OCT-DEC, 2024



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2025

<u>Top News</u> Vachvan Port, A Strategic Game Change

# CITNEWSLETTER

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### How the Great Nicobar Island Port Project Secures India's Strategic Interests

CILT e-Newsletter

The proposed port located on the strategic East-West Sea Route has sparked debates. Some people see it as a visionary project that will catapult India to new heights of economic prosperity. Others view it with scepticism, raising concerns about its environmental impact, economic viability, and potential geopolitical tensions. However, its potential to boost India's economy and strategic positioning is undeniable. Let's explore the reasons why the Nicobar Transshipment Port is considered a Strategic Necessity for India's Future. Drawing from my <u>multi-stakeholder experience</u> in maritime logistics, here are my insights on key questions and concerns about the project's importance, viability, and long-term impact.

#### Why is the Nicobar Port project of immediate importance to India's future?

India aims to grow its GDP sevenfold by 2050, and trade is a critical engine for this growth. India's trade volumes need to increase by at least six times to support this sevenfold economic expansion, and transhipment volumes need to increase by over five times compared to today.

India currently relies on foreign ports like Singapore and Colombo for transhipment services, losing economic value and control over crucial trade flows. Consequently, Indian ports lose an estimated Rs 1,500 crore annually from transhipment handling, resulting in a significant economic loss. The burden of transhipping through Colombo for Indian shippers, which averages \$200 to \$250 per container unit, makes them less competitive.

The Nicobar Port is a great opportunity for India! By developing this port, Indian ports can handle more of their cargo, which will help our economy grow. As India's trade increases, the port can capture a significant share of regional trade, giving Indian shippers and cargo owners more control and benefits. This will make shipping more efficient, reduce costs, and make moving goods in and out of the country easier.

#### What is the strategic significance of the Nicobar Port?

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The Nicobar Transshipment Port is in a prime location on the East-West Sea Route, one of the busiest maritime lanes in the world. It's set to become a crucial link connecting some of the fastest-growing economies, such as Vietnam, Myanmar, Indonesia, and Bangladesh. This will benefit India and reduce reliance on foreign transhipment hubs.

Notably, the Chinese manage a large part of the Colombo port, which holds over 40% of the Indian transhipment market. They have substantially invested in developing new business and residential areas in Port City Colombo.

The Great Nicobar Island's ideal position along the Australian, Japanese, and Korean navigational routes makes it a perfect location for a transhipment port.

But the Nicobar Port project is not just about a port. It has the potential to evolve into a thriving economic zone, offering a range of services from logistics to warehousing. In the long run, it is expected to transform into a bustling city, akin to the Jebel Ali Free Zone in Dubai. This transformation will significantly boost business growth, attract investment, and contribute to India's economic output.

#### What are the key points of criticism surrounding the Nicobar Port project?

Critics question the economic viability, environmental risks, and necessity of constructing a new port in an ecologically sensitive area. Many argue that improving existing Indian ports or expanding reliance on regional hubs like Singapore and Colombo would be more cost-effective, especially with established regional transhipment hubs.



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It's important to note that experts have meticulously prepared and validated the growth projections in а detailed project report. These projections align with growth forecasts from India and renowned multilateral agencies like UNCTAD, providing а strong foundation for the feasibility of the Nicobar Port.

It's feasible to pinpoint gaps in any assumption or estimate.

The allure of pessimism can be intellectually captivating, and arguments tend to gain a sense of intelligence when they echo our own concerns.

Let's take a look at some important questions that affect the growth projections and, as a result, the economic feasibility and concerns about the project's significance, viability, and long-term impact.

#### What is transhipment, and why is it growing?

Transhipment is transferring cargo from one ship to another at an intermediate port before it reaches its final destination. It's like a layover for cargo. For example, if you're shipping goods from Shanghai to Rotterdam, and there's no direct route, the goods will first go to the Port of Singapore. In Singapore, the goods are moved from one ship to another bound for Rotterdam. This process makes shipping more efficient and costeffective. It's similar to when you travel with a layover at a hub airport and indulge in duty-free shopping  $\bigcirc$  – the goods reach their final destination, just with a little stopover along the way!

Transhipment is increasingly common in the shipping industry due to larger vessels requiring efficient cargo distribution. Technological advancements, global trade patterns, and strategic hub locations further drive this trend. As international shipping networks consolidate to improve efficiency, the demand for transhipment services is growing, especially in emerging markets.

#### Is There a Large Enough Hinterland Around the Port for Containers and Breakbulk to Originate From, Other Than Its Transshipment Capability?

The term "hinterland" refers to the area surrounding a port that is economically connected to it, supporting it by providing goods for export and receiving imports. This can include areas connected by efficient transportation networks such as roads, railways, inland waterways and shortsea shipping.

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Let's take a look at the hinterland of some major transhipment ports. For example, for the Singapore Port: Singapore's hinterland extends far beyond its geographic region, serving as a major transhipment hub for Southeast Asia and connecting to countries like Malaysia, Indonesia, Thailand and India. The port's influence goes beyond its immediate surroundings, making it a critical hub in global trade networks. Another example is Colombo Port: As a Regional Hub, Colombo serves as a key transhipment hub for South Asia, with its hinterland including parts of India, Bangladesh, and the Maldives. It's strategically located along major shipping routes in the Indian Ocean.

Similarly, considering a new port in the Great Nicobar Islands, its hinterland could include the eastern coast and littoral states of India, Southeast Asia, and parts of the Middle East. Efficient connectivity through maritime routes and potential future infrastructure developments would be crucial. Within India, regions such as the Northeast, West Bengal, Bihar, Orissa and even neighbouring countries like Nepal and Bhutan would benefit from improved access to global markets through the Nicobar Port. Making logistics more efficient will give Indian industries a competitive edge.

# Why should India keep developing infrastructure even though some projects appear unviable?

Infrastructure is the backbone of economic growth. India must continue to develop its infrastructure to drive economic growth, improve connectivity, boost trade, accommodate urbanization, enhance disaster resilience, and foster technological advancements.

Even if some projects may not seem profitable in the short term, their long-term benefits often justify the investment. Continued investment in infrastructure will boost business confidence and attract global capital.

For instance, for new ports to thrive and succeed in global trade networks, the continuous development of connectivity infrastructure, such as highways, railways, and inland waterways, is essential. This expansion is crucial for increasing a port's hinterland and ensuring smooth cargo movement to and from the port.

As India's trade volumes are expected to grow significantly, ports must expand to meet the demand.

The Nicobar Port will allow India to accommodate this surge, avoid bottlenecks, and improve supply chain efficiency. This continued investment in infrastructure will also foster greater business confidence and attract global capital.



# Why does the world keep developing ports in emerging and mature markets?

According to the Seatrade Maritime Global Ports Report 2024, many ports worldwide are being developed to handle the growing trade volumes and technological advancements. Some interesting developments include infrastructure upgrades and sustainability projects in Rotterdam, new developments covering six Japanese ports at Tianjin-Singapore GDSC, the inclusion of Muuga Harbour in Estonia and the Port of Al Duqm in Oman in the global port performance index. The Port of Rotterdam and The Port of Los Angeles have undergone significant expansions to accommodate larger vessels and faster logistics.

Port development is a gradual process that can take decades. Examples like Rotterdam's port, which has been developing since the 14th century, and the modern Port of Singapore reflect the significant time and effort required to reach their current state.

One of the primary reasons for establishing Jebel Ali Port was to decongest the existing Port Rashid in Dubai and support the growing trade demands. The port's strategic location, modern infrastructure, and establishment of the Jebel Ali Free Zone attracted international businesses, boosting economic growth and creating employment opportunities.

India must follow a similar proactive strategy to maintain its global competitiveness.

