



# THE LOGISTICS LEDGER

Where consulting meets implementation in end-to-end logistics

Edition - June 2026

**forv/s**  
**mazars**

# PORTS & MARITIME SECTOR

1

## QUAD nations announce port development project in Fiji

### News brief

- The QUAD countries (Australia, India, Japan and the US) announced their first joint infrastructure project to build a port in Suva, Fiji
- They also signed pacts to launch an initiative on Indo-Pacific energy security and a critical minerals framework. This framework coordinates policy and investment to strengthen critical mineral mining, processing and recycling
- The port project in Fiji aims to address limited port capacity in the Pacific Islands region

### How we see it



#### Why it matters

- Suva is a regional transshipment hub serving other smaller Pacific island nations. The proposed port offers to help QUAD countries contain China in the region. The port can be used as a bulwark against China
- It is the first physical infrastructure planned by QUAD Nations
- India's stature is likely to grow bigger



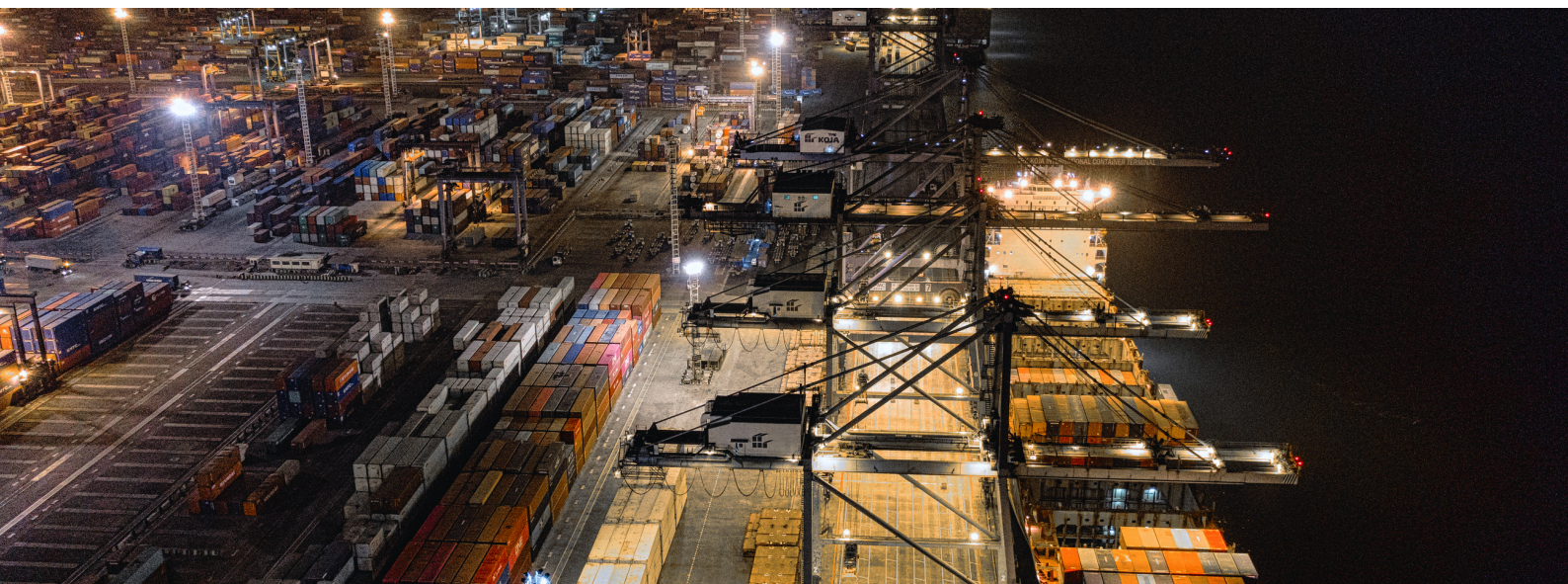
#### What could go right

- The QUAD will have control over a possible chokepoint in the region, thus serving broader defence interests
- The initiative can lead to similar such initiatives in the region, enhancing the significance of the QUAD and may counter Chinese Belt and Road Initiative
- A tangible contribution and on the ground presence alongside other nations is likely to provide a boost to India's image as a global power



