



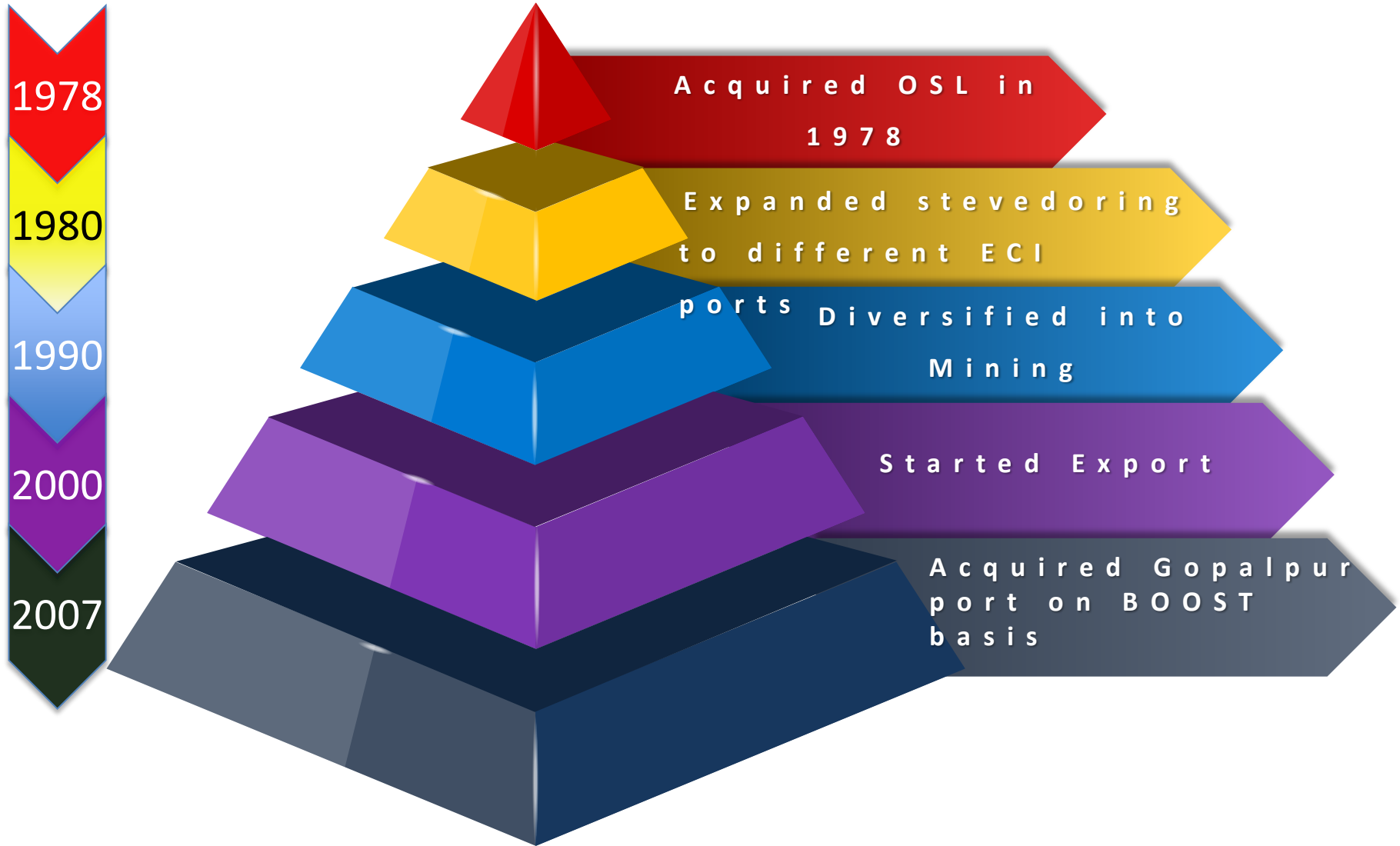
OSL GROUP



Fast Tracking Logistics Infra



OSL - Introduction



Growth Of Company over a Timeline



WORLD SEABORNE TRADE IN 2017

Global volumes gathered momentum and reached **10.7 billion tons.**

4% annual growth: fastest growth in five years

Containerized trade accounted for **17.1%** of total seaborne trade **+6.4%**.



Major dry bulk commodities accounted for **29.9%** of total seaborne trade **+5.1%**.



Crude oil shipments rose by **2.4%** down from **4%** in 2016.



Combined volumes of refined petroleum products and gas went up by **3.9%**.

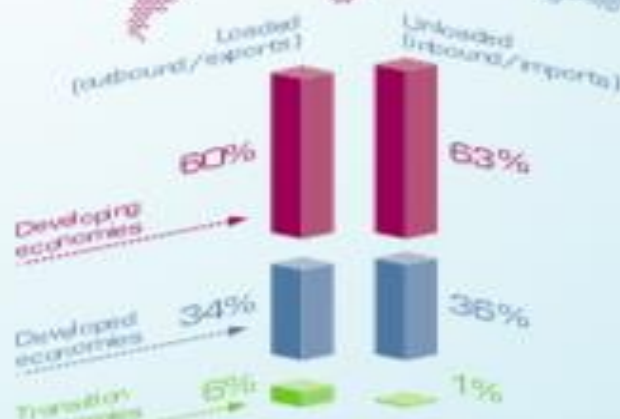


WORLD SEABORNE TRADE GROWTH FORECAST: 2018-2023

Volume projected to grow **+3.8%**



Volumes across all segments set to grow: **containerized and dry bulk cargoes** projected to grow the **fastest**





