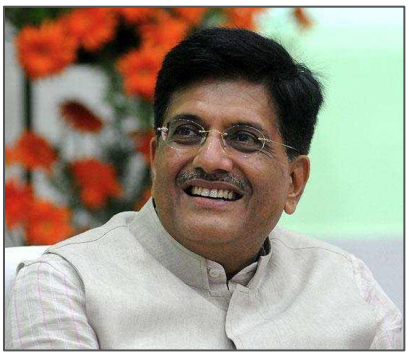
First National Conference on Logistics with the States and UTs

The Department of Commerce, Ministry of Commerce and Industry, through a virtual platform, organised the First National conference on logistics of States on Logistics on 19th January 2021. The conference was also graced by the presence of Minster of Commerce and Industry, Shri Piyush Goyal, Minister of State for Commerce and Industry, Shri Som Prakash, Minister of State for Housing and Urban Affairs, Shri Hardeep Singh Puri & Special Secretary (Logistics), Shri Pawan Agarwal.



Shri. Piyush Goyal

Minister of Railways;
Minister of Commerce and Industry; and
Minister of Consumer Affairs, Food & Public Distribution

"The First States Logistics Conference demonstrates the spirit of cooperation and collaboration that the Centre and States are both committed to, and also demonstrates how Government and private sector need to work together in a holistic manner, so that all the stakeholders recognise their own contribution and role towards a much more robust logistics system, as well as support each other's efforts to truly make India a competitive destination and a competitive manufacturing hub."

Shri. Som Prakash

Minister of State For
Commerce and Industry

"India is one of the fastest growing economy in the world. And a strengthened logistics ecosystem is regarded as the backbone of our economy acting as a fuel to India's industrial growth on a global scale. The Commerce and Industry Ministry has given highest priority to Logistics Sector. The National Logistics Policy formulated by the Commerce and Industry Ministry will improve India's trade competitiveness, create more jobs, improve India's performance in global rankings and pave the way for India to become a logistics hub"

Shri. Hardeep Singh Puri

Minister of State (Independent Charge) For Housing and Urban Affairs;
Minister of State (Independent Charge) for Civil Aviation; and Minister of State for Commerce and Industry

"Our supply chains and logistics, has, in the past, not been systematically approached, therefore, I am very happy that we are doing this conference to bring a scientific approach for an effective and efficient logistics solution. We clearly need to have an institutional mechanism to synergize the pursuit of the main stakeholders concerning City Logistics."

Preface

Pawan Kumar Agarwal

Special Secretary (Logistics Division), Ministry of Commerce and Industry

In recent years, India has made rapid progress by building transport infrastructure. A large capacity in warehousing sector has been created through consolidation. Substantial cold chain infrastructure has also come up.

With this, India's performance in logistics has improved. There is however, scope for further improvement by addressing several of weaknesses in the logistics sector. Existing gaps in infrastructure has to be plugged. Available infrastructure has to be used optimally. Highly complex and fragmented environment has to be simplified and streamlined. Digital enablement of the logistics sector would provide visibility to moving cargo and better utilization of logistics assets. Weaknesses in EXIM logistics and gaps in skilling ecosystem have to be addressed.

For all of the above, State Governments would play an important role. It is heartening to note from the presentations made by states in the first National Conference on Logistics on 19th January 2021 that the States are making rapid progress for improvement of the logistics sector.

This document has compiled the outcome and Presentations made during the first National Conference on Logistics with the States. It also provides a broad road map for action for the National and State Governments to work together for integrated development of the logistics sector in the country.

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Executive Summary

Background

The Department of Commerce, Ministry of Commerce and Industry, through a virtual platform, organised the First National conference on logistics of States on Logistics on 19th January 2021. The First National Conference on logistics of States aims to initiate a consultative and collaborative framework for the Central and State Governments to work in a coordinated manner in the logistic sector. The Conference was attended by more than 175 participants from the States and UTs, Central Ministries and Industry bodies. The Conference emphasized that States have a key role to play in improving the country's logistics performance.