#### Key risks to watch

- The initiative is a clear signal to China, which could backfire through reciprocal initiatives by China
- Multiple regulatory regimes and unclear funding contribution may delay or even render the initiative a failure, despite an initial grant of USD 12 million by Millennium Challenge Corporation (MCC) of the US



## 2

## Maersk introduces new ocean service FI2 linking China and India

### News brief

- Maersk launched the FI2 ocean service connecting Far East Asia and the Indian Subcontinent, with the first sailing from Shanghai on 4 June 2026
- The weekly service will operate with six vessels of around 4,500 TEU capacity on the route: Shanghai, Ningbo, Nansha, Tanjung Pelepas, Nhava Sheva, Pipavav and Port Qasim
- Pipavav port in Gujarat is connected to the Dedicated Freight Corridor (DFC), enabling cargo movement to Delhi NCR, Gurugram, Noida and nearby industrial areas through rail
- The service is targeted at high-value and time-sensitive cargo sectors including automotive, chemicals, retail and technology

### How we see it



#### Why it matters

- China-India cargo largely moves by sea, and then by road. Maersk plans to shift more inland movement to DFC-linked rail via Pipavav
- This shows inland connectivity is becoming a key factor in port selection decisions
- Northwest India, covering Delhi-NCR and surrounding industrial hubs, is one of the country's largest manufacturing and consumption regions, yet it has traditionally relied on indirect shipping connections for international trade



#### What could go right

- Greater rail evacuation can reduce pressure on road transport and port congestion
- More shipping lines may introduce DFC-linked logistics solutions
- Competing direct services on the same route can help increase the overall capacity and push down freight rates for Indian importers over time



#### Key risks to watch

- The service is exposed to the decisions by Indian Railways and any issue in port-rail coordination could erode its key advantage of faster inland cargo movement
- Time-sensitive cargo customers have a low tolerance for service disruptions; even short-term reliability issues could impact adoption
- Customers will only shift cargo if the integrated service consistently delivers measurable transit-time and reliability benefits over existing routes



## News brief

- The government has extended PM E-DRIVE (Electric Drive Revolution in Innovative Vehicle Enhancement) demand subsidies for e-2Ws until July 31, 2026, four months beyond the earlier March 31 cut-off
- The extension is driven primarily by slower-than-anticipated fund absorption. Of the USD 1.14 bn total PM E-DRIVE allocation of the USD 178 m earmarked specifically for two-wheelers, roughly USD 53.55 m remained unutilised as the original March 2026 deadline approached
- With approximately USD 53.55 million remaining in the e-2W allocation, the Ministry of Heavy Industries (MHI) is seeking additional funds to ensure the subsidy window remains open through July 31. The risk is that existing funds are exhausted before the extended deadline
- Electric two-wheelers remain India's largest EV segment by volume
- Policy direction reinforces focus on reducing fuel dependence and urban transport emissions

## How we see it



## Why it matters

- India has over 20 crores two-wheelers on the road. Electrifying just 10% would displace approximately 2 - 3 billion litres of petrol annually, reducing crude oil import expenditure
- The ceasing of subsidy is likely to lead to sharp price hikes affecting demand drastically
- It may also have knock on effect on upstream suppliers affecting indigenisation of EV components



## What could go right

- A sustained subsidy window through July 2026, though providing temporary relief, may provide more time for government to roll out market aligned & holistic policy framework
- If the July extension is a precursor to a longer-term post-PM E-Drive framework with explicit domestic content linkages, rather than a standalone measure, OEMs would have the policy horizon needed to commit to battery pack and drivetrain localisation investments
- Beyond demand subsidies, the government could strengthen ACC PLI uptake through a mix of incentives such as higher per-kWh payouts, longer disbursement windows, and non-monetary support. Addressing PLI bottlenecks on both fronts would give cell manufacturers the confidence to commission capacity, creating a domestically anchored supply chain that makes EV adoption structurally sustainable rather than subsidy dependent



## Key risks to watch

- Only USD 53.55 m remains unspent in the e-2W allocation if registrations surge in Q1 FY27, funds may be exhausted well before July 31, creating an abrupt demand cliff for OEMs and dealers
- Each short-term extension decided weeks before expiry signals policy unpredictability. Charging infrastructure developers and battery manufacturers sizing capacity need a 3-5-years of demand visibility to commit capital; a sequence of 3 - 4-month rollovers does not provide this. A demand cliff post-July 2026 risks reversing e-2W adoption momentum, weakening the investment case for charging infrastructure and domestic cell manufacturing simultaneously

