

Direct Port Delivery failing to deliver: Cos

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MUMBAI: India's drive to ship packages straight from its ports to importers appears to have hit speed bumps, with infrastructure glitches and the likelihood of loss of business uniting some companies that were intended to be its beneficiaries and freighting warehouses against the federal initiative. Direct Port Delivery (DPD), which began last year with the Nhava Sheva port on the outskirts of Mumbai, entails the delivery of a shipment from the port to the consignee instead of initially holding it at a container freight station (CFS). It now includes 778 importers



The initiative will cover more ports soon. DPD, a global concept, can potentially cut the time between a shipment landing at the port and reaching the factory to one day from nine at present. About 70% of India's containerised imports now come to CFSs. The government aims to convert 70% of these imports into DPD in the next few years. Yet, some intended beneficiaries — the importers — have said the Jawaharlal Nehru Port Trust (JNPT) at Nhava Sheva faces severe congestion and isn't ready for the DPD model. Instead of reducing the dwell-time and costs, the model has made things difficult for them, they say.

In a letter to the additional commissioner of customs at the DPD department of Nhava Sheva, air conditioner maker Voltas said its factory at Pantnagar in Uttarakhand can handle 10-15 containers per day. DPD, however, makes it mandatory to take the delivery of all 50 containers that a vessel carries. That constraint and the limited availability of vehicles from Mumbai to Pantnagar make it difficult for the company to adopt DPD, says the letter seen by ET.

Hence, it has put in a request to be removed from the DPD list. Luggage maker VIP Industries BSE -0.54 % has said its costs on operations related to the port have more than doubled under the model. The new norms require an importer to lift a container within 72 hours of landing. Else, it will be moved to a single CFS designated by JNPT and operated by a company called Speedy Multimodes. Before this, importers had multiple CFS operators to choose from.