

## Top View

Dear Industry Colleagues

"A Diamond is a chunk of coal that did well under pressure".  
- Henry Kissenger.

The world has changed. In a matter of weeks, everything which was considered as business as usual has become Unusual. Supply chain and Logistics haven't battered worldwide and this calls for a new way of thinking to ensure business continuity. This environment demands the Logistics industry to be more flexible and effective than usual. Social distancing is the need of the hour but the conventional Logistics value chain involves a significant exchange of documents involving close contact between stakeholders. Digitization has emerged as the key to keeping social distancing and to ensure a contactless, touchless, paper-free business continuity in the value chain.

At Kale, we understand the turmoil the Industry is experiencing and are working with the stakeholders in ushering in Digitization in a complete new way, consistent with the current environment. In the coming days, we will help in enabling the industry to work independently without human contact, go digital and imbibe a paperless process in key areas of Multi-Modal supply chain processes. People from across continents have approached us to enable them in business continuity plans and we are working harder than usual to make this a possibility.

We are there to help you embark on this quick transformational journey to go digital and you can count on us to be your partner in this hour of need.

Here's hoping that we will all come out stronger and more capable than before. And we will be soon out of this grim situation.

Stay Safe and stay healthy.

Vineet Malhotra,  
Director



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Managing Director  
Cargogate Munich.



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Umesh Kurlekar,  
Business development.



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Meet Ms. Claudia Weidenbusch, Managing Director Cargogate Munich. With more than two decades in the Logistics Industry, she is one of the first few women to join the Logistics industry, perceived to be male –dominated. With CRUX she shares her perspective on evolving changes in the Air Cargo industry.

### Ms. Claudia Weidenbusch

Managing Director, Cargogate Munich



**CRUX** You have been in the Air Cargo industry for a long time where there are very few women at CXO level. As a woman, what attracted you to this industry and what are the advantages that women can bring?

**Claudia** People often say that cargo doesn't complain. But that's a too easy way of looking at this industry. It's highly complex with all its regularities and laws for special or dangerous goods handling, customs and keeping it all in time.

Cargo means to like working with people with different mentalities. Communication needs to be precise, otherwise, that leads to difficulties in operations. However, even if it seems to get rough from time to time, we are like a big family. Everybody will try their best and helps each other.

What attracted me the most: Cargo can be seen as an early warning system for economics and the companies. Good management in air cargo and logistics must be measured in how they act under the influence of politics and external economics and not how they react in times of crisis. Right now, it's an advantage to be in a leading position in cargo as a woman. As there are only a few of us in a leading position it's very certain that we get recognized, when we go to a meeting or a conference. That helps in getting in touch with people.

**CRUX** As the world today is going through an unforeseen situation, cargo movement is necessary to meet the essential requirements. According to you, what steps need to be taken in the present scenario for the effective, smooth and continuous cargo handling?

**Claudia** Globally most of the airports are currently focused on Belly Freight. There is a need for a change in attitude. We surely won't be having the same amount and variety of passenger flights as we had before the crisis. Passenger focused hubs and spokes will be reduced or terminated completely and in this cross-linked world, these flights also used to transport cargo. These reduced belly capacities will have to be replaced by Freight Carriers in the future. It's a gap that cannot be filled by B747 or B777 freighters exclusively. To operate and serve the short- and middle haul flights, smaller aircraft will be needed. The whole supply chain will need to rethink and adapt to these changes.

**CRUX** As a woman yourself, what advice would you like to give to the young women who would like to enter the exciting world of Logistics?

**Claudia** Logistics is a dynamic industry, there is a need for different skills, be it IT, management, leadership or development. You are always in the right place with almost every education. I believe, Logistics Industry is a branch with not only a bright future but with interesting challenges and which turn it into a compelling profession for everyone. If you're not willing to develop a plan B, C and D, it can get hard very fast. The key to success is Persistence, Flexibility, Outcome-Oriented and Passion.

**DID YOU KNOW ?**

Females make up only about 2% of seafarers. Of the 2%, 94% of them work in the cruise line sector.



