Minutes of the 128TH meeting of the National Shipping Board held on 07.4.2016 at Hotel Cidade de Goa

The 128th Meeting of the National Shipping Board (NSB) was held under the Chairmanship of Dr.Vishwapati Trivedi, Chairman, NSB on 07th April, 2016 at Hotel Cidade de Goa

The list of participants is enclosed at Annexure – I

2. Shri I. Jeykumar, Chairman, Mormugao Port Trust, Goa, welcomed all the NSB Members and Special Invitees for the 128th meeting of the National Shipping Board. He expressed his happiness and privilege for Mormugao Port Trust to have been entrusted the important task of organizing the 128th NSB meeting at Goa.

3. Beginning the meeting, Dr. Vishwapati Trivedi, Chairman, NSB, welcomed the members and special invitees after round of introductions. The Chairman thereafter briefly apprised the members about the important issues that would be discussed during the ensuing meeting. The Chairman also informed the members that the issues taken-up by NSB in the past had been placed before the Ministry, as NSB was an advisory body. Some of the recommendations of NSB had already been notified by the Ministry and that some of the other recommendations were in the pipeline to be notified.
The agenda items were thereafter taken up for discussion.

4. Confirmation of the last minutes of the Meeting

The Member secretary, NSB, informed that the minutes of the last meeting were circulated on January 2016 and no comments were received till date. Since no comments were raised by the participants, the minutes of 127th meeting of NSB were confirmed.

5. Review of Action Taken Report on Minutes of 127th meeting of NSB:

5.1 **Enhancement of Skill for Seafarers:**-The Member secretary, NSB, informed that according to the decision taken in the last meeting, a reminder letter has been issued to the Secretary to the Govt. of India, Ministry of Skill Development, New Delhi on 29.03.2016.

During the detailed discussion on the issue, the Chairman directed that a revised and suitable proposal for enhancement of Skill for Seafarers should be prepared and submitted by General Secretary, NUSI. This proposal should clearly identify the specific need of the skill training to the seafarers so as to further enhance their employability.

(Action: NUSI)

5.2 **P&I Club:** The Member secretary, NSB, informed that INSA has stated that they would complete the 'Position paper' on the subject, in about 60 days. Capt. K.P. Jayakumar, DY. NA, DGS, informed that an Indian P&I club was established recently by the private sector in Mumbai with intention to initially provide P & I cover for coastal ships, for which, they would be applying for approval to IRDA..

Representatives of INSA and ICCSA expressed their reservation about functioning of the Indian P&I club, as informed by the rep. of the DGS. The issue was discussed at length and the Chairman directed that a 'Position paper' may be submitted by the representatives of INSA and ICCSA, before the next meeting.

(Action: INSA and ICCSA)

5.3 **Cabotage relaxation for RORO vessels**: Action on this issue has already been initiated and hence, the Chairman decided to delete this issue.

5.4 **Quota in Railway Reservation for Seafarers:** It was informed that during an informal interaction with the Hon'ble Union Minister of Shipping, he had opined that rail reservation for seafarers would not be feasible.

The issue was discussed at length. The Chairman directed that NUSI should prepare a revised proposal, clearly identifying routes/trains and providing the justification for allotting some quota of reservation in such trains/routes for the seafarers. This proposal may be submitted before the next meeting of the NSB.

(Action: NUSI)

5.5 **Soft Solution for the Complex challenge of congestion of JN Port:** The Chairman informed that JN Port has submitted a report on the subject and the same would be circulated shortly.

(Action: PA to Chairman, NSB)

5.6 **Note from Shri Gajanan Kirtikar, Hon'ble MP:** According to discussion held on 127th Meeting of NSB, the Chairman directed that the comments received from the Ministry of Shipping, may be circulated to all Members of the Board.

(Action : NSB Secretariats)

5.7 **Role of Ships taken up from Trade (STUFT)**: The rep of the Indian Navy has been suggested to submit detail criteria and justification for their requirement under STUFT, to the DG Shipping.

There being no further intervention required from the NSB, on this subject, the Chairman directed that the issue may be deleted from the Agenda.

5.8 **Sagarmala Project**: Indian Navy (IN) representative had requested that the IN may be kept in loop of the decisions on the subject of the Sagarmala project. The issue was forwarded to the Ministry of Shipping, who vide letter No. ST-16011/1/2016-MA dated 06th April, 2016, has informed the subject has been noted for compliance.

5.9 **Handling of Classified documents:** According to the decision taken during the 127th meeting, the representative of DG Shipping informed

dredging/shallow water dredging, port related civil construction etc., as well as the proposed way ahead.

A copy of presentation is enclosed as Annexure – III.

8 Presentation on "End to End Logistics for Sea Transportation": Dr. K. Rangarajan, Professor & Head and Dr. Deepankar Sinha, Professor, IIFT, Kolkata, briefly explained the aim of the study i.e. to understand multitude of charges that an importer, in India, is subjected to, by the ports and other connected agencies and to suggest ways of bringing-in transparency, by amending existing Rules/regulations/practices. Copy of presentation is enclosed at Annexure IV.

Concluding the discussions on the subject, the Chairman observed that since the all the stakeholders have already been consulted (through a structured Focus Group Discussions) and detailed discussions have also been held with the DG Shipping, IIFT would now submit the final report, shortly, and the same would be submitted to the Govt. for further considerations. A copy of the Report would also be tabled during the next NSB meeting, for information of the Hon'ble members.

(Action: Dr. K. Rangarajan, Professor & Head, IIFT, Kolkata)

9 Presentation on "Draft Pilotage Scheme": Capt. H. Khatri, Dy. Nautical Advisor to the Govt. of India and Member Secretary, NSB, briefly explained the salient issues of the pilotage scheme that has been submitted to the Govt, in compliance of the directions of the MSDC during the 15th and 16th meeting. A copy of this report was also tabled during this meeting for the kind reference of the Hon'ble members.

10 Agenda submitted by Shri L. S. Shukla, Member, NSB:-

10.1 **Inland Water Ways:** - Shri L. S. Shukla, Member, NSB informed that most of the points related to inland water ways has already been

11 Agenda submitted by Indian Coast Guard:-

11.1 **Petty theft/robbery onboard merchant vessel of Kandla**

The representatives of DGS informed that the Directorate has issued a circular no. 02 of 2008 dtd. 05.08.2008 listing out the measures by the ports, ships in case of antipiracy and other such activities and the same can be re-iterated if required.

11.2 **Abandoning of MV bulk rose (IMO no. 9501215)**

The representatives of DGS informed that keeping in mind the issues of abandonment, casualties in on around Indian coasts; the Tamil Nadu Government has prepared a contingency plan for addressing such issues. Every coastal state/state maritime board may consider preparing such contingency plans to deal with such issues. The Directorate had also issued advisory for handling such eventualities, which was circulated to all concerned.

11.3 **Establishment of recognized TSS and safety fairways of Kerala coast.**

The representatives of DGS informed that TSS and traffic lanes have to be prepared in accordance with IMO guidelines, keeping in mind the traffic density and the navigation facilities (celestial and terrestrial) available in the area. As per the data available, it is observed that bigger merchant vessels invariably navigate beyond 12 nautical miles from the coastline. However, in light of the Indian Regional Navigational Satellite System (IRNSS) being launched and upon development of navigational aids around Indian coast being developed, it will pave the way for such proposal.

12 Before concluding the meeting, the Chairman informed to the participants that the present Member Secretary, Capt. H. Khatri would be shortly taking up a new assignment, as Nautical Advisor to the MMB, Mumbai,

Govt. of Maharashtra. He appreciated the services of Capt. Khatri, as Member Secretary of the NSB for the last 9 years, continuously, working with a number of Chairmen, in a dynamitic and result oriented manner and also applauded Capt Khatri as an asset to the Shipping Industry.