# RAILWAYS

1

## Rail-based cement freight rises 170% as bulk logistics reforms improve cost efficiency amid higher fuel prices

### News brief

- Indian Railways recorded a 170% increase in cement freight movement over the past four months compared to the same period last year
- This surge can be attributed to two key factors:
  1. Rising diesel prices over the past few months, within the four-month period prices increased from ₹86/L to ₹98/L in May compared to ₹90/L a year ago. This has resulted in a shift of cement movement from road to rail. Further, rail freight is cheaper over medium and long distances
  2. Introduction of the new bulk cement terminal policy which introduced specialised bulk tank containers for cement, replacing bagged cement transport



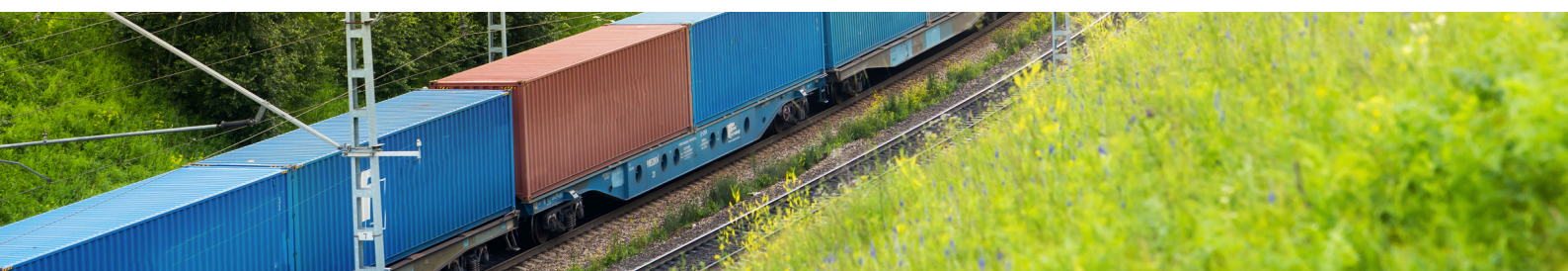
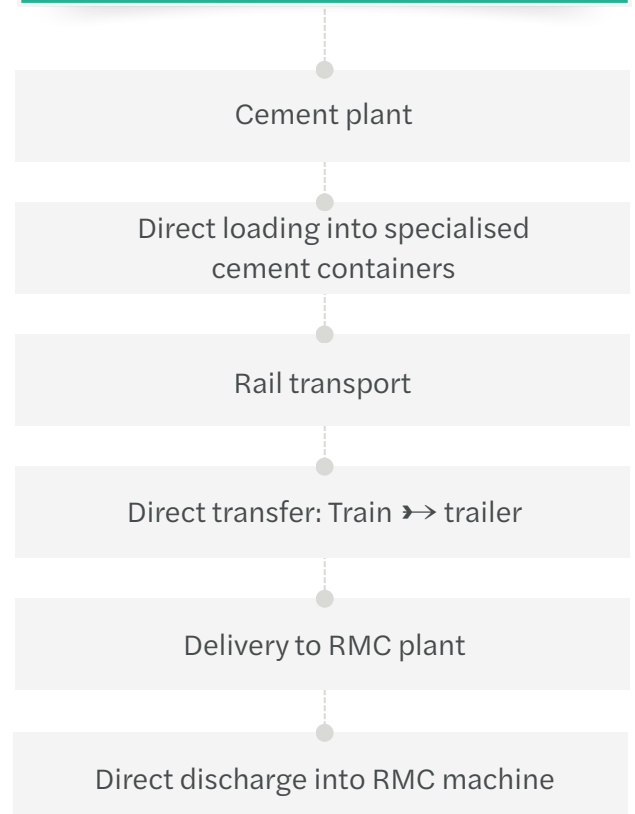
## How we see it

The bulk cement terminal policy reduces multiple handling stages in the cement supply chain by enabling direct bulk movement integrated with ready-mix concrete systems. This reduces logistics time, wastage and overall delivered cement costs, as illustrated in the diagram below.

