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Editorial

An emerging new normal

The world is limping back to a kind of normalcy by adjusting to the post pandemic life. Among the many themes that has gained significance in this scenario is about the concept of work and work places because coronavirus not only affected world economies, but our social lives as well.

We are on an experimental phase of life where in more people than ever are working from home and connected to online meetings thereby adjusting to not being in an office. Among the many news items that has come to define post pandemic workplaces in a paradigm shift has that been of an FMCG major based out of Chennai which declared they are giving up their corporate and regional offices for complete WFH routine.

This gives rise to an emerging new normal that defies early morning office commutes, open plan offices and 9-to-5 schedules that once heralded a two punch-one lunch office day environment.

There could be various data, surveys and trends to suggest how a eight hour work structure wasn't productive and how the shorter version of the post pandemic work life that cuts the commute and other distractions are proving to be beneficial to both employees and employers alike.

In the words of *Deep Work* author Cal Newport "Three to four hours of continuous, undisturbed deep work each day is all it takes to see a transformational change in our productivity and our lives."

The question is how to create a new-normal workday schedule that actually works? The key here is to be honest about doing an investigation in the ways you spend time. Consider the following questions. How long do you work most days? What time of the day are you more productive? How long do you spend on your most important work in a day? How long do you spend on communication, email, chat and meetings included? When are your most distracted hours in a day come by?

For most people, seeing their personal data, especially on productivity is quite a revelation. Even if you're working eight-plus hours a day, you're probably lucky to get more than couple of hours of time for your most important work.

The key difference is in your ability to focus

The new-normal schedule should be built around optimizing for focus at all costs. First, set aside time for focused work and stick to it.

It is all about prioritizing.

It is easy to set aside quality time for what you realize is the most important work. But the opposite is just as true, it is easier to spend all day on low-value activities like mailing, chatting and telephonic discussions that gives a false satisfaction of achievement of objectives.

Finding your peak productive time.

When you have your priorities in the right place with the ability to focus, it's time to map the peak "up-time", that is the time in the day when you are super productive. The key is to schedule the most important work during the peak productive hours.

Making communication a pricey and limited edition item

Communication is key to a healthy workplace. But the always-on nature of chat, video calls, and email means work never ends, even for those people who are in the business of communication. The key here is to set limits for communication and allocating time to check emails/social data feeds during specific times of a day.

Embracing rest

Our minds need rest and downtimes during the day to recover and refocus. However, we also need downtime outside of work to be at our best. Noted author and co-founder of Mindtree Subroto Bagchi terms this as "white space" which every professional needs to acquire, carefully allocating free thinking time into the daily schedule.

We're all too busy for the organizations that we work and our families. The post pandemic new-normal brings out a different dimension of work satisfaction hitherto unknown amongst many of us. It comes with an opportunity to be super productive, maintain a healthy work-life balance, remain playful and yet purposeful in life ahead.

Truly Yours,

Sumit Varma

Myalo Metafora is a guest column in Transys World that is contributed by invitation from logistics industry experts around the globe.

Myalo Metafora is a greek terminology, that means mind transfer.

Forwarders beg to be disrupted

Henrik Kofod-Hansen

Seen from the outside, freight forwarders organise themselves more or less in the same way, and their cultures only differ marginally. Masculine behaviours, focus on the own bottom line, silo thinking and cheating on profit sharing are hallmarks of most organizations. This environment does not foster deep collaboration and innovation. Forwarders think and operate with a mindset of scarcity and have little imagination.

1000s of logistics people move between different logistics companies every year, because it's easy to find more or less the same job in another logistics company. Ideas and customers are carried from one company to the next, and the result is that services are exchangeable and customer relationships are not developed with value generation for the customer in mind. This is a real problem for freight forwarders, but something that few talk about openly.

For outsiders, it is difficult to be accepted in a logistics organization, as they do not fit into the traditional boxes and have different mindsets and skills. They find it hard to bring in their ideas and change things, and often leave soon again. Therefore, logistics organizations miss out on much needed new perspectives and capabilities, which they need to transform their business.

We need more imagination

Currently, the industry experiences two "disruptions" that I hope will change how logistics companies think, do business and work with their people.

Firstly, Maersk transforms its business model, and many forwarders complain that Maersk is now a competitor. Their scarcity mindset kicks in, they focus on what they may lose, offer lower rates and "shelter" for Damco customers. Such behaviours are symptomatic for how forwarding companies think. Instead, forwarders could approach the new situation with imagination and develop something constructive themselves.

Secondly, the so-called "Digital Forwarders" is another disruption that freight forwarders do not appreciate. They belittle the capabilities of these companies, and claim that they are not inventing anything new.
Many forwarders say that they have been doing "digital disruption" since years, which I think is a very flattering way to describe how they have mostly just optimised the systems they already had. Only a few forwarders are notable exceptions to this.