CRUX

**How is the state of affair in Germany at present and how is Air Cargo Industry responding to the crisis?**

Claudia

Germany's biggest airline, Lufthansa is currently only serving their minimalized flight plan in their home market and there are no long-distance flights. Flight movements correspond to the flight plan from 1955. The air cargo industry all over Germany currently concentrates on delivering cargo to airports with full freighter connections by truck. It is a short term solution but in the long term, this will not be a successful model. Alternatives need to be found urgently to maintain the supply chain. After the end of the current shutdown, the already crowded streets will not be able to cope with any more cargo traffic.

CRUX

**Cargogate is the largest provider of highly sophisticated cargo handling services at Munich Airport. What specific steps have been taken by Cargogate for the safety of its employees and smooth operations simultaneously in these difficult times?**

Claudia

Securing workplaces for our staff is our highest priority. From the beginning, of the COVID-19 pandemic, we provided our operative staff with hand disinfectant in sufficient quantity. We also have started to supply them with respirators that we were generously provided by our parent company, Munich Airport Company. Most of our customer airlines have stopped their flights to Munich, due to economic reasons we are forced to reduce our opening hours drastically and adapt to the needs of our customers. In case of a temporarily order situation worsening, the Government of Germany supports the companies for a defined period with the so-called "Kurzarbeitsgeld". That means that the Government pays a part of the employee's salary. Roundabout 500 thousand companies in Germany have already accepted this support during the COVID-19 crisis. We are one of them. In this way, we can avoid laying off our highly qualified employees that we will need after the crisis.

CRUX

**In the present challenging times, how do you think technology can play a crucial role in keeping the Air Cargo Industry connected and operational?**

Claudia

This is a time for a change in Air Logistics. This already started a few years ago and can be seen as separate from the COVID-19 crisis. We need to drive the digitalization with all the stakeholders on the worldwide "cargo campus" to stay connected with our customers and partners. Sharing information digitally instead of data capturing in every station helps to create a paperless working environment. We need to drive the digitalization to ensure the continuous training of staff while adapting to the ever-changing trends that are now leading us to a more digitized work environment, thus enhancing the future image of the air cargo handling industry. With these goals as our aim, Cargogate is exploring options on how to integrate augmented and virtual reality in cargo handling processes. We see that the cargo employee of the future is an IT specialist as much as a Logistician.



**DID YOU KNOW ?**

Companies that use dedicated logistic companies as their transportation consultants save an average of 13 percent on shipping costs every year.



Factory to Port Delivery scheme has become a phenomenon in all sea ports worldwide. While the developing world is still in the initial phase of transforming their ports with FACTORY TO PORT DELIVERY scheme, the developed world is already reaping the benefits.

Implementation of factory to port delivery means there is no need for handling the shipments via Container Freight Station (CFS). With this model, the shipment will straight away reach to ports from exporters premises with a fast track clearance process. Major ports in developing nations are implementing this widely, while others are still sticking to shipments clearance from Container Freight Stations (CFS).

While this seems to simplify complex processes, CFS companies are quite reluctant to this process. Yes, as the shipment is not to be held or cleared via CFS, they don't have a role to play. This has already been visible in the operations across several ports worldwide. Several CFSs are turning into unnotified warehouses.

**Now, CFSs are transforming their business model to stay relevant in the industry that is facing digitization.**

## **Warehousing, Cold Storage & Handling Perishables**

Container Freight Stations come with a large space to operate and they are well connected with road transportation as well as in close proximity to ports. The recent trends in several ports across the globe say that most of them are getting empty as most of the container freight operators have vacated. Some still exist in those places handling freight of smaller volumes or for consolidated shipments. This is an opportunity which CFS operators can still leverage.

Also, handling perishables is a task which may or may not be achieved with factory to port delivery model. This comes as an advantage for CFS to leverage upon. If in case the shipment gets delayed or there is uncertainty in taking the shipment forward they can be held for a while in CFS.

## **Digitization**

Solution for most of the problems would be definitely, Digitization. Everywhere technology has a large role to play, either in the form of Artificial Intelligence (AI) or in the form of Advanced Analytics; they offer simple solutions for complex issues. Blockchain logistics and Cargo Community System are other innovations coming up in this space.

Nowadays, we see players in the market who would offer solutions that connects all stakeholders in the industry ranging from freight forwarders to customs brokers. Also, some offer solutions on a Single Window System.