### Traditional bagged cement logistics



### Containerised bulk cement logistics





## Why it matters

- **Infrastructure cost signal:** Cement is a core construction input. Rising road logistics costs and revised rail freight incentives are improving the relative competitiveness of rail-based bulk cement movement for long-haul transport amid India's record infrastructure pipeline
- **End-to-end supply chain integration:** Bulk rail cement can directly feed ready-mix concrete machines, reducing intermediate storage, repacking, logistics-to-pour timelines, and moisture-related wastage associated with bagged transport
- **Revenue diversification for Indian railways:** Cement adds a high-volume, stable freight stream that supports passenger cross-subsidisation and future rail capacity investment without tariff hikes



## What could go right

- **Positive knock-on effect for railways:** The bulk terminal model is replicable for commodities like fly ash, a cement substitute and thermal power residue. Of 300 MT annual fly ash production, only 4% (i.e. 13 MT) currently moves by rail. Given similar bulk-handling and rail economics, even moderate rail adoption could significantly expand freight volumes for fly ash and cargo with similar characteristics
- **Cement sector cost pass-through:** Lower delivered cement costs from bulk logistics can either reduce housing and infrastructure construction costs at scale or help cement manufacturers recover margins, improving overall sector earnings quality
- **Carbon and ESG tailwinds:** Rail emits materially lower CO<sub>2</sub> per tonne-km than road. Sustained modal shift in cement can reduce Scope-3 emissions for developers as ESG and green building requirements tighten



## Key risks to watch

- **Terminal infrastructure constraints:** High capital expenditures as bulk terminals need pneumatic unloaders, silo storage, and pressurised tank wagons with long procurement lead times. Slow infrastructure rollout or limited terminal coverage could constrain adoption and reduce the scalability of rail-based bulk cement logistics
- **Last-mile infrastructure gap:** Bulk delivery requires compatible unloading systems and ready-mix concrete infrastructure. Much of Tier-2/3 and rural construction still relies on manual bagged workflows due to scale, limiting rail movement
- The shift to rail is materially driven by higher road transportation costs resulting from elevated fuel prices. Movement may revert to road transport once the war-related conditions subside