#### Why can't existing regional ports like Singapore and Colombo handle India's needs?

While Singapore and Colombo are already well-known as transhipment hubs, they are currently dealing with congestion and operating near total capacity. These foreign ports can only fully accommodate India's increasing trade and transhipment needs, causing delays, higher costs, and reduced control over cargo flow for many years.

These ports may also not prioritise India's needs as global shipping patterns change. Remember the considerable extent of Chinese ownership in the port of Colombo. On the other hand, the Nicobar Port would be designed to meet India's unique requirements and act as a hub not only for Indian shippers but also for SAARC and BIMSTEC nations. This would ensure that India and its neighbouring countries have efficient, cost-effective access to global trade routes.

#### What are the environmental risks and possible mitigations?

Building in an ecologically sensitive zone like Galathea Bay naturally raises concerns. However, the project has committed to sustainable practices such as coral translocation, afforestation, and implementing pollution control technologies. This balanced approach allows for economic development while minimizing environmental harm. Case studies like those of Jebel Ali and its surrounding industrial zones have

# How will this port help in the broader government-initiated growth of the regional economy?

The Nicobar Port will make a significant difference in the local economy! It's not just about jobs; it's about creating opportunities for everyone. The port is expected to bring over 200,000 direct and indirect employment, which will help local businesses grow and attract international companies. Plus, it will lead to the development of logistics hubs, industrial parks, shipbuilding clusters, tourism and economic zones around the port, boosting the whole region.

#### How will this port shape the geopolitics of the region?

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The Indian Ocean Region is increasingly becoming a battleground for influence among global powers. India is strengthening its maritime power by developing the Nicobar Port, which helps counterbalance the presence of other regional players. This move also enhances India's diplomatic standing within SAARC and BIMSTEC by offering transhipment services to neighbouring countries, further integrating the region economically and politically.



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### **Greening India's E-commerce** *Pathways to Sustainable Supply Chain*

Newsletter

India's booming e-commerce sector stands in a pivotal position. The sector's rapid growth, projected to reach \$300 billion by 2030 underscores its significant economic impact.



As the global community converges to address the escalating climate crisis, India's booming e-commerce sector stands in a pivotal position. The sector's rapid growth, projected to reach \$300 billion by 2030 underscores its significant economic impact. However, this expansion does bring environmental challenges, notably in packaging waste and carbon emissions from logistics. Addressing these issues is imperative for aligning with global sustainability goals and ensuring the sector's long-term viability.

#### Packaging Waste: A Pressing Concern in the Pre-Shipping Phase

The surge in online shopping has led to an unprecedented increase in packaging materials, much of which is non-biodegradable. In 2021-22, India's e-commerce sector produced approximately 98,000 tonnes of plastic packaging waste, marking a 73% rise from preceding years. India currently lacks well-developed methods for efficiently recovering

packaging plastic waste. This issue is particularly even more concerning because plastics contribute to microplastic pollution and pose health risks. Chemical additives used in packaging plastics are toxic, such as persistent organic pollutants (POPs), which can spread into ecosystems. In response, the Indian government has introduced various legislative frameworks, like the Plastic Waste Management Rules, 2011, and its subsequent Amendments in 2016, 2020, and 2022. Previously, the e-commerce sector was not constrained by legislative frameworks, as it did not fall under the definition of obligated entities in earlier Extended Producer Responsibility or EPR (a regulatory mechanism that holds producers responsible for the management of their products throughout their lifecycle) regulations. However, the said legislative measures introduced in 2022 marked a crucial step in addressing plastic waste generated by the e-commerce industry.

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In addition, the launch of the Business Responsibility and Sustainability Report (BRSR) mandated listed companies to provide quantitative metrics on sustainability-related factors from the fiscal year 2023. These regulatory frameworks and changes compelled e-commerce companies to further adopt sustainable packaging solutions. Leading e-commerce platforms are taking proactive measures. Flipkart, for instance, has committed to eliminating single-use plastic packaging and is transitioning to recycled alternatives. Similarly, Amazon India has introduced various measures which minimize waste. Q-commerce companies like Blinkit have also transitioned to fully biodegradable packaging in its orders. These initiatives resonate with the growing demand for eco-friendly practices. However, aggressive efforts are required for realising the intended goals.

#### Logistics and Carbon Emissions: The Need for Greener Deliveries

The traditional logistics network of e-commerce is a significant contributor to carbon emissions. The sector's total annual emissions will amount to 80 lakh tonnes of CO2 by 2030, which is comparable to the emissions produced by 16.5 lakh petrol cars driven for an entire year. The rise of q-commerce, promising rapid deliveries, has added to the woes.

The expanding reach of e-commerce has led to higher demands for more complex logistics operations. With consumers expecting faster and more frequent deliveries, companies have to maintain extensive fleets, which are often powered by fossil fuels. This puts immense pressure on supply chains, not only in terms of efficiency but also environmental impact. According to World Economic Forum, last-mile delivery emissions in urban areas are projected to grow by 30% by 2030 if current practices continue, leading to increased traffic congestion and deteriorating air quality index.

To mitigate this, mandating the integration of electric vehicles (EVs) into delivery fleets is 'the viable solution'. This transition would not only reduce carbon footprint but also align with India's broader goal of achieving 30% EV penetration by 2030. While ecommerce companies have already started operationalising their EV strategy, an approach based on compliance rather than a practice is the need of the hour.



#### Looking Ahead: A Three-Point Strategy

Achieving sustainability in e-commerce requires cohesive efforts from the government, industry stakeholders, and consumers. The government's ban on single-use plastics and incentives for EV adoption are commendable steps. However, more comprehensive actions are essential.

**Global advocacy:** The Conference of Parties' (COP) push for circular economy principles focuses on waste reduction and resource efficiency. India needs to amplify this so that more countries adhere to norms that minimise and recycles waste coming from sectors like digital commerce. Since carbon financing is an eminent part of COP this year, e-commerce companies could engage with policymakers going forward, to advocate for tax credits or financial incentives when they achieve emission reduction milestones. Platforms could also explore collaborations to develop carbon offset programs or invest in local renewable energy projects.

**Mandated change over voluntary change:** The next set of policies should aim at making some measures a regulatory mandate rather than optional guidelines. This includes enforcing stricter standards on the use of eco-friendly packaging, requiring carbon footprint disclosures for all deliveries, and setting legally binding targets for emission reductions.

**Consumer Awareness and Demand:** Consumer behaviour plays a pivotal role in driving sustainability. A study indicates that 80% customers are more likely to buy from a brand with a positive approach to sustainability. E-commerce companies must leverage this by offering eco-friendly products and transparent information about their efforts.

India's e-commerce sector is not just a digital convenience but an accelerator of the consumption economy. Prioritizing sustainable packaging and green logistics thus becomes a prerequisite responsibility of all the stakeholders involved

(The author is Samir Hosangady, a Senior Advisor and Industry Expert in Logistics & Supply Chain. He is currently also a Consultant to Denmark-based A.P. Moller – Maersk)



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# 2<sup>nd</sup> RAIL INDIA FORUM

**RAILWAYS IN MOTION: VISION 2030 TO VIKSIT BHARAT 2047** 

### Summit Focus :

- India's Railways Vision 2030 and Viksit Bharat 2047
- Transforming Connectivity in Modernising Indian Railways
- Improve market share of freight as envisaged in the National Rail plan 2030
- Railway Renaissance: Rail Infrastructure Development & Investment Pathways
- Sustainable Technology & Innovation in Railways 2.0

Indian Railways plays a crucial role in shaping the economy and infrastructure of the nation. With the vision for 2030 focused on modernizing the network, and the broader national goal of Viksit Bharat by 2047, a conference – 2nd Rail India Forum - was organized by the Indian Chamber of Commerce on December 6, 2024, at Desire Hall, Hotel Le Méridien, New Delhi; aimed to address key challenges, explore opportunities, and set a roadmap for the future. The conference served as a platform for industry leaders, policymakers, and experts to discuss the modernization of Indian Railways and its significant role in realizing the vision of a developed India by 2047. The conference focused on key themes such as rail infrastructure, sustainability, and technological innovations.

