

AIR CARGO FORUM INDIA

5th ACFI Conference on "ACFI - CEOs Round Table - Improving India's Ranking in Ease of Doing Business - Sector Air Cargo" was held on 4th May'2016 at Hotel Hyatt Regency Delhi.



Mr. Najib Shah, Chairman, Central Board of Excise & Customs (CBEC) was the Chief Guest of this conference. This conference was attended by following Senior Officers from the Government & Industry as Guest of Honors;-

- Mr. J. K. Dadoo, Additional Secretary, Ministry of Commerce & Industry
- Dr. Renu Singh Parmar, Sr. Economic Adviser, Ministry of Civil Aviation
- Mr. S. P. Sahu, Commissioner Customs, Customs
- Mr. P. S. Nair, CEO, GMR Airports Pvt. Ltd.

Apart from above senior officers from the government, there were very senior members of the air cargo industry who also attended by making their gracious presence on this occasion. First time this conference was organized on a different format to look into the existing challenges of the air cargo logistics industry and find possible solutions to overcome these challenges for improving India's present ranking in Ease of Doing Business. A brief outcome of the said conference was as under;-

- a) The conference had participation of key players from the entire Air Cargo Supply Chain, the Airlines, Freight Forwarders, Cargo Terminal Operators, Airport Operators, Customs Brokers, Integrators, Express Industry, EXIM trade members and the senior executives from government departments, etc. with a gathering over 175 cargo industry dignitaries. On this occasion bringing together industry CEOs representing across air cargo logistics sectors and policy makers in the government to discuss on the over view of air cargo industry which is responsible for transportation of 35% of the total international trade & commerce by air in value term.
- b) Some of the prominent CEOs who participated in the roundtable deliberation were namely Mr. Samir J. Shah, Chairman, FFFAI, Mr. Veli Polat, Regional Director, Lufthansa, Mr. Stenislav Brun, MD Middle East Gulf & Indian Subcontinent, Air France - KLM, Mr. Amitabh Khosla, Country Director, IATA, Ms. Mridula Jain, MD, Shingora Net, Ms. Tulsi N. Mirchandaney MD, Blue Dart Aviation, Mr. Pravin Singh, Area Commercial Head (Manager), South Asia, British Airways (Cargo), Mr. Rajiv Hariramani, Group Vice President, Skyways Group, Mr. Vaibhav Vohra, Director Continental Carriers Pvt. Ltd, Mr. Hari Om Rai, Chairman & Managing Director, Lava International Limited, Mr. P. S. Atree, Managing Director, P S Atree & Company Pvt. Ltd, Mr. Percy Avari, Country Manager, Aramax International, Ms. Reshma Zaheer, Chief Operating Officer, TT Aviation Handling Pvt. Ltd, Mr. V G S Mani, Head Global Supply Chain India, Microsoft, Mr. K Venkata Reddy, Chief Executive Officer, Menzies Aviation Bobba (Bangalore) Pvt. Ltd, Mr. Venugopal Bangera, Chief Executive Officer, Delhi Cargo Service Centre Pvt. Ltd, Mr. Vijay Kumar, Chief Operating Officer, Express Industry Council of India, Mr. Nagesh K Gupta, Divisional Head Supply Chain, Honda Cars India Ltd, Mr. B. K. Mehrotra, General Manager (Cargo), Airports Authority of India, Mr. J. D. Giri, Director, Shahi Exports Pvt. Ltd, Mr. Hemanth D. P., Chief Operating Officer, GHIAL, Dr. Pritam Banerjee, DHL Express, Ms. Sandhya Sharma, Associate Head Cor., Ebay India Pvt. Ltd and Mr. Parvinder Singh, Managing Director, Hans Infomatic Pvt. Ltd. etc.