Indian LPI Overview

| Country | Code | overall LPI score | | | overall LPI rank |
|----------------------|------|-------------------|-------------|-------------|------------------|
| | | score | lower bound | upper bound | rank |
| Germany | DEU | 4.20 | 4.16 | 4.25 | 1 |
| Sweden | SWE | 4.05 | 3.90 | 4.20 | 2 |
| Belgium | BEL | 4.04 | 3.92 | 4.16 | 3 |
| Austria | AUT | 4.03 | 3.88 | 4.17 | 4 |
| Japan | JPN | 4.03 | 3.96 | 4.09 | 5 |
| Netherlands | NLD | 4.02 | 3.95 | 4.09 | 6 |
| Singapore | SGP | 4.00 | 3.86 | 4.13 | 7 |
| Denmark | DNK | 3.99 | 3.82 | 4.16 | 8 |
| United Kingdom | GBR | 3.99 | 3.93 | 4.05 | 9 |
| Finland | FIN | 3.97 | 3.68 | 4.26 | 10 |
| United Arab Emirates | ARE | 3.96 | 3.86 | 4.05 | 11 |
| India | IND | 3.18 | 3.10 | 3.26 | 44 |



Indian Trade Overview



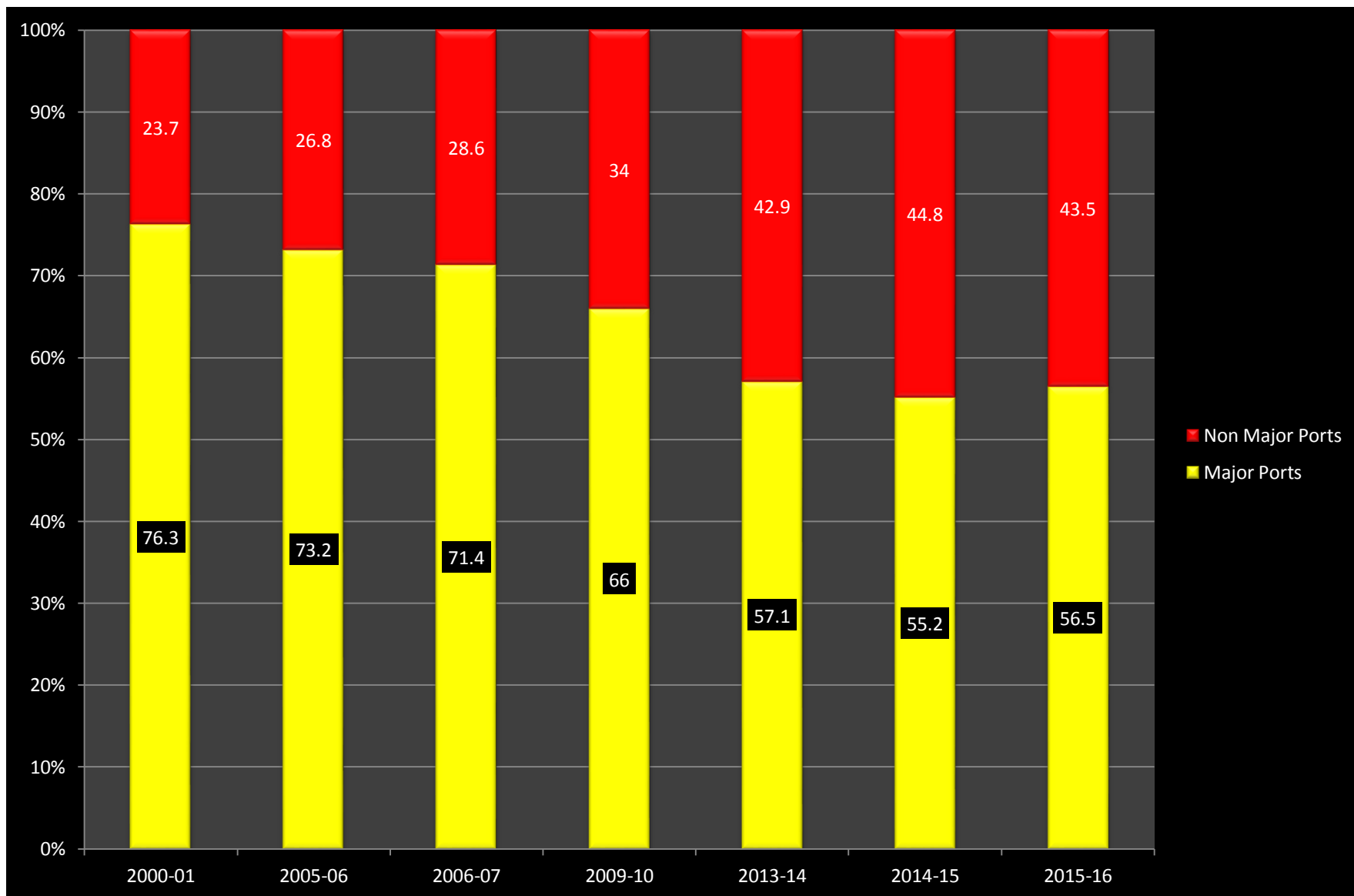
Key Strategy to Improve Export

- Demand based export product
- Rationalize Tariff
- Trade Facilitation
- Structuring Export Promotion Schemes
- Export Competitiveness
- Export Infrastructure & Logistics



