

U.P. government accords 'Industry' status to Warehousing & Logistics sector in the State

- ***Warehousing & Logistics parks and units allowed to be set up & operate on 'industrial land' of industrial development authorities of Uttar Pradesh***
- ***Activities of Warehousing & Logistics sector to be considered as 'industrial activity' by all state development authorities in the context of land-use***
- ***Now industrial land-use charges will be applicable to Warehousing & Logistics sector units and parks in the State***
- ***Land costs will be reduced to almost one-third for warehousing & logistics units and parks***

Lucknow | May 12, 2020:

As Uttar Pradesh gears up to attract investments post COVID-19 distress, after taking a lead in introducing labour reforms, in a remarkable step towards restarting and imparting much needed impetus to warehousing and logistics sector, **Uttar Pradesh government has decided to accord 'industry' status to warehousing and logistics sector in the State, thereby, reducing the cost of setting up of parks and units in this sector by a fair margin.**

On the new incentive for warehousing and logistics sector, **Industrial Development Minister of the State, Shri Satish Mahana said** that *Hon'ble Chief Minister had given consent to this proposal at a recent meeting as this sector had immense potential to create enormous job opportunities that are required to address the employment creation for migrant labourers returning from other states due to COVID-19 lockdown. **He said**, "By granting industry status to the sector, the State is on its way to establish itself as a favourable destination for investments in the sector in northern India."*

Infrastructure & Industrial Development Commissioner, Shri Alok Tandon said that *this will drastically lower the cost of setting up units in Uttar Pradesh. **For instance, presently change of land use is charged at 150% of circle rate from agriculture to commercial land use, which will now be only 35% of circle rate as agriculture to industrial land-use change will be applicable.** Now industrial land-use charges will be applicable to Warehousing & Logistics sector units and parks in Uttar Pradesh.*

Elaborating on the new initiative, **Principal Secretary, Infrastructure & Industrial Development, Shri Alok Kumar** informed that henceforth, *activities of warehousing and logistics parks and units will be allowed for land-use of 'industrial land' of all industrial development authorities of the state in accordance with the provision of 'U.P. Warehousing & Logistics Policy-2018'. "Now warehousing and logistics units will pay 1.5 times of the industrial rate to industrial development authorities for allotment and land use of areas reserved for industrial activity, which will enable substantial cost saving compared to existing costs of establishing units in the sector as land costs will be reduced to almost one-third; for instance, at present the land available to warehousing and logistics sector costs an average of Rs 40-60,000 per sq.mt, it will be reduced to around Rs 15-20000 per sq.mt only after this provision", he added.*

In this regard, the **State government has issued orders to all industrial development authorities, including** Noida, Greater Noida, U.P. State Industrial Development Authority (UPSIDA), Lucknow Industrial Development Authority (LIDA), Satharia Industrial Development Authority (SIDA), Yamuna Expressway Industrial Development Authority (YEIDA), Gorakhpur Industrial Development Authority (GIDA) and upcoming Integrated Industrial Township Greater Noida Ltd. on Delhi-Mumbai Industrial Corridor (DMIC-IITGNL) **to adopt this provision by amending their master plans and building by-laws immediately.**

The **Housing and Urban Planning department has been asked to direct all development authorities under the department to consider activities of Warehousing & Logistics sector as ‘industrial activity’ in the context of land-use** and make necessary amendments in their zoning regulations and relevant rules towards this end. Therefore, these development authorities will charge the same land-use change fee from warehousing and logistics parks and units as applicable to industrial land-use change.

The decision is likely to attract investments supporting the various projects of the State such as Jewar Airport, Inland waterway, Multi modal transport & logistics hub, etc. Strengthening of Warehousing and Logistics sector in the state will also complement State’s unique location advantage with proximity to National Capital Region (NCR), existing and upcoming network of expressways enabling unhindered transportation and warehousing of goods manufactured here and northern India.
