pool partners."

TRANSPORT LOGISTIC 2012

Jettainer presents novel ULD Application

Jettainer, the leading international service partner for ULD management, presented technological innovation at the transport logistic event held in Shanghai on 5 - 7 June 2012.

The "JettAPP" application will make it easier to track and trace ULDs in future. "The benefits are obvious" says Alexander Pluemacher, Managing Director of Jettainer. "The JettAPP allows companies to request and log information about a container directly on the spot. Above all, this improves the data quality which not only means enormous savings in terms of time, but also an increase in efficiency. Other functions like damage reporting or flights movements are conceivable in the next version."

The "JettAPP" has been programmed for mobile devices – based on both the Apple and Android systems. It allows customers to determine the location of a container and even rebook it in just a few steps: the mobile device first scans the bar code on the container in question – rather like a Smartphone or a tablet computer. The ULD history then becomes visible and makes it possible to check where the cargo container is located. If the container is not at the right place, the app allows it to be rebooked to a different site. This prevents the logging of any incorrect information development work on the application began in October 2011.

The "JettAPP" picks up all kinds of barcodes including QR and RFID/NFC. The function myTasks will also allow users to directly place job orders. Other uses for the app like stocktaking are being developed. The technology can particularly make it easier for station personnel employed by airlines, ground handling companies and repair shops to do their work.

It will be possible for a limited group of users to download the "JettAPP" from Jettainer via Google Play and the Apple App Store from September 2012 onwards. Visitors to the Jettainer stand at the transport logistic China at the Shanghai New International Expo Centre can already test the app in advance.

Jettainer is the world's leader in ULD management outsourcing services. Based in Raunheim near Frankfurt Airport, Jettainer's 52 employees take care of managing an overall fleet of more than 85,000 ULDs for 12 airlines at more than 350 airports worldwide. Beyond Raunheim, the company has offices at its main customers' operational hubs in Abu Dhabi, Rome, Zurich, Vienna, Chicago and Philadelphia. Jettainer covers the complete value chain of ULD management, from purchasing ULDs, to repair work, steering & management and IT operations and even asset financing. Jettainer has rounded off its services by offering JettLease, a ULD short-term leasing service, since the fall of 2011.

JETTLEASE LAUNCHED

Meanwhile the leading international service partner for outsourced ULD management, recently launched JettLease - a global short-term leasing service for ULD emergencies. The new day lease service enables leases from one day up to several months and can be ordered via regional telephone hotlines and the new JettLease website round the clock and around the world.

"As a new service, JettLease now offers additional value for our customers, helping them achieve higher quality and cost advantages, attracting new business and partners in the industry", says Pluemacher. Furthermore he comments: "Based upon our expertise in ULD steering, monitoring and tracking, we have ambitious goals for our future growth and will reach world market leadership in this segment".

The basic product includes lease and return within the JettLease hub-network. Optionally, ULD devices can be leased and/or returned at any point, not only at the base stations. Global hubs are operated in Frankfurt, Chicago and Hong Kong – each one features an individual emergency hotline for JettLease customers. They can indicate a ULD shortage up to one day prior to their demand.

The highly peak-driven business model of JettLease functions as an add-on to the existing full-service ULD management offered by Jettainer. It is beneficial for both existing and new customers. While existing customers are able to cover any sudden additional ULD demand staying with one service provider, new customers can for instance overcome seasonal peaks, additional flights and any ad-hoc business.

47% rise in UTi's profits

UTi Worldwide reported a 47 per cent increase in profit for the first quarter though revenue for the same period went down 4.2 per cent to US$1.15 billion from $1.2 billion in the year-ago period, primarily due to low tonnages of airfreight. Q1 net income was $12.9 million against $8.7 million a year ago. Eric Kirchner, chief executive officer of UTi Worldwide said that the "results in the first quarter were impacted by the weak industry-wide airfreight environment which resulted in reduced tonnage in the quarter, particularly in the month of April. Offsetting this was an expansion in net revenue per unit, as well as an increase in ocean volumes compared to the first quarter of last year".

FISCAL FIRST QUARTER 2013 VS. 2012 RESULTS:

- Revenues were $1,148.3 million, a decrease of 4.2 percent from $1,198.7 million.
- Net revenues (revenues minus purchased transportation costs) were $405.8 million, a decrease of 1.2 percent from $410.6 million.
- Net income attributable to UTi Worldwide Inc. was $12.9 million, or $0.12 per diluted share, compared to $8.7 million, or $0.08 per diluted share.
- Adjusting for severance costs, adjusted net income attributable to UTi Worldwide Inc. was $14.1 million, or $0.14 per diluted share. This compares to $12.2 million, or $0.12 per diluted share, which was adjusted for severance, facility exit and other costs.
- All references to adjusted items in this release refer to non-GAAP results. A reconciliation of GAAP to these non-GAAP results is provided in the supplemental financial information attached to this release.

Kirchner said, "Results in the fiscal l 2013 first quarter were impacted by the weak industry-wide airfreight environment which resulted in reduced tonnage in the quarter, particularly in the month of April. Offsetting this was an expansion in net revenue per unit, as well as an increase in ocean volumes compared to the first quarter of last year. Contract logistics and distribution revenues also grew, reflecting increased client volumes. Currency had a negative impact on results, particularly from the weaker South African rand. On an organic basis (excluding currency), net revenues actually grew 3.4 percent in the first quarter of fiscal 2013 while adjusted operating expenses increased at a slower rate. Our new integrated system is now live in the Netherlands, and we are on track to begin deployment in other countries in the second quarter."

Revenues decreased 4.2 percent in the 2013 fiscal first quarter compared to the prior-year first quarter primarily due to the impact of currency and weaker airfreight volumes. These factors were partially offset by the increased contract logistics and distribution activity and higher levels of ocean volumes. Net revenues decreased 1.2 percent in the first quarter, reflecting currency effects and lower airfreight tonnage partially offset by higher net revenue per unit of cargo in freight forwarding.

Operating expenses less purchased transportation costs were $382.2 million in the first quarter of fiscal 2013, compared to $391.8 million in the same period last year. Severance costs totaled $1.7 million in the fiscal 2013 first quarter, primarily related to the company's transformation activities. The fiscal 2012 first quarter operating expenses included charges of $4.8 million, comprising severance and other costs from transformation activities and the closure of underutilized contract logistics facilities in Europe.

Excluding these costs from both periods, adjusted operating expenses less purchased transportation costs were $380.5 million, a decrease of 1.7 percent from $386.9 million in the same period last year. Adjusted operating expenses less purchased transportation costs increased 2.7 percent on an organic basis, compared to the same period last year.

Operating income in the fiscal 2013 first quarter was $23.5 million. Excluding the severance costs described above, adjusted operating income in the first quarter of fiscal 2013 was $25.2 million, or 6.2 percent of net revenues. This compares to adjusted operating income in the year-ago first quarter of $23.6 million, or 5.8 percent of net revenues.

Net interest expense in the first quarter of fiscal 2013 was lower than the same period last year primarily due to reduced average levels of debt during the quarter.

About UTi Worldwide

UTi Worldwide Inc. is an international, non-asset-based supply chain services and solutions company providing air and ocean freight forwarding, contract logistics, customs brokerage, distribution, inbound logistics, truckload brokerage and other supply chain management services. The company serves a large and diverse base of global and local companies, including clients operating in industries with unique supply chain requirements such as the pharmaceutical, retail, apparel, chemical, automotive and technology industries. The company seeks to use its global network, proprietary information technology systems, and relationships with transportation providers, and expertise in outsourced logistics services to deliver competitive advantage to each of its clients' supply chains.

