

# Vibrant Hinterland and Rising Cargo Volumes

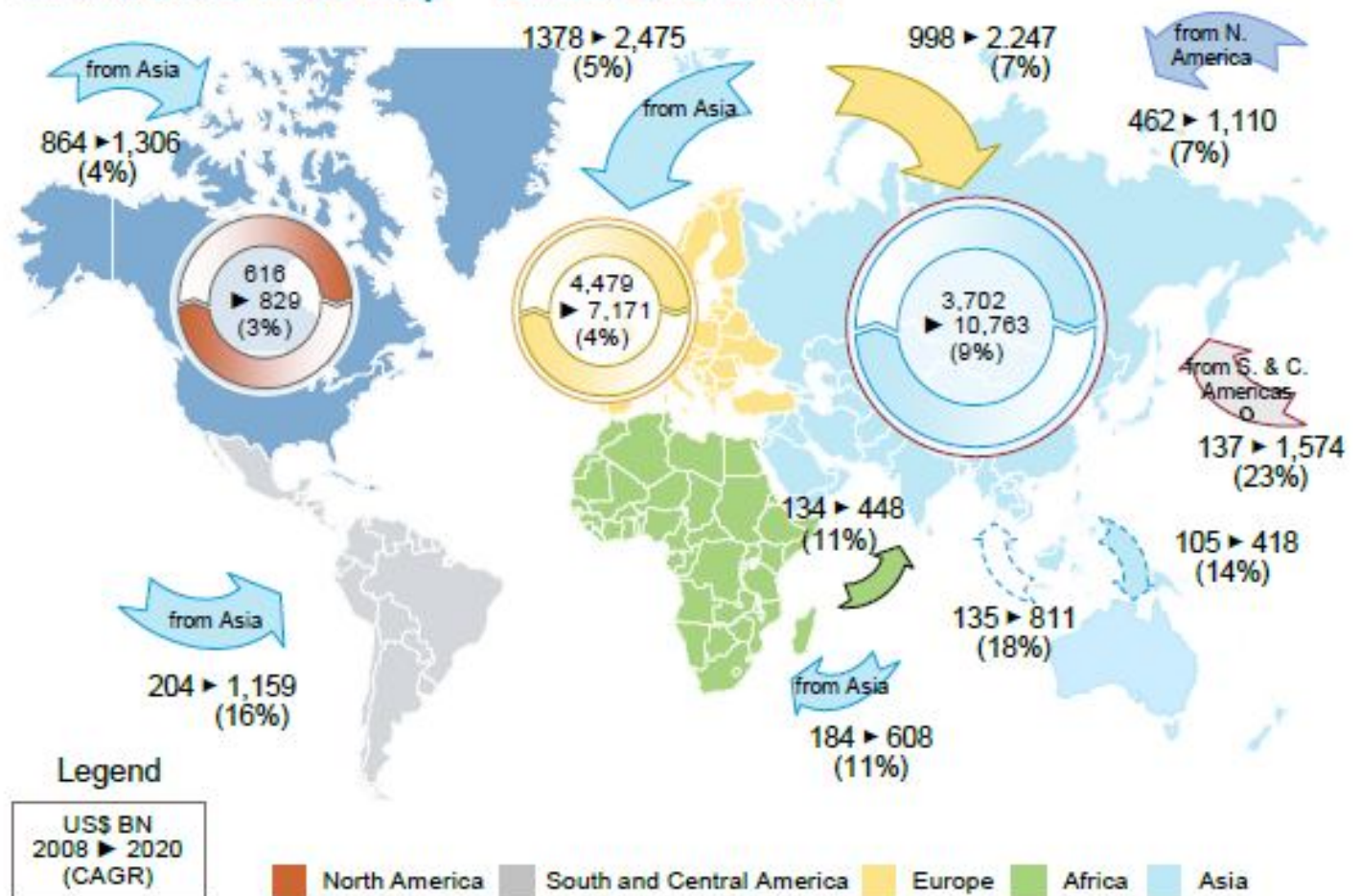


# Intra-Asia Trade: Growth Drivers

## Growth Drivers

- 60% of global trade to have one Asian leg by 2020
- Intra-Asia trade will be the primary driver of this growth
- South-south flows (Asia to LatAm, Africa) to double

