

## Foldable Shipping Containers All Set to Reduce Logistic Cost

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Avinder Bindra, who shared 26 years of his professional life with Citigroup Inc. and later four years at HSBC, approached Indian Institute of Technology (IIT), Delhi with a project of inventing collapsible containers, four years ago. Prof. Anup Chawla and Prof. Sudipto Mukherjee took up the challenge and produced logistically cost-saving container which will soon replace more than half a century old Malcolm Mclean containers. The project was funded by Avinder himself and was completed in little more than three years.

Twenty-foot Equivalent Unit (TEU) is the standard size of a container in the logistic business. The team was able to invent a collapsible container that is one-fourth of the standard-sized container when folded. The shipping industry spent a lot of time and money in transporting empty containers after unloading, especially from ports where equivalent amount of goods were not available to be shifted. It is estimated, more than 30-40 percent of shipping is done for the movement of the empties. In 2003 alone, \$11 billion has been spent just for repositioning the empties and these figures are excluding the storage costs. It is quite common to hire an entire ship for repositioning and Ocean Carriers, one of the majors of the industry stated, they have spent \$16 billion last year on the same.

The IIT duo's amazing new design can carry four containers in the space occupied by one of the present containers. It opens upward to allow top loading of both soft and hard commodities. The expansion and folding could be done in less than 5 minutes and is not complicated either. However, the initial cost of the new container will be 10-15 percent more than the current one, which costs about \$2000. The container has already received positive feedback from leading shipping companies such as Maersk Line, logistic firms and port operators.

Once the certifications from global agencies, Lloyds Register and Bureau Veritas are completed, a requirement for any marine equipment; the invention will soon streamline the shipping industry in the coming years. As Chawla puts it, it would also bring down traffic, reduce pollution and not to mention, a drastic cut in oil usage. The surcharges levied from the exim firms on the empties could also be reduced, which would ultimately bring down the prices of the commodities shipped. According to Drewry Shipping Consultants Ltd., the global container traffic is estimated to reach 350 million TEUs by 2024. Therefore, such a simple, awesome invention by two Indian professors will give much needed fillip to the global logistic industry that has already run aground by ever-rising crude prices.

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