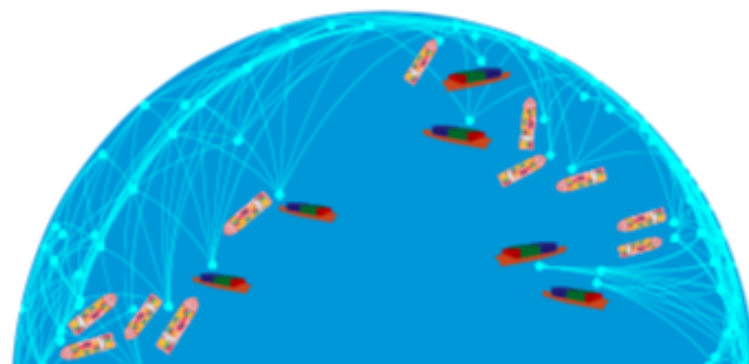
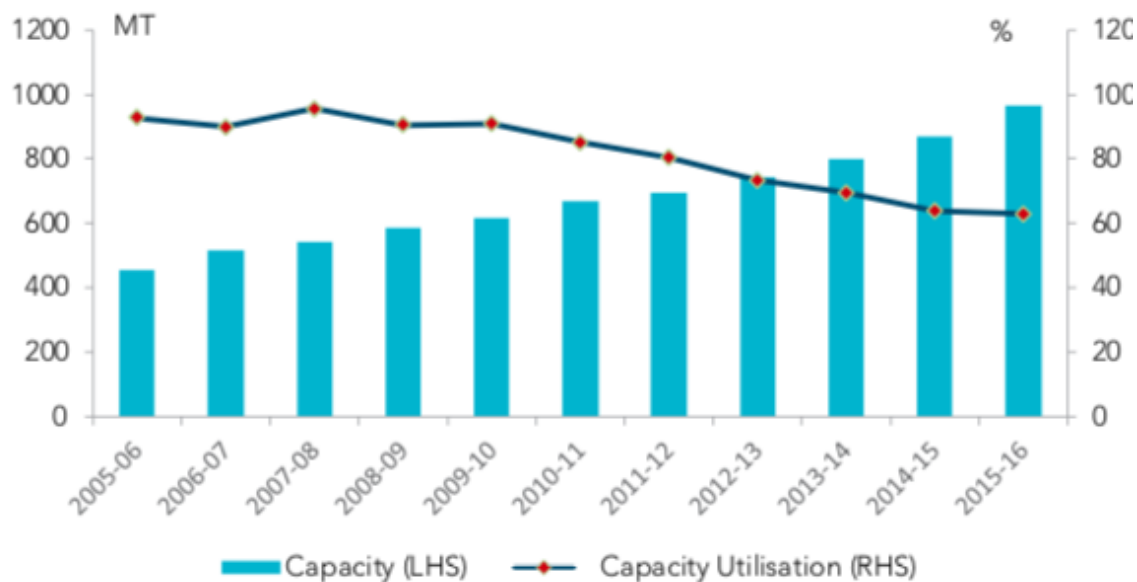


Share of Major & Non-Major Ports in Cargo Traffic Handled (%)





