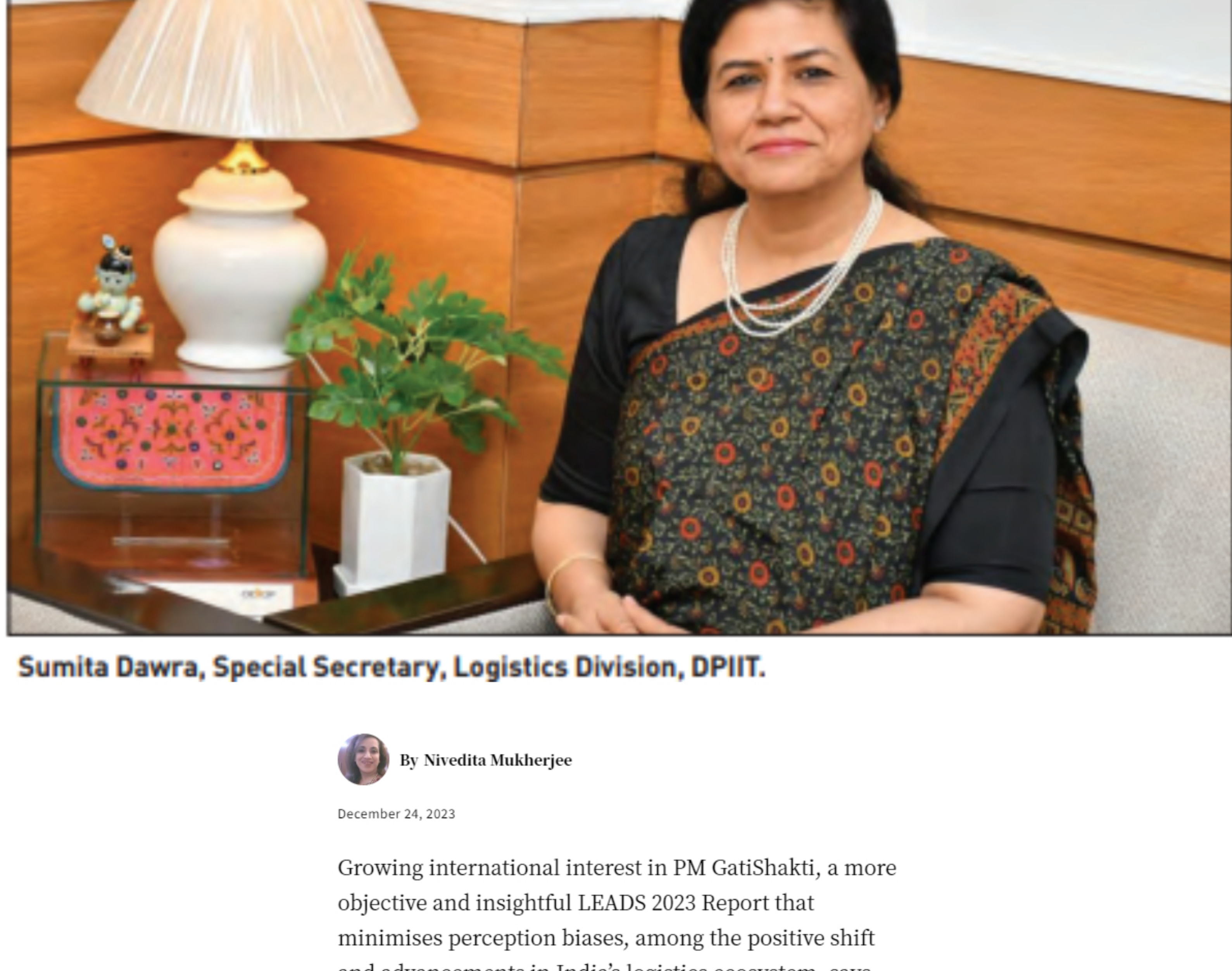
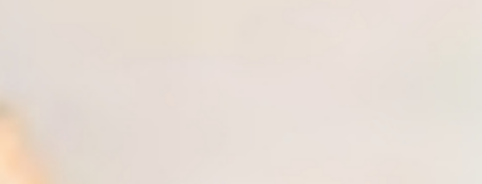


# Global Interest in PM GatiShakti & LEADS 2023 Report for Unbiased Logistics Insights: Sumita Dawra

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**Sumita Dawra, Special Secretary, Logistics Division, DPIIT.**

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Growing international interest in PM GatiShakti, a more objective and insightful LEADS 2023 Report that minimises perception biases, among the positive shift and advancements in India's logistics ecosystem, says Special Secretary, Logistics Division, DPIIT, Sumita Dawra in an exclusive interaction with The Sunday Guardian.