The objectives of the conference were two-fold:

A. To garner States perspective on logistics

- The role of States/ UTs is crucial for the integrated development of logistics within the States. Given that several important areas in the Logistics sector fall within the domain of the State Governments there is need for coordinated action and focused attention. The conference aims at seeking their perspective on the subject.
- It would be more focussed on discussing the existing challenges and issues that the states are facing and ideas/ suggestions towards the solutions of their respective issues. The conference would serve as a common platform for all the States/ UTs to present their views and seek support from the Central Authority.

B. To secure their cooperation for synchronization of efforts for integrated development and efficient operation of the sector

- The conference was also targeted on seeking cooperation from the relevant authorities of the respective States/ UTs for the efficient functioning of logistics in a coordinated manner within the states. This would make the operations easier and faster and would result in an effective and smooth running of operations related to logistics development within the states.
- The Logistics Division of the Ministry of Commerce & Industry will embark on things on survey to assess and rank States on logistics performance. The State ranking will focus on data in addition to perspective on logistics performance. Support will be required from states in terms of providing data for baseline/ dipstick survey for specific interventions and in turn support will be provided to the states in improving the logistics performance in terms of suggestions/ action plans/ recommendations.

The thrust areas for logistics improvements in the States were identified as city logistics, simplification of approvals for warehouses, facilitation for warehousing development, reducing burden on truck movement and addressing shortage of truck drivers. This report documents all the proceedings of the States Logistics conference and is envisaged to act as a toolkit for all the states and central govt. authorities to function in a coordinated way towards the coherent development of logistics in the country.

Summary of Proceedings

The first National conference on logistics of States has initiated a consultative and collaborative framework for the Central and State Governments to work in a coordinated manner in the logistic sector. The Conference was attended by more than 175 participants from the States and UTs, Central Ministries and Industry bodies. The Conference emphasized that States have a key role to play in improving the country's logistics performance.

Logistics Division is going to launch its annual survey of LEADS 2021 to assess the logistics performance of the states later in this year. The objective of the LEADS index to provide a common platform for states to have

an informed decision making and streamline its policy initiatives with the National Logistics to embark on a well-integrated logistics sector.

Thrust areas for logistics improvements in the States were identified as city logistics, simplification of approvals for warehouses, facilitation for warehousing development, and reducing burden on truck movement and addressing shortage of truck drivers and a dedicated breakout session was conducted and the key takeaways from each breakout session are enlisted below.

Smart Enforcement:

In order to efficiently identify those who are wilful offenders and strengthen enforcement of laws without causing issues to wider market and deal with one of the challenges i.e. dependence on physical by-sight enforcement, it is important for States to deepen the penetration of technology. Adoption of risk-based prioritization, based on data and backed by technology interventions, can help drastically reduce the need for physical stoppages and occasional inspections by enforcement agencies.

It was also agreed that Smart Enforcement has following major benefits:

- Suitable for States having limited number of Toll Plazas
- Not depended on presence of RFID tags in Goods Vehicles to be captured
- This eliminates manual intervention in e-way bill verification
- This process automates approval of e-way bill without manual intervention.
- This avoids cancellation of e-way bills and multiple transportation using same e-way bill.
- Supports risk based intelligent vehicle inspection giving quality output and saving time of mobile squads.
- Allows future integration with RFID, VAHAN, Fastag system, Weigh7 in Motion Sensors, etc.

