

## **eCommerce to drive dramatic growth of warehousing and fulfilment centers over the next 5 years, with huge potential for automation**

- **Global stock of warehouses reached 150,00 by the end of 2020 – 25 billion square feet**
- **Boom in eCommerce will see 28,500 new warehouses brought into service in by 2025**
- **In late 2019, eCommerce amounted to 10% of US retail sales. During COVID-19 it grew to 15%**
- **Expanding global warehouse and fulfilment center footprint will require a 50% increase in staffing by 2025. Surge in automation projects predicted, but only in more developed regions**

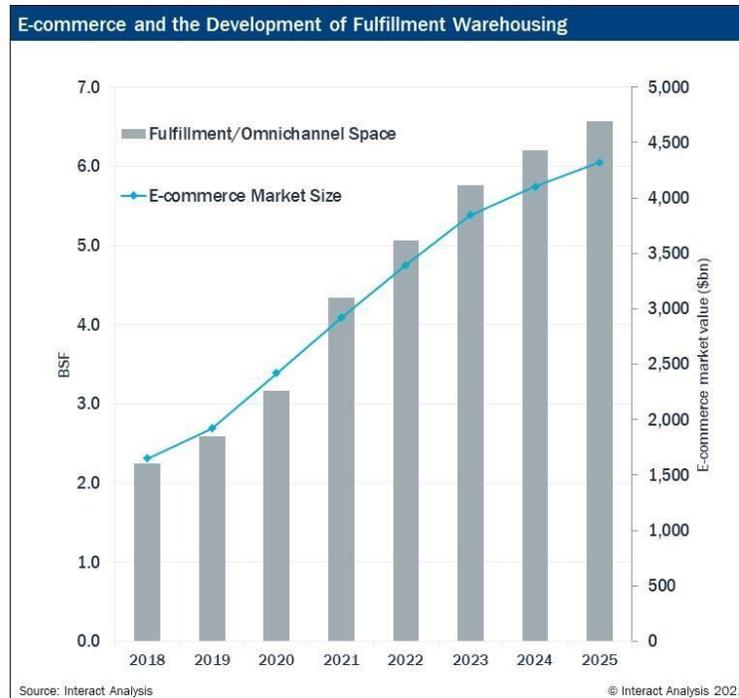
**London 12<sup>th</sup> March 2021** – Interact Analysis has published the results of its latest research project - the **Warehouse Building Stock Database** – which points to double-digit growth in the warehouse and fulfilment sector over the next 5 years. The COVID-19 pandemic has been a game-changer for eCommerce across the globe. Whilst demand is likely to flatten out as the virus is brought under control, the signs are that the eCommerce habit will have been embedded for the long term. Warehousing and fulfilment centers will continue to play a key and growing role in the world of retail.

North America and Europe have a disproportionately high quantity of warehouses relative to their population. However, the burgeoning middle class and demand for retail goods in developing countries will mean that by 2025 China, the USA, Japan, India, and Germany will account for more than 50% of the global warehouse building stock of 180,000 units.

eCommerce in the US accounted for 4.5% of total retail sales in 2011. This figure rose to 10% in late 2019, then rocketed to 15% in less than a year during the pandemic. Big players have made spectacular gains, with Amazon in February 2021 reporting its highest ever quarterly sales, surpassing \$100bn. Meanwhile Walmart's online business was up 79% in the quarter to October 31<sup>st</sup> 2020, and Target saw its eCommerce sales boom by 154% in the same period.

These increases have been replicated across the globe, and are predicted to continue, though with some flattening of the curve, when the pandemic has receded. Online grocery sales are currently overwhelmingly fulfilled in-store as opposed to in warehouses, however overall fulfillment warehousing space, driven by general merchandise sector, is set to top 6 billion square feet some time in 2025.

**Jason dePreaux, principal analyst at Interact Analysis says:** "While many industrial and service sectors continue to reel from the effects of the COVID-19 pandemic, warehousing and fulfilment centers are a real growth area, with staffing set to increase by 50% by 2025. There has been a surge in automation projects caused by labor shortages in some markets. Yet 60% of all warehouses are in regions where the cost of labor is under \$10 an hour and automation has yet to gain a firm foothold. As developing economies advance, which they inevitably will, we can expect to see major growth in automation in these regions too."



### About the warehouse database

This database is a comprehensive and systematic assessment of global warehouse demand that gives a detailed data-rich analysis of market sizes, footprints/counts/types of warehouses, and labor demand across 30 countries and 8 industries. To learn more, visit

<https://www.interactanalysis.com/download/warehouse-building-stock-database-project/>

### About Interact Analysis

Interact Analysis is an international provider of market research for the Intelligent Automation sector. Our team of experienced industry analysts delivers research into three core sectors: industrial automation, robotics and warehouse automation, and commercial vehicles. Intelligent Automation – which is the integration of artificial intelligence and automation – will change virtually every industry imaginable. This combination enables greater efficiencies, productivity, convenience, and scale. It has the potential to drastically alter the outlook for many traditional industries such as manufacturing, healthcare and automotive as well as to lead to the emergence of entirely new industries. To learn more, visit [www.InteractAnalysis.com](http://www.InteractAnalysis.com)