Tata Motors' Dharwad plant goes on stream

Tata Motors' Dharwad plant for small commercial vehicles is now operational and has begun to produce the Tata ACE Zip and the Tata Magic IRIS.

Mr. P.M. Telang, Managing Director - India Operations, **Tata Motors** said: "We are very delighted to commence manufacturing operations in Dharwad and further expand our operations in the country. This move is integral to Tata Motors' dominant presence in the Commercial Vehicles market."

Launched in May 2011, the Tata Magic IRIS is a four-wheel, 3-4 seater small passenger carrier, a stylish, safe and comfortable alternative for commuters who depend on three-wheelers. The Tata Ace Zip, also launched in May 2011, is a technologically superior and a smart micro truck with a payload of 600 kg for deep-penetration door-to-door goods movement.

Established with an investment of over Rs. 900 crores, the plant spans across an area of 405 acres. The plant has been constructed as per the norms specified by Indian Green Building Council (IGBC). The plant has been equipped with state-of-the-art equipment following lean manufacturing principles. It has built-in flexibilities to assemble large numbers and different variants in mixed mode production.

The plant has been recommended for ISO 14001, Environment Management System Standard.

The major capital outlay, encompassing civil and plant engineering work for the facility, has been sourced from Europe, the US, South Korea, Japan and best-in-class suppliers from India. The capacity of the plant, to begin with, is 90,000 units per year, to be achieved in phases. Further capacity expansion has also been provided for.

The plant has already directly employed 350 individuals. The recruitment exercise covered about 76 ITIs in Karnataka. Training, skill transfer and development of local workforce is one of the top priorities of Tata Motors. The company's training processes and facilities in India have been acknowledged as among the best. Leveraging this expertise through a robust local skill transfer and training programme, Tata Motors is committed to ensuring that skill levels of individuals employed are further enhanced.

Tata Motors has also begun activities towards development of local communities by working on four thrust areas - employability, education, health and environment - making it into a beehive of inclusive growth.

GLOBAL WHOLESALES

Meanwhile the Group global wholesales, including Jaguar Land Rover, were 96,089 nos., in May 2012, higher by 12% over May 2011. Cumulative sales for the fiscal are 182,466 higher by 7% compared to the corresponding period in 2011-12.

Global sales of all commercial vehicles - Tata, Tata Daewoo and the Tata Hispano Carrocera range -- were 45,025 nos., in May 2012, a growth of 3%. Cumulative sales for the fiscal are 83,033 nos., lower by 2%.

Global sales of all passenger vehicles were at 51,064 nos. in May 2012, higher by 21%. Cumulative sales for the fiscal are 99,433 nos., higher by 16%.

Global sales of Tata passenger vehicles were at 20,970 nos., for the month, higher by 6% over May 2011. Cumulative sales for the fiscal are flat at 44,196 nos.

Global sales of Jaguar Land Rover in May 2012 were at 30,094 vehicles, higher by 35% over May 2011, driven by the Range Rover Evoque and the 12MY Jaguar product. Jaguar sales for the month were 4,342 nos., higher by 3%, while Land Rover sales were 25,752 nos., higher by 42%. Cumulative sales of Jaguar Land Rover for the fiscal are 55,237 nos., higher by 32%. Cumulative sales of Jaguar are 7,945 nos., higher by 9%, while cumulative sales of Land Rover are 47,292 nos., higher by 37%.

ABOUT TATA MOTORS

TATA MOTORS is India's largest automobile company, with consolidated revenues of Rs. 1,65,654 crores ($ 32.5 billion) in 2011-12. Through subsidiaries and associate companies, Tata Motors has operations in the UK, South Korea, Thailand, Spain and South Africa. Among them is Jaguar Land Rover, the business comprising the two iconic British brands. It also has an industrial joint venture with Fiat in India. With over 6.5 million Tata vehicles plying in India, Tata Motors is the country's market leader in commercial vehicles and among the top three in passenger vehicles. It is also the world's fourth largest truck and bus manufacturer. Tata cars, buses and trucks are being marketed in several countries in Europe, Africa, the Middle East, South Asia, South East Asia and South America.

Cargo markets remain weak

The International Air Transport Association (IATA) announced global traffic results for June showing a continued slowing of growth in the demand for air transport. This is in line with weakness in business and consumer confidence.

Year-on-year, demand for air travel in June expanded by 6.2%. Capacity grew by a much more cautious 4.5% leaving load factors at 81%. While this appears to be a healthy growth rate, the growth trend since early 2012 has seen a slowdown. This is illustrated by isolating the February through June trend which shows 2% annualized growth. That is a major slowdown from the 8% annualized growth rate experienced from mid-2011 through to January 2012.

June air freight volumes recorded a 0.8% increase compared to the previous year. This brings seasonally adjusted June demand about 2.5% above the low reached in the fourth quarter of 2011. The global picture masks strong growth for Middle East airlines (17.9%) and the improvement in North American air freight demand.

"The uncertainty that we see in the global economic situation is being reflected in air transport's performance. Although there are some pockets of solid performance, it is difficult to detect a strong trend—positive or negative—at the global level. Passenger markets have been growing more slowly since the beginning of the year and freight markets gains have been mostly very weak. The net effect is a demand limbo as consumers and businesses hedge their spending while awaiting clarity on the European economic front," said Tony Tyler, IATA's Director General and CEO.

INTERNATIONAL PASSENGER MARKETS

- June demand in international passenger markets was up 7.4% on the previous year. The growth trend, however, shows little promise. While passenger markets experienced strong growth through to the end of 2011, this has slowed continuously in 2012. For example, from May to June 2012 demand was up just 0.2%. When looked at over the second quarter of 2012, the trend in international air travel has been an annualized growth rate of just over 2%.
- Asia-Pacific carriers reported a 6.0% growth in demand which was more than double the 2.9% expansion in capacity for June, when compared to the same month in 2011. The load factor for the region's carriers stood at 79.5%. Month-to-month, the demand in the region was basically flat at -0.1%. The growth trend for the region is similar to that of the overall market. From mid-2011 to the start of 2012, Asia-Pacific carriers experienced a 9.5% annualized growth in demand. That has slowed to 2% for the February to June period.
- Middle East carriers were the strongest performers with demand growth of 18.2% outstripping a capacity expansion of 13.4%. Load factors stood at 78.6%. In contrast to the overall market, the growth trend in this region has been robust throughout 2012, gaining a further 1.9% in June compared to May.
- Latin American airlines also performed well in June, recording an 11.2% gain in demand compared to the previous year. Demand growth slightly outpaced a capacity expansion of 10.7%, but load factors were among the weakest at 77.4%.
- African carriers showed growth of 10.1%, slightly behind a capacity expansion of 10.6%. At 65.0%, the region's load factor was the weakest.
- European airlines experienced strong growth in June (7.3%), well ahead of the May result (4.3%). Given the continuing economic uncertainty centered on Europe, the strong June performance is more likely a result of volatility in weak market conditions. The previous few months had seen the growth trend flatten out, after a solid 6% annualized growth rate from mid-2011 through the first quarter of 2012. Capacity was up 4.9% and load factors stood at 82.5%.
- North American airlines saw 1.6% growth in demand while capacity was cut by 0.3% compared to the previous June. This pushed the load factor to 86.9% which was the highest among the regions. Compared to May there was basically no growth with the region's airlines reporting a 0.1% decline in demand.

