



Companies relying on Asian supply chains need efficient warehousing. **The challenge:** deciding on the ideal location.

Strategic Warehousing in Asia-Pac

Most component parts and finished goods are made in Asia. Efficient warehousing there is crucial for global distribution.

What Factors to Consider When Choosing an Asia Distribution Hub?

When selecting a distribution hub in Asia, many factors should be examined, but some will be more important than others based on your business.

- Service Levels
- Tax and Duties
- Regulatory Environment
- Transport Infrastructure
- Productivity Adjusted Labor Costs
- Total Landed Costs

Millions of dollars ride on this decision, but often companies **lack the time and expertise** to do anything more than a surface-level evaluation. When that happens, decisions can backfire.

Service Levels

Proximity to suppliers and end customers is crucial for delivery speed.

ex. A laptop company might choose to make and store products near its primary suppliers to speed the distribution cycle.

Transport Infrastructure

Consider global transport capabilities at the chosen location.

ex. If you ship via air, choose a warehouse near a major air freight gateway to reduce global transit times.

Tax and Duties

Understand the impact of taxes and duties on costs.

ex. Singapore's Most-Favored-Nation (MFN) zero-duty policy on nearly 100% of tariff lines makes it an appealing distribution hub.

Productivity Adjusted Labor Costs

Consider labor availability, productivity and costs in the chosen location.

ex. A semiconductor supplier relocated to Malaysia but doubled its staff due to lower skills and shorter workdays.

Regulatory Environment

Some countries are easier places to establish and operate a warehouse than others.

ex. Without proper guidance from a knowledgeable 3PL, establishing distribution in India may be delayed by many months.

Total Landed Costs

Assess all possible factors and the impact on total cost.

A cost-based analysis is challenging in hypothetical scenarios; consider non-numeric rating systems for valuable guidance.

Bonded Warehouse Capabilities

Bonded warehouses and FTZs can help you defer, and even avoid, tax and duty payments altogether.

ex. Lazada utilizes Dimerco's bonded warehouse in Indonesia, storing goods tax and duty-free until products are sold online.

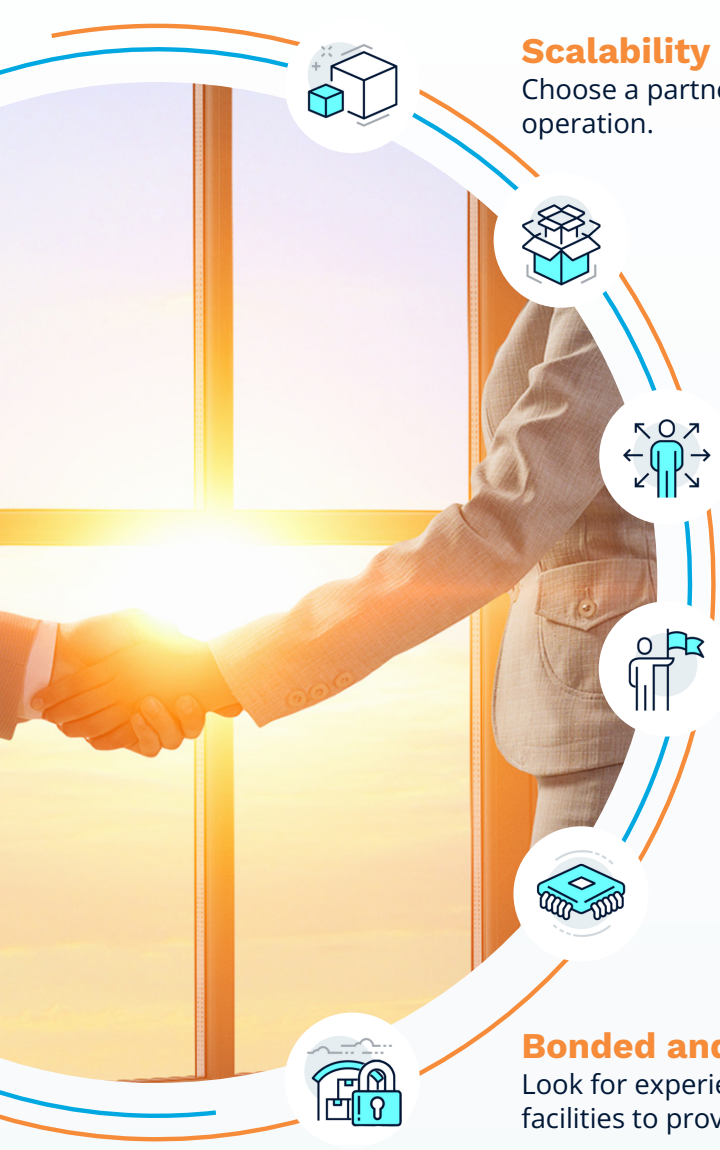
Your key criteria may differ based on your commodity type, shipping mode, and delivery service-level requirements.



Choosing a Warehouse Partner in Asia

When setting up or expanding an Asia warehouse, most companies prefer partnering with a 3PL over operating it themselves. 3PL capabilities vary in Asia, so choose wisely, considering key competencies.

The right partner can reduce your location selection process by 4-5 months.



Scalability
Choose a partner that can grow with your operation.

Integrated Services
Choose a partner offering integrated air, ocean, warehousing, and trucking services.

Omnichannel Capabilities
Opt for a 3PL that accommodates multiple sales channels efficiently.

Local Market Knowledge
Experience and knowledge of local regulations are crucial for smooth operations.

Technology-Driven
Demand technology-driven processes to ensure accuracy and visibility.

Bonded and FTZ Facilities
Look for experience in running Bonded/FTZ facilities to provide cash flow advantages.

Partner with Dimerco for your Warehousing Needs!

Leverage the tips in this eBook to create your own assessment process. Or identify a 3PL, like Dimerco Express Group, that operates warehouses across the entire Asia-Pac region and could cut 4-5 months off your assessment process. Contact Dimerco today for an objective analysis.

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