Role of Containers in Multimodal Transport

&

Container Hubs for Regional Development

Pranai Prabhakar

CGM-NWR / CONCOR

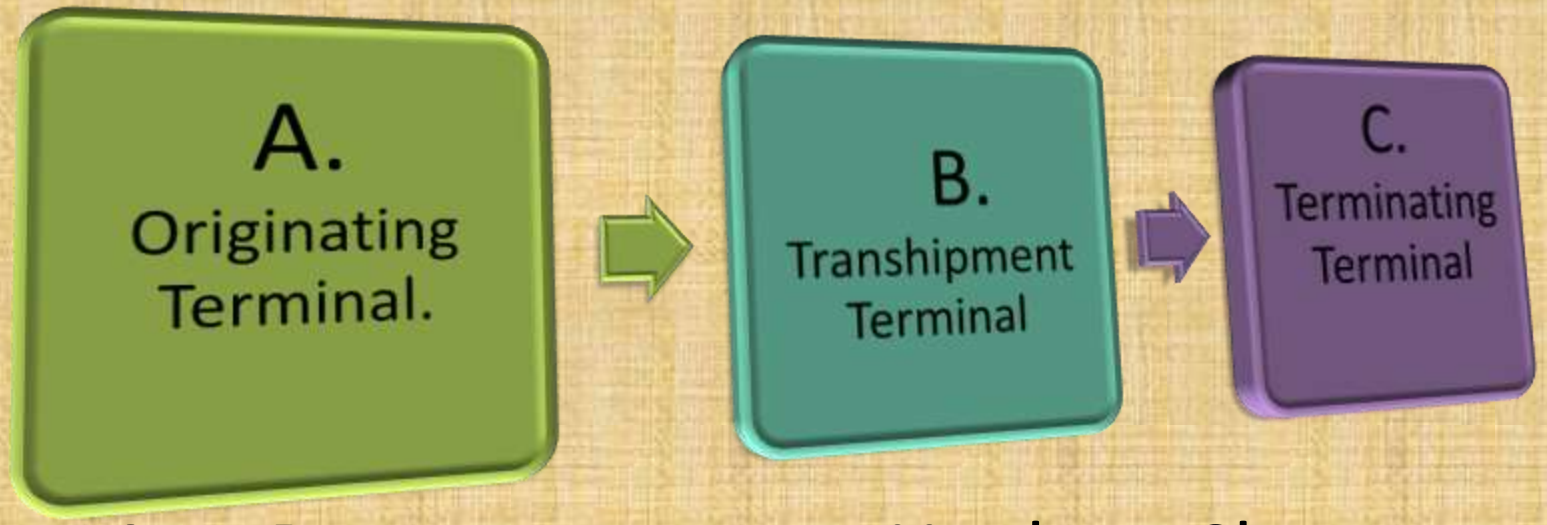
NAIR, Vadodara, 28th September 2016

Multimodal Transport

Multimodalism refers to transportation of goods between two points by more than one mode of transport. This could be by road-rail, road-rail-sea, road-air or any other combination.

The distance over which the goods have to be transported is an important consideration because the characteristics of haulage charges and terminal charges vary widely from mode to mode.

Cost and Efforts Involved



-> A to B = Haulage Charges.

-> B to C = Haulage Charges.

-> At A, B & C = Terminal Charges.

-> At A, B & C = Handling Charges.

Multimodal Transport...

After the goods are loaded in a "multimodal equipment" at the commencement of the journey, they travel across multiple transport modes without any further handling of the goods until the goods reach the intended destination.

The carrier responsible for the entire carriage is referred to as a multimodal transport operator, or MTO.

Multimodal Transport: modal choice criteria

- Cost
- Speed
- Cargo value
- Security & safety
- Route
- Equipment availability
- Cargo characteristics

Multimodal Transport Advantages

- Cost effective
- Cargo safety assured: no shortage/theft /damage/pilferage - less insurance cost
- Multiple pickup/deliveries: FCL/LCL
- Environmental friendly
- Fuel saving compared to only road transportation
- Provides mostly faster transit of goods
- Single window operation
- Reduces overall transaction cost

Multimodalism & Containerization

- Multimodalism developed with "container revolution" of 1960s and 70s
- Containerization is the most vital factor of multimodal transportation as it combines the consistency of rail, flexibility of road, the cost effectiveness of shipping and speed of air transport
- It is important to remember that

  multimodal transport is not equivalent to container transport.

