

Top View

'People who dare to dream big, dare to climb mountains and cross the oceans'.

At Kale Logistics, our constant endeavour is to be innovative and add value to the Logistics industry. One could say it's emblematic of our continued mission: that we are always getting better and seeking ways to improve things every day - whether it is for our employees or our esteemed customers.

We completed our financial year in March, and it has been a year of milestones. We've been honoured as one of the top 25 fastest growing companies serving the Logistics Industry. We have also expanded our global footprint with a new business development centre in Dubai and a software development centre at Mumbai. With global trade increasing over the years it has become increasingly difficult to maintain visibility and efficiency throughout ocean freight operations. Modern technology from Kale is ready to make an indelible mark on the movement of containerised goods. Our freight forwarding solutions like customs filing platform eVGM and customs clearing management software – CANOPUS are being well accepted which shows the industry is ready for innovations. With the advent of these solutions we have spearheaded a new phase of Digitization in the industry.

This issue of CRUX brings interesting write-ups on disruptive innovation in the Air Cargo Technology and an insight into how Celebi Delhi Cargo Terminal is using technology to accelerate growth and increasing demand. Don't stop here, read our spotlight on 'New generation customs clearance management. The year is already off to a fast start, and we look forward with optimism to what is ahead.

Enjoy Reading!



Mr. Rajesh Panicker
COO, Kale Logistics Solutions

In this Issue



REFLECTIONS

An Interview with Mr. Ramesh Mamidala, CEO, Celebi Delhi Cargo Terminal



ARTICLE

Disruptive Innovation in Air Cargo Technology



SPOTLIGHT

CANOPUS - Customs Clearance Management Software



ASK THE EXPERT

Mr. Nitin Master
AVP, Freight Mgmt Practice,
Kale Logistics Solutions



NEWS AND EVENTS @ KALE



Çelebi stepped into the aviation industry with the establishment of Çelebi Ground Handling in 1958 as Turkey's first privately-owned ground handling Service Company. Today, it stands out as one of the most successful examples of integrated services in the Turkish civil aviation industry, offering the full range of premium ground handling services.

Mr. Ramesh Mamidala, CEO; Celebi Delhi Cargo Terminal Management Pvt Ltd has over 24 years of experience in Air Cargo industry. Prior to Celebi, Mr. Mamidala was associated with Emirates Sky Cargo and Qatar Airways.

CRUX editorial team had an opportunity to speak to him on varied topics pertaining to logistics industry, here is what he shared with us.

Mr. Ramesh Mamidala

CEO, Celebi Delhi Cargo Terminal Management Pvt Ltd



CRUX *Celebi Delhi Cargo Terminal is witnessing significant growth in e-commerce shipments. How are you catering to this growing demand?*

RAMESH Indian domestic air cargo is currently driven by e-commerce. We are witnessing significant growth in e-commerce shipment year-on-year. At present we have adequate infrastructure in place to cater to the demands from two major carriers viz Jet Airways and AirAsia India and e-commerce companies as compared to previous years. Most of other airports do not have terminal capacity to handle current demand for domestic cargo especially e-commerce shipments. We have recognised the opportunity and requirements and decided to strengthen the domestic cargo terminal infrastructure. Very soon we will be launching our dedicated domestic cargo terminal with a capacity to handle 550 tonne cargo a day. Accordingly, more airlines can be accommodated for cargo handling. At the same time, we are going for significant automation at this new terminal. Also, tracking and tracing procedures will be strengthened for better visibility of the shipments at the terminal.

CRUX *The impact of data-driven and autonomous supply chains provides an opportunity for previously unimaginable levels of optimization in logistics warehousing and last mile delivery that could soon be a reality. Your take on it.*

RAMESH Consumers are ordering more products online. Governments and global bodies like IATA are advocating e-Freight and paper free air cargo supply chain. This generates a huge repository of data which can help develop intelligent supply chains that use data for game-changing developments. This is still nascent, supply chain management professionals should tune into the conversation now to consider its potential. Deeper intelligence into supply and demand will not only benefit manufacturers, distributors, and retailers, but also consumers, as their demands can be better met with this deeper level of intelligence. Saying so, this is not easy it has huge cost which could deter early adoption.

