

Keynote

Last Mile Convergence: State of
APAC's Deliveries in 2026

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We can't solve it alone

Universe Covering Everything Last-Mile



Where Research, Solutions and Last Mile Leaders Drive the Next Era of Logistics

Let's look at what's happening across **APAC**

APAC is Now the World's Consumption Engine



\$10 Trillion +

APAC-ex-China is now a \$10Tn+ consumer economy



65% World's Middle Class

Region will be home to 3 billion middle-class consumers by 2030

- 10x North America
- 5x Europe

GDP: IMF World Economic Outlook, October 2025

Middle class projections: Brookings Institution (Homi Kharas) / UN; Mastercard – World Data Lab, 2026

Global Forces are Reshaping APAC Supply Chain



50% Spike

In Brent crude

From ~\$70 to ~\$106/barrel since the Strait of Hormuz disruption (May–June 2026).



3x Inflation

Cost of Logistics up by 3x than general inflation of 15% since 2023



Inventory Flux

Unpredictable fluctuations are disrupting traditional, **static supply-chains**.

80% of Strait of Hormuz oil flows are bound for Asia, the largest consumer of the world's most critical energy chokepoint.

APAC is the fastest to adopt AI in Supply Chain.



Frontline Tech Evolution

Opportunity to leapfrog global standards with **70% frontline workers** using AI in APAC vs 50% globally.

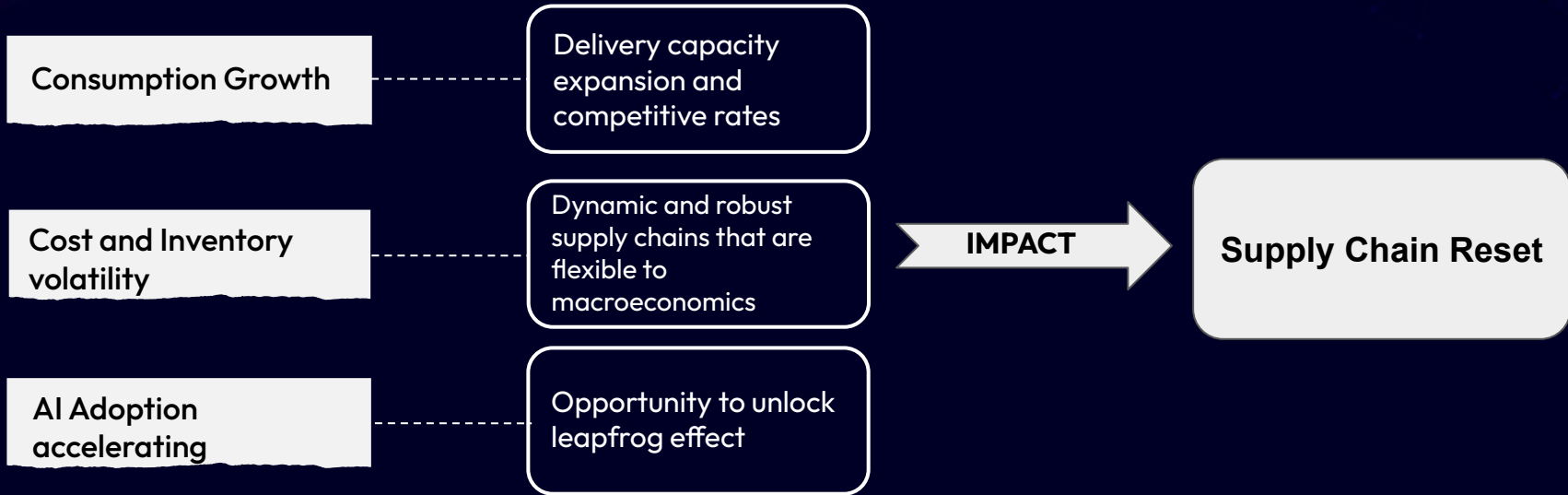


Core Operations AI Embedding

31% of APAC LSPs have embedded AI into core operations, significantly outperforming North America (14%) and Europe (6%).