These defensive behaviour are exactly the reasons why the industry can be disrupted by companies like Amazon, Maersk, Forto, Flexport etc. These companies have the imagination to create new ways of selling and operating logistics services, and they do not let themselves be caught in a scarcity mindset. They attract talents from outside the industry, and they promote logistics in a much more engaging and appealing way. Whether you like it or not, these organizations bring new ideas and new blood into the logistics world, which is badly needed.

Both Maersk's transformation and the Digital Disrupters, lead the way for how logistics services may be marketed and operated in future. Different types of ecosystems will emerge, similar to what happened in the travel industry with ecosystems like Tripadvisor and Kayak. Maersk bets on having the power to create what looks like a "closed ecosystem", and my view is that this strategy can work both with large MNCs who want supply chains stability, as-well as with SMEs who want the ease of doing business. The many Digital Disrupters will show customers how logistics can be done in a different way, often operated by non-logistics professionals.

As a result, providing logistics services will never be the same again.

Move people, not only containers

By doing business in a different way, these "disrupters" also function and organise themselves differently. Probably Maersk could have been clearer in explaining how this will look and impact customers, but maybe this unclarity was intentional, in order to be able to move under the radar. My point is, that what we see with these companies are new types of logistics organizations, that we cannot compare with traditional freight forwarders.

People and organizational development have a high importance in these companies, because they know that they can only be successful if they enable their people to truly collaborate. Despite the lay-offs that we will likely see at Maersk, this will not fundamentally decrease the sense of safety and belonging in the organization. If they continue to drive their transformation with care for their people, the organization will soon move even closer together.

Being a logistics provider of any kind, is about trust, and trust emerges between people. The entire process of winning, implementing and operating a logistics business depends on people, how they trust each other and how well they collaborate. And yet, logistics companies notoriously under-spend on their people development initiatives, do too little to evolve their cultures and develop their leaders. 100s of millions are spent on systems, but only a fraction of that on people development. That is absurd, and it is the Achilles' heel of traditional logistics companies.

Let me put it this way: Logistics is about moving people first, containers second.

What logistics companies must change

When we researched almost 2.000 global logistics people over the last 10 months, it became clear that there is need for changes in 3 people related areas.

1 - Logistics employees give more than what they get.

Employees rate their experiences at work at a mediocre 54/100 level, but their Engagement level is much higher at 70/100. This imbalance is unsustainable, and make it unattractive to work in a logistics company. That's why organizations need to become much better at developing engaging cultures and positive employee experiences, and then use this energy to create great customer experiences.

2 - Logistics leaders are uninspiring and "old school"

Up-to 43% of employees say that they do not experience Inspiration, Constructive Feedback and Confidence Building from their leaders. This is „old school" and it demotivates people and obstructs collaboration. Logistics business is about collaboration – Command & Control leadership is obsolete. And that's why logistics leaders must become much better at enabling people and the way they collaborate.

3 - Women are the biggest potential, but they have a hard time

Female leaders are rated higher than men on 6 out of 7 leadership competencies, but they report a 10% lower Employee Experience. Female talents are under-utilised, and there is an unhealthy gender imbalance on all manager and leadership levels. Only a few companies, e.g. Geodis, Maersk and DHL, are seriously trying to change this and evolve their cultures. We need many more concrete steps to accelerate female talents and leaders.

Conclusion

When organizations address these 3 challenges with conviction and imagination, they will automatically become more attractive, inspiring and engaging places to work. But we need to be bolder in how we develop cultures, leaders and organizations. We need to take better care of employees and develop leaders who have the mindset and abilities to enable people around them. Only then will logistics service providers perform at their full potential, and be harder to disrupt.

I realise that some may feel that I step on a few toes with this article. But I mean no disrespect. When I say that leaders are uninspiring, then it's because this is what our survey results show.

About the author

Henrik Kofod-Hansen is the Founder of novosensus, a Human and Organizational Development Company in Singapore. Henrik has held senior leadership positions with several global logistics companies in Europe and Asia, and today works globally to enable organizations to evolve their cultures and grow leadership capabilities.

Customs clearance, valuations and exemptions

Amar Kant Mishra
Director Strategic Accounts, Transys Global Forwarding

For all of us who deal with importation and exportation of goods and services, customs are a department that is always approached with caution, mystery and intrigue as well. Many of us think it is best left to be handled by the customs house agent. This note throws light on customs, valuations and exemptions and takes a look at various attributes concerning the same.

The first board of revenue was created by the British in 1786 at Calcutta, and all the revenue including Customs and land were collected through the same agency. The Sea Customs Act, 1878, was the first Act enacted with respect to Customs in India, Replaced by Customs Act, 1962. After Independence there was greater emphasis on revenue collected through the customs tariff as an aid to country's Industrial development. Presently India is a member of WTO and thus follows the GATT Code of Valuation along with restrictions compatible with the terms of agreement signed with the WTO. Customs facilitate trade and industry by streamlining and simplifying import/export and excise processes thereby, helping Indian business to enhance its competitiveness, creating a climate for voluntary compliance by providing guidance and building mutual trust .They help in realizing the revenues in a fair, equitable and efficient manner. Supporting to administer the government's economic, tariff and trade policies with a practical and pragmatic approach, the also combat revenue evasion, commercial frauds and social menace in an effective manner

Classification:
Goods are classified taking into consideration the scope of headings / subheadings, related Section Notes, Chapter Notes and the General Interpretative Rules (GIR). The GIR is a set of 6 rules for classification of goods in the Tariff Schedule. These rules have to be applied sequentially.