Warehousing:

Learnings from states: Many learnings from the states can provide as benchmark for other states which are yet to adopt the initial recommendations, these include:

- Punjab has established the Right to business act where in order to ease the process of clearances
- Haryana has adopted Online Single Window Clearances with timeline of 45 days or less
- Rajasthan provides capital subsidy for development of storage infrastructure for both farmer for upto 50% and others upto 25%
- Madhya Pradesh has relaxed FAR maximum ground coverage of 60%
- Uttar Pradesh has granted ‘Industry’ status to logistics sector
- Karnataka is in process of setting up Logistics Academies in 3 districts

City Logistics:

City Logistics is a neglected sector. Logistics planning is the right strategy as against the restrictions implemented by different States. Data and coordination with multiple agencies involved in city logistics planning are the main restraints. Data at State level is available in some cases, but it becomes difficult to gather the same at city or district level. Commodity flow should be compiled and extrapolated based on the city growth aspirations and infrastructure plan accordingly. A cross driven approach is required, covering all transport modes with close coordination among states and central government.

Another important aspect is right institutional set up which is a very critical element for effective planning of logistics. The Logistics Division of the Commerce Industry and Ministry of Housing and Urban Affairs, Smart Cities Missions, will collaborate and has the onus to identify the team to assist the States in setting up a mechanism for coordination with central government agencies. The smooth coordination among all the stakeholders is the key to addressing most of the pressing affairs of the logistics. The states need to have an

institutional mechanism to synergize the pursuit of the main stakeholders concerning City Logistics viz., manufacturers, retailers, users, urban residents, logistics service providers, freight carriers and the public authority. All the stakeholders in any area would not have converging interests. But those need to be rationally addressed through some agency who has both the authority and the vision in order to develop that space. For the issues such as infrastructure, parking and unloading areas, a better coherence between research and policy practice needs to be created.

Drivers' Empowerment and Employment:

The States need to devise innovative solutions and PPP models to finance the delivery structures for implementing the suggestions given below to overcome the challenges for the trucking sector:

- Ensuring social security net for drivers by collaborating with corporate & insurance companies to provide full family coverage during difficult times like the pandemic.
- Healthcare- Digital intervention to create a common repository of Truck drivers instead of SECC 2011 data and leveraging smart card for welfare to embark on Total Security Scheme
- Mechanism to have a real time monitoring & enforcement of rules for work & rest hours
- Rechristen Truck Driver to "Truck pilots" etc. to motivate drivers and create a sense of dignity of work.
- Assessment of current gaps in the Training Infrastructure for Drivers in collaboration with associations and industry
- Need for a Training Infrastructure specific to different categories like Heavy Vehicles, ODC, Bulk etc. High CAPEX and land requirements.
- Mechanism to link Truck Insurance with Driver skills instead of Truck condition.
- Developing Truck Aggregation Models to introduce healthy competition in the Trucking industry and ensuring stability in drivers employment
- Promoting the OEMs, Tyre companies etc. through regulatory framework for providing hygienic accommodation and food en-route, say at service stations etc.

Department of Commerce is also working diligently on "the National Logistics Policy", the policy aims to provide a unified policy environment and an integrated institutional mechanism for the logistics sector. The primary objective of the National Logistics Policy is to increase logistics efficiency and throughputs to reduce logistics cost from 13% of GDP to 8% by 2025. National logistics policy will provide a framework to overcome the inefficiencies in the value chains and suggest solutions presented to integrate the current interplay various stakeholders involved in the logistics framework and bring them under a unified umbrella. The key thematic areas of the National Logistics Policy are:

- National Logistics Act
- National Logistics Master Plan
- National Grid of Logistics Parks and Terminals
- Development of Modern Warehousing
- Rolling & Floating Stock
- National Packaging Initiative
- Digital Infrastructure
- National Logistics Workforce Strategy
- Synergetic use for optimization
- Addressing shortage of Truck drivers
- Logistics for International trade

