

MULTIMODAL LOGISTICS PARKS leveraging growth opportunities!



Multimodal Logistic Park as the name suggest is one centralised place for all types of transportation activities and value added services needed by exporters and local traders for shipment of their goods. It is often defined as rail/road/sea based inter-modal traffic handling facilitation complex comprising container terminals, bulk/break- bulk cargo terminals, warehouses, banking and office space and facilities for mechanised handling, inter-modal transfers, sorting/grading, cold chain, aggregation/desegregations, etc. to handle freight traffic.

Transforming India's logistics landscape will help realise the country's enormous economic potential. To succeed, what is needed is a collaborative effort to define a clear, long-term, and sustainable vision encompassing initiatives that are proactive rather than reactive. This, in turn, requires a logistics planning approach that considers various modes of transportation cutting across state boundaries, and balances the slew of infrastructure investments with appropriate policy and regulatory reform measures. The MMLPs will be a critical first step toward realising this vision.

Upamanyu Borah

The Indian logistics sector being granted infrastructure status is a landmark move having wide-ranging implications for an industry that is now set to grow 10-15 per cent annually. Specifically, the sector is now included in the Harmonised Master List of Infrastructure Sub-sectors under a new head 'Transport and Logistics', and categories such as multi-modal logistics park, cold chain facility, and warehousing facility have been defined. This will have decidedly positive implications, paving the way for a well functioning integrated transport network to secure efficient flows of freight, with making the sector a sought-after asset class for investments.

▶ **Current logistics issues and trends in India**

Increased outsourcing of logistics services to a developing market:

There are many logistics service providers consisting of only one or two persons owning one or two trucks which are not very organised and whose workload is volatile. Especially in the big cities, there are a vast number of unorganised small truck owners and service providers for *last mile distribution*. Yet, there also



The key to MMLPs success would lie in improvement of road, railways, and other modes of transport to ensure smooth and uninterrupted linkages. Apart from infrastructure development, the success of these parks is also dependent on various other factors.”

VIKAS YADAV, Director, Future Warehousing Solutions Pvt Ltd

are a few larger companies that operate big fleets of well-coordinated vehicles with different capacities. This is rather the exception though and there is no consolidation of that sector within a lobby. There is only the CII or the FICCI. Also, there are no guidelines for traffic tariffs and their payment, which complicates the situation significantly. This especially is a big issue in the last mile distribution. Since many companies in the manufacturing sector are growing in size, non-core activities are being outsourced. *City level warehousing* is often given to small players who have their local warehouses, which then outsource warehouse management to other companies. The transport sector is so fragmented that lots of activities are outsourced to smaller players what is even increasing with the manufacturing and retail sector growing in size. Another issue is that 51 per cent of the retail sector is composed by multinational companies. Despite the growth of the retail sector, integrated *value added services* and reverse logistics have not yet been explored for these big supply chains. Regarding automation and the use of technology, high-tech is mostly not affordable for small service providers. Hence, mostly rather lower technologies or even no technology at all is being used in practice.

Safety issues and inefficient regulations:

Regarding *risk or safety* in the supply chains, it might not be easy to change the behavior within the informal sector towards more safety. Especially the human risks are a major issue in India compared to European countries. Concerning *storage and*

warehouse related risks, the fragmented private logistics companies do not cooperate well along the logistic chains, what makes these risks to a big common issue. Risk management in global SCs, especially financial risks, are another important issue to be considered in the future. A further problem area is regulation. In certain ways, there is a lack of regulations and regulation implementation. Regarding trucks, there is a high tendency to overloading and exceeding the driving time limits. Also, safety regulations are very poor what gets even worse when considering road and traffic conditions. Safety laws do exist, but their implementation and enforcement is problematic. There are some safety-related areas where the laws are even less efficient. The tax structure in India is a further problem. When crossing borders between states, trucks often have to endure long waiting times at checkpoints because most states have different tax structures. However, with the passing of the E-Way bill, this concern is now being addressed.

Coping with infrastructure deficiencies:

India is considered a manufacturing hub and freight volumes have drastically increased. Economic growth is driving demand in transport and with a losing market share of railways most of the goods are being moved by road.

The *Indian railways* are still a monopolistic organisation with a huge network and an integrated system, not yet ready to be opened up for private ownership. Even though there are initiatives for improvement, they

all need to be approved through a very long and inefficient internal process. The railway infrastructure is still on a stage of “not yet broken down”, other sectors are doing better though. There is work being done in the areas of development of locomotives, manufacturing of coaches, catering on trains, constructing lines, operating services, pricing and scheduling. However, rail construction and signaling equipment installations are still done by companies like Siemens. All in all, there is a huge potential and interest in railways.

