

PM launches National Logistics Policy; aim to bring cost to single-digit

Gatishakti, National Logistics Policy to take India towards a new work culture, says Modi

Shreya Nandi | New Delhi September 17, 2022 Last Updated at 20:47 IST



Prime Minister Narendra Modi on Saturday launched the National Logistics Policy (NLP) that aims to not only promote seamless movement of goods across the country, but also improve its competitiveness of Indian goods in domestic as well as global markets.

“To ensure quick last mile delivery, end transport-related challenges, save time and money of the manufacturers, prevent wastage of the agro-products, concerted efforts were made and one of the manifestations of those efforts is today’s National Logistics Policy”, Modi said.

According to the Prime Minister, the policy "has not come out of the blue and there are eight years of hard work behind it". To improve connectivity, the government has been doing systemic infrastructure development through schemes such as Sagarmala, Bharatmala, Dedicated Freight Corridor.

“Today, the total capacity of Indian ports has increased significantly and the average turn-around time of container vessels has come down from 44 hours to 26 hours. Through waterways, we can do eco-friendly and cost-effective transportation. For this, many new waterways are also being built in the country,” he said.

Representative image

Modi further said that the adoption of technology has been strengthening the logistic sector. For instance, e-sanchit has been enabling paperless export-import trade processes, and

faceless assessment in customs has been rolled out. Similarly, e-way bill and FASTag are also common in highways to improve the efficiency of the logistics sector. “Only after doing so much, we have come out with a National Logistics Policy,” he explained.

An umbrella policy for the logistics sector has been in the works for around three-four years. It was felt that the logistics cost in India is high compared to other developed economies. India’s logistics cost as a proportion of the Gross Domestic Product (GDP) is believed to be around 13-14 per cent. The government now aims to bring it down to single digits as soon as possible.

Efficiency in logistics can also increase a country's exports, boost domestic manufacturing and make India a more attractive destination for global investors.

The policy has been brought in tandem with the Prime Minister's ambitious GatiShakti national master plan that was launched to build robust infrastructure, fill the missing gaps in logistics and draw more investments into the country.

The Prime Minister also launched the Unified Logistics Interface Platform ULIP that will bring all the digital services related to the transportation sector into a single portal, freeing the exporters from a host of very long and cumbersome processes. A new digital platform—Ease of logistics Services or E-Logs—has also been launched., through which industry associations can take up any issues pertaining to operations and performance with the government. “A complete system has also been put in place for the speedy resolution of such cases”, he said.

Some states such as Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Rajasthan, Telangana and Uttar Pradesh have already formed their logistics policy. Logistics policies of 13 states are still in the draft stage.

Chandrajit Banerjee, Director General of CII, said that besides improving ease of doing business, and ease of living, the policy, along with other pillars of PM Gati-Shakti has the potential to usher in an unprecedented era of ‘ease of moving’ in the country, ensuring speedier and seamless movement of cargo and people across modes of transport—water, air, roads, railways.

“Reduced logistics cost and increased logistic efficiencies will energise the economy across sectors in multiple ways and take us many steps closer to emerging as a global manufacturing powerhouse,” Banerjee said.