Types of Container..

Flatrack

Open side

Open Top

Tank

CONTAINERS..

Container shipping is different from conventional shipping because it uses 'containers' of various standard sizes - 20 foot (6.09 m), 40 foot (12.18 m) , 45 foot (13.7 m), 48 foot (14.6 m), and 53 foot (16.15 m) - to load, transport, and unload goods. As a result, containers can be moved seamlessly between ships, trucks and trains. The two most important, and most commonly used sizes today, are the 20-foot and 40-foot lengths

The 20-foot container, referred to as a Twenty-foot Equivalent Unit (TEU) became the industry standard reference so now cargo volume and vessel capacity are commonly measured in TEU. The 40-foot length container - literally 2 TEU - became known as the Forty-foot Equivalent Unit (FEU) and is the most frequently used container today.

Boxed up and ready to go

State of the Art ICDs of CONCOR – Specialised Reefer Movement

Reefer Power pack

Benefits of Containerization

- Reduces transit time through quicker cargo handling & by reducing the number of individual pieces of cargo that need to be handled
- Ensures substantial savings in packaging cost as compared to break bulk shipment

Benefits of Containerization…

- Obviates the need for covered warehouses as containers can be stored in the open, thereby reducing warehousing cost
- Eliminates the intermittent handling of cargo during transit. Cargo arrives in better condition at destination
- Safety & security- No pilferage and physical damage to cargo

Evolution of Containerization in India

- Given the continental distances in India (almost 3000 km from north to south and east to west), rail transport is most cost effective option for cargo transportation over medium and long distances

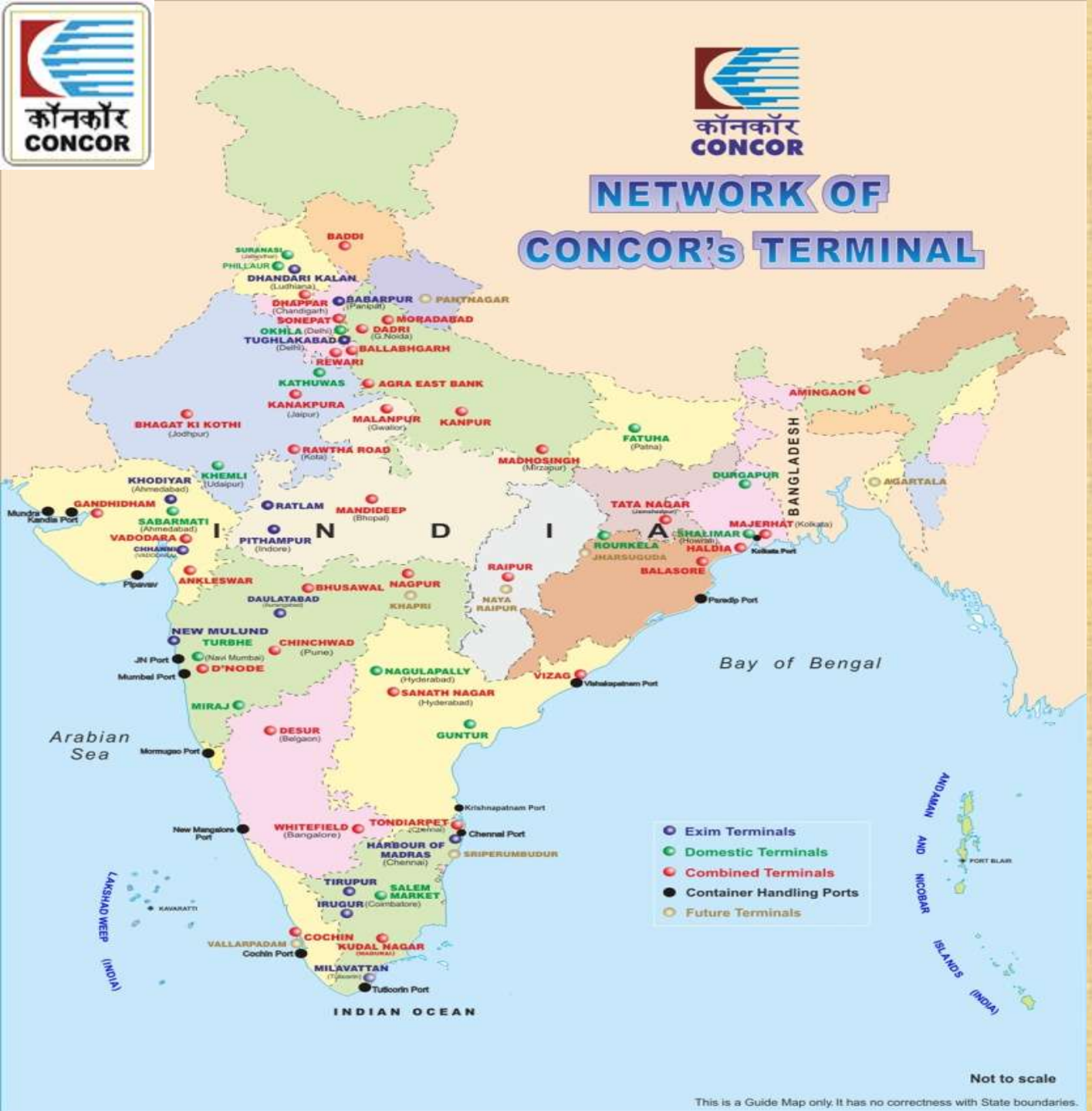
- Indian Railways (IR) started door-to-door movement of domestic cargo in special DSO containers in 1966