The use of *inland waterways*, primary in the east, connecting Calcutta and the ports in Orissa to the mines, has been explored, but inland waterways have been a huge failure since the water levels are too low and fresh water is rather used for consumption and agriculture than for transportation. Further, the inland waterway network is not maintained at all so there is a complex set of problems in that area.

Today, *warehousing and rail-road interfacing* are major issues concerning sustainability and transport costs. Bulk is being moved by rail since railway lines can be connected directly to mines or big manufacturing plants. For consumer goods and durables on the other hand, there is a significant flow between Mumbai and Delhi or Ahmedabad that still needs to be done by truck because the interfacing is still not good enough.

Regarding the promotion of intermodal transport policy, makers decide and researchers depend on these decisions. An intermodal approach



Development of logistics infrastructure in the form of multi modal logistics parks is aligned to the management of logistics costs with the help of multiple parameters like developing the ability to map demand accurately, undertaking infrastructure enhancements, developing technology tools, along with managing order visibility, quality of service, timely supply, delivery and clearances.”

RACHID FERGATI, Managing Director, Indian Sub-Continent, UPS

is not yet planned in India, so there is not much significant work being done to improve logistics nodes and promote intermodal transport. The development in the transportation sector is huge though. It is growing about 10 per cent per year, but only in scale. A lot of freight was done by rail in the past, but now truck transportation is increasing, because the roads have been improved. Also, the truck sector is growing faster than the railway sector and private seaports are coming up. The greatest potentials are in the *intermodal logistics nodes for transport networking and transport distribution* since there is some political interest in this area. In fact, Mumbai or Chennai are candidates for an intermodal hub, because there is a high rate of traffic, industrial activities and sea ports.

The infrastructure corridor between Delhi-Mumbai and the related freight corridors for rail are currently being developed. Also between Delhi, Jawaharlal Nehru Port and Calcutta dedicated rail freight corridors are being developed. The involved parties are also planning to build a high number of logistics clusters and container freight stations (CFS) along these corridors. Regarding multimodal logistics hubs, primarily between road and rail, optimal locations still needs to be identified. Also, the connectivity from the mines (minerals) to the Delhi-Mumbai industrial corridor is being improved. Furthermore, other container freight stations are currently being planned. There is a focus on national highway development that includes expressways, super expressways and air linkages. Nashik, Gurgaon and Kochi are new logistics

clusters or hubs. Moreover, the aviation sector has grown tremendously, but infrastructure related to civil aviation still needs to be developed much further.

Major issues in cold and food chains:

There are many activities in the area of *cold and food chain management* due to increased government initiative and funding in this area. India has an old but quite good public distribution system for movements of food across the country. The major food crops are in localised pockets near to Delhi and are distributed all over the country from there. The crops need to be delivered to warehouses in order to be processed. Warehousing in food supply chains is a very big problem in this case. Agricultural SCM is rather unorganised and inefficient and the public distribution system in food SCs is not very effective either. There is a lot of wastage during storage, lead times are high and security issues are not considered. The aim would be to develop good warehouses, cold chains and food chains. So finally, the agricultural, processed food and cold chains need to be improved significantly. Therefore, the government is currently making substantial investments in this area, mainly in the food chains.

Lack of specialised training and education:

Even though the logistics sector is growing, whether it is roads, aviation, railways, containers or the use of various modes of transport, the amount of students and the technical knowledge in the sector is quite low. But in the manufacturing part

of the curriculum, people have an understanding of different technologies so that they can find a natural way to enter those sectors. In the areas of logistics there is a great need for education, but there are not enough institutions that offer training in logistics.

However, the skill development efforts in the transportation, warehousing and packaging sector are an important trend. Not only skills, but also attitude and behavior are important in managing supply chains, which needs to be dramatically improved.

► Logistics Parks – Implementation and Effects

When the union government in May 17 announced its initiative to develop a network of 35 multi-modal logistics parks (MMLPs) across the country under the ‘Bharatmala’ programme, it was seeking to transform the abysmal scenario wherein logistics accounts for about 18 per cent of the total product cost in India, as against 8-12 per cent in China and 12 per cent in Europe. The parks are expected to help the industry transition from point-to-point freight movement to the hub-and-spoke model followed in developed economies. Under implementation is an integrated policy that improves efficiency in freight movement.