The Chairman also informed that the work of Member Secretary, NSB, upon movement of Capt. H. Khatri, would be handled by Capt. K.P. Jayakumar, Dy. NA to the Govt. of India, DG Shipping, Mumbai.

The meeting concluded with a vote of thanks to the Chair.

* * * * *

LIST OF MEMBERS AND SPECIAL INVITEES OF 128TH MEETING OF NATIONAL SHIPPING BOARD HELD ON 07.04.2016 AT CEDADE DE HOTEL, GOA

Sl. No.	Name and Designation	Contact No. & E-mail	Signature
1.	Dr. Vishwapati Trivedi, Chairman, NSB	09871841111 Chmnsb-ship@nic.in	
2.	Shri I. Jaykumar, Chairman, Mormugao Port Trust, Goa	0832-2521100 09445113300 chairman@mptgoa.com	07/4/16
3.	Dr. K. Haribabu, Hon'ble MP (LS) & Member, NSB	09440901300 kharibabuoffice@gmail.com	
4.	Shri Gajanan Kirtikar, Hon'ble MP (LS) & Member, NSB	022-29270262 Joshi.proasad940@gmail.com	
5.	Shri Kodikunnil Suresh, Hon'ble MP (LS) & Member, NSB	09447145400 / 09013180580 kodikunnilsuresh@yahoo.com	
6.	Shri S. R. Vijaykumar, Hon'ble MP (LS) & Member, NSB	09445848422 / 09840137037 Vasanthenter2611@gmail.com	
7.	Shri K. Rahman Khan, Hon'ble MP (RS) & Member, NSB	09844037811 / 080-26638778 rahmank@hotmail.com	
8.	Shri C. M. Ramesh, Hon'ble MP (RS) & Member, NSB	08130344333 / 09868933333 Cmr3333@gmail.com	
9.	Shri Deepak Shetty, IRS, DG(S) & Ex-officio Addl. Secretary	022-25752005 dshetty@dgshipping.com	
10.	Director General Naval Operation Shri Jawrav Mahajan, Jt. Dir.	011-23011477 / 23011595 ~~dgno-navy@nic.in~~ dno-navy@nic.in	
11.	Director General, Indian Coast Guard Shri M V Baadkar, Dir. I.C.G.	011-23384934 Dte-ops@indiancoastguard.nic.in	
12.	Shri Anil Devli, CEO, INSA & Member, NSB	09820061063 ceo@insa.org.in	
13.	President (Mr. Aditya Suklikar), ICCSA & Member, NSB	09820045880 mail@iccsa.in	
14.	Shri Abdulgani y. Serang, General Secretary & Member, NSB	022-22700083 / 09820149654 nusi@vsnl.com	
15.	Shri Amar Singh Thakur, Member Secretary & Member, NSB	022-22613052 / 22615507 mail@maritimeunionofindia.com	
16.	Shri Ajit Khot, GM(Great Ship) & Member, NSB	09810031307 / 011-26111030 Ajit_khot@greatship.com	

Sl. No.	Name and Designation	Contact No. & E-mail	Signature
17.	Capt. Piyush Sinha, Member, National Shipping Board	0240-2480356 / 09325212072 Captpiyushsinha@gmail.com	
18.	Shri L. S. Shukla, CMD, Transocean Ship Member, National Shipping Board	09769777626 /022-27524800 shuklals@toships.com	
19.	Shri Ajit Yeshwanth Rao, VP, BNSU & Member, NSB	09920014777 / 02266390292 Ajit.bnsu@gmail.com	
20.	Shri S. Divakar, GM (Ops), DCI	0891-2563648 cmd@dci.gov.in	
21.	Dr. K. Rangarajan, Professor & Head, IIFT, Kolkata	09836189550 rangarajan@iift.edu	
22.	Dr. Deepankar Sinha, Professor, IIFT, Kolkata	09432673733 dsinha@iift.edu	
23.	Shri Amitabh Kumar, IRS, Joint DG (Shipping)	022-25752007 Sarada-dgs@nic.in	
24.	Capt. Jayakumar Dy. NA, D.G. Shipping	022-25752048 Jayakumar-dgs@nic.in	
25.	Shri Bodhraj, SIC, MMD, Goa	0832-2520290 / 07776955680 mmdgoa@yahoo.com	
26.	Capt. H. Khatri, Dy. NA & Member Secretary, NSB	022-22076882 /09819228150 khatri@mmd.gov.in	
27.	Shri Mahesh Yadav, ADG (NSB)	022-25752054 Maheshyadav-dgs@nic.in	
28.	Shri. MS. Rao, Director (Op & Tech)	09949825213. msrao@dci.gov.in.	
29	Cdr Raji K Krishnan Indian Navy	0832-2582202	
30.	S.R.VARADA RAJAN PA to Chairman, NSB	011-23710189	
31.	S.P.Sinha. PA to Member Secretary, NSB.	022-22076882.	

MORMUGAO PORT TRUST

WELCOMES

HON'BLE CHAIRMAN AND MEMBERS OF NATIONAL SHIPPING BOARD

Goa, 07th April 2016



From A Village of Yore to Vista of Ore..

- Mormugao - A settlement conceived in 1630s

Malacca and Mozambique

- 1882, work commenced on the *Western India Portuguese Railway* line and the Port of Mormugao.
- 1885, the first vessel 'S.S.Westbourne' arrives
- 1959, Asia's first Mechanical Ore Handling Plant



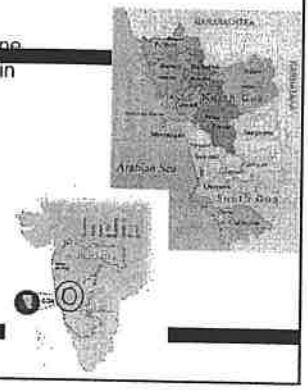
The Gateway of Konkan

Today, Mormugao Port is one among the 12 Major Ports in India

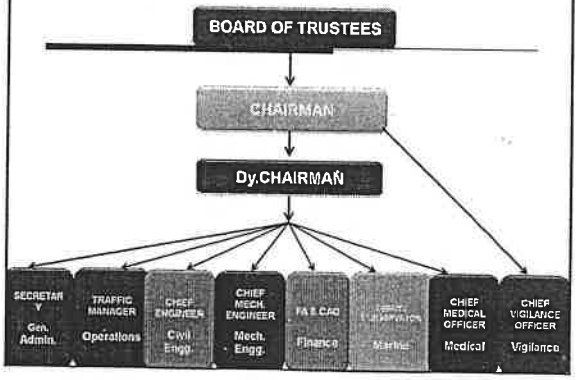
One of the prominent bulk commodity port on the western coast

