

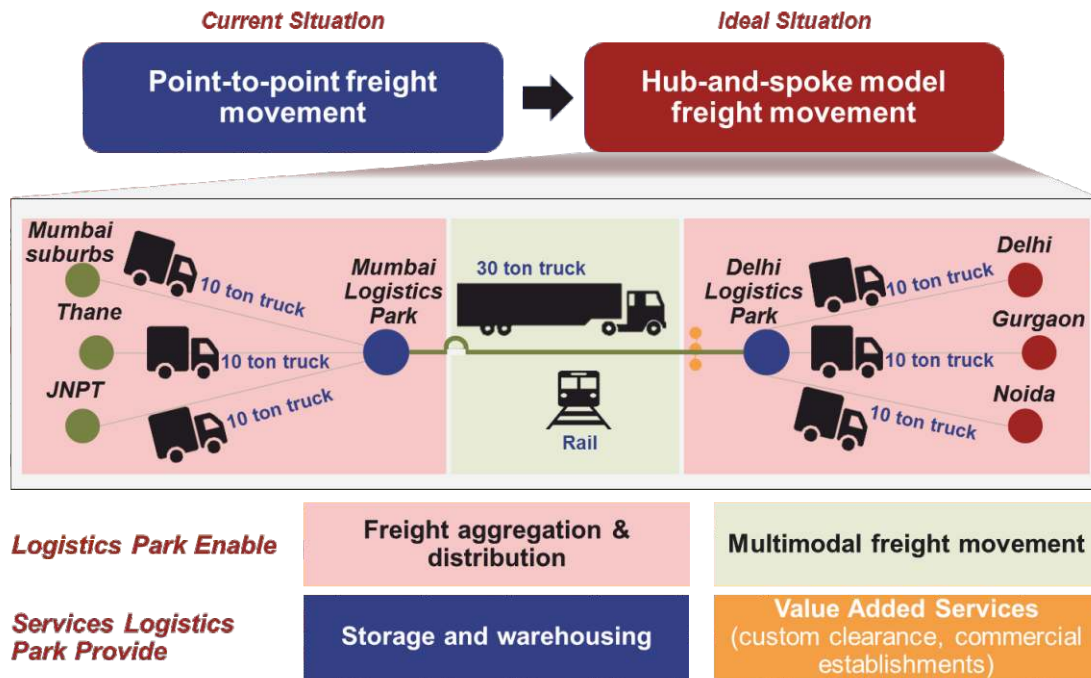


# MULTIMODAL LOGISTICS PARK IN BENGALURU

Brief Location Assessment



# Multimodal Logistics Parks: An Attractive Investment Opportunity



- Multimodal Logistics Parks are common globally, including US, Europe
- Logistics parks are critical to enable logistics cost reduction

