Intelligent Investment

CBRE

India's Food Sector

# Cultivating Growth in the World's Pantry

REPORT — INDIA

CBRE RESEARCH
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UAE - INDIA BUSINESS COUNCIL
UIBC
Abetting UAE-India Alliance

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# Executive Summary

Renowned for its agricultural prowess and culinary diversity, India is rapidly solidifying its position as a global food powerhouse, capitalising on its fertile lands, skilled workforce, and burgeoning food processing sector. This industry is a catalyst for economic growth and regional food security, driving innovation in agricultural value chains, creating employment opportunities, and propelling the country's food exports to new heights.

The rapidly growing Indian food industry presents compelling investment opportunities in food processing and distribution. The investment landscape is ripe for global firms seeking to expand their reach, buoyed by the country's favourable business environment, abundant agricultural resources, and an expanding consumer base.

This report provides an extensive overview of the Indian food sector, focusing on the opportunities for firms from the United Arab Emirates (UAE) to invest. The UAE is a prominent trading partner for India's food exports, currently occupying the fourth position globally. This trend is poised to gain further momentum as the UAE intensifies its efforts to enhance food security in the region and India continues diversifying its food export offerings.

**Key areas explored in the report include:**

India-UAE collaboration: Highlights the growing partnership between India and the UAE in the food sector and the opportunities for joint ventures and investments.

Food exports: Aims to provide an overview of India's food export trends and the potential for further expansion.

Food processing: Examines the state of India's food processing industry, including its challenges and growth opportunities.

Cold chain infrastructure: Discusses the importance of cold chain infrastructure in ensuring the quality and freshness of food products and the government's efforts to improve it.

India's ambitious goal of doubling food exports by 2030 necessitates a comprehensive overhaul of its food ecosystem. By focusing on food safety, product diversity, and infrastructure improvements, the country can fully unlock its potential as a global food hub.

01

# Trade Overview Between India and UAE

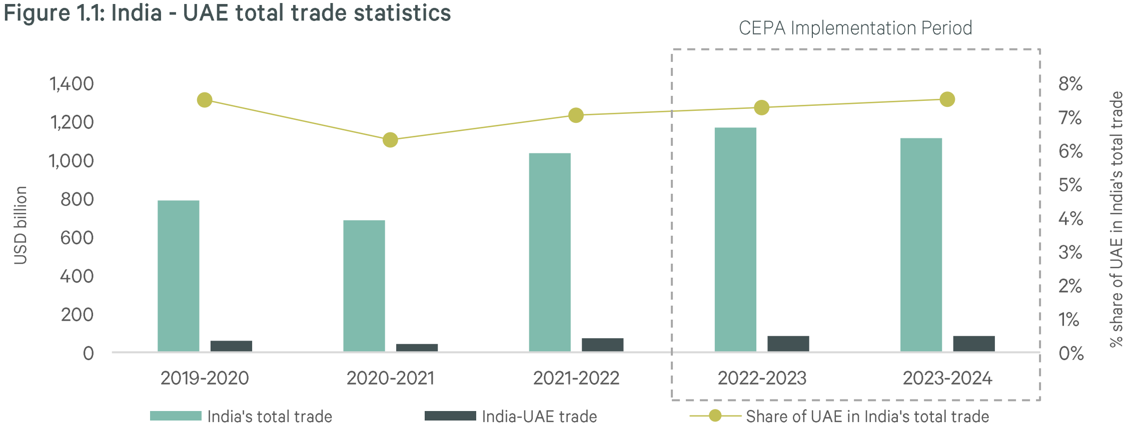
# Bilateral Trade Between India and UAE

India and the United Arab Emirates (UAE) have shared trade links through the centuries. Earlier dominated by traditional items such as dates, pearls and fish, the bilateral trade dynamics undertook a sharp turn in 1962 after the discovery of oil in the UAE. With the emergence of the UAE as a unified entity in 1971, exports from India started gradually growing over the years, and both countries established diplomatic relations in 1972[1].

The early 1990s marked a significant shift in India's economic policy, with the government opening the economy to foreign trade and investment. At the same time, Dubai's development as a regional trading hub further contributed to the stability and strength of a rapidly diversifying and deepening relationship. In 2022, the trade relations invigorated post the India-UAE Comprehensive Economic Partnership Agreement (CEPA), which aims to improve economic ties between the countries through tenets such as the removal of technical barriers, reduction of customs duties, and cooperation on critical technologies and sectors.

> Bilateral trade between India and UAE touched a new high during FY 2022-23, benefitted by the CEPA[2]

**Figure 1.1: India - UAE total trade statistics**




Source: Ministry of Commerce and Industry, GoI, 2023-24; CBRE Research, Q4 2024

[1] Ministry of External Affairs, Government of India (GoI), 2024; [2] Ministry of Commerce and Industry, GoI, 2022-23

**Figure 1.2: Comprehensive Economic Partnership Agreement (CEPA) - The growth engine for India-UAE bilateral trade**

KEY SECTORS BENEFITTED

TRADE IN GOODS - UAE

- Prepared food
- Chemicals
- Pharmaceutical products
- Plastics & Articles
- Glass & glassware
- Mineral fuels
- Aluminium
- Electrical & mechanical products
- Polyethylene & Copper
- Iron & steel

TRADE IN GOODS - INDIA

- Electrical machinery
- Gems & jewellery
- Pharmaceutical products
- Cereals, fruits & vegetables
- Fish & crustaceans

TRADE IN SERVICES

- Business services
- Construction & Engineering
- Recreation, culture & Sports
- Tourism & Travel
- Finance & insurance
- Education
- Distribution
- Communications
- Environment
- Transport

KEY BENEFITS OF THE AGREEMENT

**Lower tariffs for trade in goods (Preferential Tariff Rates)**

- Tariff Elimination Immediate (TEI) - Majority of tariff lines to be subject to 0% customs duties
- Tariff Elimination Phased (TEP) - Other tariff lines to be benefited from elimination of customs duties in phased manner (over the period of 5, 7 and 10 years)
- Tariff Reduction (TR) - Tariffs to be reduced as compared to existing customs duty rates

**Boost to trade in services**

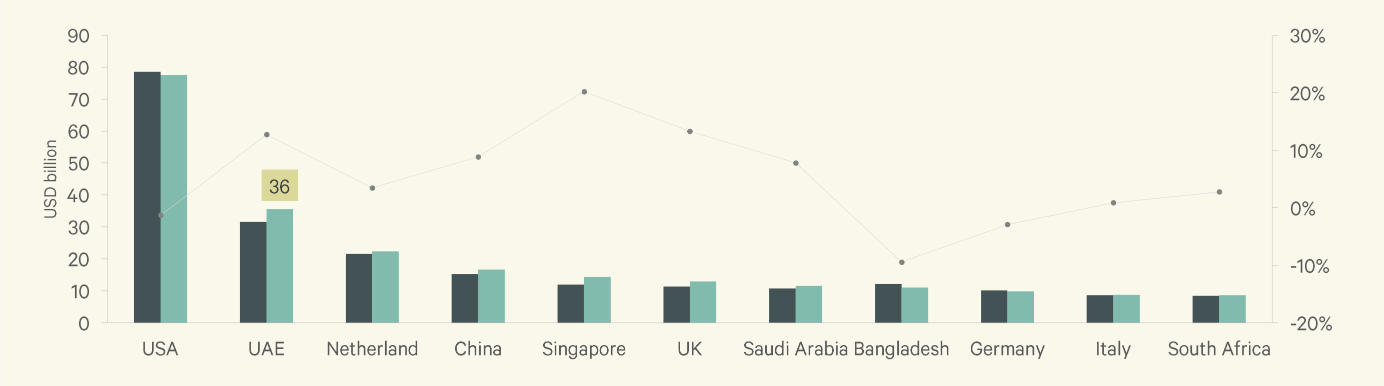
**Smooth customs procedures and trade facilitation**

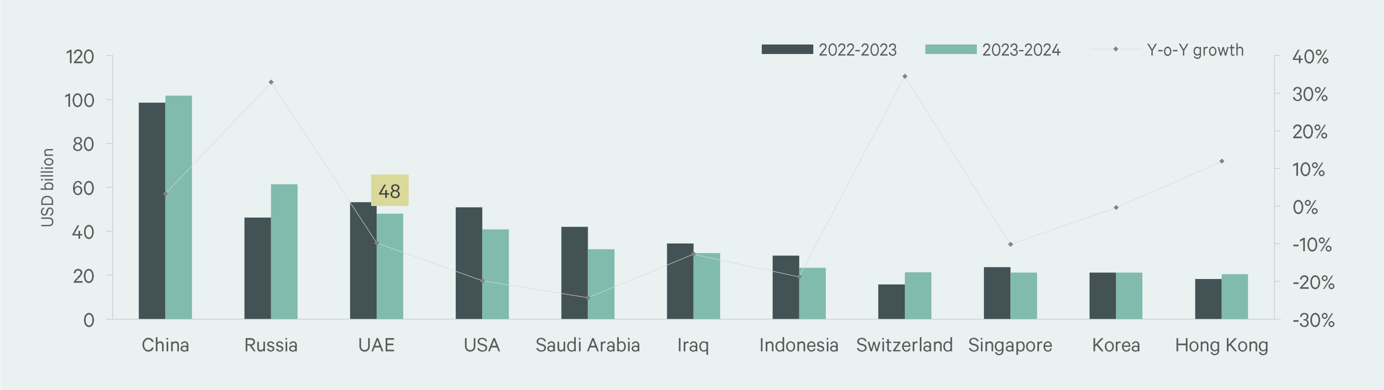
Source: CEPA between the Government of the Republic of India and the Government of the United Arab Emirates (UAE), Ministry of Commerce and Industry, GoI, 2022; CBRE Research, Q4 2024

# India and UAE: A Comprehensive Strategic Partnership

The CEPA opened avenues for businesses to benefit from the bilateral partnership, paving the way for increased investment flows and collaboration across diverse sectors. India is UAE's second-largest trading partner, accounting for 9% of its total foreign trade and 14% of non-oil exports[1]. During FY 2023-2024, India's exports to UAE stood at USD 36 billion, and imports from UAE to India stood at USD 48 billion[2].