Trend in capacity vs. capacity utilization

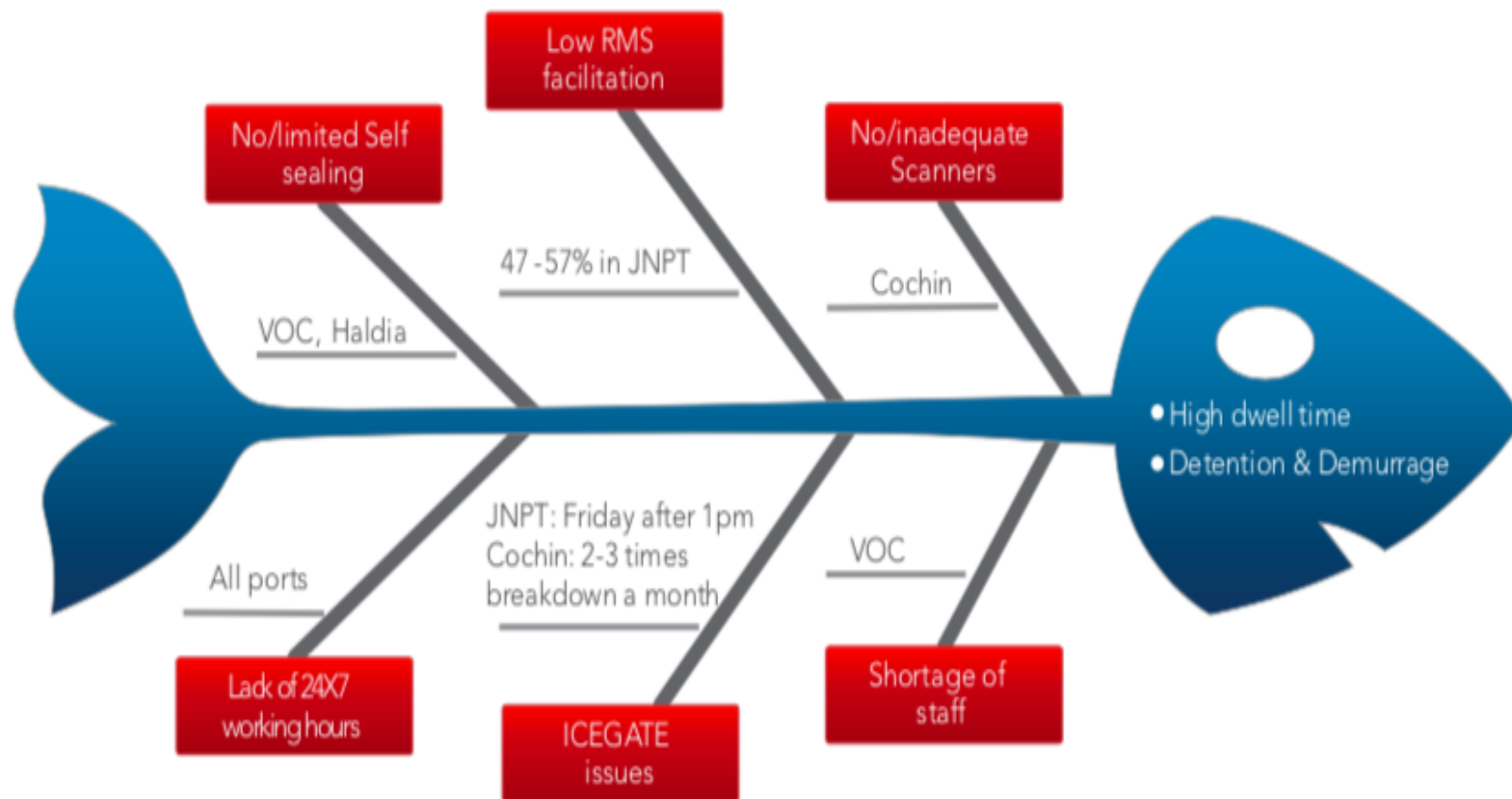


Growth in total traffic **2.0%** CAGR (FY12 - FY16)

