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India

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Nippon Yusen to Build Giant Distribution Base in Northern India

TOKYO (Nikkei)--Nippon Yusen KK will locate a large-scale distribution center in India's northern state of Rajasthan in the Neemrana industrial area, hoping to have it ready by 2010 to warehouse and supply electronic components and chemicals to Japanese manufacturers setting up in the region.

This Indian center, Nippon Yusen's fifth, is part of a larger strategy to expand land-based operations in new economies to reduce the impact of fluctuations in mainline shipping operations.

Nippon Yusen plans to spend roughly 2 billion yen to construct the new center on a site of 160,000 sq. meters. The center will feature a warehouse with 48,000 sq. meters of floor space, making it the largest warehouse operated by a Japanese distribution company. It will also have cross-dock facilities for the flow-through of goods in transit.

Thirteen Japanese companies, including Daikin Industries Ltd. and Mitsui Chemicals Inc., have already decided to locate operations in the Neemrana industrial area. The new center will be just 20km from a new railway station to open in Neemrana this summer, making it conveniently located for storage and distribution of goods brought by rail for delivery to the industrial areas of northern India. In addition to the companies around Neemrana, Nippon Yusen also expects to service Japanese businesses in the industrial areas in the state of Haryana.

With five distribution centers in operation, Nippon Yusen is aiming for sales of 12 billion yen in India in fiscal 2010, which would be a 10-fold increase from fiscal 2007.

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