DOMESTIC PASSENGER MARKETS

All markets, except India, showed an expansion in demand in June compared to the previous year. Similar to the developments in international travel, however, economic slowdowns in various countries are keeping the growth trend soft throughout 2012. The first six months of 2012 have seen overall domestic air travel growth trend slow to a 2% annualized rate, after increasing at more than 6% annualized growth over the second half of 2011.

June 2012 vs. June 2011	RPK Growth	ASK Growth	PLF	FTK Growth	AFTK Growth
International	7.4%	5.0%	81.0	1.1%	2.5%
Domestic	4.1%	3.6%	81.1	-0.5%	-1.2%
Total Market	6.2%	4.5%	81.0	0.8%	1.7%

YTD 2012 vs. YTD 2011	RPK Growth	ASK Growth	PLF	FTK Growth	AFTK Growth
International	7.5%	4.9%	77.8	-2.6%	2.1%
Domestic	4.8%	4.2%	78.7	1.1%	-0.9%
Total Market	6.5%	4.7%	78.1	-2.1%	1.4%

Overall, domestic demand grew by 4.1%, slightly ahead of capacity which grew by 3.6%. The domestic load factor stood at 81.1%.

■ **India's** domestic travel fell by 0.7% in June even as capacity expanded by 4.5%. The load factor was 74.2%. This is the second month of weak year-on-year growth, and the trend in growth continues to be flat since the start of 2012.

■ **Japan's** domestic market continues to look flat. The post-earthquake and tsunami rebound lost steam towards the end of 2011. Demand was up 10.4% compared to last June, but the overall market remains about 8% below pre-earthquake and tsunami levels. Japanese domestic load factors were the weakest at 58.2%.

■ **Brazil** recorded domestic demand growth of 13.8%, double the capacity expansion of 6.5% and a load factor of 71.1%. The trend in traffic growth since the start of the year has weakened, however, with domestic demand in June more than 1% lower compared to January.

■ **Chinese** domestic air travel grew 7.8% compared to the previous June and was below the capacity expansion of 8.7%. This in an improvement on recent months, when year-on-year growth rates fell to levels not seen since the start of 2011. In fact, weakness in the trend in domestic travel has been present throughout 2012, with little increase since the start of the year, consistent with the slowdown seen in the Chinese economy. The load factor, nonetheless, remained strong at 81.3%.

■ **US** domestic demand was up 0.8% compared to the previous June. With capacity growth held to 0.1%, US carriers reported a load factor of 86.6%--the highest among the major domestic markets.

FREIGHT (INTERNATIONAL AND DOMESTIC)

While air freight performance remains soft it is nonetheless an improvement on the weak market conditions of a year ago. Compared to June 2011, freight demand has grown by 0.8%, behind a capacity expansion of 1.7%. The current level of demand shows an improvement of about 2.5% on the market lows reached in the fourth quarter of 2011.

■ Asia-Pacific airlines reported a 3% decline in demand ahead of a 1.3% trimming of capacity. The slowdown in major Asian economies – China and India - has put a dampener on air freight demand for the airlines in Asia-Pacific. Continued economic woes and waning consumer confidence in Europe has seen air freight in the region decline by 1.1% compared to June 2011, even as capacity grew by 1.8%. Latin American airlines recorded a 1.4% decline in demand while capacity grew by 12.5%.

■ North American carriers saw demand grow 1.8% compared to the previous June, while capacity shrank by 1.0%. An improvement in economic conditions and particularly consumer demand in the US has helped support the increase in air freight demand in that region throughout 2012. Middle East carriers recorded a 17.9 % increase in demand against a 14.2% increase in capacity. Middle Eastern airlines have been adding capacity to meet the need for moving goods between the Middle East and Africa and also toward Europe and Asia. African airlines were also in positive territory with a 15.9% increase in demand against a 12.1% increase in capacity.

THE BOTTOM LINE

The northern summer travel season has helped to put tourism in the spotlight.

"Governments around the world are recognizing the important role of tourism in driving economic growth. Aviation is the backbone of the tourism industry. On average some 50% of international tourists arrive by air. To benefit the most from tourism, governments need comprehensive and internally coordinated policies. In many parts of the world, aviation suffers from high taxes, insufficient infrastructure and cumbersome regulation. Tourism and aviation ministries understand the catalytic impact of aviation on the economy. Today the industry supports some 57 million jobs and $2.2 trillion in economic activity. The challenge is to get all ministries aligned and on the same page with policies to facilitate sustainable aviation growth that will drive further benefits across local, regional and national economies," said Tyler.

Jharkhand Police gets 5 Tata MPVs

Tata Motors has delivered 5 Mine Protected Vehicles (MPV) to the Jharkhand Police force, to bolster security preparedness.

The vehicles were handed over to Mr. Gaurishankar Rath, Director General, Jharkhand Police, in the presence of Mr. Bibhudi Bushan Pradhan, Additional Director General, Jharkhand Police, Mr. Rajkumar K Mallick, Inspector General of Jharkhand Police (Modernization and Provision) and Mr. Dinesh Parikh - Managing Director JMA Stores and Mr. Sanjeev Shrivastava, Head Government Sales JMA Stores, at the Jharkhand Police Headquarters in Ranchi, by Mr. Sandeep Saigal - Head, Defence Sales, Tata Motors.

Mr. Vernon Noronha, VP-Defence & Government Business, Tata Motors, said "Tata Motors Defence Solutions covers the complete range of logistics and armoured vehicles that have been popular in supporting the police and paramilitary forces across the country. The Tata MPV will take protection of the Jharkhand Police to the next level, even against IED's (Improvised Explosive Device) and anti-personnel mines".

For Tata Motors, this order comes close on the heels of another prestigious order already received from the Maharashtra State Police to supply 32 MPV's, which the company has executed.

The Tata MPV is based on modular flexibility, and integrates V-shaped hull blast protection technology, ideally suited for security operations. The Tata MPV will protect its occupants from threats like ambushes and sudden violent attacks, powerful explosive mines and heavy gunfire. The vehicle has high levels of mobility with combat survivability.

Tata Motors has deployed its dealer/service network in Jharkhand, in far flung inaccessible areas, catering to the requirements of the Tata MPV, ensuring easy availability of spare parts and also providing additional benefits of AMC (Annual Maintenance Packages). The Tata Motors Service network ensures maximum operational readiness & lower life-cycle maintenance cost to its defence vehicles across the country.

The company also has the ability to mobilise adequate manufacturing capacity for defence requirements, along with dedicated exclusive infrastructure, manufacturing facilities and trained manpower, to ensure faster delivery of its defence vehicles.