Global trade flows map – volume and CAGR



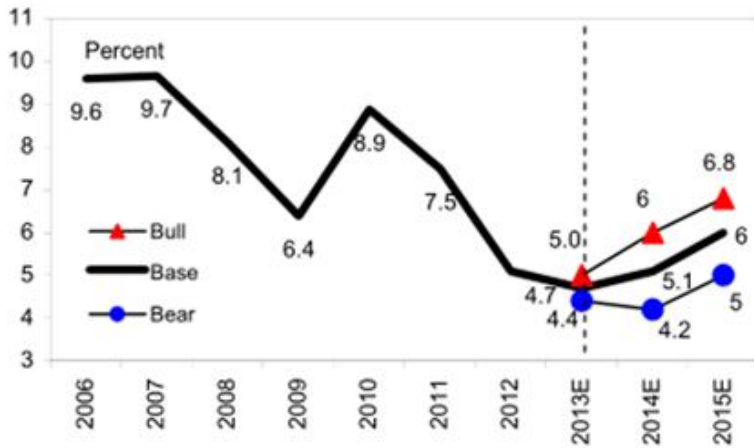
Source: Global Insight

In its 2015 World Economic Outlook Report IMF projected that India will grow 6.5 per cent in 2016, overtaking China which will slowdown to 6.3 per cent. For 2015, the IMF forecast India will grow at 6.3 per cent, up from 5.8 per cent in 2014.

# Trade Growth & Trends



## GDP Growth Scenarios: Base, Bull & Bear

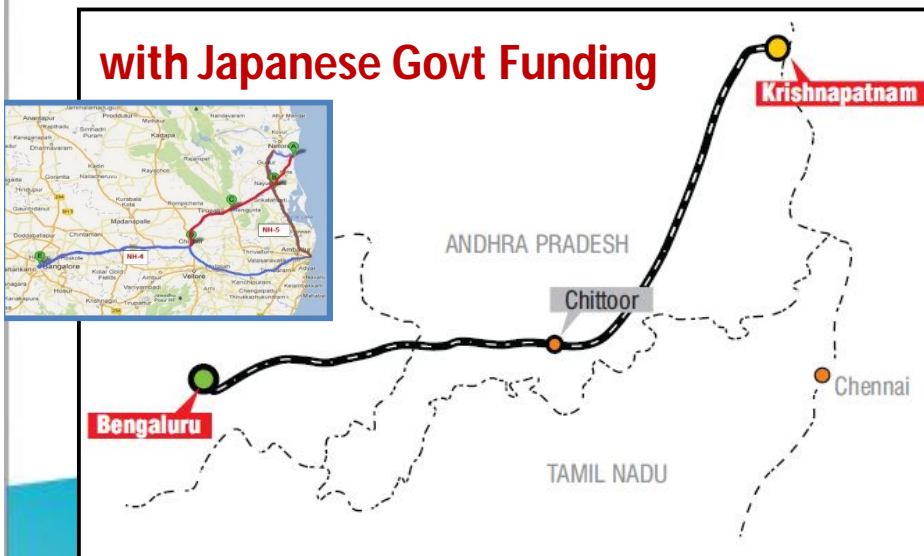


Source: CSO, Morgan Stanley Research E-Morgan Stanley Research Estimate



## Bangalore – KPCT Industrial Corridor

with Japanese Govt Funding



Source: IMF

[www.krishnapatnamport.com](http://www.krishnapatnamport.com)

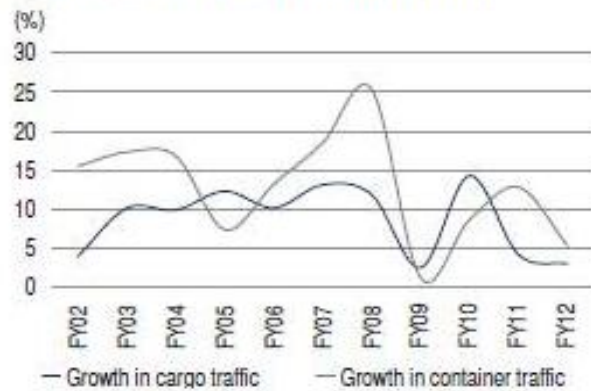
Buoyant Prospects  
 Smart City  
 Maritime Economic Region  
 Bangalore – KPCT Industrial Corridor



