

Goa hosts 36th ACAAI annual convention amidst fanfare



The ACAAI Family

One of India's mega events, the Air Cargo Agents Association of India's (ACAAI) three-day annual Convention, was held in Goa, at the Intercontinental Lalit Goa Resort, a Super Deluxe Five Star convention hotel property from Dec 3rd to 6th, 2009 amidst much fanfare.

The 36th convention, with a theme 'Integrated Logistics New World Order', explored the dynamics of the changes that have occurred due to the present global economic crisis and the consequences, both direct and indirect on the integrated logistics industry and as such observed by the exporters and the regulators.

Mr. Sunil Arora, Chairman of the Convention Committee, welcoming the Chief Guest Mr. Rafeeqe Ahmed, a prominent exporter by profession, the key note speaker Mr. M.R. Venkatesh, an eminent economist & Chartered Accountant, and the august gathering on day one of the event said, "After having held last six very successful conventions overseas, ACAAI is back in India this year. We were all set to be in Bahrain last year but were forced to cancel the convention due to the very unfortunate Mumbai terror attacks."

"Goa, also known as the Pearl of the Orient, is visited by millions of tourists from within India & overseas every year. Goa is loved for its unique culture & hospitality. The Golden Sun beaches are just unforgettable and being a Tourist Paradise. The modern and happening life style of the Goan beaches is known worldwide for its warmth & beauty", he added.

He was of the opinion that the current scenario of the air cargo industry is still in the ambit of global recession. "We are looking ahead with a very optimistic approach for the full revival of the economy and particularly the air freight business. The logistic service sector in India needs to keep pace with the change, and

adapt to the needs & expectations of the now more and more aware customers, Arora urged.

He said, "we need continuous up gradation in service standards and technology to match global standards. Logistics today have to be comprehensive in coverage, value addition is the mantra and higher benchmarking of service quality is now mandatory while accountability is the key aspect today."

Though all the achievements till date are commendable, we must recognize as an industry, the urgent need for modernisation and up gradation, he said.

Mr. Arabesque Ahmed, the chief guest after lighting the inaugural lamp along with other Managing committee members of ACAAI, in his address deliberated up on the anomalies faced by the exporting communities and how ACAAI has been playing a major role to overcome many a hurdle, especially in the field of freight movement.

In his presidential address, Mr. J. Krishnan, President of ACAAI while welcoming the guests remarked, "a decade of exuberant growth and heady profits have slipped away- and slipped away suddenly. Grand visions and erudite forecast of the unending growth story for the past decade has parted ways to a more grim reality that has set in."

Elaborating further Krishnan said, "Be it among forwarders, carriers, custodians of the whole supply chain, all stands diluted. Truly it is the worst of times. But then human ingenuity to accept and climb out of a crisis can never be underestimated. Quick to observe, absorb and adapt to this changed scenario, our very presence during this flux also makes it the best of times." The theme of our convention reflects this positive acceptance of the new world order and the answer we see to our industry is Integrated Logistics."

Throwing some light on the Indian export front Krishnan felt, “The impetus sought to be created by the export policy seems to have found alternative markets where our goods can be sold and markets developed.” “Falling sea freight rates and shorter transit times is an option that cannot be passed by if costs need to be reduced and competitiveness maintained among our regional competitors.”

Touching upon infrastructure scenario Krishnan said, the most significant contributor to the costs is our infrastructure or rather lack of it. Air cargo is time sensitive and given the large amount of ICD and CFs already available at various parts across our nation there is no reason why cargoes must seek their way to a metro airport for export or be cleared at metro airport for consumption at a distant state.”

Coming down heavily on the EDI environment Krishnan felt moving from the airports to the regulator- the switch to EDI raised hope for the best of times but it is a non-starter even after a decade. The dilemma as expressed by Hamlet to be (in an EDI environment) or not to be (in an EDI environment) summarizes the Electronic Disaster of India (EDI).

The new resolution 815, which recognizes us intermediaries rather than an agent-, signaled the best of times but unfortunately the asymmetry that has cropped up still leaves us where we were a few decades ago. ACAAI once again proclaims its commitment to move forward in a manner that benefits all parties.

Finally while summing up, Krishnan said ACAAI sincerely hoped that these are mere aberrations and the working environment devoid of excessive human interference will emerge sooner rather than later to carry us forward as a world leader.

Delivering his keynote address, Mr. M.R. Venkatesh enthralled the august gathering with his witty, hilarious yet rare and serious insights on how from Reaganomics to globalization in the 80s, the US dollar and Chinese exports have been playing tyrant to the current global imbalances. Deliberating upon the domestic consumption he felt it could be increased if the current tax structure is changed.

He opined vehemently that India would never face a recession because of what he calls the feminine character of Indian economy. He feels every festival in India is a trigger for growth since internal consumption in many aspects by way of purchases increase.

Mr. Bharat Thakker, Vice President, ACAAI delivered the vote of thanks by highlighting the major roles played by ACAAI past presidents and their invaluable support to make ACAAI what it is today.

Mementos were also presented to the past presidents of ACAAI as a token of appreciation for their invaluable contributions to sustain this association. **AN**



ACAAI convention sessions reveal aplenty

The 36th ACAAI convention's theme being Integrated Logistics New World Order, the focus stressed on India's logistics industry requirements in the present scenario.