This conference was supported by CILT India as a knowledge partner.





At the Inaugural session after lighting the Lamp and honouring the guests; a viewpoint of industry leaders such as: MR. ABHYUDAY JINDAL, President of the Indian Chamber of Commerce, MR. VIKASH LOHIA, Chairman of the National Railway Committee ICC and Director of Jupiter Wagons, MR. SUBHASH GOYAL, Chairman of he National Travel, Tourism & Aviation

Committee ICC and Chairman of STIC Travel Group of Companies, MR. RAJAT GOSAIN, GGM/Planning at the National Capital Region Transport Corporation (NCRTC), MR. KUNTAL DASGUPTA, Chief Business Officer at Texmaco Rail & Engineering Limited, DR. SURENDRA KUMAR AHIRWAR, Joint Secretary at the Ministry of Commerce and Industry, Government of India, PROF. (DR.) MANOJ CHOUDHARY, Vice Chancellor, Gati Shakti Vishwavidyalaya, gave insights on outlining the vision for Indian Railways and the road to a developed India.

All the esteemed members of the inaugural session highlighted the significance of the railway sector in shaping India's infrastructure, economic growth, and global standing. They deliberated on how to build a sustainable rail ecosystem, one that integrates modern technologies like KAVACH for enhancing safety or use of AI for real time information or upgrade rail infrastructure for capacity expansion and practices for ease of doing business to improve efficiency to move towards zero carbon emissions by 2047.

To attain this goal it is necessary to look into international collaborations and investments for funding projects as the high speed rail, Vande Bharat Express, dedicated freight corridor to make Indian Railways a cost effective world class system. Some suggestions on railway's commitment to sustainability and achieving green transport network were:- putting solar panels on trains and stations and shift of traffic from the polluting roadways to rail through RRTS, a modern, high-speed transit network designed to reduce travel time, ease congestion, and provide seamless connectivity between urban centers and suburban areas. To meet the goals of Vision 2030 and Viksit Bharat 2047, there is urgent need to promote multimodal connectivity and sustainable practices to enhance connectivity to the hinterlands and increase last-mile connectivity for cargo and passengers alike!



### Panel Discussion on Transforming Connectivity in Modernizing Indian Railways:



This panel discussion was chaired by Mr. Sanjiv Garg, Secretary General, CILT India, former Managing Director of Pipavav Railway Corporation Limited, and former Additional Member of the Railway Board. He set the tone of the discussion by bringing some major issues and challenges facing the Indian Railways including opportunities for station modernization, transforming the passenger experience, expanding connectivity in remote regions, the impact of high-speed trains on regional growth, and how to improve the operating ratio of Indian Railways. Another concern being - whether Indian Railways should continue cross-subsidizing passenger traffic from freight traffic earnings. The issues were -

- 1. **High operating Ratio:** the actual operating ratio of Indian Railways is in the range of 125 to 130.
- 2. **Cross subsidizing passenger from freight:** the Railway Minister mentioned in Parliament that for every 100 rupees earned from passenger kilometers, only 54 rupees are recovered. This means the remaining 46 rupees are met from other sources. The main revenue source for Indian Railways is freight traffic, which is more profitable. For every 100 rupees spent on hauling one net ton kilometer, the recovery is almost 175 rupees. However, we are overpricing freight and under pricing passenger traffic.
- 3. Freight traffic diverted to other modes: a lot of high-value traffic has been diverted from Indian Railways to other competing modes of transport, mainly road transport, due to overpricing. We find that on subsidizing passenger fares short distance commuters (25-30 kms) use cheaper rail option for travel This leads to overcrowding on short-distance passenger trains, which affects the movement of long-distance rail traffic, both freight and passenger. In effect, we are inverting the pyramid and causing all the associated problems with this kind of pricing mechanism

**4.Passenger focus:** the subsidy on passenger fares amounts to Rs. 57,000 crores annually while freight—the bread and butter of Indian Railways—tends to take a back seat, as 80-90% of the management's time is spent on issues related to passenger traffic, while less than 20% is dedicated to freight. From a corporate perspective, this means the main revenue stream of Indian Railways isn't getting the attention it deserves from top management.

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5. Fall in the average lead of freight traffic: the average lead of freight traffic has actually been declining in recent years. A similar issue on the freight side is the overdependence on just four or five commodities that make up the entire freight basket - – coal, cement, food grains, iron/steel, and fertilizers—capturing container traffic poses a very big challenge as the current share of container traffic is barely 5 to 7 % to increase it substantially Indian Railways must start planning for this shift in modal traffic towards containers. So, when we talk about reducing logistics costs, the issues that we need to tackle are - increase the modal share of freight in rail transport and shift container traffic to Railways, the National Rail Plan aims to increase the overall annual freight traffic movement by rail from the current 1,500 million tons to nearly 3,000 million tons in the next 5 to 10 years – till a robust plan is in place to tackle such challenges, any talk about reducing logistics costs will be meaningless.

# In response to these challenging questions the panelists put forward their views –

MR. MANOJ KUMAR GANGEYA, Executive Director Planning, Railway Board, Ministry of Railways, Government of India; discussed several key initiatives and the vision for Indian Railways, emphasizing the importance of modernizing infrastructure to support this growth.

MR. RAJAJI MESHRAM, Consultant, Asian Development Bank, Ex-Partner, EY started by posing a critical question: How do we transform connectivity in light of the policy changes that are essential to drive progress? When we talk about transformation, especially in the context of railways, the immediate response tends to focus on hard interventions—double tracks, expanding infrastructure, increasing capacity—things that can be seen and measured. However, this is only part of the story because transformation can happen through policy changes for better coordination, information sharing or even data mining!

MR. DHARMENDRA KUMAR, Director- Operations, Centre of Railway Information Systems focused on efficiency improvement, enhancement of the customer experience by delivering services to the public through managing internal operations. He also apprised the audience of the launch of "SuperApp", where both freight and passenger data will be integrated, enabling customers to access all relevant details in one place.

MR. ADITYA KHAKSE, Business Head, Tutr Hyperloop explained how the Hyperloop technology will assist in reducing time of travel and emissions.

Panel Discussion on Railway Renaissance: Rail Infrastructure Development & Investment Pathways

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The session moderator MR. NITIN KULSHRESTHA, Chief Operating Officer of GATX India set the stage for the discussion, highlighting the importance of rail infrastructure development in transforming the sector where investment is crucial for modernization. The panelists explored various investment pathways and strategies required to modernize India's rail infrastructure, touching on topics such as technology integration, public-private partnerships, and sustainable growth in the railway sector.

MR. SAJAL MITTRA, Head of Railways at Adani Cement, spoke about the critical role of sustainable infrastructure and investments in the development of India's railway sector. He highlighted various challenges faced on a daily basis within the industry but also focused on the positive strides being made, particularly in the development of the Eastern Corridor and Western Corridor projects, the Chenab Rail Bridge and the Hydrogen Engines, High-Speed Rail Project, - all represent groundbreaking innovations in railway technology

MR. PANKAJ KUMAR AGARWAL, AVP & Zonal Head at Jindal Stainless, discussed the role of material innovations in building a more robust rail infrastructure. He also pointed out that various obstacles prevent the railway sector from advancing quickly and efficiently, ultimately affecting the delivery of quality infrastructure. Comparing the approval processes of the Ministry of Railways and the Ministry of Road Transport and Highways, he stated that the latter is more efficient while the railway approval process involves multiple agencies, requiring additional clearances from the RDSO (Research Designs and Standards Organisation), which makes it more time-consuming.

