

Top View

Dear Industry Colleagues,

Our most significant opportunities will be found in times of greatest challenge.

- Thomas S Monson

The world tries to stand and face the challenges posed by COVID-19, the biggest disruption of all times. Nevertheless, it has made the Logistics industry sit up and retrospect.

This Pandemic has shown us that technology-enabled services are not just nice to have but are the business drivers and keep the business going even under extraordinarily challenging times. During these critical times, our solutions have proven their worth more than ever, ensuring our customers have business continuity as well as safe and contactless operations. It gives me immense pleasure to inform you all that we have signed four very significant contracts ever since the lockdown began, and found a new way of signing these which is using digital signatures.

We proudly introduce Donna Mullins, who took charge as Vice President to look after USA operations. Donna has been in the industry for almost four decades and has a vast experience in import/export and freight forwarding, customs broking and compliance consulting. With her wealth of experience in the Logistics industry we hope to expand our footprints in the North American region. Closing with an optimistic outlook, we are always standing behind our industry, and we will work harder to make the supply chain robust. Our industry has proven its resilience in these tough times. Together, we shall win.

Amar More
Director



In this Issue



REFLECTIONS

Interview with Emir Pineda
Manager Aviation Trade &
Logistics. Miami International
Airport, Florida



ARTICLE

Digitization as a Cost
Cutting Strategy to Sail
through Tough Times in
Logistics



SPOTLIGHT

An end to end
Digitalization of Delivery
Order



ASK THE EXPERT

Rahim Bhamani,
Senior Vice President.



Happenings @ Kale



Emir Pineda, a seasoned leader with more than two decades in the field of transportation, comes with an exhaustive experience in the field of Aviation Management, Analysis, Trade/Logistics, and Infrastructure Development, Marketing, Sales, Economic Development and also a Broad Travel/Business expertise focused on Latin America. Emir Pineda spoke to CRUX on how the Miami International Airport is playing a pivotal role in streamlining the value chain.

Emir Pineda

Manager Aviation Trade & Logistics, Miami International Airport (Miami-Dade Aviation Dept.)

CRUX **The Logistics industry faces unprecedented uncertainty today. What initiatives are taken by the Miami International Airport to reach its strategic goal to become the e-Commerce “Hub of the Americas.”?**

Emir Miami International Airport realized the importance of e-Commerce in the air cargo supply chain and three years ago launched a series of community workshops focusing on e-commerce. We planned to be the e-commerce “Hub of Americas”.

This public-private community partnership identifies e-commerce business opportunities, addresses digital/physical infrastructure requirements and educates our community on e-commerce. It has three functioning committees mainly focusing on:

- Regulatory, Policy & Security-working closing with CBP (Customs & Border Protection).
- Cross Border Facilitation- provides functionality, system, framework and common access to facilitate cross-border e-commerce.
- Promotes and Advocate brands, build partnerships, benchmarks, uses social media, and identifies marketing opportunities with key stakeholders.

The committees meet quarterly to discuss e-commerce trends, opportunities, and how MIA can facilitate the continued expansion of e-commerce in our community. The e-commerce committee is just one of our initiatives, we have also been working with Amazon in developing their air cargo network infrastructure, providing them with a 90,000 sq. ft. (with plans to double the space) airside warehouses and truck parking area for their MIA operations. We have also been working with our integrated carriers to assist them with their expansion plans to accommodate the increased e-commerce volumes. Fed Ex too shall soon be doubling its warehouse space and adding additional wide-body ramp parking. DHL will be adding another 60,000 sq. ft. to their facility and UPS also plans to expand its sorting area at the airport. US has experienced 49% growth in e-commerce and +300% in Latam countries in April 2020. Although the numbers were in double-digit before the pandemic MIA is tracking positive growth in domestic cargo.

CRUX **In these critical times what’s giving us hope is technology. What are your thoughts on the technology and innovation gaps in the Aviation industry, and how is it crucial to bridge these gaps for business continuity?**

Emir Technology and innovation go hand in hand. Unfortunately; globally, digitization and standardization of our industry have been uneven. Some places have introduced AI and robot pick-n-pack, while others are still waiting on a stamp from customs to complete their transactions. We waste too much time in sending AWB information into various systems opening ourselves to mistakes and fines.

