

Vol.: XXIII Issue 07; June 2023

Postal Reg. No.: DL (ND)-11/6002/2022-23-24. WPP No.: U (C)-272/2022-24 for posting on
04th - 05th of same month at G.P.O. New Delhi-110001; RNI No.: DELENG/2003/10642; Date of Publication: 03/06/2023

1 IN CIRCULATION & READERSHIP

SOUTH ASIA'S LEADING CARGO MONTHLY

cargotalk.in

CARGO TALK®

A DDP Publication

Published from: ★ India ★ Middle East

Pages 60 | ₹50

GRADE A WAREHOUSING BOOM IN TIER II & III CITIES



Short delivery timelines lead to Grade A warehousing



Vineet Agarwal
MD
TCI

FACTORS BOLSTERING DEMAND

COVID has necessitated a shift towards digitization and contactless operations. As consumers went from traditional to online shopping, D2C, and quick commerce brands started revolutionizing the concept of doorstep deliveries.

With ever shortening delivery timelines, the need for easy storage, retrieval-based dark warehouses, and Points of Distribution increased. Hence, the rise in demand for modern warehouses near the point of consumption in urban cities. This phenomenon is spreading to tier II cities.

Many e-commerce categories such as retail, grocery, pharmacy, and food delivery may grow even further. As In-

dia goes on to become a US\$5 trillion economy, volumes of production and manufacturing will grow. The support ecosystem around cargo clusters, distribution parks and the inherent operational efficiencies due to economies of scale will drive many companies to opt for larger warehouses. Warehouses

In the recent World Bank report for LPI 2023, India jumped six places to be on 38th rank out of 139 nations

ing capacity discussions with buyers are evolving from per square feet capacities to per cubic feet-based metrics—leading to larger warehouses. The need for reduction in CO₂ footprint has increased adoption of green warehousing, thereby adding to the demand for Grade A warehouses in India.

SUPERIOR INFRASTRUCTURE

The shift towards modern and compliant warehousing is commendable considering there is no designated area demarcated for warehousing in cities. Having said that, this rating is bound to change soon, due to

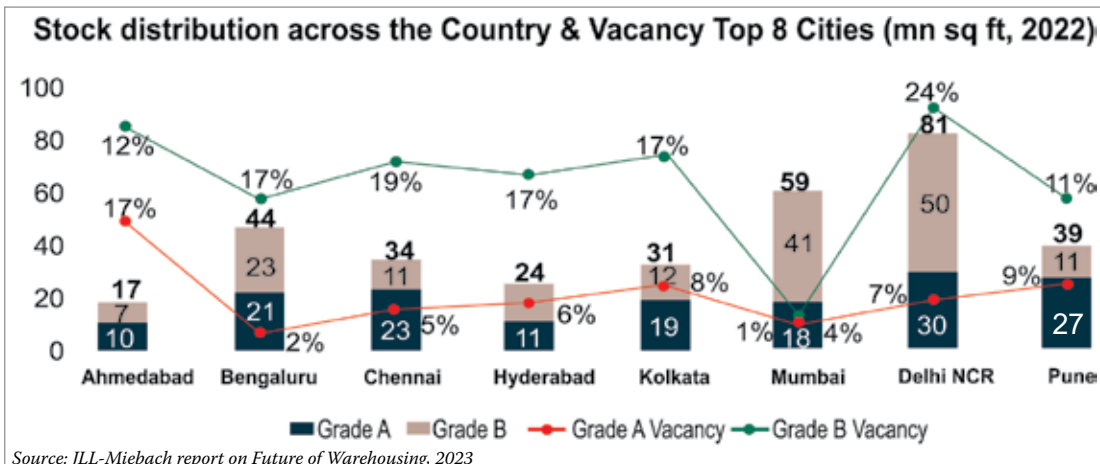
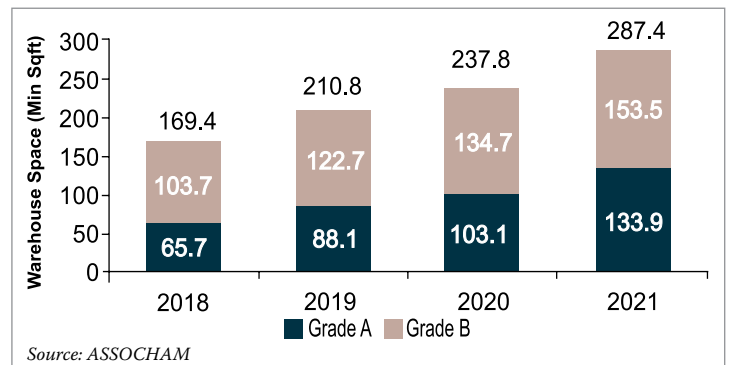


the fast-changing infra dynamics in India.

In the recent World Bank report for LPI 2023, India jumped six places to be on 38th rank out of 139 nations, reflecting the country's growth story. It is a proof the world recognizes India, as a nation that is improving on all fronts at a phenomenal pace. With continuous investment by the

Union government in projects such as Bharatmala Pariyojana, MMLPs, DFCs, Sagarmala and Inland waterways, the focus on creating world class infrastructure facilities is evident.

This will continue to help LSPs like us to reduce the TAT and trim needless costs. Thereby, playing a pivotal role in strengthening country's logistics value chain.



PREFERRED LOCATIONS

Top eight urban cities have the highest number of smart, automated, and Grade-A warehouses. Soon there will be an increase in demand of the smart facilities in tier II and III cities due to internet penetration, which has led to e-commerce boom, D2C, and food delivery. From retail, electronics, agriculture products to pharma, Grade A facilities in tier II and III cities, in the coming years, it will cater to the increased demand. 🐦