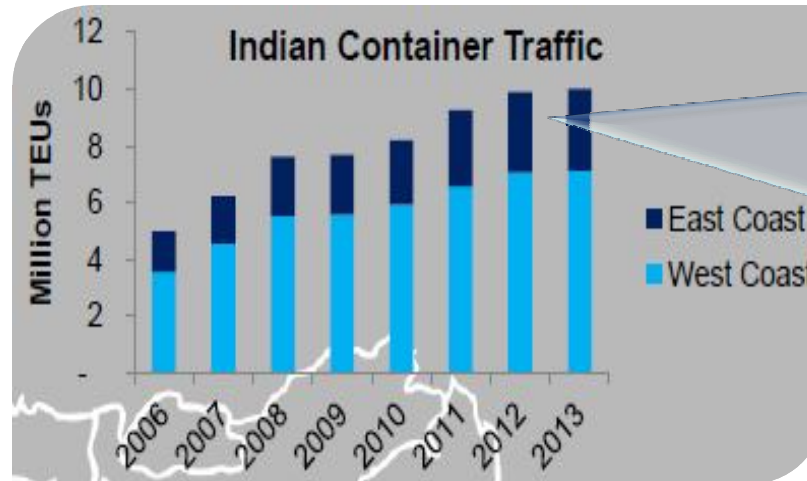
# Port Capacity vs Cargo



## Steady growth in cargo volumes and container traffic



Source: IPA



**East Coast**  
growing at  
**CAGR of 11%**  
**West Coast**  
at **10%**  
**(2006-13)**



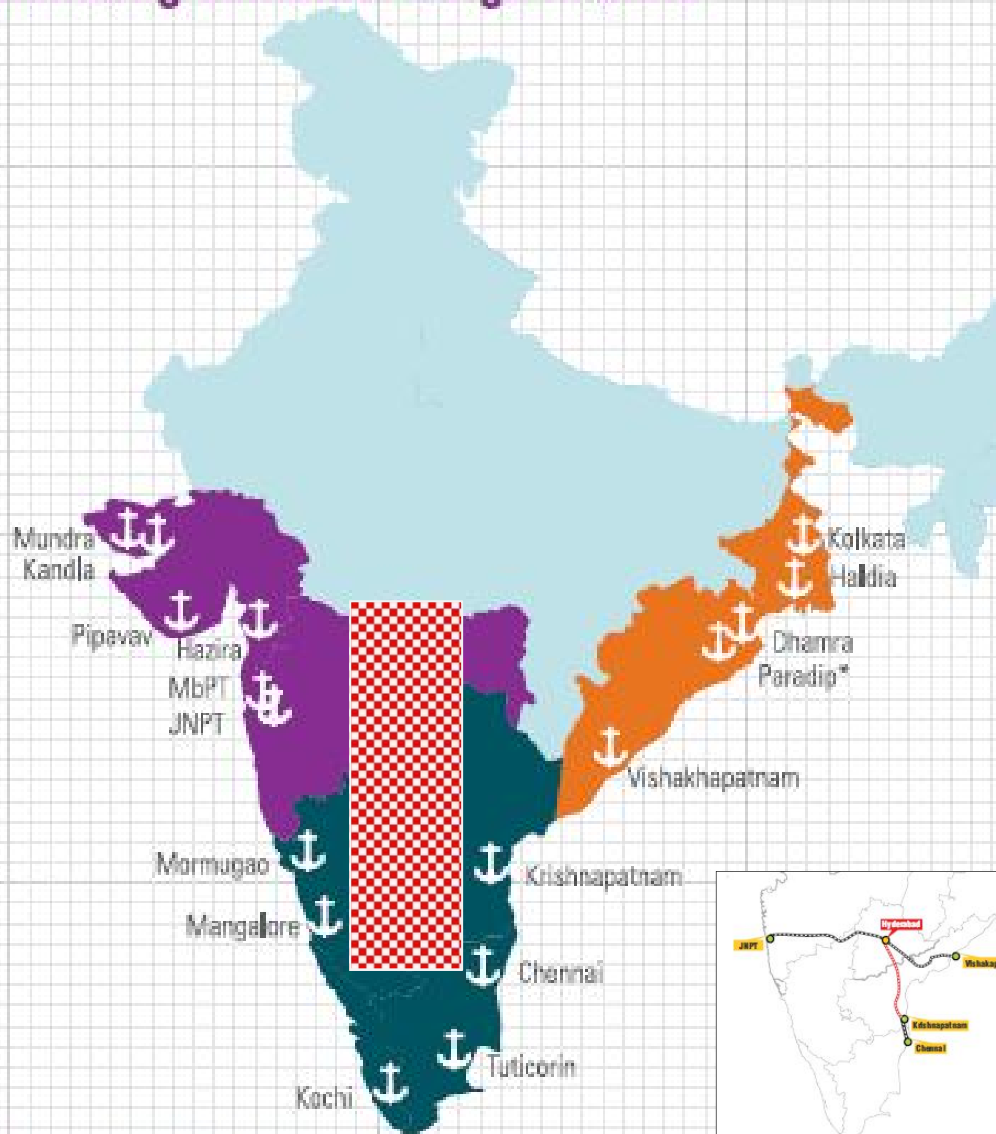
## South & East : Port Capacity Scenario