- c) The round table conference started with a welcome address by Mr. Pradeep Panicker, President ACFI, EVP & Chief Commercial Officer, Delhi International Airport Pvt. Ltd. to the Chief Guest and dignitaries and also to guest of honours Mr. J. K. Dadoo Addl. Secy, MoC, Dr. Renu Singh Parmar, Sr. Economic Adviser, MoCA, Mr. S. P. Sahu, Commissioner (Customs) and Mr. P. S. Nair, CEO, GMR Airports Ltd, the panelist CEOs on the round table and distinguished guest from air cargo Industry for their gracious presence in a huge number. In his brief welcome speech Mr. Pradeep Panicker stated that as per last World Bank report on 189 economies of the world on Ease of Doing Business published in 2016, the top ranking counties were Singapore, Hong Kong, Denmark, Dubai, China etc. whereas, India's ranking has been shown at 130. In order to enhance the country's ranking and bring it among 50 top ranking countries of the world, the present government under the leadership of Shri Narendra Modi has launched many new schemes such as "Make in India", "Digital India" and "Skill India" etc. He said that keeping in mind the theme of the conference our three young moderators namely Mr. Yashpal Sharma, Mr. Sanjiv Edward and Mr. Ramesh Mamidala would guide us to the deliberations of more than 30 distinguished panel of CEOs, the experts from all the segments of the air cargo industry on the four round tables and then the opinions of the distinguished audience after the discussions on each major issues. He further said that the moderators would be taking final viewpoints from the Chief Guests & Guests of Honors on the relevant questions based upon the reflections of the voting scores given by the audience to each major issue.



- d) Then the three moderators first introduced all the panelists on the dais and then briefed them about the proceedings of the round table. They explained that the four round tables will have four different major topics on which the respective panelists shall deliberate and the audience with the voting pads shall vote for each topic before the discussion starts and then after the discussion is over.

The First Topic on Ease of Doing Business, How many years will it take India to improve its Ranking among 189 world nations from present 130 to 50?

Mr. Yashpal Sharma the Treasurer ACFI & Director Skyways Air Services welcoming all the members present posed a question among the audience that “How many years will it take India to improve its Ranking by 50 points? With the Options – 2 Years/ 5 Years/ 10 Years/ Never?” the issue was deliberated by the CEOs of Table - 1 and again opinion was sought from the panelists and main points came up was as under;- Implementation of GST, Single Window System, Process Simplification, audience about their rating to the question. Final rating was given that it will take 5 years to India achieving its ranking by 50 points.



Expert Opinion: -



The moderator requested Mr. Najib Shah, CM, CBEC for his expert opinion on the above question & opinion given by the audience, Mr. Najib Shah at the outset congratulated ACFI for organizing this conference on a very important theme presented very interestingly on a different format. He said that the manner the survey of world bank was conducted does not reflect the reality on ground. However he said that the government is very serious about the present status of the country's ranking on Ease of Doing Business and have taken host of measures & steps in this direction like introduction of Single Window System with the help of Mr. S. P. Sahu, Commissioner Customs the chief architect of Single Window, providing single interface to all the stakeholders

in the business including the government regulatory agencies for faster clearance & paperless transaction. Facilitation & the compliance of law not only the Customs the laws of various multiple other government regulatory agencies are equally important for us. He also said that the government is inclined to bring trade friendly procedural relaxation and facilitation and at the same time to fulfill the Customs laws impose on EXIM trade regulations. AEO scheme is going to be more trade friendly and the ACP concepts to improve the number of agencies under RMS are being looked into to.

However, Mr. Najib Shah stressed that as far as security measure is concerned, security requirements of both the importing & exporting countries are required to be fulfilled in the EXIM trade. He appreciated the efforts being made by the ACFI for organizing this debate and assured full support from the Govt. for improving the level of ease of doing business in the air sector.

The Second Topic Regarding 'How many successful air Cargo hubs will we have in the next decade?'

Mr. Sanjiv Edward, Head Cargo - Delhi International Airport (P) Ltd (DIAL) and Chairman - TIACA, the 2nd moderator also started deliberation among the CEOs at table - 2 on the question i.e. How many successful air Cargo hubs will we have in the next decade? With the option - 1, 2, 5 or None. After the deliberations of CEOs & the opinion of the audience the final majority vote was 2, that the country would have 2 successful air cargo hubs in the next decade.