The project, a brainchild of Minister Nitin Gadkari, will be implemented in two phases, with phase I totalling about ₹155 crore and phase II around ₹115 crore. It is being backed by Asian Development Bank (ADB), which focuses on infrastructure development in Asia. The development includes railway sidings, container terminals, warehousing



Government will have direct revenues (and profits) through collection of charges from sources like rail terminal access charge, rental charge for space given out to various users of MMLP, rental charge for usage of warehouse facility, and terminal handling charges.”

VIRAL SHAH, Executive Director, V Trans (India) Ltd

ing, non-cargo processing, a truck terminal, common facilities, support infrastructure, and equipment.

The challenge, though, is the availability of land at right prices as it would impact the transaction cost for transport service providers once the MMLPs are established.

Articulating the factors that will significantly contribute for MMLPs to work effectively, **Vikas Yadav**, Director, **Future Warehousing Solutions Pvt Ltd** says, “The key to MMLPs success would lie in improvement of road, railways, and other modes of transport to ensure smooth and uninterrupted linkages.

Apart from infrastructure development, the success of these parks is also dependent on various other factors:

- Identification of a suitable location

for the Park – the location should not only have the requisite infrastructure, but should also house industries.

- Cutting edge information technology for delivery management also plays an important role for MMLPs to work effectively.
- Government and Private partnership – policy incentives and regulatory reforms should open new business opportunities for private companies to invest in and operate MMLPs.”

Talking on similar lines, **Viral Shah**, Executive Director – **V Trans (India) Ltd** states, “Modern mechanised warehouses, catering to the needs of different industry segments would enable MMLPs to be effective in terms of higher storage and handling inventory losses, along with efficient multimodal freight transportation -

Road, rail, air and waterway connectivity.

Being able to provide value added services such as customs clearance with bonded storage facility, warehousing management services along with activities such as kitting and final assembly, grading, sorting, labeling and packaging activities, return management, etc. will also make MMLPs more effective.”

Rachid Fergati, Managing Director, **Indian Sub-Continent**, **UPS** opines, “Development of logistics infrastructure in the form of multi modal logistics parks is aligned to the management of logistics costs with the help of multiple parameters like developing the ability to map demand accurately, undertaking infrastructure enhancements, developing technology tools, along with managing order visibility, quality of service, timely supply, delivery and clearances. With an ideal multimodal hub, cost of handling can be reduced and processes can become more efficient.”

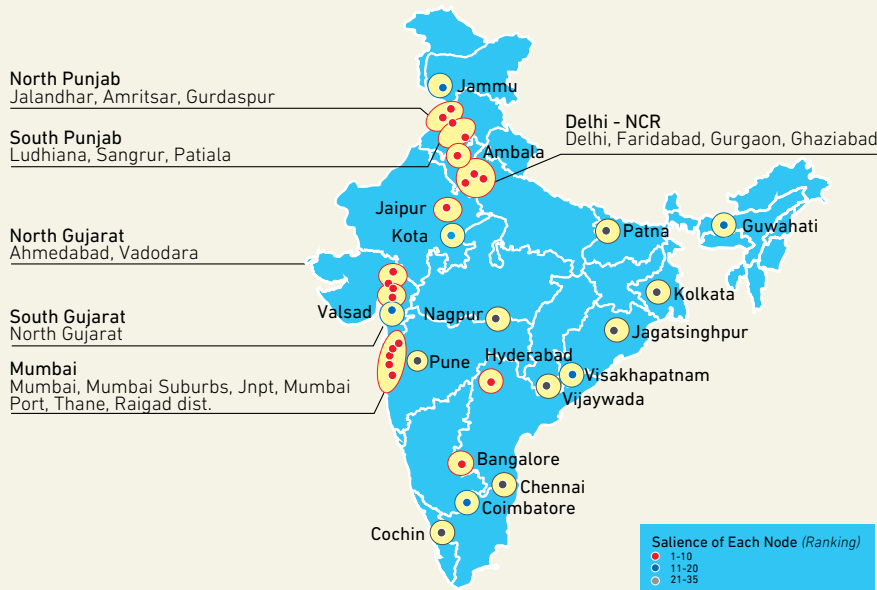
However, explaining the reluctance of Indian companies to invest in logistics, experts have been pointing out that the return it offers on capital is much lower compared to other industries. The sector has attracted investments from private equity firms though. Business houses from overseas are also reported to have expressed interest.

Meanwhile, the Centre plans to work with the state governments and the private sector to set up 34 mega logistics parks across the country. It has already allocated ₹1,00,000 crore for such targeted development.