ABOUT TATA MOTORS DEFENCE SOLUTIONS

Tata Motors has been associated with the country's off-road defence and security forces, since 1958 and has supplied over 1,00,000 vehicles to the Indian military and Paramilitary forces, so far. The company offers its products and services that not only meet the needs of the domestic market, but are also positioned to meet most stringent requirements across the world. Tata Motors exports its range of specialized defence vehicles to the SAARC, ASEAN and African regions. With Tata Motors rich portfolio in multi-axle range like 12x12, 8x8 & 6x6, the company has started supplying to leading Missile OEMs across the world. The company has established itself as a supplier of specialist vehicles for UN peacekeeping missions. Tata Motors range of off-road vehicles are also being procured by the agencies involved in AID & Development, across the world like GSA, KBR, Oxfam, RONCO, RA International & Riders. (http://www.defencesolutions-tatamotors.com)

ABOUT TATA MOTORS

Tata Motors is India's largest automobile company, with consolidated revenues of Rs. 1,65,654 crores ($ 32.5 billion) in 2011-12. Through subsidiaries and associate companies, Tata Motors has operations in the UK, South Korea, Thailand, Spain and South Africa. Among them is Jaguar Land Rover, the business comprising the two iconic British brands. It also has an industrial joint venture with Fiat in India. With over 7.5 million Tata vehicles plying in India, Tata Motors is the country's market leader in commercial vehicles and among the top three in passenger vehicles. It is also the world's fourth largest truck and bus manufacturer. Tata cars, buses and trucks are being marketed in several countries in Europe, Africa, the Middle East, South Asia, South East Asia and South America.

FINANCIAL RESULTS

Tata Motors reported consolidated revenues (net of excise) of Rs.43,324 crores for the quarter ended June 30, 2012, posting a growth of 30.1% over Rs.33,289 crores in the corresponding quarter of the previous year on the back of strong growth in volumes of new products and favorable market mix at Jaguar Land Rover (JLR). The Consolidated Profit before Exceptional item and Tax was Rs.3,623 crores, posting a growth of 50.8% over Rs.2,403 crores in the corresponding quarter of the previous year. The Con-

solidated Profit before Tax (PBT) for the quarter was Rs.3,183 crores, compared to Rs.2,346 crores for the corresponding quarter of the previous year. The Consolidated Profit/loss (after tax and post minority interest and profit in respect of associate companies) for the quarter was Rs.2,245 crores, as compared to Rs.2,000 crores in the corresponding quarter of the previous year. JLR tax expense for the quarter ended June 30, 2011, was lower consequent to utilization of past tax losses.

The Consolidated Profit for the quarter ended June 30, 2012, was impacted by Exceptional items of Rs.441 crores (loss of Rs.57 crores in corresponding period last year) on account of exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans arising from the depreciation of Indian Rupee (INR).

Weak macroeconomic parameters, excise duty increases and poor availability of freight, resulted in pressure on volumes in the MHCV segment. Further, competitive pressures on pricing in certain commercial and passenger vehicle segments and lower volumes, impacted the operating margins. Operating margin was 7.3% for the quarter ended June 30, 2012, as compared to 8.8% for the corresponding period last year. The Operating Profit (EBITDA) stood at Rs.774 crores in the quarter ended June 30, 2012, as compared to Rs.1,020 crores in the corresponding period last year.

The PBT for the quarter ended June 30, 2012 is Rs.237 crores as compared to Rs.466 crores in the corresponding period last year and the PAT for the quarter is Rs.205 crores as compared to Rs.401 crores in the corresponding period last year. The PBT and PAT for the quarter ended June 30, 2012, were adversely impacted by exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans arising from the depreciation of Indian Rupee (INR), of Rs.161 crores (Gain of Rs.2 crores in corresponding period last year).

Tata Motors' sales (including exports) of commercial and passenger vehicles for the quarter ended June 30, 2012, stood at 190,483 units, representing a decline of 3.6%, as compared to the corresponding period last year.

In the domestic market, the Company's Commercial vehicles sales for the quarter ended June 30, 2012, stood at 114,710 units, a growth of 1.3% over the corresponding period last year. Growth was driven by small commercial vehicles and was supported by improved production through our facilities in Pantnagar and Dharwad. The Company's market share in commercial vehicles was 56.2% for the quarter ended June 30, 2012.

In the domestic market, the Company's Passenger vehicles, including Fiat and Jaguar and Land Rover vehicles distributed in India, stood at 62,619 units for the quarter ended June 30, 2012, a decrease of 9.9% over the corresponding period last year. The Company continues focus on marketing initiatives and network actions and the sales & service process. The market share in Passenger vehicles for quarter ended June 30, 2012, stood at 9.8%.

JAGUAR LAND ROVER PLC - (FIGURES AS PER IFRS)

Jaguar Land Rover Sales for the quarter ended June 30, 2012, grew 34.4% to 83,452 units. Of this, the Jaguar volumes for the period stood at 11,774 units and Land Rover volumes stood at 71,678 units. Growth in volumes was driven by sales of the new Range Rover Evoque and strong demand from China, which grew 91% year-on-year. Sales from the China region comprised 22.2% of total volumes for the quarter ended June 30, 2012, as against 15.7% for the corresponding period last year.

Revenues for the quarter ended June 30, 2012 of GBP 3,638 million, represented a growth of 34.6% over GBP 2,703 million in the corresponding quarter last year. Operating margins for the quarter ended June 30, 2012, stood at 14.5% and an Operating Profit (EBITDA) of GBP 527 million in the quarter, a growth of 45.6% over GBP 362 million in the corresponding quarter last year. Continued strong revenue and operating profit performance were supported by demand for new products, improved market mix, and favourable exchange rate environment. The PBT for the quarter is GBP 333 million (GBP 251 million in the corresponding quarter last year) and the PAT for the quarter is GBP 236 million (GBP 220 million in the corresponding quarter last year).In August 2012, JLR declared a dividend of GBP 150 million (equivalent to Rs 1,290 crores).

TATA DAEWOO

Tata Daewoo Commercial Vehicles Co. Ltd. registered net revenues of KRW 217 billion and recorded a Net profit of KRW 3 billion in the quarter ended June 30, 2012.

TATA MOTORS FINANCE

Tata Motors Finance Ltd, the Company's captive financing subsidiary, registered net revenue from operations of Rs.623 crores and reported a Profit After Tax of Rs.73 crores the quarter ended June 30, 2012.

Creating carbon neutral Chennai

Fostering master freight policy on anvil

Freight transportation has undergone a sea change and is facing numerous challenges.

Freight transportation in urban areas has a major role to play in raising the economy of cities. However, in recent times freight transportation has undergone a sea change and is facing numerous challenges. The rise in freight movement through road by many folds while the road networks not have been augmented sufficiently, has resulted in a reduction in road space as the trucks have to share the same roads with private vehicles as well as public transport. As a result, there is inefficiency in movement of freight resulting in high costs to the economy besides adversely affecting the environment.

Against this background The Madras Chamber of Commerce & Industry (MCCI) organized a one-day conference on `Creating Carbon Neutral Chennai: Planning for Integrated Freight Movement`. The aim of the conference was to discuss and arrive at policies and methods for integrating freight movement into urban transport policy, in order to ensure economic and environmental gains. The goal was to foster a sustainable master freight policy that works for Chennai.

Delivering the inaugural address, the Chief Guest **Mr. T K Ramachandran, IAS,** Secretary to Government, Highways and Minor Ports Department, Government of Tamilnadu explained how `Vision 2023` of the Tamilnadu Government was crucial for the city in terms of planning for the future and referred to the various projects enunciated by his Department.

"The State Government is developing minor ports to help decongest major ports of Chennai, Ennore and Tuticorin. The Cuddalore Port is being developed at a large scale. As part of the Vision 2023 exercise, freight corridors and linkages between them are being studied while integration of various transportation modes was necessary," he said.