<https://www.bcg.com/press/30october2025-asia-pacific-leads-ai-adoption>

APAC Supply Chains are being redefined



The State of The Last Mile in **APAC 2026**

Presenting

The Industry's First & Only Primary Report

on the state of the Last Mile in APAC

Eye on The Last Mile - APAC 2026



How Last Mile is **Different in APAC**



Islands

Complex multi-modal logistics and geographical isolation.



Fragmented 3PL Ecosystem

Numerous small-scale providers lack unified infrastructure.



Urban Density

Congested city centers making last-mile delivery challenging.

Top Priorities for APAC's Logistics Leaders

Strategy & Outlook for 2025

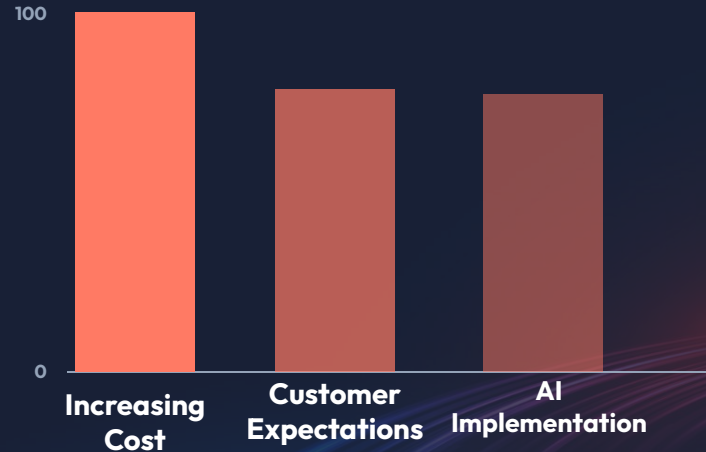
98%

Top Challenge: Cost

Leaders and companies believe cost is their primary hurdle.

"Cost will be the biggest driver of major decisions."

Top Last Mile Delivery Challenges (2026)



