

Featured Article

LANCER CONTAINER LINES LTD - A RISING ORGANIZATION IN LOGISTICS SECTOR



Lancer Container Lines - Total Logistics Solutions Without Limits



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The main objectives of the organisation

Lancer Container Lines is one of the leading logistics Companies in India and abroad. Being a listed Company on the BSE mainboard, our focus is on Corporate Governance and ethics as part of our work culture. We provide unrivalled logistics services around the globe, covering regions from South East Asia to the Far East, MENA region, CIS Countries, and many others. Lancer is specialized in designing customized logistics solutions to meet the complex and rapidly evolving needs of customers.

From its humble beginnings in 2011, the Company started as international cargo trading operating as NVOCC, and further covered all allied services such as shipping and freight forwarding, providing space for containers in yards, inland transport services, and container trading. The Company has also added a new line of services such as LCL (Cargo Consolidation), Break Bulk Cargo, Flexi Tanks, etc.

We cover all the major ports and ICD locations through our Corporate office in Navi Mumbai, and 12+ branches in India. In addition to this, our offshore agency network in Dubai, Oman, Qatar, Singapore, Malaysia, Indonesia & Vietnam gives us a leading presence along with possessing a strong network of experienced agents across the globe, to serve all together 30+ Countries in different regions and multiple trans-shipment locations.

Bouquet of Services

As mentioned earlier, Lancer Container Lines provides a wide range of logistics services in India and across the globe. Before giving any service commitment, we first carry out a survey, scout the route and final destination to determine the equipment required to handle this safely. We work closely with our clients to satisfy their specific requirements.

The details of our services are as follows:

1. NVOCC



Being a Non-Vessel Operating Common Carrier (NVOCC), we do not own any vessel but act as a carrier legally by accepting the required responsibilities of a carrier who issues the bill of lading. We sign contracts with shipping lines to guarantee the shipment of a certain number of units each year. In return, the shipping line offers favorable rates to us. NVOCC, being the oldest segment of our entire business vertical, contributes to the major chunk of our Company revenues and hence as the largest trade maker for container shipment.

2. International Freight Forwarding

Lancer acts as an intermediary between shipper and transportation service provider and facilitates the passage of cargo from the point of origin to the destination.

3. Container Trading and Leasing

Lancer sells a variety of equipment from our large and diverse fleet portfolio. Our portfolio includes Maritime Containers (20' & 40'- Standard/ High Cube/ Special types of equipment), Storage Container and Refrigerated Containers (Reefers), etc.

Our organization has a current inventory of more than 9000+ containers to suit all types of customer needs. Due to these high volumes, Lancer becomes one of the preferred carriers in the shipping industry worldwide.

4. Empty Container Yard

Lancer has an Empty Container Yard on lease spread over an area of 20,000 sq meters. In the container yard, we provide Storage of empty containers, handling, general container maintenance, refurbishment and repairs, container cleaning, decontamination, container modification, etc.

5. Flexi Tanks

Flexi Tanks are some of the trending products of Lancer for liquid logistics. These tanks provide various benefits over drums and IBS, such as cost-effectiveness sans any risk of cargo contamination.



Current Status of Logistics Companies

Post pandemic, in 2021, the logistics industry has undergone a transformational change. So, here is a SWOT analysis to get a basic understanding of the logistics sector:

STRENGTHS

Diverse customer portfolio

The Logistics Companies like Lancer, have a wide range of customer portfolios. We have customers from multiple locations, various industries such as consumer goods, agriculture, food, automobiles.

End to End logistics services

The end-to-end solution includes air, road, and sea logistics. Lancer provides all logistics services with bonus features i.e. Customized solution. We try to customize the services as per customer needs and requirements and provide the best possible solution to customers.

Customer Services

Customers' logistics requirements are not a one-time thing. So, Lancer provides the best of services to retain customers and build long-lasting relationships. Many organizations choose Lancer because of the effective customer service & timely execution.

Wide overseas network

Logistics Companies operate by network build over the years. The Lancer Container lines have established good business connections with multiple renowned agents' in different Countries for the smooth flow of the business.