MR. JAYANT SINGH, Programme Director for RD/Tourism & Culture/Tpt-infra II at NITI Aayog, Government of India, emphasized the need to empower railway zones to make independent decisions, particularly to enhance the execution of Public-Private Partnership (PPP) projects. He pointed out that while the Model Concession Agreement (MCA) provides

a structured framework for such projects, its implementation has faced challenges. By decentralizing decision-making to the zones, it would allow for faster, more efficient project execution, tailored to local needs. He raised concerns about the gaps between private sector expectations and the regulatory framework, questioning why the intended synergy hasn't been fully realized despite the clear guidelines provided by the MCA.

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MR. KANISHKA SETHIA, Chairman, National Logistics & Supply Chain Committee, ICC & CEO, Western Carriers (I) Ltd emphasized the importance of numbers in understanding the state of the railway sector - the Gross Revenue Receipts (GRR), which grew by 5.9%, reaching ₹2,40,000 crores, while the wage bill—now totaling ₹1,61,000 crores after an 8.7% increase—places significant strain on the system. He emphasized the importance of a balanced approach that incorporates both financial sustainability and technological innovation to create a modern, efficient, and safe rail system for the future

#### Panel Discussion on Sustainable Technology & Innovation in Railways 2.0:



The moderator MR. ASHISH UPADHYAY set the tone for the discussion by posing a series of thought-provoking questions to the panelists

**Question:** How do you see technology driving Indian Railways" goals for sustainability, efficiency, and world-class operations"? What has been the most transformative technological development in railways over the past decade?

**Answer:** Mr. Harshkumar Bajpeyee, Managing Director of Schwihag India Pvt Ltd emphasized the importance of adopting technology for sustainable growth and highlighted Schwihag India's contributions to improving rail track performance through advanced maintenance and monitoring solutions. These innovations help enhance efficiency, reduce environmental impact, and ensure more reliable operations for Indian Railways.

**Question:** As RailTel is driving transformation, particularly in enhancing efficiency and worldclass operations, how do you see technology contributing to this process and the overall sustainability of Indian Railways?

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**Answer:** Mr. Anshul Gupta, Advisor, RailTel Corporation, Ministry of Railways, Government of India emphasized that technology plays a pivotal role in this transformation. - by integrating AI, automation, and data analytics, we can streamline operations, reduce downtime, and optimize resources. Additionally, RailTel is working with Cylus in the cyber security domain to ensure safety across four critical aspects: functional safety, operational safety, asset safety, and staff safety. Furthermore, the emphasis on electrification and green technologies promotes sustainability by reducing carbon emissions.

**Question:** To Lt. Col Alok Shankar Pandey, Group General Manager (IT) & CISO, Dedicated Freight Corridor Corporation of India; With your defense background and current role, what is your perspective on the technological advancements being implemented on the Western and Eastern freight corridors?

**Answer:** He emphasized on the importance of collaborating with the industry, leveraging existing technologies in the ecosystem, and leaving specialized tasks to those who excel at them daily. He believes a connected environment with connected trains is the way forward. However, he also pointed out that legacy systems are holding back progress due to reluctance in adopting new technologies. Key challenges include planning, network traffic, and the lack of operational independence. Despite having the best minds and technology available, he believes that standardization remains a major hurdle. He concluded by stressing on the high importance of cyber security in operating these technologies.

**Question:** What is the basic difference between IT and OT, and how should security measures be implemented?

**Answer:** Mr. Eddy Thesee, Vice President & Cyber Platform, Alstom Group replied by saying that Cyber security plays a key role in improving operational efficiency and performance by leveraging Bennett technologies for Kavach and Vande Bharat. IT (Information Technology) and OT (Operational Technology) must be secured differently, with IT focusing on data management and OT on controlling physical systems.

**Question:** What key challenges should customers consider when implementing and maintaining cyber security, particularly in the context of global threats?

**Answer:** Mr. Amir Levintal, Chief Executive Officer, Cylus said that trust in technology was still limited in India. Cybersecurity and safety, while both critical, are two distinct areas that must be handled separately to ensure the protection and reliability of railway operations.

**Question**: Overall, from a governance perspective, what do you think are the bottlenecks in the adoption of innovative technologies in Indian Railways?

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**Answer:** Mr. Anshul Gupta feels that the main bottleneck in adopting innovative technologies in Indian Railways is the mindset. There is resistance to change which can be overcome through training and awareness to enable faster adoption. Additionally, reducing procurement lifecycle times will play a significant role in facilitating the implementation of new solutions.

**Question:** What is your vision for creating sustainable railway infrastructure that aligns with India's goals for faster rail movement and overall environmental sustainability?

**Answer:** Mr. Ranit Rana, Associate Vice President, Jindal Stainless stated that creating sustainable railway infrastructure including building durable rolling stock, hydrogen powered trains, adopting life cycle costing approach, refining PPP model will help to align with India's goals for faster rail movement and environmental sustainability.

**Question:** How can rail operators balance simplifying architectures with the implementation of advanced security tools?

**Answer:** Mr. Eddy Thesee, Vice President & Cyber Platform, Alstom Group stated that innovation is the foundation for sustainability. By leveraging systems engineering, machine learning, and AI, we can ensure that our solutions are not only advanced but also resilient and sustainable as they enable us to optimize performance, reduce environmental impact, and enhance safety, ensuring that the systems we develop stand the test of time. Through continuous innovation, we aim to create solutions that contribute to the future of sustainable rail transport.

The conference overall brought out issues and challenges faced by Indian Railways for attainment of the provisions of the Rail Plan 2030 and Viksit Bharat 2047. During the deliberations some analysis was done and solutions to mitigate such challenges were suggested by industry experts. A robust public-private partnership is the need of the our!

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### How Can Efficient Logistics Improve Competitiveness of India? \*\*\*\*

Logistics is the backbone of any economy, and its efficiency plays a critical role in shaping the nation's competitiveness on the global stage. For a country like India, which aspires to become a \$5 trillion economy, robust and efficient logistics is not just desirable but essential. India's geographic expanse, diverse terrain, and population distribution pose unique challenges, making it imperative to adopt transformative solutions in logistics management. This article explores how efficient logistics can boost India's economic competitiveness.



#### Logistics cost as percentage of GDP

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#### The Current State of Logistics in India

India's logistics sector is valued at approximately \$250 billion and contributes around 14% of the GDP. However, the sector is plagued by inefficiencies such as high costs, fragmented infrastructure, and complex regulatory processes. India's logistics cost is estimated to be 14% of its GDP, compared to 8-10% in developed nations like the United States and Germany. This cost disparity adversely affects the competitiveness of Indian products in global markets.

The government has recognized these challenges and launched initiatives like the **PM Gati Shakti Master Plan, Bharatmala Pariyojana, and the Dedicated Freight Corridors (DFCs)** to address them. Yet, there is considerable room for improvement, particularly in reducing logistics costs and improving service reliability.

#### Challenges in improving efficiency:

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• **High indirect or "hidden" costs:** Indirect logistics costs in India are four times the average of those in developed countries. The main reasons are excessive layers in distribution channels and inventory mismanagement. Inadequate demand forecasting due to lack of technology adoption leads to inventory mismanagement. It also leads to high inventory carrying costs, which include costs for holding and storing unsold goods.



