

Executive Summary

- Logistics industry revenues projected to touch Rs *** billion by 2013-14
- Transport modes to witness buoyant growth over the long term
- Infrastructure segments to grow strongly; albeit on a lower base
- Changes that would facilitate the growth
- What needs to be done to lower the logistics cost across non-bulk sectors
- Efficient logistics operations can bring in savings

Logistics industry in India

- Logistics – perceived to be a cost centre
- Logistics spend in India – *** per cent of the GDP
- Overall logistics market to grow at a CAGR of *** per cent to reach Rs *** trillion in 2013-14
- Logistics cost to taper down owing to the regulatory push

3PL

- 3PL in India - opportunities galore
- Definition of 3PL
- Value proposition for end users of 3PL services
- Need for a 3PL player for the end user
- Changing 3PL scenario in India
- Movement to a 3PL set-up from a traditional transporter arrangement
- 3PL market to grow at a CAGR of *** per cent till 2013-14
- Facilitators for growth of 3PL in India
- Advantages of 3PL
- Significant decline in the warehousing cost owing to 3PL usage
- *** and *** sectors hold tremendous potential for movement towards 3PL arrangement
- Deterrents to the growth of 3PL

Road

- Freight movement closely linked to macro-economic activities
- Key Highlights
- Extensive road network in India
- Growth in freight rates to drive value of road transport industry in the next five years
- Primary road transport industry to grow at *** per cent CAGR in value terms over the next five years
- Secondary freight movement accounts for around *** per cent of the primary road freight movement in India
- High fragmentation leads to intense competition in the road transport industry
- Transporters profitability

- Road accounts for an *** share of bulk and non-bulk movement

Railways

- Key Highlights
- Overview of Indian Railways
- Overall revenue growth and traffic growth over the years
- Economic growth to drive rail movement in India
- Railways continue to dominate the bulk commodities
- Containerisation to be the driver for the non-bulk segment
- Rail containerisation: gaining momentum in India
- Infrastructure issues faced by Indian Railways
- Investment outlook

Warehousing

- Key conclusions
- Warehousing – Definition
- Changing warehousing scenario in India
- Value proposition
- Segment characteristics
- Growth drivers for warehousing in India
- Warehousing market dynamics
- Warehousing size in India to touch around Rs *** billion by 2013-14
- Industrial warehousing to clock a CAGR of *** per cent over the next 5 years
- *** form largest capital cost component in industrial warehouse
- IRR estimated to be in range of *** per cent for industrial warehouse
- Warehousing cost as percentage of revenue highest for *** sector
- Sectors covered by CRISIL Research contribute to around *** per cent of total warehousing revenues
- Agriculture warehousing estimated to register *** per cent CAGR over next 5 years
- Employee cost and fumigation cost account for around *** per cent of operating expenses
- IRR estimated to be in range of *** per cent for agriculture warehouse
- Key developments impacting warehousing segment
- Change in warehousing need with introduction of GST & 3PL

CFS/ICD

- Key conclusions
- Introduction
- Changing CFS/ICD scenario in India
- Value proposition
- Business models

- Growth drivers for the CFS/ICD industry
- CFS/ICD market dynamics
- CFS/ICD market valued at around Rs *** bn in 2008-09
- *** and *** sectors contribute significantly to the overall CFS/ICD revenues
- CFS/ICD cost as per cent of total logistics cost highest in *** and *** sectors
- CFS/ICD contributes almost *** per cent of the logistics market
- Project economics of CFS driven by the *** charges

Cold Storage

- Key conclusions
- Introduction
- Value proposition
- Changing cold storages scenario in India
- Business models
- Cold storages contribute almost *** per cent of the logistics market
- *** penetration and capacity utilisation of cold storages in India
- Controlled atmosphere cold storages capacity in India almost ***
- Growth drivers of the cold storages industry in India
- Cold storage market to grow at a CAGR of over *** per cent till 2013-14
- Cold storages industry structure
- IRR for a cold storage is estimated at around *** per cent

Pharmaceutical industry

- Key conclusions
- Industry overview
- Unique features pertaining to logistics in the pharmaceutical industry
- Pharmaceuticals industry logistics process flow
- Ocean freight constitutes around *** per cent of the inbound logistics cost
- *** – a substantial proportion in the outbound logistics cost
- Logistics cost as per cent of sales ***** in pharma owing to ***
- *** – a dominant contributor to infrastructure logistics cost
- Potential of 3PL in pharmaceutical industry

FMCG industry

- Key conclusions
- Industry overview
- Unique features pertaining to logistics in the FMCG industry
- Logistics process flow (average time taken at each interval) as on 2008-09E
- Logistics process flow (average cost incurred at each interval expressed as a per cent of sales) as on 2008-09E

- *** dominates inbound logistics cost (2008-09E)
- Logistics cost hovers in the range of *** to *** per cent
- Potential for savings through usage of 3PL in the FMCG industry
- Reduction in overall warehousing space by *** (2008-09E)
- Deterrents of 3PL