**DID YOU
KNOW**



Approximately 675 shipping containers are lost at sea each year.



CRUX *It is no secret that the Logistics sector is confronted with skills gap, what skills will be more crucial in the future?*

RAMESH The Logistics industry is witnessing great automation; new technologies like RFID, drones, robotics are taking over jobs. In other words, a large number of current jobs in the sector won't exist, at least not in their current forms, in coming years. There has never been a more challenging time to be a worker with a fixed set of skills and abilities. There is a big shift towards a new, broader range of skills and competencies that companies are looking for in future candidates to drive business excellence and innovation.

CRUX *The most commonly expressed concern in the air cargo industry is the last decade has been modal shift of airfreight to ocean and surface. How real is this shift?*

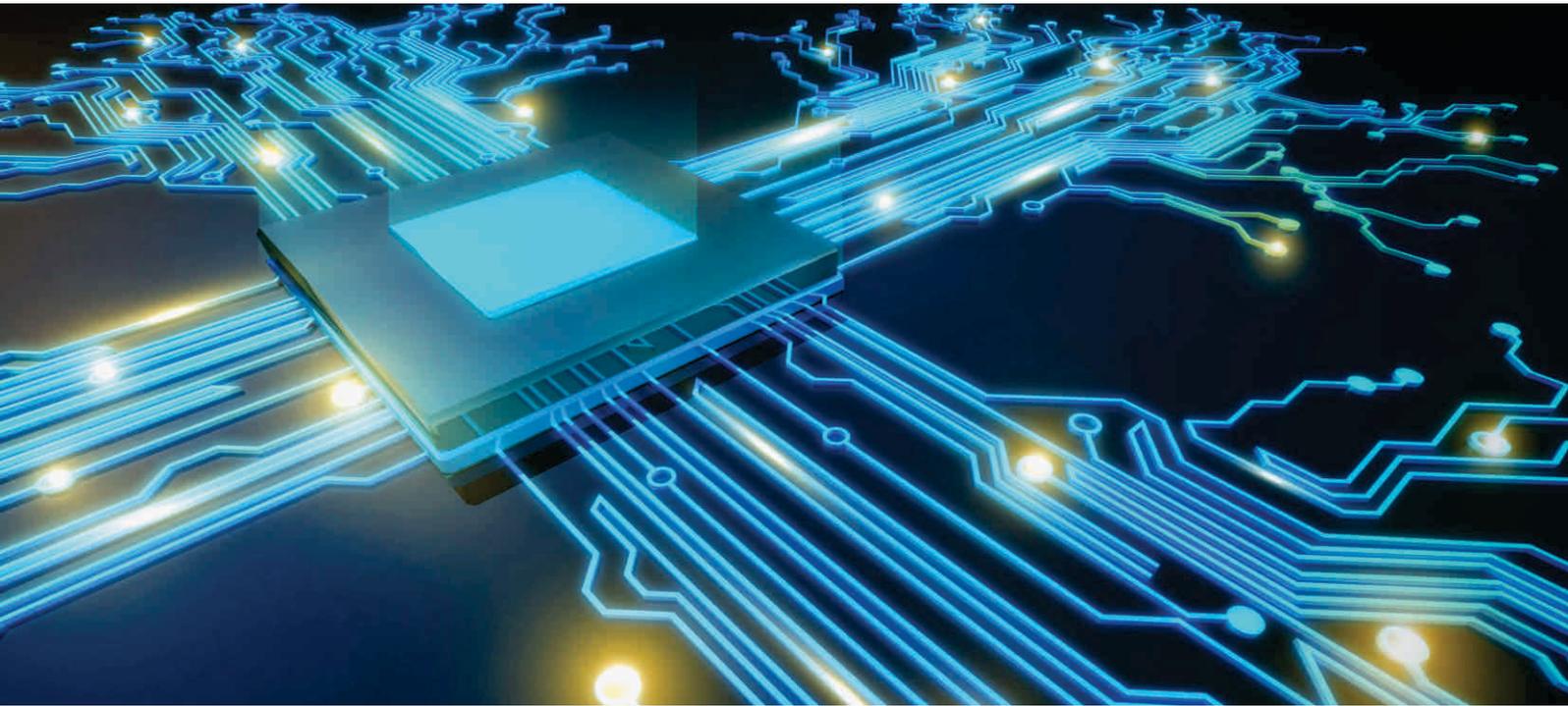
RAMESH As per recent IATA report, global airfreight markets have witnessed an increase in demand by 6.9% in Jan 2017. There is also a positive momentum in freight growth with a steady rise in new export orders. Saying so, shifts between air, ocean, road and rail modes is not something new and has happened many times over the years, but it affects only certain commodities on certain lanes. For express cargo and e-commerce, in particular, time is a critical factor. Presently e-commerce companies are utilizing best of both the modes of air and road for quick and cost effective delivery. The demand for airfreight rises and falls in response to economic cycles and natural or man-made disasters. The onus is now on the industry to embrace technological change to boost competitiveness with efficient processing and faster deliveries.