Expert Opinion:-

In her expert opinion Dr. Renu Singh Parmar, Sr. Economic Advisor, MoCA stated that the Ministry of Civil Aviation in its draft National Civil Aviation Policy have already projected for development of 2 Air cargo Hubs one at Delhi and 2nd at Chennai for which stake holders meeting is in progress. She further added that at the same time we need to develop the demand of the transshipment cargo and its flow of volume coming from. Considering that India is a fastest growing economy the industry has to further do a lot more. She said that in this direction the government has already taken significant steps like implementation of 24x7 Customs operation, single window system and Skill India initiatives in all the sectors of the economy. She assured ACFI and the members of the trade that all possible help would be provided from MoCA for improving ease of doing business in the air cargo sector.

The Third Topic on Lack of What kind of infrastructure is actually a hindrance to the growth of air cargo?



Mr. Ramesh Mamidala CEO Celebi Delhi Cargo Terminal Management India Pvt. Ltd. (CDCTMIPL) the third moderator opened a dialogue among CEOs of 3rd round table on the issue of "Lack of What kind of infrastructure is actually a hindrance to the growth of air cargo? With the Options – Cargo Villages/ Cargo Terminals/ Infrastructure connecting to the airport/ FTZ's.

After deliberations of the CEOs and the expert opinions of guests of honor from the government the final opinion from the audience voted for Lack of Cargo Village is actually a hindrance to the growth of air cargo.

Expert Opinion: -

Expert Opinion of Mr. J. K. Dadoo, Addl. Secretary, Ministry of Commerce & Industry (MoC&I), When Mr. J. K. Dadoo was requested to give his expert opinion on the majority of opinion vote given by the audience he stated that GOI has been working tirelessly for improving the level of doing ease of doing business in every sector of the business for the overall growth of the country. About the various steps taken by the government he further stated that ;

AAI has total 125 Airports and as on date only 90 are functional whereas as per GOI new policy, all the airports are being made functional for improving Regional Connectivity. AAI has 476 air strips and only 100 are being used. GOI has now decided to make use of all the air strips.

GOI is making 30 KM National High Way and 100 KM Village Roads per day to develop the multi model transportation as well. GOI has started digitization to connect entire villages through broad band. National Skill Centre already started skilling the mass unemployed youth of the country. GST/ Taxation bill is likely to be passed in the coming Parliament session. 100 smart cities have also been approved by the GOI.

Mr. Dadoo said that the government has great plans, with great manpower which plays a very important role in development and If all the above projects will start happening, everything will start moving fast and will pave the way for the country in improving the ease of doing business in air cargo sector in India.



The Fourth Topic on With the current initiatives by when will India be able to Skill majority of its Entry level workforce?

Once again Mr. Sanjiv Edward took over the deliberations on the 4th point for discussion with the CEOs of Table 4 & the guests and posed a question i.e. "With the current initiatives by when will India be able to Skill majority of its Entry level workforce?" With the options – 2 years/ 5/ 10/ Never. After deliberation a public opinion through a voting pad was asked and the majority Answer was in favour of 5 years India will be able to skill majority of its entry level workforce.

Expert Opinion: -

Mr. Sanjiv Edward the moderator then requested Mr. P. S. Nair, CEO, GMR Airports to share his opinion on the deliberations of CEOs & the opinion vote of the audience. Mr. P. S Nair thanked ACFI inviting him for this very important event and appreciated the initiatives being taken by the ACFI for the development of air cargo industry in India. He said that there is no structured training programs has been set up for Cargo. After the central government's initiative on Skill India Mission MoCA has formed a Steering Committee looking for need base skill training. He further stated that in addition to structured cargo training program, we need imparting regular refreshing courses for existing employees of cargo industry with the new technology challenges and sharing the information. He emphasized on developing skill training programs for the first level workers whether working with Customs brokers, freight forwards, terminal operators at the air cargo terminals, airlines and ground handling agencies at the ramp.



Summary of Round Table Conference



Mr. S P Sahu, Commissioner Customs thanked ACFI for giving him this opportunity to summarize this important conference. Mr. Sahu finally summarized all the four sessions/ topics of the CEOs round table sessions stating that all the points were well taken up by concerned moderators after having participation from key players from the entire Air Cargo Supply Chain industry including valuable comments from experts.

