

Pramod Kumar Srivastava, President, NACFS: Rail Sidings Must Be Developed Near CFS/ICD. All Container Rail Operators Should Utilize These Rail Sidings To Their Fullest Potential.

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1. How has been the business for CFS operators, last year and through this year?

The volume of CFS and ICD operations was good during financial year 2020-21. During the pandemic CFS/ ICD operators played a major role in providing uninterrupted service of import cargo movement from Ports to CFS/ ICD which helped reduce congestion at gateway ports. Similarly, we ensured 24/7 service to assist in timely exports despite dealing with the container shortage issue.

In the financial year 2021-22, international trade has recovered despite some disruptions caused due to the situation in Ukraine. It is important to observe that CBIC still needs to look into ways to further encourage the use of CFS and ICDs as infrastructure often remains under-utilized. CFS and ICDs should be allowed to handle domestic containers and coastal cargo because they have ready infrastructure to provide efficient services for the above activities.

2. Trends that will drive the shipping and logistics sector in the months to come?

CBIC and Port authorities need to join hands and work collectively with ICDs and CFS. This will ensure effective development of Multimodal Logistics Parks (MMLPs) which will in turn bring down the logistics cost. Rail sidings must be developed near CFS and ICD for common utilization. There should be a clear and open policy so that all container rail operators get an opportunity to utilize these rail sidings to their fullest potential. Presently, the railway sidings are under-utilized and not optimized for container handling.

Customers are now looking for end-to-end logistics solutions with real time information flow. Logistics companies will have to strongly invest in developing digital infrastructure to ensure transparency in operations and to reduce any inefficiency in the supply chain. Custodians of ICD and CFS would be focusing to revamp their infrastructure, keeping in mind the UN Sustainable Goals for reducing carbon emissions.

Road transportation would be restricted to first and last mile connectivity and bulk of the movement will be taking place through rail network. The dedicated freight corridors will promote cost-effective rail transportation, and we will see more container rail operators coming up.

4. What will be the major challenges the logistics community will face in the days to come?

CFS and ICD should be an integral part of port-led development for offering value-added services to the EXIM trade. The major challenge is to recover the infrastructure cost of setting up such facilities and we are hopeful that CBIC will consider to allow domestic and coastal cargo movement as well as to set up manufacturing hubs inside CFS/ ICD premises.

The applicability of GST on ocean and air freight to the Indian companies is not at par with the global standards. This is leading to blockage of additional capital and making Indian freight forwarding companies non-competitive when compared to their foreign counterparts.