

19.09.2022

Sir/Madam,

PM launches New National Logistics Policy – Aims to Cut Costs

- ✓ **“National Logistics Policy has immense potential for development of infrastructure, expansion of business and increasing employment opportunities.”**
- ✓ **“Gatishakti and National Logistics Policy together are now taking the country towards a new work culture”**
- ✓ **“From 13-14 percent logistics cost, we should all aim to bring it to single-digit as soon as possible”**

Integration of Digital System (IDS): 30 different systems of seven different departments will be integrated digitally including the road transport, railway, customs, aviation, foreign trade and commerce ministries.

The Prime Minister, Shri Narendra Modi launched the National Logistics Policy (NLP) on 17th September 2022 at Vigyan Bhawan, New Delhi.

Union Minister of Commerce & Industry, Shri Piyush Goyal, Union Minister of Finance, Smt. Nirmala Sitharaman, Union Minister of Road, Transport & Highways, Shri Nitin Gadkari, Union Minister of Civil Aviation, Shri Jyodiraditya Scindia, Union Minister of Railways, Shri Ashwini Vaishnav, Union Minister of Port, Shipping and Waterways, Shri Sarbanada Sonowal, Union Minister of Education, Shri Dharmendra Pradhan, and Union Minister of State for Commerce and Industry, Shri Som Prakash were those present on the occasion.

Speaking on the occasion, the Prime Minister called the launch of the National Logistics Policy a significant step in fulfilling the ‘Pran’ of India being a developed country. “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”, the Prime Minister said. The resulting improvement in coordination will lead to the desired speed in the sector.

The Prime Minister noted that in India, which has become the 5th largest economy in the world, things are changing rapidly. Referring to this morning’s release of

Cheetah, the Prime Minister said we all want that luggage should move quickly like a cheetah.

The Prime Minister reiterated that schemes like Sagarmala, Bharatmala, expedited the work of Dedicated Freight Corridors to improve logistics connectivity for systematic infrastructure development. Shri Modi pointed out that 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. For promoting export, 40 air cargo terminals have been constructed. 30 airports have been provided cold-storage facilities. 35 multimodal hubs are coming up in the country. "Through waterways, we can do eco-friendly and cost-effective transportation, for this many new waterways are also being built in the country", the Prime Minister added.

The Prime Minister said, the National Logistics Policy will bring new energy to all sectors. He said that policy is a beginning and policy plus performance is equal to progress. When parameters, roadmap and timeline for performance come together then policy plus performance equal to progress emerges, he elaborated. "Today's India prepares the ground before bringing any policy, only then a policy can be implemented successfully. National Logistics Policy has not come out of the blue and there are 8 years of hard work behind it. There are policy changes, major decisions, and, if I talk about myself, it has my 22 years of governance experience behind it", he said.

Stressing the need to adopt technology to strengthen the logistic sector, the Prime Minister said that the government has worked towards initiatives like paperless EXIM trade process through e-sanchit, faceless assessment for customs, provisions for e-way bills, FASTag etc. that have greatly increased the efficiency of the logistics sector. He also underlined the importance of a unified tax system like GST in smoothening the issues of the logistics sector. "Only after doing so much, we have come out with a National Logistics Policy, " he explained. **"From 13-14 per cent logistics cost, we should all aim to bring it to single-digit as soon as possible. This, in a way, is a low-hanging fruit, if we have to become globally competitive", the Prime Minister emphasised.**

Shri Modi pointed out that the **PM Gatishakti National Master Plan will be supporting the National Logistics Policy in all earnest.** The Prime Minister also expressed happiness while mentioning the support that states and union territories have provided and that almost all the departments have started working together. **"A huge data of information related to different infrastructure projects of state governments has been prepared. Today, data from the**

central and state governments in about 1500 layers are coming on the PM Gatishakti portal”, the Prime Minister informed. “Gatishakti and National Logistics Policy together are now taking the country towards a new work culture. The talent that will come out of the recently approved Gatishakti University will also help it a lot”, he added.

The Prime Minister said that Unified Logistics Interface Platform ULIP 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. Similarly, under the policy a new digital platform Ease of logistics Services -E-Logs has also been started. “Through this portal, industry associations can directly take up any such matters which are causing problems in their operations and performance with the government agencies. A complete system has also been put in place for the speedy resolution of such cases”, he said.

The Prime Minister urged competitive behaviour in Indians and said “India, which is determined to become developed, now has to compete more with developed countries, so everything should be competitive.” He continued “be it service sector, manufacturing sector, automobiles, electronics, we have to set big goals in every sector and achieve them”, the Prime Minister remarked. The Prime Minister also pointed out the increasing attraction of the world toward products that are made in India.

“Strengthening of the logistics sector will not only make the life of common man easier but will also help in increasing the respect of labour and workers”, the Prime Minister added.

In concluding his address, the Prime Minister said “The National Logistics Policy has immense potential for the development of infrastructure, for expansion of business and increasing employment opportunities. We have to realize these possibilities together”.

Representatives of Logistics sector, Shri R Dinesh, Managing Director, TVS Supply Chain Solutions; Shri Ramesh Aggrawal, CEO, Agarwal Packers and Movers; Shri Amitabh Saha, Founder and CEO of XpressBees Logistics also expressed their views on the occasion.

Background:

The need for a national logistics policy was felt since the logistics cost in India is high as compared to other developed economies. It is imperative to reduce the

logistics cost in India for improving the competitiveness of Indian goods both in domestic as well as export markets. Reduced logistics cost improves efficiency cutting across various sectors of the economy, encouraging value addition and enterprise.

Since 2014, the government has put significant emphasis on improving both, Ease of Doing Business and Ease of Living. National Logistics Policy, a comprehensive effort to address issues of high cost and inefficiency by laying down an overarching interdisciplinary, cross-sectoral and multi-jurisdictional framework for the development of the entire logistics ecosystem, is yet another step in this direction. The policy is an endeavour to improve the competitiveness of Indian goods, enhance economic growth and increase employment opportunities.

It has been the vision of the Prime Minister to develop world-class modern infrastructure through the integration of all stakeholders in holistic planning and implementation so that efficiency and synergy are achieved in the execution of the project. The PM GatiShakti – National Master Plan for multi-modal connectivity – launched by the Prime Minister last year, was a pioneering step in this direction. PM GatiShakti will get further boost and complementarities with the launch of the National Logistics Policy.