The Interpretative Rules play a very important role in the classification of the goods. Rule 1 of the GIR gives precedence to the Section notes / Chapter notes while classifying a product. Rule 2(a) applies to goods imported in assembled / unassembled condition. Such goods may be in incomplete or finished form. Rule 2(b) is applicable to 'mixtures' and 'composite goods'. Goods which are not classifiable by application of Rule 2(b), will have to be classified by application of Rule 3. Rule 3 has three sub rules. Rule 4 states that goods which cannot be classified by application of the preceding rules may be classified under the heading appropriate to the goods to which they are most akin. Rule 5 applies to packing materials / articles in which the goods are carried. Rule 6 provides the general guideline for classification of goods under the appropriate sub heading.

While classifying goods, the foremost consideration is the 'statutory definition'. In the absence of any statutory definition, and any guideline provided by HS explanatory notes, the cardinal principle would be the way goods are known in 'common parlance'. Many times statutes contain definitions and meanings of only a restricted number of words, expressions or phrases. While interpreting the common words used in the statute, giving more importance than due to common dictionary meanings may be misleading many a times as the dictionary gives all shades of meaning of a particular word. Similarly, meanings assigned in technical dictionaries will also have limited application.

A three Judge bench of supreme court of India has laid down the following parameters for determination of classification of goods. Functional Utility, design, Shape and predominant usage have also got to be taken into account. HSN along with explanatory notes provide a safe guide for interpretation of an entry. Equal importance to be given to Rules of Interpretation of Tariff. Onus to establish tariff classification of goods is on the department. Opinion given by WCO regarding classification has great persuasive value , considering the purpose of its setting up and expertise it represents

Valuation & methods

Customs Valuation (Determination of Price of Imported Goods) Rules, came into force on the 16th August 1988. It shall apply to imported goods where a duty of customs is chargeable by reference to their value.

Rule 4 transaction value: The transaction value of imported goods shall be the price actually paid or payable for the goods when sold for export to India, adjusted in accordance with the provisions of rule 9 of these rules.

Rule 5 transaction value of identical goods: The value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued. Identical goods means imported goods which are same in all respects, including physical characteristics, quality and reputation as the goods being valued except for minor differences in appearance that do not affect the value of the goods

Rule 6 transaction value of similar goods: The value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued. Similar goods mean imported goods which although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable with the goods being valued having regard to the quality, reputation and the existence of trade mark

Rule 7 deductive value: If the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions:

- Either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind.
- The usual costs of transport and insurance and associated costs incurred within India
- The customs duties and other taxes payable in India by reason of importation or sale of the goods

Rule 7A computed value: The value of imported goods shall be based on a computed value, which shall consist of the sum of:

- The cost or value of materials and fabrication or other processing employed in producing the imported goods.
- An amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India
- The cost or value of all other expenses under sub-rule (2) of rule 9 of these rules

Rule 8 residual method: Where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and sub-section (1) of Section 14 of the Customs Act, 1962 (52 of 1962) and on the basis of data available in India

Provisional Duty Assessment regulations 1963

Where the proper officer on account of any of the grounds specified in sub-section (1) of section 18 of the Customs Act, 1962 (52 of 1962), is not able to make a final assessment of the duty on the imported goods or the export goods, as the case may be, he shall make an estimate of the duty that is most likely to be levied.

If the importer or the exporter, as the case may be, executes a bond in an amount equal to the difference between the duty that may be finally assessed and the provisional duty and deposits with the proper officer such sum not exceeding twenty per cent of the provisional duty, as the proper officer may direct, the proper officer may assess the duty on the goods provisionally at an amount equal to the provisional duty.

Customs Refund Regulations, 1995

An application for refund shall be made in the prescribed form appended to these regulations in duplicate to the Deputy Commissioner of customs, having jurisdiction over the customs port, where the duty was paid according to the Customs Notification no 34/96-cus(N.T).

The Application shall be scrutinized by the proper officer for its completeness and if found to be complete shall be issued an acknowledgement by the proper officer with in ten working days.

Unjust Enrichment

In the Matter of refund there is an additional restriction introduced that refund would not be given to the importer or exporter if he has passed on the incidence of duty to another person. Such other person can then claim the refund , or it will be credited to Consumer Welfare Fund.

