

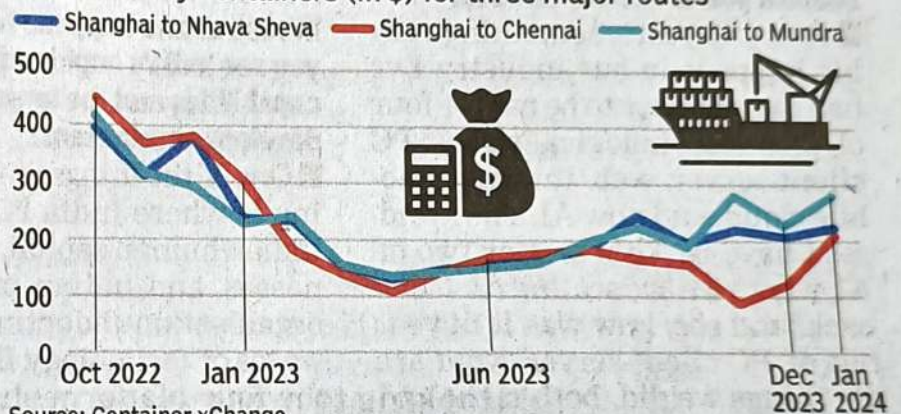
Red Sea crisis: Freight costs rise for India Inc

Vessels' Transit Time On Some Routes Doubles | 'Exports To Europe And Africa Feel The Heat'

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IN ROUGH WEATHER

Average monthly one-way leasing rates for 40-ft high cube, cargo-worthy containers (in \$) for three major routes



New Delhi: The Red Sea crisis has started to have repercussions for India Inc, leading to higher freight costs on certain routes, and doubling of transit time of vessels. Container leasing rates for one of the major routes, Shanghai to Chennai, have witnessed 144% increase in Jan 2024 from \$85 per unit in Nov 2023, the latest data from Container xChange, an online container logistics platform, showed.

The average increase in freight cost for trade from India to Europe and US across sectors, including pharma, automobiles and textiles, has been around 40-50% in Jan 2024 compared to Sept 2023, experts told TOI. Storage charges are reasonable in India, hence liners are preferring to use leased out boxes instead of moving their own containers, they pointed out.

"Throughout Jan, container prices have consistently maintained historically elevated levels, reflecting a widespread belief that container prices would continue to soar due to the ongoing Red Sea crisis. So far, the degree of impact for India is lesser as compared to that felt in Europe and US," they said, adding the market expects a

further surge around Chinese New Year. (The Chinese New Year started from Feb 10 and celebrations will continue for 16 days).

"Our analysis reveals a pronounced capacity tightening in China, with container rates surging week on week as exporters grapple with moving containers out of China. The challenge compounds as repatriating empty containers from Europe to China faces obstacles due to the Red Sea crisis. In contrast, India experiences a milder impact compared to China and Europe," Christian Roeloffs, cofounder and CEO of Container xChange, said.

Domestic companies use the Red Sea route through the Suez Canal to trade with Europe, North America and North Africa. These regions

accounted for around 50% of India's exports worth Rs 18 lakh crore, and 30% of imports valued at Rs 17 lakh crore last fiscal, according to Crisil Ratings.

"Exports to Europe and Africa are getting impacted as freight rates have shot up. Also, transit time is up, thus impacting cash flow. For our European purchases, transit time increased from 30 to 45 days. Since we buy on a CIF (cost, insurance and freight) basis from Europe, it's not really affecting us," an executive with a freight-forwarding firm said. To add to woes, the transit time for certain routes is an additional two weeks. Increasing attacks on ships sailing in this region since Nov 2023 have forced shippers to consider longer route past the Cape of Good Hope.

India Inc backs One Nation One Election

Seeks Simultaneous Holding Of LS, Assembly Polls To Avoid Disruptions, Additional Costs

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New Delhi: India Inc has pitched for simultaneous Lok Sabha and assembly elections, once every five years, to avoid disruptions and additional costs.