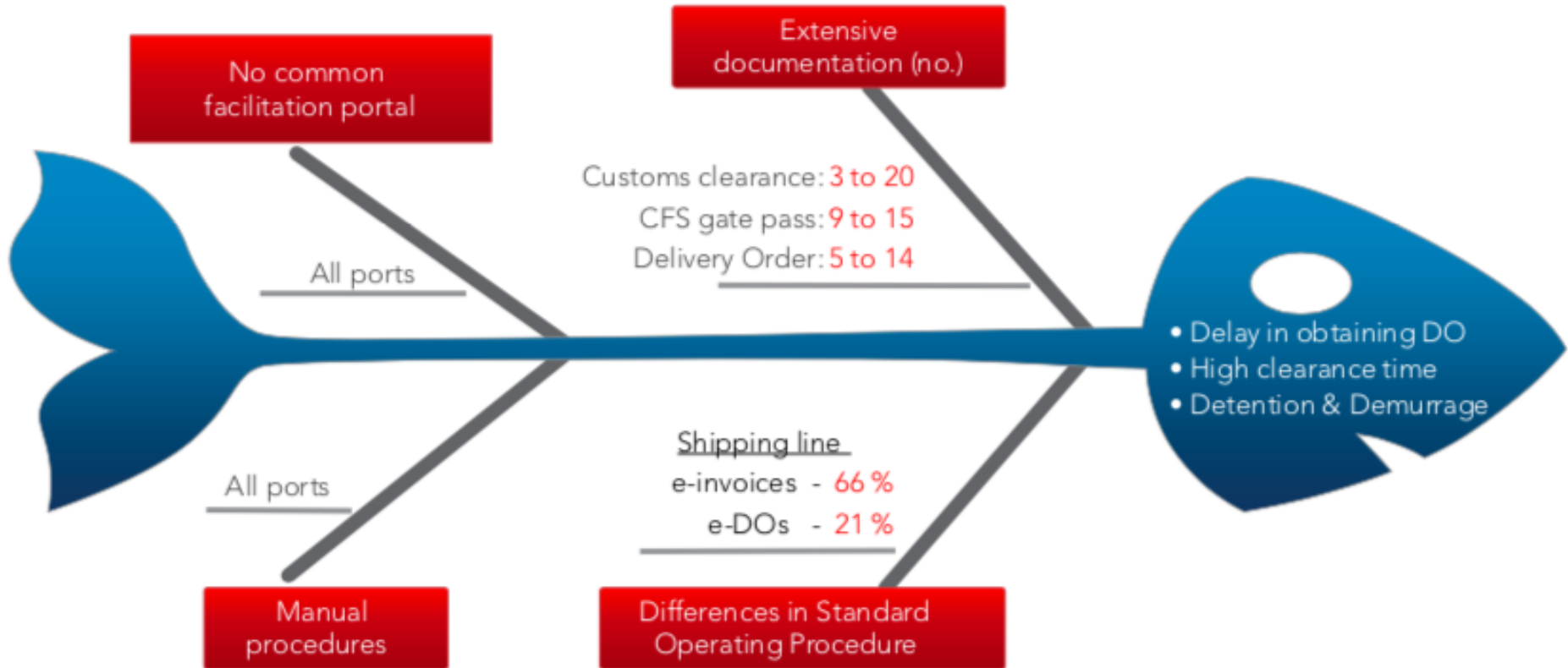


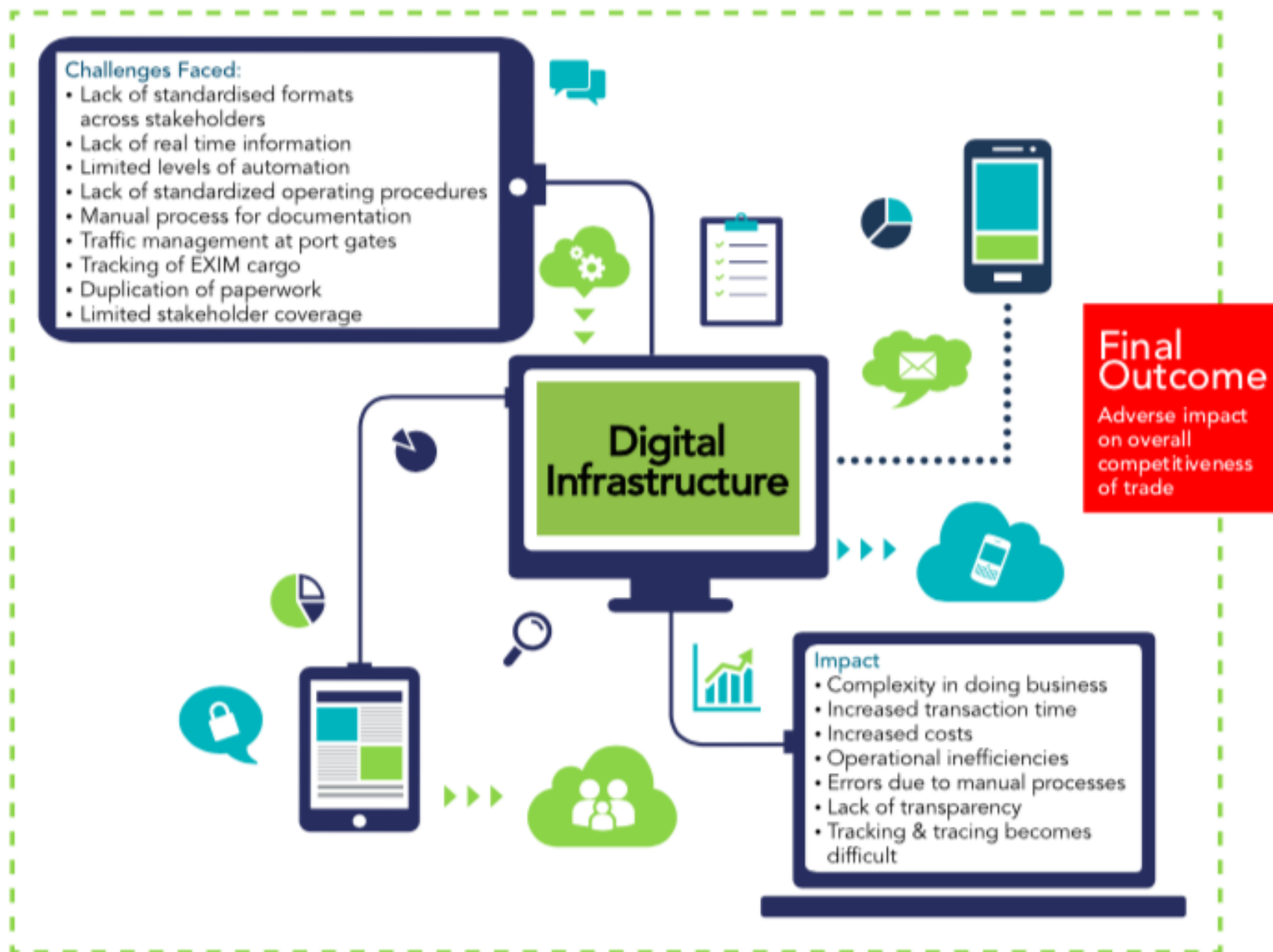
Challenges being encountered:

- Congestion in port
- Customs & customs clearance
- Shipping line issues & charges
- Documentation & paperwork
- ICEGATE (Digital infrastructure)
- Regulatory clearance (along with PGAs)
- Scanning & testing facilities
- Physical infrastructure
- Labour/Staff
- Port charges
- Container delivery
- Transportation
- Connectivity related issues
- Level of integration/ Co-ordination of various services

