

Top View

Dear Industry Colleagues

“The difficulty lies not so much in developing new ideas as in escaping from old ones”. - *John Maynard Keynes*.

As we march into the second half of the calendar year, the Logistics Industry worldwide continues to experience a surge of “Innovative” start-up businesses, ideas and breakthrough products and services, which are having a significant effect on the way we know the Industry today. The advent of technology-powered/virtual Freight Forwarders and the industry strong movement towards e- AWB and BL (on Blockchain) and the emergence of a new breed of Logistics players in the e-commerce space point to a new Logistics Order.

At Kale Logistics Solutions, we believe that Change is the only thing constant. In fact, we are, in our own small way, helping this transformation. We are currently engaged in building the World’s first Digital Corridor between Mumbai and Schiphol Airport which will transform the way stakeholders at either end receive and process shipment related documents and information. We are also implementing North America’s first Air Cargo Community Platform at Atlanta Airport and this promises to herald a new era in collaborative and efficient working at large air cargo complexes. We have also introduced the next generation of Logistics e-Marketplace and the Regulatory/ Customs Single Window imbuing new technology—this promises to revive up the G2G digital collaboration space. We are possibly the only global organization which now covers all the four major contours of the Single Window architecture as proposed by the United Nations Recommendation no. 33.

I look forward to your comments and feedback on the next level of transformation expected in the coming years. Are we headed for a “Disruption”?

Vineet Malhotra, Director



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Mr. Ramesh Mamidala,
CEO, Celebi Delhi Cargo
Terminal



ARTICLE

Streamlining cross-
border trade with Single
Window Systems



SPOTLIGHT

Technology to uplift
cargo handling at
airports



ASK THE EXPERT

Mr. Rupesh Sidpara
AVP, Kale Logistics Solutions



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Çelebi stepped into the aviation industry with the establishment of Çelebi Ground Handling in 1958 as Turkey's first privately-owned ground handling Service Company. Today, it stands out as one of the most successful examples of integrated services in the Turkish civil aviation industry, offering the full range of premium ground handling services.

Mr. Ramesh Mamidala, CEO; Celebi Delhi Cargo Terminal Management Pvt Ltd has over 24 years of experience in Air Cargo industry. Prior to Celebi, Mr. Mamidala was associated with Emirates Sky Cargo and Qatar Airways. CRUX editorial team had an opportunity to speak to him on varied topics pertaining to logistics industry, here is what he shared with us.

Mr. Ramesh Mamidala

CEO, Celebi Delhi Cargo Terminal Management Pvt Ltd



CRUX

Celebi Delhi Cargo Terminal is witnessing significant growth in e-commerce shipments. How are you catering to this growing demand?

RAMESH

Indian domestic air cargo is currently driven by e-commerce. We are witnessing significant growth in e-commerce shipment year-on-year. At present we have adequate infrastructure in place to cater to the demands from two major carriers viz; Jet Airways and AirAsia India and e-commerce companies as compared to previous years. Most of other airports do not have terminal capacity to handle current demand for domestic cargo especially e-commerce shipments. We have recognised the opportunity and requirements and decided to strengthen the domestic cargo terminal infrastructure. Very soon we will be launching our dedicated domestic cargo terminal with a capacity to handle 550 tonne cargo a day. Accordingly, more airlines can be accommodated for cargo handling. At the same time, we are going for significant automation at this new terminal. Also, tracking and tracing procedures will be strengthened for better visibility of the shipments at the terminal.

CRUX

The impact of data-driven and autonomous supply chains provides an opportunity for previously unimaginable levels of optimization in logistics warehousing and last mile delivery that could soon be a reality. Your take on it.

RAMESH

Consumers are ordering more products online. Governments and global bodies like IATA are advocating e-Freight and paper free air cargo supply chain. This generates a huge repository of data which can help develop intelligent supply chains that use data for game-changing developments. This is still nascent, supply chain management professionals should tune into the conversation now to consider its potential. Deeper intelligence into supply and demand will not only benefit manufacturers, distributors, and retailers, but also consumers, as their demands can be better met with this deeper level of intelligence. Saying so, this is not easy it has huge cost which could deter early adoption.