Current Volume	3 m TEU
Current Port Capacity	6.5 m TEU
Additional Capacity Planning by 2020	
Adani Ennore	1.4 m TEU
Krishnapatnam 2 <sup>nd</sup> phase	4.8 m TEU
Machilipatnam	???

# Diffused Hinterland



## Ports handling container cargo in India



Cargo moving over geographically illogical ports

Inefficiencies and higher cost

Intervention of all the players in the supply chain is needed.

The search for improving biz efficiencies must be a continuous process.

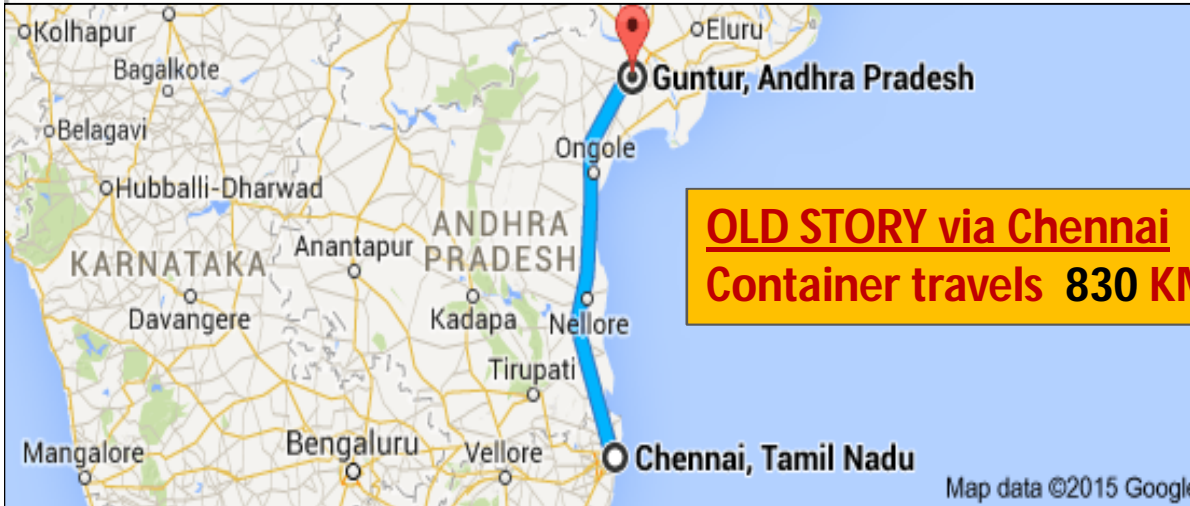
### Case Study : Hyderabad EB cargo moving over JNPT



