

## Hon'ble Commerce and Industry Minister reviews draft National Logistics Policy

The Hon'ble Union Minister of Commerce and Industry & Railways, Shri Piyush Goyal has **reviewed the draft National Logistics Policy** and the proposed action plan for implementation of the policy prepared by the Department of Logistics, Ministry of Commerce and Industry, Government of India. The draft National Logistics Policy has been prepared in consultation with the Ministries of Railways, Road Transport and Highways, Shipping and Civil Aviation. Forty-six Partnering Government Agencies (PGAs) inputs were analysed in detail for consideration in the Policy.

The Hon'ble Union Minister in his opening remarks urged that all the four Ministries and their departments must leverage the existing infrastructure to support each other in the logistics chain. This will not only help in maximizing capacity utilization but also reduce costs he added.

He has directed that all four Ministries must work in coordination with each other so that the 14% logistics cost of India's GDP may be brought down to 9%. In the meeting all aspects of logistics related to railways, civil aviation, shipping and inland waterways, road transport, ropeways warehousing and cold chain were discussed in detail.

He exhorted the line Ministries that all efforts must be made for farm produce of food grains, fruits and vegetables to reach from farm to market with minimum wastage of time. He also said that a central scheme for cold chain across the country especially for fruits, vegetables and perishables may be made part of the action plan of the draft logistics policy so that it improves efficiency and reduces the loss in Agri produce of farmers.

During the review meeting, issues relating to rail freight rationalization and freight policy for Dedicated Freight Corridor (DFC), having immediate implications for modal shift were discussed

at length.

The Hon'ble Union Minister also directed that whenever any new road, railway, airport and shipping port project is being considered, the Logistics Department must be a part of consultation process so that holistic planning will be possible, freight movement will be rationalized and passenger experience will improve.

India's logistics sector is highly defragmented and the aim is to reduce the logistics cost from the present 14% of GDP to less than 10% by 2022. India's logistics sector is very complex with more than 20 government agencies, 40 PGAs, 37 export promotion councils, 500 certifications, 10000 commodities, 160 billion market size. It also involves 12 million employment base, 200 shipping agencies, 36 logistic services, 129 Inland Container Depots (ICDs), 168 Container Freight Stations (CFSs), 50 IT ecosystems and banks & insurance agencies. Further, 81 authorities and 500 certificates are required for EXIM.

As per the Economic Survey 2017-18, the Indian logistics sector provides livelihood to more than 22 million people and improving the sector will facilitate 10% decrease in indirect logistics cost leading to the growth of 5 to 8% in exports. Further, the Survey estimates that the worth of Indian logistics market would be around USD 215 billion in next two years compared to about USD 160 billion currently.

**The Commerce and Industry Ministry is formulating the logistics policy so that India's trade competitiveness grows, more jobs are created and India's performance in global rankings improves paving the way for India to become a logistics hub.**

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Warm Regards,

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