LOGISTICS-DEPENDENT SECTORS TO BENEFIT

India is already home to leading indus-

Development of Multimodal Logistics Parks





With the introduction of GST the concept of Tier 2 and 3 cities are no more a priority in terms of warehousing. The only demand for warehousing in these cities lies on the marketing strategy of the seller. If the strategy is time to market then they need smaller warehouses in these cities.”

RAHUL S DOGAR, Director - Strategy & Business Development, Holisol Logistics Pvt Ltd

tries such as automotive components, pharmaceuticals, cement, textiles, fast-moving consumer goods (FMCG) and e-commerce.

Private sector companies across the above mentioned sectors, whose operations depend hugely on warehousing and logistics, are now likely to register tremendous growth in Tier-II and III cities. These companies will need a stronger network of warehouses and

“Well, definitely, the Goods and Services Tax (GST) was the most transformative reform, creating a single national market. Tax uniformity and the removal of interstate checkpoints is leading to the consolidation of warehouses into bigger spaces and creating greater overall efficiencies, especially among large and modern firms. GST is enabling companies to plan their manufacturing and distribution locations more strategically. According

per cent to the overall demand in the emerging E-commerce sector. With the saturation in India’s key metropolitan cities, bulk of the warehousing demand across the sectors will stem from these emerging cities. So as a leading provider of warehouse spaces, it become necessary on our part to frame our strategy considering the overall market dynamics i.e. in key established logistics cluster as well as the upcoming destinations. At the moment, tier 2 and tier 3



Alongside key Indian markets, tier 2 and tier 3 cities are adding roughly 45 per cent to the overall demand in the emerging E-Commerce sector. With the saturation in India’s key metropolitan cities, bulk of the warehousing demand across the sectors will stem from these emerging cities

logistics facilities in smaller cities for growth. The changed status, in turn, will boost the viability of opening up businesses in different regions, translating into more demand and growth. Tier-II and III cities will become growth centres. According to a recent report, India’s logistics and warehousing sector is already destined for a quantum jump with the advent of GST and associated infrastructure push to improve surface and air connectivity across the country.

to a recent CBRE report, GST is positively impacting the warehousing segment—7.4 million sq. ft. of industrial and warehousing space was leased in H1 2017 across key cities, a 50 per cent surge from H2 2016,” articulates Rajesh Jaggi, Managing Partner, Real Estate, Everstone Group.

Sandeep Chadha, CEO, All Cargo Logistics & Industrial Parks asserts, “Alongside key Indian markets, tier 2 and tier 3 cities are adding roughly 45

cities are acting as second fiddle to its larger tier 1 counterparts and are helping in managing the burgeoning demand. Going forward these emerging will take the greater mantle and will help in overall consolidation at the industry level.”

However, Rahul S Dogar, Director - Strategy & Business Development, Holisol Logistics Pvt Ltd has something different to add to it. He avers, “This is a contradictory question tak-



MMLPs are large facilities and needs cooperation and strategic insights on part of all the stakeholders involved. The larger the scale, the better the efficiency and all of it results into an enhanced bottom-line. So in this regard MMLPs are here to serve as enabler of profits to all its patrons.”

SANDEEP CHADHA, CEO, All Cargo Logistics & Industrial Parks

ing into picture GST implementation. With the introduction of GST the concept of Tier 2 and 3 cities are no more a priority in terms of warehousing. The only demand for warehousing in these cities lies on the marketing strategy of the seller. If the strategy is time to market then they need smaller warehouses in these cities. Or if the concentration of sales of the product is concentrated in that particular city then the demand for warehousing will be more. Or else these cities will be more of smaller transit warehouses.”

On the other hand, Viral Shah, highlights four crucial points:

- Boost to indigenous entrepreneurs, who will provide allied services.
- Awareness of e-commerce is already there in tier 2 and 3 tier cities. Having proper support in terms of logistics facilities will go a long way in boosting demand for various goods and supplies through e-commerce medium.
- The relatively easier availability of land at economic prices in tier 2 and tier 3 cities is already attract-

ing developers and private equity players to invest there for setting up logistics facilities.