Evolution of Containerization in India…

- In 1981, first ISO container moved by IR to India's first Inland Container Depot (ICD) at Bangalore, managed by IR
- By 1988, the network expanded to 7 ICDs
- Container Corporation of India Ltd (CONCOR) set up in 1988 as a PSU under Ministry of Railways
- CONCOR aimed to develop multimodal logistics support for India's international & domestic containerized cargo & trade

Evolution of Containerization in India…

- CONCOR today has a network of 63 terminals spread over the country.
- CONCOR has three distinct activities - a carrier, a terminal operator and a warehouse operator
- CONCOR's ICDs are dry ports in the hinterland and bring all port facilities including customs clearance to the customer's doorstep



Pure Dom -> 15

Pure Exim -> 13

Combined -> 35

Total -> 63

Evolution of Containerization in India…

- CONCOR provides single-window facility coordinating with different agencies like customs, gateway ports, IR, road haulers, shipping lines, CHAs and forwarders

- In terms of Twenty-foot Equivalent Units (TEUs) handled every year, CONCOR's Throughput has grown tremendously (52,000 TEUs in 1989-90 to 3.11 million TEUs in 2014-15)

Evolution of Containerization in India…

- In Feb 2006, Ministry of Railways granted license to private players to operate container trains
- These companies are expected to invest in rolling stock, ICD and logistics parks
- Apart from CONCOR, 16 container train operators were granted license

Containerization in India: Present status

- India handled 11.53 million TEUs (175 million tons) at all Ports in 2014-15.
- Major ports handled 8 million TEUs registering a growth of **6.71%** (Indian Ports Association).
- **Mundra** and **Pipavav** ports handled **2.64** and **0.79 Million TEUs** registering growth of **14%** and **15.45 %** respectively over the previous financial year.
- Rail share of EXIM containerized traffic between gateway ports and hinterland ICDs was 38.38 million tons (22%).
- Container traffic (48.83 MT) accounted for **4.45% of the IR's freight** basket of 1097.57 MT.
- CONCOR handled 3.11 million TEUs (36.19MTs) in 2014-15 at its vast network of 63 terminals spread across the Country.

Double Stack Container Rakes..

Typical Journey of a Container

Need of Hubs

Empty Containers at Inland Container Depot/Stacking Park

↓ By road

Factory (Stuffing of Containers).