I am, a strong advocate of Airport Cargo Community Systems (ACCS) which provide a single platform for information and processing of cargo.



Emir I am leading the effort at MIA to adopt an ACCS to address many of our issues such as truck congestion, security, accurate/timely data, clearance efficiency, cost, etc. We hope to have an ACCS in place by 2021 to enhance our cargo competitiveness and efficiency as a leading global cargo hub.

We support IATA's e-AWB initiative, WTO single window concept, and we are working with our planners to make sure that we have the proper infrastructure in place for the future; which includes, smart warehouses/roads, battery charging stations for trucks, and integrated security systems.

CRUX **Sea to Air is a big segment of business for many Airports. Given the proximity to Sea Port for Miami International Airport, what is the scene in Miami? Are there any challenges which technology can solve?**

Emir Ocean-Air freight is something we have worked with our partners at Port Miami. MIA is the only airport with special transit permit. We obtained a special permit from USDA (United States Dept. of Agriculture) to transit perishable cargo from Central America via ocean to South Florida, and then fly out to Europe (Amsterdam) without any inspection by USDA. This special permit is only allowed for certain products, and is kept sealed until opened at MIA for a breakdown from ocean container to aeroplane pallet, and must fly out within hours of arrival.

We had a few flights under this special pilot program and are looking forward to re-launching and expanding this program over the next few months. We believe it has a lot of merits and given the COVID-19 situation it provides shippers with alternative solutions to their supply chain. Technology, particularly the Airport Cargo Community System will enable us to match demand (ocean) with capacity (air) in a better way, an area which has proven challenging to the program. Airlines have been reluctant to provide large allocations for perishable cargo which are highly seasonal, require refrigeration and tend to low yield. By using the ACCS we can potentially match the cargo and timing more efficiently, thus maximizing the operation for all involved.

CRUX **We understand that MIA has pioneered a Pre Clearance process for South American bound cargo. Tell us something more about this.**

Emir This project began about 5 years ago, as an initiative to grow trade between Miami and Brazil. It was not until a new Brazilian law Instrucao Normativa RFB No 1737, provided the necessary framework permitting the Brazilian government to approve pre-clearance of merchandise in the third world. Corriero's (Brazilian Post Office) launched Compra Fora (means buy outside in Portuguese) in 2019 proffering shipping of e-commerce from anywhere in the world to be Pre-cleared in Miami then transported to Brazil as a domestic shipment.

The pre-clearance takes place at Interport's warehouse (logistics company providing processing/handling located 5 miles from MIA), which is within a Foreign Trade Zone (FTZ). The program required, special software developed by Sinerlog (company authorized by the Brazilian government) to provide the proprietary software (SST) for clearance, reception, tracking, monitoring, payment, etc. The system allows for repayment of taxes, payment options (bank/credit card), no ICMS taxes which could be from 18% to 21%, guarantees no duties under \$50 CIF, and delivery within 10 days.

Currently, thousands of shipments are being processed weekly and placed on consolidation to Brazil, American and Latam countries. Due to Covid-19, there has been a temporary slowdown but the pre-clearance program has gained traction in our region and we have been discussing its potential to expand in Mexico, Colombia, Ecuador, amongst other countries. We believe this type of initiative can open possibilities for areas like India, China, and possibly Africa.



There are nearly 5 million truck drivers moving freight across the India, which means that one out of every 15 people working in the India is employed by the trucking industry.



The year 2020 began on a gloomy note for the whole world due to COVID-19 outbreak, which is now creating havoc across the world. The first victim has been the logistics fraternity. Now, we see some light with the restrictions lifted and cargo movement happening across the borders. Yet, to see a complete recovery, we are some months away.

