



NEWSLINE

Cargosol strives towards the highest level of **'Compliance'**

Our team takes pride in creating an experience of **Customer Satisfaction**



Cargosol Newslines presents to you the latest developments in the supply chain industry

THIS ISSUE

Sea Freight | *Page 2*

Air Freight | *Page 3*

Transportation | *Page 3*

Career Opportunities | *Page 3*

Airline strategy : Cargo Enhancement | *Page 4*

Food for thought | *Page 4*

Industry Special | *Page 5*

Warehouse Operations | *Page 6*

SEA FREIGHT



NO SLACK SEASON, NOR SPOT RATES EASE, AS CARGO POURS OUT OF ASIA

- Container spot freight rates from Asia to remain at current high levels for some time after Chinese New Year.
- Usually, CNY heralds downward pressure on freight rates.
- No indications of slack season in the Year of the Ox.
- Asia-Europe & Asia-US tradelanes reporting huge cargo backlogs, booked to move post-CNY.
- China - UK rates are much higher spot market indexes.



K-ALLIANCE OF SOUTH KOREAN CONTAINER LINES – LAUNCH 2021

- HMM + Sinokor Merchant Marine + SM Line Corp + Pan Ocean + Hueng-A Line = K-Alliance in South Korea.
- Agreement signed in Dec 2020 at the behest of Ministry of Oceans and Fisheries of South Korea.
- The aim of the K-Alliance 1) cooperation between Korean lines 2) strengthening carrier competitiveness 3) new routes 4) cost-saving through eco-friendly ships deployment 5) shared container pool 6) port facilities.



UK TO BE RELEGATED TO FEEDER-ONLY STATUS?

- Consequence of congestion at major container gateway 1) Decline in direct port calls by mainline Asia-North Europe vessels 2) Increased likelihood that UK could become a feeder market.
- The ranks of deep-sea vessels omitting direct calls & unloading UK-bound cargo at north-west continental Europe gateways have swelled.
- UK forwarders scrambling to retrieve customers' cargo resulting in the possibility that the country would be relegated to feeder-only status.



DIGITILIZATION & LCL ATTRACTION AT THE FORE

- Container shortage in major tradelanes, increases demand for less-than-containerload (LCL) solutions.
- LCL & digitization – has led to better quoting capabilities & pricing transparency.
- With high container rates, shippers have become sensitive to cost, bringing LCL to the fore.



CONTAINER CONGESTION : AS YANTIAN PUSHES DEADLINES PRE-NEW YEAR HOLIDAY

- Severe congestion at the southern Chinese container gateway of Yantian as exporters trying to clear a backlog of orders before the new year holiday.
- Forwarders & shippers trying to get shipments out of the Pearl River Delta caught in classic Catch-22 situation after port announced it was bringing forward the cut-off time for gating-in export containers.
- Yantian now requires a week prior to the sailing of the vessel. instead of 2 days.



EMIRATES SKYCARGO & DP WORLD LAUNCH SEA-AIR PRODUCT

- Emirates SkyCargo & DP World have developed a sea-air product together.
- An express product to transfer containers from port to airport in less than 3 hours.
- Sea-Air Plus, customers can pick DP World or their own representatives to arrange breakdowns & paperwork.
- Sea-Air Flex - offers shippers & forwarders options, like door-to-door services & an all-inclusive per kilo rate.



AIR FREIGHT



CMA CGM LAUNCHES CARGO DIVISION WITH 4 A330-200FS

- CMA CGM has confirmed creation of a CMA CGM Air Cargo with four A330-200Fs freighters.
- The aircraft, bought from Qatar Airways Cargo, will be operated by a “European airline”
- CMA was in talks with Group Dubreuil, French Bee & HiLine Cargo & bought a 30% stake in 2020.



VOLATILE MARKET AS HOPES FADE FOR BELLYHOLDS RETURN

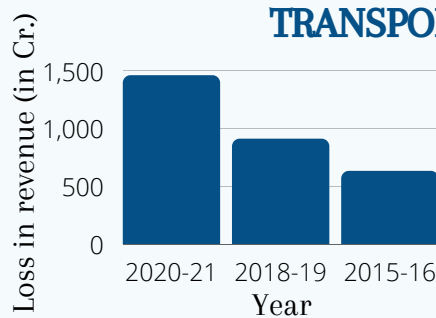
- Fading hopes in bellyhold capacity recovery as passenger traffic suffers setback from the Covid-19.
- High prices & services shortage - reinforcing dedicated lift arrangements.
- Instead of a steady build-up of capacity, passenger business in reverse again, as Covid-19 infection numbers climbs.
- Where demand did not rein in passenger capacity, govts are stepping in to curtail activities.



'INSTANT' CARGO FACILITIES COULD BRING AIRPORTS A NEW REVENUE STREAM

- AutoLogic Airports developed a low-cost cargo solution to allow “airports without previous cargo experience to generate a new revenue stream”
- iCargo is a semi-permanent modular building with integrated hardware & software to process between 40,000 & 3m tonnes of cargo a year.
- It takes just “weeks” to erect (not subject to planning requirements) & has a 15-year lifespan.
- Hardware available - cargo system conveyors, EU/TSA & cargo x-ray.

TRANSPORT



RS. 1462 CR FREIGHT REVENUE LOST : RLY MINISTRY

- Railways suffered Rs 1,462 Cr. loss of freight revenue during this year due to agitations, strikes & dharnas at platforms/railway tracks.
- In the current financial year, despite pandemic, Railways have achieved record freight loading in the last 5 months i.e., Sept 2020 - Jan 2021.

