

Locad to build more warehouses in Manila, VisMin

By Justine Irish D. Tabile
Reporter

LOGISTICS COMPANY Locad is looking to expand its warehouse footprint in the Philippines to further ramp up its capacity and provide cheaper services in the Visayas-Mindanao (VisMin) region.

“So, in the Philippines, we currently have eight [warehouses] and we’re looking at a couple of additional warehouses, both in Metro Manila to further ramp up our capacity, and potentially in one or two provincial cities,” Locad Chief Executive and Co-Founder

Constantin Robertz told reporters on the sidelines of the Philippine Global E-commerce Summit.

“We are looking at cities, especially in VisMin where we have a lot of demand and where currently the lead times and the cost of shipping are proportionally high because they’re further away from existing warehouses,” he added.

Mr. Robertz said it is unfair that people in Metro Manila get their shipments faster and cheaper, while people in the provinces have to wait longer and pay higher for their items.

“Why would I pay three times for shipping and why wait four times as long? That’s not a good

experience. And for a brand or a merchant, it’s too hard to open all these warehouses all over the country yourself,” he said. “The only ones who manage that are the biggest global FMCG (fast-moving consumer goods) brands.”

“So, we want to expand that network and make it open for anyone, so merchants can just leverage on our warehousing network — place their stock in any of our warehouses and pay only for the items that are in the warehouse at no fixed cost,” he added.

Locad currently has 20 warehouses in its portfolio distributed across the Philippines, Southeast Asia, and Australia.

“What we’ve ultimately done and what we are doing with the funds we raised is to continuously expand the platform on the technology side and also add new warehouses in the region,” Mr. Robertz said, referring to the \$11 million the company raised early this year.

“We expect to double our footprint of warehouses in the next year and make that available to more and more brands and provide that scalable backend infrastructure for commerce that is available plug and play for any brand-new merchant,” he added.

The Philippines is still the biggest market of Locad, followed by

Australia and Singapore. Meanwhile, it expects growth in Thailand, Indonesia, and Malaysia.

“The Philippines is still what we consider our home market, because it’s where we have the biggest team and when we first launched, and it continues to be our biggest market to date, followed by Australia and Singapore,” said Mr. Robertz.

“We’re seeing good growth in our newest markets, which is Thailand, Indonesia and Malaysia. But of course, they’re still slower because they just opened more recently,” he added.

Despite growth in other countries, Mr. Robertz said the Phil-

ippines will continue to be one of Locad’s top markets.

“We are seeing good growth here, with Philippine e-commerce growing about 15% this year to \$16 billion to \$17 billion. So, we definitely still see a lot more growth potential here, and we have the deepest market penetration — the strongest presence — in the Philippines,” he said.

“But of course, as other markets like Indonesia and Australia are getting more mature, given the size of these markets... But the Philippines is our largest market to date and will definitely remain one of our most important markets over time,” Mr. Robertz added.

World’s slum populations set to surge as housing crisis bites, UN-Habitat says

NAIROBI — Beatrice Oriyo laughed out loud when asked if there was a playground where her three children could play near her home in Kibera, Nairobi’s biggest informal settlement.

“There’s nothing like that here,” the 34-year-old Ms. Oriyo told the Thomson Reuters Foundation by phone from the one-roomed corrugated iron home that she rents for 6,000 Kenyan Shillings (\$43.18) a month.

“We don’t even have our own toilet — we have to pay each time to use the public toilets. We bathe in the same room that is our kitchen, living room and bedroom. The idea of a playground here is like a joke,” she said.

More than one billion people globally reside in overcrowded urban slums such as Kibera, where they live a precarious existence, struggling to access basic amenities such as adequate housing, water, sanitation, power and

waste collection, said the United Nations’ agency for urban development, UN-Habitat.

This figure is projected to reach three billion people by 2050 — as populations grow and more people migrate to cities in search of better opportunities — presenting a major challenge for many governments across the world.

UN-Habitat forecasts that 50% of this growth in slum populations will be concentrated in eight countries: Nigeria, the Philippines, Ethiopia, Tanzania, India, the Democratic Republic of Congo, Egypt and Pakistan.

“Our future is urban,” UN-Habitat Executive Director Maimunah Mohd Sharif told reporters on the sidelines of the UN-Habitat Assembly, a five-day conference bringing together ministers, senior officials and civil society groups to strengthen commitments to develop more sustainable cities.

“More than half of the world’s population lives in cities and towns. That population is going to increase to 70% by 2050. So, tackling urban poverty and inequality is more urgent than ever before,” she said.

NO PRIVACY, NO SAFETY

More than half of Kenya’s urban population lives in unplanned overcrowded settlements like Kibera, the World Bank says. The warren of narrow dirt-paved alleys is home to at least 250,000 people — most living cheek-by-jowl in windowless one-room shacks.

Most residents are migrants from rural areas and earn less than \$2 a day in low-income jobs as motorbike taxi drivers, security guards, domestic workers or casual laborers. They are unable to afford decent housing in Nairobi.

Toilets are shared pit latrines which often overflow during the rainy season, there is little piped

water so residents rely on expensive and irregular private water tankers to fill their buckets and containers daily.

Poor drainage and garbage collection mean floods are common — not only destroying homes and possessions, but also contaminating drinking water and even causing deaths through building collapses, electrocution and drowning.

With high levels of poverty and youth unemployment, crimes such as mugging, robbery and sexual violence against women are rife.

Residents in informal settlements are also at risk of forced evictions by authorities, and instances of bulldozers moving in to demolish people’s homes are common.

“It’s not easy to live here,” Mercy Achieng, a 41-year-old single mother, who earns 500 shillings weekly washing laundry,

said by phone from Kibera, only a 30-minute drive from the scenic 140-acre manicured grounds of UN conference in a green, upmarket part of the capital.

“It is a good community and we all know and help one another, but there is no privacy, no safety and no security. The landlord can kick us out, or the bulldozers can come.”

SLUM-UPGRADING

UN-Habitat officials said that while lack of housing was previously seen as a problem faced by developing countries, it had become a global crisis with many rich countries such as the United States, Britain and Germany all facing shortages.

“The global housing crisis is present in all world regions today,” said Edlam Yemeru, head of the Knowledge and Innovation Branch of UN-Habitat.


“Although the manifestations differ, almost all countries are

grappling with the urgency to ensure that their citizens have access to adequate housing.”

Data from the Organisation for Economic Co-operation and Development shows that costs of housing have risen faster than earnings and inflation in many member states in recent years.






Kenyan President William Ruto, who came to power last year, has made affordable housing a centerpiece of his government’s development agenda and announced plans to construct 250,000 houses annually for low income-earners, including those in informal settlements like Kibera. — **Thomson Reuters Foundation**

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