He felt that rail transport was not an alternative to road transport as one should look at technologies that make road transport as sustainable as railways. He said the State Government had comprehensive development plans of major roads in Chennai with concentration on pedestrians.

Welcoming the august gathering **T. Shivaraman,** Vice-President, **MCCI** said this was an important conference – organized at an appropriate time, immediately following the World Environment Day.

He added, that this conference was important in particular since at the heart of the Vision 2023 document was an ambitious plan to more than double the spend on infrastructure development from the current level of around 5% to 11.5%. Significant investments were also on anvil for Roadways, highways, ports and the railway projects, covering both passenger and freight transportation.

He said this conference has been organized through the Sustainable Chennai Forum of the Chamber which is an initiative to promote a business case for sustainable development and to evolve a policy framework and environment for sustainable development of the Chennai Metropolitan Region.

S. N. Srikanth, Senior Partner, **Hauer Associates,** gave the Theme Presentation. He said India should shift freight transport from road to water and rail which could reduce total cost of movement and promote sustainable development.

He said there were costs associated with every mode of transport. Internal costs and external costs. Costs that are borne by users of the transport mode. External costs were unseen and hidden namely climate change, emissions, accidents, pollutants, noise that emits, etc.

He said 12% of the green house gas emissions is from road transport (90%) and hence it is important to curtail carbon emission. We need to shift to rail and water transport. We use only 7% water transport and there is enormous potential to increase the use of waterways.

Coming to Chennai Port he said, containers cannot enter the port during the day but only at nights. Diversion of freight from road to rail will help reduce total cost of movement and promote sustainable development. He said waterways within the city such as Cooum, Adyar river and the Buckingham Canal could be used to transport freight as they connect various parts of the city. He called for integrating optimally road, rail and water transport.

Dr. V Sumantran, Vice-Chairman, **Ashok Leyland** delivered a special address. He said Chennai was a region with good educated population and logistics because of which many companies are attracted to this location.

He felt there was an urgent need to put road systems and connectivity in place while adding that planning would be critical to this. He said planning for the next 20-50 years was crucial for the State. This must be done in collaboration with the citizens, government and the industry.

He added that leveraging information technology can improve freight logistics. He gave the example of shipping major Maersk which monitors containers across the globe.

Chennai has the fourth largest gross metropolitan product in the country and is an important centre for trade and commerce in the South. The growth of the city is driven by the increase in the movement of commodities facilitated by the ports and the interconnected rail and road network he said.

Chennai needs integration of transport system to help reduce carbon foot prints. Railway and roadways must collaborate to achieve the goal of carbon neutrality.

The State Government has prepared several policy documents to achieve the target by 2020. It was also keen to integrate the ticketing system of Railways and Roadways he said.

Athena Infonomics was the Knowledge Partner at the conference while City Connect was the Associate Partner.

VALEDICTORY SESSION

In the evening, at the Valedictory session, **Dr. A P J Abdul Kalam,** former President of India, was the Chief Guest. Addressing the gathering he spoke about the green movement in Tamilnadu, the carbon neutral city of his dream, organizing cities as cluster of micro-cities, clean transport system, Smart buildings, Eco Zones, etc.

T. Shivaraman, Vice-President of the Chamber welcomed the gathering and **J Krishnan**, Chairman of the Logistics Committee gave a brief summary of the Conference proceedings for the benefit of the Chief Guest.

This was followed by a special address by **Gopal Srinivasan,** Chairman & Managing Director, **TVS Capital Funds Ltd**. He said Dr Abdul Kalam has been an inspiration for several millions of people across the globe. From very humble origins, he held the highest office by sheer hard work, dedication and by his character.

Coming to City Connect with which he is closely associated, Gopal Srinivasan said that the idea for such an organization emerged in 2007. It helps leaders of Government in making Chennai better. And there have been some small successes. He said the city has grown in 2/3 strips and has created hotspots of congestion. He said if a Mayor can run the city like a Mayor, appoint people who can make a difference, trust the people who are elected, then they should be left alone to do their job.

Earlier the Technical sessions included:

Road Transportation in Chennai: Status Analysis-

Amir Hamza of Athena Infonomics made a presentation on the above. He gave an overview of transport network, goods and freight movement, motor vehicle movement and pollution in Chennai region. He called for an integrated transport master plan for Chennai to make it:

- A world class city with an efficient transportation network where goods and passenger traffic interact seamlessly
- A carbon neutral city with significantly lower CO2 emission
- A safer city for both passengers and goods movement through well designed regulatory/policy mechanism

Low carbon pathway for Indian cities – ICLEI Project:

Ali Adil, ICLEI Research officer in his presentation said that Chennai ranked 5th in carbon emission from the transport sector among 54 South Asian cities according to a study done by the International Council for Local Environmental Initiative. Disclosing the findings of the study Mr. Adil said the city's emission levels in transport is much higher than Kolkata and Delhi. The study also pointed that Chennai has a per capita emission rate of 0.91 tonnes of carbon dioxide while its total emissions for the year are 3.82 metric tonnes.

This was mostly due to the fact that use of motor vehicles for commuting and carrying goods has increased significantly in the last few years.

Enabling Integrated Movement of Freight in the City

Bottlenecks and Key Challenges:

G Dattatri, Former Chief Urban Planner, CMDA and Former Advisor, UN Habitat, Sustainable Chennai was the coordinator for this session, while the speakers were **Nirmal Kumar Joshi, IPS**, Dy. Commissioner of Police-Traffic, Govt. of Tamilnadu.

Mr. Joshi said there is a conflict between passenger and freight movement in the city. Chennai Port Trust does not have a good connectivity and lot of efforts is made to establish better connectivity between the port and hinterland. He said 25-30 Container Freight Stations are located near the port and they need to be better managed. In view of inadequate road infrastructure, new technologies need to come in. This has happened in other developed countries.

V.Kalyana Rama, Chief General Manager-Southern Region, **CONCOR** said the aim of CONCOR, which specializes in multimodal transport, was to encourage multimodal transport. The logistics sector is very cost-conscious - the equipment is poorly maintained, the technology is very outmoded and the wages are low. Cargo movement is done by trucks which are more than 15 years old which are not road worthy. There is also the issue of overloading of trucks.

Speaking about the way forward he said road infrastructure should be improved especially connecting feeder roads from port to national highways. There should be dedicated elevated express highways from Chennai to Maduravoyal and the rail infrastructure inside port should be improved.

In his presentation **K Swaminathan,** Associate Director – Climate Change & Sustainability Services, **Ernst & Young,** Chennai said dedicated freight corridor was the need of the hour. `For carbon footprint to carbon neutral, we need to invest in solar, wind energy etc. Any planning has to be done at the macro level, ` he said. He said the key issues that were required to be tackled include:

- Freight strategy/logistics network – at national and regional level
- Integrated transportation

T A Brahmendra Barathi, Vice-President, Supply Chain, **Wheels India Ltd.** in his presentation said freight movements were happening all over India. He wondered whether there should be designated roads for Lorries alone for freight movement. He said CONCOR was a highly professional body. However, its potential was not being fully tapped in Chennai. Unfortunately, multi modal transport is not being used in a big way. He also said there was dearth of trained and qualified drivers.

Tuticorin Port which was strategically located and which offers better service will be the port to look for. He emphasized the need to reduce carbon footprint in every household.