CRUX *With technology in the forefront now changing the way businesses are done, how will Kale Logistics' Galaxy help Celebi in operations in future?*

RAMESH Cargo ground handling processes involve participation of many stakeholders from the airport cargo community. Our domestic operations have recently gone live on Galaxy and in my understanding, the product has been designed to meet all the success criteria for airports handling cargo as well as independent ground handlers. We look at it to automate the operational processes and provide quick and comprehensive information on consignment status, cargo tracking and terminal operations to customers as well as to the management. We also use it to support the airport in controlling the movement and storage of cargo at the warehouses and managing the transactions. As we expand, we continue to look forward to a fulfilling partnership with Kale Logistics.

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The key to success for air freight industry lies in innovation, particularly in IT, as a means to excel across the entire air freight value. It has been experienced that innovation today comes from niche IT providers, who are knowledgeable and flexible to the changes required.

The global air cargo industry is attempting to replicate the success of passenger electronic ticketing (ET) to the air cargo industry since 2006 with its e-Freight initiative. Recently, IATA has introduced eAWB360 – a "call-to-action" initiative at selected airports having a favourable regulatory and operational environment.

The key to success for air freight industry lies in innovation, particularly in IT, as a means to excel across the entire air freight value. It has been experienced that innovation today comes from niche IT providers, who are knowledgeable and flexible to the changes required. For decades, leading integrators have demonstrated the benefit that was generated with such an approach in terms of reducing data duplication, transparency, self-service kiosks and mobility solutions. Many industry players worldwide are eager to join this technology revolution.

Thus the question arises, "Why is it taking so long for the air cargo industry to adapt to technology which is as simple & basic as the e-freight?"

Technology advancements in air cargo:

When discrepancies were observed in communicating this automated information, then collaborative platforms were

introduced enabling seamless exchange of information between internal operational systems and those used by the external trade partners in the value chain. The organizations that introduced IoT (Internet of Things) into world of logistics are able to monitor a multitude of assets within a supply chain simultaneously using interconnected technologies. However, IoT applications currently focus only upon improving capacity, efficiency, manageability, reliability and cost reduction.

Noteworthy disruptive technologies worldwide

Industry trends reflect that displacing of established logistics firms is likely in the coming years with disruptive innovation in technology coming in force in airfreight' logistics.

Innovation using disruptive technology goes beyond automation, e-business or digitization. It's about 'paradigm shift in efficacy' of services & core competency in the business.



Drone based deliveries to replace cargo carriers

Drones are nothing but small unmanned cargo planes that can carry a parcel of 5 pounds or less weight to the customers within 30 minutes. Air Cargo Industry will benefit the most, if the large cargo carriers can go pilotless. This will help the industry cut fuel costs and reduce its carbon footprint by using planes that are lighter and more efficient. However, the impact of this on Air Cargo is yet to be fully gauged.

Bluetooth based smart sensor networks

A smart sensor network is composed of sensor nodes for monitoring physical conditions such as temperature, humidity, pressure, motion etc. This technology can be used to track shipping containers around the world in real time. By analysing this data alongside historical data for a container's planned route, it can identify likely bottlenecks and shrinkage areas, alerting shippers of potential disruptions. Thus potential savings by reducing cargo shrink and supply chain disruptions across the industry are enormous.