Trend 1

Cost Pressures get sharper



18% YoY

Increase in costs per delivery

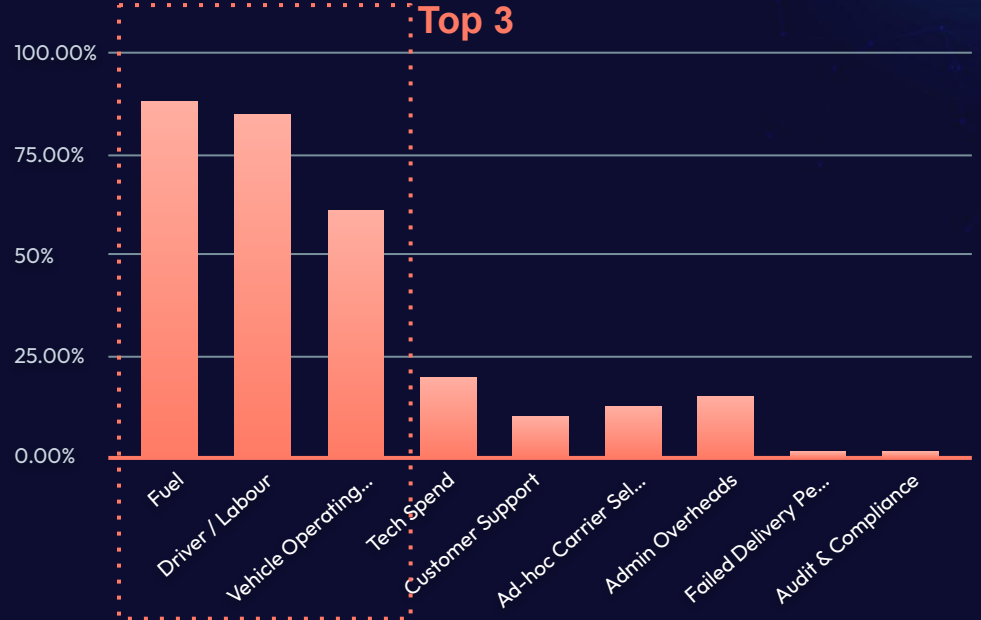


20%

Don't know their cost to serve

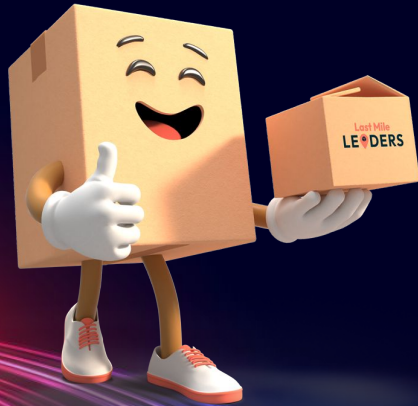
Cost Analysis

What contributed to higher last-mile cost this year



3 Strategies

To Tackle the **Cost Pressures**



Fleet Model

12-18% in cost reduction
with hybrid fleet



AI Adoption

Agents deployed for
use-cases like dispatch
planning, customer
support, payments



Capacity Utilisation

Upto 18% cost reduction in
dense areas by dynamic
capacity planning

Trend 02

Predictability is 2x as important as Speed

Consumer Expectations

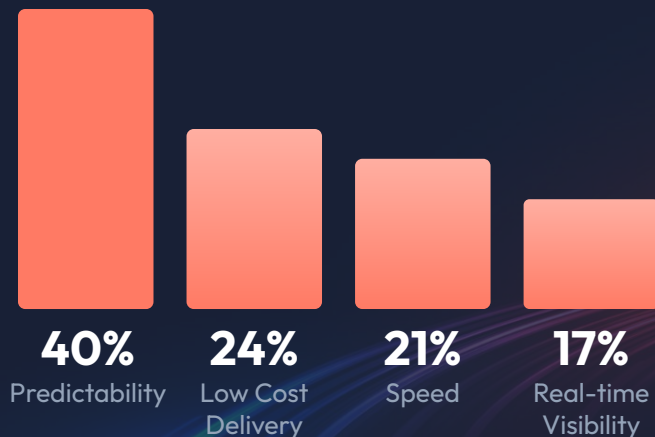
60%

Ready to pay premium

Predictability Drivers:

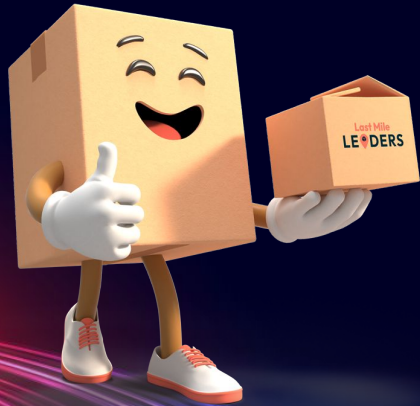
- Defined Delivery Window
- Real-time order visibility