Re-import of Goods

Goods which are exported out of India would, on their re-import, attract Customs duty unless specifically exempted by a notification 94/96-Cus dated 16-12-1996

- Re-import should take place within 3 years
- There should be not change in the identity of the goods between the time of their export and re-import.

Warehousing

If the importer is not in a position to pay the customs duty, he can file into bond B/E for warehousing of goods. Extension of warehousing period cannot be granted expect for in very exceptional circumstances. Owner of warehoused goods can relinquish his title to the goods. Interest on warehoused goods is chargeable after completion of 90 days.

Customs over the last many years have introduced many positive changes aimed at the ease of doing business. Introduction of deferred duty payments(under the AEO programs), relaxation in insurance cover/bond/BG, setting up of customs clearance facilitation committee (CCFC), amendments in warehousing provisions, single window project and reduction in documentation for imports and exports are some of the steps. It is vital for all the ecosystem partners involved in the foreign trade to understand and make use of these changes in running our supply chains more efficiently.

Freight: Fight or Flight?

The Pre-alert

Citigroup, United States of America, 1999.

The merger between Citicorp and Travelers Insurance, a large corporation that owned and controlled the investment bank Smith Barney, would in many ways alter the course of history in modern day economic growth of nations and its consequences. At the core, the merger which created the vast conglomerate involved with banking, insurance and securities would directly stand against the fabled Glass-Steagall Act of 1933. Simplified, the act came into force after the Wall Street collapse of 1929 wherein, overenthusiastic commercial banks got into investments in stock market, buying stocks in private corporations for resale to public. The pursuits of these institutions in the hunt for abnormal profits more often than not clouded their judgments, eventually leading to the collapse. The Glass- Steagall act made sure that commercial banks and investment banks are kept forever apart.

Cut to the present, the largest financial conglomerate in the world now (approximately us$70bn)would be empowered to trade in stocks, accept deposits, disburse loans, sell insurance and operate a plethora of financial activities all under one name: Citigroup. The banking lobby wanted Glass-Steagall act abrogated and they managed with politicians on their side. This undoing, however will pave the way for the world to be brought to its knees in the form of a financial catastrophe in just under a decade.

The real estate, especially, the housing boom in USA saw the age of derivatives, be it RMBS (residential mortgage-backed securities) or CDO (collaterized debt obligation). The mortgage houses had to just sell the mortgages to any of the investment banks, like Meryl Lynch or Lehman Brothers. In turn, they were packaged as RMBS or CDO's the world over to banks such as HSBC or even Japan's Mitsubishi. The moment of truth arrived in the form of subprime mortgage crisis, that occurred when banks over sold mortgages to fulfil the demand of mortgage backed securities sold in the secondary market.

On 15 September 2008 Lehman Brothers, the giant US investment bank filed for bankruptcy, creating waves of aftershock that ultimately turned out to be a tsunami of destruction and an armageddon in itself. The global money markets froze, and banks and insurance companies across the world got crippled with sheer inability to borrow. The collateral damage and consequences came in the form of trade slippage (biggest fall after great depression) collapse of business confidence and industrial production, exacerbated by the economy's free fall into recession.

This was a pre-alert; 2020 was ahead of the curve.

Triggering the fight or flight response

Warning signals, imminent danger or threat encountered by humans are met with timely reactions, much like a standard operating procedure, preparing the homo-sapiens quickly for a response. The body gets prepared, even without your knowledge providing complete freedom for the mind to activate and choose the response direction: stand to put up a fight or flee, to safety, that is. There is certainly a department in our body to deal with threats, converting itself to a command and control centre at the time of crisis. Consider this, for example, an apparently dangerous or stressful incident can make the heart pound and breathing quicken. Muscles tense up and beads of sweat appear, *sounds familiar?*

Labelled as the acute stress response, this bodily reaction to stress and threat levels is achieved through the activation of the sympathetic nervous system.

How organisations responds to stressful situations is not different, after all, they are also run by humans. To survive and sustain is a basic human attribute and therefore in the face of danger, decisions are arrived at and companies tend to move in a particular direction, towards the shores, in search of safe banks waiting for the storm to pass. As stressful situations unfurl the immediate reaction is to check for the pointers of direction- fight or flight (flee)?

Ofcourse there are no right or wrong answers here. We have moved from complexities in business to paradoxes-making us quite often to choose between two wrongs.

Virus and epidemiology have been sought after news items in recent times. When calamity strikes, we trace historical roots looking for precedents, eyeing its most profound consequences. Virus was new, the financial armageddon it presented had some parallels.

Globalization and the trade upswing that was set in motion more than a decade before the millennium endeared quite well into mid 2000 before making the closest brush with recession cycle which many of us remember, that had been brought about by the global financial crisis of 2008. Completely man-made, the response to the crisis, originating in USA had to be with governmental intervention in terms of its obligation to save livelihoods and the falling financial institutions. The global financial losses were compared with fallout after Spanish flu of 1912. Little over a decade into the 2008 crisis, it's hard to recollect whether there was a recovery or a journey to make up the lost wealth, thanks to the geopolitical changes and growth of a new breed of right wing world leaderships.