# TECHNOLOGY AND AI

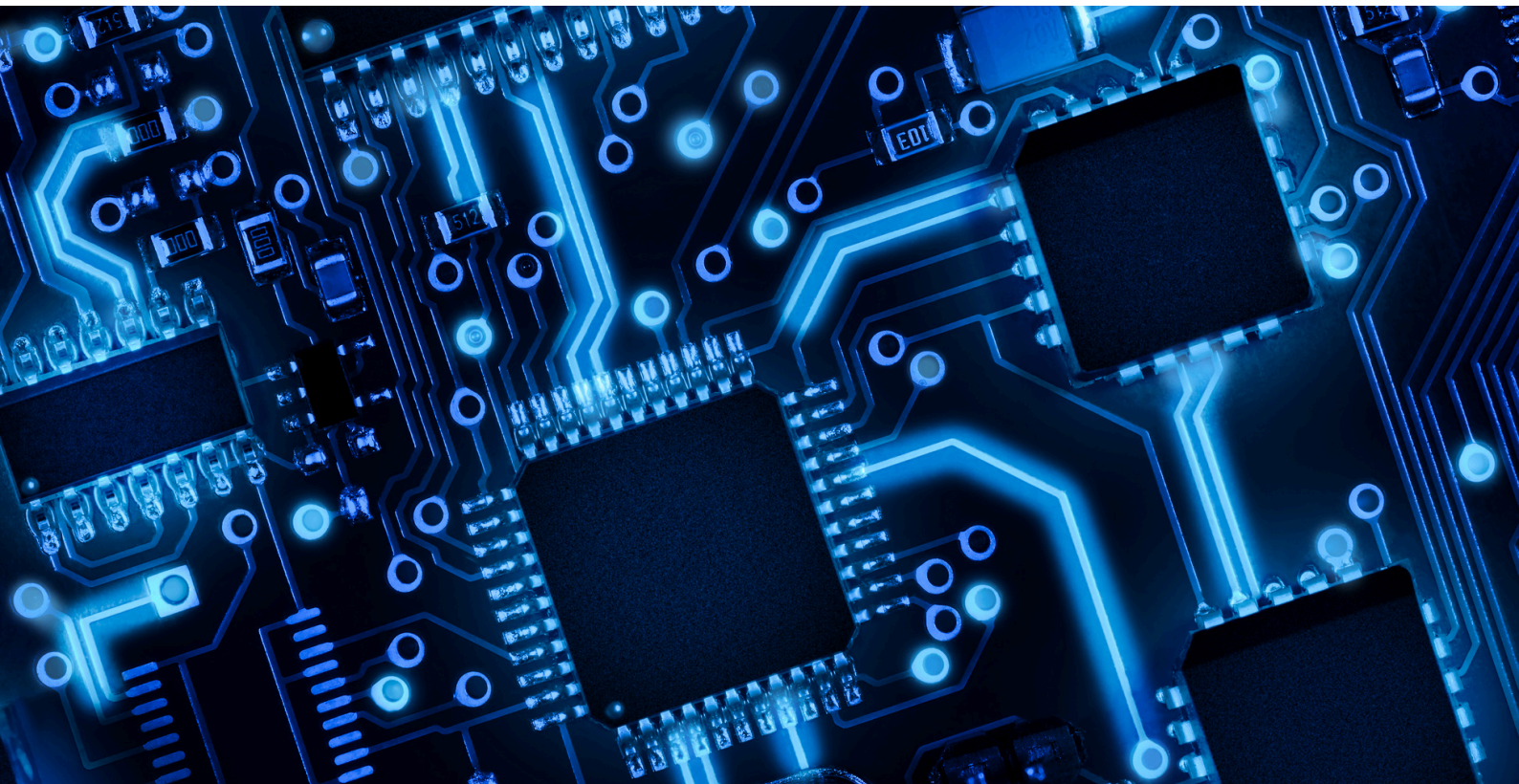
1

## Beyond automation: Why logistics firms are betting on Agentic AI

### News brief

- Agentic AI, which can autonomously make decisions and carry out tasks in real time rather than merely automating predefined processes, is becoming increasingly popular among logistics companies
- The technology enables real-time optimization of fleet management, inventory, routing, and disruption handling
- The need for quicker deliveries, growing operational costs, and the complexity of the supply chain are all contributing to the rise in adoption
- According to industry experts, Agentic AI deployment in logistics is still in its infancy but is making inroads through a "human-in-the-loop" model, in which AI handles routine decisions while human operators manage complex situations. Experts point out that the biggest obstacle to implementing Agentic AI is integrating clean, real-time data across disjointed legacy supply chain systems that were not built for seamless machine-to-machine communication

However, Forvis Mazars believes that the disjointed systems are the best use cases for Agentic Systems due to their ability to make sense of unstructured information and diverse data sources.



## How we see it



## Why it matters

- Most logistics operators have already invested in visibility tools dashboards that flag disruptions, track shipments, and surface anomalies. The gap is execution: someone still needs to interpret the alert, decide what action to take, and coordinate the response. Agentic AI closes that gap by turning insights into actions autonomously, compressing response times from hours to seconds
- Logistics operations involve thousands of repetitive decisions every day across transport, warehousing, customs, and inventory management. Automating these decisions could significantly improve operational scalability without proportionate workforce growth
- The rise of Agentic AI signals a broader shift toward increasingly autonomous supply chains. As adoption matures, competitive advantage may depend not only on data visibility but also on the ability to convert insights into action faster than competitors



## What could go right

- AI agents could automatically consolidate information from carrier portals, emails, transport management systems, and operational documents, reducing the time spent gathering updates and coordinating actions across multiple stakeholders during shipment execution
- AI agents could serve as digital coordinators across multiple functions, reducing manual follow-ups, accelerating decision cycles, and allowing logistics teams to focus on strategic and customer-facing activities. In functions such as freight booking, documentation, shipment tracking, and exception management, AI agents could monitor activities in real time, identify issues such as delays or missing information, and initiate predefined actions before service levels are impacted
- AI agents could create more adaptive supply chain networks capable of continuously responding to changing demand, capacity constraints, and operational disruptions with minimal human intervention. This could enable organisations to make operational adjustments more quickly, reducing coordination delays and improving overall network responsiveness