**Here are some of the examples of digitization making simple solutions cutting out complex procedures.**

## **Connecting all Stakeholders**

The major reason why processes get delayed is all stakeholders in the system are not updated on the freight movement. Once they know where the freight is, they can be prepared to let it move ahead swiftly without any delay from their end. Some service providers offer community driven platforms wherein all stakeholders can be in one frame and keep monitoring the freight movement.



Across the world, \$8 billion is spent on moving goods over road transportation.



## Improving Visibility

Logistics and Supply Chain is a vast segment. Within this, we have a lot of sub-segments. Hence a freight will go for thorough screening at all levels. This is highly inevitable due to safety and security concerns. Fortunately, with digitization in place cargo movement can be tracked at each per defined milestones. When it comes to air cargo, freight movement cannot be tracked after a stipulated point. But a digital platform involving all stakeholders will ensure real time-visibility on the freight movement.

## Reducing Dwell Time

Truck congestion is a major issue across all sea ports and airports throughout the world. This is because, all trucks are coming at the same time and end up waiting for their turn. After this, they have manual form filling, approvals, payment and all other similar work to do. With a digital platform in place, all trucks can book slots for required time frame online and bring the consignment for gate in & ship it across. Hence the time involved in other activities come down drastically and the movement of freight is quite rapid.

CFS acting as a modern warehouse by offering value added services will be an asset to all stakeholders for smooth freight operations.

## Uber freight

Using a mobile app to book cabs was the innovation that popped up last decade. In the current one, we have the same concept implied for freight movement. Yes, Uber Freight is already a reality.

This can be cost efficient for freight forwarders as they don't have to maintain a fleet of trucks for themselves. With this, freight forwarding as a business can grow multi-fold.

## Hyperloop

Virgin Hyperloop One system can be used to transport freight and people on-demand, direct from origin to destination. Passengers or cargo are loaded into the hyperloop vehicle, which accelerates gradually via electric propulsion through a low-pressure tube. The vehicle floats above the track using magnetic levitation, travelling at high speed. In the context of the shipping and terminal industry, we could see a future where dedicated freight hyperloop pods used to distribute containers via a tunnel network. Looking further into the future, this technology could significantly reduce the need for cargo feeders, barges, rail networks and even container ships.

Hence the overall process that consumes humongous time comes down completely. In these solutions, all approvals and processes come under single frame and are done in a few minutes. Therefore, there is no question of delay. If all CFS owners manage to offer a technological solution that solves the problem that exists in the current factory to port delivery model, they will have a great value addition for shippers and consignees.



88 percent of shippers in the United states think that communication, flexibility and openness are the best qualities in making a successful partnership



Over the past few weeks, the COVID-19 pandemic has emerged as a significant and very global challenge that is creating disruption across the world. With

- The revenues falling very sharply due to the lockdowns of economies
- Costs base continuing
- Customers moving to bankruptcies
- Staff not reporting to work due to lockdowns and fear of contracting COVID 19

The logistics industry is pushed to the brink. There is a strong need to leverage technology for the industry to deal with this pandemic crisis and to survive until this gets over.

Over the years, Kale Logistics Solutions' customer-centric approach and innovation prowess has always been a key strength, allowing it to deliver disruptive solutions and technology across Logistics domains. During the COVID-19 crisis, we are leveraging the Community Platforms to run multiple threads, looking for opportunities to support high priority needs across the Air Cargo industry.

The foremost, priority lies in ensuring Business Continuity for Airports, Ground Handlers, Airlines, Customs, Freight Forwarders, Transporters, and Importer/Exporters.

With technology at its core, Kale Logistics Solutions' Air Cargo Community System (ACS) is an electronic collaboration to help all stakeholders to electronically communicate within themselves and with other stakeholders of the industry. Foremost, it facilitates the movement of goods and information at the airport and aids in digital interactions during lockdowns and state emergencies. It ensures business continuity for airports, GHAs, Airlines, Customs, Freight Forwarders, Transporters, and Importer/Exporters.



Logistics actually has two main focus directions, internal and external (inbound and outbound), although most companies only focus on one.