The States of Uttar Pradesh, Karnataka, Tripura, Gujarat and Madhya Pradesh made presentations, during the Conference, on policy initiatives taken by their respective States in the logistics sector. This provided an opportunity for other states to build on the learnings relevant to their state. In order to boost exports and trade, Gujarat is in process of formulating first of its kind Integrated Logistics and Logistics Parks Policy aligned with the vision and objectives of National Logistics Policy. G-RIDE (Gujarat Rail Infrastructure Development Ltd), a joint venture between Ministry of Railways and Govt of Gujarat, is in process to linking major industrial hubs with Indian Railway Network on PPP mode Uttar Pradesh has dedicated state Logistics cell has been set up under the championship of Additional Chief Secretary, Industries and a State Logistics coordination committee is set up under the Chief Secretary with all related central and state departments. Uttar Pradesh launched its Warehousing & Logistics Policy in 2018 giving incentives on and has granted industry status to logistics sector. Madhya Pradesh is one of the few states in India that has a dedicated 'Warehousing & Logistics Policy'. Karnataka has created a dedicated Logistics Division, to be handled by Visveswaraya Trade Promotion Centre the State nodal agency for export promotion Karnataka. Industrial Policy 2020-2025 of Karnataka identifies Logistics as a key focus sector and offers several incentives for development of the sector. The state has taken a host of physical and non-physical interventions to prioritize the needs of its core sector.

The conference was graced by Shri Piyush Goyal, Hon'ble Minister for Commerce & Industry, Railways, Consumer Affairs, Food and Public Distribution, GOI, who appreciated the efforts of all participants in giving their inputs to lay a foundation to new logistics strategy alleviating lives & livelihoods of many in this New India. He said that said that a National Logistic Policy which is under consultation, will work as a template for better coordination and integrated development in logistics sector. He said that logistic team in the Ministry of Commerce & Industry is trying to integrate various means of transport, documentation and stakeholders through technology platforms, into a much-simplified way of working, which will enhance the Ease of Doing Business.

Minister of State for Commerce & Industry Shri Som Parkash, through his esteemed presence emphasized on strengthening the logistic ecosystem, as it is the backbone of the country. He called for reducing the logistics costs from the present 13% to 8% which will help Indian trade become competitive, create jobs, improve India's ranking and make it a logistics hub for global supply chain. Improving the logistics within state results in lower cost of business and has a multiplier effect on increasing the trade and investments in the state. He said that each State must have a logistics policy and State should focus and develop the infrastructure

Hon'ble Minister of State for Commerce & Industry Shri Hardeep Singh Puri stressed on the importance of having institutional mechanism to synergize all stakeholders concerning city logistics. He said that the Logistics Division of the Commerce Ministry and the Smart City Mission of the Ministry of Housing and Urban Affairs will collaborate with identified cities to assist them, wherever required, in setting up a mechanism for coordination with Central Government agencies. Shri Puri said that cities need to develop supply chain awareness and plan for infrastructure and its efficient use in existing and future scenarios. He emphasized on rapid increase in urban space and assimilation and analysis of data to identify data flow in life city growth aspirations and infrastructure plans. He closed his address by reminding the importance of states to be aboard on the National Logistics Plan and appreciated the focus of Logistics division on city level logistics.

Way forward

LEADS study 2021 would create a mechanism for data acquisition pertaining to various covenants of the logistics ecosystem also referred as indicators for the study, this shall further guide states to prioritize its strategy for improving its logistics performance. The prime emphasis of LEADS 2021 would be upon the infrastructure quality and availability within the States/ UTs covering warehouses, terminal services, infrastructure assets, EXIM infrastructure, operational SEZs, etc. The study would also collect the responses in context of 18-point agenda casing the areas related to policy, institutional framework, warehousing, smart enforcement, city logistics and drivers' empowerment. Another important aspect of scoring the states would

be on the basis of actions taken by the states against the recommendations made in LEADS report 2019 for their respective states. The study will be targeting more responses as compared to the previous two reports

Multiple initiatives on Smart Enforcement, Warehousing, City Logistics and Driver's employment and enforcement are been undertaken at the State and Central Government level. The Logistics division in the Department of Commerce is enthused to provide a pivotal role in initiating, creating and connecting all the stakeholders to collaboratively bring in the required improvements in the Logistics space.

In addition to the approval of the Draft Logistics Policy and embarking on the process for LEADS 2021 survey to assess and rank states on logistics performance, the division shall be undertaking dipstick studies to understand the current enforcement mechanism and Warehousing approvals and processes of each State and UT.