Industry bodies Ficci and CII have made separate presentations to the committee headed by former President Ram Nath Kovind. While Ficci is firm in its demand for a single election every five years for Union, state and local governments, CII too has backed the idea, while proposing elections every two-and-a-half years as an alternative plan.

"Our ease of doing business is getting significantly constrained by multiple elections at various times at various levels. With multiple codes of conduct for these elections, the inevitable slowdown in

Making A Case For Eco Efficiency

Ficci

- Simultaneous polls for Parliament, state assemblies, local bodies every 5 years
- In cases where majority is lost, time should be given for confidence vote. If no group can claim majority, mid-term elections should take place for remaining term



CII

Single step simultaneous election

- Second option: election cycle every 5 years
- Bring half the states in the next general elections, add the rest in the next cycle



Alternatively, 2-stage elections:

- Two-stage elections with a gap of at least 2.5 years

decision making by govt hurts business and industry badly. This also discourages necessary reforms to be carried out by various govts," Ficci general secretary Shailesh Pathak wrote in a letter to the committee, following a meeting last week.

It has said that govts should be

voted with majority for five years, and in cases where majority is lost a specific period of, say, 10 days should be given to seek a vote of confidence for an alternate group. "If no group can claim majority, then mid-term elections should take place only for the remaining term," Ficci has suggested.

The lobby group cited a report by Niti Aayog to argue that in 2014, the model code of conduct resulted in suspension of governance and development activities for nearly seven months. Reducing frequent elections could help save anywhere between Rs 7,500 crore and Rs 12,000 crore, it estimated.

It has also proposed allowing voters to cast their vote at the nearest polling booth and use the 'India Stack', based on homegrown technology, to prepare electoral rolls instead of the current system which is time consuming.

Rival chamber CII, which met the panel earlier, has pointed to its demand for a common election in 2012 and 2018 itself, and argued that model code of conduct takes a toll on infrastructure projects in the initial stage of execution with each election hitting govt work as

employees are pulled into the electoral process for nearly two months. "Private sector is reluctant to invest months before and after the elections. So is the case for public investment which affects economic activity, overall development and jobs & livelihoods," it said.

It further argued that apart from one productive day getting lost every time polls are held, there is economic loss as workers often take holidays to go to vote, which is often not the same as the place of work. "Simultaneous elections can reduce the overall expenditure incurred on general as well as state legislatures, making it more cost-effective and at the same time there are less days of productive work that are lost due to multiple elections," CII said.

US threatening sanctions to spoil India-Russia ties: Moscow envoy

'But 2023 Trade Turnover Will Be More Than Pre-Embargo Figures'

New Delhi: Russian envoy to India Denis Alipov said on Saturday while his country remains New Delhi's "reliable and time-tested friend", US is trying to threaten the relationship with sanctions.

"In India, Russia enjoys a solid reputation as a reliable, sincere, well-intentioned, time-tested friend. Such an image was initially shaped due to major contribution of USSR to Indian socio-economic development, and it largely persists to this day," he said.

The Russian envoy added, "US officials who come here do not hesitate to directly state that they are pursuing the goal of tearing New Delhi away from Moscow. They are even making threats with secondary sanctions. Some Indian partners are forced to exercise caution, sometimes, frankly speaking, excessively, but there are also a signifi-



Denis Alipov, the Russian envoy to India, claimed that Moscow has been a 'reliable and time-tested friend' of New Delhi

cant number of those for whom such an approach is unacceptable."

Highlighting the growing bilateral ties, Alipov further said, "Our ties continue to steadily expand in a wide range of areas according to

our converging national interests. But unlike our Western partners, we have never conditioned cooperation on politics, have not interfered in domestic affairs, and have always maintained mutually respectful and trusted relationships. Therefore, even now we mainly see a growing desire to keep working together and finding ways to overcome well-known impediments caused by destructive unilateral approaches."

"It should be noted that over the recent years the number of such contacts has increased manifold, and they are becoming more and more meaningful, including distributing information detailing the economic and investment potential and promising areas for interaction. It is indicative that the current bilateral trade turnover, which at the end of 2023 may exceed \$60 bil-

lion, is several times higher than the pre-sanctions figures," he added.