3D printing & autonomous vehicles

There are potential applications for 3D printing, such as on the spot printing of replacement parts, which will impact the logistics industry by reducing the need for parts and goods to be shipped. This could reduce the number of shipped parts and supplies as products would be produced locally on demand, instead of being shipped from overseas.

True single window platforms

Trade facilitation has evolved from EDI based electronic customs declaration systems to **Community Systems**. These have evolved into **Fully Integrated Single Windows** to connect traders, Customs, regulatory authorities and private-sector participants. Then came the **True National single windows** between two economies and among several economies within a regional grouping. The Single Window can enhance the availability and authenticity of information thereby reducing fraud and expediting and simplifying information flow between trade centres and governments resulting in greater harmonization and sharing of relevant data across parties involved in cross-border trade.

Kale Logistics Solutions created the next generation Cargo Community Systems (CCS 2.0). It has built a digital cargo community of importers, exporters, Forwarders, Customs brokers, airports, airlines, freight stations, Customs, Chambers of Commerce, banks. These community solutions are very different from the traditional CCS; they play a much wider role than just a forwarder for an airline or forwarder to Customs EDI. These also allow the SME players to run their entire business on the CCS application. These solutions are not transaction centric but stakeholder centric.

A Future Perspective

As per industry reports, the UN Single Window concept could therefore be a next logical step in trade digitization. It will help to facilitate international trade and allow governments to give businesses an opportunity to reduce their overheads and simplify international shipments while at the same time keeping borders secure and documentation updated and in check. Digitalization is the game changing chance for air cargo industry to create a new future

**DID YOU
KNOW**



The largest air cargo plane in the world is the Antonov An-225 Mriya, which can take off with a maximum weight of 640 tonnes