COVID-19 has disrupted the free movement of people, trade and services, triggering a decline in demand and a slump in supply. Since a shrinking economy has lowered tax collections, relief measures have been funded by ballooning deficits. In turn, these have led debt levels to rise dangerously.

The dark clouds are everywhere and with globalization and global economy on a free fall, the most pertinent question is being brought forward.

The ubiqitous freight forwarder looks for answers- What happens to the freight?: fight or flight?

What eventually happened to the global logistics industry post 2008? The financial crisis of 2008 had a negative impact on the profitability on the logistics industry, with the market capitalisation of the biggest players falling from around $700 billion to approximately $400 billion – the same level it had been in 2004. But the sector has recovered since 2008, with the market capitalisation of the top logistics companies growing at an average of 15% annually over the six years to 2014.

There could be no doubts and arguments about the fact that nothing changed dramatically for the industry other than the trends that were emerging back then were accelerated and brought forward at a greater pace over the next decade well into 2020. We look at some of the prominent ones.

Consolidation (M&A activities)

The global logistics industry was pegged at us$1.7 trillion in 2010. The top 50 organisations, which control about one-third of the global market, saw revenues grow three times faster than for the industry as a whole. At the same time, however, profitability kept dropping: Even before the global economic crisis of 2008 unfurled, EBITDA at leading logistics companies had plummeted by nearly 25 percent from 2004 through 2008. Despite growth in revenues, many of these organisations were unable to leverage their market value robbing their stockholders returns on their investments. One of the primary reasons for this have been the penchant for M&A drives targeted at consolidation. By 2010, the top 40 organisations among themselves had completed close to a whopping 250 M&A transactions, certainly adding bulk in revenue statements. Not difficult to guess that profitability rose only in few and unusual cases among these transactions.

Digitalisation

Unarguably, the most important technology trend of this new era(especially the last decade) has been the Internet of Things, a network of smart devices, sensors and the cloud that allows the physical world and computer systems to interact directly. Logistics, a mobility industry in any case came across as a biggest beneficiary, improving its reliability with IOT devices enabling streaming live data within the extended supply chains. Falling data prices along with cheap storage, big data analytics, blockchain and artificial intelligence have been much sought after areas of advancement in supply chain planning and execution functions since the last decade.

Freight platforms

If there was one concept of differentiated offering that the logistics industry brought up, pretty much since the peak of consolidation years around the last decade has been that of the new digital entrants. What was on offer for the customers have been seamless experience they already enjoy as consumers: ease of access, price transparency, and swift, near real time integrated service. Take freight forwarders and carriers. Platform-centric, online marketplaces were able to connect shippers directly with both Logistics Service Providers (LSPs) and carriers. By enabling instant freight quotes, rate management and business intelligence to manage contracts and automate the quotation and sales process, these models developed capacity spot markets that challenged the freight forwarders' position as the system's main capacity brokers. Shippers with less complex shipments could easily switch to the new, platform-based services. Carriers, meanwhile, could use the online marketplaces to conduct business directly with shippers.

Integration of services by carriers

Post 2008, the container shipping industry gathered steam on offering its customers packaged solutions and integrated services, that went beyond anything attempted hitherto on ground. The concept, having had moderate results have been progressive through the ensuing years enabling the shipping lines to make the end to end logistics a bigger part of their overall business. Despite the pressure to keep inventory low and facilitate just-in-time deliveries, the large scale adoption by shippers have been elusive owing to myriad of regulations (cross border) and touch-points; something that only the forwarding communities through their offices and network get to manage as a part of their processes. The impetus however has been technology advancements and enhanced shipping complexities that has given a fillip to the shipping lines like CMA CGM and Maersk to upend the scope and size of their investments in more tailored solutions to offering the end-to-end services making the outfits a full company play rather than standalone attempts in navigating larger wallet share of businesses from the cargo owners.

2008 financial crisis & post coronavirus aftermath

The post corona life is likely to be modelled on 2008 financial crisis aftermath, argues *Ruchir Sharma*, the best selling author of *The 10 rules of successful nations* in a NY times article. Global trade breached growth levels of twice that of the world economy before 2008, but has barely kept pace in recent years, presumably owing to the geopolitical and global leadership changes. The article projects global trade levels are projected to fall around 15 percent in 2020 — at least three times the expected fall in economic output. That the post virus recovery for the world economy would be subject to divisive trade politics is given, as can be seen from heightened trade wars, amidst protectionist and nationalistic sentiments across key geographies in play now.