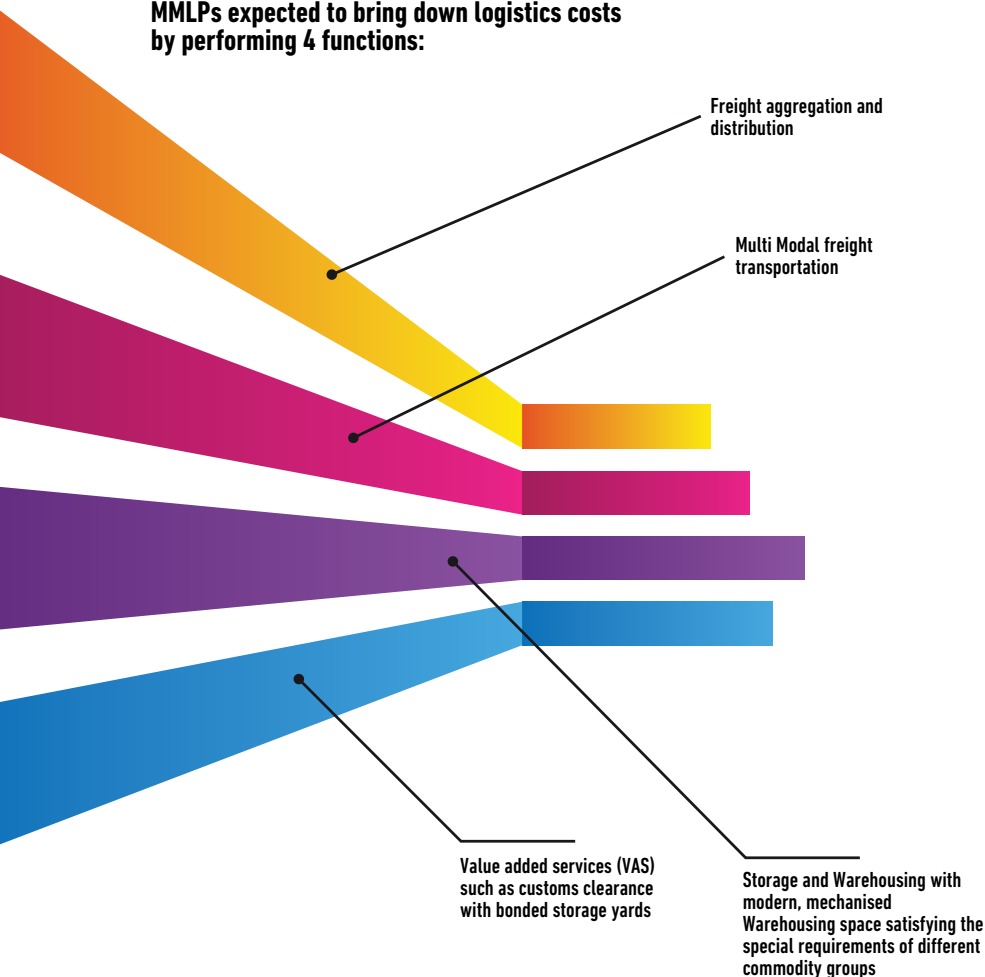
- Good connectivity to major economic hubs along with economical real estate, labour and service costs, will drive growth in tier 2 and tier 3 cities.

India is ranked 35 out of 160 countries on the World Bank's Logistics Performance Index (LPI). Between 2014 and 2017, the country's ranking has moved up by 19 spots — evidence to the solid performance of the sector so far. The LPI measures the state of trade and logistics based on parameters like customs, infrastructure, international shipments, logistics quality and competence, tracking and tracing, and timeliness.

In the future, warehousing and logistics are likely to find a good foothold in emerging urban and semi-urban centres. Developers and several foreign private equity players are now making forays into warehouse developments across Indian cities, coming up with large-scale, high-tech warehousing/logistics spaces with state-of-the-art facilities. The relatively easier availability of land in Tier-II and III cities compared to the larger metros, along with improving connectivity through infrastructure developments, make for a winning combination in these cities.

“Tier 1 and 2 cities pose cost advantages, lesser salary expectations and lesser price fluctuations to many businesses which are initiating a shift to these cities. In smaller towns, the proximity of various companies with each other gives rise to clusters, which results in the development of a specific location, aiding smaller companies in market-

MMLPs expected to bring down logistics costs by performing 4 functions:





By designing effective supply chains around MMLPs, i.e. stocking levels, distribution levels, speed, accuracy, and by collaborating with a wide base of customers and service providers LSPs can ideally leverage opportunities.”

ABHIK MITRA, CEO, Spoton Logistics Pvt Ltd

ing and in finding the right customer. For developers, the return on investment is higher and much more stable as compared to in the metros. MMLP's in Tier 2 and Tier 3 cities will make goods available for consumptions – the right SKU (Stock Keeping Unit)s at the right place and at the right time. MMLP's will be strong enablers of driving demand and growth along with greater purchasing power with greater inter-

insights on part of all the stakeholders involved. The larger the scale, the better the efficiency and all of it results into an enhanced bottom-line. So in this regard MMLPs are here to serve as enabler of profits to all its patrons.”

