

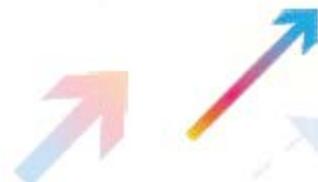


LOGISTICS INFRASTRUCTURE IN UTTAR PRADESH



INVESTORS SUMMIT 2018

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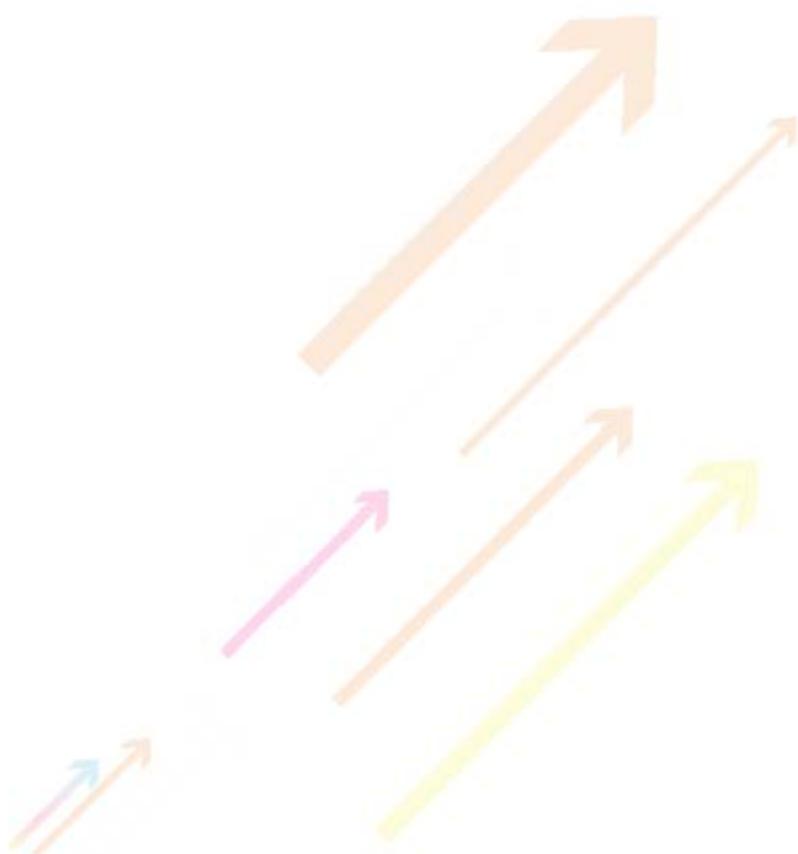




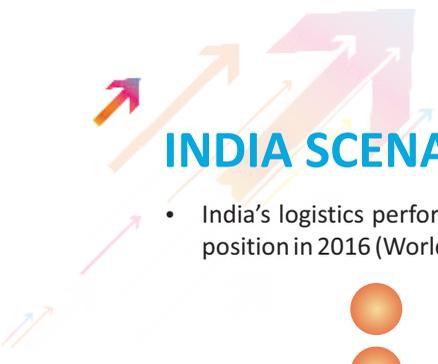
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With emergence of new technologies, new customer expectations and new business models, the logistics industry is rapidly expanding round the globe. In terms of revenue, the industry is expected to expand at a CAGR of 7.5% between 2015 and 2024 (Transparency International Report, 2016). Asia Pacific is the largest and rapidly growing market in the world, with India as one of most promising markets.



INDIA SCENARIO

- India's logistics performance index ranking has been improving, and has gone up by 19 places to 35th position in 2016 (World Bank).
 - **Nearly 16% CAGR registered over last 5 years (2012-17)**
 - **Logistics industry is expected to reach over INR 13,000 Crores by 2019.**
 - **Country's aggregate freight traffic is estimated at about 2-2.3 trillion tonne kilometres.**
 - **100% FDI under automatic route for all logistics services (except air cargo and courier = 74% FDI)**
 - **GST to bring down total costs of logistics industry.**
 - **The sector is given infrastructure status in the country.**
- Share of freight transportation through road constitutes about 60% of the total freight traffic in India, while Rail and coastal shipping account for about 32% and 7%, respectively. Share of inland waterways transportation and air is less than 1% each of the total freight traffic in India.