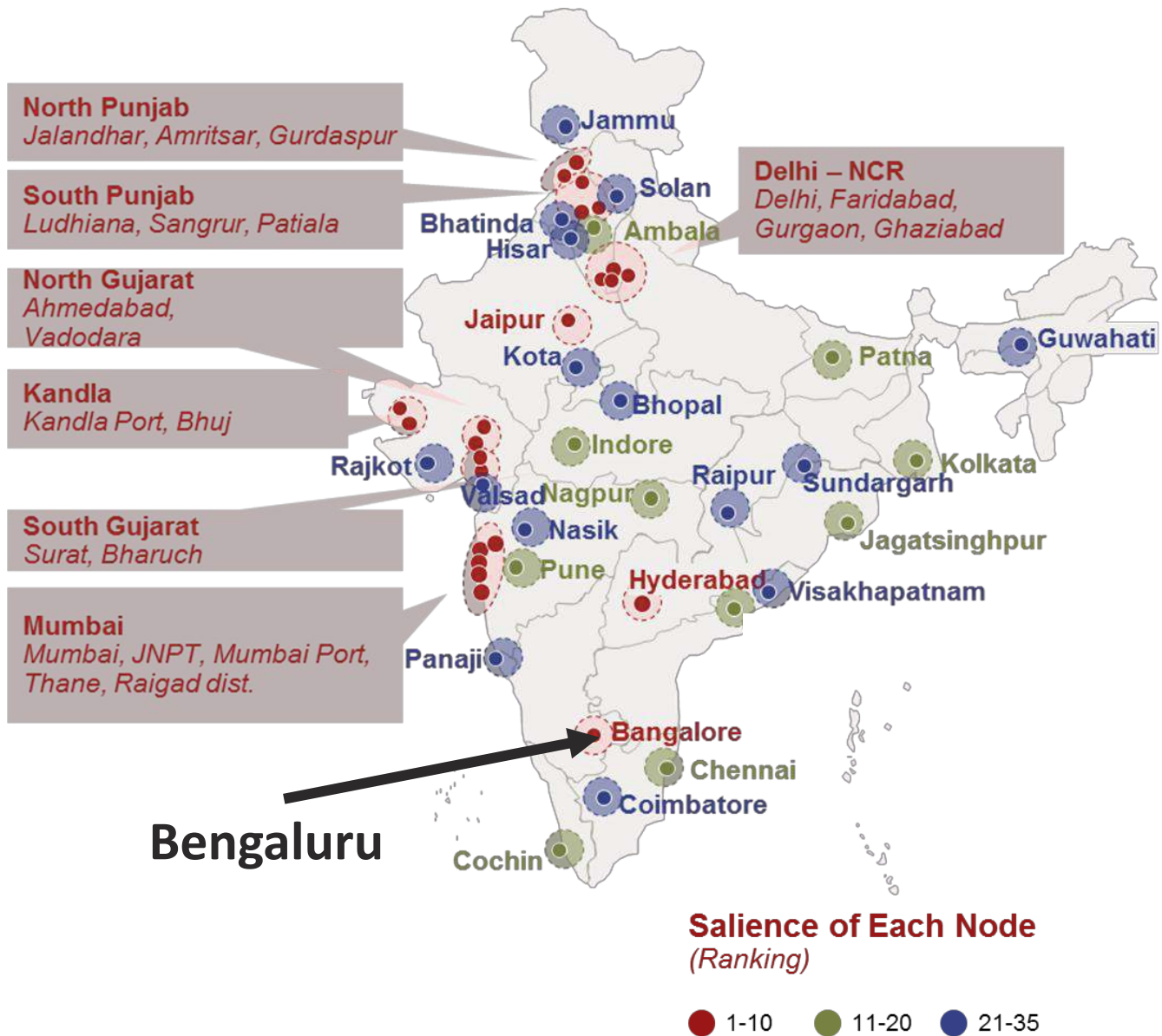
- Increased focus on developing **alternate modes** of long haul freight transportation (Dedicated Rail Freight Corridors, Inland waterways)
- Roads provide the critical **first mile** and **last mile** connectivity
- Multimodal Logistics Parks enable **seamless intermodal freight transfer**

- Implementation of **Goods and Services Tax (GST)** will lead to consolidation of warehouses
- Multimodal Logistics Parks provide modern warehousing space at key economic nodes in the country

# Salient features of draft policy for Logistics Park

<b>Location Norms</b>	<ul style="list-style-type: none"> <li>• Logistics parks to be developed at <b>key production and consumption centers</b> in the country</li> <li>• Suitable land parcels along the <b>direction of major freight flows</b> with <b>good highway and railway connectivity</b> to be prioritized</li> </ul>
<b>Design Principles</b>	<ul style="list-style-type: none"> <li>• <b>Nature of commodities</b> to govern the size and type of facilities to be provided at each location</li> <li>• Logistics Parks to have <b>five broad zones</b> viz., <b>Commodity storage zone, Intermodal zone, Value added services zone, ancilliary services zone, vehicle parking zone</b></li> <li>• ~50% of the area to be allocated to Core Logistics activities; Rest of the area to be allocated for parking, ancilliary activities, land scaping</li> </ul>
<b>Project Proponents</b>	<ul style="list-style-type: none"> <li>• <b>Central/state government and private developer</b> to be the key stakeholders</li> <li>• State Government and Central Government agencies to form a <b>SPV</b> and the <b>SPV shall appoint private concessionaires</b> for development and operation of LPs</li> </ul>
<b>Role of government entities</b>	<ul style="list-style-type: none"> <li>• Logistics parks being considered for <b>infrastructure status</b></li> <li>• <b>Encumbrance free land</b> to be provided by State Government</li> <li>• <b>Road and Railway connectivity</b> to be provided by Central Government agencies</li> <li>• <b>Customs Clearance</b> along with bonded storage yards to be provided by authority</li> </ul>
<b>Role of concessionaire</b>	<ul style="list-style-type: none"> <li>• Concessionaire to <b>procure funding and develop Logistics Parks</b> as per Authority guidelines</li> <li>• <b>Detailed design &amp; engineering</b> to incorporate learning from global best practices</li> <li>• <b>Operation and maintenance</b> of the Logistics Parks to be in line with Authority SLAs</li> </ul>