Six business seminars spread over three days of the convention saw interesting deliberations among eminent speakers from the Government and private freighters and shipper and airlines sectors.

The current scenario of the industry still being in the ambit of the global recession, the latest news that India's gross domestic product (GDP) registered a growth rate of 7.9 per cent in the second quarter of 2009-10, against 6.1 per cent in the previous quarter, exceeds expectations and strengthen hopes of a faster turnaround of the economy after the slowdown brought about by the global economic and financial crisis.

The first session consisted of a panel of eminent speakers namely Mr. Rafeeqe Ahmed, Chairman Farida Group, Mr. Blasé Dsouza from Ingram micro, Ms. T.N Mirchandaney, Managing Director, Blue Dart and Mr. Asheesh Maroo, YES bank, Chaired by **Mr. J. Krishnan**, Acaai Chairman.

Speaking on the occasion, **Mr. Ahmed** through his presentation 'Global Recession Impact on Indian exports, gave an insight on how the recession has badly affected the Medium Small Manufacturing Enterprises (MSME) like textiles, gem and jewellery etc especially labour- intensive sectors and the government initiative to protect these MSMEs from the onslaught of the downturn. The potential future export market will be ASEAN, West Asia, Brazil, Australia, South Africa, Ahmed pointed out.

The government too has taken up initiatives such as focus market scheme in 26 new countries, 13 new market linked products, line of credit, Made in India shows, FTAs and CEPAs.

Cautioning the ACAAI members he pointed out that the threat to the members in the coming years would be from the marine cargo sector which is coming out with innovative ideas to re-capture the lost ground from the freighters. Mr. Ahmed said that the exports would go up for sure despite the current scenario. Another area which has potential future market for the freighter will be the so called cluster zones like Agra, Kanpur, Tirupur etc which has so far never been affected by the recession, he added.

Mr. Blasé Dsouza, while presenting his paper 'Indian imports- significant issues' said that global recession means great opportunities. Forwarders are indispensable business partners and their role has changed to that of a complete logistics service provider, he said. On some of the services that the exporter

seeks from the freight forwarders include, one-stop service, reverse logistics facilities, IT link up with the importers, he said. Change is inevitable and hence will require Forwarders to offer newer solutions if they want to survive in the recession time. Coming to the domestic freight movement, Dsouza said there were very few players and opportunities exist for more service providers and that with GST implementation, domestic airfreights are likely to increase. He also sought uniformity in the service tax levied.

Presenting her paper on 'Achieving the Indian Air Cargo Dream', **Ms. T.N. Mirchandaney**, said that air cargo being the key enabler, customization of goods and services should be more focused.

In the Global market place, the smallest business aggregated over a large supply, can still be profitable, she said.

Air express operators use 81.4 per cent of the world's freighter and the major challenges faced by them are managing change and uncertainty.

Mr. Asheesh Maroo presented his paper on the role of 'finance balance in the cargo industry' wherein the importance of Internet banking was highlighted.

The second session chaired by **Mr. Keshav Tanna**, past president Acaai, had the theme 'Quality And Cost- The Management Challenge'. The speakers were **Ms. H.S. Rana**, Executive Director Cargo, Air India, who presented a paper on 'Delivering Quality' wherein she emphasized that the ground handling facilities at airports, especially Mumbai airport, needs to be addressed. Lack of quality affects service standards, she said and time factor was very crucial for actual movement of freight. She touched upon tracking cargo, warehousing time factor, transshipment and wanted ACAAI to make Integrity its mission. Answering a question, she said AI is looking to reintroduce freighter capacity to Europe and other destinations and that AI is gearing up to set a cargo SPU soon.


Mr. Serge Trippet, director Cargo, Gulf Air, while presenting his paper on 'Cost efficiency and speed- key deliveries spoke about the E-freight, Cargo 2000, RFID, shortcomings of barcoding the world over, and dwelled in detail on the time factor of cargo from origin, to transportation to destination.

Mr. Chris Remund, CEO, DHL Lemuir logistics Pvt ltd. spoke about the issues faced by the forwarders through his presentation 'Forwarders Economics-Managing Today's Challenges.' He said increasing freight rates, diminishing volumes and cost pressure from customers has severely affected profitability of forwarders. He said there is yield problem.

He urged that to succeed in times of recession, the companies should retain talent, look after the staff and keep on investing in newer business opportunity. Altered logistics will be the new model in the coming 15 years and the logistics industries will become the trend setter and that logistics providers will increasingly develop into consulting companies.

Mr. Shivkumar Menon, from Dun & Bradstreet spoke on the customer choice-Dynamic approach to credit rating while **Mr. Paul Arnold**, Managing Director, Celebi-Delhi, spoke about the Indian Airports Role in promoting air cargo services.

Mr. Dilip Rane, Associate VP, GMR Hyderabad spoke about the need for integrating planning and accountability and the modern facilities being provided by the airport.

Mr. Keshav Tanna, Acaai past president spoke about Indian airports- navigating the maze. He said Asia accounts for 45 per cent of freight movement and is expected to touch 55 per cent by 2011. Air freight accounts for carriage of 35 per cent of global merchandise. The major constraints that the forwarders face is inadequate infrastructure, poor quality warehousing, out dated handling equipment, absence of improved inventory systems, constraints related to procedure and regulations, fragmented EDI and lack of trained manpower. 



The Convention



Business with Pleasure