↓ By road

ICD/PORT

↓ By Road/Rail

Port

↓ from Stack

Scheduled Ship

↓

Transhipment Port

↓

Destination Port

↓

ICD

↓

Destination

(Destuffing)

Major Ports in ASIA

Busiest Container Ports

Sr. No.	Port	Vol.2014 (Million TEU)		Sr. No.	Port	Vol.2014 (Million TEU)
01.	Shanghai, China	35.29		11.	Rotterdam, Netherlands	12.30
02.	Singapore	33.87		12.	Port Kiang, Malaysia	10.95
03.	Shenzhen, China	24.03		13.	Kaohsiung, Taiwan, China	10.59
04.	Hong Kong	22.23		14.	Dalian, China	10.13
05.	Ningbo-Zhoushan, China	19.45		15.	Hamburg, Germany	9.73
06.	Busan, South Korea	18.65		32.	JNPT, India	4.45
07.	Qingdao, China	16.62				
08.	Guangzhou Harbor, China	16.16				
09.	Jebel Ali, Dubai, UAE	15.25				
10.	Tianjin, China	14.05				

Source data: The Journal of Commerce annual top 50 World Container Ports, Lloyd's List annual Top 100 Ports, AAPA World Port Rankings, Drewry World Container Traffic Port Handling and individual port websites.

Top 15 Exporters of Containerized Cargo

Sr. No.	Port	Vol.2014 (Million TEU)
01.	China	36.0
02.	United States	11.9
03.	South Korea	5.93
04.	Japan	5.28
05.	Indonesia	4.00
06.	Thailand	3.92
07.	Germany	3.32
08.	Taiwan	3.25
09.	India	3.07
10.	Vietnam	2.94

Sr. No.	Port	Vol.2014 (Million TEU)
11.	Brazil	2.88
12.	Malaysia	2.60
13.	Saudi Arabia	2.24
14.	Italy	1.83
15.	Turkey	1.82

Source data: IHS Global Insight, World Trade Service

Top 15 Importers of Containerized Cargo

Sr. No.	Port	Vol.2014 (Million TEU)
01.	United States	19.6
02.	China	14.7
03.	Japan	6.55
04.	South Korea	5.09
05.	Indonesia	3.17
06.	Germany	3.00
07.	United Kingdom	2.64
08.	Taiwan	2.53
09.	Australia	2.52
10.	Vietnam	2.47

Sr. No.	Port	Vol.2014 (Million TEU)
11.	India	2.39
12.	Thailand	2.35
13.	Malaysia	2.33
14.	Brazil	2.32
15.	U. A. E.	2.30

Source data: IHS Global Insight, World Trade Service

Top Trade Routes..

Sr. No.	Route	TEU shipped 2013
01.	Asia-North America	23,125,000
02.	Asia-North Europe	13,706,000
03.	Asia-Mediterranean	6,739,000
04.	Asia-Middle East	5,014,000
05.	North Europe-North America	4,710,000
06.	Australia-Far East *	2,923,279
07.	Asia-East Coast South America	2,131,000
08.	North Europe/Mediterranean-East Coast South America	1,680,000
09.	North America-East Coast South America	1,306,000

Source data: IHS Global Insight, World Trade Service

SERVICES PROVIDED AT TERMINALS

- Train Handling
- Container Storage
- Customs facilitation
- Warehousing of cargo (transit, bonded, LCL etc)
- Associated Value Added Services
- Door to Door Solutions

DETAILS OF MOVABLE ASSETS

- Rolling stock - 315 rakes
- No of Containers -20984
- No of Gantry Cranes - 17
- No Reach Stackers - 52

Company has been procuring around 750 wagons from IR workshops every year for last 5 years.

