

‘The Transworld Group’s appetite & ability to do more for our customers has never been better’

Ritesh S. Ramakrishnan, Joint Managing Director



Walking into its massive 80,000 sq. ft new India headquarters in Nerul, Navi Mumbai, one gets an idea about the scope of the Transworld Group’s activities. It is truly an integrated global shipping and logistics conglomerate that is steaming ahead in multiple spheres as it nears 50 years of service to the trade. Its strategic agreement last year with DP World’s Unifeeder was a key step on this path to revitalise its business. And leading from the front is Mr Ritesh S. Ramakrishnan, Joint Managing Director, the third generation entrepreneur who is building on the legacy of his grandfather and founder Mr R. Sivaswamy and

father and Chairman Mr Ramesh S. Ramakrishnan. He has been instrumental in leading the strategy, planning, implementation and business development activities of the Group worldwide based out of its dual hubs in the UAE and India. He elaborates on the Group’s activities, new focus areas and future plans in this exclusive and comprehensive interaction with Exim India.

Post last year’s strategic agreement with Unifeeder, what has the Transworld Group been focusing on in its growth strategy?

The Transworld Group turns 50 in about 5 years. Our focus is on further growth and evolution while reaching that landmark and beyond. We have constantly been evolving as an organisation ever since the company was founded in 1977. Last year’s transaction was also a part of that. We have been changing with the times in whatever way possible, starting out with the agency business, becoming a vessel owner, NVOCC etc. But one thing that has not changed is our connect with the customer. Our reason for doing business starts and ends with the customer. What last year’s agreement allows



and build new business ideas. Our supply chain business, for example, the sea freight, air freight, warehousing, 3PL, 4PL business, has been growing. The plan now

is to refocus our energies on increasing the pace of growth. If you look at airfreight, for example, we are quite active in different pockets, doing not only the conventional stuff as a forwarder but also air cargo

charter from India and the Middle East to various destinations. We are also intently growing our legacy ship agency business.

Vessel owning continues to be a key growth area for us to focus on – container ships, bulk carriers and even tankers going ahead, to augment our fleet. The emphasis in all of this now is to grow faster than what we have been doing.

Does Shreyas Ship-

Transworld Group Services at a glance

Logistics: 3PL | Freight Forwarding | Cold Chain | Transportation | Warehousing | Project Cargo Logistics | Fulfilment Centers

Ocean: Coastal | Bulk | Ship Owning | Ship Management | Liner | Agency

Others: Real Estate | Financial Investments | E-Commerce | Digital Transformation

‘But one thing that has not changed is our connect with the customer’

refocus our efforts to be a complete, end-to-end logistics solutions provider to better serve the customer.

How are you going about this? What are the aspirations that Transworld has in terms of growth and expansion?

There are lots of different areas within the logistics and supply chain space offering us scope to evolve

us to do, while having an equity participation in that business, is to

ping continue to be a part of the Transworld Group? There has been some confusion regarding this after last year’s agreement.

I don’t believe there has been any confusion. Shreyas is an Indian flag, asset-owning company that remains still integral part of the Transworld Group.

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It owns the vessels but the container vessel operations are now handled by the strategic partner as per the agreement. We will continue to look at opportunities as part of the collaboration.

How is the Group enhancing its business globally?

In the last 2-3 years, for example, we have opened our own offices in China and Hong Kong, reopened our office in Singapore, established our presence in Qatar and Saudi Arabia in the Middle East, and opened our second office in the US in Houston. We have a presence in Sri Lanka and are also looking at JV agreements in other countries close to India such as Bangladesh. So, be it through our asset-owning or asset-light businesses, we are focused on serving our customers better. When you are a logistics company, you tend to put yourself in a bucket – I will only do freight forwarding, or warehousing. Our focus is on becoming a complete solutions provider for our customers. Today if a customer asks for any service from Transworld, we are in a position to either do it ourselves or find a way to get it done.

Going ahead, what are the Group’s short- to long-term plans for sustaining and expanding the business?

Here I will talk about two things. One is our recent strategic partnership with e-Shipper, a Canada-based company in the e-commerce and last/first mile delivery space. They have a very specific expertise and have been building it up in Canada and North America over the last 15 years. We have entered into a JV with them to enhance our e-commerce delivery, in the Middle East to start with, which will eventually come to India. Online buying is here to stay. In fact, it is credited with reviving liner shipping. It is a good space for somebody like us, having the right technology, people and skill sets. This also complements a lot of what we do as a logistics company. We do a lot of buyer consolidation out of India, China, Bangladesh, Sri Lanka for



retail brands, even loading on our own ships. So this online platform is just a natural extension for us. That is one short-term aspect. Second is the technological tools that we have been developing to make things easier for the customer. Today, for example, all our forwarding customers in India from end to end do complete online transactions, including making payments. Just in the last quarter, all our billing has been done online. Importantly, in a safe and secure manner. And this is not unidirectional. We have discussed and taken feedback from customers before developing certain tools.

How has the customer adoption been?

Customer adoption has been very good, much better than what we expected. Customers see a value in using technology and they also trust our record of service to the trade.

Could you throw light on the Transworld Group’s digital transformation project “Innovation in Motion”? How is this charting the growth strategy?

