

4th SIAM Automotive Logistics Conclave

Automotive logistics

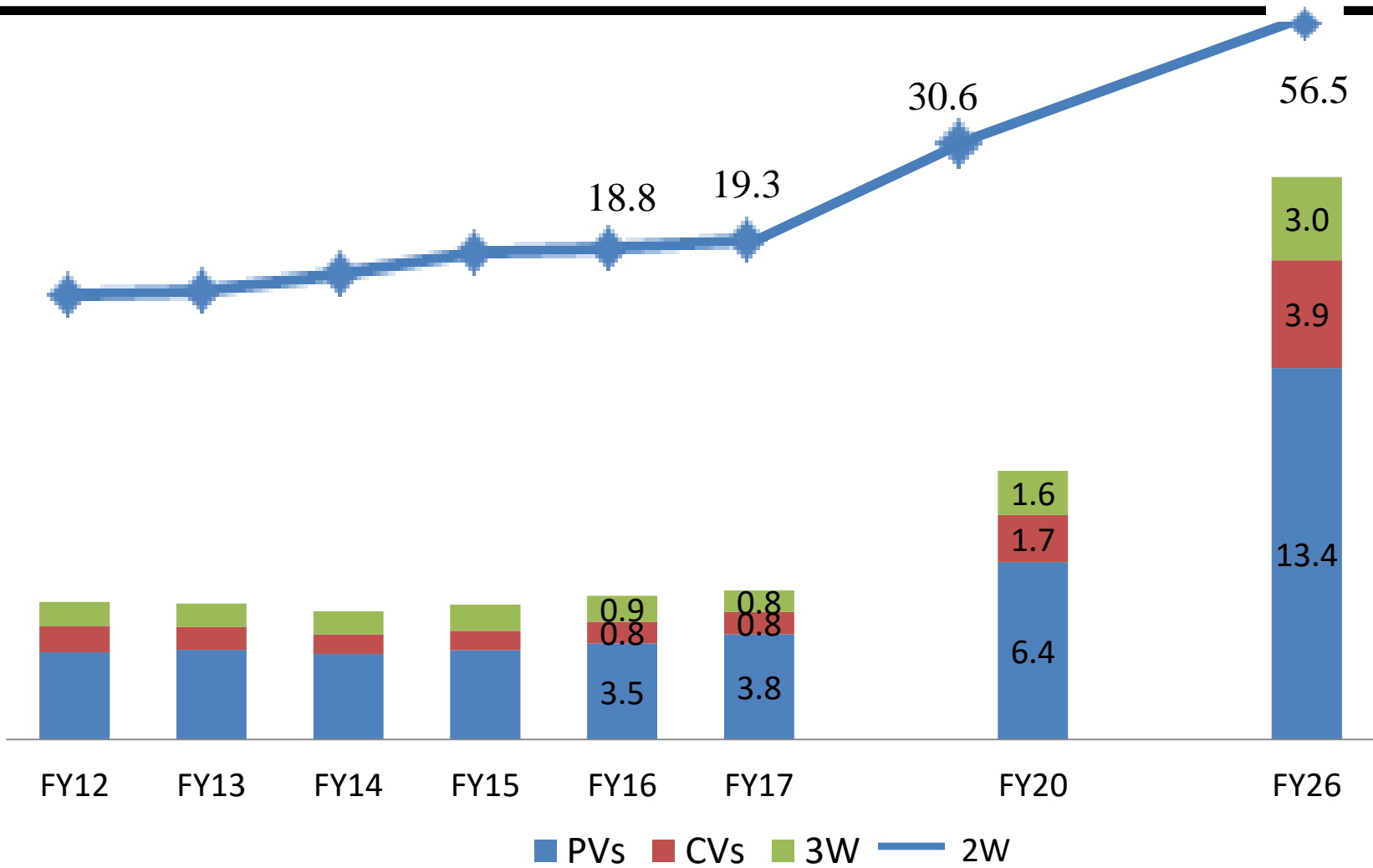
Challenges & Opportunities

09th October 2017