Sustainable Integrated Freight Movement:

Case Studies and Best Practices:

Raj Khalid, India Representative, **Port of Antwerp** in his presentation on the location of the Antwerp port, the services provided, goods handled, etc. said it was a very active and hassle free port. He said setting up warehouses in Antwerp is very cost-effective. The products can be traded locally and can be sent to other European countries as well.

Vatsal Bhat, Brookhaven National Laboratory, USA, made a presentation giving the best practices prevalent in the US. He spoke about Portland International Freight Policy 2035 and the Los Angeles experience of turning environmental solutions into economic opportunities.

G. Varadaraj, Traffic & Transport Expert, Balaji Railroad Systems Ltd. **(BARSYL)** was of the view that if congestion is reduced, automatically there will be reduction in pollution as well. Though there have been efforts to reduce road traffic during the day, it has significantly increased during the nights in the last few years. Movement of freight by trains in larger capacities would, to some extent, give relief to movement by road.

THE WAY FORWARD

In this session, **Ms. M Geetha,** Senior Planner, Traffic Transportation Unit, **CMDA** in her presentation, said that a shift from road to rail traffic should be considered if we are to have a carbon neutral Chennai. She also highlighted the involvement of CMDA in the various projects being done in the city.

Dr. P Sai Prasad, Dy. Director, Entrepreneurship Development Institute stressed that apart from transportation, the management of garbage is very important. The main reason for pollution was usage of outdated vehicles, adulterated petrol and poor road conditions. He also stressed for sufficient greenery and said without trees, our survival will be tough.

I G Reddy, CGM (Technical) &Regional Officer, **NHAI-Chennai Region** said the Central Government will soon submit a technical justification for the alignment of the Rs 1815 crore Ennore-Port- Maduravoyal elevated link road project to the Tamilnadu Government. The project being implemented by NHAI has been put on hold since April this year – 9 months after work on the 30 Kms long facility began.The Water Resources Department had objected to the project's alignment saying it was on the Cooum river bed and not on the bank as proposed. The Department had also said that flow of water was being obstructed and demanded the project be scrapped. He urged the MCCI to take up the issue with the State Government since it would help decongest Poonamallee high road and thereby reduce pollution.

Dr.V. Tamizh Arasan, Professor, Transportation Engineering Divn. Dept of Civil Engineering, IIT-Madras said the road space available is less than the average. A metro freight corridor along with the peripheral road (ORR) will go a long way in easing out congestion, he suggested.

He called for the creation of a MCCI chair on Freight Transport in an academic institution for research oriented projects on the subject as is done in advanced countries.

The vote of thanks was proposed by **J Krishnan,** Chairman of the Logistics Committee of the **MCCI**.

Indian retail poised to grow $1.3 trillion by 2020

The annual plan for Maharashtra state has been finalised at Rs45,000 crore for the year 2012-13. This was decided at a meeting between Deputy Chairman, Planning Commission, Montek Singh Ahluwalia and Chief Minister of Maharashtra, Prithviraj Chauhan.

India's retail industry is expected to more than double to $1.3 trillion by 2020, led by an estimated 25 percent average annual growth in organised retail if overseas investment is permitted in the sector.

According to said R.V. Kanoria, president of the Federation of Indian Chambers of Commerce and Industry (FICCI), "The Indian retail is poised to become a $1.3 trillion opportunity by 2020. With the current market size estimated at $500 billion, this translates to an additional $800 billion in the next eight years." The country's traditional retail industry is expected to grow at an average annual rate of five percent over the next year, while the organised retail is estimated to register a growth rate of around 25 percent during this period.

Currently, almost 94 percent of India's retail industry is unorganised or traditional.

The central government recently took a decision to allow up to 51 percent foreign direct investment (FDI) in multi–brand retail and raise the limit for overseas investment in single–brand retail to 100 percent.

In an interactive meeting organised by FICCI with different stakeholders of retail industry like representatives of small Kirana stores, farmers and consumers, to gauge the immediate concerns of the industry, Kanoria said FDI would help improve back–end infrastructure and reduce wastage, especially of fruits and vegetables.

Kanoria felt an estimated investment of almost Rs.64,000 core is required to build a strong back–end infrastructure in the country. "FDI in retail would help in addressing this issue with compulsory investment of 50 percent in back–end," he said.

Lack of adequate storage facilities are causing huge wastage of food products. According to some industry estimates, 35–40 percent of fruits and vegetables and nearly 10 percent of food grains in India are wasted annually due to lack of storage facilities.

In a presentation at the interactive meeting, Raghav Gupta, principal, Booz & Co, said nearly 800,000 people were currently employed directly in organised retail in India.

Without FDI this number is expected to increase to two million by 2016 (another four million opportunities via indirect employment). However, FDI in retail can potentially add another 1.5 million jobs by 2016 where additional direct employment will rise by 0.5 million and additional indirect employment will increase by one million, Gupta said.

"Less than 80 percent of this employment opportunity will be for people with minimum qualifications. These jobs will offer higher salaries, defined career paths and better work environment compared to unorganised retail," he said

Emirates SkyCargo on US Network expansion spree

Daily cargo flights from Washington DC will motivate business between seven American gateways to Emirates Airlines 120-plus destinations

SkyCargo, the freight division of Emirates, is on a connection spree with more American businesses with international opportunities with the addition of a seventh US gateway to Emirates' global network. Washington DC, after the launch of flights from Dallas/Fort Worth and Seattle earlier this year, has become the third US destination to join the Emirates SkyCargo network in 2012, injecting further impetus to the burgeoning trade lanes it operates between the US, its United Arab Emirates hub and points across the Middle East, the Indian subcontinent, Africa, the Far East and Australasia.

Following the launch of its North American services with New York in 2004 - and the subsequent additions of Houston, Los Angeles and San Francisco - Emirates SkyCargo has contributed to the steady growth in trade between the US and the UAE, which in 2011 increased by 43% to hit a record high of $18.34 billion.

With businesses in states neighbouring all seven points connected by an extensive trucking network, companies in Maryland and Virginia can also expect to receive an economic boost from the service from Washington Dulles International Airport which commenced on 12th September and is operated by a Boeing 777-300 ER.

According to Mr. Ram Menen, Emirates' Senior Divisional Vice President Cargo: "Emirates SkyCargo, offering the fastest trade link between Washington and the Middle East, will be providing a boost to the American economy by stimulating international trade between countries across our global network of more than 120 destinations." He added, "Our Dubai hub is strategically located within eight hours of two-thirds of the world's population and can connect US businesses to both established trading points in the Far East, as well as emerging markets in the Indian subcontinent, Africa and the Middle East."

He informed:"With direct daily flights and a range of innovative products and services, as well as a 173-strong fleet of modern wide-body aircraft, Emirates SkyCargo looks forward to providing American businesses with tailor made solutions to their cargo requirements. Washington is just one of 12 destinations to join our network this year. As each one is added, new trade lanes emerge, a trend which is set to continue as the 230-plus aircraft we have on order to join our fleet."

Goods – including exports of transport equipment, electronic products, machinery parts and pharmaceuticals, as well as clothing, household goods, electrical appliances and pharmaceuticals going in the other direction – will be handled at Emirates SkyCargo's state-of the-art Cargo Mega Terminal, a facility capable of handling 1.2 million tonnes per year.

The UAE was the 19th largest export destination for American goods in 2011. US exports to the UAE reached $15.89 billion in 2011; an increase of 36% on 2010. The UAE more than doubled its exports to the US in 2011 to $2.44 billion, an increase of 113% on 2010.