Globalization already went on a reverse propulsion, well before the onset of the pandemic. The debt markets are seeing the after effects of deglobalization. Pragmatic expansionism, practiced by leading super powers and emerging economies around four decades back in the post Cold War era, aided by falling interest rates and financial deregulation made way for explosive global lending, which, tripled the world's debt burden to three times that of its economic output, by the time financial crisis of 2008 unfurled. The credit meltdown it brought hit the business and household confidence hard, cutting access to any further credit and inducing a debtphobia in the process. From Americas to Europe to Asia, the pandemic has done exactly the same, bringing organisations which are heavily indebted to the brink of bankruptcies and collapse, allowing those left over ones to manage with their own survival kits. Much depends on the only class of borrowers left, the governments who still have the confidence to take on further debt, many of them who have already committed trillions of dollars in reforms and stimulus plans to save their work and workforces.

Fight, not flight for the freight forwarder

The coronavirus pandemic has certainly ruptured all previously held beliefs in complexities concerning freight forwarding businesses and have raised existential questions for many of them. The business as usual approach no longer exists.

Amidst fierce competition and falling margin levels, the freight forwarder is historically down on tolerance zones of maintaining the business profitability. The post pandemic shifts in the environment will predicate the forwarder's relevance to customers changing service requirements. For one, the macroeconomic contraction will affect the logistics services, especially in cross border movements as forbearance on global trade will reduce significantly. A consequential shift aided by nations taking strong positions with respect to sourcing of products will see customer's supply chain alter considerably, all focus likely to de-risk unpredictability and stock outs in addressing the fulfilment scenarios.

The 2008 financial crisis and its aftermath set up a backdrop of new trajectories for the logistics providers ecosystem as described before, and many of them will endure and accelerate at a faster pace, however, it's vital to look further and plan for the new normal which will emerge post COVID-19, furtherance of existing trends notwithstanding. Here are some recommendations, what forwarders should be prepared for.

Technology as a tool in enhancing flexibility.

Technology is no more nice to have tool for productivity. Another parameter to consider now is about incorporating flexible work force requirements while planning seriously for technology initiatives. The IT systems should have bandwidth, security and protocols that deal with remote working and scalability.

Rethink people

Time to automate non customer facing or non core tasks. Logistics service provision relies on repetitive and discontinuous transactional cycles. As much processes that can be standardised or centralised must be done and this can help considerably in people deployment plans.

Move to a digital future

The recent buzz around blockchain and AI applications in logistics industry represents the need to respect and value data and enabling its use as a strategic asset to anticipate and respond to future events. The catch here is for a forwarder to become a data driven enterprise. A data repository which need to be mined constantly and churn out analytics that help its patrons for creating alignment with changes in their market place.

Agile enterprise

Across the spectrum of competing freight forwarders, big or small, the need for being agile in the market place will be critical. The organization has to have the right processes, match technology to enable it, achieve speed, ensure stability and adapt to external environments, contextualise their offering and execute with certainty as markets re-emerge. Make room for physical infrastructures including branches to be converted to virtual hangouts.

Future beckons

Kevin Kelly in his landmark book *The Inevitable* argues for a dematerialised, decentralised, platform enabled and a cloud based connected world where, for most things of daily life, accessing services on demand will replace their ownership. He argues to derive a deep connection to primeval where homo-sapiens used materials and objects only to be left behind for access later on.

The pandemic and its aftermath has raised fundamental questions on organisations and their sustainability. The logistics service user organisations will be pushed to relinquish positions of operational assets, infrastructure and networks. Freight forwarders will be called upon to inch up the true value chain in performing tasks and understanding operational models of business outside of their skillsets. Sharing of common platforms, accessing networks on demand as opposed to owning them will soon transition into present day norms of doing business.

The future beckons those forwarders who can respond to the stress now, align their resources, create fluidity in their existence, be agile in the market place and adapt to the new normal by recognising the emerging needs of their customer market place and orient themselves for meeting the challenges ahead.

Sumit Varma is an entrepreneur associated with the logistics and supply chain services business. He is a Director with Transys Global Forwarding Private Limited, a freight and logistics solutions company and is based out of Mumbai, India. In a career spanning more than two and a half decades, Sumit has been associated with Print, publishing, pharma and healthcare industries as well. His areas of interest includes airfreight, ocean freight, contract logistics and digital solutions besides following the micro and small enterprises engaged in supply chain businesses.

Follow Sumit @transysGF on Twitter

Anand Mahindra has a 'perfect' vehicle for Mumbai traffic, exported by Transys.

United Nations will deploy a vehicle designed, produced and exported by Mahindra in its peacekeeping operations around the world. The vehicle is called ‘Mine Resistant Ambush Protected’ Speciality Vehicle with Interrogation arms to lift road side Improvised Explosive Devices (IEDs). Anand Mahindra, Chairman of Mahindra Group took to his twitter handle to call it a ‘Mean Machine when his colleague tweeted two pictures of the machine.

A Transys directed execution

Transys scope of work included loading at factory, Lashing, Securing, Transport from Prithla (Haryana) to Nhavasheva, customs clearance, all CFS activities, stuffing onto FR container, lashing and choking, marine survey, Shipping from Nhavasheva to Sihanoukville port- Cambodia.