CRUX

It is no secret that the Logistics sector is confronted with skills gap, what skills will be more crucial in the future?

RAMESH

The Logistics industry is witnessing great automation; new technologies like RFID, drones, robotics are taking over jobs. In other words, a large number of current jobs in the sector won't exist, at least not in their current forms, in coming years. There has never been a more challenging time to be a worker with a fixed set of skills and abilities. There is a big shift towards a new, broader range of skills and competencies that companies are looking for in future candidates to drive business excellence and innovation.



CRUX

The most commonly expressed concern in the air cargo industry in the last decade has been modal shift of airfreight to ocean and surface. How real is this shift?

RAMESH

As per recent IATA report, global airfreight markets have witnessed an increase in demand by 6.9% in Jan 2017. There is also a positive momentum in freight growth with a steady rise in new export orders. Saying so, shifts between air, ocean, road and rail modes is not something new and has

happened many times over the years, but it affects only certain commodities on certain lanes. For express cargo and e-commerce, in particular, time is a critical factor. Presently e-commerce companies are utilizing best of both the modes of air and road for quick and cost effective delivery. The demand for airfreight rises and falls in response to economic cycles and natural or man-made disasters. The onus is now on the industry to embrace technological change to boost competitiveness with efficient processing and faster deliveries.

CRUX

With technology in the forefront now changing the way businesses are done, how will Kale Logistics' Galaxy help Celebi in operations in future?

RAMESH

Cargo ground handling processes involve participation of many stakeholders from the airport cargo community. Our domestic operations have recently gone live on Galaxy and in my understanding, the product has been designed to meet all the success criteria for airports handling cargo as well as independent ground handlers. We look at it to automate the operational processes and provide quick and comprehensive information on consignment status, cargo tracking and terminal operations to customers as well as to the management. We also use it to support the airport in controlling the movement and storage of cargo at the warehouses and managing the transactions. As we expand, we continue to look forward to a fulfilling partnership with Kale Logistics Solutions.

GALAXY as a product has been designed to meet all the success criteria for airports handling cargo as well as independent ground handlers. We look at it to automate the operational processes and provides quick and comprehensive information on consignment status, cargo tracking and terminal operations to customers as well as the management.



DID YOU KNOW ?

Air freight is more than four times as popular as sea freight. 9.5 billion tons of trade goods are shipped by boat worldwide each year, but over 42 billion tons of goods are transported by air



Cross-border trade has always been at the effect of bureaucratic delays and 'red tape.' This has necessitated and thereby resulted in the evolution of 'Trade Facilitation' for the global trading system. Simply put, Trade Facilitation (TF) is the simplification, modernisation and harmonisation of the global import and export processes. And, increasingly modernisation translates to digitalisation of processes.

The landmark Trade Facilitation Agreement (TFA) by the World Trade Organisation (WTO), which came into force on 22 February 2017, includes requirements for expediting the movement, release and clearance of goods, including goods in transit. The Agreement also lays down measures for cooperation amongst Customs and other TF authorities and issues of Customs compliance. Additionally, the TFA has provisions on technical support and capacity building in Trade Facilitation.

As per the WTO, Article 10.4 of the WTO TFA calls for Member States 'to endeavor to establish or maintain a single window, which enables traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single-entry point to the participating authorities or agencies.'

Possibilities and benefits of Single Windows

There is no standard structure of a Single Window (SW), since operators customise their systems based on their specific national/regional requirements and conditions. The state could be financing the SW (Finland, Sweden, United States), or it could be financed by the private sector (e.g. Guatemala, Germany) or a private-public partnership may finance it (e.g. China, Malaysia, Mauritius, Senegal, Singapore).

The use of Single Window facilities can be mandated (Finland, Guatemala, Mauritius, Senegal) or it could be on a voluntary basis (China, Germany, Malaysia, Sweden, United States). The services provided under the SW could vary and could be free of charge (Finland, Sweden, United States) or be based on various payment schemes (Guatemala, Germany, China, Malaysia, Mauritius, Senegal, Singapore).

