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Express Logistics
Alliance & Acquisition

GATI-KINTETSU EXPRESS JV

INR 267.7 crore investment deal finalised

The 70:30 joint venture deal between India's leading express logistics company Gati and Japan's Kintetsu World Express (KWE) to form a new company, Gati-Kintetsu Express (GATI-KWE), has been completed with the approval of the Foreign Investment Promotion Board for the investment of Rs 267.7 crore by KWE.

CT BUREAU

Amidst the wait and watch policy of foreign investors, Gati successfully won the confidence of Japanese investors towards India. Formation of a joint venture with Japan's Kintetsu World Express is significant keeping in mind the present economic scenario across the world.

"We were looking for a strong Indian partner to invest in this emerging logistics market. We found Gati a well established brand. The collaboration between Gati's huge infrastructure and our global knowhow would definitely yield positive results for the new joint venture—Gati-KWE," said Satoshi Ishizaki, president and CEO, KWE.

Speaking at an event in New Delhi for unveiling the details about the joint venture, Mahendra Agarwal, Founder and CEO, Gati, informed that the objective of Gati-KWE would be providing high-end SPL and supply chain services including cold chain solutions. "From this JV, we will attract global manufacturers and business houses towards the Indian market, especially from Japan," he said. He also informed that the infusion of Rs 265.7 crore would help Gati to upgrade its existing warehouses, setting up of temperature-controlled warehouses and introducing reefer vans/trucks (near 200). A part of this fund will also be utilised for deleveraging of the company's debt and reduction in the interest costs pertaining to express distribution services. It may be recalled that before infusion of the fund, Gati had a debt of Rs 500 crore.



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"Apart from our regular services, we are also focusing aggressively on eCommerce. We are optimistic that India-Japan Comprehensive Economic Partnership Agreement (CEPA), signed in 2011, would prove to be a great opportunity for the JV. It will also benefit the JV from the two countries \$ 25 billion worth of bilateral trade by 2014 from the present \$ 10.3 billion trade," added Agarwal. The JV will be guided by a Board of directors, headed by Agarwal.

Commenting on the present market scenario while speaking to Cargotalk, Agarwal mentioned, "The bad phase is over. Now the time has come to venture out to tap new markets and new segments with innovative products and services."

BLAZEFLASH COURIER INKS SERVICE TIE UP WITH ST COURIER-FRANCH EXPRESS

India's leading courier company, BlazeFlash Courier, has recently entered into a service agreement with south India based company ST Courier-Franch Express. Sachin Aggarwal, executive director, BlazeFlash Courier, informed that according to the agreement, BlazeFlash will provide delivery services to ST Courier-Franch Express in Delhi, UP, Punjab, Haryana, J&K, HP, Rajasthan, MP, Chandigarh, Bihar, Jharkhand, Orissa, West Bengal and North East states. On the other hand, ST Courier will offer delivery services to BlazeFlash in Tamil Nadu, Kerala and Karnataka.

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Family Album

Celebration

Gati-Kintetsu Express hosts evening function to celebrate JV formation

Recently, Gati has concluded the joint venture agreement with Japan's Kintetsu World Express to form Gati-Kintetsu Express. To celebrate the occasion, Gati-Kintetsu Express organised an evening function in Gurgaon (Haryana) for its customers.