Next steps enlisted on each of the focus areas discussed in breakout session are enlisted below:

Smart Enforcement:

Few major next steps were identified as follows:

- Primer study by ADB to be shared with all the States and UTs
- Dip-stick study to be initiated to understand current enforcement mechanism of each State and UT
- Identification and prioritization of corridors to implement Smart Enforcement
- Awareness drive to enforcement agencies to stop movement of protruding cargo

Warehousing:

- Standardisation of warehouse infrastructure:
  - Adherence to essential standards such as compliance with the guidelines of the National Building Code, BIS standards for Fire safety of Industrial Buildings etc.
  - Standards issued by Central Pollution Control Board, Security standards including BIS standards for Surveillance equipment and Security applications and Security applications need to be complied with
  - National Centre for Cold Chain Development, Guidelines under Food Safety Management System by FSSAI, National Leak Prevention Association Standards for Entry, Cleaning, Repair of Underground Storage Tanks and ISO standards
- For mapping of approval processes, following aspects are considered:
  - Cataloguing Approvals for warehouse - A compilation of existing approvals and licenses for warehouse establishment after due assessment. State specific Matrix of approval processes categorised by Usage, Design and Operation.
  - Consolidation of applications - Inter-departmental processes that do not require further interface with warehouse developer can be marked for consolidating online applications.
  - State level digital single window clearance to be established, and in the meantime a District level single window clearance is suggested – creating a coordinated mechanism for various approvals for development of warehouses at the district level (set of recommendations can be formulated and circulated for action)
  - Developing benchmarks for Approval processes
- National Warehouse e-Directory: Assistance from States to enable faster and accurate data collection against defined attributes to ensure robust and reliable platform to strengthen Logistics Sector in the country

City Logistics: Logistics Division of Department of Commerce (DoC) in collaboration with Ministry of Housing and Urban Affairs (MoHUA) is scheduling a conference on "City Logistics" by mid-February, expecting active participation from all the States and Union Territories. The conference will primarily focus on issues and action plans revolving around integrated development of city logistics within the States.

- States/ UTs to establish City Logistics Committee which will have the onus towards integrated city logistics development in the states.
- States are also required to appoint a nodal officer at the level of Divisional Commissioner/ District Collector/ Municipal Commissioner. The officer shall be responsible for the overall coordination of the committee.
- The committee members shall comprise of concerned stakeholders as Officers from Field units of central ministries, Resident Groups, Traders associations and Logistics Service Providers.
- Each State/ UT shall identify two cities to start with for streamlining city logistics (Identify 40-50 cities in total in Phase 1 and in case of smaller States, select State Capitals).

A conference on City Logistics is being planned in collaboration with the Logistics Division of Department of Commerce (DoC) and Ministry of Housing and Urban Affairs (MoHUA) with a focus to discuss and resolve issues and prepare an action plans revolving around integrated development of city logistics within the States.

Drivers' Empowerment and Employment:

- Organizing a skill conference to embark on a comprehensive plan for drivers' empowerment and employment, clearly listing out the roles and responsibilities of various stakeholders, standardize the framework and come out with action points.

Action Plan for States

The States/UTs are required to execute the following actionable points-

- Appoint nodal officer who will help in coordination with various Ministries/Departments of the GoI and State Governments/UT
- Set up State Logistics Coordination Committee which will be responsible for the integrated development of logistics and monitoring progress of various logistics efficiency related reforms initiated by the State / UT;
- Set up State Logistics Cell which will be responsible for getting requisite approvals and clearances related to logistics businesses
- Develop an integrated State Logistics Plan
- Creation of a common database for aggregation of data from multiple state agencies
- Identify two cities for implementation of city logistics initiatives
- Organise state level stakeholder interactions / dip stick surveys on various logistics efficiency and improvement related initiatives e.g. Smart Enforcement, Skilling, Driver Empowerment, streamlining Warehouse approval processes, City Logistics etc. and provide data on specific interventions undertaken by the State/UT

