

# DEALING WITH SESAME TRADE CHALLENGES: LESSONS LEARNT AND THE WAY FORWARD

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**Presented By:**

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# INTRODUCTION



I would like to introduce my company Midtrans International as processors and exporters of Sesame seeds for the past 40 years. We are a FSSC 22000 certified company with an excellent track record for the best customer satisfaction.

We specialize in different varieties of sesame seeds and various other products. We believe in keeping the customers happy and providing them products at very competitive prices.



# CHALLENGES FACED BY EXPORTERS

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# What risks are important to consider for logistics and transportation?



The pandemic has shaped a new future for logistics and has certainly forced many businesses to rethink transportation costs. In doing so, the cost of doing business has gone up drastically.

Since the first wave of Covid-19, implementing a contingency plan was imperative.

Acknowledging the past and understanding the risks are key starting points to paving a way forward.

# Key challenges in transportation and logistics



- ❑ The difficulty to cut transport costs:
- ❑ Shipping and transportation are by far the most expensive cost in logistics. It's the largest overhead for most businesses.
- ❑ The Pandemic happened.
- ❑ Countries started to lock down.
- ❑ Shipping Companies started reducing the number of vessels and voyages creating shortage of containers.
- ❑ There were lesser truck drivers resulting in increase in transportation costs.



- ❑ After world started opening up, initially the supply chain was disturbed and there was shortage of everything around the world.
- ❑ Countries started buying products because shelves in stores were empty.
- ❑ Due shortage of Vessels and very high demand, the shipping lines started increasing prices and freight rates started increasing many folds. It remained high for almost 20 or so months.
- ❑ Things started to come to senses early this year.
- ❑ Russia/Ukraine conflict started as a result Oil prices started going up
- ❑ Export out of these two countries started dwindling..
- ❑ Currency fluctuations all over , It has become very difficult to do one's costing.



# Lessons Learned and Way Forward

- . Exporters started offering on FOB which was a challenge for Importers
- . Speculation still going on but reduced to some extent
- . Do we learn ? I don't think so, the human mind forgets very fast and we go back to our *old* ways.
- . We should learn from the last couple of years and plan more carefully but again natural disasters and unforeseen events changes everything.

## Way Forward

I would like to put this forward to the audience here with an interactive session ahead and share their thoughts and experiences.



**Thank you**