Regardless of the above differences, a huge majority of the participating countries speak highly of their experience with Single Window Systems. And all in all, the benefits and revenues of Single Window Systems, outweigh the establishment/operational costs across the board.

A Single Window provides substantial gains to all stakeholders in the cross-border trade ecosystem. A few of the benefits of single window include:

- Border clearance performance
- Trade visibility
- Integrity
- Transparency
- Ease of Doing Business
- Correct Revenue Yield

Governments across the world have benefitted from Single Windows. Some benefits for government include - Correct revenue yields, Improved trader compliance, SWs enable the use of sophisticated "risk management" techniques for control and enforcement purposes and More effective and efficient deployment of resources.



From the point of view of trade, some benefits include - Cutting costs through reducing delays, Faster clearance and release, Predictable application and explanation of rules, and More effective and efficient deployment of resources.

And, the numbers speak for themselves. After the introduction of SW in Singapore, the processing time for trade documents went down from 4 days to 15 minutes. To lay the groundwork for SW, Thailand has implemented procedural reforms and customs modernization. These reforms have removed superfluous processes and decreased the number of days for exports from 24 days (in 2006) to 14 days (in 2009). In the Republic of Korea, the total savings from the use of TradeHub for businesses (an automated information transaction system) are estimated to be 1 billion and 818.9 million USD. In Hong Kong, China the annual cost savings through their automated information transaction system are estimated to be about HK\$1.3 billion.

A related success story is that of Mumbai's Chhatrapati Shivaji International Airport. It is India's busiest airport and an international Cargo hub dealing with over 1.43 million metric tons of Cargo per annum, 2000+ agents, 200+ airlines and a document volume in excess of 6,000 daily.

Based on Kale Logistics Solutions' in-depth industry knowledge and technical expertise, they were chosen as the technology partner by MIAL. GVK MIAL AIR EXCHANGE (GMAX), a web-based Community System was launched as a joint initiative between Kale Logistics Solutions and MIAL. GMAX became India's first airport Cargo community platform.

It brought about digital transformation in the way stakeholders interacted with each other while moving shipments out of Mumbai. The adoption of GMAX brought about several transformational benefits to MIAL's stakeholder value chain. The tangible benefits, both on the functional, operational and financial parameters brought about by GMAX made it a standard system for MIAL's cargo operations.

In conclusion...

With regards to the efficacy of Single Window Systems, the writing on the wall is clear. National single window systems, without a doubt, lay the foundation for enhancement of effective border clearance performance. Metaphorically speaking, Single Window Systems could serve as a 'Trojan Horse' to counter institutional resistance to digitalisation, cooperation and change. Single Window Systems streamline and digitalise processes to eliminate bottlenecks of legacy paper-based systems and siloed infrastructure. As a tool in the Trade Facilitation arsenal of a country, these systems are a transformational force to reckon with.



The word "logistics" comes from a 19th-century French word, "logistique." This French word was originally exclusively associated with the transportation of soldiers and military supplies until it was later adopted for civilian applications.



Air Cargo industry is at a very interesting phase of development and change. There is a continuous external pressure of demand, disruption, and supply. Drones technology is going to be the brains behind the efficiency and streamlining of the logistics industry. Drone services are estimated to be worth \$127 billion globally, \$13 billion of which is based on drone-powered transportation. Kale Logistics Solutions with its rich domain expertise, strong relationships with Logistics providers and close industry partnerships recognise the pulse of the industry. This recognition, combined with technical expertise, has enabled us to present a suite of carefully crafted IT solutions that provide end-to-end relief to the challenges of the Logistics industry. GALAXY is one of the most robust end-to-end web-based, Airport Cargo Management Solution, which boosts efficiency, optimises costs through heightened visibility and effective data-sharing.

It comprises of the comprehensive ground handling system, designed to drive complete operational efficiency and end-to-end real-time visibility to cargo handling airports and independent ground handlers. It enables EDI with Customs, Airlines and other stakeholders. In addition to import & export handling processes, the solution also provides for transshipment, ULD Management, Service Level Management, tracking, terminal & Airline invoicing, mail and courier handlings.