# Multimodal Logistics Parks: Prioritized locations



**Bengaluru**

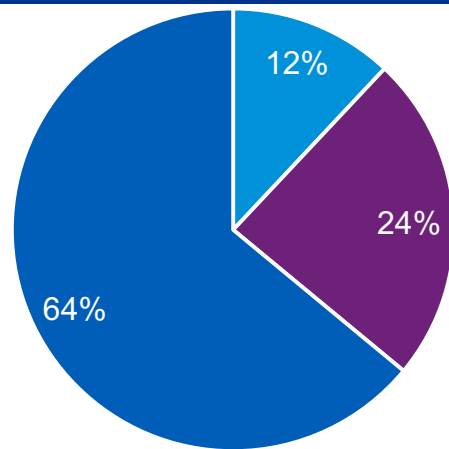
Multimodal Logistics Parks have been planned to be developed at 35 locations by the Ministry of Road Transport and Highways, as a part of the Bharatmala Pariyojana. Bengaluru is one of the fifteen locations planned in Phase 1 of the Bharatmala Pariyojana.

# Karnataka: Economic Profile and Industry Analysis

Karnataka, the 7th largest state of India, covers an area of 1.92 lakh sq. kilometres. It is divided into 30 districts and is the 8th largest Indian state by population, comprising 5% of the population of India. Karnataka, one of the more industrialized states of India, is a leading state in India's economic growth Karnataka Economic Survey, 2016 - 2017

## Key Economic Indicators and Composition of Bengaluru's Economy

Key Economic Indicator	Value
Share of Indian GDP	6%
GSDP growth rate, FY12-FY17	7.6%
Per Capita Income	INR 1,59,893
FDI inflows	USD 4.1 Bn
Index of Industrial Production, IIP	185.79
Percentage share of Indian exports	13%

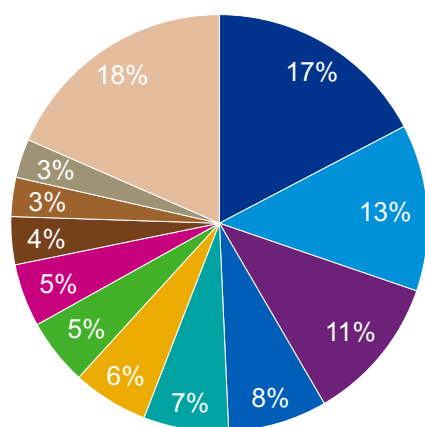


■ Agriculture ■ Industries ■ Services

Source: Karnataka Economic Survey; 2016-17

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## Industries in Karnataka



- Coke and refined petroleum products
- Basic Metals
- Food Products
- Wearing Apparel
- Motor Vehicles, trailers and semi-trailers
- Other manufacturing
- Other industries
- Machinery and Equipment
- Electric Equipment
- Chemicals and chemical products
- Rubber and Plastic products
- Miscellaneous

Source: Annual Survey of Industries, 2013 - 2014

**Major industries in Karnataka include coke and refined products, basic metals, food products, wearing apparel, automobiles etc.**