- **Poor-quality infrastructure:** India has the second-largest road network globally, which totals 5.5 million kilometers, yet national highways account for less than 2.7 percent of the total network. This puts a severe strain on the national highway network, which carries about 40 percent of the road traffic. India also has one of the largest rail networks in the world, spread over 1.2 lakh kilometers. However, the average speed of freight trains in India is 20-25 kmph, compared to 38-40 kmph for those in the US and China. Furthermore, India has a shortage of warehousing space. Storing of drugs and perishable consumer goods requires cold-storage facilities. According to the Indian Council of Food and Agriculture, 30 percent of agricultural produce goes to waste every year due to lack of cold chain infrastructure.
- **High dependency on road transport:** The Indian logistics sector is heavily reliant on road transportation, which accounts for over 60% of freight movement in the country. Road infrastructure in India is often inadequate, with issues like poor road connectivity, traffic congestion, and lack of last-mile connectivity. This heavy reliance on road transport, which is less efficient compared to other modes like rail and waterways, increases fuel consumption, transit times, and overall logistics costs.

• Limited adoption of the latest technology: The slow adoption of supply chain technology, such as artificial intelligence, blockchain and the IoT, remains a major shortcoming. Organizations globally have adopted the latest technologies to ensure full visibility and real-time information on processes in the supply chain. Lack of digitization, inventory mismanagement and inaccurate demand predictions in the absence of technology contribute in large part to the competitiveness gap between India and its global peers.

#### Key Areas Where Efficient Logistics Can Enhance Competitiveness

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- 1. **Cost Reduction** Efficient logistics can significantly lower transportation and warehousing costs, enabling businesses to allocate resources to other growth-focused areas. By streamlining operations, adopting technology, and optimizing routes, companies can save both time and money. Lower logistics costs translate into reduced product prices, making Indian goods more competitive in international markets.
- 2. Improved Supply Chain Reliability Timely delivery of goods is a critical factor for businesses. Efficient logistics ensures minimal delays, reducing inventory carrying costs and enhancing supply chain reliability. This is particularly important for sectors like e-commerce, manufacturing, and agriculture, where delays can result in significant financial losses.
- 3. **Boost to Manufacturing and Exports** India's manufacturing sector is pivotal to achieving economic growth, with initiatives like Make in India aimed at boosting production. Efficient logistics ensures seamless movement of raw materials and finished goods, reducing lead times and enhancing productivity. Moreover, lower logistics costs make Indian exports more competitive, helping the country achieve a larger share in global trade.
- 4. **Regional Connectivity and Development** Efficient logistics facilitates better regional connectivity, integrating remote and rural areas into the economic mainstream. Improved infrastructure like roads, railways, and ports enables these regions to contribute to the economy by connecting local producers to national and international markets.
- 5. **Reduction in Environmental Impact** Inefficient logistics often results in higher fuel consumption and greenhouse gas emissions. By adopting sustainable practices like multi-modal transport, electric vehicles, and digital technologies, India can reduce its carbon footprint, aligning economic growth with environmental sustainability.

#### **Technological Interventions for Efficient Logistics**

The integration of technology is a game-changer in logistics. Here are some technologies that can enhance efficiency:

• **Digital Platforms and AI:** Real-time tracking, predictive analytics, and AI-driven route optimization reduce delays and improve decision-making.

- Blockchain: Ensures transparency and security in supply chains, reducing instances of fraud and enhancing trust among stakeholders.
- Internet of Things (IoT): IoT-enabled sensors provide real-time data on shipment conditions, ensuring quality maintenance, especially for perishable goods.
- **Automation and Robotics:** Automation in warehouses and ports speeds up operations, reducing manual errors and improving efficiency.

#### Policy and Infrastructure: The Cornerstones of Improvement

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- Infrastructure Development The government's focus on infrastructure through projects like Sagarmala, Bharatmala, and DFC aims to create a multi-modal transport network. Efficient ports, airports, and highways are crucial for seamless goods movement.
- **Policy Reforms** Simplifying regulatory frameworks and adopting a uniform GST has already streamlined interstate logistics to an extent. Further reforms, such as digitizing customs clearance and single-window approvals, can enhance efficiency.
- **Public-Private Partnerships (PPP**) Collaborations between the government and private sector can bridge infrastructure gaps, bring in technological expertise, and ensure efficient project execution.

Efficient logistics is a cornerstone for India's economic aspirations. By reducing costs, improving supply chain reliability, and fostering regional development, a robust logistics framework can elevate India's competitiveness globally. While initiatives like **PM Gati Shakti** are a step in the right direction, a concerted effort involving technological adoption, infrastructure investment, and policy reforms is essential. Collaboration between government, private players, and academia can pave the way for a more integrated and efficient logistics ecosystem, ensuring that India remains a formidable player in the global economy.

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### Note on Clean Sheet; and How it helps us to derive the actual cost of Operations

IT is a common misconception among the corporate professionals to set a budget of Warehousing – Freight (over all Supply Chain except Procurement). Except few of companies, every company's management try to squeeze Supply Chain cost. But everybody wants world class service level as well as with extra care to customers.

To do all these, as a Supply Chain Professional, I prefer a bottom-up analysis rather than traditional benchmark-based approach. It will help us to determine what costs should be for hubs and overall helping organisation prioritize improvements and shipments.

The painful truth about warehousing—across virtually all industries and geographic markets—is that most companies don't really know what their true costs should be. Operations leaders know what they are spending, and they likely know that they need to spend less.

Most companies don't have a clear methodology for determining those costs. The bottom-up approach will help us to ascertain the right cost. As soon as, Sales & Marketing freeze the sales volume for next Financial Year, Supply Chain must start the working - from production Capacity planning (if required) to outsource materials from third party manufacturers. There should be clear concept on volume movement lane wise, based on that freight cost (on prevailing market rate plus fuel and others inflation) to be calculated.

It is also experienced that SCM professional put out a tender for outsourced services through a third-party logistics (3PL) provider. It is a good way to find out the service partner and will charge, but not knowing what the underlying activities truly cost. And without knowing what costs should be for a specific warehouse, what improvement initiative to reduce spending and increase efficiency is bound to fall short. Operations managers have little idea of what kind of gains they can generate—or where. It is like running a race without knowing where the finish line is.

One research of McKinsey & Co over the past decade, including detailed analyses of more than 1,000 warehouses in key industries and geographies worldwide, shows that many companies' costs are dramatically higher than they should be. Study found that companies can accurately size this gap only by assessing warehouse costs through a bottom-up analysis that determines the ideal cost structure for a given facility. Through this process, companies can prioritize their improvement initiatives, leading to potential gains of 15 to 20 percent.

#### Where benchmarks fall short

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In my experience, there are usually two ways for companies to assess warehouse spend for a given process area. The first is a top-down analysis that relies on industry benchmarks. However, benchmarks can be blunt instruments. They are often available only at a high level, such as total warehouse cost as a percentage of cost of goods sold or per case or per unit, compared with last year's budgets. Furthermore, benchmarks fail to factor in unique service offerings. Different product portfolios, order patterns, delivery standards, supply-chain requirements, and other attributes can all affect warehousing costs significantly, even for companies in the same industry.

The second—and far more practical—way to analyse warehouse costs is a bottom-up, "clean sheet" (as McKinsey named it) calculation. A clean sheet is a mathematical model that determines the true costs for a given warehouse, in terms of space, labour, and equipment. The critical advantage of this approach is that it lets companies drill down into the three biggest cost drivers of a warehouse and check where a company is paying more than it should. The goal is to identify the lowest possible cost of each component, rather than the actual cost the company is now paying. By isolating components in that way, companies can tackle the biggest discrepancies and problem areas.

We need to first understand in details about the "Clean sheet" analysis - It is a tool that helps manufacturers and other organizations optimise processes and reduce costs by analysing product's /Operations cost.

Clean sheet is a strong tool for taking decision making situations. Procurement team can be in stronghold while negotiating with vendors with cost details, quality team can have a fair judgment in all the quality relative activities in production process and yield assumption, warehouse operations person can map the process with cost and modify the process, manufacturing engineer can trigger the optimization in production line where the effort costs the most, etc.