Figure 1.3: India-UAE EXIM statistics




EXPORTS

UAE is the 2nd largest exporting country from India

**7%** Share of UAE in India's total exports

**Chemicals** Top product exported

IMPORTS

UAE is the 3rd largest importing country to India

**7%** Share of UAE in India's total imports

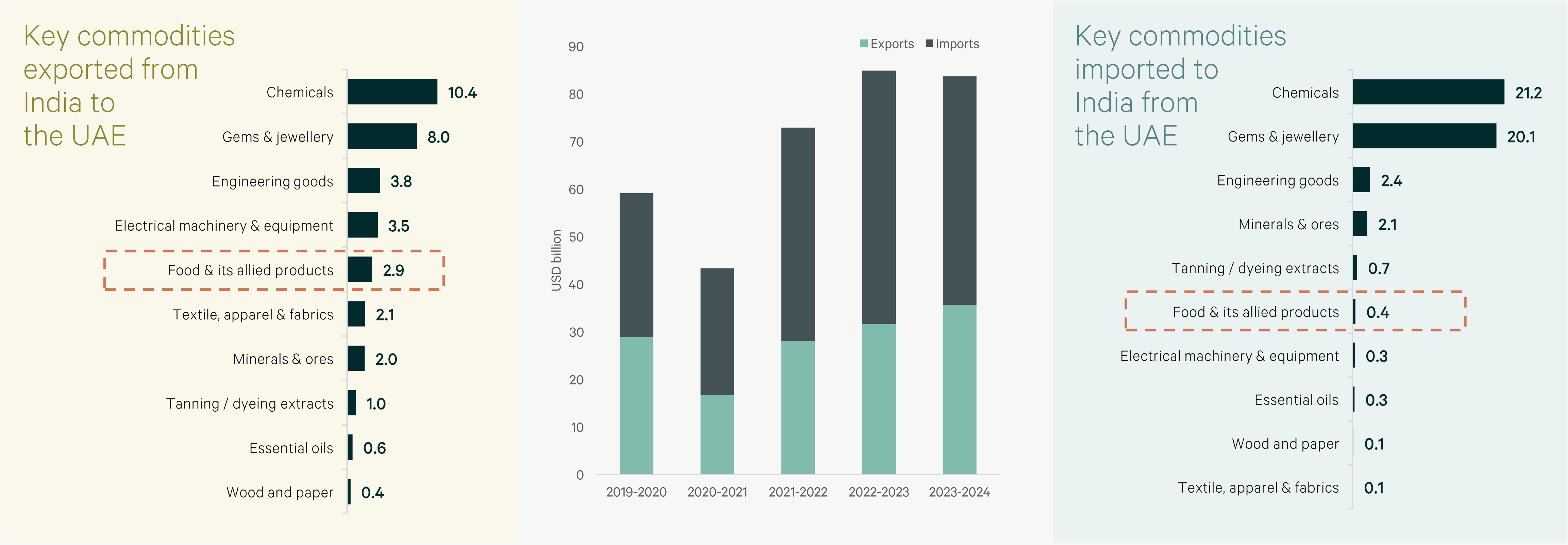
**Chemicals** Top product imported

Source: Ministry of Commerce and Industry, GoI, 2022-2023; CBRE Research, Q4 2024.
[1] India Briefing, 2024; [2] Ministry of Commerce and Industry, GoI, 2023-2024

# India and UAE: Key Trade Enablers

As both countries aim to strengthen their partnership, there is a huge impetus on food and allied sectors, ranging from farm production to supply chain logistics. Food and allied products accounted for about 3% of the total value of products exported from India to the UAE during FY 2023-24[1].

**Figure 1.4: India - UAE: Top 10 EXIM commodities**




All figures are in USD billion.
Source: Ministry of Commerce and Industry, GoI, 2022-2023; CBRE Research, Q4 2024
[1] Ministry of Commerce and Industry, GoI, 2023-2024

02

# India's Food Trade

# Food Exports from India

India's agricultural and food exports have grown significantly in recent years, driven by a diverse range of products, including rice, spices, coffee, and marine products. The UAE ranks among the top five countries in terms of food exports from India, with a 5.6% share between 2019 to 2024[1]. With planned investments in India to build food parks, the share of food and allied products in India's exports to the Arab country is likely to increase further over the next few years.

Figure 2.1: Food exports from India in USD billion from FY 2019-20 to FY 2024-25 (April-August)

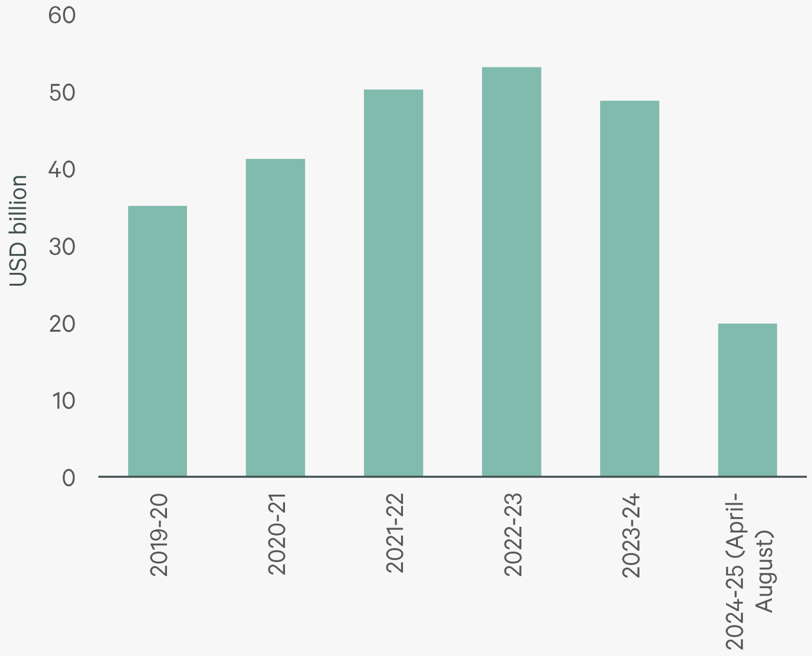
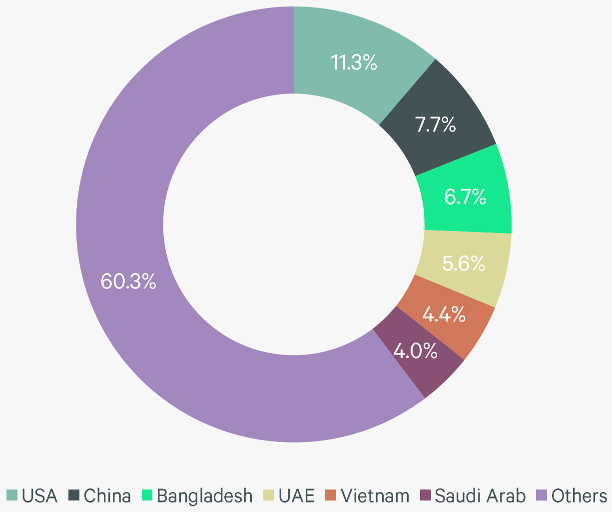



Figure 2.2: Top countries in terms of Food Export from FY 2019-20 to FY 2024-25 (April-August)




The main goods that India exports to the UAE include spices, rice, fresh fruits, marine products, manufactured and unmanufactured tobacco, buffalo meat, and various processed goods.

Source: APEDA, Ministry of Commerce and Industry, GOI; CBRE Research, Q4 2024
[1] Agricultural and Processed Food Products Export Development Authority (APEDA)

Table 2.1: Major export commodities from India from FY 2019-20 to FY 2024-25 (April-August)

| | Share in exports |
|---|---|
| RICE (BASMATI AND NON-BASMATI) | 20.5% |
| MARINE PRODUCTS | 15.6% |
| SPICES | 8.6% |
| SUGAR | 7.6% |
| BUFFALO MEAT | 7.3% |
| OTHERS | 40.4% |

Note: 'Others' majorly includes raw cotton, oil meals, castor oil, coffee, fresh fruits and vegetables and miscellaneous processed items.

Source: APEDA, Ministry of Commerce and Industry, GOI; CBRE Research, Q4 2024

03

# India-UAE Collaboration in the Food Sector

# India-UAE Collaboration in the Food sector

As the world's second-largest food producer, India has emerged as a pivotal partner for numerous nations. The country's robust agricultural sector and burgeoning food production and processing industries, underscore its economic growth. On the other hand, the UAE, with a significant portion of its food supply reliant on imports, is actively seeking to enhance food security within the region. The shared interest underscores the critical nature of the partnership between the two countries.

**Significance of the India-Middle East-Europe Economic Corridor**

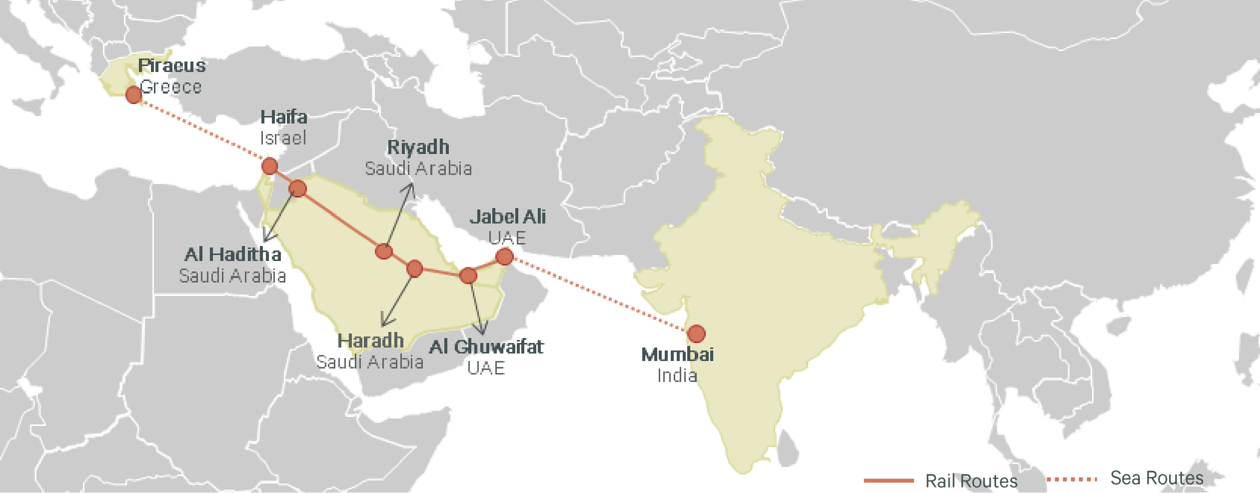
India's Look West policy, a strategic initiative aimed at deepening ties with the Arab world, Iran, and Israel, has significantly enhanced the country's political, economic, and security interests in the region. The India-Middle East-Europe Economic Corridor (IMEC) is a pivotal initiative aimed at streamlining trade flows and enhancing economic cooperation between India, the Middle East, and Europe.

**This transcontinental transportation network would consist of two primary components:**

A THE EAST CORRIDOR CONNECTING INDIA TO THE ARABIAN GULF

B THE NORTHERN CORRIDOR CONNECTING THE GULF TO EUROPE

Figure 3.1 : India-Middle East-Europe Economic Corridor (IMEC)




Source: Ministry of Commerce & Industry, GoI; CBRE Research, Q4 2024

Figure 3.2 : Food Sector Overview India - UAE

**INDIA**

- Second-largest food producer in the world[1]
- Robust food production and processing industries

**UAE**

- 80-90% of food demand met through imports[2]
- Increasing focus on improving regional food security

## Impact of IMEC on enhancing trade in food sector

As a global food powerhouse, India is poised to reap substantial benefits from the IMEC corridor. This strategic infrastructure upgrade would significantly bolster the nation's food export capabilities by developing dedicated export infrastructure. It is anticipated that the transit time for exports from India to Europe would reduce by about 40% post the development of the corridor[3].

The countries on the IMEC would catalyse India's food sector growth through strategic investments in both production and logistics. The operational corridor would also expand market access for Indian food products, simultaneously enhancing the country's capacity to diversify its food exports.

[1] India Brand Equity Foundation, Agriculture and Allied Industries
[2] UAE-India Food Security Corridor: A Global Supply Chain Alternative
[3] India's Arab-Mediterranean Corridor: A paradigm shift in the strategic connectivity to Europe (South Asia Scan)

# India-UAE Food Corridor

The UAE and India have fostered cooperation through a USD 7 billion food security corridor, signed in February 2022, on the sidelines of the CEPA.

**The food corridor encompasses the following:**

**Connecting** Indian farms directly to the UAE ports throughout the food production value chain

Creating new employment **opportunities** within the next three years

**Development** of infrastructure for food storage and transportation

**Investment** in agricultural technology and innovation

**Joint ventures and collaboration** in food processing and logistics

The food corridor has the potential to develop sustainable food production and supply and enhance the trade between both the countries by achieving the following:

- **Tripling the food and agricultural trade** between India and UAE by 2025[1]
- Reaching a target **of USD 100 billion of food exports by 2030**[2]
- Achieving the goal of **zero hunger by 2051 in the UAE**[1]
- Developing the UAE as a **food export hub for neighbouring regions**
- Boosting agricultural development through **modern practices and product diversification**

[1] UAE-India Food Security Corridor: A Global Supply Chain Alternative
[2] Media articles, 2024; IndusFood Show, 2024

# Key Collaborations in the Food sector

The UAE's strategic location, coupled with its business-friendly environment and robust infrastructure, has made the Gulf nation into a lucrative destination for Indian businesses seeking to expand their global footprint. Furthermore, the UAE's appeal as an export and re-export food destination has piqued the interest of Indian businesses, with firms exploring additional presence in the Gulf.