**Q1: Is the Government planning on taking PM GatiShakti National Master Plan on the global stage?**

Yes, the Government is planning to offer the technical architecture of PM GatiShakti National Master Plan (PMGS NMP) globally to the countries showing interest to adopt this technology. The PM GatiShakti plan has attracted interest in international forums where it has been showcased, such as at the B20, in neighbouring countries like Bangladesh, Nepal and seven Indian Missions. The GatiShakti framework was presented at the 'In Smart Bangladesh Conference' on 15 November, 2023.

Various collaboration opportunities to share technology and train personnel through exchange programmes were highlighted. We have also showcased the PM GatiShakti framework to the Government of Nepal, including the benefits of infrastructure planning using PMGS NMP for multimodal connectivity. A high-level delegation including senior representatives from various ministries/departments of Nepal visited India between 13-20 October 2023 wherein we had close interactions with the Logistics Division, DPIIT, including the Network Planning Group (NPG) members and Bhaskaracharya National Institute for Space Applications and Geoinformatics.

Then we also presented PMGS NMP at the ADB conference on regional cooperation and integration through economic corridor development (ECD) at Tbilisi, Georgia during 5-7 September 2023 as even the GatiShakti technology at the Asia-Pacific Business Forum organised by UNESCO at Hong Kong in November 2023. The delegation from India to Japan, in both physical and virtual format, during Japan's National Small Industry Day have highlighted the positive impact of the PM GatiShakti NMP in propelling infrastructure and industrial township development in India.

In terms of the progress in PM GatiShakti back home, all states and union territories (UTs) have successfully uploaded mandatory data layers onto the PMGS portal. Furthermore, as reflected by LEADS 2023 report, 23 states and 2 UTs have commenced the adoption of PMGS SMP (State Master Plan) for their infrastructure planning initiatives as well.

**Q2: The Government has just released the 'logistics ease across different states' (LEADS) report 2023. How is it different from earlier ones?**

The LEADS 2023 Report brings three significant improvements compared to previous editions, making it a more objective and insightful resource that minimises perception biases, while nudging states/UTs on various efficiency parameters. One key change is increase in the weightage of data points related to – first, the initiatives taken by states to improve logistics eco-system; second, an assessment of the logistics infrastructure available in the state/UT; third, an assessment of the Business Reform Action Plan (BRAP).

Another change in LEADS 2023 is the revision of the survey questionnaire which takes into consideration the initiatives undertaken by states and UTs to improve the logistics infrastructure as well as services and regulatory environment in states/ UTs. This broader perspective, including the adoption of PMGS NMP for project planning, gives a more nuanced understanding of the sector.

Another milestone for LEADS 2023 is the record number of responses from private stakeholders for the perception survey with more than 7300 responses and 750 plus meetings with private stakeholders across the country. Thus to sum up, the increased objectivity, a broader survey instrument and the record-high response rate collectively make it a valuable resource for stakeholders looking to understand the current state of the logistics ecosystem.

**Q 3: What are the key takeaways of LEADS 2023?**

The comprehensive assessment of logistics infrastructure, services, policy and human resources across all 36 states and UTs has yielded key learnings for LEADS 2023 report that signal positive shift and advancements in the logistics ecosystem vis-a-vis 2019. The performance of the states and UTs has been rated into three categories of achievers/fast movers/aspirers.

A significant finding is improved stakeholder perception across all states and UTs across all three pillars of logistics performance – infrastructure, services and regulatory environment. The highest improvement is recorded in regulatory pillar. Second, state logistics policies have been aligned with national logistics policy, with 23 states/ UTs having already notified their respective logistics policy and another 10 states/UTs are in process to do so.

Third, 15 states and 1 UT has given industry status to the logistics sector providing easy access to finance for logistics industry thereby reducing logistics cost. Besides, 36 states and UTs are using PMGS NMP/state master plan which is leading to integrated infrastructure planning in a cost-effective manner. Various states have notified their warehousing policies, and some have given white status to the warehousing sector leading to increase in timely approvals for quick setup of infrastructure.

Finally, some other states have also introduced logistics specific courses in consultation with the private sector.