ICD Sanathnagar	Rail Distance(Km)	Transit
Krishnapatnam Port	662 Km	36 Hrs – 48 Hrs
JNPT	741 Km	72 Hrs – 96 Hrs
Harbour of Madras	790 Km	72 Hrs – 96 Hrs

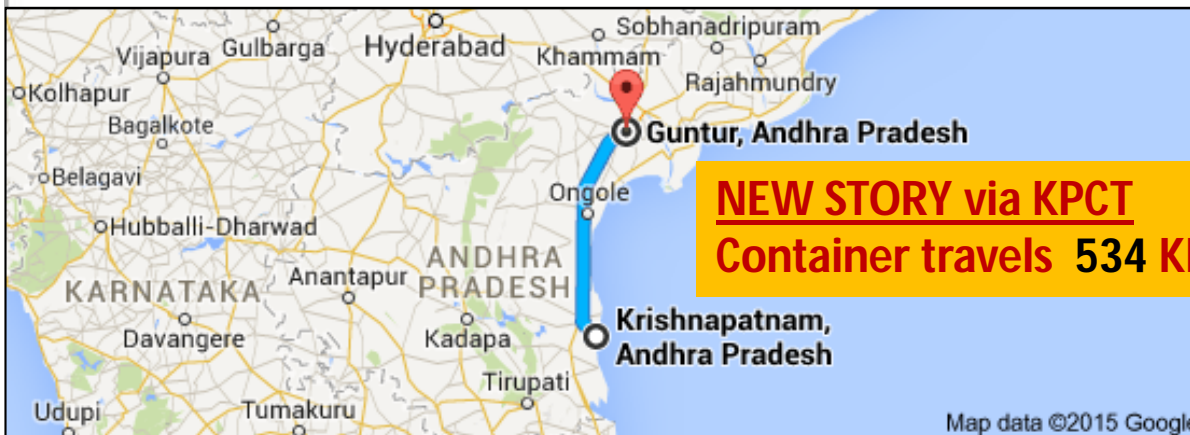
Source: KPMG in India analysis

# Cargo Magnet : Lower Cost; Better Service



As new ports are commissioned, the **footprint hinterland of the existing is automatically re-defined.**

Cargo flows towards the gateway which is more **cost effective for the entire supply chain**



As competition grows , ports need to **refine their product of service as well as pricing.**

Container Liners will service ports as per the **requirements of their customers**