### FREE TRADE ZONES

These zones offer tax incentives, streamlined customs procedures, and world-class infrastructure, making it attractive for Indian companies to set up operations

### INVESTMENT PROMOTION

The UAE government's support for foreign investments creates a conducive environment for Indian businesses to expand their operations

### PROTECTION AGREEMENTS

These agreements safeguard the interests of Indian investors and businesses operating in the UAE

**Key initiatives in UAE benefitting Indian food sector**

## Bharat Mart

The warehousing facility in the UAE aids Indian exporters in showcasing their products under one roof. The facility, which spans over 700,000 square feet, will be managed by DP World and will feature retail showrooms, warehouses, offices, and other facilities. It aims to provide a unified platform for Indian exporters to showcase their diverse range of products, including heavy machinery and perishable items[1].

## Abu Dhabi Food Hub

A wholesale food and logistics hub for all food categories, the food hub aims to earmark itself as a gateway for wider market access by enabling sustainable food production, developing international partnerships and activating legislations and policies towards nutrition. The hub, connecting the Far East, Middle East, Africa, and the Indian Subcontinent, can serve as a re-exporting hub for Indian food exporters[2].

## Dubal Multi Commodities Centre

Agriota, the UAE's agri-commodity trading and sourcing e-market platform, connects Indian farmers with food businesses of the Gulf nation. Through this platform, the UAE can purchase food grains, fruits, and vegetables directly from farmers in India to be delivered to the UAE-financed mega park processing facilities being constructed in the country[3].

[1] Dubai Traders Market; Bharat Mart
[2] Abu Dhabi Food Hub; A One-Stop Food Trade Ecosystem
[3] Economic Diplomacy Division, Ministry of External Affairs, GOI

# 04

# Overview of Food Processing and Cold Chain Industry in the UAE

# Overview of Food Processing Sector in UAE

The UAE's strategic location at the heart of the Gulf region has enabled its food processing and cold chain market to solidify its position as a global trans-shipment hub. The country's food processing sector is undergoing a dynamic transformation, offering numerous opportunities for both domestic and foreign investors. This sector encompasses a wide range of activities, from manufacturing and packaging to distribution and export. The government's supportive policies and improving business environment have played a crucial role in its growth.

### Industry Size and Growth:

The UAE's food processing sector includes over **568 food and beverage processors** and manufacturers, primarily small- to medium-sized enterprises[1].

The food processing industry is projected to grow at an annual growth rate of 5% in the next five years[2].

### Government Initiatives in the UAE Food Processing Industry:

**Food Tech Valley:** The initiative, focused on creating a sustainable food ecosystem, comprises food production and logistics zones, business park and an innovation centre. A 500,000 sq. ft. advanced processing facility is expected to be operational soon. These facilities would elevate food tech valley's role in establishing a sustainable and self-sufficient food chain[3].

**National Food Security Strategy 2051:** The strategy aims to create a comprehensive national framework that promotes sustainable food production through modern technologies and boosts local production. Additionally, it seeks to establish international partnerships to diversify food sources[4].

[1] United Arab Emirates: Food Processing Ingredients, USDA.; [2] The Growing Food Processing Industry in Dubai: Trends and Opportunities, PC HOLDINGS
[3] Food Tech Valley and Spinneys sign landmark 27-year partnership to build new food processing facility, Emirates 24/7, October 2024; [4] National Food Security Strategy 2051, UAE

**Table 4.1: Key upcoming Infrastructure Initiatives in UAE**

| PROJECT LAUNCH YEAR | PROJECT NAME | DEVELOPER | LOCATION |
|---|---|---|---|
| 2025 | Agri Terminals facility at Jebel Ali Port, Dubai | DP World | Jebel Ali Port, Dubai |
| - | Dubai Foodstuffs, Fruit and Vegetable Market | DP World | Al Aweer, Dubai |
| 2025 | Food Tech Valley | Wasl Group | Warsan, Dubai, UAE |
| 2025-26 | Abu Dhabi Food Hub | KEZAD | Khalifa Economic Zone, Abu Dhabi, UAE |

**Recent Investments: Vertical Farming**

| PROJECT LAUNCH YEAR | PROJECT NAME | LAND AREA | EXPECTED TO PRODUCE |
|---|---|---|---|
| 2022 | Bustanica vertical farm in Dubai South | 30,600 sq. mt. | 1 million kg of different fruits and vegetables free of pesticides, herbicides, and chemicals |
| 2026 | Giga Farm vertical farm in Dubai South | 83,000 sq. mt.. | 1 million kg of leafy green vegetables each year |

Source: CBRE Research, Q4 2024

# Overview of the Cold Chain Industry in UAE

The UAE's cold chain storage market is driven by a booming import-reliant economy, rising consumer demand for temperature-sensitive products and an increased adoption of technology. Furthermore, with the adoption of the Dubai Silk Road Strategy and its superior logistical infrastructure, the UAE aims to transform itself into a source market in supply chain, manufacturing, and exporting food and pharmaceuticals to high-demand regions such as Africa & Asia.

**Growth drivers of the UAE cold chain industry**

**RISING DISPOSABLE INCOMES**

Increasing population, disposable incomes, and urbanization are driving demand for frozen and processed food items, pharmaceuticals, and other temperature-sensitive products.

**E-COMMERCE BOOM**

The surge of e-commerce platforms like Noon and Amazon has driven demand for efficient last-mile cold chain solutions.

**GOVERNMENT INITIATIVES**

The UAE government's Vision 2021 and Dubai's Industrial Strategy 2030[1] prioritize logistics development, driving investments in cold chain infrastructure and technology.

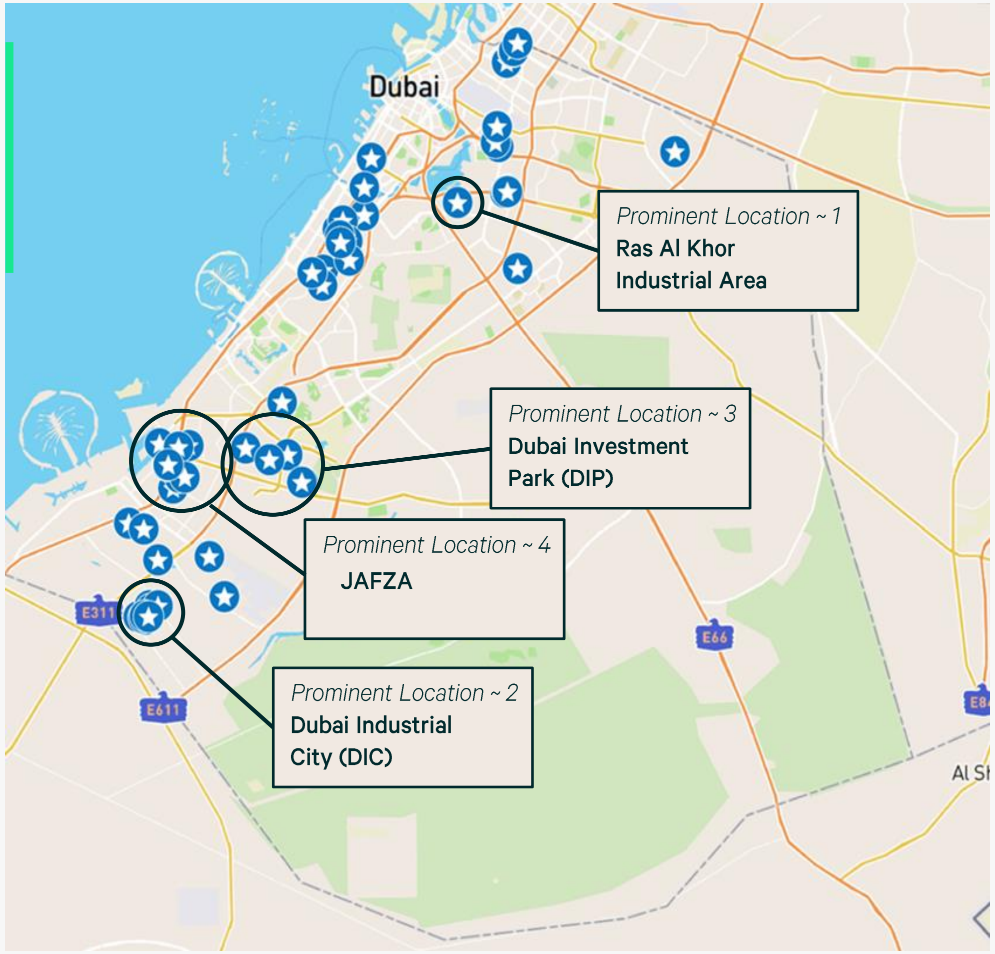
**STRATEGIC LOCATION**

The UAE's strategic position as a trade hub between Europe, Asia, and Africa presents lucrative opportunities for cold chain services catering to international trade.

**Typical products stored at a cold storage facility in UAE**

- Fruits & vegetables
- Meat / poultry
- Sea food
- Ready to eat meals
- Dairy products
- Beverages (alcoholic / non-alcoholic)
- Bakery products
- Pharmaceuticals
- Temperature-sensitive chemicals

**Figure 4.1: Key cold storage warehouse locations in Dubai**




Source: CBRE Research, Q4 2024

[1] United Arab Emirates (UAE)'s Government Portal, 2024

05

# Overview of Food Processing Industry in India

# Food Processing in India

Currently at a nascent stage, India's food processing sector accounts for about 1.8% of the total gross value added (GVA) in 2020-21[1]. Serving as a crucial link between farmers and the consumer markets, the sector could rely upon the country's vast resource base for support, further aided by urbanization, rising disposable incomes, and evolving dietary preferences.

The growing demand for Indian food products from international markets presents a significant opportunity for the country's food processing sector. While the sector remains relatively small compared to other agricultural products, the share of processed food exports in total agri-food exports has increased significantly from 13.7% in 2014-15 to 23.4% in 2023-24, highlighting India's growing prominence[2].

India's rapidly developing economy, favourable business environment, abundant agricultural resources and lower levels of processing compared to international standards present a significant opportunity for the Gulf food and logistics companies. By investing in India's food processing sector, global firms could tap into a growing domestic market apart from export opportunities.

The food processing industry accounts for **13% of total exports and 6% of industrial investment[3].**

The market size of the food processing sector in India is projected **to grow from USD 866 billion in 2022 to USD 1,274 billion by 2027[4].**

The sector's contribution to India's GDP has soared **by 27% over the last five years[1].**

## WORLD'S SECOND LARGEST PRODUCER OF FRUITS & VEGETABLES

**~350** Million MT

Total horticulture production in India[5]

**~3.3** Million MT

Total horticulture exports from India

**18.3%**

Share of agriculture and allied sectors in India's GDP[6]

[1] Transforming India's Food Processing Sector: Paving the Path to Prosperity by 2047, Grant Thornton
[2] Ministry of Food Processing Industries (MoFPI), July 2024
[3] India Food 2024, Indian Chamber of Food and Agriculture
[4] IBEF, Food Processing, May 2024
[5] Ministry of Agriculture & Farmers Welfare, Jan 2024
[6] Ministry of Agriculture & Farmers Welfare, Contribution of Agricultural Sector in GD, March 2023

# Food Processing: FDI

The food processing industry's gross value added has exhibited sustained growth, expanding by approximately 7.1% per year over the past five years. Additionally, to stimulate investment and enhance productivity in the food processing sector, the Ministry of Food Processing Industries (MoFPI), in 2016, permitted a) 100% FDI under the automatic route in food processing industries b) 100% FDI through the Government approval route for trading, including e-commerce, for food products manufactured and / or produced in India.