EK 231 will leave Dubai daily at 2:20 am and arrive at Washington Dulles International Airport (IAD) at 8:50 am. EK 232 will depart Dulles at 10:55 am arriving in Dubai at 8:00 am the following day.

RAM MENEN
Emirates' Senior Divisional Vice President Cargo

So far this year, the airline has started services to Dublin, Rio de Janeiro, Buenos Aires, Dallas/ Fort Worth, Seattle, Lusaka and Harare, Liege (cargo-only) and Ho Chi Minh City.

On the passenger front, Emirates is continuing its network expansion with the planned start of daily services to Phuket the largest island in Thailand located in the Andaman Sea. The new service which will commence on 10th December will mark Emirates' second destination in Thailand.

Thailand is an important market for Emirates, which currently operates four daily flights between Dubai and Bangkok, including one with Airbus A380 aircraft. In addition to improving tourism between the two countries, the new route is also expected to improve trade, which is in favour of Thailand.

Phuket will become the 15th route launch for the airline this year and the second in South East Asia following on from Ho Chi Minh City in June.

Emirates will also launch four weekly flights to Adelaide which will be converted to daily service from 1st February 2013.

FREQUENT FLIER PACT

Meanwhile Emirates Airlines and JetBlue Airways have announced the launch of a joint frequent flyer partnership.

Emirates' Skywards members can now earn Skywards Miles on JetBlue's network throughout the Americas, while members of JetBlue's customer loyalty program TrueBlue can earn TrueBlue points across Emirates' network of more than 120 destinations worldwide. The partner airlines plan to introduce a redemption agreement in February 2013.

Bahrain hosts 8th Trans Middle East 2012 event

The 8th Trans Middle East 2012 Exhibition and Conference took place in the Kingdom of Bahrain hosted by the Ministry of Transportation Ports and Maritime Affairs at the Gulf International Convention and Exhibition Centre, Bahrain recently attracting 500 international sea freight conference delegates.

Trans Middle East is the biggest annual Container Ports and Terminal Operations Exhibition and Conference trade event in the Middle East - now in its 8th successful year.

A two days Exhibition of more than 80 international companies provided an ideal marketing platform to promote their products and services to a dedicated target audience of more than 500 senior executive maritime transport conference delegates from Europe, The Middle East and Africa (EMEA).

The concurrent two days Conference featured 30 world-class senior executive level speakers highlighting latest issues effecting the development of cargo shipping and transport logistics throughout Europe, the Middle East and Africa as well as latest developments in cargo shipping; direct connections to main and feeder air and sea ports worldwide and the application of rail and road as part of the intermodal logistics chain.n

This important event also gave the participating companies, conference delegates and other overseas visitors an ideal opportunity to see for themselves the rapid strides the

Kingdom of Bahrain has made in recent times in the maritime and logistics sectors, highlighted by the state-of-the-art Khalifa Bin Salman Port (KBSP) and the Bahrain Logistics Zone. These two facilities are committed to transforming Bahrain into a major transshipment hub and an ideal gateway for overseas businesses to efficiently and cost-effectively access the billion dollar regional markets, especially in the Northern Gulf region.

Trans Middle East, run by specialised Malaysian-based event management company Transport Events Ltd, is the largest annual Container Ports and Terminals Operations business-to -business trade event in the Middle East and one of the largest trade events of its kind throughout Europe, the Middle East and Africa.

Some of the topics that was debated at the concurrent seminar include:

- Growth Strategies Driving Maritime Players Within The Region
- Forthcoming Challenges in Relation to Strong Demand in Global Containerisation
- Current State of Infrastructure And Investor Sentiments For Ports And
- Shipping Development
- Global Trends in The Ownership of Ports And Its Significance For Shipping Lines
- The Outlook For Container Traffic And The Growth Prospects For Intra-Regional Trades
- Maritime Supply Chain Integration – Realising The Part of Ports in Global Logistics Port
- Modernisation And Capacity Improvements: Catching up With Growth Opportunities
- Putting The Right Cargo Handling And Heavy Lifting Equipment in Place Achieving
- Greater Cargo Visibility, Security And Tracking in Your Ports Cost Effective Container Inspection And Detection Technology

FedEx expands 'Priority Alert' Services

FedEx is offering added connections and peace of mind for global customers who require the highest level of reliable monitoring for their time and temperature-sensitive shipments.

FedEx Express, a subsidiary of FedEx Corp. is rolling out a broad expansion of its'Priority Alert' and 'Priority Alert Plus' inbound and outbound services, introducing them to more than 70 countries via www.fedex.com/peaceofmind that span the globe including 29 countries in Europe, Middle East, Indian Subcontinent and Africa (EMEA).FedEx Priority Alert TM and FedEx Priority Alert PlusTM will also be offered on domestic services in Switzerland, the United Arab Emirates, Mexico and Canada. FedEx Priority Alert packages are identified with a bright pink tape to signal their priority status when it comes to loading and unloading. Customers use FedEx Priority Alert to ship critical materials for the financial, aerospace, electronics, manufacturing and healthcare industries, where timing and visibility is of the essence. Customers using FedEx Priority Alert also receive 24/7 support from a team of dedicated global service analysts. These specially-trained analysts provide an added level of proactive monitoring and notification of the status of a shipment, whether it's moving through the EMEA region or internationally.

FedEx Priority Alert Plus goes one step further to provide proactive recovery. Designed primarily for the unique needs of the healthcare industry, Priority Alert Plus includes added services to preserve critical shipments, including dry ice replenishment, gel pack reconditioning, and access to cold storage to help keep safe potentially life-saving shipments within the correct temperature range to protect the integrity of the contents from start to finish.

"Our customers expect agility, speed and reliability for their global supply chain solutions. That's why we introduced FedEx Priority Alert services which offers our customers end-to-end visibility with 24/7 monitoring, priority boarding and recovery measures for their critical shipments," said Carlo Novi, managing director, Sales, HealthCare Solutions, FedEx Express EMEA. The global expansion of these monitoring services also highlights the company's commitment to strategic international growth designed to make the global marketplace more accessible to its customers.

SWISS reports volume growth

Swiss International Air Lines (SWISS) transported 12,057,276 passengers in the first nine months of 2012, a 4.3% increase on the 11,564,481 passengers of the prior-year period. The airline operated 114,103 flights in the period, up 1.1% on the 112,915 flights of January-to-September 2011. The 83.5% system wide seat load factor for the nine-month period was also a 1.4-percentage-point improvement on the prior-year result.

On its European network SWISS raised its available seat-kilometre (ASK) capacity 3.3% in the first nine months of 2012 compared to the same period last year. Total traffic volume for the period rose 4.1% in revenue-passenger-kilometre (RPK) terms. System wide seat load factor improved accordingly, rising 0.5 percentage points from the 74.9% of 2011 to 75.4%.

January-to-September ASK capacity on SWISS's intercontinental routes was a 5.7% increase on the prior-year period. Here, too, the growth was outpaced by a 7.8% increase in RPK traffic volumes, raising system wide seat load factor 1.7 percentage points from 85.9% to 87.6%. The airfreight business of SWISS's Swiss World Cargo division posted a 6% increase in sales for the first-nine-month period in revenue-tonne-kilometre terms. Cargo load factor (by volume) stood at 78.7%, a 0.5-percentage-point improvement on the 78.2% of January-to-Sept. 2011.