WEAKNESSES

Lack of a fully organized system

At present, the logistics sector in India is unorganized, and catering to challenges like high cost, slow turnaround time in the domestics, and global market has brought difficulties upon this sector.

Tough competition

The logistics industry is full of small, medium, and large-scale organizations. This creates tough competition which ultimately results in smaller market size.

Online presence

Digitalization and artificial intelligence is the need of the hour, however are not yet completely explored and utilized by most of the Corporates in the logistics sector and are still at a nascent stage. But at a fast pace, we are trying to reach online technologies for a better and wider presence.

OPPORTUNITIES

Digitalization

Digitalization will be a new normal in the logistics sector. This will give a huge opportunity for small and medium logistics Companies in terms of saving time and cost of the operations.

Government support to the logistics sector

The government is starting to help the logistics sector in India. National logistics policy with schemes like *Sagarmala*, *Bharatmala*, Port infrastructure, Warehousing, and public-private partnership

model, all of which are likely to boost swifter logistics and supply chain sector, enhancement. The budget for 2021 is giving a ray of hope to the logistics industry. And even under *Atmanirbhar Bharat* Schemes, various logistics Companies are getting good support from the government of India.

THREATS

Pandemic like COVID-19

The pandemic disrupts the flow of business around the world. The daily logistics operation gets disturbed and this results in slowing down of the business processes.

Geo-Political Risk

Each and every logistics Organization risks business while dealing with overseas organizations. Organization should have flexible logistics operations to avoid the consequences of geopolitical risks.

Environmental, Social, and Governance

The sector remains subject to risks of trade protectionism, uncertainty about economic recovery paths in different regions, as well as ESG-driven initiatives such as IMO 2020 and other emission regulations.

Impact of Covid-19 on Lancer Container Lines and the future in the Post-Covid Scenario

Lancer Container Lines comes into essential business so, there was not much impact on the organization's operations. Container box shortages and port congestion due to pandemic-related detentions and disruptions have prolonged container ship's turnaround time, further increasing freight rates. So on the one hand movement became slow but simultaneously a jump in freight rates nullifying the adverse impact on revenues.

Even during the pandemic, Lancer hasn't failed to provide utmost support to its customers through flexible and continuous customer service.

Demand-Supply mismatch due to container shortage and port congestion gave rise to delay in the shipments but this effect, we at Lancer feel to be temporary. We therefore also feel that container rates along with spot freight rates will remain high in the short term, however, the current rates will be unsustainable in the medium term as the sector is susceptible to rate volatility and economic recovery.

We expect rates of containers to reduce

once supply disruptions related to the pandemic are addressed. We further expect sector performance to improve going forward due to higher freight rates despite lower volumes and prudent capacity deployment.

The critical challenge for logistics Companies - Container Shortage, Way forward

Presently, the logistics industry is facing the most critical challenge, i.e. shortage of containers. There is no large container manufacturer in India and almost 90% of containers are manufactured in China vis-à-vis most exporters and logistics Companies have been relying primarily on Chinese containers.

India has never faced a shortage of containers earlier as its imports were always higher than exports during most periods. Imports into India have dropped significantly during the Pandemic. This imbalance has created a shortage of containers for Exports. Moreover, this decline is not only due to the pandemic, with the success of the government initiative to boost exports and minimize imports, but India may also see a substantial decline in imports over the next couple of years. This will further enhance container shortage.

The government of India is looking for a long-term solution, taking initiative through the "*Atmanirbhar Bharat*" Program. Container manufacturing is expected to be a part of "*Atmanirbhar Bharat*" and the ministry of ports, shipping and waterways have already set up a committee to study the feasibility of manufacturing containers at various locations. India will soon all set to manufacture containers to boost exports of the Country.

In sum, Lancer Containers will continue to build on our strategic vision to connect directly with end-customers by delivering solutions that remove inefficiencies in the logistics and supply chain industry.

You can connect with us and get the latest updates on the logistics industry from Lancer Container Lines Ltd.

Website - <http://www.lancermarine.in/>

LinkedIn - <https://www.linkedin.com/company/lancer-container-lines-ltd>

Twitter - <https://twitter.com/LancerContainer>