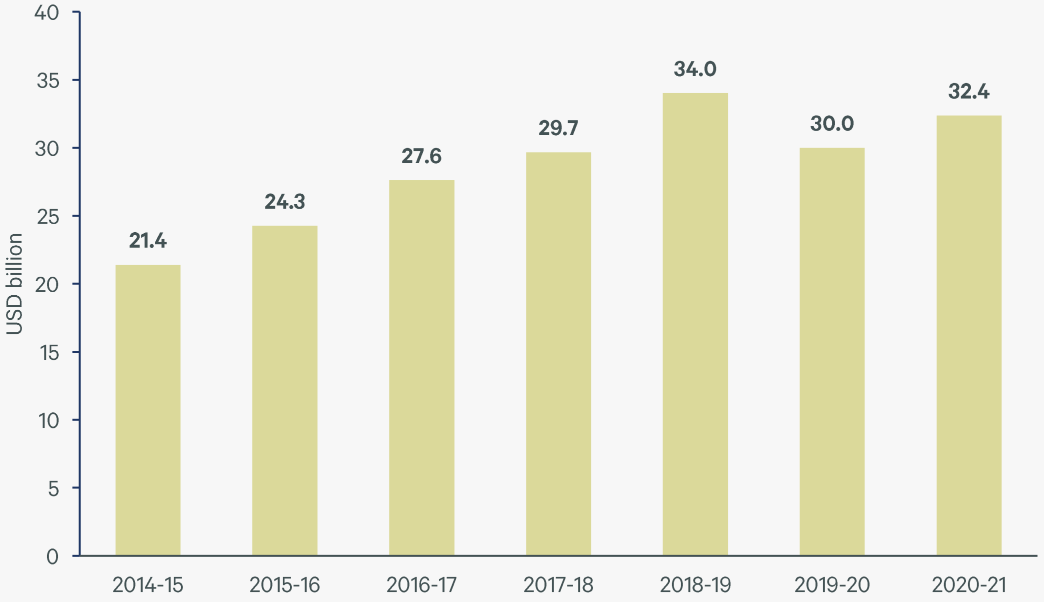
As a result, the food processing industry has attracted a cumulative FDI equity inflow of USD 12.59 billion between April 2000 and March 2024. While the inflows account for approximately 1.85% of the total FDI equity inflow across all sectors, the food processing sector in India is poised for further growth as both the private sector and the government actively pursue the modernization of the agro-industry ecosystem.

**20.68**
Lakh

Number of people employed in the Food Processing Industries as of March 2022

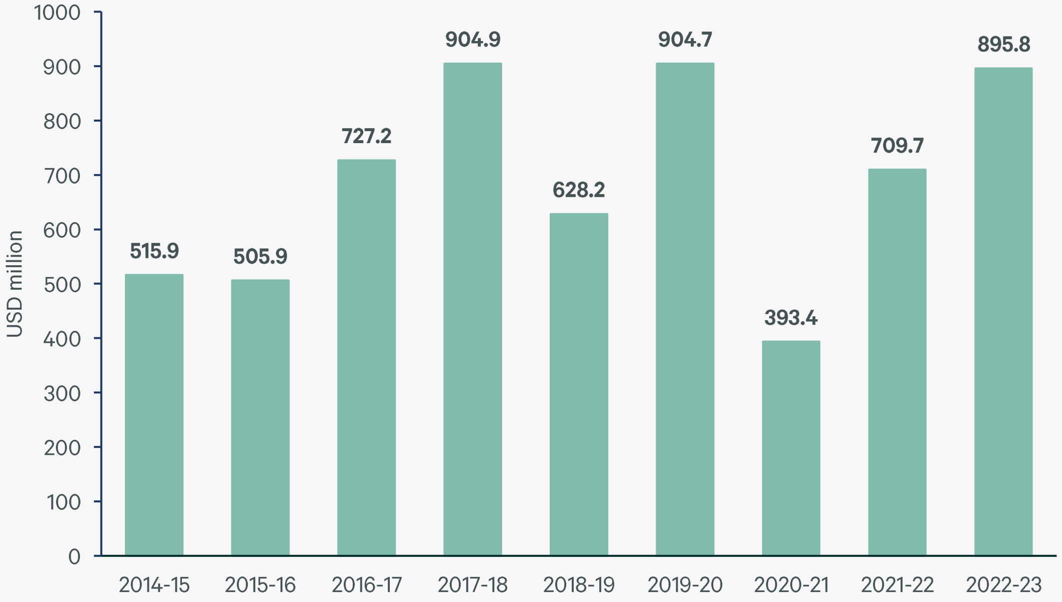
Source: ASI Report 2021-22

**Figure 5.1: Gross Value Added (GVA) by Food Processing Industries (FPI) at Constant 2011-12 Prices**




Source: Ministry of Food Processing Industries, Annual Report 2022-23; CBRE Research, Q4 2024

**Figure 5.2: FDI Inflows in Food Processing Sector**




Source: Ministry of Food Processing Industries, Annual Report 2022-23; IBEF's report on Food Processing, 2023; CBRE Research, Q4 2024

# Food Processing: Government Initiatives

To enhance the competitiveness of the Indian food processing sector and attract foreign investments, the Indian government and several state governments have implemented a series of incentives, as seen below.

## Pradhan Mantri Kisan Sampada Yojana (PMKSY) - 3rd May 2017

- Aimed at modernizing infrastructure and supply chains, increase farmer income, create rural jobs, reduce wastage, and enhance processed food exports.
- With 540 approved projects and 399 completed, PMKSY has created 86.06 lakh metric ton (LMT) processing and 22.63 LMT preservation capacities during 2020-2023[2].
- Main Schemes implemented under PM Kisan Sampada Yojana:

**MEGA FOOD PARKS SCHEME*:**

- Capital grant of 50% of the eligible project cost in general areas.
- The MoFPI has approved 41 mega food parks projects. Currently, 24 of these parks are operational, with the remaining 17 under implementation[3].

**INTEGRATED COLD CHAIN AND VALUE ADDITION INFRASTRUCTURE SCHEME:**

- Financial assistance of up to 35% of the eligible project cost in general areas and up to 50% in difficult areas, with a maximum of INR 10 crore per project.
- Scheme for creation of Infrastructure for agro-processing clusters.
- Operation Greens - Since November 2018, "Operation Greens" aims to stabilize prices and develop value chains for tomatoes, onions, and potatoes with a INR 500 crore budget. In 2021, it expanded to include 22 perishable products to enhance agricultural value and exports[4].

## PM Formalisation of Micro Food Processing Enterprises (PMFME) - 2020-21

- Aimed at providing financial, technical and business support for upgradation of existing micro food processing enterprises. It is to be implemented for a period of five years from 2020-21 to 2024-25 with an outlay of INR 10,000 crore.
  - Credit-linked capital subsidy at 35% of the eligible project cost with a maximum ceiling of INR 10 lakh per unit.
  - Seed capital @ INR 40,000/- per self-help group member for working capital and purchase of small tools.
  - Credit linked grant of 35% for capital investment to FPOs/ SHGs/ producer cooperatives[5].

## Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) - 31st March 2021

- To support the creation of global food manufacturing champions; promote Indian brands of food products; increase employment opportunities for off-farm jobs, ensure remunerative prices of farm produce and higher income to farmers.
- The scheme was approved for implementation during 2021-22 to 2026-27 with an outlay of INR 10,900 crore.
- The scheme incentivizes manufacturing in four major food product segments: Ready to Cook/Ready to Eat foods, Processed Fruits & Vegetables, Marine Products, and Mozzarella Cheese. It also promotes innovative and organic products from SMEs[6].

In addition to the above-mentioned initiatives, businesses engaged in processing, preserving, and packaging of fruits and vegetables, as well as new units involved in processing and packaging meat, poultry, marine, or dairy products are exempt from 100% tax for the first five assessment years. These incentives aim to support new ventures and stimulate investment in food processing industries[1].

[1] Ministry of Food Processing Industries (MoFPI), Fiscal Incentives in the Food Processing Sector
[2] Ministry of Food Processing Industries (MoFPI), Implementation of Pradhan Mantri Kisan Sampada Yojana, February 2024
[3] Ministry of Food Processing Industries (MoFPI), Mega Food Park Projects (*The scheme has been discontinued by the Government with effect from 01.04.2021 with provision for committed liabilities for ongoing projects only.)
[4] Food Processing Sector: Present Scenario and New Initiatives
[5] Ministry of Food Processing Industries (MoFPI), PM Formalisation of Micro Food Processing Enterprises (PMFME)
[6] Ministry of Food Processing Industries (MoFPI), Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)

# Food Processing: Snapshot of State Split and Incentives

**~41,480**

food processing units

Andhra Pradesh leads with the highest number of food processing units, followed by Tamil Nadu and Telangana, together accounting for nearly 36% of the total food processing units across the country[2].

Several state governments have implemented significant reforms to foster growth in the food processing sector.

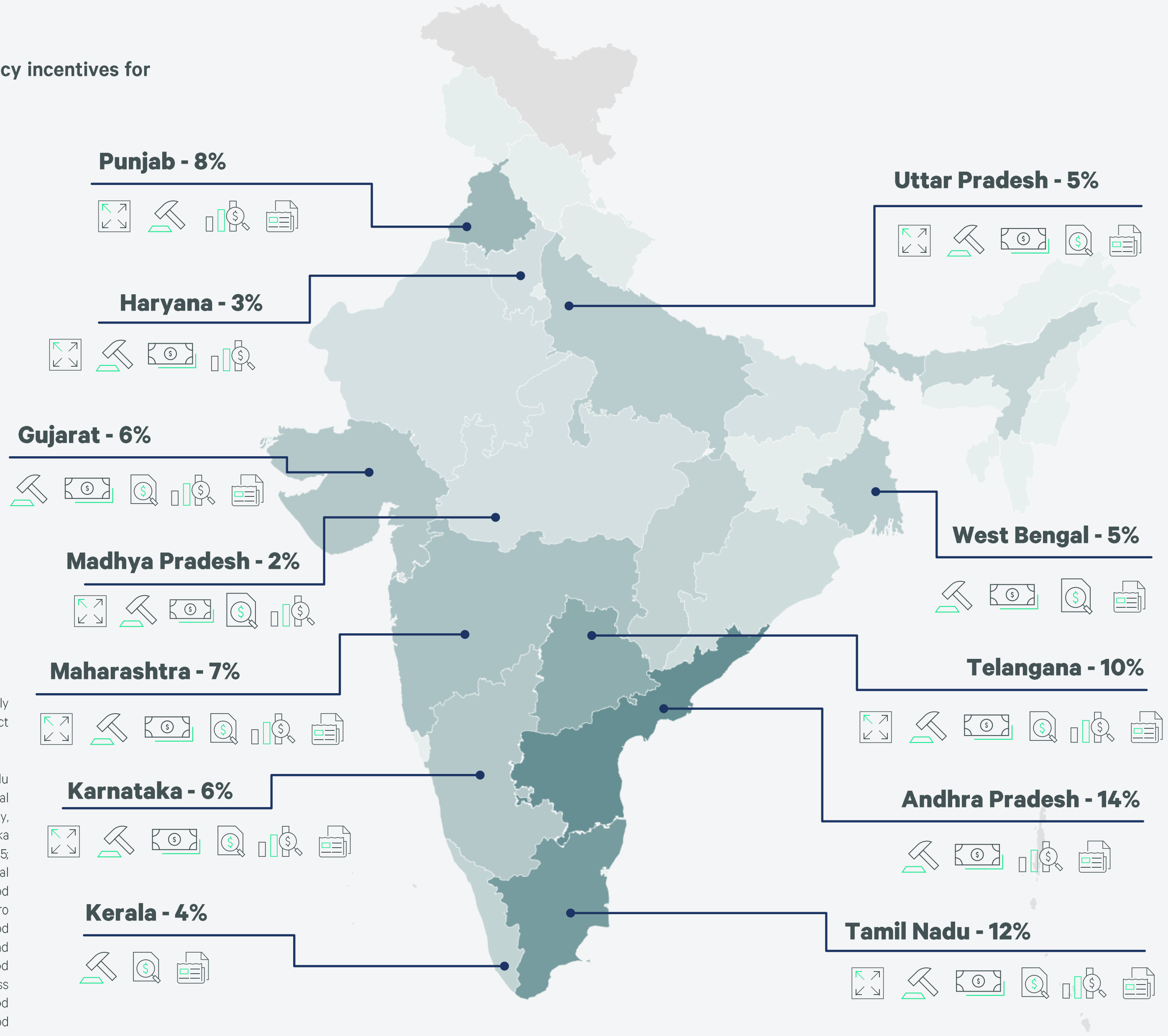
**Figure 5.3: State-wise units and policy incentives for the food processing industry**