Serves the hinterland of Northern Karnataka and Southern Maharashtra

[illegible] million port capacity

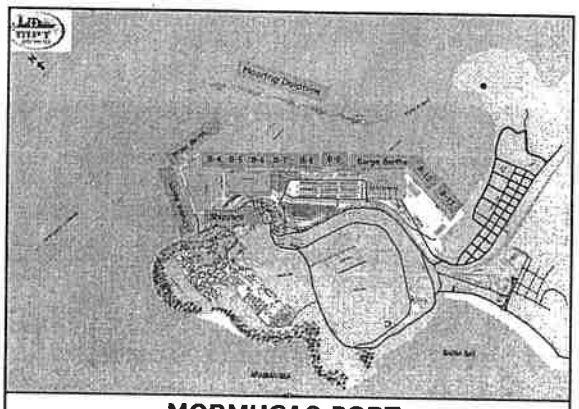


ADMINISTRATIVE SET UP

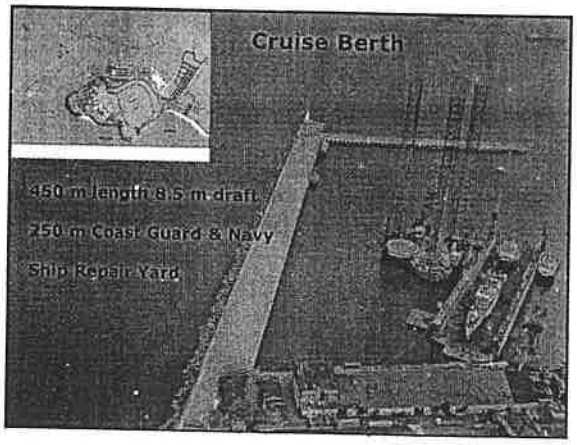


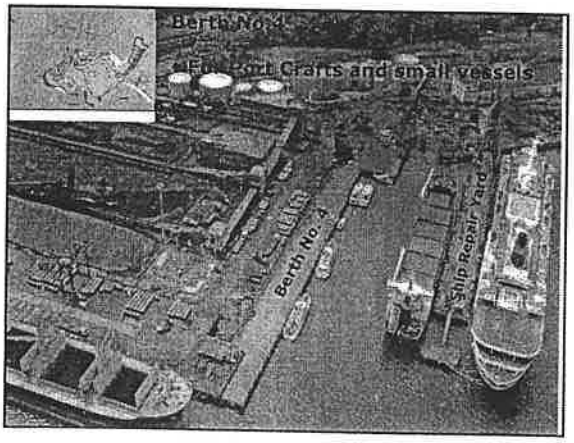
Existing Facilities

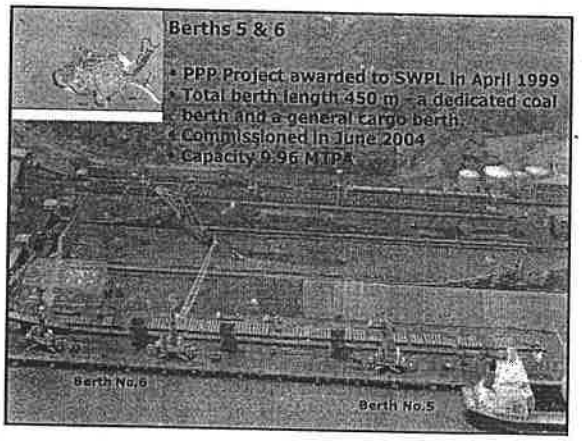
Berth	Length (mts)	Capacity (Mn. T)	Cargo/Usage	Depth (mts)	Operated by
1,2,3	-	-	Ship Repair	9.50	WISL
4	194	-	Port Craft Jetty	8.00	Port
5 & 6	450	9.96	Coal, Coke, Gen.Cargo	14.10	SWPL
7	300	8.94	Coal/Coke	14.10	Adani
8	298	1.84	Liquid Bulk	13.10	Port
9	357.50	7.67	Iron Ore	14.10	Port
10	250	1.92	Gen Cargo	13.10	Port
11	270	1.02		13.10	Port
MDs	6 nos	10.00	Iron ore/coal	14.10	Port
TVs	3 nos	6.00	Iron Ore	-	Private
Cruise Berth	450	-	Cruise Vessels	9.50	Port
Miscellaneous	250	-	Defence Vessels	9.50	Defence
Total		47.35			

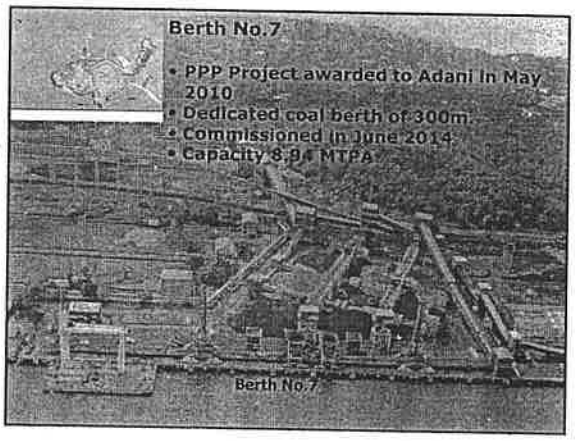


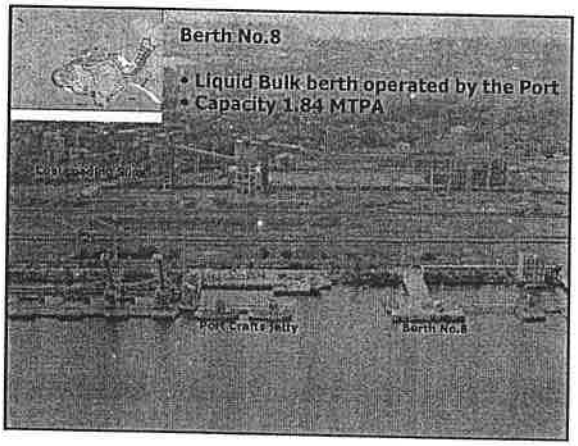
MORMUGAO PORT

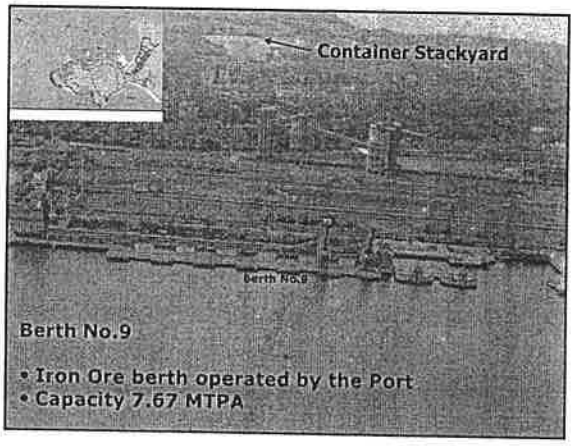

Cruise Berth
450 m length 8.5 m draft
250 m Coast Guard & Navy
Ship Repair Yard

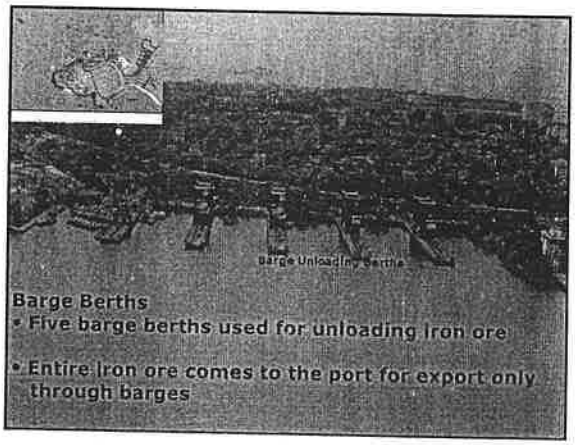

Berth No.4
Berth No. 4
Ship Repair Yard

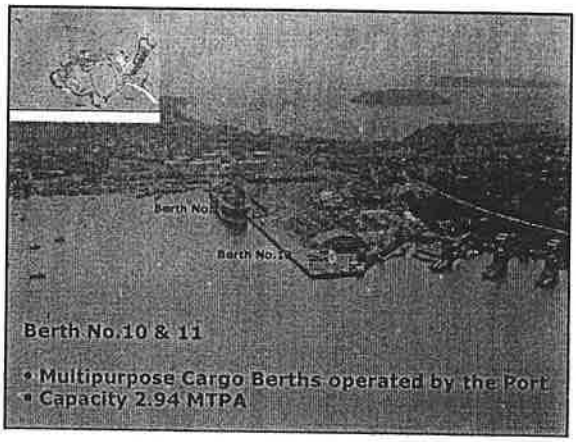

Berths 5 & 6
• PPP Project awarded to SWPL in April 1999
• Total berth length 450 m - a dedicated coal berth and a general cargo berth.
• Commissioned in June 2004
• Capacity 9.96 MTPA
Berth No.6
Berth No.5