**CRUX** **How are regulators playing a key role in enabling digitalization of Ocean Cargo?**

**UMESH** International Maritime Organization (IMO), has more than 170 members today and is an inter-governmental Maritime Consultative Organization. The IMO is the primary policy-making body and has also been involved in maritime-related liability and compensation cases.

The IMO has gradually expanded its role and adopted several amendments for the safety of life at sea. It has played a crucial role in encouraging the industry into adopting digitalization. In 2016, the Single Window concept was introduced and in 2020 it's going to be made mandatory for all ports. eFAL is an electronic exchange of the FAL data and invest time, it gives easy access to information at a single point and effortless understanding of different laws and policies adopted across the globe. The Declaration includes the crew, passenger list, inter alia, Cargo Declaration, The IMO General Declaration and the Dangerous Goods Declaration. As eFAL becomes mandatory the code of best practice, curbing irregularities and corruption shall become a certainty.

**CRUX** **CODEX – PCS as a platform has many firsts. How do you think it has evolved in the past two years? How is it getting future ready?**

**UMESH** Kale Logistics Solutions play a crucial role in infusing the generation next technologies like Blockchain for e-Delivery Order, machine learning AI, IOT in our solutions. The CODEX platform is designed to offer several fulfilment mechanisms as per the guidelines around Trade Facilitation Agreement (TFA), outlined by the World Trade Organization (WTO) and the United Nations TFA Recommendation No. 33. This single window system connects all the port community to exchange information digitally to make container movement seamless, fast and paperless. It has successfully reduced container dwell time by 75%, speedy tax refunds to the exporter from 120 days to 7 days and reduced carbon emission by 75%.

Recently, UnClaimed Cargo (UCC) module has been successfully implemented. Using CODEX's mobile application, CFS patrons can avail No Objection Certificate online and customs authorities have accurate information. Therefore, there is no question of abandoned freight lying in a Container Freight Station.

**CRUX** **There is disparity between the ports globally. How soon do you think will the ports be ready to adopt PCS 3.0?**

**UMESH** Though many countries are encouraged by the growth of countries like Singapore, Shenzhen, Hong Kong, Dubai into new service market hubs, it is a herculean task. Globally, several port communities still lack digitization due to which streamlining is next to impossible and delays and errors are part of the poor infrastructure. There is a deep disparity between the ports. However, it's widely believed that almost 40 partly or fully automated ports now do business in various parts of the world, and the best estimates suggest that at least \$10 billion has been invested in such projects. In the coming era, the forward-looking ports will push toward this next horizon, beyond automation.



**Mr. Umesh Kurlekar**, Senior Consultant for Maritime Trade brings with himself more than 20 years of experience from port operations and shipping lines. He spearheads the CODEX - Port Community System (PCS) development for global markets. CODEX has been recognized by esteemed institutions like the United Nations, Asian Development Bank and CII for its innovation in Trade Facilitation.

**Past events**



Kale Logistics Solutions wins Best Digital Trade Facilitator – Technology Award at India Cargo Awards 2020, Delhi, India – Jan 2020



Kale Logistics Solutions named the Best IT Systems Provider of the Year at STAT Trade Times Award for Excellence in Air Cargo 2020, Mumbai, India – Feb 2020



Air Cargo India 2020 – 24<sup>th</sup> & 26<sup>th</sup> February, Mumbai, India

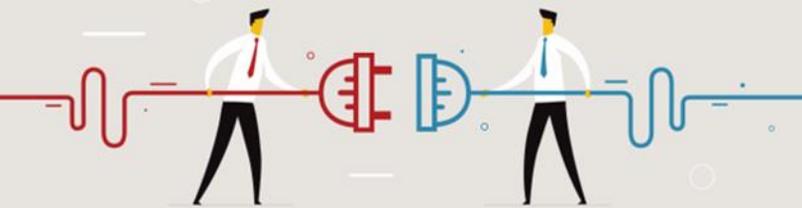


Kale Logistics Solutions conferred with Best Digital Port/Terminal Innovation Award of the Year at Global Port Forum 2020, Dubai, UAE – Feb 2020

**Kale Logistics Solutions opens new offices in Atlanta, USA and Amsterdam, Netherlands**



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