The platform enables end-to-end outbound cargo processing like acceptance, loading and departure (manifest); and inbound process right from flight arrival, flight check to finally place cargo at the warehouse. GALAXY integrates drones into its platform for the cargo handlers leading to better time management.

GALAXY addresses challenges of global airport cargo handlers with following features:

- Real-time cargo status update for complete visibility and transparency
- Customs compliance by interfacing with Customs through EDI or web services
- Statutory compliances and e-CSD
- Supports IATA standard messages - FTP/SMTP and SITA
- Set-up and management of warehouse space
- Disposal/auction of unclaimed cargo
- Business Intelligence for effective decision making
- HHT application for ease of cargo management, shorter dwell time and reduction in paper transactions
- Single point data-entry
- Improves cash flow from AWB by enabling users to raise correct invoices on administrative and storage charges
- Accurate revenue reporting
- Assures quick ROI due to short implementation cycle

GALAXY has always been a star system and Kale Logistics Solutions believes being with the times which has encouraged the incorporation of new technologies as and when needed. This indeed has made GALAXY a flawless platform.



CRUX

Automation and the integration of technology solutions are trends that took charge in 2018 of the logistics industry that show no sign of slowing down in 2019. Machine learning and data analysis are helping in shaping up the logistics industry. What technology trends do you foresee Maritime industry influencing in the near future?

Rupesh

The maritime industry is a huge and complex industry, which is constantly being contrived by global trends, advances in technology, materials and fuels. In maritime logistics, automation and digitization are constantly advancing, which noticeably affects all stakeholders as business models and processes will change dramatically in the coming years. Trends like Digital Sensoring will have a complete network of sensors to measure all aspects of operations. Robotic Automation has caught everyone imagination with its endless possibilities. The shipping industry is anticipated to come to rely heavily on the use of robots for every function, new types of robots, called 'mini-robots', are being paired with the sensors to identify and record all the data in the ship. The consolation of ships into mega-ship has great potential in the near future which will lower the cost of transportation. The biggest example of Megaship is MOL Triumph, the world's largest container ship. It measures 400 m long which will carry up to 20150 TEU containers.

Autonomous Ships are gaining immense popularity on account of their capability to deliver goods without any interference. IoT (Internet of Things) another technology with high anticipation will help provide real-time visibility to the stakeholders. A whole host of technologies are being explored to adopt a greener approach, including low carbon fuels, more streamlined hulls, more efficient propeller design, improved voyage planning to make savings on fuels, better and even air cushions to reduce friction.

CRUX

Efficient yard management systems have become a pre-requisite to drive competency in global Container Freight Stations (CFS) / Inland Container Depots (ICD) operations. What is restraining the CFS from meeting this requisite?

Rupesh

Planning, moving and tracking huge numbers of containers that pass through the trade chain is a herculean task requiring terminal operators to manage a complex matrix of variables and parameters. Container Freight Stations (CFS) and Inland Container Depots (ICD) are complex operations and are further complicated due to manual processes involving the intricate flow of information and goods between multiple stakeholders leading to procedural hassles. As a resultant, there is the slow movement of cargo and containers promoting often discrepancies between planned and actual actions. Amidst these constraints, CFS/ICD operations need to cater to increasing customer demands and expectations, whilst ensuring profitability. Poor infrastructure and high costs associated with the setting up of CFS and ICD facilities are the basic pain areas of this industry.

According to industry estimates, over the course of the last five years, the Global Marine and Container Terminal Operation industry has grown by 1.3% to reach revenues of \$48bn in 2018. The future holds a plethora of opportunities for growth for this burgeoning industry.



Mr. Rupesh Sidpara, AVP; has a decade of rich and varied experience in development, project execution and delivery. He specialises in effective product management, client interaction and implementation. He shares his perspective on the game changing technologies invading the logistics industry.