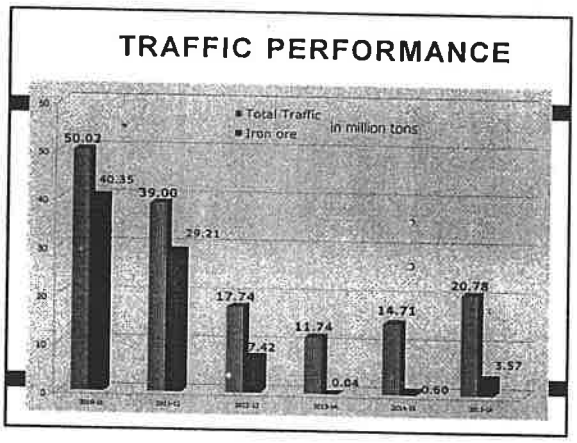

Berth No.7
• PPP Project awarded to Adani in May 2010
• Dedicated coal berth of 300m.
• Commissioned in June 2014
• Capacity 8.84 MTPA
Berth No.7

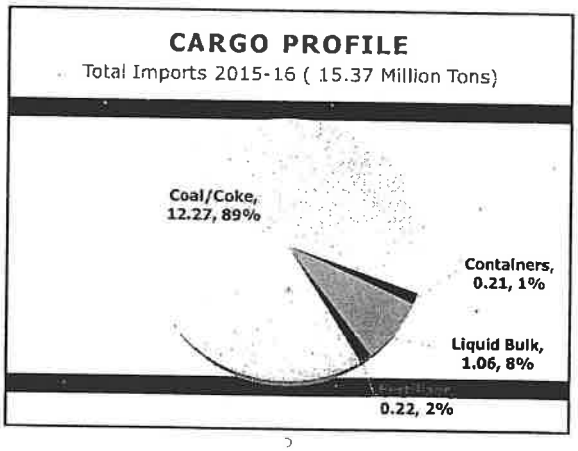

Berth No.8
• Liquid Bulk berth operated by the Port
• Capacity 1.84 MTPA
Port Craft Jetty
Berth No.8

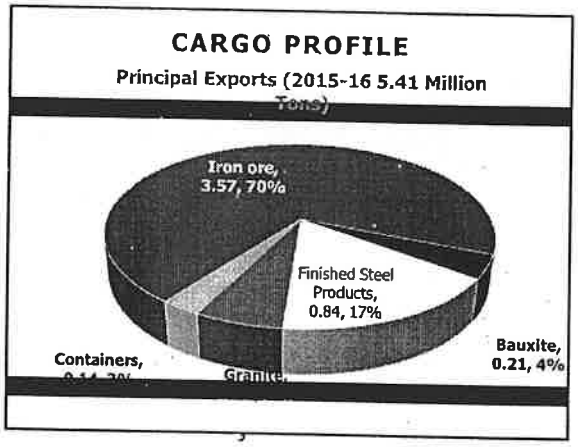

Container Stackyard
Berth No.9
• Iron Ore berth operated by the Port
• Capacity 7.67 MTPA

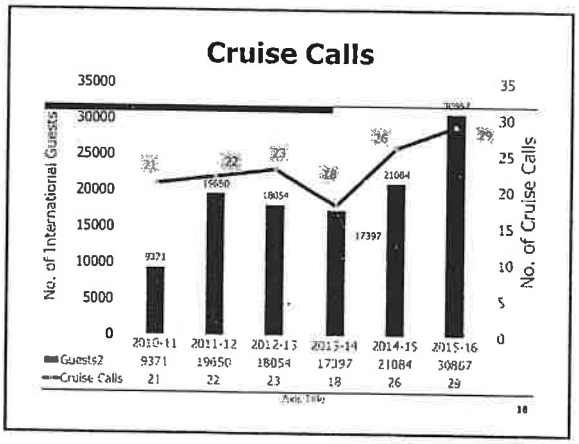

Barge Unloading Berths
Barge Berths
• Five barge berths used for unloading Iron ore
• Entire Iron ore comes to the port for export only through barges


Berth No.10
Berth No.11
Berth No.10 & 11
• Multipurpose Cargo Berths operated by the Port
• Capacity 2.94 MTPA


TRAFFIC PERFORMANCE
Total Traffic
Iron ore
in million tons
50.02
40.35
39.00
29.21
17.74
7.42
11.74
0.04
14.71
0.60
20.78
3.57


CARGO PROFILE
Total Imports 2015-16 (15.37 Million Tons)
Coal/Coke, 12.27, 89%
Containers, 0.21, 1%
Liquid Bulk, 1.06, 8%
0.22, 2%


CARGO PROFILE
Principal Exports (2015-16 5.41 Million Tons)
Iron ore, 3.57, 70%
Finished Steel Products, 0.84, 17%
Bauxite, 0.21, 4%
Containers,
Granite

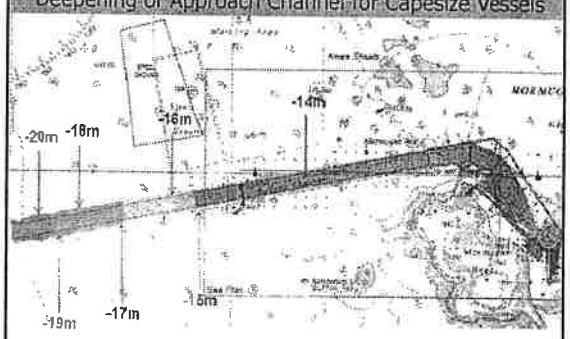

Cruise Calls
No. of International Guests
No. of Cruise Calls
Guests2 9371 19650 18054 17397 21084 30867
Cruise Calls 21 22 23 18 26 29

The road ahead.....

Future Development Projects

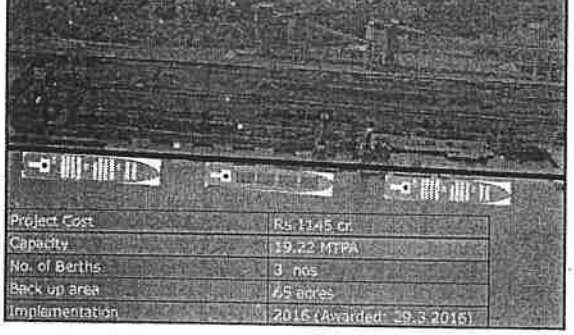
19

Deepening of Approach Channel for Capesize Vessels

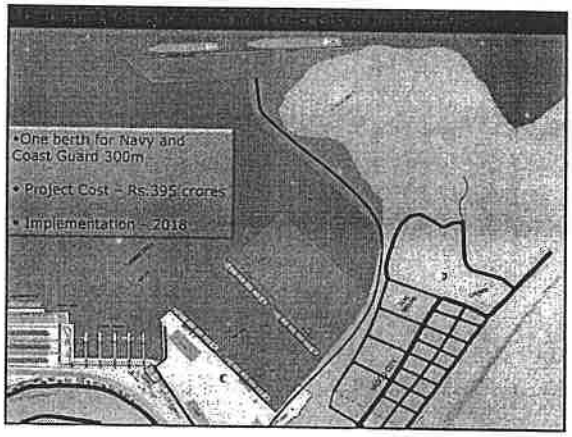


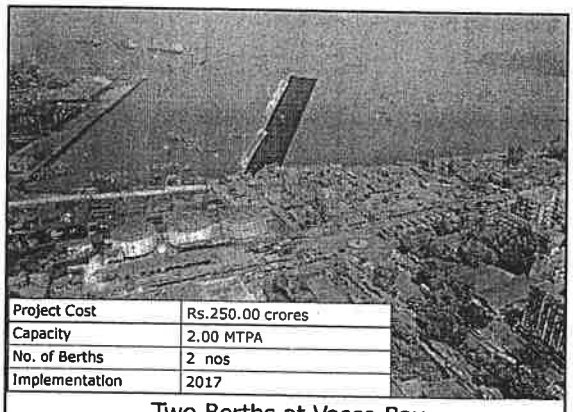
Awarded on 31.12.2015
Capacity addition – 2 million tons