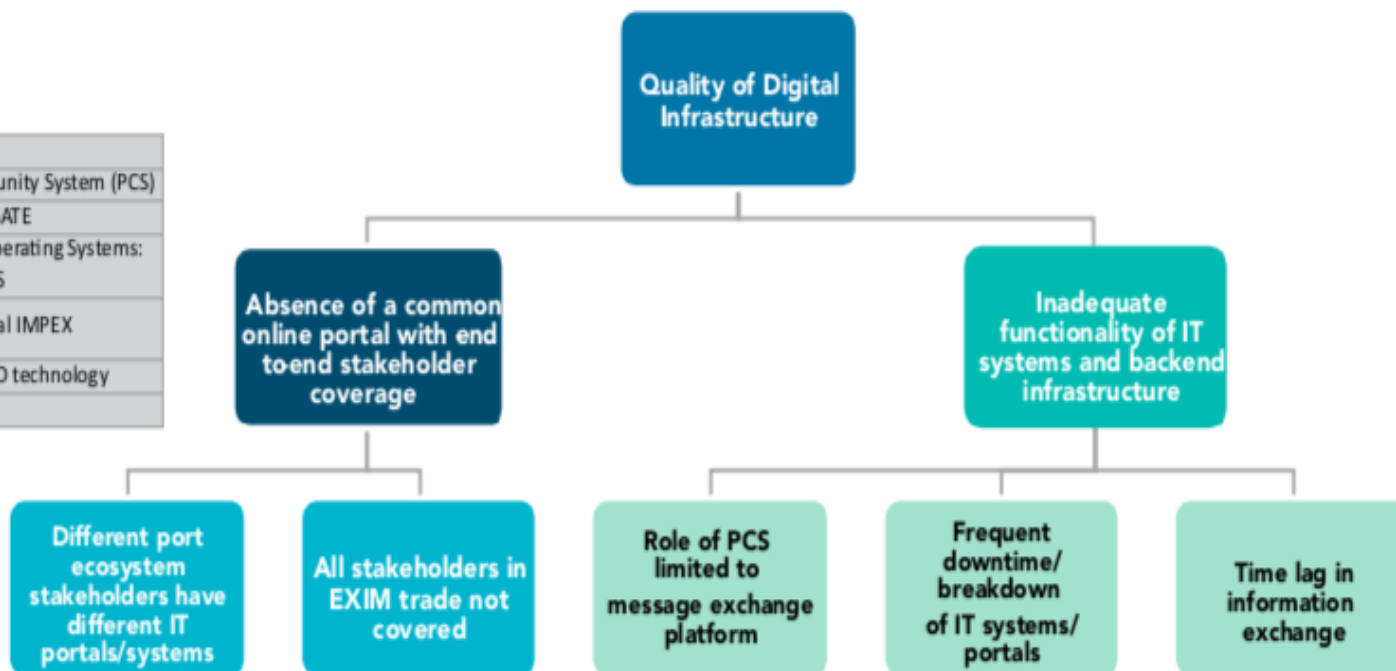


Over 30% of respondents in around 50% of the ports cited Efficiency of Customs clearance, Quality of IT infrastructure, Adequacy of scanners and Quality of Customs staff as a concern





| Stakeholder | Portal |
|------------------------|--|
| Ports | Port Community System (PCS) |
| Customs | SWIFT, ICEGATE |
| Port terminal | Terminal Operating Systems: Navis, CITOS |
| Importer/Exporter/CHAs | ODeX, Visual IMPEX |
| CFS/ICDs | CODEX, RFID technology |
| Shipping Lines | Intra etc. |



