



# RCL is in India for the long term: Sumate Tanthuwani, Twinchok Tanthuwani

**RCL Agencies (India) Pvt. Ltd, Mumbai moves to a Bigger Owned Office considering the country's potential**

*RCL has been operational in India for many years, mainly connecting South-East Asia and the Far East. It is now expanding coverage to the Middle East/Gulf and Red Sea, for which there is a well-planned strategy in place. Towards this end, RCL Agencies (India) recently moved to a new and much Bigger Owned Office in Mumbai to cater to the growing business. The premises was inaugurated with fanfare on October 29, 2022 in Mumbai, in the presence of Mr Sumate Tanthuwani, Chairman of the Executive Committee, Regional Container Lines Group, and Mr Twinchok Tanthuwani, President, Regional Container Lines Public Co. Ltd. They subsequently sat down for an interaction with Exim India on the varied aspects of the shipping business as well as the roadmap to the future in India. Excerpts:*

● **RCL is one of the top 30 container line operators in the world. Did it start operations with only containers or was bulk also part of it?**

**Mr Sumate Tanthuwani:** RCL started with only containers and bulk was not part of it. That's why its name is Regional Container Lines. It was founded in 1979 and is a Thailand-based container shipping line. Listed on the Thai Stock Exchange since 1988, its core business is in the carriage of shipper owned containers (SOC) and its carrier owned containers (COC).

● **RCL is shifting to a bigger owned office space. Was this necessitated due to growth in business volume in the last couple of years?**

**Mr Sumate Tanthuwani:** I talked about history. Now, Mr Twinchok Tanthuwani will take over from here and talk about the present and future.

**Mr Twinchok Tanthuwani:** I think there is a lot of potential in India and the Indian Subcontinent. India was a good place to anchor our services and we decided to open an office. Now, we are going for a bigger place keeping in mind that potential.

● **Do you operate on pan-India basis, covering both East and West?**

**Mr Twinchok Tanthuwani:** Yes, we operate on both sides, East and West, with our network.

● **Any plans to expand your services to the Far East up to China?**

**Mr Twinchok Tanthuwani:** RCL does serve the Far East up to China and Korea. We have also been serving the Japanese markets. We also serve the Middle East and are now exploring Africa.

● **Can you provide services to the Middle East and Africa through the East-West coast of India?**

For India, we provide service from Mundra to Mombasa, which has just been started. Also, from Nhava Shiva and Mundra, we provide transshipment service via Jebel Ali to Jeddah to Upper Gulf ports. We have an India service to the Gulf, which is moving from Mundra and Nhava Sheva to Jebel Ali, Hamad etc., which are high-volume ports in the region. So, you can see RCL is expanding and going towards Africa.

● **So your USP is the Far East and intra-Asia?**

Yes, the Far East, ASEAN and intra-ASEAN regions have been our main centres. We have also put a lot of focus on the Indian market.

● **Container freight rates seem to be stabilising after nearly two years of unprecedented surge. How is this impacting your services? Is supply now more than demand?**

It is natural. The Covid pandemic was an extraordinary occurrence and took freight rates to unprecedented heights. However, things have almost normalised and so the freight rates have also come down. It may not be at the level of pre-Covid, but still a little higher. However, it's certainly lower than the Covid time.

● **Do you think it's good for the industry?**

**Mr Sumate Tanthuwani:** Our trade is on the ocean and not the highway which is smooth. We must remember that ocean has waves which go up and down. Then, some extraordinary thing happens, which was Covid. It was a big shock for all. However, things are now normalising.

**Mr Twinchok Tanthuwani:** You cannot say it's hundred per cent good or hundred per cent bad for the industry. It means less money and so may be bad for the industry. However, it certainly has made sense and common sense is back in the industry. It's certainly a situation where you can do business. If rates are not so high, many things can sustain, which had earlier become unsustainable. Even customers have become more satisfied now that they can survive in the market. Everyone can survive now. So the answer to the question is that it is not good or bad but somewhere in the middle of the road.



RCL Agencies (India) Pvt. Ltd - New Office Entrance



RCL Agencies (India) Pvt. Ltd - New Office Workspace

● **What is the strength of RCL's fleet and what is the capacity range of its vessels? Is it 49 or something?**

**Mr Twinchok Tanthuwani:** Well, we should not say that having 49 ships is a strength but we can say that we are in the process of renewing our fleet. We are shifting our portfolio from sheer size to becoming a better shipping line. We have bought some second-hand ships of 6,000 TEUs and are expanding for the long term.

We start with Asia where the trade is growing. We have to ensure that the company has adequate assets to serve the Far East, India and beyond.

RCL currently owns and operates a fleet of 49 vessels with sizes ranging between 300 TEUs and 12,000 TEUs. The 12,000 TEUs are going to be launched in the Far East, India and Middle East. It's a fast-growing region and, as a shipping line, we have to plan for the next twenty years and not two years. You can imagine how much India can grow in the next 20 years and so we have a plan for that horizon. RCL also has a fleet of 147,189 TEUs to support its own COC carriage as well.

● **As a shipping line, what are the**

**constraints, if any, of operating in India? How do you think they can be mitigated?**

We have been in the Indian market for almost thirty years and it has been pretty straight sailing. If there were any irritants, it was resolved amicably with the help of our local partners. We have always followed rules and regulations in the country.

What is most heartening about this is the fact that the government has been doing a lot for businesses and simplifying rules and regulations. It is certainly going to help a lot to increase business growth in the country. Government changes rules and regulations that affect us in terms of taxation, etc. However, the company makes sure to follow every change in the regulations and comply with tax obligations, if any.

● **You have recently launched Regional Logistics Private Ltd (RLPL) covering total logistics. What are the plans?**

We understand that to become a cosmopolitan brand, you need to have extra assistance and this company is going to fulfil that role. Whenever some extra assistance is needed, this company will provide the necessary expertise and help RCL in excelling. To provide excellent service to our customers, the services of this unit will be valuable.

● **Will RLPL's services be restricted to the current geography or expand to the US, Europe, etc.?**

It is not going to be restricted to the current geography and will be available in the US, Europe and beyond in a truly global sense.

● **One of your main activities used to be a common carrier feeder service. Is it continuing?**

**Mr Sumate Tanthuwani:** Yes, the feeder service continues but on a much smaller scale. We intend to keep the service.

● **Finally, what would be your message to the Indian trade?**

**Mr Twinchok Tanthuwani:** With the opening of this office, it is clear that we are here for the long term. We are focused on doing business in India with our local partners by following all rules and regulations. ■



Mr Sumate Tanthuwani, Chairman of the Executive Committee, Regional Container Lines Group, and Mr Twinchok Tanthuwani, President, Regional Container Lines Public Co. Ltd, inaugurating the new office of RCL Agencies (India) Pvt. Ltd in Mumbai



Mr Sumate Tanthuwani and Mr Twinchok Tanthuwani lighting the lamp during the inauguration



Mr Sumate Tanthuwani and Mr Twinchok Tanthuwani with the gathering during the inauguration ceremony



Mr Sumate Tanthuwani and Mr Twinchok Tanthuwani with Mr Manu Nagpal, CEO, RCL Agencies (India) Pvt. Ltd



Mr Twinchok Tanthuwani addressing those gathered on the occasion