Redevelopment of Berths 8, 9 and barge berths for Handling General Cargo on PPP basis



Project Cost	Rs.1145 cr.
Capacity	19.22 MTPA
No. of Berths	3 nos
Back up area	45 acres
Implementation	2016 (Awarded: 29.3.2016)





Project Cost	Rs.250.00 crores
Capacity	2.00 MTPA
No. of Berths	2 nos
Implementation	2017

Two Berths at Vasco Bay

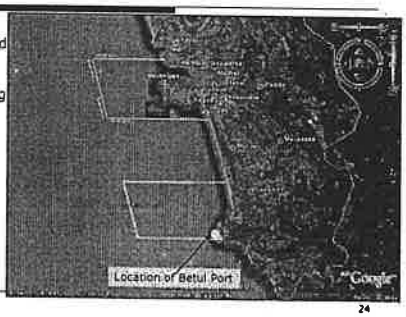
Satelite Port at Betul

Satellite Port Planned at Betul

Potential for handling about 6 MMTPA

Proximity to Bauxite Mines

Also Potential for iron ore handling



24

Growth drivers

Environment protection – sustainable development

Evacuation alternatives – Four laning of road and doubling of railway line

Energy conservancy – shore power, solar power

Efficiency – operation and cost effectiveness

25

MORMUGAO PORT TRUST



Thank You

[redacted]

WELCOME

Activities, Challenges and way ahead

About DCI

- MOS operated dredging pool since 1960's
  SCI operated MOS dredgers on agency basis from 1968 to 1976
- SCI has transferred the dredgers to DCI and DCI incorporated on 29th March 1976.
- Commercial operations commenced from 1st April 1977 by DCI
- Paid up capital is 28 Crores
- President of India holding 73.56 % share in DCI

2

About DCI

- DCI has attained Mini Ratna status from Nov 2009
- DCI was brought under Schedule – 'B' PSU from 01/04/2002
- ISO 9001 : 2008 and ISO 14000: 2004 Certified Company
- DCI is the largest dredging company in India, and is the 6th largest globally in terms of hopper capacity

3

Certifications

INTEGRATED MANAGEMENT SYSTEM (IMS)

- Certified for Integrated Management System (Quality and Environment) for compliance of ISO 9001:2008 and ISO 14001:2004 Standards.

SAFETY MANAGEMENT SYSTEM (SMS)

- Certified for Safety Management System for compliance of International Safety Management (ISM) code on-board DCI vessels.

SHIP SECURITY SYSTEM

- Certified for Ship Security System for compliance of International Ships and Port Facility Security (ISPS) Code on-board DCI vessels.

4

Corporate Plan- Diversification

The proposed diversification areas under corporate plan are:

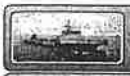
1. Joint Ventures
2. Dredge repair yard
3. Coastal dredging / Shallow water dredging
4. Port related civil construction
5. Training Institute

5



6

PORTFOLIO OF SERVICES



Maintenance dredging
Maintaining the existing depths by removing sediments



Capital dredging
Creating new depths by removing original soil, rock, etc.



Reclamation
Raising levels of the low lying areas



Beach Nourishment
Supplementing with dredged sand to eroding beaches



Shallow Water Dredging
Creating depths in shallow areas like River, Creeks, Canals.

Employees As On Date



Shore Establishment	
Executives	180
Non executives	143



Floating staff – regular	203
Floating staff – Contract	408

8

OUR INDIAN CUSTOMERS

EAST COAST	WEST COAST	PAN-INDIA
Kolkata Port Trust	Cochin Port Trust	Indian Navy
Paradip Port Trust	New Mangalore Port Trust	Non-Major Ports
Visakhapatnam Port Trust	Mormugao Port Trust	Other maritime Establishments
Chennai Port Trust	Mumbai Port Trust	
Tuticorin Port Trust	JN Port Trust	
Ennore Port Ltd.	Kandla Port Trust	

9

OUR FLEET

TSHD	• 12 Nos. of Trailer Suction Hopper Dredgers With total hopper capacity of 66,970 Cum
CSD	• 3 Nos. Cutter Suction Dredgers With Installed power of 38,126 HP
BH	• 1 No. Backhoe having bucket capacity of 9.0 Cum
Others	• 1 No. Self Propelled twin screw TUG • 1 No. Multy Utility Craft • 3 Nos. Survey Launches with state of art technology Equipment

10

TRAILER SUCTION DREDGERS

TSHD	Dredging Depth (in M)	Hopper Capacity (Cum)	Max Pumping Distance (in M)
VI	22.00	3770	---
VIII	25.00	6500	---
IX	25.00	4500	---
XI	25.00	4500	---
XII	22.00	4500	2400
XIV	22.00	4500	2400
XV	25.00	7400	---
XVI	25.00	7400	2500
XVII	25.00	7400	2500
XIX	25.00	5500	2500
XX	25.00	5500	2500
XXI	25.00	5500	2500
Cumulative Hopper Capacity		66970	

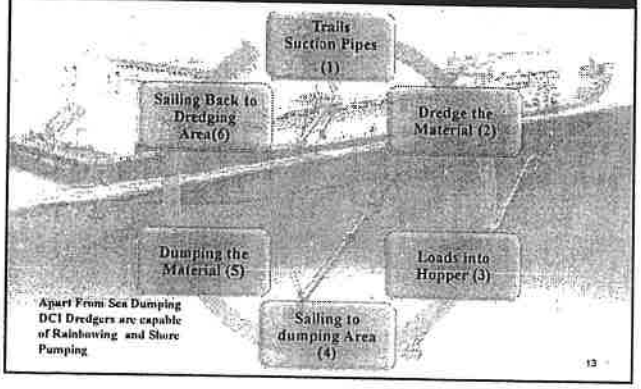
11

CUTTER SUCTION DREDGERS

CSD	Dredging Depth (in M)	Installed HP (Kw)	Max Pumping Distance (in M)
VII	22.00	8500	3000
Aquarius	25.00	17300	6000
XVIII	25.00	12326	3000
Total Installed Horse Power		38126	

12

Working of TSHD



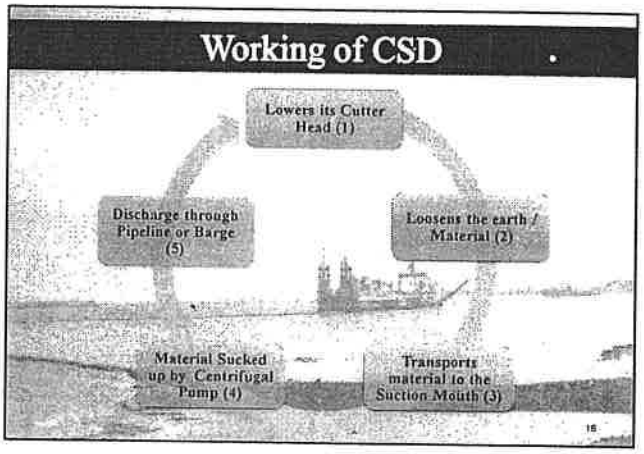
TSHD in Operation



TSHD in Operation



Working of CSD



CONTRACTS EXECUTED IN INDIA (Last 5 years)

Sl.No	Name of the Port	Description of work	Period	Value of work
1	Kolkata Port	Maintenance dredging at Haldia channels	2009-2014	Varies from 3550 to 3900
2	Paradip Port	Maintenance Dredging	2009-2010	434.7
		Deepening of channel (Capital dredging)	2008-2010	2478.9
3	New Mangalore Port	Maintenance dredging	2009-2011	405.4
4	Karwar Port	Maintenance Dredging	2011-2012	281.6
5	Mormugao Port	Maintenance dredging at MGPT	2009-2011	300.0
		Capital dredging at Mooring dolphins	2009-2010	499.5