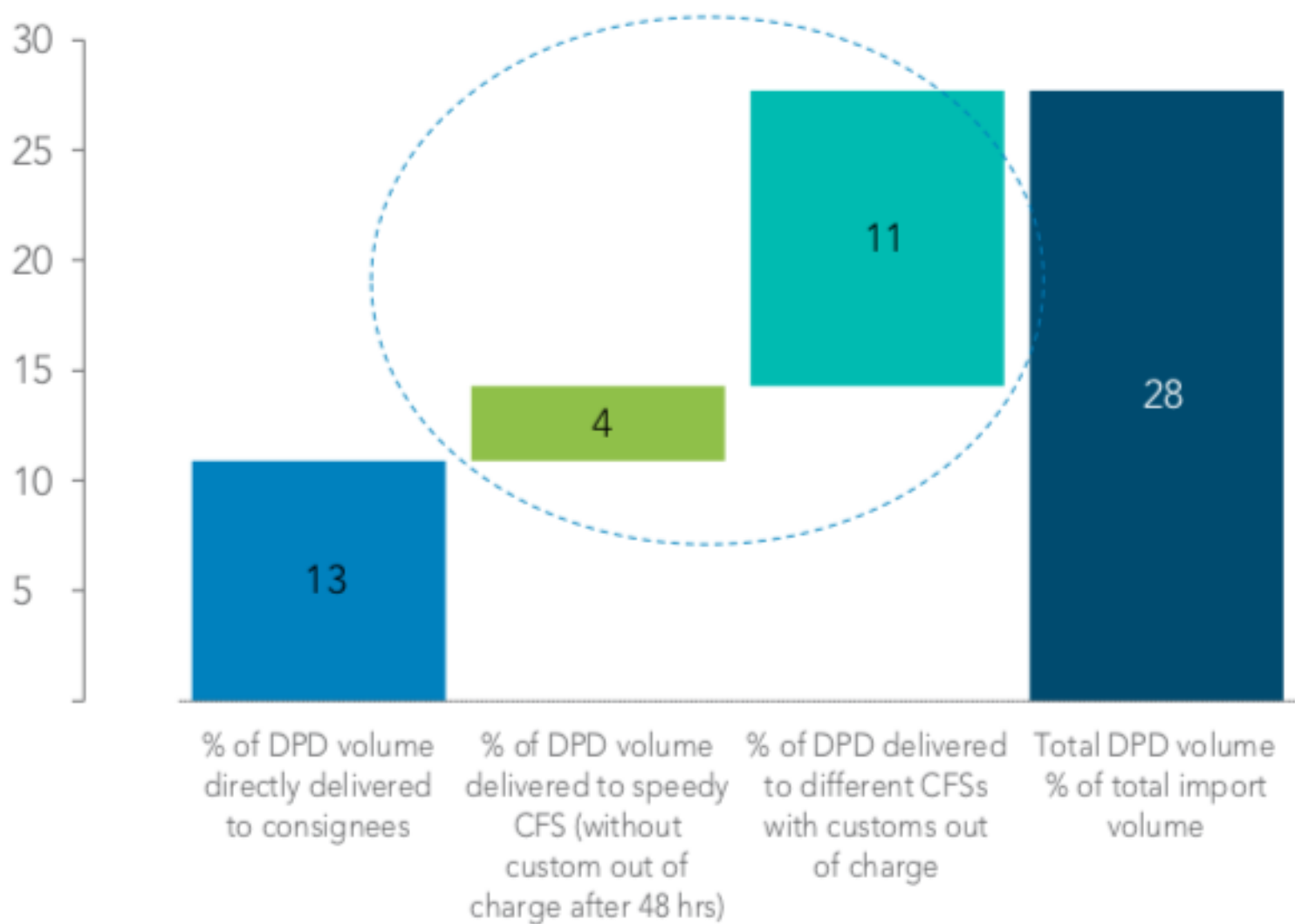
Implication

- Resistance by users due to cumbersome process
- Lack of standardisation of procedures
- Increased transaction time & clearance delays
- Duplication of documents & paperwork



Eventually leading to high dwell time

Performance of DPD at JNPT



Source: CFSAI



- As per a survey the average cost incurred on port logistics as a percentage of the total value of consignment is 15%
- Shipping line charges holds the largest share i.e. 36% of the port logistics cost
- The survey reveals that upto 71% of the respondents cited shipping line issues and charges as a concern

| Head/Shipping line | For CFS bound containers | | | For DPD containers | | |
|---|--------------------------|---------|----------|--------------------|---------|----------|
| | Hapag- Lloyd | CMA CGM | NYK Line | Hapag- Lloyd | CMA CGM | NYK Line |
| Terminal handling charges | 10,000 | 10,150 | 9,025 | 10,000 | 10,150 | 10,125 |
| Lift on lift off charges | 1,100 | | 1,100 | 1,100 | 1,200 | |
| Extra handling charge | 1,000 | | | 1,250 | 1,500 | |
| CFS nomination charge | 12,000 | | | | | |
| Cleaning charge | | | 950 | 4,000 | 1,400 | 950 |
| Container monitoring charge | 4,000 | | 1,000 | | | 1,000 |
| Delivery order/Import documentation fee | 4,500 | 4,950 | 5,000 | 4,500 | 4,750 | 4,000 |
| Container inspection and Survey fee | | 4,800 | | | | |
| RFC | | | 14,000 | | 500 | |
| Value added surcharge | | 3,000 | | | | |
| Mandatory user charge | | | 1,250 | | | |
| Emergency port surcharge | | | | | 8,724 | 2,903 |
| Shifting charge | | | | 2,708 | 2,708 | 2,708 |
| Total cost | 32,600 | 22,900 | 32,325 | 23,588 | 30,932 | 21,686 |



