



**Chander Agarwal**  
*Joint managing director  
Transport Corporation of  
India*

**Demand for logistics is growing along with e-commerce. However, 80 per cent of the logistics needs are currently taken care of by the e-commerce firms themselves and only remaining 20 per cent comes to the kitty of specialised logistics**

# Logistics players expect to grow on e-commerce boom

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KEEPING pace with the growth in e-commerce sector, the logistics market too is expected to grow several folds in the coming years. Third party logistics companies expect a huge market to get opened up when the e-commerce companies start breaking-even.

As per the estimates of rating agency Crisil, online retail market in India has grown from Rs 1,500 crore in 2007-08 to an estimated Rs 13,900 crore in 2012-13 and will triple to become a Rs 50,000-crore industry by 2016. A similar growth is also expected in the logistics business, which according to industry insiders, should grow from around Rs 3,000 crore to Rs 15,000 crore in five to six years.

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## **Expansion mode**

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■ TCI is leveraging the capabilities of its different divisions to provide better services to these firms

the logistics needs are currently taken care of by the e-commerce companies themselves and only remaining 20 per cent comes to the kitty of specialised logistics companies. This will change in the coming years as the e-commerce firms start making profits," said Chander Agarwal, joint MD, Transport Corporation of India (TCI).

According to him, many e-commerce firms are not in a financial position to leave the logistics part to third-party service providers

as they have not started seeing profits. As they turn profitable, they will be able to focus on core operations by leaving logistics to specialised players. Further, when GST comes into place, things will change in favour of logistics firms.

"We look forward to the revenue from e-commerce sector to go up from around Rs four crore to Rs 400 crore in five to six years and contribute to around 10 per cent to our group revenues," said Agarwal. TCI is leveraging the capabilities of its different divisions to provide better services to these firms.

The industry has already started seeing things moving in their favour with many e-commerce firms moving into marketplace model. In this model, the e-commerce firm is just a platform for different vendors to sell their products.

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