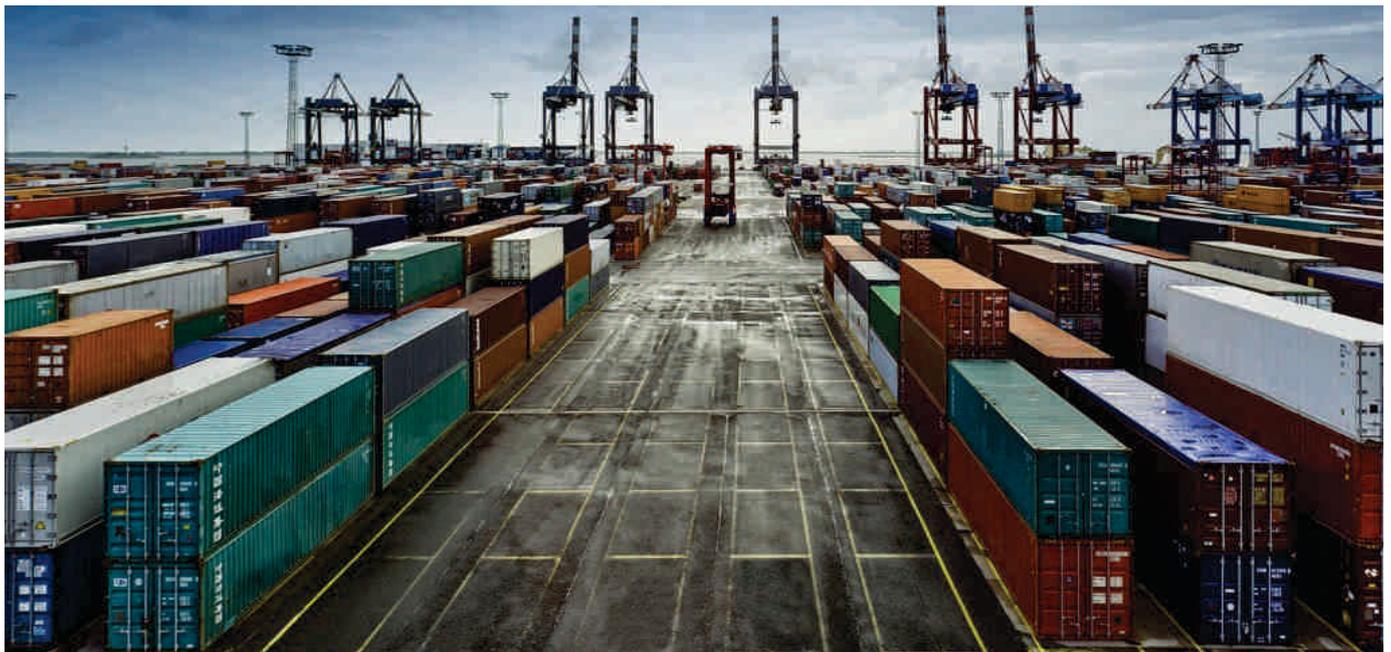


The role of Customs Broker (CB) has evolved in the past decade from Customs document filing to connecting with multiple trade partners like Airlines, Shipping Lines, Airports, Container Depots, Government Authorities and Transporters amongst others. The CB needs to adhere to local Customs rules and regulations while facing complex business communications and operational challenges.

One of the most crucial parts of logistics is clearance in Customs. Customs agencies are getting smarter. By mastering their data, leading customs agencies are able to provide actionable insights to pre-emptively tackle fraud and risk, promote legitimate trade and also create personalized experiences for their users. Across the Customs supply chain, traders, agents, Freight Forwarders, carriers and border agencies are embracing new digital technologies.

CANOPUS – Customs Clearance Management Software from Kale Logistics Solutions helps CBs achieve a higher degree of efficiency in service and at reduced operational costs. Canopus facilitates automated filing in compliance with Customs system. It has several Innovative features like Business Analytics, full feature Mobile App and connectivity to multiple stakeholders and Kale's Community Platforms.

The current business needs demand compliance & documentation, stakeholder connectivity, instant shipment status, track and trace, transaction history, accessibility - anywhere, anytime, operations integration & cost reduction. But the prevailing systems pose challenges like with monopolistic system vendors, poor support service, multiple standalone applications for EDI filing, complex finance management and EXIM documentation process, excessive manual intervention and changing compliances. These impact the business by way of no timely customer updates, system accessibility issues outside office, repetitive data entry and human errors, physical storage of documents which are prone to loss, separate application to generate customer invoice and track expenses, dependency on multiple platforms that leads to loss of time and accuracy.



CANOPUS at a glance

Innovative Features

Mobile APP | Management Dashboard | Digital Locker to store and retrieve documents | Product Tariff & Licence details integrated with India Trade Portal | Shipment tracking for customer through Custom Broker's website | Connectivity with multiple stakeholders like Airports, Ports, Shipping lines, Airlines, Chamber of Commerce and Kale's Community Platforms | Expense tracking, profitability, integration with tally | Cost effective | Digital signature | EDI filing | ICEGATE tracking | Daily status report

Customer Support

Hands-on training | Dedicated helpline (phone and email) | Industry first loyalty programs | Industry recognized training and certification programs

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A ship engine has a stunning one-thousand times more power than a family car.



Ask the Expert : Freight and Customs Management Solutions

CRUX *How do you see the freight forwarding industry across the globe evolving?*

NITIN Freight Forwarding continues to be a growing industry. Though growth rate is expected to slow but that rate is expected to outpace global GDP—a good situation to be in, considering current economic circumstances. The Freight Forwarders across globe are progressing towards providing complete logistics solutions to their customers. The modern age Freight Forwarders now offer a bouquet of services under one roof. The requirements of the customer is changing fast and to address those requirements we have compliance like advance manifestation and e-VGM. The service expectation has moved from just managing shipments to providing complete solutions which require coordinating and managing multiple stakeholders like shipping line, airline, Customs, port, airports, Container Freight Stations etc.

CRUX *How is technology enabling the ocean logistics to be more competitive?*

NITIN Ocean Logistics is dealing with myriad of challenges like competitive trade routes, falling freight rates, volumes being challenged amongst many others. The key to growth and profitability is the ability to analyse customers' needs and then respond quickly with differentiated and advanced logistics solutions. This will require better IT tools to improve business visibility, competitive advantage and internal process efficiency. Technologies like RFID, GPS tracking etc. helps stakeholders to constantly track cargo. Using IT to maintain 360-degree control – high performers are moving well beyond using IT merely as an enabler of internal process management. Instead, they leverage their proprietary customer-facing technologies to empower their customers, offering them end-to-end visibility across the entire supply chain.