Impact of Challenges: Detention & Demurrage

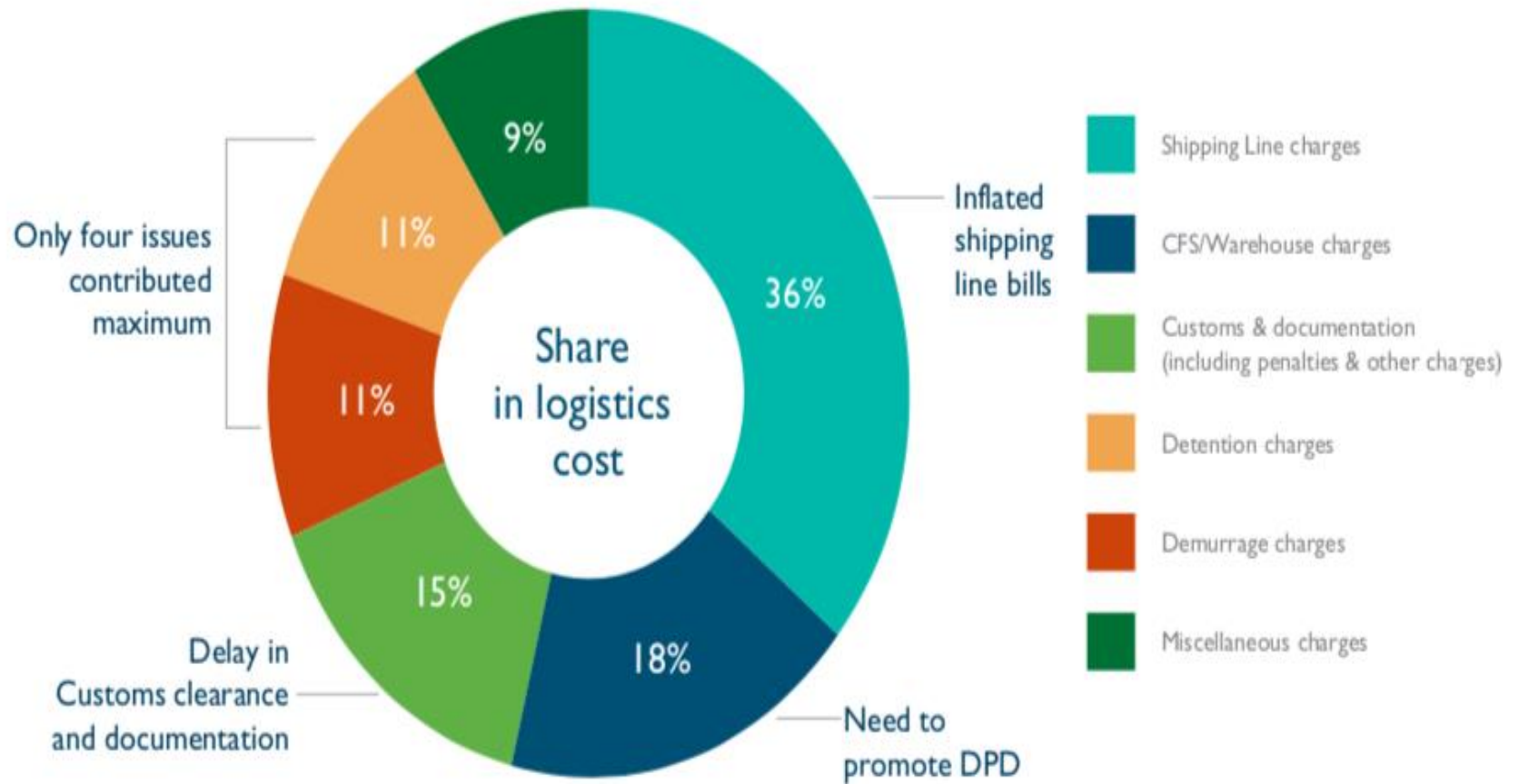
PERCENTAGE OF ISSUES

0% 5% 10% 15% 20% 25%



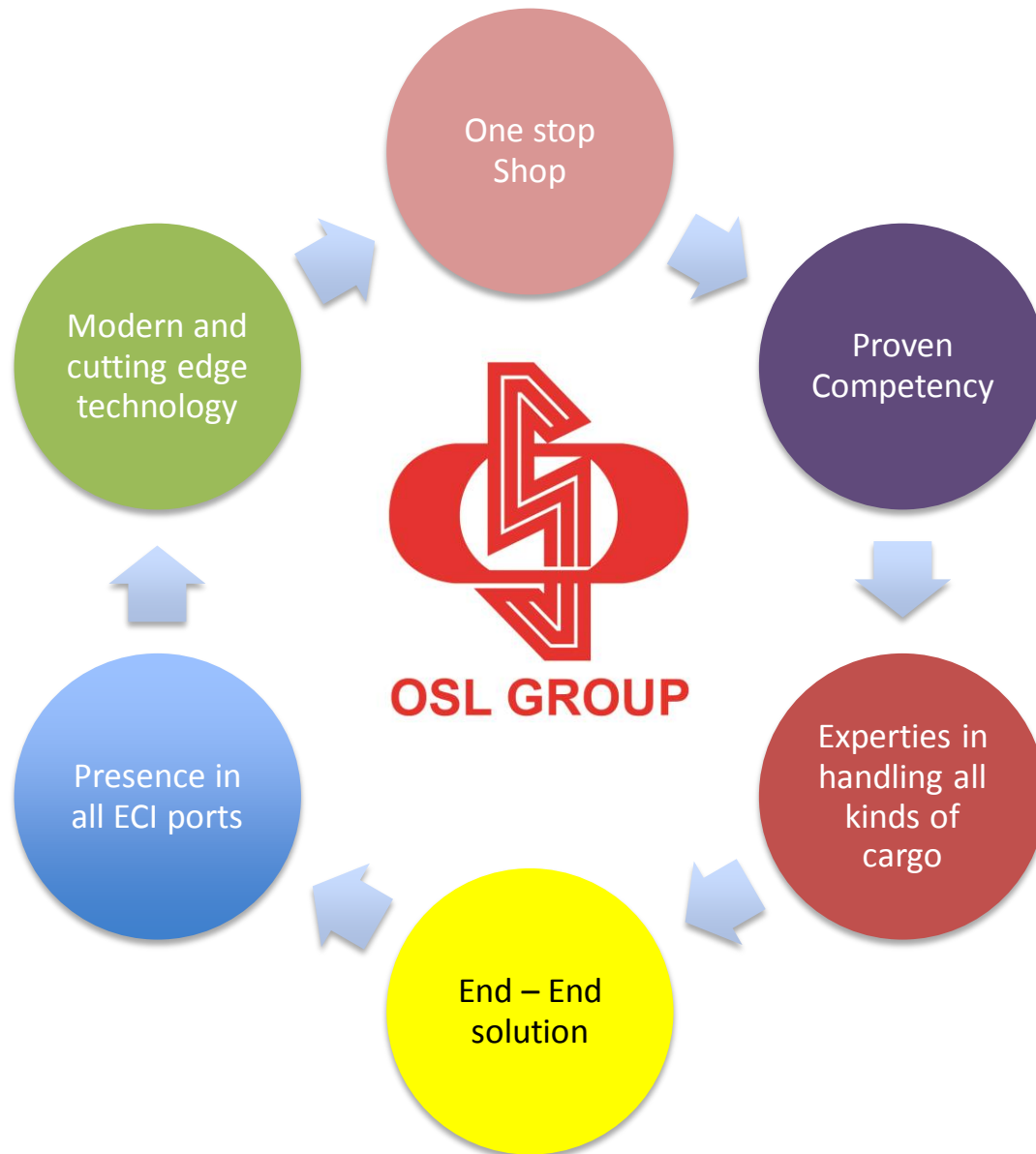


Impact of Challenges: Logistics Cost





Advantage OSL





Conclusion

- Physical and digital infrastructure
- Policy, regulation and procedure
- Connectivity (IWT)
- Clarity and transparency
- Homogeneity



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Thank You