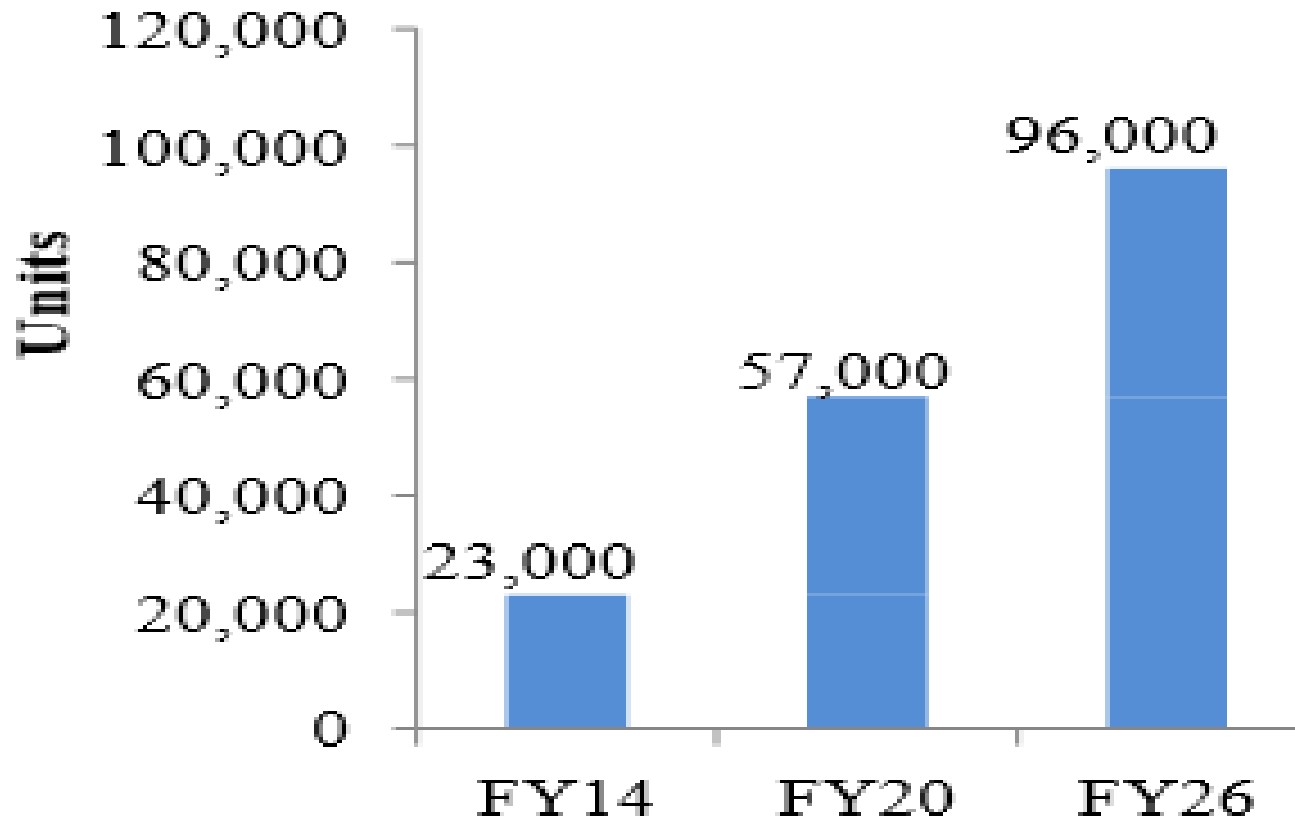
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Vehicle sales are expected to grow 3 times over the next decade