## Key risks to watch

- Agentic AI relies on accurate, real-time data and integrated workflows. Weak data foundations or fragmented systems may result in unreliable recommendations or unintended operational actions. Without reliable data and integration, autonomous actions may create unintended operational consequences
- Many organisations may underestimate the foundational requirements for Agentic AI, including process standardisation, data governance, and system interoperability, resulting in limited scalability and return on investment
- Scaling beyond pilot deployments will require strong governance, workforce trust, cybersecurity safeguards, and seamless integration across fragmented logistics ecosystems

## Case Study

## Automation of freight forwarding and Custom House Agent (CHA): through process reengineering & automation

### Industry context

Freight forwarders coordinate cargo movement between shippers, carriers, and customs authorities. The booking process typically involves rate procurement, documentation, carrier coordination, and shipment confirmation, making it highly dependent on manual workflows and stakeholder communication.

### How Forvis Mazars solved it

#### Smart workflow automation

- Automated task routing across Sales, Pricing, CS & Documentation teams
- Status-driven booking lifecycle from quotation request to Bill of Lading approval
- Role-based access right team acts at the right stage, eliminating confusion
- Replaces 5-10 email exchanges per booking with a single platform based workflow

#### AI-powered document automation

- AI automatically extracts structured shipment data from uploaded PDFs
- Auto-generates Shipping Instruction (SI) drafts with no manual re-keying
- Significantly reduces errors in container details and booking references **Carrier & shipping line integration**
- Direct portal-based submissions to shipping lines enable faster confirmations
- Auto-generates formatted booking sheets for non-portal shipping lines
- SI submission tracking with confirmation updates captured automatically
- Supports both CHA and freight forwarder coordination models

### The Challenge

Forvis Mazars was approached by a freight forwarding and CHA to make their operations efficient and scalable. The industry is highly human centric with information and document moving through different means of communication such as WhatsApp, Email and other third party systems. The key challenge was to avoid missing and integrating fragmented pieces of information.

For example, booking a shipment with a shipping line (i.e., securing cargo space with shipping line and completing associated documentation) required more than 45 minutes of manual effort involving emails, spreadsheets, scattered teams, and zero real-time visibility for customers.

### Result

55% time saved per booking

2x operational productivity

45 → 20 mins per booking

**This case demonstrates how AI-enabled workflow automation can reduce manual coordination effort and improve operational efficiency, capabilities that are expected to expand further with the emergence of Agentic AI solutions.**

# LOGISTICS

1

## Redington turns to air freight as Gulf conflict disrupts sea routes

### News brief

- Redington, an Indian IT goods distributor, serves customers across more than 40 markets including UAE and Saudi Arabia. Redington has its presence in over 40 countries, and reports that nearly half of its revenue comes from markets outside India, Singapore and South Asia
- The closure of the Strait of Hormuz due to current Middle East conflict has disrupted sea routes, prompting Redington to increase their use of air freight to deliver products to the Middle East
- Redington has redistributed inventory to minimise war-related risks and secure alternate insurance after war-risk coverage was withdrawn. The additional freight and insurance costs, around 0.20% of revenue, are being largely passed on to customers
- Redington is also reworking its logistics network as disruptions around the Strait of Hormuz force it to route supplies via Saudi Arabia and Oman and rely more on road transport within the region



## How we see it



## Why it matters

- State-based armed conflict is identified as the top global risk for 2025, with geopolitical tensions directly disrupting trade routes, the availability of critical materials, and regional supply networks. Companies with high corridor concentration have little buffer when a single chokepoint closes
- Therefore, supply chain resilience is shifting from a back-end function to a frontline competitive differentiator, companies that treat disruptions as one-off events rather than operational risks consistently fall behind those that build adaptive, multi-modal capabilities
- Examples like Redington highlight the need for resilience over efficiency. However, Resilience comes at a cost. The disruptions like this affect working capital cycles when sea routes are blocked, companies are forced onto air freight, which commands a 5–15x cost premium per kg over sea



## What could go right

- An emergence of new paradigm where resilience is key strategic focus rather than efficiency, ensuring continuity
- Redington's forced pivot to multi-modal routing could work as a template for other companies, creating long-term operational agility beyond the current crisis. During the 2024 Red Sea crisis, companies that proactively rerouted shipments reduced delivery delays by up to 30%, early movers in resilience building gain measurable advantages