Alipov also called for urgent reforms of United Nations and agencies under it while making a strong case for the inclusion of India as a permanent member of UN Security Council.

"We are of the view that India as a permanent member of Security Council could make a significant contribution to promoting balance as well as an agenda focused on the interests of the world majority, primarily the countries of the Global South," the Russian envoy said. More recently, energy collaboration has become another strong pillar of bilateral ties. The Kudankulam nuclear power plant (KNPP), India's largest, is being built in Tamil Nadu with technical assistance provided by Moscow. ANI

Army chief visiting US to boost strategic partnership

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New Delhi: Army chief General Manoj Pande is headed to the US to further consolidate the bilateral strategic partnership and enhance military collaboration in the Indo-Pacific region, in a visit that comes when joint production of Stryker armoured fighting vehicles is also being discussed as part of expanding defence-industrial cooperation.

Gen Pande will discuss issues ranging from military transformation and co-production initiatives to China's expansionist behaviour in the Indo-Pacific and other security challenges with US Army chief General Randy George and other top officials during his visit from Feb 13 to 16, sources said.

He is also slated to visit several military establishments, including the Army Geospatial Centre at Fort Belvoir, the National Defence University at Fort McNair and frontline Stryker and Special Forces units.

India and US had discussed the joint manufacture of the eight-wheeled Stryker armoured infantry combat vehicles, which combine firepower with rapid mobility on the battlefield, during the two-plus-two ministerial dialogue on Nov 10. The plan is to



Gen Pande is also slated to visit several military establishments

co-produce the Stryker vehicles with "existing Indian capabilities being taken into account", sources said.

Final commercial negotiations for the co-production of GE-F414 jet engines for the Tejas Mark-II fighters in India, with 80% transfer of technology for around \$1 billion, are already underway. "The contract between Hindustan Aeronautics and General Electric should be inked within a month or two," a source said.

India's proposed acquisition of the 31 MQ-9B high-altitude, long endurance drones — 15 Sea Guardians for Navy and 8 Sky Guardians each for Army and IAF — and associated equipment for \$3.9 billion is also now firmly on track after the Biden administration formally notified the US Congress about it on Feb 1.

Under the bilateral defence-industrial cooperation roadmap finalised last June to fast-track technology collaboration and co-production, the priority areas identified are air combat and support, including aero-engines; ISR (intelligence, surveillance, reconnaissance) systems; ground mobility systems; undersea domain awareness; and smart munitions, including long-range artillery ammunition.

The two countries are also now close to inking the Security of Supply Arrangement (SOSA), identified as a key priority in the roadmap to further integrate their defence-industrial ecosystems while strengthening supply chain resilience. Similarly, a Reciprocal Defence Procurement agreement is also on the anvil but it will take some more time.

Edn system based on Indian values need of the hour: PM

TANKARA (Gujarat), Feb 11 (PTI)

PRIME Minister Narendra Modi on Sunday said an education system based on Indian values is the need of the hour.

He was virtually addressing an event organised to mark the 200th birth anniversary of Arya Samaj founder Swami Dayanand Saraswati at his birth place Tankara in Gujarat's Morbi district. Modi hailed the social reformer who had called for the Indian society to return to the Vedas at a time when people were trapped in slavery and superstitions engulfed the country.

He said Swami Dayanand Saraswati was born at a time when Indians were trapped in slavery and social evils.

"Swami Dayanandji then told the country how our stereotypes of orthodoxy and superstitions had engulfed the country, and weakened our scientific thinking. These social evils had attacked our unity," Modi said.

"A section of the society was continuously moving away from the Indian culture and spirituality. In such times,

Swami Dayanandji called for returning to the Vedas," he said.

The PM said Maharshi Dayanand was "not only a world sage, but also a sage of national consciousness."

The Arya Samaj founder gave a logical explanation on the Vedas, openly attacked the stereotypes of orthodoxy and explained what is the real nature of Indian philosophy, he said.

"The result was that confidence started returning in the society. People started knowing the Vedic religion and started connecting with its teachings," Modi said.

