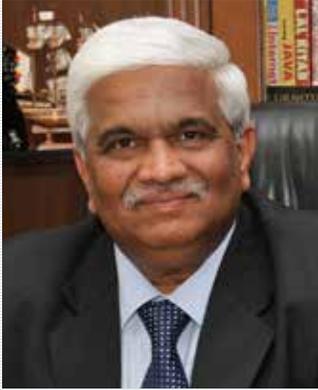


# Logistics Industry: Trends & Opportunities

By S. A. Mohan



Indian economy continues to grow multi-fold and so has the challenges that it beholds. As compared to the situation in the last decade, this industry has come a long way in improving the intra logistic practices and we witnessed the same in 2014. This reflects in the phenomena of embracing the concept of smart warehousing through – implementation of automation, verticalisation and lean design supported by the Material Handling Equipment (MHE) industry. The present market size of MHE industry in India is growing annually at 10 per cent.

Of course some aspects will remain in the forthcoming years as they are today; volatility in supply and demand will continue to bring in the element of risk management, the urge to deliver “more with less” will continue to drive the focus of the players in the growing field of intra logistics, skill gaps and business pressure forcing adoption of methods to increase efficiency and balance customisation with consolidation. The question remains, are we prepared for the future?

## Emerging trends

- The volatile market environment, the ever-stronger online market, the shift in markets towards Asia, and the growing demand for special transport services necessitate new strategies and considerable investments on the part of logistics providers. The Indian warehousing industry is set to grow at a CAGR of 8 per cent to 10 per cent with

the industrial or retail warehousing accounting for 55 per cent of market share. More international logistics companies are taking over specialised service providers in individual markets to tap into these logistics niches. This strategy will pay off when it comes to tapping new markets and logistics segments.

- Another trend shaping the logistics industry is the rapid growth of e-commerce. The increasing size of the e-commerce marketplace is leading to greater push towards real-time package tracking while the need to optimise operations indicating inclusion of technology for supply chain analytics. Some of the key end users like Amazon and Google publically claimed that the future need would be ways to make material handling more automated, whether that means robotic order-picking systems or high-speed, economical automation for loading and unloading trucks.
- The entry of international players into the Indian market has also widened the scope of warehousing and intra logistics. The anticipatory introduction of the Goods & Service Tax (GST) and abolition of all indirect taxes as a fiscal reform by the Indian Government will hopefully open channels for consolidation of small warehouses, therefore, revamping the national warehousing network. Also the 3D printing technology will be a must have for a smart warehouse while low cost sensor devices indispensable.
- Adoption of Omni-channels,



transforming smaller cities to mega demand centres and the need for late customisation will increase the strategic roles and responsibilities of warehousing and material handling solutions. In order to meet the expectations of the end users and create a value proposition, infusion of advanced technology is essential.

## Solutions approach

Aligning with the pace of the industry, Maini has launched several new products this year, starting from eight ton industrial tugger, wheel chair buggy, Yale Maini Reach Truck and the recent launch of Yale Maini diesel forklift truck. Armes Maini, a leading brand in industrial storage systems also forayed into offering the next level of automatic storage solutions with the launch of Vertimag and would be introducing futuristic warehousing solutions in form of Flexy – satellite for storage, heavy duty mobile racking systems and more for Indian market. We believe understanding what to expect in the industry and staying relevant will help us meet the challenging requirements of our clients and the industry at large.

*(The writer is a CEO, Maimi Materials Movement Pvt Ltd)*