% share of states & UTs in pan-India of Food Processing units

0% 15%

LEGEND

- Land-related incentives
- Infrastructure concessions and subsidies
- Capital subsidies
- Stamp duty exemptions
- Tax benefits
- Single window clearance / ease of approvals




Note: *In a few cases, though the policies do not directly mention about a particular incentive, an indication of indirect initiatives has been considered

Source: Annual Survey of Industries 2019-20; Tamil Nadu Food Processing Policy, GoTN, 2018; Tamil Nadu Industrial Policy, GoTN, 2021; Andhra Pradesh Food Processing Policy, GoAP, 2020 – 2025; Nivesh Bandhu Portal, 2023; Karnataka Agribusiness & Food Processing Policy, Go KA, 2015; Karnataka Industrial Policy, GoKA, 2020-25; Kerala Industrial & Commercial Policy, GoKL, 2018; Telangana State Food Processing Policy, GoTG, 2017; Gujarat Comprehensive Agro Business Policy, GoGJ, 2016-21; Maharashtra State - Food Processing Policy, GoM, 2017, Haryana Agri Business and Food Processing Policy, GoHA, 2018; Uttar Pradesh Food Processing Industry Policy, GoUP, 2023; MP Agri-business and Food Processing Policy 2012, West Bengal Food Processing Incentive Scheme (WBFPIS), 2021, Food Processing Industries, GoP; CBRE Research, Q4 2024

[1] IBEF, Food Processing, May 2024
[2] Ministry of Food Processing Industries

# Factors Impacting the Growth of India’s Food Processing Industry

Despite considerable government efforts to promote the food processing sector, several bottlenecks, including infrastructure constraints, regulatory complexities, and access to finance, have limited the sector’s growth, hindering investments from countries including the UAE.

## Challenges

### INFRASTRUCTURE BOTTLENECKS

The Indian food processing sector faces significant challenges due to inadequate cold storage facilities and transportation systems. These deficiencies result in post-harvest losses, shorter product shelf lives, and higher costs, hindering efficient operations. The lack of adequate and efficient cold chain infrastructure as a key supply-side bottleneck leads to post-harvest losses (mostly perishables) estimated at INR 92,561 crore annually[1].

### FUNDING CONSTRAINTS

Lack of collaterals often limits the borrowing capacity of MSMEs to start a business. Additionally, such players have limited knowledge/ awareness of the various available financing options, hindering their access to adequate capital.

### INADEQUATE THRUST ON FOOD STANDARDS

Lack of regulation enforcement, inadequate testing facilities, and non-compliance with the Food Safety and Standards Authority of India (FSSAI) standards pose significant issues in the industry, potentially hindering its ability to compete in global markets.

### LACK OF MODERN TECHNOLOGY

Limited access to information and technical expertise, as well as the high cost of technology adoption are significant barriers to modernising India’s food processing industry.

## Solutions

### DEVELOPMENT OF INTEGRATED LOGISTICS FACILITIES

To address these issues, the public and commercial sectors must fund the development of storage facilities, transportation networks, and food processing infrastructure. Furthermore, developing food parks and agro-processing clusters can offer the sector a complete infrastructure ecosystem.

### ENABLING MSMES TO SECURE FINANCING

Emerging digital platforms that assess the credit worthiness of MSMEs can help them secure suitable funding options. Other aspects that could be considered include encouraging banks and financial institutions to offer specialised and preferential credit facilities to the food processing sector, streamlining loan application processes, and encouraging venture capital funding.

### STRENGTHENING REGULATORY STANDARDS

Currently, the Food Safety and Standards Act 2006 acts as an overarching law to maintain food standard in the country through the FSSAI. The policy outlines the regulations and guidelines at each stage of the food supply chain. Enforcing stringent compliance standards and developing reliable testing facilities are imperative to ensure adherence to international quality standards.

### GOVERNMENT SUPPORT FOR TECH ADOPTION

Incentives such as lower import duty on food processing machinery would incentivise businesses to adopt modern technologies. Partnerships between industry and academics and collaborations with research organizations can facilitate technology transfer and skill development.

[1] NITI Aayog Strategy for New India
Source: CBRE Research, Q4 2024

# Stages in Food Processing: An Opportunity Assessment

Gulf firms seeking to enter the Indian food market can consider various investment strategies. Investments in established Indian entities operating along the entire food value chain can help businesses gain a stronger control over food quality, while mitigating risks associated with market entry. Alternatively, establishing new food processing facilities through greenfield investments can provide firms with greater control over operations and allow for the construction of facilities tailored to their specific needs and requirements. This approach offers the opportunity to build state-of-the-art facilities with modern equipment, efficient layouts, and advanced technology, ensuring optimal production efficiency and quality control.

**Figure 5.4: Stages in Food Processing**

Raw material is sourced from agricultural, dairy, and poultry farms. They play a critical role in the quality and safety of the end product.

## Raw material production/ sourcing

- Fruits and vegetables
- Meat, sea food
- Pulses, grains, nuts
- Eggs

Quality storage and transportation allow food products to reach different supply chain stages. At this stage, products are prepared to enter processing.

## Material transportation & Storage

The choice of storage depends on the following:

- Proximity to origin
- Type of product (dry, liquid) Volume
- Specifications of product holding (temperature, humidity, etc.)
- Regulations for sanitization

This process entails extracting food ingredients from raw, inedible agricultural commodities through cutting, cleaning, milling, drying, etc.

## Primary Processing

- Pasteurized milk
- Vegetable oils
- Nuts & seeds
- Flours
- Butchered meat

Secondary food processing involves using primary processed food to create edible form of food. This entails methods including baking, fermentation, smoking, etc.

## Secondary Processing

- Bread
- Wine, beer
- Cured meat products
- Sugar

Tertiary food processing results in ultra-processed foods in large scale. These are ready-to-eat or heat-and-serve foods.

## Tertiary Processing

- Frozen food
- Baked goods
- Chips
- Breakfast cereals

Food packaging and storage are key steps in safeguarding food from hazards and extending the life of processed food by controlling its immediate environment.

## Food packaging and storage

Factors determining packaging material are:

- Transportation
- Storage temperature
- Moisture level
- Protection from pests
- Label requirements

The last step in food production is retailing. Distributors and wholesalers may buy food products in bulk and sell them to retailers or food service providers

## Retail

- Department stores
- Hypermarkets
- Restaurants
- Online stores
- Home delivery services

Source: CBRE Research, Q4 2024

# Outlook: Growth Strategies

As a major food producer, India has a unique opportunity to strengthen its position in international food markets by enhancing its processing capabilities. As India's food demand evolves, businesses too would move up the value chain by focusing on convenience food, snacks, prepared meals, diet and organic food. By identifying and capitalizing on emerging food trends, firms from the UAE can gain a competitive edge through their investments in processed food production in India. This can further facilitate their expansion into newer markets in West Asia, Africa and Europe.

**Key opportunities include:**

### EXPANDING PRODUCT RANGE

Gulf firms can benefit from India's growing food processing sector by focusing on value-added products that meet global consumer demands. These include ready-to-eat meals, millet-based foods, fortified foods, nutraceuticals, and plant-based options, which are increasingly in demand due to their health benefits and convenience.

Leveraging technology:

### TECH-ENABLED RESEARCH

UAE firms can leverage technology to develop newer products. For instance, artificial intelligence (AI) can be used to analyse consumer preferences worldwide and develop products and flavours appealing to specific markets. This can help in increasing the competitiveness of Indian food processing facilities in the global marketplace.

### FOOD SAFETY

Using AI-powered solutions, global firms can revolutionise food safety by tracking products, monitoring storage conditions, and reducing the risk of contamination. Such systems can also help detect and eliminate defects in food products, ensuring the export of high-quality products.

### BETTER EFFICIENCIES

AI-based sorting machines can be used to sort fruits and vegetables based on size, shape, colour, and other quality parameters, aiding waste reduction and improving the overall quality of the products.

**Table 5.1: Evolution of Global Food Demand**

DEMAND FOR FOOD PRODUCTS

| Indicators | Surviving | Mass Market | Convenience food service snacking and quality hygiene | High Technology |
|---|---|---|---|---|
| DIET FUNCTIONAL AND ORGANIC FOODS | | | | North America, Japan, Western Europe and Australia |
| CONVENIENCE FOODS, SNACKS AND PREPARED MEALS | | | Eastern Europe | |
| DAIRY, MEAT, FRESH FRUITS, FRUIT JUICES, BEVERAGES | | **INDIA, CHINA AND LATIN AMERICA** | | |
| CARBOHYDRATE STAPLES | Africa (Sub Saharan) | | | |

INDUSTRIAL DEVELOPMENT

Source: Ministry of Food Processing Industries (MOFPI), GoI; CBRE Research, Q4 2024

# Outlook: Investment Opportunities

Aspects such as varying levels of food processing, the presence of numerous MSMEs and limited technical knowledge in India, offer opportunities to Gulf firms to invest in specific products and services. Table 5.3 highlights the diverse opportunities available across various food segments.

**Table 5.2: Processing levels across countries**

| SEGMENT | INDIA | USA | CHINA | THAILAND |
|---|---|---|---|---|
| Grains & pulses | 78-92% | 33% (Wheat) | 41-88% | 69-93% |
| Dairy Processing | 21% | 65% | - | 29% |
| Meat and Poultry | 34% | 87% | - | 29% |
| Fruits & Vegetables | 3-4% | 11-20% | 3-7% | 32-46% |

**Table 5.3: Investment opportunities**

| SEGMENT | PRODUCT OPPORTUNITY | BUSINESS OPPORTUNITY |
|---|---|---|
| Grains & pulses | Fortified food | Automated processing, packing technology |
| Dairy Processing | Value added products such as flavoured yoghurt/milk, butter and cheese, health drinks, Indian sweets | Distribution technology, Cold chain, packaging technology |
| Meat and Poultry | Poultry production, buffalo meat export potential, ready to eat/cook products | Farm automation, cold storage, automated abattoirs |
| Fruits & Vegetables | Processed food, vegetables for export, juices & pulp | Packhouses, automated technology in food testing labs, packaging technology |

Source: Ministry of Food Processing Industries (MOFPI), GoI; CBRE Research, Q4 2024

The colour grading in the image likely represents the level of opportunity in a particular food segment based on the existing levels of food processing in India. A darker shade indicates greater potential for growth and development, while a lighter shade could suggest a more saturated market with limited opportunities.