CRUX *Kale's freight solutions are changing the dynamics of ocean logistics; could you please highlight these solutions?*

NITIN Kale's domain expertise, strong relationships with logistics providers and industry partnerships, have enabled it to respond to industry needs. Our solutions are designed to support developing trends, and simplify complex business models. Freight solutions like CORVI – Freight Management System and CANOPUS – Customs Clearance Management Software automate organization of internal process / tasks so that better services to customer can be provided. Our solutions have created right awareness which gives us positive market response.



Mr. Nitin Master
AVP, Kale Logistics Solutions

Nitin is the subject matter expert with over 25 years of experience in Customs & Freight Forwarding operations. He brings techno-functional expertise to the table with defining roadmaps for logistics solutions. He has worked with India's leading Freight Forwarding, Customs Brokers and software companies managing various projects. He has been instrumental in shaping up many of the Kale's port solutions and community platforms with his well-rounded exposure to the requirements of the international maritime trade..

His expertise in product solutions play an important role in pre-sales, requirement analysis, solution design implementations and user training. Nitin's insight and vast experience has helped to improve product functionality and adoption among customers spanning across globe.



Delegates at the Inaugural Clear View Summit at Dubai, UAE

Clear View 2017 (2nd Edition) – Kale Logistics' Air Cargo Thought Leadership Summit 6-7 July 2017, Hotel Athenaeum Inter Continental, Athens, Greece

After pioneering a successful edition in 2016 in Dubai, this year the much awaited CLEAR VIEW industry summit is scheduled to be held on the 6-7th of July 2017. The summit will be held at Athens, Greece. This invitation only summit involves distinguished gathering of 25-30 CXOs from Air Cargo Ground Handling, leading Airlines, renowned consultants and representatives from international trade bodies like TIACA and IATA.

After years of plateauing performance, Air Cargo has been exhibiting positive signs. The return to growth is timely and provides the Air Cargo sector with an opportunity to deal with the myriad challenges it faces. This edition of CLEAR VIEW focusses on Innovation to Action, Measuring Performance, Modal Shifts in Transportation, eCommerce and Digital Disruption in Air Cargo which attempts to address these challenges.

The inaugural edition of CLEAR VIEW summit in Dubai last year was a great success, with top executives attending from IATA, TIACA, Lufthansa, Swiss Port, Celebi - to name a few. The summit had four power packed and focused discussions which yielded some very meaningful insights into the present and future Air Cargo industry trends. The summit sessions were designed to benefit the Cargo Ground Handling Agents (GHA) and their ecosystem with an intent to raise discussions revolving around the Changing Business Environment –Need for Innovation, Statutory Compliances and Controls, e-Freight Enablement and Business Practices for Modern Age GHA.

Participation from eminent industry leaders is expected to create a repository of well researched and result oriented solutions that will drive the value for the future of Air Cargo industry.

For any queries please write to us at clearview@kalelogistics.in



News and Events

Kale in Media



Kale Logistics Solutions features in the **Top 25** list of fastest growing companies in the logistics sector by CEO magazine



Kale Logistics augments its presence in Middle East with a new centre in Dubai



Kale introduces the latest version of CANOPUS 2.0 - Customs Clearance Management Software with in built Analytics & Full Function Mobile App

Forthcoming Events



WCO IT Conference & Exhibition 2017
Tbilisi, Georgia, 7-9 June, 2017

Past Events



Mr. Amar More CEO Kale Logistics spoke on Multi Modal Digital Cargo Communities at United Nations, Geneva



Kale Logistics team at India Integrated Transport & Logistics Summit 2017, Delhi along with Dr. Renu Singh Parmar (2nd from left), Senior Advisor at Ministry of Civil Aviation, GOI, Mr. B K Mehrotra, GM -Cargo (1st from left) and Mr. Ashwani Sharma, Jt GM – Cargo (3rd from left)



Mr. Vineet Malhotra, Director, Kale Logistics Solutions, spoke at the e-commerce track on 'Omni-Channels' at IATA World Cargo Symposium, Abu - Dhabi UAE



Mr. Nagarjun Peri, Manager, Kale Logistics Solutions presenting at the NAFL-AGM, Dubai