Additional vehicles required for PVs

Number of vehicles (18.75 mtrs)
required to address the estimated volumes

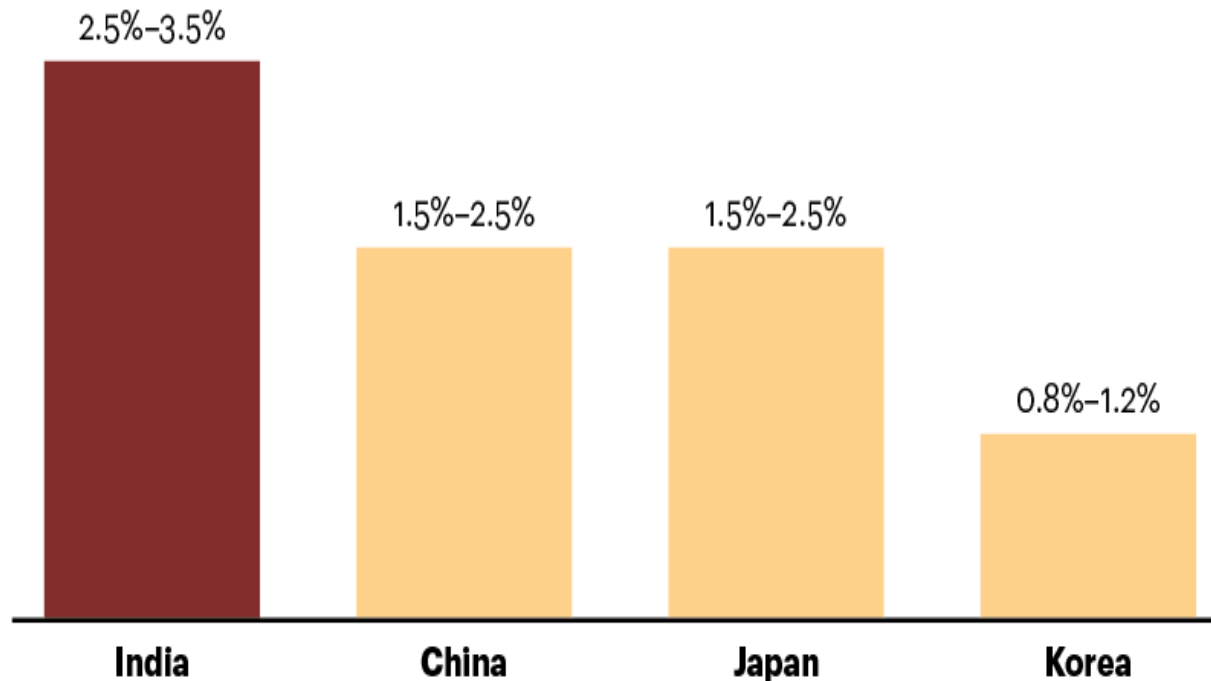


IMaCS Analysis