CONCOR's Robust IT Systems

- VSAT based network extended over 64 locations
- Terminal Management Systems for
  - EXIM
  - Domestic
  - ERP for Finance & HR
  - Data Warehouse Module for Commercial Applications
- E-Payment of RR to IR through TMS
- Web enabled Customer Feedback
- Facility for e-filing of documents
- Online container tracking on CONCOR system
- KYC (Know Your Container) in some terminals
- SMS based container tracking

Future Ahead: MMLPs

(Multimodal logistics parks)

- To harness the potential of development of DFC and expansion of Port capacity
- Value addition centre for cargo
- Just in Time Inventory management for customers
- All facilities at the doorstep of customers
- Synergies between various stakeholders in the logistics chain

Facilities in MMLPs

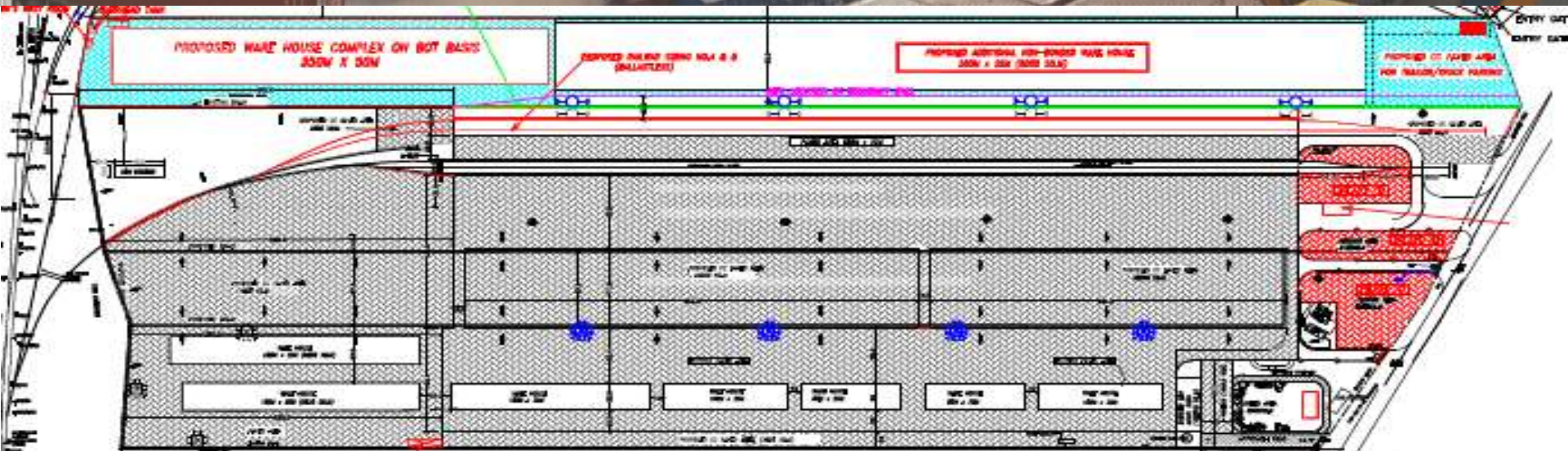
- Rail access for container trains for movement in both EXIM and Domestic sectors.
- Inland Container Depot / Domestic Container Terminal facilities
- Warehousing
  - Transit
  - Bonded
  - Cold Chain etc
- Access to Indian Railway freight wagons for loading/unloading of bulk cargo under the PFT policy.
- State of art operational and handling facilities like Reach stackers, cranes, Forklift trucks and trailers for internal transfer and local and long distance transportation.
- Fully paved area with separate entry and exit gates with sufficient supply of electricity and water.
- Customized IT application for the state of art facilities of operations and storage.
- Management functions covering a wide array of value added services along location to make use of synergies.
- Other customer facilitation services

CONCOR's plans for MMLPs

- Coming up at 15 locations
- Along Western and Eastern DFCs and Feeder Routes
- In Rajasthan, Punjab, Uttarakhand, Andhra Pradesh, Odisha, Maharashtra, Tamil Nadu and Uttar Pradesh