The assignment was demanding and exciting considering the fact that Lock down was declared immediately after moving these vehicles from their factory. In the face of challenges with the Customs, CFS and with shipping line we successfully moved the vehicles in various batches of 40’ Flat Rack containers. The handling of these units demanded expertise and caution considering sophisticated sub-units mounted on the left-hand drive vehicle which had to be driven from the ramp for loading at the container freight station.

“Planning, professionalism and dedication that your team showed while working on the shipment has helped us in delivering the consignment to the customer on agreed timelines” commented Mr. Mandeep Singh, Plant Head of Mahindra Defence Systems Limited in his testimonial to Transys team.

IAG Cargo adds more capacity to India with 3/wk services to DEL & BLR

June 17, 2020: IAG Cargo announced more capacity to India with cargo-only rotations to Bengaluru (BLR) and Delhi (DEL) from London Heathrow (LHR) both flying three times weekly, along with the existing daily service to Mumbai (BOM) and weekly three times to Hyderabad (HYD).

All Indian services are carried out on British Airways flights.

London – Bengaluru
The LHR-BLR service will be served by a B777 aircraft on every Monday, Wednesday and Friday started from June 9, 2020, while the BLR-LHR service on every Tuesday, Thursday and Saturday.

London – Delhi
The LHR-DEL rotation on B787 aircraft will be operating on every Tuesday, Thursday and Saturday, started on June 10, 2020, while the DEL-LHR service is on every Sunday, Wednesday, Friday.

London - Mumbai
Started on May 6, 2020, the British Airways cargo-only B787 aircraft flies to and from Mumbai daily.

London – Hyderabad
Started on May 26, the B787 aircraft comes to Hyderabad on every Monday, Wednesday and Friday while leaves back to London on every Tuesday, Thursday and Saturday.

Maersk offers rail solutions to Indian exporters amid trucks shortage

June 5, 2020: Maersk decided to ramp up its rail solutions for its customers including some of India's largest petrochemical companies and automotive manufacturers to help them move their cargo to ports for export. Maersk's solution included moving goods straight from the exporters' manufacturing facilities on rail to the required port or moving the cargo first to the closest Inland Container Depot by road and then loading it on to rail.

During the lockdown, Maersk has experienced up to 30% increase in movement on rail as compared to times prior to lockdown. Clearance of import cargo on rail from ports has also helped in releasing a lot of pressure that was building up on the overall logistics infrastructure.

Indian logistics during lockdown

The Indian logistics ecosystem came under tremendous pressure due to the nationwide lockdown implemented to contain the COVID-19 pandemic. Supply chains started slowing down despite logistics and shipping being deemed as 'essential services' which were exempt from all lockdown measures. One of the key factors affecting the supply chains was the severely impacted trucking ecosystem. Trucks were abandoned by their drivers who rushed back to their home towns; dwindling away the movement of cargo.
Several Indian industries that needed to be kept running owing to their continuous production processes or which opened up after some relaxations in the lockdown were announced, started facing troubles on two fronts: their domestic demand plummeted as their customers had stopped operations and they faced a herculean task of finding trucks to move their goods to ports.

Advantages of rail

The advantages of moving cargo on rail have been more than just overcoming the unavailability of road transport. To start with, the movement on rail is quicker. The reliability offered by rail transport is also higher. From the perspective of the customers, they get most of their logistics needs fulfilled at the one-stop-shop that Maersk is offering by combining ocean and landside transportation and offering integrated logistics solutions. Moreover, in the times of pandemic, it ensures lesser human interference as a single train carries multiple containers as against one container per truck and thus per truck driver.

"At Maersk, we want to go all the way in ensuring that our customers have access to products and solutions that meet their end-to-end supply chains. What we have offered to our customers is an integrated solution that spans over landside and ocean logistics," said Steve Felder, managing director, Maersk South Asia.

"At times when customers are hitting a road block, we are reaching out to them to offer wide range of solutions that go beyond the primaries of moving cargo, and also offering other services such as booking management and customs house brokerage."

Digital solutions

Apart from offering solutions for landside movement of cargo, Maersk has rolled out various digital measures that have helped its customers release payments electronically and undertake digital documentation. Maersk has also offered its customers storage options for slowing down their supply chains wherever necessary.

➤ Economic Performance of the Airline Industry
Key Points

- The impact of COVID-19 on the global economy will be severe. Global GDP growth is expected to contract by 5.0% in 2020.
- COVID-19 will have a significant impact on international trade (13% decline) which has been suffering from the US-China trade war.
- 2020 will be the worst year in history for airlines (net loss of $84.3bn) and losses will continue in 2021, albeit to a lesser extent.
- •Airlines in all regions are expected to record negative operating income in 2020.
- Revenues are expected to fall by more than demand as airlines are significantly discounting ticket prices to help stimulate travel.
- The sharp fall in revenue led to high cash burn due to fixed and semi fixed costs. Airlines face pressure to reduce operating costs.
- 32 million jobs supported by aviation (including tourism) are at risk.
- Restoring air transport connectivity will be critical in the post-COVID period to support the recovery in economic development.