# Recommendations: CBRE's View on Stakeholder Strategies

## OCCUPIER

- Plug-and-play facilities in ready food parks, agro-processing parks
- Preference for food parks with ancillary and support / complementary industries
- Proximity to skilled and unskilled labour
- Access to agricultural produce/raw materials
- Analysis of state subsidies and incentives

## DEVELOPER / INVESTOR / BUILT-TO-SUIT

- Acquisition of encumbrance-free contiguous land parcels
- Enabling basic infrastructure including Internal roads, drainage, water and electricity supply including captive power and sewage treatment plants
- Developing standard design facility sheds for MSMEs
- Access to production hubs and consumption centres
- Access to highways and railway network

## KEY COMPONENTS OF A FOOD PROCESSING HUB

### Primary processing centres

- Primary Processing collection centres facilitate cleaning, grading, sorting and packing
- Dry warehouses, specialised cold stores (temporary storage) including pre-cooling chambers, ripening chambers (including equipment), reefer vans, mobile pre-coolers, mobile collection vans, etc.

### Central processing centres

- Central processing centres' common facilities cater to activities including testing laboratory and packaging facilities
- Logistics centres should provide for controlled atmosphere chambers, pressure ventilators, variable humidity stores, pre-cooling and ripening chambers, etc.
- Cold chain infrastructure including reefer vans, irradiation facilities, steam sterilisation units, steam generating units, food incubation cum storage centres, etc.

### Enabling infrastructure

- Includes roads, drainage, water supply, electricity supply including captive power and effluent treatment plant, telecommunication lines, parking bays.
- Support Infrastructure such as administrative buildings, training centres, etc.

Source: CBRE Research, Q4 2024

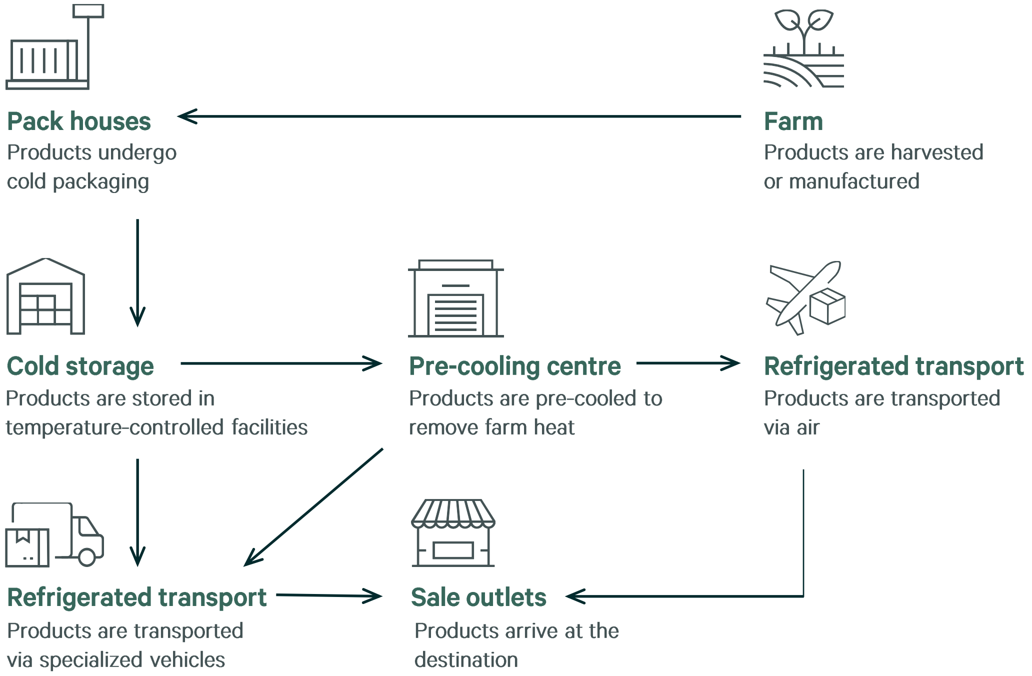
06

# Overview of Cold Storage Industry in India

# Overview of the Cold Chain Industry in India

The cold chain infrastructure is a crucial part of agriculture and allied sectors, designed to transport and store temperature-sensitive goods, including food grains, fruits, vegetables, livestock products, etc. Such goods require temperature-controlled supply chains involving efficient storage, transportation, and distribution to increase the shelf-life of the products. Proximity to demand centres, changing patterns in consumer preferences and spending are the primary drivers for cold storage facilities. As per the estimates by IMARC, the Indian cold chain market size grew to INR 181,490 crore in 2022 and is expected to reach INR 379,870 crore by 2028, exhibiting a growth rate (CAGR) of 12.3% during 2023-2028.

**Figure 6.1: Components of cold chain infrastructure in India**




Source: CBRE Research, Q4 2024

**Figure 6.2: Benefits of seamless cold chain logistics**

**Reduction of food spoilage and wastage:** By maintaining optimal temperature conditions, cold chain helps preserve the quality, taste, texture, and nutritional value of perishable goods.

**Improved product quality and safety:** Cold chain maintains the quality of perishable foods by slowing down the degradation process. Quality food ensures better remuneration for farmers and optimum nutritional value to consumers.

**Market expansion and economic growth:** The cold chain facilitates the export and import of perishable goods, enabling businesses to expand into global markets.

**Increased cost efficiency:** By reducing food wastage, cold chain operators maintain lower disposal and distribution costs, leading to increased margins.

Source: CBRE Research, Q4 2024

**Figure 6.3: Need for organised cold storage in India (2023)**

High wastage levels in perishables (40%)

| | |
|---|---|
| 4.6 - 15.9% | Wastage level in fruits |
| 5.2% | Wastage level in inland fish |
| 10.5% | Wastage level in marine fish |
| 2.7% | Wastage level in meat |
| 6.7% | Wastage level in poultry |
| INR 92,651 crore | Estimates annual losses of agricultural produce |

Source: Ministry of Agriculture & Farmers Welfare, GoI, 2023; Statista, 2023; Invest India, GoI, 2023; Federation of Seed Industry of India, 2023; CBRE Research, Q4 2024

**Figure 6.4: Growth drivers of the Indian cold chain industry**

### Rising demand for processed food products

The share of processed food in agricultural exports has increased significantly from 13.7% in 2014-15 to 25.6% in 2022-23*; India's consumer spending is expected to grow to USD 6 trillion by 2030**

### Fastest growing e-commerce market

In 2022-23, Government e-marketplace (GeM) registered the highest ever Gross Merchandise Value of USD 2,011 billion^; India's online shopper base is expected to be the 2nd largest globally by 2030, with nearly 500-600 million shoppers **

### Prominent pharmaceutical industry

With more than 200 countries served by the Indian pharma-exports, the country's pharmaceutical industry is expected to reach USD 130 billion by 2030^^

Source: *Ministry of Food Processing Industries, 2023; **Invest India, 2023; ^Ministry of Commerce & Industry, 2023; ^^India Brand Equity Foundation, 2023; CBRE Research, Q4 2024

# Central Government Initiatives to Improve India’s Cold Storage Industry

The development of cold chain infrastructure in India, while still in its early stages, has been significantly influenced by government-led policies and initiatives. With the relaxation of FDI restrictions under the automatic route, India's nascent cold chain sector is now more accessible to foreign investors. Key government initiatives are presented in the figure below.

**Figure 6.5: A timeline of the central government initiatives to promote the cold storage segment**

**2010**

100% FDI permitted in cold storage under the automatic route[1]

**2012**

Cold storage facilities became eligible for External Commercial Borrowing (ECB), with the upper limit of USD 750 million / financial year[2]

**2013**

Income tax deduction of up to 150% on investment in a cold storage facility[3]

**2014**

Section 80-IB of the Income Tax Act provides deductions for cold chain-related industrial activity. Deductions apply to 100% of profits for the first five years, then 25-30% for the next five years[4]

**2015**

Cold Chain services of preconditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables exempted from service tax[5]

**2016**

Concessional custom duty of 5% for imported cold storage equipment under ‘Project Import Scheme’ benefit guidelines introduced[6]

**2017**

The Finance Act, 2016 has amended Section 35AD of the Act to reduce the income tax deduction from 150% to 100% in the case of a cold chain facility or a warehousing facility for storage of agricultural produce

**2018**

The coveted ‘infrastructure status’ granted to the cold storage segment, thus making loans available under Priority Sector Lending for the construction of cold storage facilities[7]

**2020**

With an investment of INR 20,050 crore over a period of five years, Pradhan Mantri Matsya Sampada Yojana addresses critical gaps in food processing industry and with emphasis on a seamless cold chain

**2021**

Under the Mission for Integrated Development of Horticulture (MIDH), financial assistance was provided for construction / expansion / modernisation of cold storages of capacity up to 5,000 MT in the country.

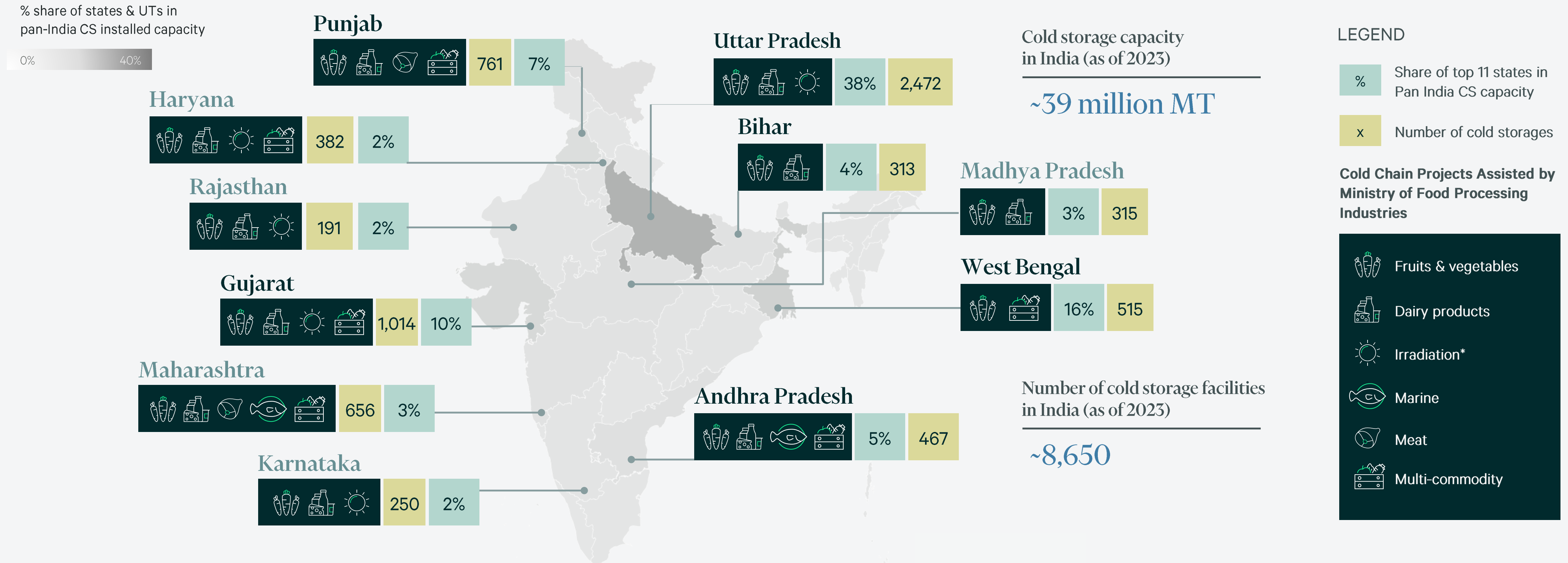
Classifying loan to food & agro-based processing units and Cold Chain under agriculture activities for Priority Sector Lending

Source: [1]Consolidated FDI Policy, 2010; [2] Reserve Bank of India, July 2012; [3] Section 35-AD of Income Tax Act, 1961; [4] Ministry of Food Processing Industries, 2014; [5] Union Budget 2015-16; [6] Union Budget 2016-17; [7] Including CS units / CS chains designed to store agriculture produce / products, irrespective of their location; for food and agro-processing up to a limit of INR 100 crore per borrower; [8] Ministry of Food Processing Industries, 2021; CBRE Research, Q4 2024

# State-wise Distribution of Cold Storage Facilities

Currently, India's overall cold storage sector is highly fragmented, with the capacity distribution uneven. As denoted in the figure below, states such as Uttar Pradesh, West Bengal, and Gujarat together account for about 65% of the cold storage capacity in the country, primarily for fruits and vegetables. Despite widespread cold storage facilities, the lack of modern multi-commodity cold houses in India presents a significant opportunity for global investors.