17

CONTRACTS EXECUTED IN INDIA (Last 5 years)

SL.No	Name of the Port	Description of work	Period	Value of work
6	Ennore Port	Capital dredging Phase-II	2010-2012	1,710
7	Cochin Port	Maintenance of channels and Basins	2011-2014	3,195
8	SNC, Kochi	Maintenance dredging of Naval Channels at Eranakulam	2010-2012	500
9	Visakhapatnam Port	Maintenance dredging at NST and its approaches and other areas	2009-2014	300

18

Reclamation Works carried out

Sl No	CLIENT	WORK DONE DURING THE YEAR
1	Essar, Hazira	1991-1992 & 1993-1994
2	Cochin Port trust	1994-1995
3	Kakinada Port	1995-1997
4	New Mangalore Port	2000-2001
5	BPCL, Mumbai	2001-2002
6	Vishkapatnam Port	2001-2002
7	Paradip Port	2008-2009 to 2012-2013
	FOREIGN PROJECTS	
8	Taichung Harbor, Taiwan	2001-2002
9	Bahrain	2004-2005 & 2005-2006

19

Reclamation Capabilities

1. DCI Dredge XII & XIV - Shore pumping up to 2400 M
2. DCI Dredge XVI, XVII, XIX, XX & XXI - Shore pumping up to 2500 M
3. DCI CSDs VII & XVIII are capable of Shore Pumping up to 3000 M & Aquarius can pump up to 6000 M
4. DCI Dredgers can Dredge up to 25 M

20

Reclamation Bunds



21

Reclamation works at Paradip



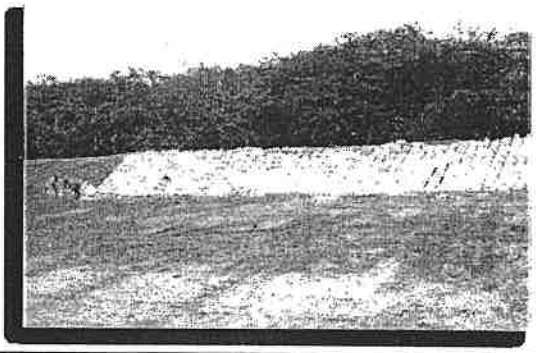
22

Reclamation works at Paradip



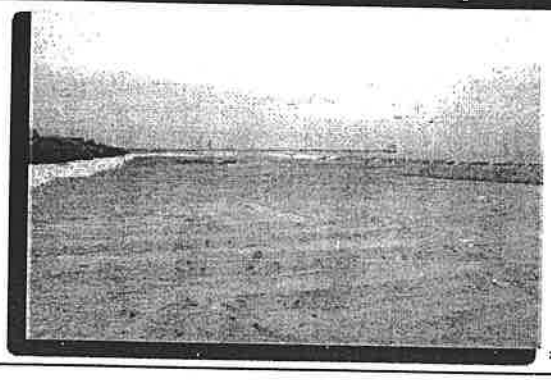
23

Bund Construction at Ennore Port



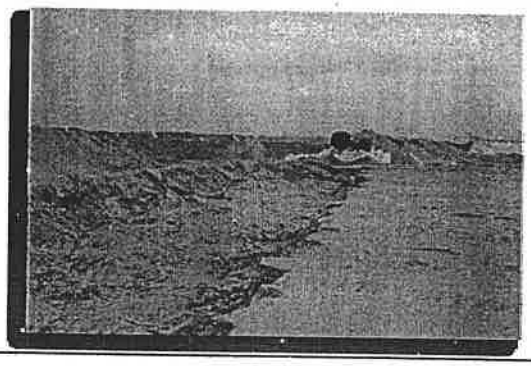
24

Reclamation area after Bund Preparation



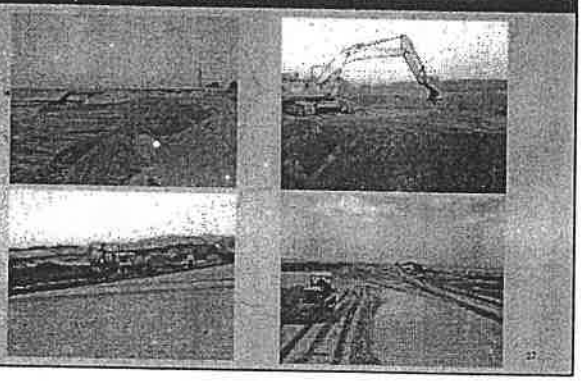
25

Pipeline For Reclamation



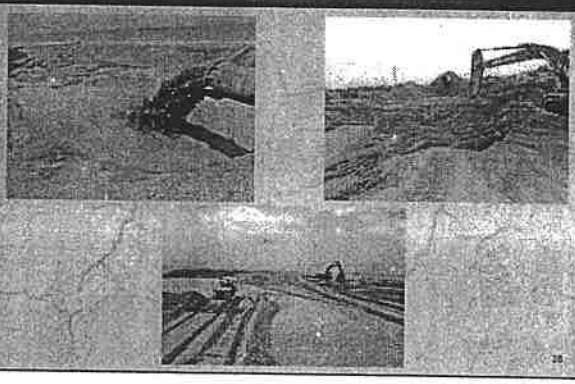
26

RECLAMATION



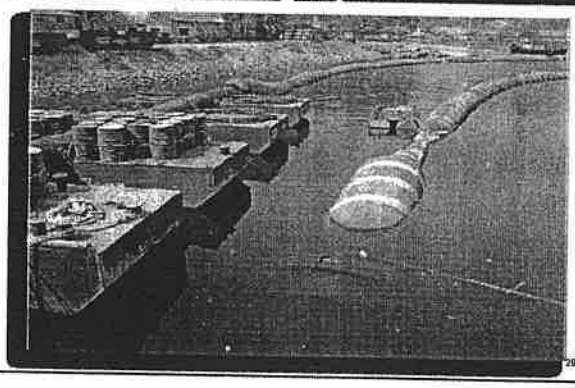
27

RECLAMATION



28

Floating Pipeline



29

Beach Nourishment at Visakhapatnam Port

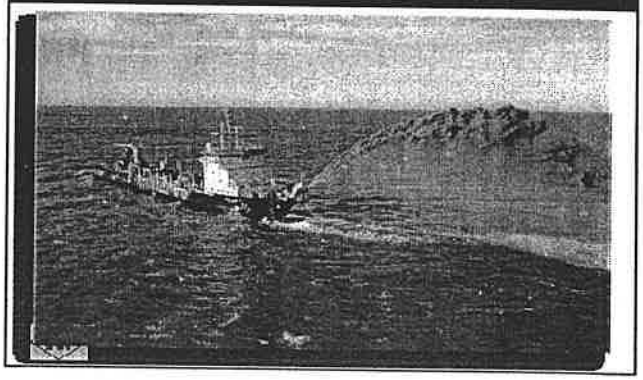


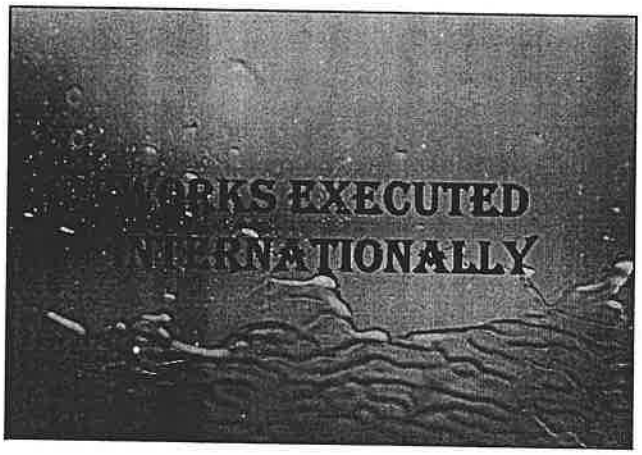
30

Beach Nourishment at Visakhapatnam Port



Rainbowing





Works Executed Internationally

BAHRAIN

Scope :

- Chartering of TSHDs to M/s Al Ghana Contracting WLL, Bahrain
- For dredging and shore pumping
- Bander seef development, Busaytin & West Hidd reclamation
- Project (2004-05 & 2005-06)

Value of Work : 964.0 Million

34

Works Executed Internationally

TAICHUNG HARBOUR, TAIWAN

Scope :

- Inner Channel of Taichung Harbor by 7400 Cum capacity DCI Dredge XVI.
- Material to be pumped for reclamation
- 1.5 to 2.0 Km through a combination of FPL & SPL.