Logistics Ease Across Different States

To achieve the vision of integrated logistics development, it is critical to align States' logistics policies with National Logistics Policy. Therefore, it is imperative to first understand the state of Logistics ecosystem in each of the respective States and create awareness about the same across stakeholders. The annual survey of Logistics Ease Across Different States (LEADS), which was launched in 2018 and second edition in 2019, assessed the same, ranked them and made recommendations for each State. Objective being to create healthy competition among the States and work towards enhancing logistics efficiency. LEADS 2021 report is in its inception stage and will be rolled out in 2021. DOC has engaged Ernst & Young (EY) for the same.

During the pre-inaugural session, EY gave a presentation on LEADS including the comparative study of 2018 and 2019 report. The presentation emphasized on the salient features of the LEADS exercise, the indicators of logistics performance and the LEADS ranking of the states in previous years.

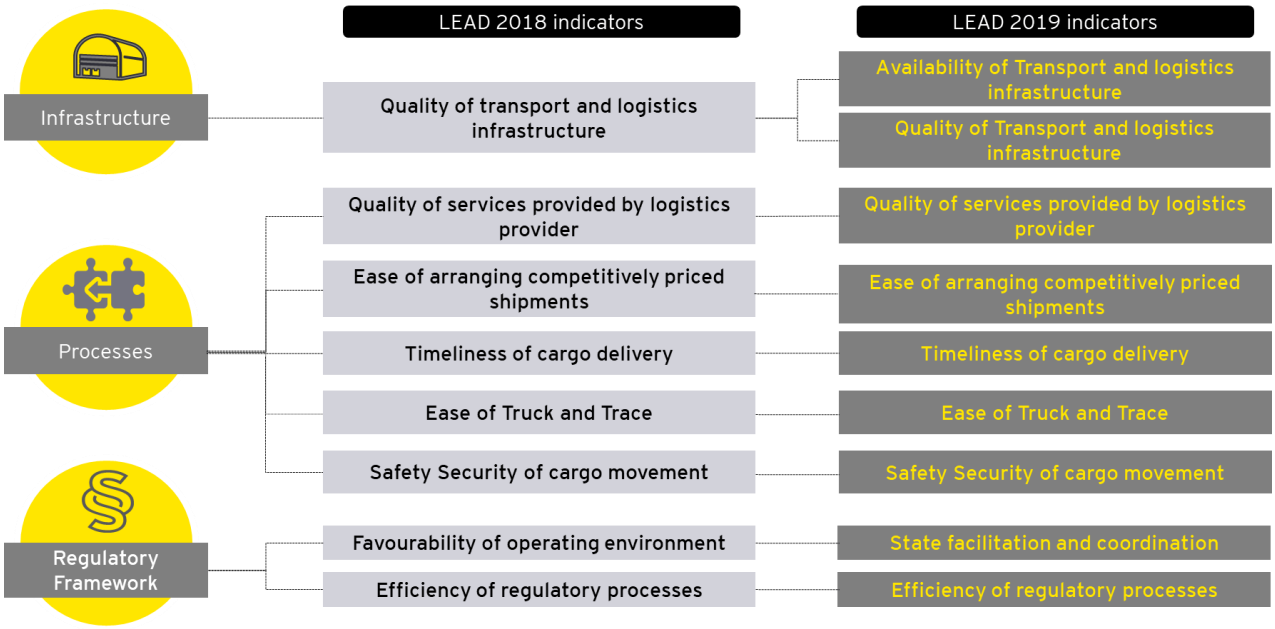
The prime objectives of LEADS exercise are-

- Rank states /UTs logistics ecosystem performance to create constructive competition
- Facilitate right inputs from stakeholders
- Planning on action points and feedback

The first edition of the LEADS report was intended to introduce the common vision for a well-integrated logistics network in India. The study identified the various stakeholders in the states and initiated a dialogue. The focus of the study was majorly on EXIM in order to foster international competitiveness and channelize the key value chains. The report built metrics for assessment of state logistics performance to support state decision making to prioritize the thrust areas. LEADS index involved detailed analysis under three major indicators: infrastructure, processes and regulatory framework. The study garnered 2885 responses in consultation with more than 1000 respondents.