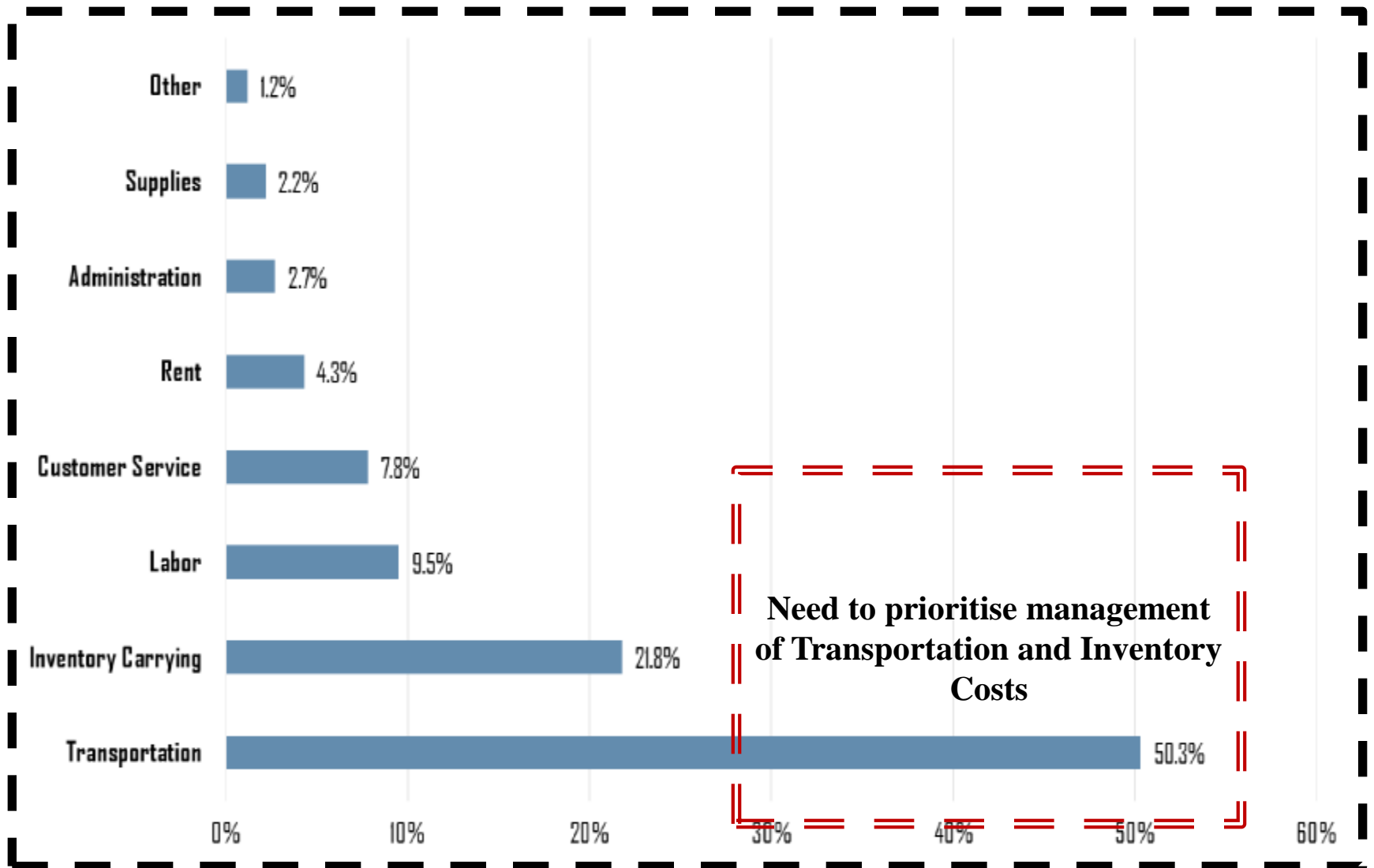
Higher Logistics Costs Impacting Bottomline

Logistics costs relatively higher by 100 - 200 basis points vis a vis other Asian countries