Artist impression of MMLP

MMLP KHODIYAR ....1st MMLP in Gujarat

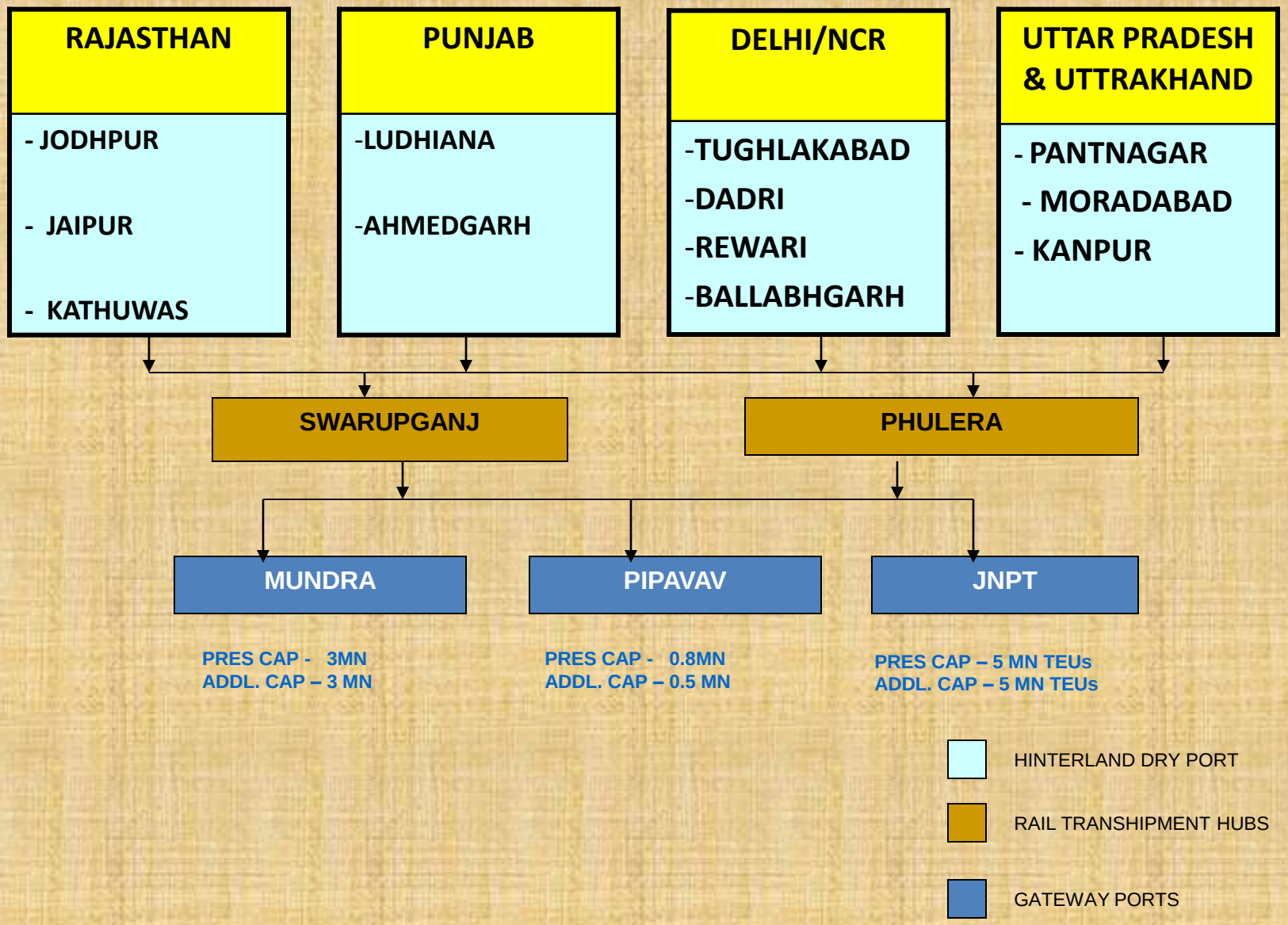


View of Integrated Gate Complex at MMLP, Kathuwas

Rail Transshipment Hub

- In DFC system trains carrying capacity to quadruple and costs to come down (360 TEUs per train)
- But Aggregation of single origin-destination will become time consuming
- CONCOR developing **R**ail **T**ransshipment **H**ubs for re-aggregation of containers dispatched from Ports and Dry Ports
- **Thereby decongesting the three main western Gateway ports – particularly JNPT**
- **And making services cheaper and quicker for the Customer**
- RTHs planned at **Swarupganj and Phulera** in Rajasthan along Western DFC

RTH – Pictorial Version



Thank You..