Clean sheet generation is an iterative process for cross functional teams, such as procurement, cost engineer, quality engineer, manufacturing engineer, designer, and product manager. It is used to calculate the target cost based on a "Fully optimized" manufacturing scenario. Clean sheet approach has three major purposes: Determine a fair price, identify key cost drivers, and generate ideas for potential design or specification changes. Let me define the fair price here. One is also called "Should cost". Should cost contains physical (Such as the number of labour deployed in warehouse operations, the cycle time of process, and the setup time for different activities, and financial (Such as labour rate, overhead rate, output per labour, profit, payment terms, etc). Clean sheet provides a "Should cost" calculation and allows the logistics team to understand the gap between quoted cost and Should cost; moreover, how to mitigate it.

To build a clean sheet, the first principal is we should not be overwhelmed by a large amount of data. If the product/Service is built in-house, the data could be easier to obtain. If the product/service is a whole new one, then the better way to initiate the clean sheet is to start the most similar product /service we have. An effective clean sheet requires: Understand where and how to find the important missing data, label the variable data (Such as labour time/rate, machine cycle time/rate, currency exchange rate, direct overhead cost, yield, and inventory carrying cost), record the assumptions clearly (Such as monthly requested demand volume, expected batch volume, warranty period, payment term, required safety stock level) and adopt carefully in different cases/scenarios, and make educated guesses when required with clear remarks.

#### What data is required?

1. Outline/Visualize the operations and its process

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- 2. Outline the details required to run the operations. The details work flow like volume handles, distribution pattern, equipment/machine/tooling/fixture used, direct labour headcount required, cycle time, yield, scrap, rework (If required). One should build up the category expertise to make the estimation for warehouse flow processes or those used by vendors.
- 3.Allocate resource costs to material, labour, engineer, and equipment/machining. A fine quality clean sheet target cost relies on high quality and timely data. It is important for the organization to trust their chosen data source and its limitations.
- 4. Overhead and indirect cost needed to consider, such as amortization of one-off investment, equipment, and tooling. Currency exchange rate (if required), tax is also required. Profit margin is also needed if the product is outsourced to vendors.

In brief, the more detailed the model is, the more useful it is. Clean sheet always fits better in the cases which have high-cost uncertainty, limited supplier base (In sole source case, clean sheet can be hardly applied), and product built with new technology. The clean sheet should be compiled by the ultimate owner and usually could be subject matter expert.

#### Here comes why?

- 1. Dedicated subject matter expert who has deep specialized knowledge and know how in their own product or subcategory to be kept in warehouse or transport to last miles.
- 2. Most of the products have different attributes like fast selling items, slow moving, etc based on that needs to classify them A, B, C and must take different strategy. Like Push-Pull mechanism or Make to Order strategy so that less inventory cost as well as no sales loss due to stocks out. It also helps us to optimise the warehouse space.

#### There are few critical points to remember to complete the clean sheets

- 1. Although an owner is required to complete clean sheet but requires a collaboration of cross functional team and a supporting atmosphere to assure the effectiveness of data and ensure the efficiency of data input/extract and refresh the assumptions. Like for warehouse cost ascertain we require freight management team, sound knowledge of warehouse activities, etc.
- 2.We should be ready to change/update/sync the variable data, energy price fluctuation, rising labour rate, carbon neutrality and have a periodic review of our clean sheet to assure the competitiveness and optimization
- 3. Always I believe the assumptions of clean sheet needs to be challenged and updated based on reality and best practice or as we get experienced in operations
- 4.As per my experience Clean sheet is a learning process. We can see a very fast learning period while applying clean sheet in the first time, and it will close the gap between our understanding of the true cost driver of operations and reality and it helps to explore a new way for reduction of cost. To ensure the validity of clean sheet, the learning must be identified systematically, update and modifications to database, template, and supporting documents,
- 5.We should be clear the difference between fully optimized cost, fair cost, and keep the special offer or discount (The negotiation after business influence) out of clean sheet. If mixed topics, clean sheet cost will always become a mission impossible and demoralize the team efforts. In the end, nobody will NOT trust clean sheet.

#### A closer look at processes and spaces

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The first step is to look at processes, which means taking a close look at labour. The clean sheet analysis looks at actual warehouse activity levels and volumes, and determines the average processing time—i.e., how much time should be spent on each activity. Companies can then convert that result into a cost, using a factor cost base with location-specific average labour rates for given types of work.

Next, the clean sheet factors in space and equipment. These aspects are crucial given that processing times in a warehouse are typically linked to walking or driving within storage aisles, and that some equipment dictates a certain aisle width. Using both inputs, a clean sheet computes the warehouse space needed to handle annual volume at specific service levels. The analysis also includes the running costs, or Opex, and investments, or capex, for selected material-handling equipment and racking configurations.

Sharing an experiencing, when Interacted with a Zonal Logistics Head about the benchmarking of Bangalore Warehouse's per pickers picking volume. I was told within a shift (8 Hours a shift) each picker should pick at least 12 MT. It is benchmarked with other locations. When last 30 days continuously, Bangalore warehouse pickers couldn't achieve the targeted figure, we do the analysis and found the benchmarking has not happened within the same parameters. Other locations warehouse is comparatively less space than Bangalore, hence travelling time of pickers have not been considered. So, always try to compare apple to apple, otherwise the distraught figure will crop up.



#### Translating insights into action

Once companies have a true idea of their reasonable costs for a facility, they can compare those data to real-world warehouse costs for their industry and geographic market. As per my experience, most of Supply Chain professionals doesn't capture the real data, always assume certain data and base on those calculations happened – for me like without strong base construction doesn't stand long. Hence, the areas with the biggest gaps are the most immediate priorities for improvement. Onsite warehouse walkthroughs and assessments of the main warehouse processes can validate the clean sheet calculation's assumptions and areas it has identified for improvement.

The improvements themselves run the gamut from optimizing layouts to redesigning processes, improving performance management, and potentially installing automation systems. Notably, automation can lead to significant improvements, but it is not always the best answer. Implementation costs can be high, and some systems may not be flexible enough to adapt to changing market conditions. Lot of SCM professionals who fall in orthodox mentality, always resist to adopt automation and a big hindrance to automatise the process. As per my opinion, it is always a good idea to idealise the automation method and cost to be considered at least in long horizon, so that it will be equally distributed.

But regardless of the specific changes the company implements, it's often possible to multiply the gains by applying improvements across all warehouses in an organization. In some cases, they can number in the hundreds worldwide.

Even companies that use a 3PL provider can benefit from this kind of clean sheet analysis, as it can help them prepare for ongoing and future contract negotiations. While executives might assume that these vendors would naturally have the most costefficient processes, our research found that 3PL providers often show significant variability in cost and performance levels. For example, 3PL providers often work on shorter-term contracts that limit their ability to make structural changes in a warehouse. A neutral clean sheet result therefore has the potential to benefit both parties by identifying opportunities to improve the performance management of global warehouses over time.

Put simply, companies will not be able to improve warehouse performance and costs until we have a clear and detailed understanding of where the key problems lie. Clean sheet analyses can generate cost transparency in a matter of days, and reveal significant opportunity for improvement— particularly when combined with warehouse visits.

Once companies understand their biggest problem areas, the next step could be a digital warehouse design: creating a "digital twin" of any existing warehouse facility to model the impact of changes to the layout and workflow, before moving physical assets, making investments, or changing warehouse 3PL providers. Together, these two tools—clean sheet analysis and digital warehouse design—provide substantial new opportunities to capture value in global warehousing.

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# IN PURSUIT OF HAPPINESS ....



