

Prominence and future potential of multimodal logistics

Dr. Pushendra Pratap Singh, Country Head, Asia Shipping, sheds light on multimodal logistics, emphasising the importance of technology for integration. He also explains how government initiatives, along with India's growth, offer promising prospects for the industry.

Multimodal Logistics combines different transportation methods—land, sea, and air—for seamless cargo movement under one operator. It reduces costs and empowers forwarders to choose efficient transportation modes. This setup enables quick restocking and meets buyer demands.

Advantages

Adopting multimodal logistics results in minimal transit time, benefiting both buyers and sellers. It's cost-effective, stress-free, and improves communication among different modes of transportation. This integrated approach provides better control, reduces coordination efforts, and saves time for customers.

Obstacles

The major challenges that companies face when implementing multimodal logistics are numerous. Multimodal shipping involves dealing with several parties and requires contracts with a lot of paperwork. As more shipments are arranged, the processing time for each paper invoice increases, leading to higher shipping costs. Moreover, tracking a single shipment during long-haul transportation can become a Herculean task as it demands a combination of resources, especially for inland movement. Not to forget the pandemic challenges in 2020–2021, which had rippling effects wherein supply chain disruptions were witnessed.



Dr. Pushendra Pratap Singh
Country Head, Asia Shipping

Technology integration

Technology and digitalization have played a very significant role in the integration of different transportation modes within multimodal logistics. Technology not only provides visibility to the supply chain but also offers a reliable and safe operational system, providing real-time inventory status. It is an established fact that technology enhances productivity, facilitates faster and easier communication, and improves business security. Modern technology advances business processes, leading to increased productivity and profitability and facilitating easier communication and decision-making.

Government support

Logistics and supply chain activities have gained traction over the past few years due to globalisation. Global players and logistics service providers are compelled to rethink their business strategies to adjust

demand-supply analytics and comply with regulatory standards. Considering these analyses, multimodal logistics stands out as a wise solution to tackle crucial, critical movements and meet customer requirements. Our government has realised the significance of logistics and shipping by introducing the National Logistics Policy. This policy focuses on reducing freight rates, improving port facilities, and enhancing warehousing options.

Future outlook

The role of Shipping and Logistics witnessed robust growth during the COVID pandemic as economies faced geopolitical unrest. Several challenges were confronted, including a lack of adequate infrastructure and insufficient storage and handling facilities. In response, the Indian government took major developmental and infrastructural steps to improve road transportation, warehousing, and sea ports, and also opened doors for major airlines to operate in and out of Indian territory. Special emphasis is being given to cost competitiveness, resulting in a 9–10 percent reduction in freight rates from India.

With the country emerging as one of the fastest-growing economies, it is anticipated that India will achieve USD 1 trillion in exports by 2030. Therefore, considering these factors, multimodal logistics is expected to grow significantly in the coming years. ●