Cost cutting initiatives are more prevalent across industries. Some laid off and some cut wages. Yet, realizing synergies seems to be tough. But cost cutting can be on a different mode altogether. What if, cost cutting was on non-essentials? What if, cost cutting can help you achieve efficiency building than layoffs? Documentation is one part where cost cutting is essential. Yes, in a fast digitizing world, why would someone still invest on physical documents rather than triggering the documents instantly online? This is more valid for the logistics industry (both air and maritime). Cutting down the rigid documentation process will not only help one save costs. But help the organization to adapt to the new normal of digitization.

Let us see the challenges faced by each stakeholder in the air cargo ecosystem.

Cargo Handler is facing staff shortage at the terminal to handle incoming and outgoing freight. This leads to longer waiting times for the truck drivers. Cargo handler does not have advance shipment information. Also, the available staff are at the risk of getting affected due to the pandemic as they are exposed to physical contact with freight forwarders, truckers etc.

Airline is waiting for the handler to pass on the approved documents as it is time to take-off. But delay at the end of the customs authorities caused by manual approvals is limiting them from delivering cargo at the destination on agreed timelines.

Customs authorities are burdened with a huge chunk of physical documents to be approved. With this, they're not able to maintain the balance between effectiveness and efficiency for cargo inspection. This is caused by inaccuracies in documentation which leads to documents sent back and forth for data correction. As a result, this leads to operational deficiency of handlers and forwarders.

How will Automation help in Cost Reduction?

Here the issue lies in not having information in advance especially for the cargo handler. If the truck driver can inform his expected arrival time beforehand, the handler can organize the resources. This will enable efficient handling of the freight in a short span and let it move ahead swiftly.

This is where automation has a large role to play. Platforms such as Air Cargo Community Systems ensure seamless communication between handlers, forwarders, truckers, airlines to name a few. Systems like these immensely automate functions to enable trade facilitation and also improve communication between all stakeholders.



Companies that outsource their logistics reduce shipping costs, on average, by about 13 percent

Moreover, these automation initiatives are driven by Artificial Intelligence (AI), Machine Learning (ML) and Optical Character Recognition (OCR). All these enable geo-fencing, electronic seals, bar codes and QR codes for end-to-end tracking of milestones. Therefore, cargo handler, forwarder and others involved in the process can have a complete track on the freight movement end to end.

To avoid physical documentation process, automation also enables conversion of documents and generating EDI messages triggered to all. Therefore, the information is shared with all involved in the process i.e. right from freight forwarder to the airline. Moreover, this ensures accuracy in data. Therefore, the document is not sent back and forth for corrections. Also, it is shared in the common platform with access to everyone. The carrier need not wait for the handler to give the document and the customs authority can instantly approve it.

Rising to the New Normal

Everywhere we see people asking what will be the new normal. Precisely, digitized operations will be the new normal as we come out of COVID-19 pandemic. Already, to a large extent the employees in the logistics industry are working from home and they're accomplished with digital automations. Now, overcoming the cues of documentation will cut costs significantly. With all this, digitization, integrations, advance information is the key to thrive in a new normal world. Rather than layoffs and pay cuts inculcating digitization as a cost cutting strategy will not only pay off in the short term but also be beneficial in the long term. Also, this will increase the dynamics of the workforce and enable them to deliver like never before.



DID YOU KNOW ?

Third-party logistics companies have a vast resource network that allows them to execute each step in the supply chain in an efficient and cost-effective way.



An end to end Digitalization of Delivery Order

Due to the lockdown and social distancing norms caused by COVID-19, both Shipping Lines and Forwarders are challenged with staff shortage. To ensure smooth cargo operations at ports amid COVID-19, Kale Logistics Solutions is offering a host of e-services to the Shipping Lines and Freight Forwarders. With the implementation of Kale' e-DO platform, global Shipping Lines and Airlines can issue Electronic Delivery Order at the earliest possible time at nominal charges. It can issue Master and House Delivery Order for multiple shipping lines along with facilitating re-validation of soon to expire Delivery Order by auto-calculating the charges to be paid.