# Bengaluru: Key Demand Centers and Potential Location of Logistics Park



**Total Road freight Movement (Mn MT)<sup>1</sup>: 184**

## Key industrial sectors

Location	Key Sectors
Doddaballapura	Automobile, Engineering, Chemical, Food
Dasarahalli	Engineering, Food, Pharmaceutical, Ceramic, Rubber, Wood, Aluminium
Hoskote	Engineering, Chemical, Textile and Apparel, Granite
Sompura	Engineering, Chemical, Electrical, Pharmaceutical
Electronic City	Electronics, IT Hardware, Biotech
Jigani	Engineering, Granite, Electrical, Textile
Harohalli	Engineering, Plastic, Pharma, Food
Bidadi	Engineering, Logistics, Plastic, Automobile
Dobbaspeta	Engineering, Chemical, Electrical
Tumkur	Food Processing, Autocomponents, Electronic products, Electrical Machinery
Hosur	Automobile, Engineering, Watches, Ceramics

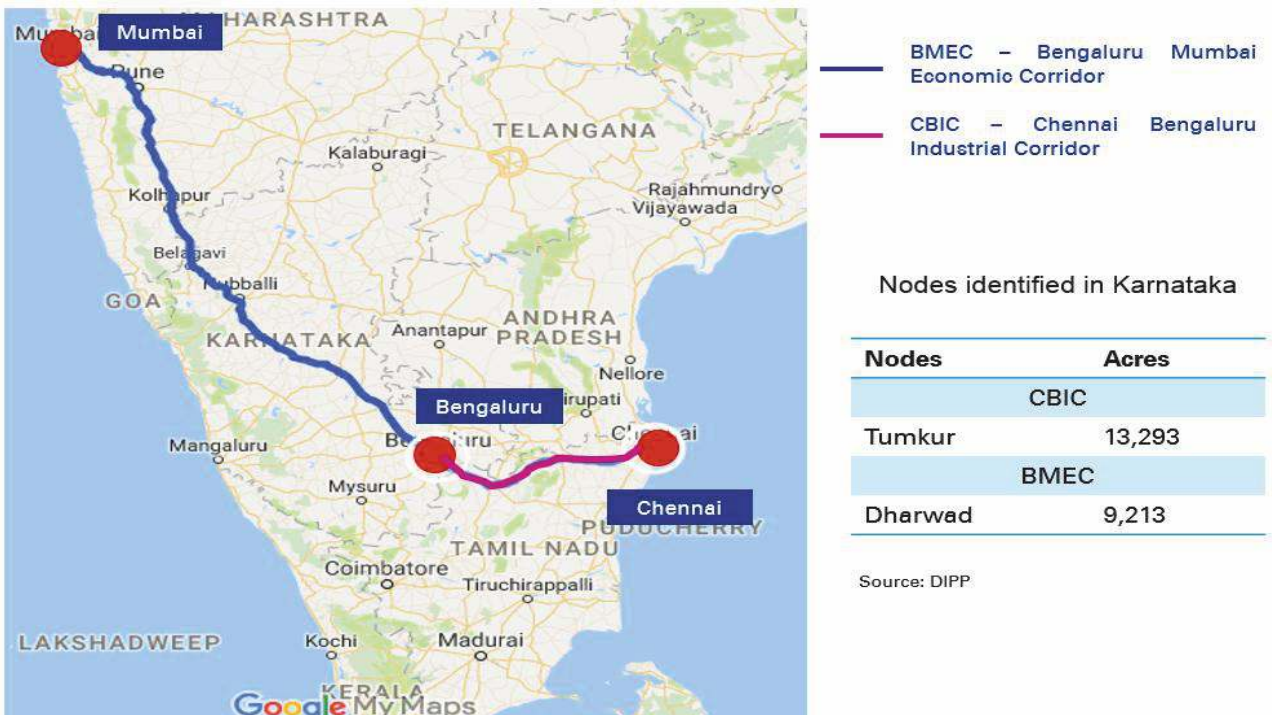
Source:KIADB Database

### Notes:

1. Road Movement for Bengaluru in FY 25 . Source: MORTH










# Bengaluru: Demand from Industrial Corridors

Chennai Bengaluru Industrial Corridor (CBIC) and Bengaluru Mumbai Economic Corridor (BMEC) are proposed for development in the state. Around 13,293 acres and 9,213 acres of land has been allocated in Tumkur and Dharwad regions for industrial development as part of the planned corridors.