ECOSYSTEM SUPPORT

The Government of India has initiated several policy measures and programmes to attract investments in developing the logistics infrastructure of the country.

- The government allows 100% FDI under the automatic route for all logistics Services, except air cargo and courier services.

- For air transport services including air cargo services, the limit was increased from 49% to 74%.
- The introduction of the Goods and Services Tax (GST) is expected to significantly bring down the total costs of the logistics industry. At present, most companies have set up multiple small warehouses of size 4,000-10,000 sq ft across the country to save taxes on inter-state movement.

ADVANTAGE UTTAR PRADESH

Uttar Pradesh is access to country's 4th largest state, and 3rd largest economy. Home to 16.5% of India's population, Uttar Pradesh is amongst the top 5 manufacturing states and has 2nd highest number of MSME units. 13.26% growth in exports (CAGR) recorded in the state in last 5 years (2012-17). With the highest population among all Indian states, Uttar Pradesh offers to be the biggest market for pharmaceuticals.

a. Infrastructure Advantage



Location Advantage

- Located on Golden Quadrilateral with excellent road network
- Access to National Capital Region on the west
- Strategic access to market & resource depth of eastern India
- Largest railway network in the country spanning over 8,949 km



Connectivity

- Major national & international airports connecting the rest of India, Middle East & South East Asian countries.
- Two upcoming international airports at Jewar & Kushinagar
- Proposed NW-1 connecting Allahabad to Haldia port



Industrial Corridors

- 8.5% of DMIC catchment area and 57% of AKIC in UP
- Intersection of WDFC and EDFC at Greater Noida
- Multi-modal logistic hubs, industrial parks etc. to benefit from reduced travel time to ports

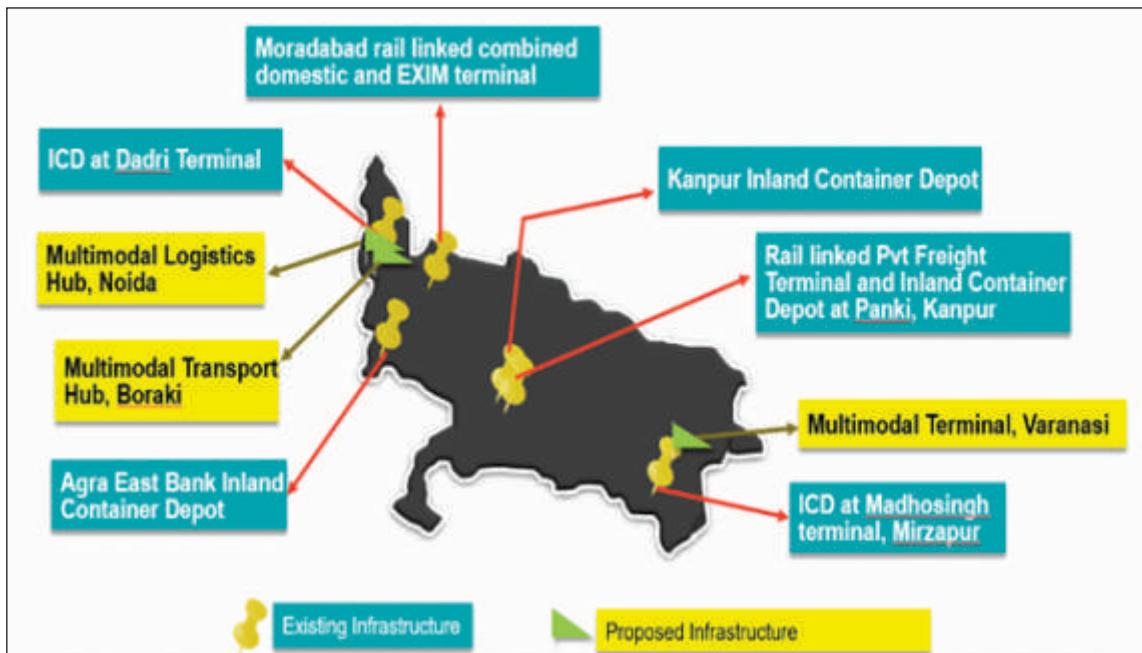
Strategically located along the Golden quadrilateral, the State is well connected to major national and international airports. Uttar Pradesh has largest railway network in India spanning over 8,949kms. The upcoming Western Dedicated Freight Corridor (WDFC) that stretches from Dadri in Ghaziabad to Jawaharlal Nehru Port at Mumbai, is set to boost the economic activities in the state by reducing the transportation time to ports. Similarly, 57% of the Eastern Dedicated Freight Corridor (EDFC) connect western region to the eastern part of the of the country passes through Uttar Pradesh.