This has resulted in an improvement on reducing shipment dwell time, control on transactions, and elimination of cash transactions, right from enabling remote working to automated handling, ensuring data accuracy, and supporting paperless trade initiative. e-DO offers robust solutions for business continuity despite the ongoing crisis. Most notably, e-DO services are specifically built to ensure digital security compliance through safe payment gateways by Bank Transfer, Pre-Deposit Account and Credit Cards. Some benefits worth mentioning are: secured & authorized view of DO, paperless and error free transactions, reduced dwell time in clearance process, faster revenue realization with online payments.



DID YOU KNOW ?

By outsourcing logistics, businesses benefit from investments in new technology for transportation and shipping without sacrificing their own capital.



CRUX

COVID-19 situation has changed the perspective of the world about technology, especially cloud-enabled. The air cargo industry has always been reluctant to cross the bridge and embrace technology. What do you think the role of technology is for the air cargo industry during this pandemic?

RAHIM

We know, the Aviation industry has been hesitant in adapting to the new technologies but COVID-19 has driven air cargo movement to historic levels. Understanding the urgency of the situation and safety of their employees we have been witnessing a more enterprising industry to propel the logistic industry into a solid and secure future. All these initiative-taking is resulting in Digital transformation with the support of cloud based interfaces and automation tools. With the flights converting into Cargo only for essentials, the industry will require the implementation of revenue management to optimize the cargo rates, and maximize yields across available inventory in terms of belly space, payload, and containers B2B air freight services. Air Cargo stakeholders need to employ technologies like Big Data, Thinking Analysis and Artificial Intelligence, IoT (Internet of Things), thermographic cameras to align their future planning on more data-driven analysis and predictive modelling.

Currently, the industry needs to focus on efficiency maintaining affordability, speed, reliability and transparency in Logistics. Analytics gives reliable and useful real-time information; AI software declares delays automatically. The AI-powered platform will enable a swift adjustment in operations without any interruptions. The power of technology is keeping the movement of the supply chain possible in these critical times.



CRUX

After the success of North America's first Air Cargo Community System in Atlanta Airport, where truck congestion issue was solved by Kale's ACS. What more is this platform offering to the stakeholders?

RAHIM

Truck slot and dock management system of Air Cargo Community System (ACCS) at Atlanta has contributed to solving the truck congestion issues supporting airlines and ground handlers to manage their schedules and optimize their resources. Kale will continue to contribute to Atlanta's progress with various other offerings from its ACCS platform. e-Booking, e-AWB, Advance shipment information (ASI) to Ground Handlers, Integration with customs system for customs status updates, Terminal Charges payment through payment gateway interface, Electronic Certificate of Origin (e-CoO) are a host of other features which will bring all the stakeholders together. These suit of services will facilitate accurate, quicker and seamless data transfer between all the stakeholders. This will also ensure contactless, paperless and efficient exchange of information during critical times.

Rahim Bhimani, Senior Vice President-Air Cargo, Kale Logistics Solution. Rahim has been in the IT industry for the last two decades and has an exhaustive experience in management and implementation of several Cargo services like Cargo Revenue Accounting, Cargo Operations, Rating, Pricing, Contracts and Invoicing, ULD management, AWB Stock Management and Electronic Data Interchange(EDI). In this column, he shares his views on how the Air Cargo industry is taking steps towards digital transformation.



CRUX

Kale's GALAXY system for cargo management is live in more than 80 airports in the world. Africa is the next hub for air cargo growth. How do you see this market for GALAXY?

RAHIM

According to the world Economic Forum, there are more than 400 tech hubs across the African continent with Lagos, Nairobi and Cape Town emerging as rapidly growing technology centers. While historically, Africa has lagged when it comes to technological and industrial advancement; in recent times, Africa has been classified as an emerging market. Many African countries have made strides in developing, and improving their national carriers, airport capacity, as well as establishing Pan-African regulatory standard.

There has been a surge in investment to upgrade and develop airport infrastructure by expanding terminals, adopting modern technologies, modifying runways and enhancing security. Kale is an important part of this evolution. Presently, GALAXY has been successfully implemented at 17 airports in the African region. Africa has many small to medium-sized handlers with no to minimum cargo systems and processes, which is ideal for Kale's GALAXY platform, as it is highly scalable and customizable to cater to any volumes. GALAXY, ability to integrate with various stakeholders effortlessly enables quicker turn around for implementation. Going forward, Kale is keen to focus and invest more in African markets to reach handlers and be part of their growth.