Definitely, by developing MMLPs, the government can bring in a sea change in the way the logistics business is being handled currently. MMLPs can also

- Rental charges of the use of Warehousing facilities, office space and other facilities that the MMLP developer will provide within the logistics park.
- Terminal handling charges for the use of handling equipments (cranes, forklifts and other heavy machinery) that the logistics provider will use at the park.
- There are other miscellaneous earn-



MMLPs are large facilities and needs cooperation and strategic insights on part of all the stakeholders involved

net penetration,” asserts Abhik Mitra, CEO, Spoton Logistics Pvt Ltd.

► **Benefits of Multimodal Logistics Parks**

Here, Sandeep Chadha, outlines the inter-crucial ties. “Government needs to incorporate concerns of all the stakeholders involved in planning an MMLP in a particular market. Be it PPP or private route, a well strategised MMLP will not only facilitate ease of doing business, it will bring down the costs significantly. MMLPs are large facilities and needs cooperation and strategic

bring many benefits to the government. These can be summarised below:

Direct Revenues: As a multimodal logistics park developing agency, the government will be entitled to collect the usage charges by the perspective customers of this service. Some of the revenue sources from the MMLP are:

- Rail terminal access charges for the use of terminal facilities by the logistics providers or container operators.
- Rental charges for the space which has been leased/rented by various users of the MMLP.

ings that the MMLP developer will earn as a result of advertisement, leasing/rental of residential properties and other value added services.

- Value added services that bring competitive advantages to the companies would be widely accepted and will be a strong revenue stream.

Indirect Benefits: The development of Multimodal Parks can be of great help in reducing the said costs for our country. This is because MMLPs will push for the right choice for the modes as it gives the right balance of all the



Success of multimodal logistics park depends largely on sharing of resources between different entities. Competition always keeps entities apart. Co loading, sharing of warehouse space, etc. will definitely enhance the success of any multi modal park.”

M S SAJITHSIVAN, COO, Hyundai Glovis

modes and services at one place. In other words, MMLPs will promote the optimal modal choice by the operators. Thus the indirect benefits can be summarised as below:

- Helps in the balanced growth of all the modes of transport.
- Helps in optimal modal choice.
- Helps in proper utilisation on assets like railways or other modes of transport.
- It will motivate the government to create more freight corridors and integration of multimodal transport network.

Defining synergies amongst all the involved beneficiary parties, **Viral Shah** says, “As the MMPL’s developing agency, the Government of India will be the biggest beneficiary. Government will have direct revenues (and profits) through collection of charges from sources like rail terminal access charge, rental charge for space given out to various users of MMLP, rental charge for usage of warehouse facility, and terminal handling charges.

The various service providers like transportation companies, warehousing companies, freight forwarders, will be

able to lease space in MMLPs and treat the same as their branch/depot. This branch/depot will act as profit center, where the sources of income and thereby profits will be measurable.

Real estate developers can develop and lease/rent residential properties and treat MMPLs as their project, by which it will be treated a standalone profit center.”