Both these freight corridors intersect at Dadri in Ghaziabad rendering the state a huge advantage in the logistics and warehousing sector. Considerable amount of the catchment areas of the Delhi Mumbai Industrial Corridor and Amritsar Kolkata Industrial Corridor running parallel to WDFC and EDFC catchment area falls in Uttar Pradesh. In order to derive maximum value out of the WDFC and EDFC projects, the state is coming up with integrated manufacturing clusters, logistics and industrial integrated townships in cities like Greater Noida, Allahabad, Kanpur etc. along the corridors.

b. Logistics Infrastructure

The existing logistics infrastructure in Uttar Pradesh includes Moradabad rail linked combined domestic and EXIM terminal, Rail linked Pvt Freight Terminal and Inland Container Depot in Kanpur, ICD at Dadri Terminal, ICD at Kanpur etc. Besides these, multi modal logistics/ transport hubs are also proposed at Noida, Boraki and Varanasi.

Existing and Upcoming



The connectivity web of the state including existing and upcoming expressways like Poorvanchal Expressway, Bundelkhand Expressway, Lucknow- Agra Expressway etc.; 4 lane and 6 lane state highways; national and international airports; NW 1 waterways connecting Allahabad, Varanasi and Haldia sea port etc., is expected to create a web of air, water, road and rail network that will help the state's industries and manufacturing units switch seamlessly between different modes of transport as they send their goods to markets in India and abroad. The Multi-city metro rail projects, coming up at Lucknow, Kanpur, Meerut and Varanasi, and upcoming international airport at Jewar and Kushinagar are also expected strength to State's connectivity advantage.



KEY INVESTMENT ZONES

With the development of all these road and railway networks, there is a strong reason to develop several investment zones and logistics hubs to attract maximum benefits from these infrastructure projects. Besides areas along DMIC and EDFC catchment area, there are many more places where logistics infrastructure can be developed. This includes Logistics hub at Meerut along Delhi-Meerut Expressway and near proposed Bhaupur Industrial Area. Similarly, Azamgarh alongside the Purvanchal Expressway near the upcoming DeenDayal Upadhaya Nagar (Mughalsarai)-Varanasi- Mirzapur Investment Zone over 3,000 hectares is a promising location.

Jhansi National Investment and Manufacturing Zone (NIMZ) proposed over 5567 hectares alongside National Highway – 44 is another promising location giving gateway to the northern states to southern India. Nonetheless, Allahabad is one the most attractive location to develop a logistics park alongside the upcoming Inland waterways route to Haldia port.





KEY INVESTMENT OPPORTUNITIES

Supplementary opportunities in the logistics sector include the following –

- Warehousing facilities
- Cold Storages
- E-Commerce hubs
- Real time logistics - With higher use of internet and e-commerce, there is scope to provide services that helps in tracking and monitoring the transported goods.
- Digitalisation - Development of technological solutions for improve the work process of logistic organization.
- Robotics & Automation – In order to provide third generation facilities for loading, unloading, in order to supplement logistics services, investment in robotics is an attractive opportunity.
- Unmanned Aerial vehicles and Drones
- Physical Internet Solutions
- Skill Development and Training





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