**Figure 6.6: State-wise spatial spread of cold storage facilities / installed capacity in India (2023)**




Source: Press Information Bureau, August 2024, Agriculture Statistics at a Glance, Ministry of Agriculture and Farmers' Welfare, GoI, 2023; Ministry of Food Processing Industries, GoI, 2023; CBRE Research, Q4 2024

Note: *Food irradiation is a physical process in which food and agricultural commodities (in pre-packed form or in bulk) are exposed to a controlled amount of radiant energy to achieve desirable effects such as inhibition of sprouting, delay in ripening, killing of insect pests, parasites & pathogens etc.

[1&2] Agriculture Statistics at a Glance, Ministry of Agriculture and Farmers' Welfare, GoI, 2023

# Factors Impacting the Growth of Cold Storage in India

Despite the growing demand for cold storage facilities, infrastructure challenges and high investment costs continue to hinder large-scale development. While logistics firms and specialized cold chain companies have made efforts to expand their capacity, the overall availability of quality cold storage infrastructure remains limited in the country.

## Challenges

### UNEVEN DISTRIBUTION OF COLD STORAGE FACILITIES AND LACK OF SUPPORT INFRASTRUCTURE

Majority of cold storage facilities are currently located near the points of production, with a lower proportion in proximity to the end-user, resulting in an inefficient cold chain network. Also, there is inadequate cold storage capacity in comparatively more humid southern states.

### UNORGANISED INDUSTRY: INADEQUATE STANDARDS / PROTOCOLS

Several unorganised players operate independently, needing more standardised practices and quality controls. The current inadequate standards / protocols for constructing and operating a cold storage facility leads to inconsistencies across the cold storage supply chain.

### FUNDING CONSTRAINTS

Cold storage facilities are highly capital intensive, deterring banks from lending to the sector..

### LACK OF MODERN TECHNOLOGY

Most of the required equipment within cold chain infrastructure in India is currently imported, with limited indigenous production.

## Solutions

### NEED FOR A MULTI-CHAMBER COLD STORAGE FACILITY NETWORK

Focus on non-conventional / hybrid systems for cold chain should be encouraged. Major initiatives such as Bharatmala Pariyojana, Sagarmala, and National Logistics Policy (NLP) are expected to optimise cold chain management, improve logistics efficiencies and enhance connectivity by promoting multi-modal infrastructure

### COMPREHENSIVE STANDARDS / PROTOCOLS MORE SUITABLE FOR INDIA'S TOPOGRAPHY

The central government needs to introduce a national scheme that focuses on attracting major global / domestic investors by further relaxing investment norms, introducing product-specific protocols, and providing single-window clearance for approvals.

### REFINANCING OF FUNDING STRUCTURE

Preferential interest rates for funding cold chains can be considered for higher allocation of credit.

### INCREASED FOCUS ON RESEARCH & DEVELOPMENT (R&D)

Increased R&D investment, which focuses on creating low-cost, indigenous equipment, should be encouraged. Relaxation of custom duties applicable to post-project tech is also recommended.

# The Way Forward: CBRE's View on Stakeholder Strategies

The private sector's participation is imperative to India's cold chain infrastructure. Due to limited supply of quality cold storage warehouses in the country, and growing demand from key sectors, firms from the UAE can invest in integrated cold storage chain management for greater control over quality. Global logistics firms, supply-chain companies and real estate developers are increasingly seeking to invest in storage facilities to meet the growing demand for temperature-controlled storage solutions across various sectors.

## Key trends

- Higher barrier to entry: Cold storage facilities are typically are more prohibitive led by higher initial capital requirement, specialised fitouts, and technology expertise.
- Development of integrated cold chain facilities: Integrated temperature-controlled logistics is expected to drive the demand for comprehensive end-to-end supply chain services. Large-scale cold storage facilities can benefit from economies of scale, leading to lower operating costs per unit of storage. To ensure efficient distribution, these facilities could be developed in strategic locations near major food production hubs, transportation corridors, and consumption centres.
- Focus on energy-efficiency: Cold storage developers should prioritise energy-efficient solutions to reduce operating costs and environmental impact. Advancements in cold storage technology, such as energy-efficient refrigeration systems and automated storage solutions, are likely to make cold storage facilities more cost-effective.
- Third-party facilities to drive demand: Occupiers prefer such facilities as they provide them with the flexibility to scale their operations without long-term commitments. Such facilities allow occupiers to avoid the upfront costs of purchasing land and constructing a cold storage facility. By leasing space, occupiers would mitigate risks associated with owning and operating their facilities, such as equipment failure, regulatory compliance issues, and supply chain disruptions.
- Need for multi-commodity cold storage warehouses: Occupiers would prefer multi-commodity cold storage facilities, ensuring that each product is stored at its optimal temperature. By storing multiple product categories at their optimal temperatures, occupiers can reduce operational costs and improve efficiency.
- Growth of consumption in tier-II and tier-III cities: The rapid growth of e-commerce platforms and the changing lifestyles of Indian consumers are expected to increase the demand for food products in smaller cities. This presents a significant opportunity for businesses to expand their reach and tap into non-metro cities

Source: CBRE Research, Q4 2024

07

# Outlook

# Strengthening India's Food Exports

As India takes strides to double its food exports to USD 100 billion by 2030, the government needs to undertake a comprehensive overhaul of its food infrastructure.[1] This ambitious target demands a strategic transformation, encompassing investments in pack houses at the farm level, expanding cold storage facilities across the value chain, and developing efficient multi-modal logistics infrastructure at port gateways. By addressing these infrastructure gaps, India can safeguard the quality and freshness of its food products, minimize post-harvest losses, and bolster its global food presence. This transformation will not only propel India's food exports but also contribute to a more sustainable and efficient food system.

### INFRASTRUCTURE INVESTMENT IN PROXIMITY TO PORTS

Developing dedicated food processing clusters especially those equipped with cold storage facilities, packaging infrastructure, in proximity to ports, can help in streamlining the supply chain. Such hubs can enhance the efficiency of the supply chain, reduce transportation costs, and ensure the timely delivery of fresh and high-quality food products to domestic and international markets.

### BETTER VISIBILITY OF INDIAN FOOD PRODUCTS AND TRADERS

The government can play a pivotal role in facilitating trade exhibitions that promote product awareness and foster business relationships. By connecting traders, businesses, distributors, and manufacturers, these events contribute to the growth of the sector and create higher visibility for Indian exporters in the global markets.

### IMPROVING FOOD SAFETY INFRASTRUCTURE

The establishment of a robust network of food testing laboratories across India, accredited by the FSSAI is crucial for ensuring the safety and quality of food products available in the market. Locating these laboratories in proximity to production hubs would further streamline the food supply chain, allowing for more efficient testing and quicker response times to potential food safety issues.

### MENTORING MSMES

With a high number of MSMEs in the food sector, the government can facilitate mentorship and guidance in areas such as skill development, financing, technology adoption, and knowledge exchange. This can help MSMEs overcome common challenges and improve their competitiveness.

*To bolster India's global food market competitiveness and achieve its ambitious export goals, adopting advanced technologies and prioritizing sustainable practices throughout the food supply chain is paramount. These measures would ensure long-term growth while addressing evolving market demands and environmental concerns.*

Source: [1] Commerce Secretary, January 2024

# Industrial & Logistics Advisory Services

Our team collaborates across geographies & business lines to help clients with relocating, consolidating & expanding across India.

From land and built-up space for industrial & warehousing parks, manufacturing units, cold chains, Data Centres, R&D labs, F&B Kitchens and Repair & Return centres we offer a complete suite of services.

These including property marketing, landlord/tenant representation, location advisory, lease v/s buy analysis, acquisition & disposition, portfolio analysis and rent benchmarking.

The industrial investment sales team assists investors and developers with strategic advisory in terms of joint ventures & development, pre-leased asset sales, sale & lease back and forward purchase of industrial and logistics assets.

3,600+
ACRES OF LAND ACQUIRED OR DISPOSED FOR CLIENTS

TRANSACTIONS IN
95+ CITIES

70+
MNSF LEASED ON BEHALF OF CLIENTS

TRANSACTIONS CLOSED IN 2023
135+

70+
PROFESSIONALS

# Service Offering

+ Ready to move in Warehouse & Industrial Lease
+ Built-to-Suit Warehouse & Industrial Lease
+ In-city distribution & Last Mile Delivery Centres
+ Lease of Industrial Kitchens, Repair & Return Services and R&D Labs
+ Land for Parking Yards
+ Leasing of Cold Chain Assets
+ Land for Data Centres
+ Land Acquisition & Disposition for end-users
+ Site Selection Advisory
+ Portfolio analysis and rent benchmarking
+ Acquisition of Pre-leased Industrial & Warehousing Assets
+ Sale & Leaseback
+ Joint Development / Joint Venture for Integrated Industrial & Logistics Parks

## Track Record:

| | |
|---|---|
| 2023 | **748 Acres** Land (Acquisition/disposition/lease)<br>**~ 10 MnSF of Leasing** |
| 2022 | **445 Acres** Land (Acquisition/disposition/lease)<br>**~8.5 MnSF** of Leasing |
| 2021 | **~296 Acres** Land (Acquisition/disposition/lease)<br>**~8.34 MnSF** of Leasing |
| 2020 | **~192 Acres** Land (Acquisition/disposition/lease)<br>**~7.42 MnSF** of Leasing |
| 2019 | **188 Acres** Land (Acquisition/disposition/lease)<br>**7.7 MnSF** of Leasing |
| 2018 | **261 Acres** Land (Acquisition/disposition/lease)<br>**5.1 MnSF** of Leasing |
| 2017 | **216 Acres** Land (Acquisition/disposition/lease)<br>**1.4 MnSF** of Leasing |
| 2016 | **216 Acres** Land (Acquisition/disposition/lease)<br>**1.4 MnSF** of Leasing |

# Industrial Advisory Services

## INDUSTRIAL EXPERIENCE ACROSS **35+ COUNTRIES**

- Successfully delivered assignments **across emerging Industrial markets**
- Robust Industrial Advisory platform with Global Experience

## PROJECTS RANGING FROM **100 HA TO 20,000 HA**

- Experience in **greenfield & brownfield projects ~ sector specific** Industrial clusters to **mega/large** scale integrated projects
- Experience across wide-ranging Industrial infrastructure projects

## DEVELOPERS CORPORATES PLANNERS INVESTORS MULTILATERAL

- Handholding Industrial projects from **conceptualization to delivery** for both public and private sector institutions
- Partnering across the entire project life cycle

# Diversified Global Experience

## MIDDLE EAST

### KSA
- JEDDAH AIRPORT ECONOMIC ZONE
- LOGISTICS & DISTRIBUTION HUB EASTERN PROVINCE
- RIYADH BIOTECH CITY
- INTEGRATED LOGISTICS PARK, JEDDAH

