



Feasibility study for Inland Container Depot (ICD)

About Client

Founded in 1985, the company is a joint venture of various nationalized banks, central government-owned financial institutions and various state-level institutions. The company provides low-cost consultancy solutions to SME sector in the form of necessary technical expertise and guidance.

Assignment

The client wanted Holisol to perform a detailed market research and survey to capture existing and anticipated EXIM potential of Jammu & Kashmir. The assignment included a detailed feasibility study for operating an Inland Container Depot in one of the industrial areas of the state. The scope of work included detailed site feasibility study, demand analysis & market sizing to anticipate present and future demand for an ICD in the state.

Abstract

Holisol conducted a detailed primary & secondary research and conducted targeted interviews to propose the suitability of facility for running ICD operations and demand estimation over next 7 years.

The entire study can be broadly classified into below sections:

Site Suitability Analysis

Holisol identified all major catchment areas of the state and analyzed the distances from catchment areas to the proposed site. In total, Holisol identified 14 industrial areas & export promotion parks in the state. The site was checked for connectivity from major ports and airports. Site feasibility was suggested to the customer based on multi-modal transport facility and demand in the region.

Commodities exported from J&K

Holisol did detailed profiling of major production and export capability of the state to identify important categories of commodities which are currently being exported and the commodities which have good export potential. It was observed that at present, agricultural commodities, handicrafts, handlooms & sports commodities are significant contributors to the export. Holisol further subcategorized the four categories in 19 subcategories to predict detailed demand estimation.

For each of the subcategory, Holisol further researched to map production areas in the state, yearly production and the export countries.

Horticulture commodities, floriculture commodities and industrial products were other categories which emerged as lesser tapped commodities which have good export potential.

Commodities imported to J&K

It was noted that timber, meat, fruits & vegetables and fertilizers are the main commodities currently being imported to J&K. To conserve forests, the J&K government has policies which liberalize import of wood from other states. Moreover, the price of locally grown wood is comparatively much higher than wood being imported of a similar quantity. These factors make timber one of the prominent import commodities.

Meat is also heavily imported in the state. 44 % of total mutton consumption and 19 % of total poultry consumption was imported from outside the state. Targeted interviews with government bodies and import organizations were carried on to capture the import potential of the state.



Anticipated Export & Import potential

To gauge the potential of proposed ICD in Jammu, Holisol created volume estimate for export and import at present and for next 7 years. Detailed demand analysis of all the considered categories of commodities was done to arrive at the individual demand for each category.

Export – September to December is a peak period for production and export of fruits in Jammu & Kashmir. It exports approximately 40 % of total fruit production. Dry fruits, apple and saffron produced in Jammu & Kashmir is world famous and has a huge demand in other states of India as well as abroad. Handicraft is another major category which adds significant volume to exports from J & K. Average growth rate of handicraft exports from the state has been 18.99 %.

Import – Timber import has been very steady in J&K in past five years. Import of timber is being encouraged by rationalizing the norms for registration of timber sale depots for the purpose. In food products; vegetables, fruits & meat are major items which are imported into the state. Industrial growth centers Sambha, Kathua & Udhampur in Jammu imported significant volumes of Industrial goods like machinery.

Holisol quantified the total export volumes in terms of weight (M.T) as well as volume (TEUs) to give a clear picture of export demand and financial feasibility for operating an ICD in the state.



Operational Requirements

Holisol visited the site to do an analysis of current infrastructure and facilities at the ICD. Holisol categorized the requirements for running an ICD in below four categories:

- a. Infrastructure
- b. Equipment
- c. Services
- d. IT infrastructure

Further, the requirements were subcategorized in 22 subcategories and the current facilities were evaluated on each of these subcategories to give a clear picture of work to be done to make it functional. As the proposed site was not functional at the moment, Holisol created and shared a detailed guideline for design and layout of ICD along with the BOQ of equipment for successful operations of ICD.



Detailed RFQ creation

Holisol created complete RFQ documents for the client and also designed evaluation criteria for the bidding process and awarding the contract. Holisol conducted meetings and interviews with more than 40 government organizations/exporters/importers/Pvt. companies to gather relevant information for the study.

The study also anticipated volumes for next seven years which was also used to forecast the revenue stream from the ICD.





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