**Q 4: Despite emphasis over the years on making logistics cost effective in India, hasn't it taken time to arrive at the recent assessment, long term framework for logistics cost?**

Calculation of a figure for logistics cost is not an end in itself. The objective behind calculation of logistics is multi-pronged. The logistics sector in India is highly fragmented and diverse factors such as commodity flows, geographical spread, freight, volume and value of commodities, multimodal connectivity, etc. affect logistics service provision. One of the biggest constraints to logistics cost calculation is availability of reliable and regular data on various critical data points.

Hence, it has been decided to adopt a very comprehensive approach relying on primary survey and big data analytics. This will be useful in identifying sector-wise/ region-wise/product-wise/ Origin-Destination pair wise, logistics cost break-up. Targeted areas of intervention for improving logistics efficiency in the country, and further reducing logistics cost, can be identified using this information.

The Logistics Division of the Ministry of Commerce & Industry initiated the exercise of logistics cost assessment and development of a framework for logistics cost calculation in March 2023. A Task Force was formed and the exercise was completed by NCAER (in consultation with ADB and other Task Force members) in September 2023.

Following which the report was shared with other experts such as those from the World Bank Group, for vetting the methodology. A cautious approach to evaluation prior to formal release has been followed.

**Q 5: In this report, the percentage of logistics cost to GDP is pegged at 7.8 to 8.9 per cent in 2021-22. Given India's rapid growth, when can we expect a trend for 2022-23?**

Definite data **trends** are likely to be the outcome of the primary survey and big data analytics, that is intended to be undertaken by NCAER next year onwards. The report recommends the need for a comprehensive and long-term approach to this exercise. The way forward will be a comprehensive survey based study for logistics costs assessment. We will supplement the data available in public domain (such as Ministry of Statistics and Programme Implementation's supply-use tables and national accounts statistics) with primary survey.

This will allow us to identify more scientifically the most efficient and inefficient routes, the routes which are experiencing the most rapid growth in freight traffic and therefore require investment and third, congestion points along freight routes that need to be addressed.

Therefore, the way forward is to use primary and secondary survey data, as well as real-time big data, to provide an estimate of logistics cost. Given the Government of India's increased investment in developing infrastructure to make the movement of goods smoother and faster, logistics costs will be estimated regularly, on an annual basis, to measure the impact of these policy actions. It is also important that the mechanism for estimating logistics costs also lead to tangible policy advice on ways to these costs.

**Q6: How is India positioned globally vis a vis logistics cost?**

Majority of the advanced/ developed nations like Germany, USA, South Korea, etc., have reported their respective logistics cost to be less than 10% of GDP. It may be understood that global comparison of logistics cost as a percentage of GDP helps in a relative assessment of a country's global positioning, with data flows on various sectors. It gives an indicative overview and is useful for the country in attracting investment opportunities, improving EXIM trade possibilities, boosting manufacturing and agriculture sector prospects.

**Q7: Coming back to GatiShakti NMP, what is its role in the overall LEADS exercise?**

The PMGS NMP critically serves as both a diagnostic tool for identifying infrastructure-related challenges and a n d a n i m p l e m e n t a t i o n t o o l, empowering states and UTs to address bottlenecks and find solutions. Its role in providing insights and facilitating improvements aligns with the goals of the LEADS exercise, thus contributing to a more efficient and coordinated approach to infrastructure development.

Importantly, the Gati Shakti framework serves as a platform to **pinpoint** onground challenges related to infrastructure, services and operating and regulatory frameworks. Now this is pivotal for the LEADS exercise as it helps in understanding the real issues that need attention and improvement.

This focus ensures that the LEADS initiative addresses critical infrastructure needs. Thus, PMGS is instrumental in streamlining the implementation process and enhancing the overall efficiency of infrastructure projects under the LEADS exercise.

**Q8: How will PMGS and LEADS align with the National Logistics Policy?**

LEADS 2023 has already been integrated with both the National Logistics Policy and PM Gati Shakti, by integrating parameters in the survey that reflect initiatives under these two pathbreaking policy interventions of the Government. The National Logistics Policy is designed to enhance service efficiency across various domains, including processes, digital systems, regulatory frameworks, and human resources to drive inclusive growth within the country.

Within the policy, LEADS initiative holds a significant position, identified as a primary action area for engagement with states/UTs within the comprehensive logistics action plan. This integration facilitates the policy's effective implementation. M

initiative assesses states on their p **evaluation** and implementing PM GatiShakti. This **evaluation** extends beyond data layer uploads on the PM GatiShakti portal to include the utilisation of the PM GatiShakti State Masterplan for infrastructure planning purposes.