Revolutionaries like Lala Lajpat Rai, Ram Prasad Bismil and Swami Shradhanand among others stood up who were influenced by the Arya Samaj, he said. The PM said the milestone of 200 years of Swami Dayanand Saraswati's birth has come at a time when India is in the initial years of its "Amrit Kaal".

The PM also said he was fortunate to be born in Gujarat, where Swami Dayanand Saraswati was born and work in the state which was his "karmabhoomi".



GROWING TOGETHER IS THE BEST OPTION: ISRO

~~'ISRO never competes with anybody'~~



Preparations underway for the launch of ISRO's GSLV-F14/INSAT-3DS mission, at the Satish Dhawan Space Station, in Sriharikota. The launch of the spacecraft is set for February 17, at 5.30 PM. (PTI)

BENGALURU, Feb 11 (ANI)

SUDHEER Kumar, Director, Capacity Building and Public Outreach, Indian Space Research Organisation, said on Sunday that ISRO never competes with anybody and flourishes well in collaboration with the other space agencies.

He was responding to the possibility of ISRO becoming a global hub for rocket launches in the future.

Speaking to ANI on the sidelines of an event in Bengaluru on Sunday, he said, "ISRO never competes with anybody. It is a space community. And especially, the space community will flourish well with the collaborations. We are collaborating with NASA and other space agencies."

(Contd on page 7)

COALITION TALKS INTENSIFY

Pak parties eager to form Government after split verdict

■ By Sajjad Hussain
and M Zulqernain

ISLAMABAD/LAHORE, Feb 11
(PTI)

THE three main political parties in Pakistan on Sunday intensified their efforts for the formation of a coalition Government after it became clear that the coup-prone country faced a hung Parliament after general elections marred by allegations of rigging.

The general elections were held on Thursday, but the unusual delay in the announcement of results vitiated the atmosphere as several parties cried foul and some resorted



ed to protests.

Independents backed by Imran Khan's PTI, won 101 seats. A party must win 133 seats out of 265 contested seats to form Govt.

Former Prime Minister and the Pakistan Muslim League-Nawaz supremo Nawaz Sharif received the backing of the powerful Pakistan Army chief General Asim Munir on Saturday for his call for a unity Government to pull Pakistan

out of its current difficulties.

Independent candidates, a vast majority of them backed by jailed former Prime Minister Imran Khan's Pakistan Tehreek-e-Insaf (PTI), won 101 seats in the National Assembly.

They were followed by three-time former Sharif's Pakistan Muslim League-Nawaz (PML-N) with 75 seats, which technically is the single largest party in Parliament.

The Pakistan Peoples Party
(Contd on page 7)

EL NINO WEAKENING Meteorologists predict bountiful monsoon rains this season

NEW DELHI, Feb 11 (PTI)

AFTER delivering a warm 2023, El Nino conditions are set to dissipate by June this year raising hopes of "bountiful monsoon" rains this season, meteorologists have predicted.

At least two global climate agencies announced last week that El Nino, the warming of the equatorial Pacific Ocean that impacts weather across the world, has started to weaken and there is a probability



of La Nina conditions setting in by August.

Weather scientists in India, tracking the developments closely, have said that La Nina conditions setting in by June-August could mean monsoon rains would be better this year than the last year. However, they also struck a word of caution citing the 'spring predictability barrier', considered a forecasting headache as weather models have a harder time making accurate forecasts. Madhavan Rajeevan,

former Secretary in the Ministry of Earth Sciences, said there is a good probability of La Nina developing by June-July.

"Even if El Nino transitions into ENSO-neutral conditions, the monsoon this year should be better than the last year," he said. The Southwest monsoon delivers about 70 pc of India's annual rainfall, critical for the agriculture sector that accounts for about 14 per cent of the GDP and employs more than half of its 1.4 billion pop-

ulation. The US' National Oceanic and Atmospheric Administration (NOAA) said last week that there is a 79 per cent chance that El Nino will transition to ENSO-neutral by April-June and a 55 per cent chance of La Nina developing in June-August.

The European Union's Copernicus Climate Change Service (C3S) confirmed that El Nino has started weakening. La Nina is the cyclic counterpart to El Nino.

(Contd on page 7)