Material : Medium Sand, Fine Silty Sand and Mud.

Quantity Dredged : 6.0 Million Cum

Value of Work : 264.2 Million

35

Works Executed Internationally

KANAKESANTHURAI HARBOUR, SRI LANKA - Capital Dredging

Scope:

- Capital Dredging in approach channel and turning circle
- Work executed under the directions of MEA, Govt. of India.

Material : Silt, Sand, Clay and admixture. (dredgeble by TSHD)

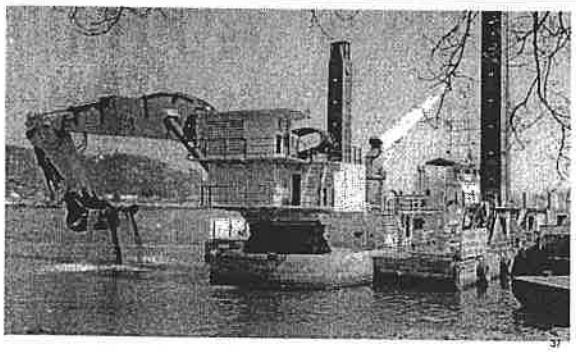
- The work was successfully completed by deploying DCI Dredge-XIX

Quantity Dredged : 0.3 Million Cum

Value of Work : 102.7 Million

36

DCI Backhoe-I



37

DCI VISION

As per the business plan 2020, DCI intend grow up to Rs.1407 Crore by 2020 with the linear approach of working. The following are the areas proposed for diversification.



PMC for dredging, Health Safety and environment, Maritime construction, Shallow water dredging and infra projects.



Form JV for the constructions of maritime structures and take up shallow water dredging for the development of national water ways, river front developments, reservoirs, silted hydro power projects, canal dredging, etc.



Diversify in the field of training in respect of dredging, operation and maintenance and building of dredgers.

Way Ahead

- DCI is facing stiff competition from the MNC and Indian Dredging Companies.
- DCI need to gear up for taking up of Capital Dredging projects by diversifying more into CSD/Mechanical based dredging.
- Shortage of Floating staff & Pouching of skilled manpower.
- Difficulties in getting Port clearances, Immigration and Emigration Problems
- Change in Govt policies / Standard Operating Procedures (SOP) for Indian dredging market is no more favourable to DCI being a Govt. Organization.
- Monopoly of dredge manufacturing firms, supply of spares from OEMs is still a bottle neck.
- Aging of existing fleet.
- Lack of Level playing field. Still need to compete foreign/Private sector

39

THANK YOU

INDIAN INSTITUTE OF FOREIGN TRADE



END-TO-END LOGISTICS & COSTS FOR SHIPPING THROUGH PORTS

INDIAN INSTITUTE OF FOREIGN TRADE

Contents

1. Objectives
2. Our Methodology
3. Findings
4. Key suggestions
5. Way forward

INDIAN INSTITUTE OF FOREIGN TRADE

Key Objectives of the Study

1. To identify break up of costs of transportation in end-to-end transportation of port cargo.
2. Study of legislative & policy framework and system in the end-to-end transportation and examine whether these provisions allow for putting these costs in public domain.
3. Unearthing suggestions regarding modifications in established systems, procedures and policies necessary for promotion of transparency in costs in various legs of end-to-end logistics.

INDIAN INSTITUTE OF FOREIGN TRADE

Methodology

- The study was based on both primary and secondary data.
- The primary data were collated through both Focus Group Discussion (FDG) sessions and survey.
- Two FGD sessions were held. One in Kolkata and other in Mumbai
- Besides interaction with DG Shipping officials and other stakeholders were also held.
- In addition questionnaire based survey and direct interviews were also carried out.

INDIAN INSTITUTE OF FOREIGN TRADE

Aim of Survey

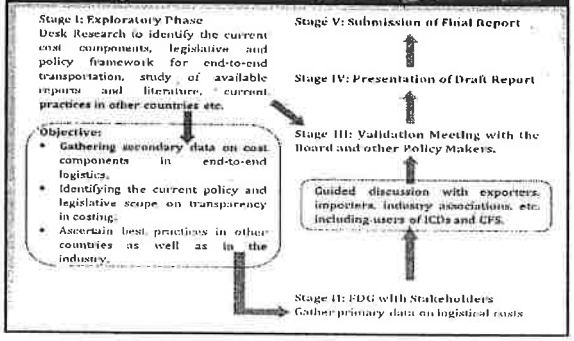
- Survey of end-to-end components accruing cost – both direct and indirect costs, if any, for import and export legs separately.
- Survey of existing of pricing by stakeholders and the extent of transparency in determining and knowing the cost.
- Identify the price discrimination practices by the stakeholders.
- Analyze the available survey reports and recommendations.

INDIAN INSTITUTE OF FOREIGN TRADE

Consultations

- Trade Promotion bodies such as FIEO, CLE, EEPC
- Shipping Bodies such as ASIC, Freight Forwarders Association such as FFFAI, CSLA, AMTOI, WISA, and others agencies.
- Individual Importers and Exporters
- Representatives of Ports, Shipping Corporation of India

INDIAN INSTITUTE OF FOREIGN TRADE



INDIAN INSTITUTE OF FOREIGN TRADE

- Relevant data and information including previous reports provided by Shipping Board.
- Necessary letter of recommendation including contact name and address, provided by Shipping Board, under their control and in other agencies, if any, such as Customs for IIFT to conduct the survey.
- Directory of stakeholders , provided by Shipping Board, available and/or registered with them.
- Various Ports Administrative Reports.
- Various Ports Feasibility Report.
- Futuristic Idea based on Experience.

INDIAN INSTITUTE OF FOREIGN TRADE

Focus Group Discussions

- At IIFT, Kolkata Campus on 5th November, 2015
  - ⇨ 20 participants
- At Maritime Training Institute, National Shipping Board (NSB), Mumbai on 9th December, 2015.
  - ⇨ 27 participants

INDIAN INSTITUTE OF FOREIGN TRADE

Focus Group Discussion - background

- India's declining ranking in LPI (logistics performance index)
- Shippers complaints on lack of transparency in EXIM practices and cost
- India's emphasis in "Make-in-India" approach
- Inconsistent growth in other indices such as Doing Business Index
- Fragmented EXIM sectors & unorganized logistic segments

INDIAN INSTITUTE OF FOREIGN TRADE

Major Findings.....1

- Large number of players are grouped into both organized or unorganized and registered individuals and firms.
- The registration of the players in the chain are covered by various acts implemented by different agencies.
- The issue of cost transparency in the logistics chain arises out of "poor control environment" under which these agencies operate.

INDIAN INSTITUTE OF FOREIGN TRADE

Major Findings.....2

- In case of import, under 30 headings charges are levied on account of:
  - landed charges or
  - cost of recovery charges or
  - T.H.C. or
  - local charges - which account for 10-15% of the total freight.