Action Cargo covid-19

- **Industry response on covid-19 crisis**

Since the COVID-19 crisis began, air cargo has been a vital partner in delivering much-needed medicines, medical equipment (including spare parts/repair components), and in keeping global supply chains functioning for the most time-sensitive materials. This has been done through dedicated cargo freighter operations, utilization of cargo capacity in passenger aircraft, and relief flights to affected areas.

- **Expediting the clearance of essential goods**

The COVID-19 pandemic has had far-reaching global effects on cross-border trade, travel, and supply chains. It is essential to make every effort to identify and understand the widespread effects of the pandemic, and to find solutions that respond to current humanitarian, government and business needs, and also provide best practices that could be used to respond to any future incident of this kind in an internationally coordinated and coherent manner.

IATA projects and initiatives

IATA works with the Cargo Operations & Technology Board (COTB) and its sub-groups to modernize air cargo standards, drive change with industry projects and explore new technologies to assess their potential impacts and use within the air cargo supply chain:

- Projects: ONE Record, e-Air Waybill, and eAWB360
- Cargo standards: Cargo-XML, Piece Level Tracking, etc.
- Technology: wireless technologies (sensors & data loggers), blockchain, internet of things, big data, etc.

Top talent inclusions @ Transys leadership team

Amar Kant Mishra- Director Strategic Sales @ Mumbai

Mr. Amar Kant Mishra is an accomplished automotive industry purchase and procurement professional who spent more than two decades in handling the international logistics and customs clearance departments for automotive and farm sector of Mahindra & Mahindra. A gold medalist from Patna University in BA Economics (Hons) and post graduate in Law, he launched his professional career with Vickers International before moving to M&M over the successive years. A keen observer and learner, he has represented himself before tribunals on behalf of his former employers and argued cases, gathering key exposure to customs, its detailed processes and procedures over past many years that has made him a go to man and key trouble shooter for many occasions within the customs and central excise departments.

Mishraji, as he is fondly called in the industry, will work in scripting the expanding base of automotive practice in Transys and will advise the board of directors in best benchmarked practices to be followed for serving automotive customers across the full spectrum of services.

Balaji Balasubramaniam- General Manager South I @ Chennai, India

Mr. Balaji graduated B.com from CBM Arts & Science College in Coimbatore and MFT – Master of Foreign Trade from Pondicherry University and completed PGDMM – Post Graduate Diploma in Marketing Management from Pondicherry University, and he holds IATA Basic Cargo Certification with distinction. Balaji brings experience of 20 years and a proven track record of success in the Business Development, Key Account Management, Team Management, Trade Lane / Product Development and Branch Management. He has been Recognized for Best Sales Team Region – 4 consecutive years since 2013. He joins to lead the team for entire South India and will closely work with functional heads and senior leadership within Transys.

Soma Sundar Kumar Varri- Strategic Sales Manager @Telengana, India

Mr. Soma Sundar is a senior manager and veteran in shipping line, container freight station, port management and international logistics business lines with his immediate prior assignment for a leading south east Indian port based out of Vietnam.
Armed with a BBM and MBA (Marketing) Soma Sundar brings two decades of proven track record in International Freight Forwarding , Business Development, Marketing & Sales, Customs Brokerage, Shipping, Logistics, Terminals, Ports, CFS and Transportation. Soma Sundar joins the senior leadership of Transys and aims to scope diverse business activities under his fold in the years to come.

About TGF:

Transys Global Forwarding Private Limited is an Indian logistics organization founded in 2017. TGF operates in 7 locations across India and is connected through affiliate organizations to service exports and imports requirements of its customers in India and overseas. Headquartered in Bengaluru, India, TGF specializes in hi tech electronics, pharmaceuticals & healthcare, industrial and defence portfolios of its customer's businesses, driven by sector specific knowledge, professional customer support and state of the art technology as key imperatives that makes it a provider of choice in these segments.

The Maroon Beret of Transys

TGF is excited to announce the arrival of our new Friday Attire! Resembling the famous Maroon Beret (Special forces of UK) also called as the "Red Beret" the new casual and easy attires for weekends sports a bright over-tone that is in line with our brand promise of *expertise in motion.*

TGF Affiliations

AUTHORIZED ECONOMIC OPERATOR

INTERNATIONAL AIR TRANSPORT ASSOCIATION

INTERNATIONAL FEDERATION OF FREIGHT FORWARDERS ASSOCIATIONS

FEDERATION OF FREIGHT FORWARDERS' ASSOCIATIONS IN INDIA

MULTIMODAL TRANSPORT OPERATOR

CUSTOMS HOUSE AGENT

FEDERAL MARITIME COMMISSION

Contact Editor:

All employees are encouraged to contribute to the newsletter. Those who wish to do so can write to the editor at *hr@tgfworld.com*