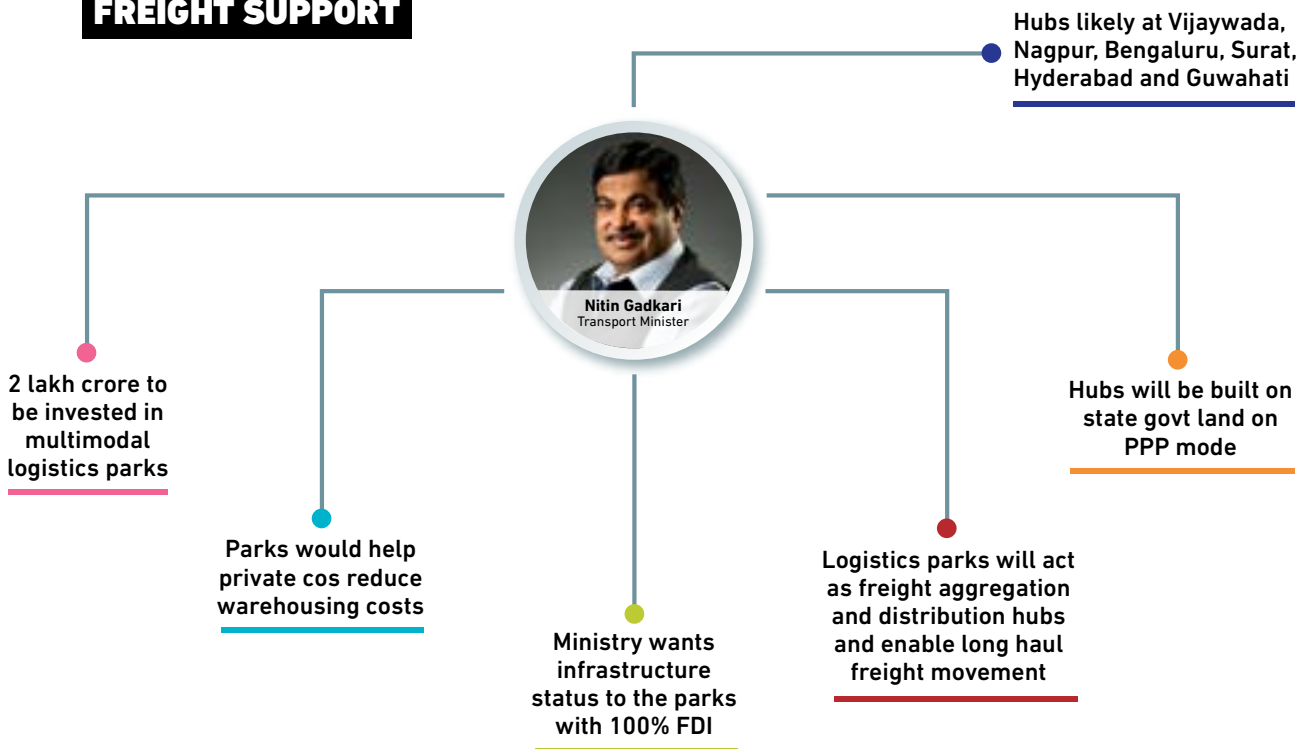
Other Socio-economic Benefits:

Transport sector play a vital role not just in the movement of goods - from manufactures to end users, but also in the life of the common people. It directly

FREIGHT SUPPORT



Nitin Gadkari
Transport Minister





This gradual shift from unorganised to organised means the industry is ripe for investment from global and Indian institutional investors. As is evident, the sector is setting a hot pace that won't slow anytime soon. How it responds to the various opportunities before it is the key. It's time for bold investments and decisions."

RAJESH JAGGI, Managing Partner, Real Estate, Everstone Group

and indirectly affects the general life. By promoting MMLPs in the country, the government can bring in sea change in the life of the common man and both local and national economies. Some of the socioeconomic benefits to be facilitated by MMLPs are listed below:

- MMLP will create direct jobs at the local level and thus bringing the economic stability in the life of people.
- It would help in shifting the goods movement from road to rail and thus help in pollution control which will be beneficial to the environment.
- It would cater in the upliftment of the local economy, as it can promote the growth of other type of businesses which is not directly related to the MMLPs. Thus it will also create indirect job opportunities for the people.
- Since it would also promote the development of more freight corridors, thus it will help in the economic development of secondary Project Influence Area (PIA).

For the Logistics operators and general industries: For the multimodal parks to succeed it is necessary that logistics operators and industrial units derive the benefits by using it in the first place. For this, there is a great need to make these types of facilities more lucrative for the perspective users. Fortunately, around the world MMLPs are giving so many direct and indirect benefits to the users that the respective government is establishing more and more multimodal logistics park around those countries. Some of the benefits are mentioned below:

Cost Saving: MMLPs can help in saving of cost in transportation. In other

words these services help in the reduction of costs which are incurred in the transportation of goods. This is possible because of use of right modal choice for the movement.

Reduced Transit Time: One of the main features of MMLP is that it reduces the transit time of the goods. Thus, reducing the inventory cost both for logistics

Transportation companies, warehousing companies, freight forwarders, will be able to lease space in MMLPs and treat the same as their branch/depot, which will act as profit center, where the sources of income and thereby profits will be measurable

operators as well as for the ultimate user of the transport mode.

Scope of Additional Business: Due to the reduced transit time, MMLPs can enable the logistics operators to look into more businesses or additional business, thus offering profit maximisation.

Discount for Manufacturers: As MMLPs allow the logistics operators to look for additional business, the manufactures and end users (including exporters & importers) can demand for the concession in the charges for the transportation of their goods by the logistics operators.

