

 **LOGISTICS**

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National Logistics Policy: Spearheading efficiency

- India's new National Logistics Policy aims to improve the logistics ecosystem by addressing policy gaps to lower costs
- Key targets are to align the cost of logistics with global benchmarks by 2030 and to raise India's performance ranking
- Policy will compliment PM GatiShakti National Master plan for multimodal connectivity

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New logistics policy aims to curb costs and drive efficiency: The Indian government launched a National Logistics Policy on 17 September to improve the logistics ecosystem in India by developing processes, standards, regulatory framework, integrated technology infrastructure and human resources in the sector. The objective is to curtail costs and improve efficiency for the seamless movement of goods so as to augment the ease of doing business in India.

Global benchmarking of Indian logistics sector: The policy aims to reduce the cost of logistics in India and render it comparable to global benchmarks by 2030. Currently, this cost is at 12-14% of GDP vs. 10% or less in the developed world. By containing costs, the policy aims to place India amongst the top 25 nations in the Logistics Performance Index from #44 currently.

Comprehensive Logistics Action Plan (CLAP): The proposed policy will be implemented through CLAP which has eight key action areas:

(1) integrate digital logistics systems – develop a unified logistics interface to link multiple data sources (ULIP); (2) standardise physical assets and benchmark service quality standards – minimise risk, optimise processes and improve ease of doing business; (3) develop logistics human resources and capacity building; (4) drive state engagement – support development of state/city-level logistics plans (LEADS); (5) improve EXIM (Export-Import) logistics – address infrastructure and procedural gaps in EXIM connectivity and create an efficient network for cross-border trade facilitation; (6) implement a service improvement framework (E-Logs); (7) create a sectoral plan for efficient logistics; (8) facilitate logistics park development.

Policy to accelerate formalisation of sector: The logistics policy aims to augment the sector's efficiency and, in line with past initiatives such as GST, e-way bills, and Fastag, accelerate the push from unorganised towards organised services, in our view. Further, it will drive a cost-effective transport mix in India vs. the current road-intensive mode by harnessing efficiency gains in a multimodal mix.



Fig 1 – National Logistics Policy: Key enablers

Policy enabler	Details
Unified Logistics Interface Platform (ULIP)	ULIP is a technology platform which has been built using NICDC’s (National Industrial Corridor Development Programme) Logistics Data Bank Project. This platform will be used by various government and private stakeholders to enable information exchange on a real/near-real-time basis in a confidential manner to help address the challenges of delayed processes and manual activities in India’s logistics sector.
Logistics Ease Across Different States (LEADS)	LEADS is an annual survey in all states/union territories to assess and suggest various improvements in the country’s logistics sector. This survey will access the viewpoints of various users and stakeholders across the value chain to understand the ‘enablers’ and ‘impediments’ to the logistics ecosystem. It will help in understanding issues faced by the industry and suggest mitigatory measures.
Dashboard for Ease of Logistics Services (E-Logs)	E-Logs is a service improvement framework of the National Logistics Policy. A Services Improvement Group (SIG) will be formed comprising officers nominated from various user ministries that will provide the monitoring and coordination mechanism for unresolved user issues pertaining to services, documentation, processes, policy, along with identification of interventions for improving user interface. An E-logs dashboard will be created for tracking user issues.

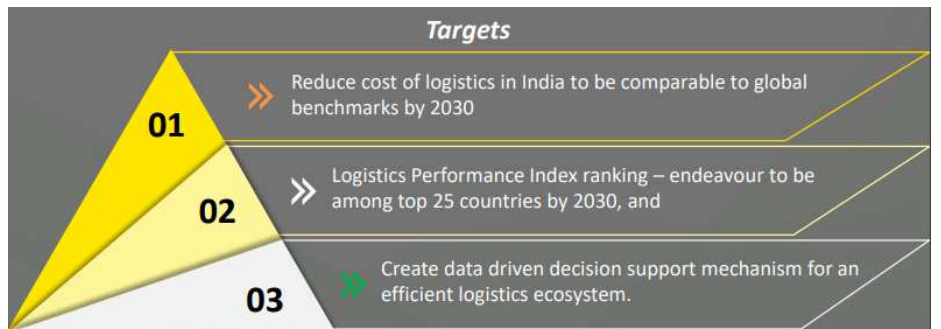
Source: National Logistics Policy e-book, BOBCAPS Research