Source: DIPP (Department of Industrial Policy and Promotion, GoI)

Tumkur node is in close proximity (~ 45 km) to the site proposed for Logistics Park and the following industrial sectors are identified for promotion in this region.

 Auto and auto components	 Engineering	 Electronics	 Apparel and Textile	 Aerospace
 Chemicals	 Pharmaceuticals	 Food Processing	 Metallurgy	

Source: DIPP (Department of Industrial Policy and Promotion, GoI)

The proposed industrial corridors in the region would drive freight flow from and to this location. Hence a logistics park in this region is favourable in terms of traffic potential and connectivity to industrial zones



# Bengaluru: Connectivity

Bengaluru city is very well connected to the region and the rest of India through a strong network of National Highways (NH) and State Highways (SH). The major highways from Bengaluru are captured below.



- Rail - Bengaluru is well connected to major cities of India by the Indian Railways. It is part of the South-Western Railways (SWR) zone, headquartered at Hubli, Karnataka
- Airport - Bengaluru airport is located at a distance of about 48 km from Neelamangala
- Port - Chennai port and Krishnapatnam port are located at a distance of 382 kms and 410 kms from the site

# Bengaluru: Existing Facilities

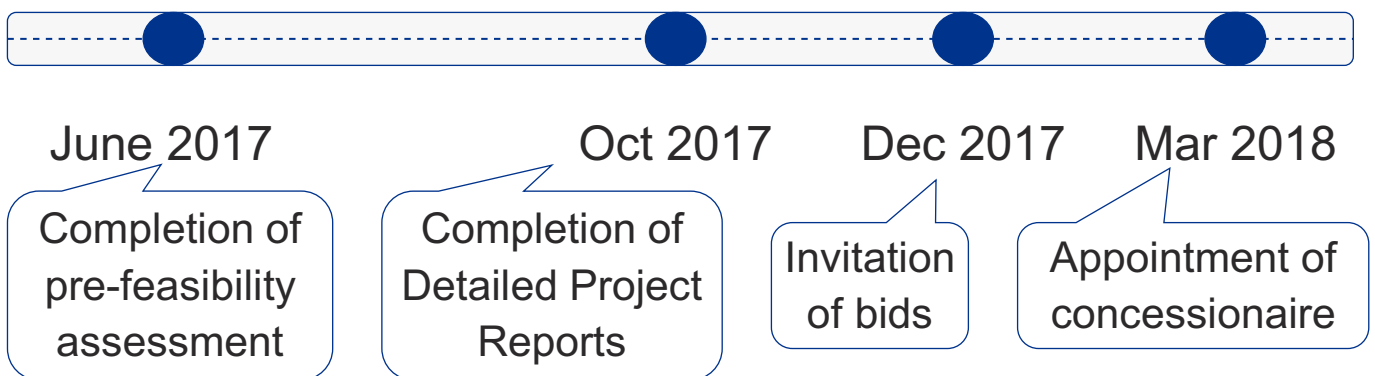
S.No	Name of the logistics facility	Volume (TEUs)
1	Central Warehousing Corporation	~16,200
2	Container Corporation of India	~1,00,000
3	Marigold	~12,000
4	Joint Cargo Complex, HAL	~12,000

In addition to these major logistics facilities, the following warehousing players are also operating out of Bengaluru