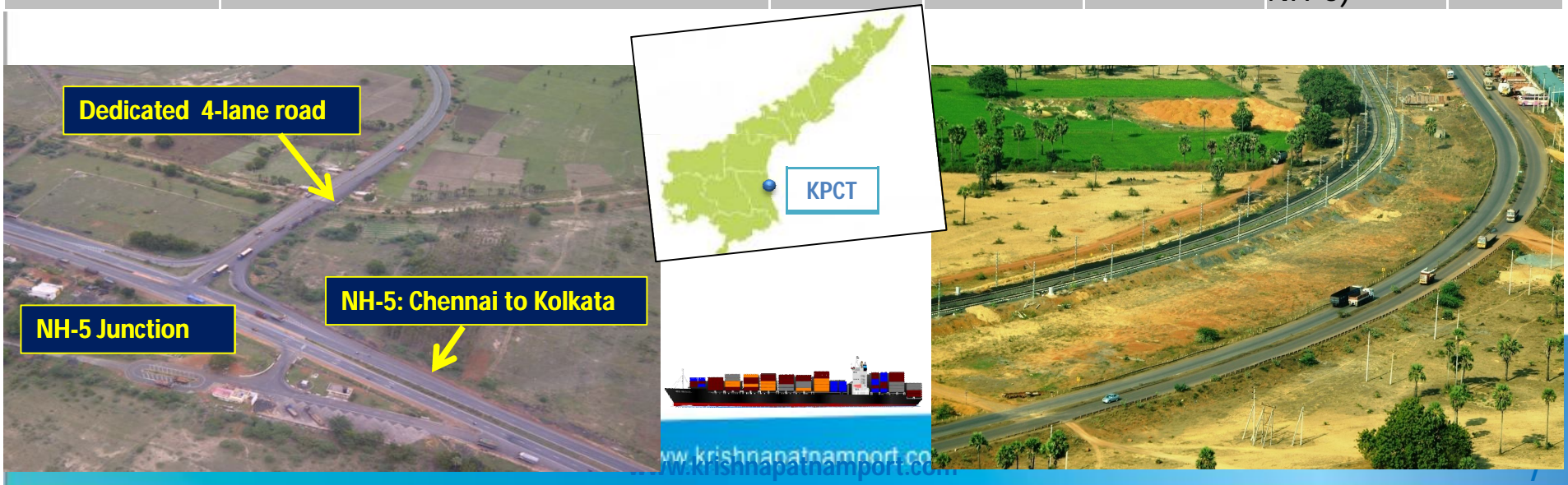


# Port Facilities on the East Coast



## Container Terminals on the East Coast: **Connectivity**

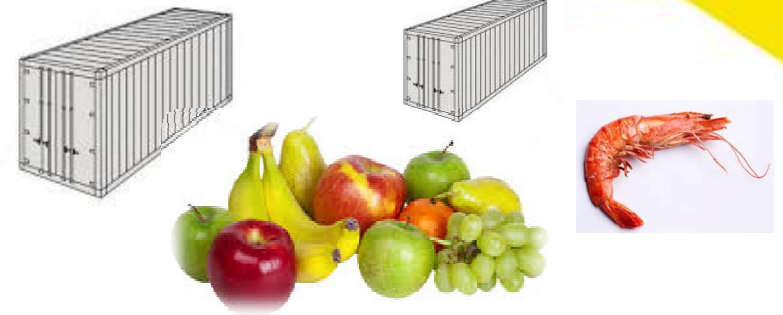
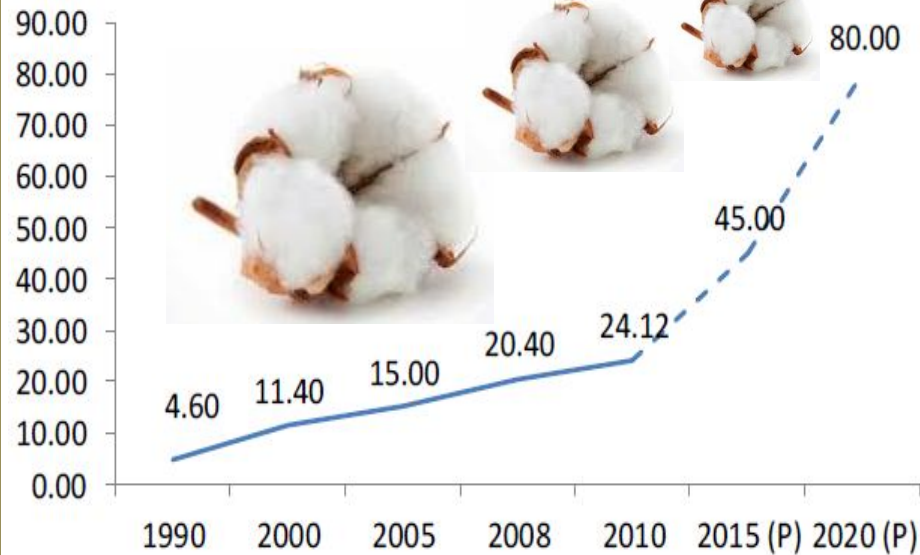
Facility	Krishnapatnam	Chennai PSA	Chennai DPW	Kattupalli	Kakinada	Vizag
Rail	26 km double line connecting Chennai-Kolkata Main Line	Twin line, can handle 45 flats each	Twin line, can handle 45 flats each		5 from Kakinada port railway station.	Yes
Road	Yes - 26 km 4-lane road connecting Chennai-Kolkata NH-5	Manali Road	Manali Road	Manali Road	NH-214 from Kathipudi to Ongole (on NH-5)	Connects NH-5