### UAE
- JEBEL ALI TERMINAL 1 REDEVELOPMENT PROJECT
- ABU SHABI DERIVATIVES AND CONVERSION PARK
- ABU DHABI REGIONAL PLAN ECONOMIC STRATEGY
- RAS AL KHAIMAH ECONOMIC ZONE
- SHARJAH AIRPORT FREE ZONE
- FUJAIRAH FREE TRADE ZONE
- INDUSTRIAL CITY OF ABU DHABI (ICAD)
- ABU DHABI OIL & GAS SERVICES COMPLEX

### OMAN
- GREEN HYDROGEN DERIVATIVE PARK, DUQM
- INDUSTRIAL CLUSTERS IN SHINAS AND KHASAB
- 'AIRPORT INDUSTRIAL CITY' - SALALAH AIRPORT

## AFRICA

### SENEGAL
- DAKAR SPECIAL ECONOMIC ZONE

### GUINEA
- CONAKRY ECONOMIC TOWNSHIP

### KENYA
- KENGEN INDUSTRIAL PARK IN NAIVASHA

### REPUBLIC OF CONGO
- POINTE NOIRE PORT BASED SEZ
- OYO OLLOMBO AGRO SEZ

### NIGERIA
- OGUN AIRPORT ECONOMIC ZONE
- LAGOS FREE TRADE ZONE
- EKITI SPECIAL AGRO INDUSTRIAL PROCESSING ZONE
- INTEGRATED ECONOMIC CITY OF ABIA
- SEZS KWARA AND MAKURDI

### GABON
- NATIONAL INDUSTRIAL DEVELOPMENT PLAN

### IVORY COAST
- PORT BASED ECONOMIC ZONE

### EGYPT
- ALEXANDRIA INDUSTRIAL ZONE
- INDUSTRIAL PARK - BORG EL ARAB

### TANZANIA
- INVESTMENT ADVISORY FOR GOVERNMENT FUND

## SOUTH & SOUTH EAST ASIA

### INDONESIA
- JAMBI RIVER PORT SEZ & INDUSTRIAL PARK

### MYANMAR
- THILAWA SEZ
- KYAUK PHU SEZ

### SRI LANKA
- GREATER HAMBANTOTA REGION

### VIETNAM
- LONG HAU INDUSTRIAL PARK
- YEN BINH INDUSTRIAL PARK
- FUTALAND INDUSTRIAL TOWNSHIP

### LAOS
- VIENTIANE SMART INDUSTRIAL CITY DEVELOPMENT

### SINGAPORE
- INDUSTRIAL PARK AT TERENGGANU
- PERAK HI-TECH INDUSTRIAL PARK

### MALAYSIA
- HIGH - TECH SPACE CITY

### CAMBODIA
- REAM CITY, SIHANOUKVILLE

## INDIA
- MARUBENI NEXGEN INDUSTRIAL PARK
- NICDC - MANUFACTURING CLUSTER IN AGRA
- NICDC - RAJPURA PATIALA MANUFACTURING CLUSTER
- NICDC - JODHPUR PALI MARWAR INDUSTRIAL AREA
- NICDC - ORVAKKAL MEGA INDUSTRIAL HUB
- NICDC - PALAKKAD MANUFACTURING CLUSTER
- NICDC - DHARWAD MANUFACTURING CLUSTER
- NICDC - RATLAM-NAGDA INVESTMENT REGION
- NICDC - AURANGABAD INDUSTRIAL TOWNSHIP
- NICDC - PITHAMPUR DHAR MHOW INVESTMENT REGION
- DMIC PERSPECTIVE PLAN
- ECONOMIC MASTERPLANNING FOR EXPRESSWAY
- NICDC AURIC FOOD PARK IN MAHARASHTRA
- WANDA INDUSTRIAL NEW CITY - HARYANA KHED CITY, PUNE
- TATA GOPALPUR SEZ, ODISHA
- AMRAVATI PLAN - NEW CAPITAL OF ANDHRA PRADESH
- GMR KRISHNAGIRI SEZ
- GMR KAKINADA SEZ
- GMR HYDERABAD INTERNATIONAL AIRPORT
- ADANI MUNDRA PORT SPECIAL ECONOMIC ZONE
- JINDAL STEEL SEZ, ODISHA
- KULPI SEZ, WEST BENGAL
- DANKUNI INDUSTRIAL TOWNSHIP, WEST BENGAL

## EASTERN EUROPE & CIS

### RUSSIA
- TOMSK INNOVATION PARK
- PSKOV MULTIPRODUCT INDUSTRIAL SEZ
- PSKOV FOOD PARK

### KAZAKHSTAN
- ALMATY HI-TECH SEZ (PIT)
- ASTANA INDUSTRIAL & INNOVATION SEZ

## SOUTH AMERICA

### BRAZIL
- ITAJAI INDUSTRIAL INNOVATION PARK
- REGIONAL STRUCTURAL PLAN - SANTA CATARINA

### MEXICO
- LAZARO CARDINAS SEZ

# CBRE Services Across Industrial Park Value Chain

## KEY FOCUS AREAS

### INDUSTRIAL SECTOR STRATEGIES

- Sector Opportunities / Product Identification & Assessment (ISIC 3rd Level)
- Sector / Product Assessment (Value Chain / Product Life Cycle)
- Sector Wise Value And Volume
- Assessment (Industrial Output & Cargo)
- Strategic Sector Entry (VRIO & SWOT Along With Porters 5 Forces)
- BAU & BIS (Business As Usual/ Business Induced)
- Industrial Policy Assessment & Recommendations
- Industrial Sector Investment Incentives

### PLANNING & INFRASTRUCTURE

- Utilities Demand Assessment (Power, Water, Sewage, CETP)
- Common Infrastructure Assessment (MSME Competitive USPs)
- Industrial Demand Assessment (Land, SDF/ LMU Built Up)
- Park Zoning Inputs, Regional Plan Inputs, Country Industrial Master Plan Inputs
- Industrial Master Planning Principles & Considerations
- Global Benchmarking
- Socio Economic Impact Assessment & Performance

### INVESTMENT STRUCTURING

- Public Private Partnership (PPP) Structuring
- Industrial Master Developer Equity Structuring
- P&L, Balance Sheet And Project Cash Flows
- Government Subsidy Assessment/ Subsidy Deployment Handholding
- Sector Rental Assessment And Reconversion Of Sector Strategies
- Feasibility/ Pre-feasibility / Go No Go Decisions
- Industrial SEZ/ FZ To Industrial Park Conversion DPRs

### OPERATIONS/ MANAGEMENT

- Governance Model & Management Concept
- Functions & Process Framework & Flows
- Organization Structure & Manpower Planning
- E-Land Management Systems/ Single Window Clearance Processes
- Functional Manpower Assessment
- Transaction Advisory/ Bid Process Management
- Performance Evaluation/ KPI Setting

### MARKETING & INVESTMENTS

- Marketing Strategies For Anchors And MSME
- Marketing Budgets & Outreach Assessment
- Anchor Tenant Interactions And Outreach
- Investor / Master Developer Outreach
- Investment Promotion/ Event Management
- Marketing Collateral Design & Development
- Advertising/ PR Firm Programme Management

# About UIBC

The UAE - India Business Council (UIBC) is the official Joint Business Chamber set up by both the Governments for promoting economic synergies between the UAE and India. UIBC was formally launched by His Highness Sheikh Abdullah bin Zayed Al Nahyan, UAE Minister for Foreign Affairs and (Late) Smt. Sushma Swaraj, Hon'ble Minister of External Affairs of India during 11th Session of the India-UAE Joint Commission Meeting on 3rd September 2015 in New Delhi. UAE major companies like Sharaf Group, DP World, Emirates NBD, First Abu Dhabi Bank, Apparel Group, Lulu, Ducab, Emaar, Corning, Kean Constructions, etc. are some of the key members.

UAE - INDIA BUSINESS COUNCIL
UIBC
Abetting UAE-India Alliance

For more information, kindly visit www.uibc.org

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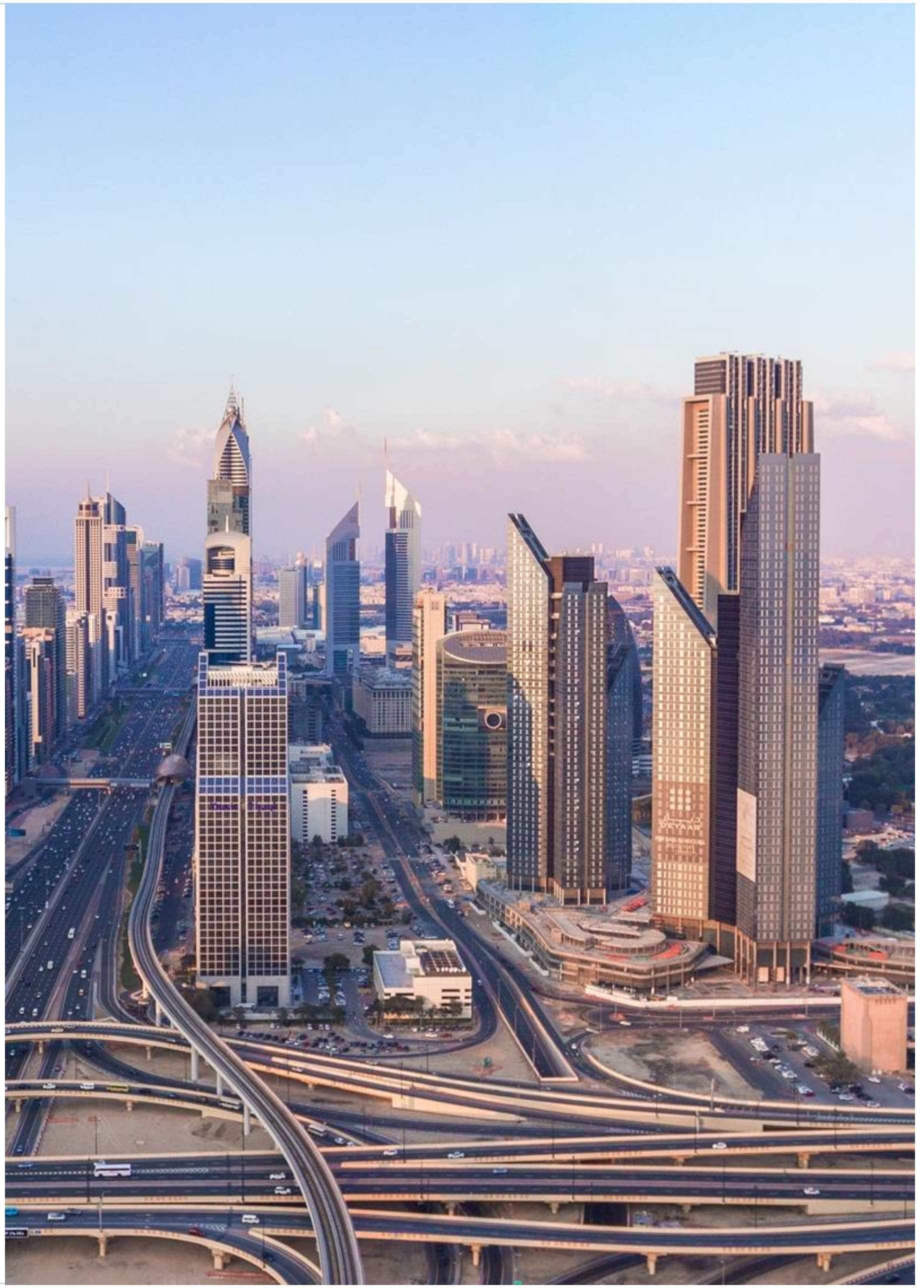

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