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We have a huge programme with Oracle where we have invested a lot

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to bring our back-end, ERP and financials onto the cloud platform, run completely by Oracle. We are basically reaching out to customers in a digital manner. All of these tools we are building are on the Web3 platform, which means it is far more safe and secure and easier to seamlessly link with other players in the cargo and logistics

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ecosystem. The pandemic gave impetus to digitisation but we have been planning all of this much earlier. What was outlined 6 years ago is now coming to fruition.

Any other specific short-term plans?

On the landside in India, we are working on enhancing our ability to provide last mile, middle mile solutions in every part of the country. We have started doing it in an improved manner in the last 3-4 months

On the logistics front, we will keep growing our footprint. Last year we handled reasonable sea and air freight volumes, skewed 70:30 towards sea freight. We want to bring it to 50:50 over the coming few years. There will be focus on the cargo charter business in airfreight and becoming a more end-to-end service provider in sea freight. Hence the foray into e-commerce and road transport business in India, and growing the warehousing busi-



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ness in the Middle East.

We have also made a foray into food processing; a facility is coming

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business in India. It is something we are aggressively working on, with the aim to serve not only shippers but also lines and forwarders. And it is completely digital. We have started rolling it out and it should be completely done in the next 3 months.

What about the long-term plans?

On the asset-owning side, we will continue to augment our container vessel fleet and are also focusing on bulk carriers. We started out with 3 bulk carriers two years ago and today have a fleet of 8. That is something we want to keep looking at within the Handysize space. We are also looking at more asset classes, like tankers, for example. So investing in assets is not going to stop; in fact, we have ambitious plans to scale it up. Asset prices are no doubt pretty high at the moment, but we have chalked out plans. Our total fleet currently stands at 27.

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On the asset-owning side, we will continue to aug-

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up in Vadodara. It is still a huge challenge getting agri produce from the farm to customers in the right quality and condition for export or internal consumption. So we are creating the entire infrastructure encompassing chilling and treatment facilities, processing plants, besides logistics and transport i.e. end-to-end solutions. It is an advantage that we have always been very active in the reefer space as an NVOCC and have presence in the cold chain segment. We also have a significant fleet of reefer trucks in India.

We are also seriously looking at container manufacturing. This is still in the conception stage.

With the recent acquisitions in terms of dry bulk fleet, is the Transworld Group’s current focus more on dry bulk shipping? What is the present strength of the fleet and plans for the future?

Containers will continue to remain the key focus area for the foreseeable future from an asset perspective, but bulk shipping is gaining in importance. The foray into bulk is also a de-risking strategy, not putting all eggs in one

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basket. It has worked out very well. We have leveraged a lot of relationships and developed many new ones within the space. We are getting opportunities to be the agency for other bulk carriers and to be part of pools. We now have a fleet of 8 bulk vessels and will continue to enhance it at the right opportunity and price. We are bullish on this segment. From the overall perspective, as I said, our asset-owning business will continue to grow.

Are more collaborations in the pipeline for the Group?

We are cognizant of the fact that we cannot do

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etc. and you could start seeing some of these come to fruition. These will be in the form of business JVs in multiple areas of cargo and logistics. There could also be collaborations with existing partners.

Do you see more consolidation happening in the industry?

All lines especially are looking at doing things end-to-end. It is a natural progression for them. Liner shipping never had it so good.

If you look at the liner results, they are going through the roof. So they have the resources for acquisitions.

Talking about liner shipping, how long do you think will the present heated container freight rate scenario and the disruption in containerised logistics last?

That is a multi-billion dollar question. I think there will be volatility. In the last two years rates only went north. Now we are starting to see fluctuation and rationalisation, for example on some trades out of Asia. A lot of factors have been contributing to the rate scenario and disruption. China's zero-Covid strategy, the Russia-Ukraine conflict which has been going on for over 3 months now, the resultant surge in energy prices etc. Some other geo-political issues might also crop up. So it is difficult to predict.



The Middle East and India have been the two main hubs for the Transworld Group. Going ahead, how will they complement each other?

They have always been complementing each other. We have been very strong in the Middle East as well as India which is where we are from. From the perspective of the two regions, a positive new de-

velopment has been the recently signed India-UAE CEPA, which should give a tremendous boost to trade between the two countries and the wider region. A lot of investment should flow in both ways. Besides,

India also stands to gain from the global realisation that manufacturing cannot be only China. People are looking at alternate sourcing areas. This will benefit the Indian economy and trade.

How do you view the government's policy focus on infrastructure pertaining to cargo and logistics?

I view it very positively. Initiatives such as Sagarmala and PM Gati Shakti are making a difference. For example, the road development has been phenomenal, especially the speed at which it is happening. The

new multi-lane highways have significantly reduced travel times. The road connectivity to JN Port is akin to what one sees today in Singapore. Policy initiatives in other areas like IWT, coastal shipping etc. are also noteworthy. The efforts of the last few years are coming to fruition.

Lastly, what would be your message to the trade?

We are setting ourselves up for Transworld@50 in a few years and our appetite and ability to do more for our customers has never been better. We look forward to grow our association with all our customers, partners and associates, and be the first choice solutions provider for the trade. We are all excited about how we can challenge ourselves to set new milestones. In the process, we are also developing a new set of leaders for the organisation. ■

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