# AP Cargoes using non-AP Gateway Ports



## Cotton



## Reefer Cargo

Cold chain industry US\$ 8 bn by 2015

Growth rate 20-25%

Food processing industry to grow to US\$ 300 bn by 2015

## Corn



### Exports (in mn ton)

2011-12	2012-13	% growth
3.8	4.7	24.19

## Rice



### Exports (in mn ton)

2011-12	2012-13	% growth
7.1	10.1	41.4

## The need of the hour

State tax structure

Statutory approvals eg Scrap import permission

Facilitative customs approach to cargo development

Rapid investment in consumer industry to promote balanced container trade.

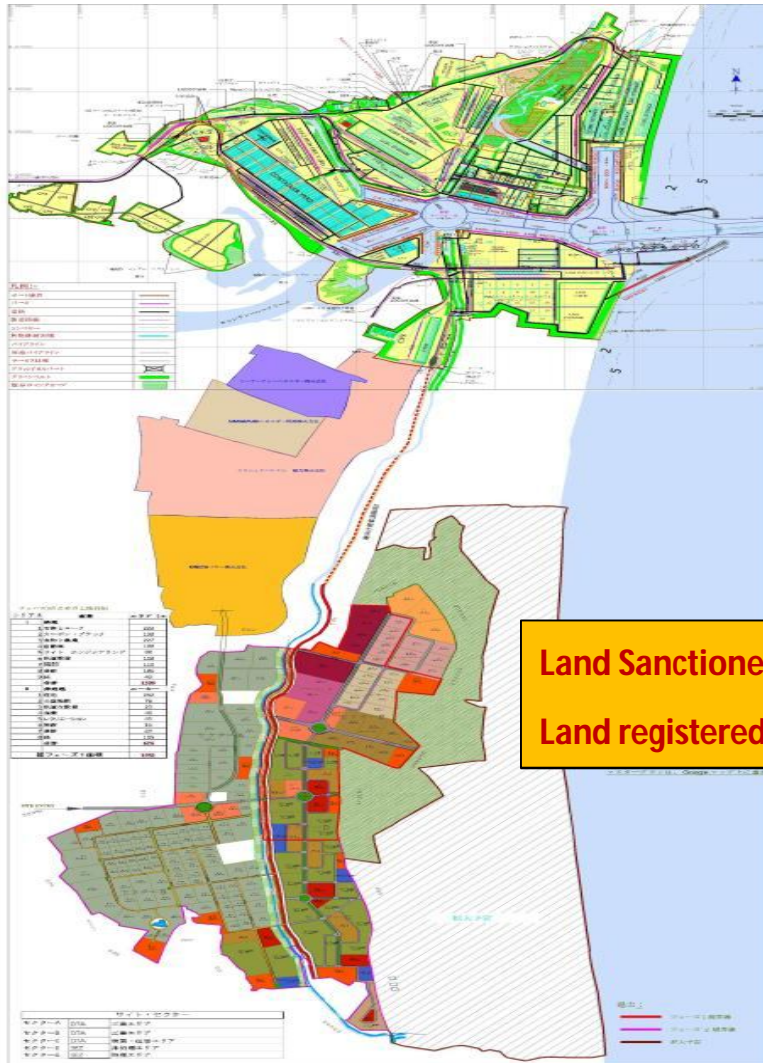


# SEZ / DTZ for Industrial Development



P  
O  
R  
T

S  
E  
Z



Close proximity to the seaport with dedicated road.

Well connected to the consumption centers by national highways and rail

The region is self-sufficient with adequate water, power, energy and human resources.

Approximately 16,000 MW Capacity of Power Plants are setting up base near the SEZ.

To arrange 1 TMC of water to SEZ through of Govt of AP.

Land Sanctioned by Govt of AP	12,000 acres
Land registered for SEZ/DTA	5,300 acres

***The **DREAM** location for new industries and manufacturing plants !***

**For far too long.....**

**AP cargo has used the services of container ports in  
other states.**

**With our majestic 1000 kms coastline  
&  
Our magnificent port facilities**

**It is time now, to return the favour.....**

**Thank you.**