Ramesh Kumar FOUNDER, Centre for Driver Relationship Management (CDRM) and Editor 'Drivers DUNIYA' Magazine

I rubbed my eyes in disbelief when Smita Saldanha\* said: "Don't laugh at me when I say that I have completed a dip stick survey of happiness level among long haul truck drivers!"

I puked almost at the dim-lit restaurant sipping my coriander lemon soup. The twentysomething was sitting in front of me on a two-seater corner in an upmarket restaurant in the National Capital Region of India. The soup was tasty and my all-time favourite. Many a night on tours, this is my must-go-to item besides a plain tandoori roti. Just that. I roll up the solid spherical warm stuff into the hotter liquid item. Bite by bite, I enjoy, while colleagues are busy with their starters. Before they could finish their starters, my dinner gets over.

I straightened up, re-rubbed my eyes, and asked: Smita, do you mean happiness level study of truck drivers?

She nodded. Perhaps she sensed my sarcasm.

Smita conducted the conventional pen-and-paper survey in one of the southern states for a giant global corporation operating in India. Her sample universe: 100 truck drivers. Foreign educated with an engineering degree and runs her consultancy.

"Consultancy at twenty-something? You ask. Dispel such thoughts. You wah wah startups by the young brigade but pooh-pooh my consultancy? Me too, young. This, too, is a start-up!" I was roasted alive in our maiden meeting eight weeks ago somewhere in the south. Okay, meri dadi ma! I accept and respect your consultancy profile.

Kaam se matlaab hai! Age is no factor, and let me not be judgemental.

Leave aside those banters. The survey revealed that not everything is hunky-dory. Not an astonishing finding. Any other careerist would have said the same thing. Happiness is not quantifiable in the strictest sense of the term. It varies, like people's moods.

Forget about India and its truck drivers' happiness quotient. Drivers across the world are made of the same fabric. A similar survey in the United States said, on the whole, 800 odd truck drivers scored 2.7 out of 5 on the happiness hunting spree.

The survey's key points explored included: salary, meaning, personality fit, work environment, and skill utilization.

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Salary or earnings is the usual barometer for all happiness index compilers. Yes, the truck driver career is challenging. Physically tiresome. Risky too. At the same time, there are no entry barriers. Anyone can make it a career.

Most Indian drivers are self-taught or groomed outside the non-existent driver training institutes (DTI). Most Driver License holders are not technically qualified or certified like their counterparts in the rest of the world. Keeping this reality in mind, whatever they are compensated for is adequate and nothing to crib about, despite the muted murmur.

There are drivers who cannot read. Leave alone write. Then, how do they drive on new routes? Ask Google, and she "tells" or "guides" you in your mother tongue. At best, they ask others to reach their destination.

So, no amount of money satisfies anyone, so higher weightage should not be given to this factor. Nonetheless, it is one of the key elements.

By "Meaning," we mean whether drivers find driving a "meaningful job?" A majority of them join the ranks because they opted for it. They could have gotten into a factory or workshop or set up a small roadside shop to vend items. Still, they chose to be a driver. No one forced them to be a driver. It was their choice. They ought to have found truck driving to be a better career option than what was there before them.

Until this day, I never - repeat NEVER - heard a driver that they were forced into truck driving. Actually, this assessment or observation is half right. That is half wrong! Parents or elders finding their wards loitering in the villages doing literally nothing desire some job for them. This quest and urge leads them to request their elder siblings or neighbours to "take away their na layak beta" into the trucking line where they made a mark and money for their families.

Free food. Free Bharat darshan through ticket-free travel to all parts of India over a period of a few months. The green horns get to see different cultures - food, dressing, etc. Possibly, they would not have seen their state capital. The 'internship' under the watchful eyes of the neighbourhood chacha or big brother, these greenhorns learn the intricacies of truck driving - definitely a skilled job, though not recognized and rewarded adequately by the society.

There is nothing to talk about personality fit. They come in all sizes. Once they get in, they rarely leave. Such is the charm of this career. Indirectly, this attitude or characteristic translates into their liking or fascination for this career. Yes, they are happy.

The work environment is a serious and ticklish issue. Truck driving is a challenging job, but we don't mean physical challenge alone. The mental agony or challenge of facing the highway hooligans and highway vultures in the form of rent-seeking government and nongovernmental characters is humungous.

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In my 15-year exposure to the Indian trucking vertical, interacting with more than 100,000 long-haul truck drivers, I have never come across a driver abandoning his driving career due to the ill-treatment at the hands of corrupt elements on highways. There are innumerable incidents of drivers getting killed by hijackers or hooligans on highways and also by highway bureaucracy for non-payment of bribes!

Despite such ugly incidents, there is no exodus from this profession. Yes, they have learned to live with such ground reality. Beyond voicing their concerns through social media directly or occasionally via their owners or trade bodies, they remained glued to their truck driving profession. Why? There is decent money, more than commensurate with their educational background.

Drivers without any vice are richer than their supervisors and the uniformed security guards at the factory gates who treat them shabbily.

Of course, happiness cannot be measured purely based on money. What hurts them most is the lack of recognition and respectability by the society they serve. Even that lacuna they have overcome. Simply put, they don't care.

If so, why do they present a sad spectacle? asks my twenty-something dip stick surveyor as she scoops her pistachio-filled chocolate. Why only drivers? Try their owners. They will also crib. We, humans, never lose an opportunity of a volunteer shoulder to cry upon.

All of us embrace a career in pursuit of happiness. Driving is a job, and they, too, seek the unquantifiable or wrongly measured emotional item called happiness. There is nothing wrong with figuring out how happy one is at various times. In that respect, my twenty-something's desire to design a happiness index for truck drivers is laudable. Beyond that, this statistical exercise serves very little. I am skeptical and curious at the same time to figure out what steps other stakeholders would launch to make drivers' life happier. How about you?

\*Name changed to protect the identity.



.Newsletter

#### Vinod Asthana, Vice Chairman, CILT-India

This proposed port, located around 130 km north of Mumbai near Dahanu on Maharashtra's west coast, will be an all-weather Greenfield deep-draft major port off the Arabian Sea. It will be the 13th port in India with a capacity of around 298 million tonnes and is set to be the biggest in the country. Vadhavan Port, on completion, will be one of the top 10 ports in the world.

The port is a collaboration between Vadhavan Port Project Ltd (VPPL), associated to JNPT, and Maharashtra Maritime Board (MMB) with a shareholding of 74% and 26%, respectively.

The Maharashtra government first proposed the Vadhavan Port in 1997, but the plan got shelved in 1997-98 after local villagers protested. It was brought back to the table in 2015 under the government's 'Sagarmala Programme', which aims to give a push to a port-led economy.

These world-class maritime terminal facilities will promote PPP and leverage efficiencies and modern technologies to create state-of-the-art terminals capable of handling mainline mega vessels plying on international shipping lines between the Far East, Europe, the West Asia and Africa.

It will have four multi-purpose berths including four liquid bulk berths, one RO-RO berth, a Small Craft, a Coast Guard berth and a Railway terminal.

The project involves the reclamation of 1,448 hectares of area in the sea and the construction of 10.14 km of offshore breakwater and container/cargo storage areas. The Vadhavan Port has a deep draft of 20 metres and is expected to handle 23.2 million TEUs a year.

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The foundation stone has been laid and first phase will be ready by 2029. Port is being understood as a gateway for the future International North-South Transportation Corridor (INSTC) and India-Middle East-Europe Corridor (IMEC) and that is why it is considered as a strategic game changer.

#### IMEC - India Middle East Europe economic corridor

The primary objective of IMEC corridor is to promote trade, investment, and

infrastructure development along the route, which will ultimately stimulate economic growth of the the countries. India participating The Middle East Europe economic corridor includes the United route Arab Emirates, Saudi Arabia, Jordan, Israel, and Greece. It was considered and approved in the last G 20 Meeting at New Delhi.