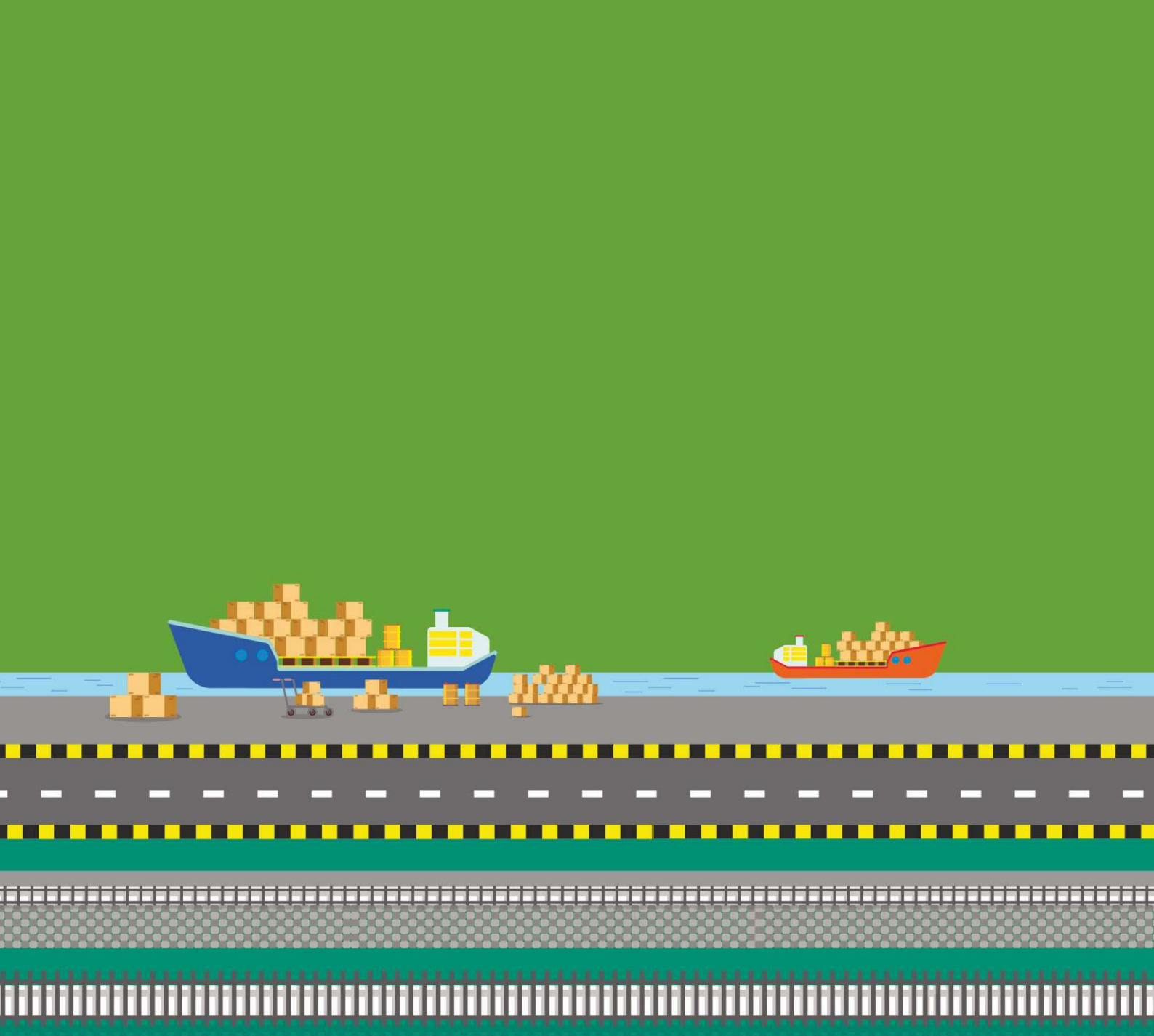
- All Cargo Logistics Limited – some key commodities that it handles includes auto raw materials and finished goods, chemicals, etc.
- Gati Limited – some key commodities that it handles includes consumer foods, pharmaceuticals, agricultural products, e-commerce, automotive, cotton, etc.
- Om Logistics Limited – some key commodities that it handles includes auto spares, pharmaceutical products, industrial finished goods, etc.

In addition to the large industrial base, proximity to Bengaluru and Chennai city offers scope to serve a large consumption base of over 17 Mn population. Bengaluru is thus favorably located to act as distribution center of the south and a logistics park in this region has a huge potential

# Bengaluru Logistics Park: Way forward



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