Importance Ranking



3 Strategies

To Deliver an **Ideal Customer Experience**



Dynamic delivery networks

Partnering with multiple delivery models to offer choices to customers



Visibility & Control Tower

Visibility & Exception handling to deliver on time



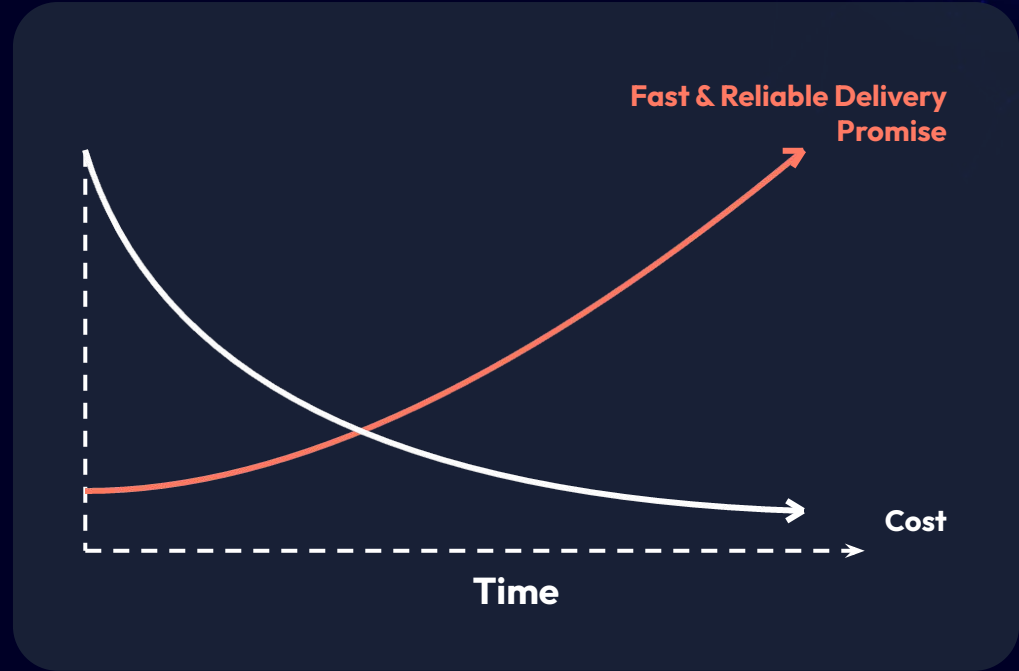
Proactive Communication

Ability for customers to know the status and communicate back

The Perfect Last Mile

The Holy Grail of Last Mile

Fast
Reliable
Economical



Big shift in last mile : Hybrid Delivery Network

67%

Outsourced

More investment in **Outsourced Fleet** to gain flexibility.



33%

Owned Fleet

More investment in **Owned Fleet** for better control.



The Ideal Target State

50%

Hybrid Fleet Model

Balancing scale, cost, and reliability.

Trend 3

AI: From pilots to success stories

98%

Trust is not the barrier
to AI Adoption

78%

Have started their AI
journey

15%

Have successfully
rolled out

Solving for AI Adoption

15%

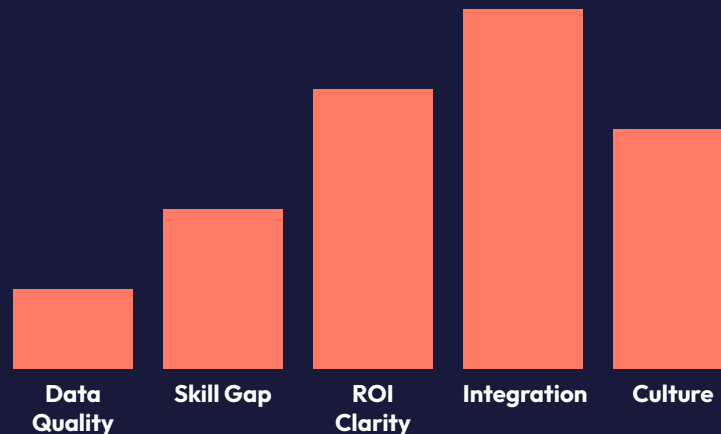
of first experiments scale to extensive levels

Note: 40% will be scrapped by EOY

Measure AI Readiness On:

- ✓ Technical
- ✓ Process
- ✓ People

Biggest Barriers to AI Adoption



Four big changes that'll happen in APAC Last Mile



Over
2,000
retailers will become
logistics companies



Drones will own
B2B & Pharma
last-mile by 2029

Drone deliveries will be a \$4 billion market by 2031, and B2B pharma is leading the way
APAC has 2x growth rate of any other region: 35.6% CAGR for medical drone delivery



In the future,

40%

of workforce across Last Mile teams

will not be human



2 out of 3

Legacy Renewals

in the last mile will move from TMS towards
AI enabled/Dynamic systems

Let's **shape the future** of logistics for APAC **together** .



Cost
Optimization



Customer
Delight



Leveraging
Growth

What's Next

Actionable
takeaways which
you can implement
in 90 days



**How to use the
report:** CxO
Readiness Checklist
at the end to
measure health of
your organisation



LML Sessions:

- RTs
- Workshop with experts
- Pilot Demo

Thank You

lastmileleaders.com