All the four round table discussions put together a well-oiled program which was sharp, focused and kept the energy up throughout the event by the moderators, panelists and audience. All three moderators' have well taken each table's views in their discussions as well as of experts and by asking vote from audience by the voting pad provided to stakeholders.

Mr. Sahu stated that for obtaining India's ranking above 50 among 189 countries in ease of doing business though is a big challenge but he said that a major initiative in this direction has been taken by introducing of Single Window system by Customs and lot is yet to be done. He further said on implementation of GST would be a game changer. Based on participants perception industry is responding regularly for ease of doing business. GOI's efforts are also being made very positive for significant improvement for saving cost by saving total time taken for clearance of cargo. He also pointed out that we are consumption oriented country as most of our production is consumed within our own country. Trucking industry becoming more competitive to air transportation due to domestic demand volume is much more than export. With regard to development of Hubs, Delhi and Chennai have been identified to become Hubs.

Cargo Village concept when introduced can do better, faster and generate larger handling capacity. Hubs & Cargo Villages would work successfully on our having better regional connectivity which needs to be developed. National skill development council for logistic industry would be more useful to have skilled manpower. The mobile technology is the requirement for growth of industry and we need to Invest in the in-house structured training program. Some of our challenges like our high logistics cost in compare to other developed & developing economies of the world could be addressed very seriously.

- a) It will take 5 years to improve India's ranking in ease of doing business to reach at the level of 50 from existing 130 points among 189 countries.
- b) There would be two (2) successful air cargo hubs in India in the next decade.
- c) Not having the concept of Air Cargo Village implemented in India is the main hindrance to the growth of air cargo in India.
- d) Within five (5) years India will have majority of skilled entry level work force. The event has been adjudged excellent by all the guests and members attended the Conference.

**We welcome your valuable Ideas,
Suggestions & Feedback**

Please e-mail at ACFISecretariat@acfi.in

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Vote of Thanks

Mr. Tushar K Jani, Vice President ACFI & Chairman DCSC proposed the vote of thanks to the Chief Guest Mr. Najib Shah, Chairman CBEC, for his inspiring guidance & firm directions, Guests of Honors, Mr. J. K. Dadoo, Additional Secretary, Ministry of Commerce & Industry for his supportive role to air cargo industry always, Dr. Renu Singh Parmar, Sr. Economic Adviser, Ministry of Civil Aviation for her whole hearted support to air cargo logistics industry from the day she took over her assignment in MoCA, and Mr. P. S. Nair, CEO, GMR Airports for his guidance to this industry he nurtured for more than 40 years and Mr. S. P. Sahu, Commissioner Customs for his role in summarizing the proceedings of the conference and particularly his outstanding contribution to the whole industry for implementing Single Window System so meticulously & successfully taking all the trade partners in to confidence setting an example the industry has never seen before.



Mr. Tushar thanked all the panelists for their wonderful debates on critical points, also thanked all the guests present for their gracious presence at the 5th ACFI conference on **“ACFI – CEO’s Round Table – Improving India’s Ranking in Ease of Doing Business – Sector - Air Cargo”**. Mr. Tushar thanked all the sponsors i.e. platinum sponsor – M/S. Celebi Delhi Cargo Terminal Management India Pvt. Ltd & M/S. Insynergy Supply Chain Solutions Private Limited, Gold Sponsor – M/S Bird Group, Silver Sponsor – M/S Delhi Cargo Service Center Private Limited & M/S. OM Logistics Private Limited and the Bronze Sponsors – M/S. Hans Infomatic Pvt. Ltd, Jeena & Co., M/S. Delhi Aviation Fuel Farm Pvt. Ltd, M/S. Skyways Air Services Pvt. Ltd. and M/S. Blue Dart Aviation Pvt. Ltd. for their valuable support always to ACFI in organizing such conferences so much successful. Mr. Tushar also thanked the management of Hotel Hyatt for their wonderful support & hospitality. Finally he thanked all the three moderators Mr. Ramesh Mamidala, Mr. Sanjiv Edward