  Thus under CIF terms, in addition to freight the importer in many occasions need to pay additional charges to the tune of 10-15% of total freight excluding import duties.
- Shipping lines attribute the additional charges to deployment of inappropriate agencies by the importers.

INDIAN INSTITUTE OF FOREIGN TRADE

Major Findings.....3

- Freight forwarders attribute such additional exorbitant charges to the presence of freight forwarders who are not registered as CHA.
- Shipping Agents claim that all charges levied by them are through the freight or directly, are on account of shipping bearing their service charges.
- The charges increase if the number of players increases in the chain.

INDIAN INSTITUTE OF FOREIGN TRADE

Major Findings.....4

- In case of CFS the charge heads are different as their services are for off-dock facility.
- Shipping Agents suggest that if shippers approach them in lieu of the intermediate agencies the cost would go down, however they are constrained by the services of giving credit for payment of Custom duties and freight.
- In case of export cargo, LCL consignment suffers major variations in cost. This is primarily due to the issue of HBL.

INDIAN INSTITUTE OF FOREIGN TRADE

Major Findings.....5

- The major complaints in an export transaction against shipping line include –
  1. Levy of delivery order charges
  2. Delay in getting delivery order
  3. CFS operators reimburse a commission to Shipping Lines for forwarding the business.
  4. The format for MTD & Bill of Lading are not standardized.
- T.H.C. charges are not mentioned clearly by the Shipping Lines. The Shipping Lines do not indicate what charges are paid for particular container i.e. container-wise additional charges.

INDIAN INSTITUTE OF FOREIGN TRADE

Major Findings.....6

- Freight Forwarders keep cushion in their service charges due to the uncertainty in demurrage cost charged by the Shipping Lines.
- Policy of registration of MTO does not include –
  - Stakeholders who do not wish to call them as MTOs but continue to play the role of agencies that comes under the purview of MTO.
  - Stakeholders whose turnover is more than 50 lakh are only included. Hence many smaller players are excluded.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....1

- Basic issue of transparency is in import of items to India.
- Shippers feel deceived by the surprise charges not known to them, termed as landside cost by shipping lines in the Indian ports.
- The landside charges are collected by the shippers' agent.
- Shippers agents include anyone referred as CHA, C&F agent, Freight Forwarder, 3 PL, Shipping and logistics companies.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....2

- As revealed during the Focus Group Discussion held in Kolkata and Mumbai, it was observed that only CHAs are regulated by Customs Act. No other nomenclature of agents referred above falls under any regulatory act related to EXIM operations.
- Registration of MTOs by DG, Shipping is one such attempt to regulate EXIM operators.
- However, it is limited to the fact that it only concerns export and invites only those operators who issue Multi Model Transport document (MTD).
- This has resulted in very low registration so far.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....3

- IIFT proposes to widen the scope of MTO operators those who not only issue MTD but are also related to EXIM operations such as import clearance.
- Hence, CHA, Freight Forwarder, 3PL, C&F agents, Shipping and Logistics Companies will also come under the fold of MTO operators.
- In exports it has been observed that agencies who interface with the shipper need not be a registered MTO under DG, Shipping, regulated with customs or RBI.
- These agencies issue documents termed as Forwarders Cargo Receipt or issue Bill of Lading or even a MTD for which no check by any authority in the country is being done.
- These agents in turn contact a CHA for filing documents with customs, with NVOCC for LCL consignment or shipping agent for FCL consignments or any agency so required to move the material out of the Indian waters.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....4

- In order to bring transparency in costs, such agencies also need to be regulated. Hence, IIFT suggest the definition of MTO operators as those operators who provide Multi Model Services.
- The services would mean any job related to transport of goods ultimately by sea mode of transport as container cargo.
- "Any Job" would specifically related to collection of consignments from the exporter or shipper, transport of these consignments by first carrier to any custom notified zone such as ICD or CFS or sea port, filing and clearance of customs document, liaison with the port for cart-in order, payment of port charges, collection of Multi Modal Transport document and/or master bill of lading.
- Multi Modal Transport Document cannot be termed as a negotiable document unless entail it is so included under Bills of Lading Act and compliance to BIMCO Conventions.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....5

- IIFT proposes that all MTDs mention the shipping line connect in the document and the registration ID identification of the MTO operator including the complete list of charges for export or import clearances.
- All ports may be advised to include the MTO registration number while registering the MTO to operate in that particular port. This registration can be done under the purview of Port Community System.
- National Shipping Board may approach directly or through ministry of shipping through Indian Port Association or through the ministry to issue such directions to all major ports of the country.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....6

- As regards Multi Modal Services related to import, the services should include:
  - filing of bill of entry,
  - liaison with customs for appraisal of cargo,
  - payment of duty,
  - collection of out of charge,
  - collection of delivery order from the shipping agent or shipping line,
  - the collection of said delivery order,
  - collection of SMTP,
  - loading on to the carrier bound for ICD, CFS or any bonded warehouses or to the importers premises – named place and
  - all matters related to shipping operations associated with port, customs, bank and DGFT.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....7

- EXIM operator may get registered under a SROs
- SROs may get registered with DG Shipping
- This would imply that individual members of SROs are registered with D G Shipping

However,.....

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....8

- One EXIM operator may be member of several SROs.
- Hence, the data bases of all these SROs needs to be made on line and integrated in real time basis.
- This in turn should be integrated in data base of the DG, Shipping. Centre,
- SROs have not so far committed on their timeline to create online system and integrate with the data base of DG, Shipping.

Hence,.....

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....9

- IIFT proposes that the EXIM operator who gets registered under a SRO may have their data filed with the DG, Shipping data base.
- This may be done through online interface to be provided by DG, Shipping to the operator and the SRO for single window entry of information.
- In case the SROs are not ready with their real time integrated data base, they may use online user interface of the DG, Shipping for deemed registration under Merchant Shipping Act.
- Once the SROs are ready with their data base, in the long run there may be real time message exchange between SROs and the DG, Shipping.
- In that case DG Shipping may indirectly regulate as a soft regulatory body.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....10

- As regards grievance redressal, IIFT proposes to follow the framework similar to Banking Ombudsmen Act.
- Chairman, NSB proposes that this may be put under another conciliatory arbitration mechanism under Chamber of Commerce such as FICCI.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....11

- IIFT proposes that an Apex Body of all SROs related to EXIM operations may be created who may provide the grievance redressal forum to the shipper and the EXIM operators.
- This body may be under the purview of NSB in line with their mandate.
- Till then the arbitration mechanism of chamber of commerce may be adopted.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....12

- All shipping lines should be asked to be transparent about the likely costs and cost heads and display the same in their websites. Regarding the competition Act provisions the clarification may be obtained from the Competition Commission.
- Unforeseen costs (e.g. Delay-cost due to documentation errors or Handling 'Heavy Cargo' embedded costs or fuel-fluctuation-costs) should be included in the document such as Invoice or HBL issued by the agencies.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....13

- EXIM body should exercise to standardize their contract document to include the charges to be paid to shipping lines.
- NVOCC should be accredited by the shipping lines or their agency in India.
- Definition for all T.H.C. costs should be of the purview of terminal and not the shipping line.

INDIAN INSTITUTE OF FOREIGN TRADE

Key Suggestions.....14

- Website may be developed for lodging complaint to be monitored by bodies like NSB and track the progress of cases under Shipping or Export-Import Ombudsman.
- The foreign shipping lines that open their agency services in India should have Indian counterpart as SPV or JV or any such arrangement.
- There should be on-line system of collecting the DO.
- The Bill of lading should include the charges that are required to be paid by the importers as well as it should be standardized for all shipping lines calling to the Indian ports.
- There should be standardization for Invoice and House-Bill-of-lading issued by the Freight Forwarder or NVOCC or Shipping Agent or for all shipping lines dealing with EX-IM.