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The corridor holds significance by providing an alternative trade route to traditional sea routes that could be affected by geopolitical tensions or disruption. The main aim is to diversify trade and reduce dependency on the existing transportation channels. It is alternative to Suez Canal trade route. It is scheduled to be completed by 2049. However, many factors can delay the project. Including the current hostile war situation in Israel and the Gulf region.

#### INSTC



International North-South Transport Corridor (INSTC) is the ship, rail, and road route for moving freight between India, Russia, Iran, Europe, and Central Asia. The primary goal of INSTC is to enhance connectivity and promote trade and economic cooperation among these regions. The development of the International North-South Transport Corridor is part of broader efforts to improve connectivity regional and economic integration in Eurasia

INSTC offers an alternative to the traditional Suez Canal route, reducing transit times to around 25 days from the usual 45 days and lowering freight costs by 30%. It also provides a strategic buffer against disruptions in the Suez Canal, as seen during the 2021 blockage and recent geopolitical conflicts.

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For the first time, Russia has sent two trains loaded with coal to India via the INSTC. These trains travelled from the Kemerovo region in Russia through Kazakhstan and Turkmenistan to Iran's Bandar Abbas port, and then to India. However, it will take time to stabilise and become part of the main stream trade route for international cargo to move between Europe and Asia.

#### New Individual Life Members October-December, 2024)

S. No.	Name & Designation	Membership
1	Surendra Kumar Ahirwar, CMILT Ministry of Commerce	LM-1360
2.	Vinit Kumar, CMILT Indian Railways	LM-1361
3.	Sangeeta Ramrakhyani, CMILT Central Warehousing Corporation	LM-1362
4.	A.M Rao, CMILT Central Warehousing Corporation	LM-1363
5.	R R Aggarwal, CMILT Central Warehousing Corporation	LM-1364
6.	Vinod Tamori, CMILT Central Warehousing Corporation	LM-1365
7.	Anurag Tripathy, CMILT Central Warehousing Corporation	LM-1366
8.	Sidharth Rath, CMILT Central Warehousing Corporation	LM-1367
9.	H B Das, CMILT Central Warehousing Corporation	LM-1368
10.	Amit Puri, CMILT Central Warehousing Corporation	LM-1369

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#### New Individual Life Members October-December, 2024)

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S. No.	Name & Designation	Membership
11.	Maneesh B R, CMILT Central Warehousing Corporation	LM-1370
12.	Navukkarasu J, CMILT Central Warehousing Corporation	LM-1371
13.	Abhishek Minhas, CMILT Central Warehousing Corporation	LM-1372
14.	Ram Kumar, CMILT Central Warehousing Corporation	LM-1373
15.	Naveen Kumar, CMILT Central Warehousing Corporation	LM-1374
16.	Rahul Gaikwad, CMILT Central Warehousing Corporation	LM-1375
17.	Pawan Kumar, CMILT Central Warehousing Corporation	LM-1376
18.	Abhishek Anand, CMILT Central Warehousing Corporation	LM-1377
19.	Narendra Kumar, CMILT Central Warehousing Corporation	LM-1378
20.	Sonali Gawai, CMILT Central Warehousing Corporation	LM-1379
21.	Kuber Malhotra, CMILT Central Warehousing Corporation	LM-1380
22.	Ajay Zadoo, CMILT Central Warehousing Corporation	LM-1381
23.	Prince Kumar, CMILT Central Warehousing Corporation	LM-1382
24.	Animesh Kumar, CMILT Central Warehousing Corporation	LM-1383
25.	Radhakrishnan Pradip Subramaniam, CMILT Sar Group	LM-1384
26.	Palanisamy Saravanan, CMILT Apollo World Connect Limited	LM-1385

New Corporate Member of CILT INDIA (October-December, 2024)



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Architects Engineers & Consultants Private Limited

**Aarvee Associates** 

Corporate Membership No.: OM/64/2024

Aarvee is a global leader in infrastructure consultancy, with a proven track record of delivering world-class solutions across multiple sectors. Established with a commitment to technical excellence, simplicity in engineering and innovation Aarvee has consistently delivered many complex and transformative projects across the globe. With our roots in India, Aarvee has expanded its services to more than 20 countries, covering regions such as the UK, Australia, the Middle East, and Africa.

Drawing on decades of experience, Aarvee leverages advanced technologies, including digital engineering and smart infrastructure systems, to develop innovative solutions to the complex challenges of modern development. Our design philosophy prioritizes efficiency and practicality, offering tailored solutions to meet the evolving needs of clients worldwide. We simplify execution, ensuring seamless project oversight, while maintaining a strong focus on quality and on-time delivery to provide optimal value to stakeholders.

Dedicated to sustainability and environmental stewardship, Aarvee creates future-ready infrastructure that drives long-term progress. Whether managing large-scale projects or providing specialized consultancy, our reliability, exceptional quality, and client-first approach consistently exceed expectations, driving transformative infrastructure that improves lives and builds a better tomorrow.

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#### Workshop of 3 years Of PM Gati-Shakti Initiative



Shri Sanjiv Garg, Secretary General of CILT India, participated as pane speaker on October 15 2024 at the workshop of 3 years Of PM Gati-Shakti Initiative, organised by DPIIT, Ministry of Commerce & Industry, Government of India, Vanijya Bhawan, New Delhi, under the Chairmanship of Hon'ble Union Minister for Commerce & Industry

#### Assignment as an Assessor for 'National Standard for Civil Service Training institute'

Shri Sanjiv Garg, Secretary General of CILT India, did an assignment as an Assessor for National Standard for Civil Service Training institute under the aegis of Capacity Building Commission Government of India at the Postal Training Centre, Saharanpur on 21 Oct 2024



CILT as Knowledge Partner @ 2nd Rail India Forum: 'Railways in Motion: Vision 2030 to Viksit Bharat 2047'

Shri Sanjiv Garg Secretary General CILT India Participated as Speaker & CILT India as Knowledge Partner in **"2nd Rail India Forum: Railways in Motion:** Vision 2030 to Viksit Bharat 2047, 6th December 2024, at Le Méridien New Delhi" organised by Indian Chamber of Commerce (ICC)



#### **MOU Between CILT INDIA & CHITKARA UNIVERSITY**

An MOU has been signed between CILT INDIA and CHITKARA UNIVERSITY. Punjab at CILT India office in New Delhi on 06 November 2024 wherein, CILT India shall support Department of SCM & General Management, Chitkara Business School, Chitkara University in the areas of - Academia Industry Collaboration. Resource Sharing, Curriculum Updating and Certification Courses. Online Distance Learning, Collaborative Research and Consultancy Services. Conducting Training Program etc.

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The MOU was signed by Shri Sanjiv Garg, Secretary General - CILT India & Dr. Neeraj Anand, Dean -SCM & General Management, Chitkara Business School, Chitkara University, Punjab in the presence of other officials of both the institutions.

As per the MOU, CILT India shall conduct "TERMINAL MANAGEMENT" certification course on MBA – LSCM (Logistics & Supply Chain Management) every year for university students.



# The Chartered Institute of Logistics and Transport



#### Who we are

As a leading authority in logistics and transport excellence, the Chartered Institute of Logistics and Transport (CILT) India embodies a vibrant community of industry leaders and professionals. Our organization unites experts from various transportation sectors, including rail, road, maritime, air, and inland waterways.

Our vision is to become the preferred professional body for individuals in the supply chain, logistics, and transport sectors nationwide, while also serving as a premier platform for knowledge sharing in supply chain, logistics, and transport management.

#### Contact us

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#### CILT (India) provides

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