It is possible to travel from country to country entirely on shipping containers. Thor Pederson has managed to travel to more than half of the countries in the world without ever boarding a flight and completely free. Thor has even made it to Kenya!



The Chartered Institute of Logistics and Transport | Exhibitions India Group | Skill Partner: LSC | Media Partner: autoX

Webinar on
IMPACT OF COVID-19 ON INDIAN LOGISTICS INDUSTRY & ROADMAP TO RECOVERY WITH SHRI SURESH PRABHU, INDIA'S SHERPA TO G20 & G7, MEMBER OF PARLIAMENT
Date: 26th June 2020 | **Time:** 1500 Hrs (IST)

Chief Guest

Eminent Speakers

MODERATOR

Head - Industrial Operations, Business Development & Alliance, Consulting India, ALL	Founder, Sings	MD, IICL & ICA Chairman, CIL India	CEO, Kale Logistics	Chairman, CIL India	Former Special Secretary, Logistics Ministry of Commerce and Industry	Sector Skill Council

Amar More, CEO Kale Logistics Solutions at Chartered Institute of Logistics and Transport (CILT) India and Exhibitions India Group Webinar on Impact of COVID-19 on Indian Logistics Industry and Roadmap to Recovery 26th June 2020, New Delhi



Port Community System for trade facilitation | Ease of doing business | Kale Logistics Solutions

CODEX - PCS
 Next generation Port Community System

0:07 / 2:35

Port Community System for trade facilitation and Ease of doing business



Electronic certificate of origin | Ease of doing business | Kale Logistics Solutions

Electronic Certificate of Origin
 One step closer to paperless trade

0:07 / 1:30

Electronic Certificate of Origin is the new Ease of doing Business



CARGO TALK DIGITAL CONCLAVE
RE-ENGINEERING THE FUTURE

on Tuesday, 7th July 2020

DIGITALISATION: Building and Enabling Confidence

Chief Executive Officer, DART/Deccan Air Cargo	Chief Executive Officer, Kale Logistics	CEO, All Cargo Logistics and Allied Services

THE ROAD AHEAD - Driving to Success

Managing Director, TCI Express	Executive Director, Wharfedale	Managing Director, ICA Logistics

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Amar More, CEO Kale Logistics Solutions was one of the panellists at Cargo Talk Digital Conclave "Re-Engineering the Future". Digitalisation: Building and enabling Confidence. 7th July 2020

Upcoming Events

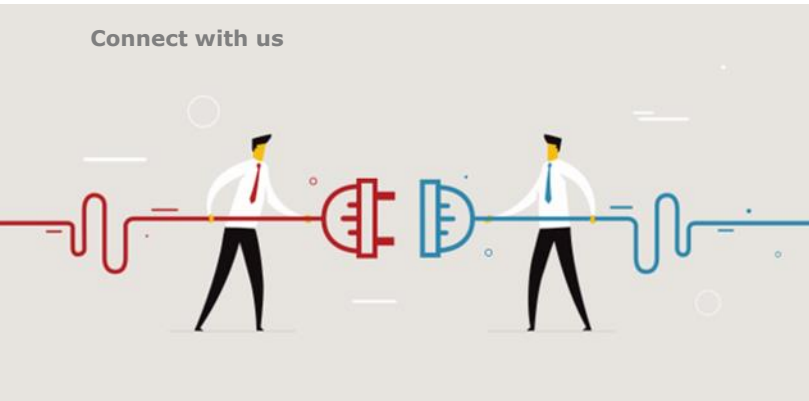
Kale Logistics Solutions in association with Atlanta's Digital Air Logistics Gateway Solution - Unique in the USA, organises a webinar on- Moving air cargo safely & efficiently through technology.

Join us to know more - 21 July 2020
 – 9 am-10 am U.S. EST

SIGN UP





Connect with us




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