Nissan opens 3rd exclusive dealership outlet

To lunch new UCUV next year and 12 new models by 2016

Mr.G M Singh, Vice Chairman & MD, Hover Automotive inaugurating their third exclusive showroom in Mumbai.

NISSAN MOTOR INDIA PVT. LTD recently launched a new dealer outlet in Mumbai, Torrent Nissan. Mr. G.M. Singh, Vice Chairman & Managing Director, Hover Automotive India, while inaugurating the outlet said, "Nissan have ambitious plans for the Indian market. In the next 5 years we would be a major player in this country in the auto industry. Besides catering to the domestic market our focus will be on exports to Europe, Africa and the Middle East, he added.

Mr. Singh informed, "With newer models which are slated for launch this year, we are gearing up for wider sales and mass support to all our customers who believe in Nissan's innovation and excitement philosophy."

Singh was of the view that in the long-term, the INR 4,500 crore investments in manufacturing plant at Oragadam, near Chennai will expand with growing demand.

Nissan has an existing dealer network of over 68 outlets. Torrent Nissan is the third exclusive Nissan dealership in Maharashtra. The earlier two are in Worli and Navi Mumbai respectively.

Around 33,273 Nissan cars were sold last year and this year the figure will more than double the sales and also the number of dealers will touch 100, said Singh. In the next five years the target is to touch 400 dealership.

Coming next year, a new urban class Utility vehicle will be launched and by end of 2013, two to three more new models will be hitting the roads. The year 2016 will see more than 12 new Nissan models entering the market.

Torrent Nissan is a spacious sales facility covering480 sq.mt and is conveniently located at a prime location in Andheri (West), Mumbai.

"Mumbai is growing in terms of its sheer market size and user base. It is a perfect market which demands innovation with value for money services and we are glad to be expanding our presence in this commercial capital of the country," commented Mr. Takayuki Ishida, Managing Director & CEO, Nissan Motor India Pvt. Ltd.

Expressing his conviction in the Nissan brand, Mr Jatinder Singh Chadha, Dealership Promoter, Torrent Nissan, said, "Nissan is one of the few OEMs who has set global benchmarks and created new standards in its products and service quality. This makes Torrent Nissan proud to be a part of this innovation enriched brand"

In a bid to increase its dealership presence across India and accelerate growth, Nissan has signed a sole and exclusive distribution agreement with Hover Automotive India, which will act as Nissan's national sales company. It will be the service partner for marketing, sales, after-sales service and dealer development in India

Nissan Motor India Private Ltd. (NMIPL), a 100%subsidiary of Nissan Motor Co., Japan, was incorporated in 2005 with a vision of 'Enriching People's Lives' through latest Nissan Technology and products. NMIPL has appointed Hover Automotive India (HAI) as their exclusive strategic alliance partner to handle sales and marketing, dealer development, customer relationship management and after sales in India.

Building the future of Indian aviation
An India Inc. approach

The International Air Transport Association (IATA) has called for an "India Inc." approach to resolve India's aviation crisis and improve competitiveness to drive economic and social benefits.

"Indian aviation is in a multi-faceted crisis. Before aviation can deliver greater benefits to the Indian economy, this crisis must be resolved with coordinated public policies. It's time for a grand plan to build India's aviation future and thereby strengthen the Indian economy. To do that, we need an 'India Inc.' approach that addresses the crippling issues of high costs, exorbitant taxes and insufficient infrastructure," said Tony Tyler, IATA's Director General and CEO in his keynote address to the Confederation of Indian Industry.

Aviation in India supports 1.7 million jobs, 0.5% of GDP and 90% of international tourist arrivals. "That's impressive but it could and will be much more. Today, India is a market of about 100 million passengers annually. Looking ahead, if Indians traveled as much as Americans, we would see a market potential of over 2 billion travelers," said Tyler. Despite this great potential, India's airline industry is struggling financially. Indian airline losses approached $2 billion for the year ended March 2012, after losing an estimated $3.5 billion over the three previous years.

"A bright future is at hand for Indian aviation if we can find common purpose among all stakeholders. India must not settle for a bronze medal in global aviation. If we can take deliberate action on a handful of critical issues—reducing taxes, ensuring capacity and keeping costs in check—winning a gold is entirely possible. And the benefits of such an effort will be shared across the entire economy," said Tyler.

Tyler called for urgent action as follows:

High Costs: "The high cost of doing aviation business in India is squeezing the lifeblood out of the airline sector. Infrastructure costs and taxes need urgent attention," said Tyler who focused his comments on airport charges and fuel taxes.

Airport Costs: "India's airports are becoming increasingly expensive," said Tyler. The Airports Economic Regulatory Authority (AERA) approved a 346% increase in charges at Delhi Airport effective from May 2012. The increase will add over $400 million in operating costs for airlines providing connectivity to India through Delhi.

"An increase of this magnitude will impact travel demand by 5-7%. That's bad for airlines, for passengers, for Delhi International Airport Private Limited (DIAL), for the Delhi hub, for Delhi as a city and indeed for India and its economy as a whole. We need to focus on how to make Delhi a more competitive airport, a successful hub and a major driver of economic growth," said Tyler.

To operate Delhi's airport, DIAL pays 46% of top line revenue to the Airports Authority of India (AAI) as a concession fee, much of which is used to subsidize other public sector airports. "This is in contravention of international standards, distorts competition and compromises Delhi's cost competitiveness," said Tyler.

"I urge the government to initiate deliberations on utilizing the 46% concession fee to offset the increase in aeronautical charges and the cost for passengers. This could be the basis for a way forward that protects the interests of DIAL, its airline customers, the fare-paying public, and the economy. And it is important that we find a workable solution soon to avoid Mumbai, with a similar concession structure, falling into the same dire situation," said Tyler.

Taxation: Aviation can deliver the greatest value to national coffers by facilitating business that expands the tax base. "Unfortunately, many Indian Ministries see aviation as a revenue source, rather than as a revenue generator," said Tyler.

The Ministry of Finance imposes a service tax on air tickets, landing and navigation charges. This contravenes International Civil Aviation Organization (ICAO) policies. India's airlines are also taxed on domestic fuel that can add an additional 30% to the fuel bill. On top of that is an excise duty of 8.2%. As a result, fuel is about 45% of total operating costs for Indian carriers, compared to a global average of 33%.

"Taxes may provide short-term gain for finance ministries at various levels of government but they are compromising the initiatives and strategic priorities of other ministries," said Tyler. India's Commerce Ministry wants to increase India's exports to $500 billion by 2013-14—double the 2010-11 level. The Tourism Ministry is targeting 10 million tourists by 2017 nearly double the 5.7 million arrivals expected this year. "Reducing the tax burden on connectivity will be a critical element of success for both these efforts with more competitive business travel, more cost-efficient shipping and a more inviting welcome for 90% of international tourists who arrive by air," said Tyler.

Capacity: Tyler called for expedited work to expand capacity in Mumbai. "A new airport is needed in Mumbai or economic opportunities will be lost. I am pleased to see that Prime Minister Manmohan Singh has recognized the urgency of the situation and thrown his weight behind moving the Navi Mumbai airport project forward on a fast track. The 12th Indian Five Year Plan projects 274 million passengers flying in 2017. A 'super-fast track' way forward may have to be developed to meet that expectation," said Tyler.

RNI No. TNENG/2011/36415