Proper Utilisation of Assets: It helps in the proper utilisation of assets as the transit time is less and the goods vehicles and the other hardware are free to use for the other business or purposes. Thus, per unit cost of the transportation of goods can be reduced considerably.

Processing & packaging units: As MMLPs are designed to provide processing & packaging units and food processing units along with various value added services, the same can be used by the manufacturer for reducing the cost of transport.

Benefits of Price Mechanism: One of the main benefits of MMLPs is that it can help the manufacturers, exporters and importers to take benefits of price mechanism. This can be possible due to the presence of cold storages, warehouses, go-downs, open stockings yards, etc.

"Success of multimodal logistics park depends largely on sharing of resources between different entities. Competition always keeps entities apart. Co-loading, sharing of warehouse space, etc. will definitely enhance the success of any multi modal park," says M S Sajithsivan, COO, Hyundai Glovis.

▶ How to leverage opportunities?

Creating a vision for the logistics sector in the long term and formulating action steps for achieving this vision and creating a conducive environment for growth of the logistics sector with identifying programs to address all aspects, the formulated National Logistics Policy must go well beyond.

While the State will take the lead in putting the National Logistics Policy in place, it is the responsibility of other stakeholders to contribute to the fram-

ing and implementation of this blueprint and utilising every vital aspect of it. Scoping and governance of the policy would be crucial for its successful implementation and functioning.

About MMLPs and how would they aid to the business of a Logistics Service Provider, **Sandeep Chadha** presumes, "In terms of leveraging opportunities, the incumbents need to ascertain the demand carefully and then offer the best possible solutions to it. It is difficult to state the exact amount of leverage, but demand is there and also potential, and all of it combined will augur a better playing field to all the players involved."

"By designing effective supply chains around MMLPs, i.e. stocking levels, distribution levels, speed, accuracy, and by collaborating with a wide base of customers and service providers LSPs

A hopeful **Vikas Yadav** says, "MMLPs would provide opportunities for integration of IT to reduce costs incurred, world class transportation network and world class storage and warehousing facilities. These, combined with favourable government policies like implementation of GST and boom in economic activities would provide the requisite growth environment for LSPs."

"LSPs will typically take time to get used to the MMLPs environment, as LSPs will require making internal changes with regards to structures, processes, investments, IT systems, etc. to leverage opportunities from MMLPs," connotes **Viral Shah**, with implicating the necessary steps to be taken by an LSP.

► Future strategy

Thus, it can be said that Multimodal Logistics Parks just not only bring in

They are an indispensable part of industrial infrastructure development and will help reduce logistics costs and guarantee continuous and stable supply chains.

As mentioned by **Rachid Fergati**, "The International Monetary Fund (IMF) has reaffirmed that India will be the fastest growing economy in 2018. To push growth rates even higher, will require modern and well-functioning infrastructure - developing technology tools, along with managing order visibility, quality of service, timely supply, delivery and clearances."

"This gradual shift from unorganised to organised means the industry is ripe for investment from global and Indian institutional investors. Automation, robotics and supply chain management systems will increase management ef-




can ideally leverage opportunities," says **Abhik Mitra**.

Also, on the flipside, "A non partial entity like an LSP will be more successful in bringing together competing companies for scaling up the usage of different facilities offered to keep the cost lower," states **M S Sajithsivan**.

While, incorporating information technology, regulation, human resources, and skill development are equally important for the entire stakeholder community. This will give flexibility to service providers to exercise control over critical processes that require round-the-clock monitoring from anywhere.

all around development in the economy but it can also act as a profit center for all the parties involved, allowing each to effectually leverage opportunities. It not only facilitates cost savings, provides greater access to resources, manages funds better, reduces inventory and transaction costs but also helps share risks and aligns growth strategy with the users. It can enhance the volume of rail freight in the overall transport chain of the country with complete solutions to help companies reduce both the cost and time of transporting goods. Moreover, it can propose the concept of reliability, security, and speed in doing business more forcefully.

iciencies, even as drones and self-driving vehicles are introduced to support seamless operations. As is evident, the sector is setting a hot pace that won't slow anytime soon. How it responds to the various opportunities before it is the key. It's time for bold investments and decisions," concludes **Rajesh Jaggi**.

However, immediate problems, such as an inadequate roads and losses during transportation, must be resolved. Improvement of road infrastructure at a much faster pace is critical to minimising losses, both economic and environmental. Only when this happens on the right scale, the logistics sector will achieve optimal growth. 

MMLPs would provide opportunities for integration of IT to reduce costs incurred, world class transportation network and world class storage and warehousing facilities