

BRIDGE VIEW:
LEADER'S PERSPECTIVE

■ **BSN Network / Mumbai**

Shreyas Shipping & Logistics, India's first container feeder owning and operating company, while nurturing coastal shipping in India, vaunts its offerings of unique trade solutions. Having 60-65% market share in containerized coastal shipping, Shreyas leads the coastal business. **Being at the helm of things, Capt. Vivek Singh, CEO, Shreyas Shipping & Logistics shares insights on the coastal segment of Maritime Industry.**

Pioneering coastal container feeder service during last decade of 19th Century in India, Shreyas Shipping and Logistics paved the way ahead with determination and brought about modal shift for cargo movement through coastal shipping in the country.

Initially, the company struggled to start the new concept of movement of coastal Exim transshipment cargo on the Western Coast of India between ports of Kandla and JNPT, however, later added ports like Porbandar and Pipavav connecting to JNPT. Shreyas Shipping faced several challenges right from scanty volumes, lack of standard operating procedures (SOPs), educating Indian industry and customers about coastal concepts and Customs rules. There was no clarity on documentation requirements and it took a long time and persistent efforts to streamline.

Capt. Vivek Singh, CEO, Shreyas Shipping and Logistics Ltd. has had a long association with shipping industry. He started sea career in 1976 and commanded various types of vessels before coming ashore in 1996 when he joined Shreyas Shipping's Agency network. Joining Shreyas Shipping in 2002 Capt. Singh was majorly instrumental in growth of the company's coastal shipping business. Under the guidance of top management he was instrumental in devising strategies to add new services to company's business having more coverage and also added more tonnage to its fleet. Under his leadership the company fulfilled the vision



to make Shreyas Shipping a leading coastal shipping operator. Now Shreyas Shipping envisions becoming a well entrenched coastal player and establishing itself in the Regional liner business.

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The one way transport of cargo was making it unviable due to lower utilization even though the vessels were of smaller size. During the year 2002 amendments in custom's regulation were carried out to carry domestic as well as Exim containers together on the same vessel for better utilization and better service viability. This was the turning point for the containerized coastal movement on the Indian coast.

Since the Indian shipping industry was facing uphill task of higher taxation due to which growth in Indian tonnage was getting set back, proposal for Tonnage tax was mooted. It was then that Tonnage tax was introduced in the year 2004 with an objective of increasing Indian tonnage. Although Tonnage tax helped Indian shipping but still had to face burden of several other taxes which made coastal shipping expensive on the Indian coast.

Surmounting several difficulties, Shreyas Shipping today operates 8 vessels with the 9th one being added, taking the combined carrying capacity of Shreyas Shipping to 13,500 teus.

The company is not only involved in shipping but also involved in door to door multi modal logistic having own trailers and containers as per business requirement. The success of Shreyas Shipping inspired other players to join the field and this has brought about overall volume growth to the industry.

Operating on West & East Coast

Initially Shreyas Shipping concentrated their operations on the West Coast of India but later with the growth in tonnage, spread the operations to East coast of India and covers all container ports in India. In fact in 2014 itself, Shreyas Shipping moved to east coast of India and during 2015 consolidated the service between all ports, both on West and East coast of India on a fixed day service extending all the way to Jebel Ali and also handling Exim trade directly between East and south coast ports of India and Middle east countries. The company has also deployed two of its own vessels as feeder on the north east coast connecting ports on the north east over Vizag for connecting to and from own service. The volume of containers carried by Shreyas Shipping is to the tune of 200,000 Teus annually and handles around 60% of total domestic market share.

Cabotage

The thought process of shifting the Exim transshipment cargo which is currently handled at neighboring ports like

Colombo, Singapore and Jebel Ali over to Indian container transshipment hub is most welcomed move but we need to know whether cabotage relaxing alone can help to achieve this goal. The basic requirement of having required infrastructure for a container transshipment hub port in line with the neighboring transshipment hub port is what needs to be created first. The costs of entire operation need to be competitive to attract the transshipment business which will include vessel related charges at the Indian ports and container handling cost which are currently far too high. Once we achieve these two main aspects then only the requirement of cabotage relaxation for main lines handling Exim container will arise and produce intended result. This has been the main reason why relaxation of cabotage for some container terminal has not yielded positive result in the past. Today, India has mainly container gateway ports and few feeder ports but no proper container transshipment hub port. Any relaxation of cabotage today may just help few interested parties in a small way but will not be for the larger interest of country.

Inland Waterways

Shreyas is doing the viability studies for entering into the inland waterway segment. There are lots of challenges involved in inland water transport and Shreyas would need to feel confident about the infrastructure development before it ventures into Inland water transport. Though lots of initiatives and infrastructure developments have been put in place but will like to wait and watch to see the result on the ground level. In any event we see large time gap between orders issued and ground level implementation.



Sagar Mala Project

The idea of industrial townships near the port will bring lots of cost advantage in logistics. It will not only help develop the area but also increase business opportunities for coastal cargo movement. **When the production centers are located near the coast, the logistics cost could be brought down substantially. Even the port based development with better connectivity will help boost coastal shipping.**

The time has come for all stakeholders including the shippers, shipping companies and government to join hands to harness the forces unleashed for the growth of coastal shipping for the benefit of all in the country.



Sagar Mala