Logistics costs as % of sales



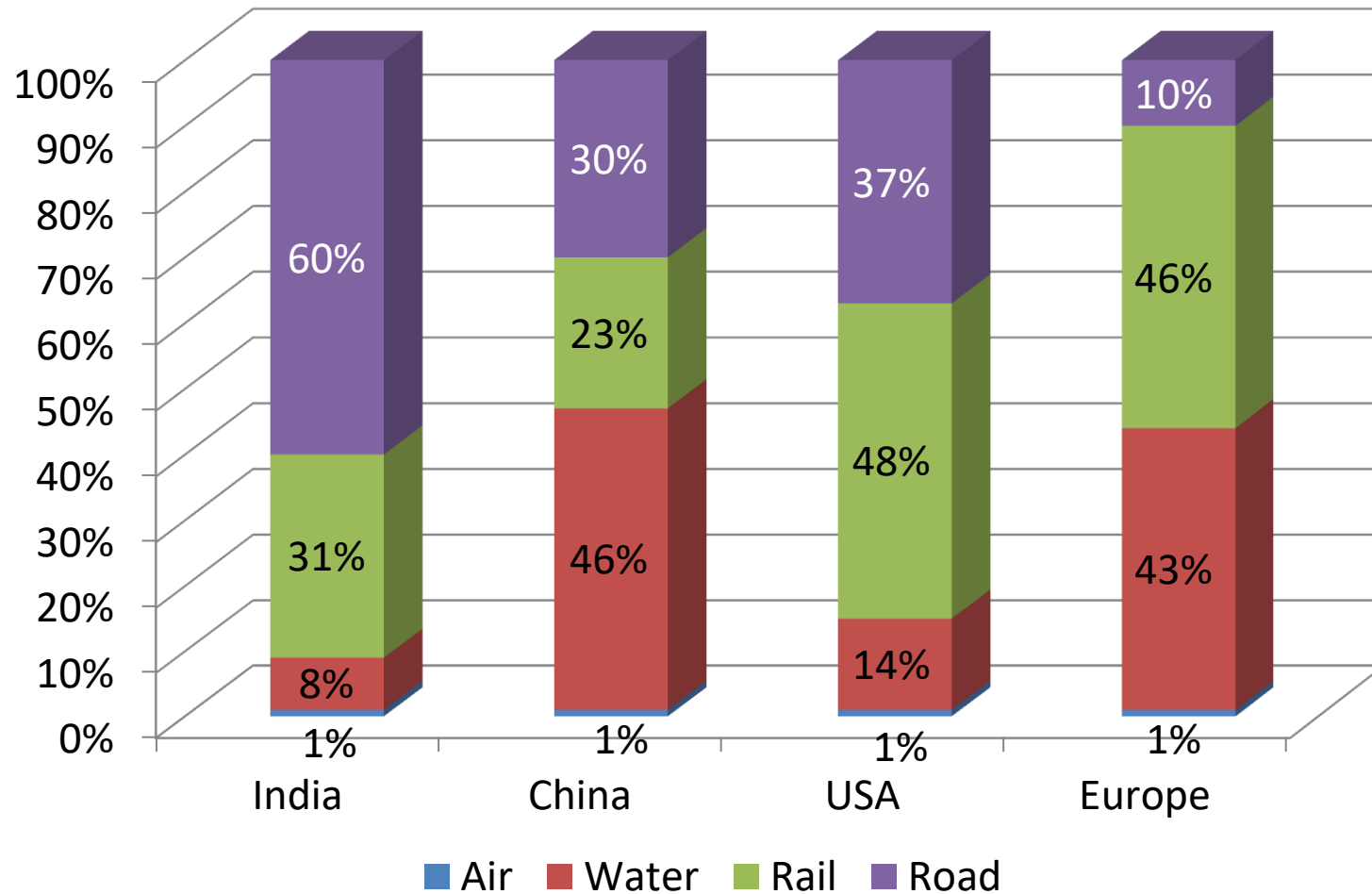
Logistics' Cost Components – Automotive Sector



Automotive trends impacting Logistics & SCM cost dynamics

- ❑ Sectoral growth coupled with changing dynamics and customer preferences impacting logistics outlay
- ❑ Product heterogeneity and varied market penetration enhances the ‘cost of delivery’
- ❑ Heavy reliance on road sector, associated operational inefficiencies and changing dynamics under the GST paradigm expected to impact automotive logistics
- ❑ Absence of multi modal transport and hinterland connectivity impacts cost dynamics and increases dwell time and transit costs
- ❑ Sub optimal Production Planning, warehousing and inventory management adding to logistics cost

Share of various modes of transport



Cost and efficiencies

Mode	Freight (Rs/tonne Km)
Inland waterway	1.06
Railway	1.36
Road	2.50

Mode	1 HP moves	1 litre of fuel moves
Inland waterway	4000 kg	105 Tkm
Railway	500 kg	85 Tkm
Road	150 kg	24 Tkm

Increase in freight rates by the railways been at a CAGR of 7% for transport of automobiles over the last 3 years

Work closely with the railways for more transit hubs



Walajahbad auto rail hub near Chennai

Thank You

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