## Key risks to watch

- The Red Sea crisis has already sustained elevated air cargo rates through 2024, with Trans-Pacific rates holding around USD 5–6 per kg. Air freight costs are already significantly higher than sea freight costs. If dependence on air freight continues, it could not only erode margins but also destroy export base given the likelihood of remaining exporters to withdraw
- Multi-modal networks add complexity and new points of failure. Redington's road-heavy Gulf rerouting carries corridor concentration risk. If regional tensions escalate further, the alternative route faces the same fragility it was meant to solve
- Continued insurance restrictions and shipping bottlenecks may reduce routing flexibility and without deliberate & continuous revaluation, companies like Redington risk replacing one corridor dependency with another, leaving it equally exposed to the next geopolitical shock



## 2

## Delhi government to soon notify a city logistics plan

## News brief

- Given Delhi's emergence in the top category in the list of the country's Logistics Ease Across Different States (LEADS) 2025 Index, the Delhi government has prepared a city logistics plan which has already been approved and will soon be notified
- The objective of this policy is to reduce congestion in freight movement, eliminate regulatory complexities, and address gaps in logistics infrastructure by making last mile delivery systems, urban freight movement and management more streamlined
- Delhi is strengthening multimodal connectivity through Metro Phase-IV expansion, including the Dwarka Expressway link, along with key corridors like Urban Extension Road-II and the Delhi-Dehradun Expressway to improve freight movement and regional connectivity
- Through Unified Logistics Interface Platform (ULIP) and the pothole-free roads campaign, Delhi has improved real-time logistics coordination while upgrading major and internal road infrastructure across the city

## How we see it



## Why it matters

- Unplanned freight movement is a significant drag on urban productivity. In Indian cities, last-mile delivery alone can consume up to 53% of total supply chain costs with congestion being the primary driver. Without a city logistics plan, Delhi's freight inefficiencies can compound business costs and worsen urban mobility
- Delhi is India's second largest logistics market by spend, anchored by a massive consumption base spanning retail, e-commerce and manufacturing. Scalable logistics infrastructure is not optional for a market of Delhi's size; it is a competitiveness imperative



## What could go right

- City-level urban logistics initiatives including dynamic routing, consolidation centres, and multimodal distribution hubs have demonstrated tangible efficiency gains of 25% faster deliveries and 20–30% reductions in vehicle-kilometres travelled across multiple European cities. The plan can confer similar benefits to Delhi
- The benefits will be the result of a well-designed city logistics plan with designated freight corridors, regulated delivery windows, and multimodal integration. These measures could directly improve vehicle utilisation and lower per-unit freight costs for businesses, while also creating a more predictable operating environment for logistics players investing in the city



## Key risks to watch

- Effective implementation requires alignment across multiple agencies including the Public Works Department for road infrastructure, Municipal Corporation of Delhi for urban planning, Delhi Metro Rail Corporation for multimodal connectivity, Delhi Development Authority for land use, and Delhi Traffic Police for enforcement, with Unified Logistics Interface Platform (ULIP) serving as the digital coordination layer to bring real-time data exchange and stakeholder synchronisation. Misalignment across even one of these significantly delays real-world outcomes
- Risk of counterproductive design, overly restrictive delivery windows and poorly routed freight corridors could cause inefficient delivery schedules and reduce vehicle utilization, inflating operational costs instead of reducing them



# ROADS

1

## Gujarat to develop 20 roads using green technology at USD 119.97 million

### News brief

- The Gujarat government has allocated USD 119.97 m for development of 20 climate-resilient roads using green construction technologies across the state
- The initiative aims to integrate sustainability into road infrastructure through the reuse of old pavement materials, white topping, glass grid technology, and chemical stabilisation to improve durability and reduce lifecycle maintenance requirements
- The reconstruction process includes excavation and reuse of existing road material which is treated with lime and stabilized through pulverising and rolling along with levelling and compaction using modern machinery. Stabilisation layers such as SAMI (Stress Absorbing Membrane Interlayer) are used to reduce cracking, improve pavement strength, and enhance road lifespan

### How we see it

The initiative reflects a climate-resilient and circular infrastructure development approach