Kale Logistics Solutions, systems are built on the foundation of thorough industry knowledge and technical expertise. CAPELLA is one such system adept to drive complete automation and addresses the typical challenges of yard operations like terminal, Import – Export, domestic, and container inventory, among others. With a comprehensive reporting tool, CAPELLA ensures real-time visibility and control of CFS/ICD functions. It has all the functionalities such as cross-stuffing, MDT – gate in/ gate out done directly by gate operator (thereby minimising manual work), RS module which is necessary for their ever-increasing scale of operations.

CRUX

Freight Forwarding is not only a complex but most fragmented section of the Logistics industry. How do you think can this change in the coming years?

Rupesh

In a market filled with competitors, declining margins, rising fuel costs, rising e-commerce opportunities and supportive trade policies, Freight Forwarders are expected to combat competition. To drive efficiency, it is imperative to implement an acutely cohesive system that offers enterprise-wide business functionality and security at an affordable cost. Inability to exchange information seamlessly between Forwarders, Shippers, Customs Brokers, Carriers, Airport/Port Terminals, Overseas Agents and Consignees builds up operational inefficiencies and acts as a roadblock to proactive and informed decision making.

The entry of retail giants such as Amazon and Alibaba have caused a stir within the Freight Forwarding industry. Online freight marketplaces, load boards and brokerage apps, advancement in telematics are critical in providing the real-time tracking of cargo movement through a supply chain cycle. RFID tags and Barcodes can enable Freight Forwarders to gain real-time visibility of their consignments and pass it to customers. With the ever-escalating cargo volumes, technology is likely to create alternatives like drones as vehicles, 3D printers or “fabbing” (digital fabrication) to produce goods more locally, thus negating the need for transportation. Digital platforms market share is expected to double in the next 5 years. When shipping globally, there are many parties involved, so it will benefit shippers to minimize information disruption, reduce paperwork needed, and maintain access to original information without worrying about tampering during and after shipment. CORVI-Freight Management System envisioned by Kale Logistics Solutions is the single platform empowering Freight Forwarders globally to stay compliant on various policy changes from regulatory bodies like customs and other government bodies.



DID YOU KNOW ?

Otto, an Uber company, completed its second self-driving truck test in December. The first delivery was 50,000 cans of beer in Colorado, the second trip tested the truck's ability to navigate traffic on the Ohio Turnpike.

Deloitte's Global Trade Advisory Conference – EMEA



Deloitte's Global Trade Advisory Conference – EMEA 2019. Barcelona, Spain. May 22-24, 2019.



Messe München's Transport Logistic, Munich, Germany. June 4-7, 2019. Team Kale engaging with the delegates



WCO's IT/TI Conference & Exhibition. Baku, Azerbaijan. June 12-14, 2019. Team Kale engaging with the delegates



Microsoft Inspire 2019, Las Vegas, USA. July 14-18, 2019.



Digital Data Corridor between Mumbai and Amsterdam successfully completed by Kale Logistics Solutions and Cargonaut. [Know More](#)

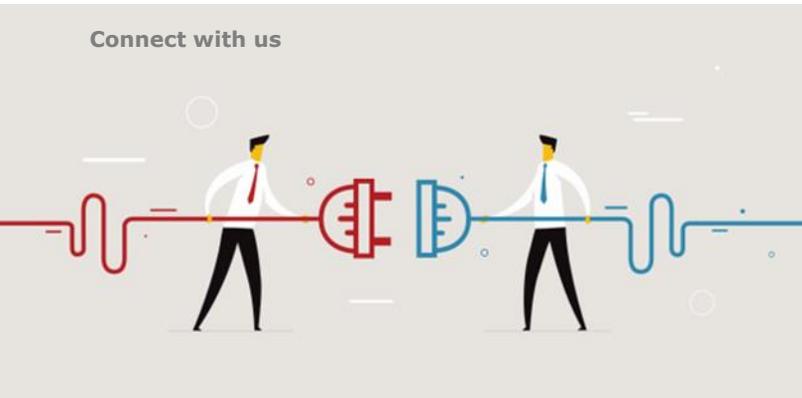


Kale Logistics Solutions partners with Hartsfield – Jackson Atlanta International Airport to develop Air Cargo Community System. [Know More](#)

Forthcoming events



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