Fig 2 – Vision of national logistics policy



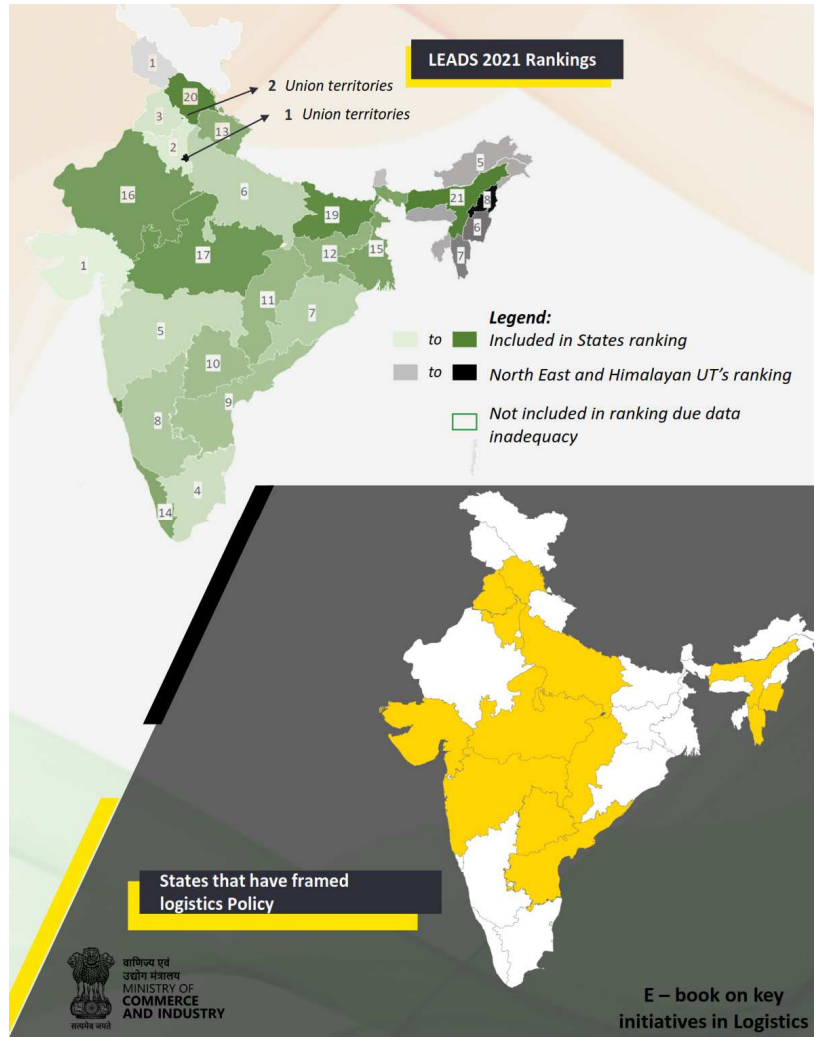
Source: National Logistics Policy e-book, BOBCAPS Research

Fig 3 – Targets under India’s National Logistics Policy



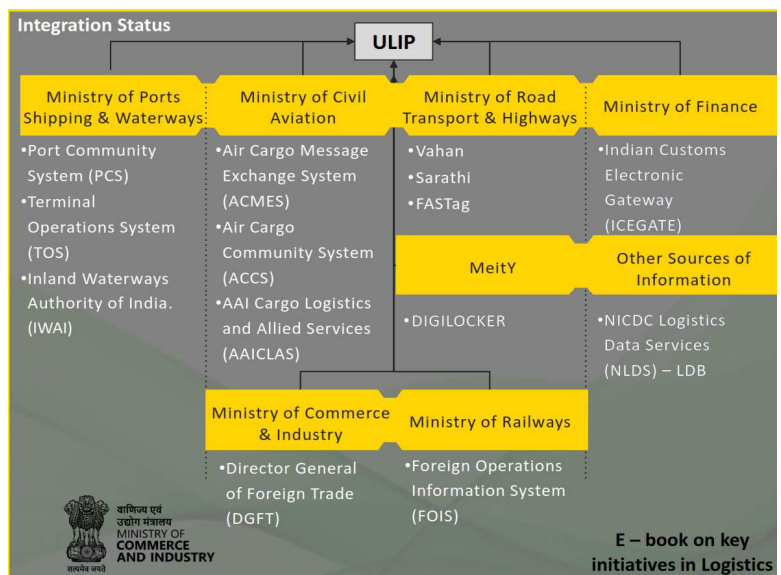
Source: National Logistics Policy e-book, BOBCAPS Research

Fig 4 – LEADS: States that have framed a logistics policy



Source: National Logistics Policy e-book, BOBCAPS Research

Fig 5 – ULIP architecture



Source: National Logistics Policy e-book, BOBCAPS Research

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