- Sustainability is increasingly being integrated into road design and construction practices, with the focus moving from upfront construction to lifecycle performance and maintenance efficiency
- Circular economy principles entering road construction through material reuse
- Climate resilience may emerge as an extension of waste utilisation in road construction in state road programmes as already around 43,000 km of rural roads have been constructed through waste materials





## Why it matters

- **Transition from waste utilisation to climate resilience** - Past initiatives such as Tamil Nadu's 1,000 km Plastic Road scheme primarily targeted waste reuse wherein around 1,000 km of roads were constructed across the state using waste plastic as an additive in the bituminous mix. Gujarat positions the programme with greater coverage around climate resilience, durability, and lifecycle performance. Ministry of Road Transport & Highways (MoRTH) had earlier (2024) mandated the use of waste plastic in bituminous roads near urban centres
- **Past experience indicates potential durability benefits** - A performance evaluation of waste plastic roads under Pradhan Mantri Gram Sadak Yojna (PMGSY), conducted by seven research institutes under the supervision of IIT Madras, found that distresses such as ravelling, cracking, and pothole formation were significantly lower compared to conventional pavements
- **Supports circular economy and resource efficiency** – The use of recycled pavement, and plastic waste reduces dependence on virgin materials and promotes reuse in infrastructure. This may support India's Nationally Determined Contributions (NDC) commitments under the Paris Agreement. Mainstreaming green materials in road construction is one way through which the infrastructure sector can contribute to emissions intensity reduction targets



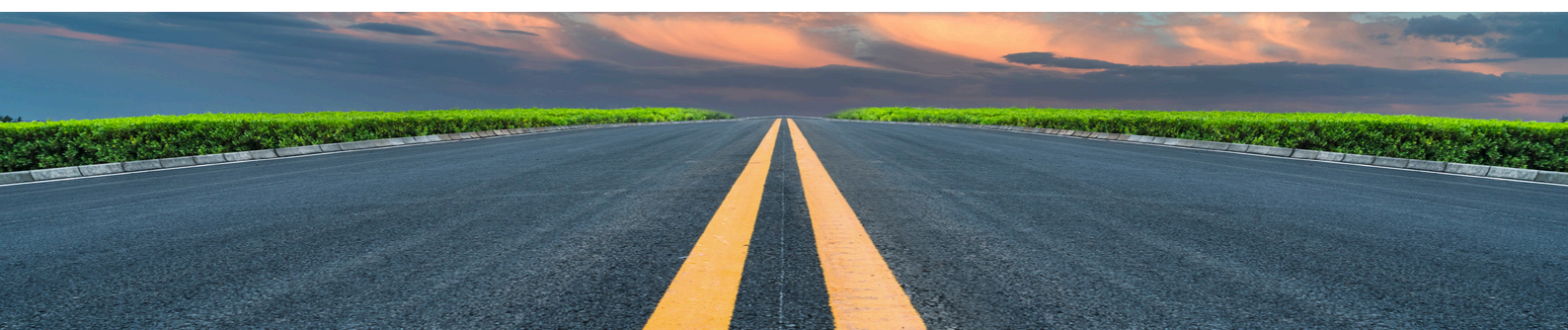
## What could go right

- Wider replication of climate-resilient roads across more districts in Gujarat and other states. Additionally, the initiative could significantly contribute to addressing waste management problems
- Lower lifecycle maintenance costs and improved asset durability, as the roads are expected to demonstrate better resilience against pavement distress. The net result could be improved Return on Investment (ROI) for the governments
- Promotion of sustainable practices in road construction may result in development of recycling ecosystems linked to infrastructure projects. Moreover, green road construction methods does not impose significant material cost burdens, as plastic-modified bitumen roads produce net savings of ₹28,000–51,000 per km through reduced bitumen consumption. The impact will be higher ROI



## Key risks to watch

- **Material standardisation risk** - Performance depends on quality and consistency of recycled inputs such as plastic waste, and reclaimed pavement material. Variability may affect pavement performance hence setting quality standards and quality monitoring could mitigate this risk
- **Long-term performance validation** - While early outcomes are encouraging, long-term performance under varying traffic loads and climatic conditions will require continued monitoring
- **Technology adoption and execution capability** - Use of recycled materials, and alternative construction methods may require specialised execution and quality control frameworks which may not yet be uniformly available across state Public Works Departments





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