CAREER OPPORTUNITIES



- [ACCOUNTS EXECUTIVE - KALAMBOLI](#)
- [GENERAL MANAGER: ACCOUNTS & FINANCE- MUMBAI](#)
- [EXECUTIVE - IMPORT DOCUMENTATION- MUMBAI](#)
- [CUSTOMER SERVICE EXECUTIVE - PUNE](#)





Airlines : Need for change in approach to enhance cargo business

Airlines must change their strategic approach, or they will lose high-yield traffic & be reduced to commoditized business. Belly capacity shortage has sent airfreight rates soaring & pushed airline yields to record levels, but the return to an equilibrium should re-establish the historic trend of declining yields.

The integrators have stolen the march on airlines –although the latter have a time advantage. Flying direct between points, offering transit times that are impossible for any competitor, be it integrator or e-commerce (Amazon), to match. If they positioned themselves to take full advantage of this, they could charge significantly higher rates. Airlines fall behind on the ground facilities owing to fragmented & poorly organized processes that fritter away the time advantage. This stands & falls with the airline-handler relationship. For the most part, handlers have been regarded as levers to reduce costs, rather than partners to create value and speed-up flows.

Typically, the integrators' handling costs are about 2 to 4 times what the airlines are paying, If a carrier concentrated on high-margin business & charged accordingly, the elevated yields would allow it to reward the handler adequately & still make a larger profit than today.

FOOD FOR THOUGHT

Will carriers rethink strategically on their approach to air cargo?










We would love to hear from you! Write to us at care@cargosol.com



SUMMARY OF CIRCULARS



You can read the summary of various supply chain circulars

-  [SEA IMPORT](#)
-  [SEA EXPORT](#)
-  [AIR FREIGHT](#)
-  [TRANSPORT](#)
-  [BUDGET ADVISORY](#)
-  [REVALIDATION OF SELF SEALING PERMISSION](#)
-  [MANDATORY UPLOADING OF DOCS IN E-SANCHIT](#)
-  [SCMTR REGISTRATION RELATED ISSUES : CLARIFICATION](#)
-  [SOP - PROVISION OF SUSPENSION OF REGISTRATIONS](#)

INDUSTRY SPECIAL



BID SUBMISSION DEADLINE FOR SHIPPING CORP TO MAR 1

- The govt on Fri extended the deadline for submission of preliminary bids to buy Shipping Corp of India to Mar 1.
- The Department of Investment & Public Asset Management (DIPAM) in Dec invited expressions for strategic disinvestment of its entire stake of 63.75 % in Shipping Corp of India, along with the transfer of management.



INDIA'S INTEREST IN COLOMBO PORT PROJECT

- "India's interest for participation in the Colombo port is a long standing one since most goods handled there are from and to India," MEA spokesperson said at a media briefing.
- Sri Lanka has cancelled an agreement with India & Japan for development of ECT in the Colombo Port.



SHIPPING MINISTRY : RECYCLING VESSELS RULES

- Shipping Ministry is making rules for the ship recycling industry – which is at present at 4.5 million tonne per annum capacity & is expected to double by 2024.
- Recycling sector of India to become more eco-friendly.
- India to bring more ships Europe & Japan.



CSC INDIA LAUNCHES "TURANT"

- CSC India Group, a premier Air Cargo handling conglomerate, launched "Turant" – CSC's Realtime Temperature Tracking App for pharmaceutical shipments.
- Real-time updates of the shipment updated every 5 mins.
- CSC to a digital world & to have a better transformation to have the global presence.



PORTS BILL : ESSAR PORTS DECISION MAKING PROCESS

- The Major Ports Authorities Bill passed by Parliament on Wed for a faster & transparent decision making process.
- Upper House of Parliament passed the bill, providing autonomy in decision-making to 12 major ports & professionalize their governance by setting up boards.
- The Lok Sabha had passed the bill on September 23, 2020.



PUBLIC-PRIVATE PARTNERSHIP MODE AT MAJOR PORTS: FM

- Major ports will move from managing operational services on their own to where a private partner will operate it for them: Finance Minister
- 7 projects (Rs 2,000 Cr.) will be offered by the major ports on the public-private partnership mode in 2021-22.
- Will enable training & employment opportunities & enhance Indian companies' share in global shipping.



MISERY IN BANGLADESHI FASHION HOUSES

- Bangladesh's apparel makers working at below cost/shutting down due to no demand, order cancellations & price falls.
- 6,000 Bangladeshi workers jobless.
- Factories ceased operations, while many are about to be extinct after being battered by pandemic-linked disruption.



VACCINES: A SHOT FOR ECONOMIES

- UK looking forward to an economic rebound alongside newfound consumer confidence following a jab in the arm.
- The Bank of England is expecting a nice fillip for the economy with forwarders gearing up for an influx of goods.
- The UK's rapid Covid-19 vaccination roll-out is anticipating an upsurge in demand for air, sea & overland transport.

Our new warehouse
at Taloja
has commenced
operations


CARGOSOL
**CARGOSOL
LOGISTICS PVT LTD**



CONTACT US:

5th Floor, Swaroop Arcade, Opp
Adarsh Industrial Estate, Sahar
Road, Andheri-East, Mumbai -
400069 Maharashtra, INDIA

www.cargosol.com

sales@cargosol.com

+91-22-6612 6000

FEEDBACK

care@cargosol.com

DISCLAIMER

The aforementioned information is news and should be treated thus. In no way do we aim to influence you with guidelines. Cargosol Logistics is in no way responsible for the misuse or misinterpretation of this information.