LEADS 2019 analysed the hinterland logistics network in addition to EXIM. Formulated an index to measure the logistics performances of states on a common platform that also provides an opportunity to build on learnings of different states .The study highlighted critical gaps in infrastructure, bottlenecks in processes and inefficiencies in the regulatory framework for each state to improve its logistics. Largely a perception based study brought a hands on experience of various stakeholders and industry experts. It laid foundation for a sustainable mechanism for measuring state logistics performance. The study garnered 3045 responses in consultation with more than 1150 respondents. The indicators for logistics assessment during the 2018 and 2019 study are summarized in the figure below.

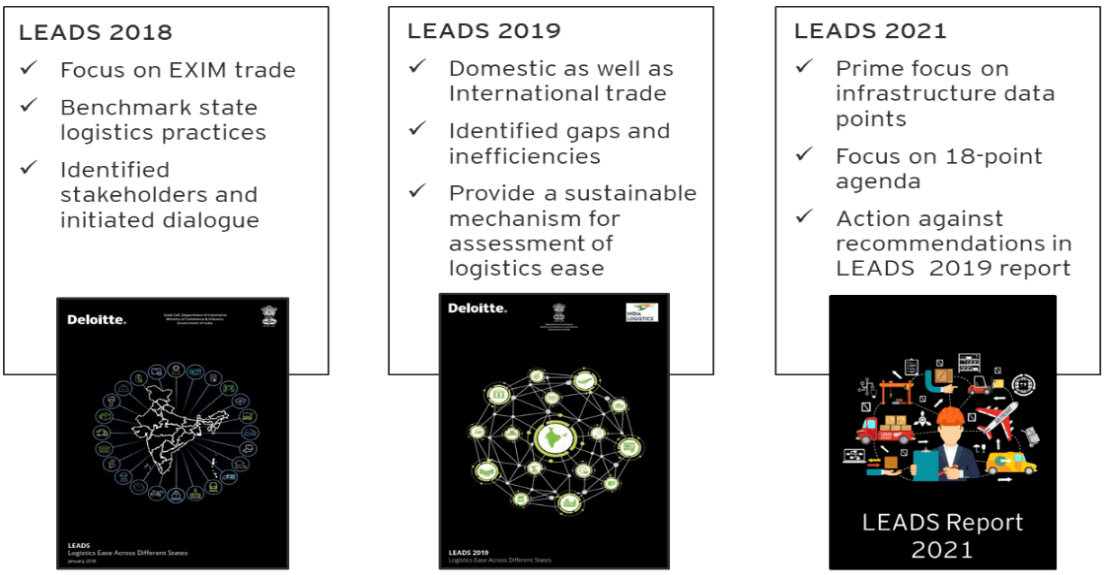
Figure 1 Indicators for logistics assessment - 2018 and 2019 study



Source: LEADS report 2018, 2019, DoC.

The presentation also revolved around the framework which would be adopted for the LEADS 2021 report. The report is in its inception stage and will be rolled out in 2021. The prime emphasis would be made upon the infrastructure quality and availability within the States/ UTs covering warehouses, terminal services, infrastructure assets, EXIM infrastructure, operational SEZs, etc. The study would also collect the responses in context of 18-point agenda casing the areas related to policy, institutional framework, warehousing, smart enforcement, city logistics and drivers' empowerment. Another important aspect of scoring the states would be on the basis of actions taken by the states against the recommendations made in LEADS report 2019 for their respective states. The study will be targeting more responses as compared to the previous two reports.

Figure 2 Key features of LEADS reports since inception



Source: LEADS report 2018, 2019, DoC.

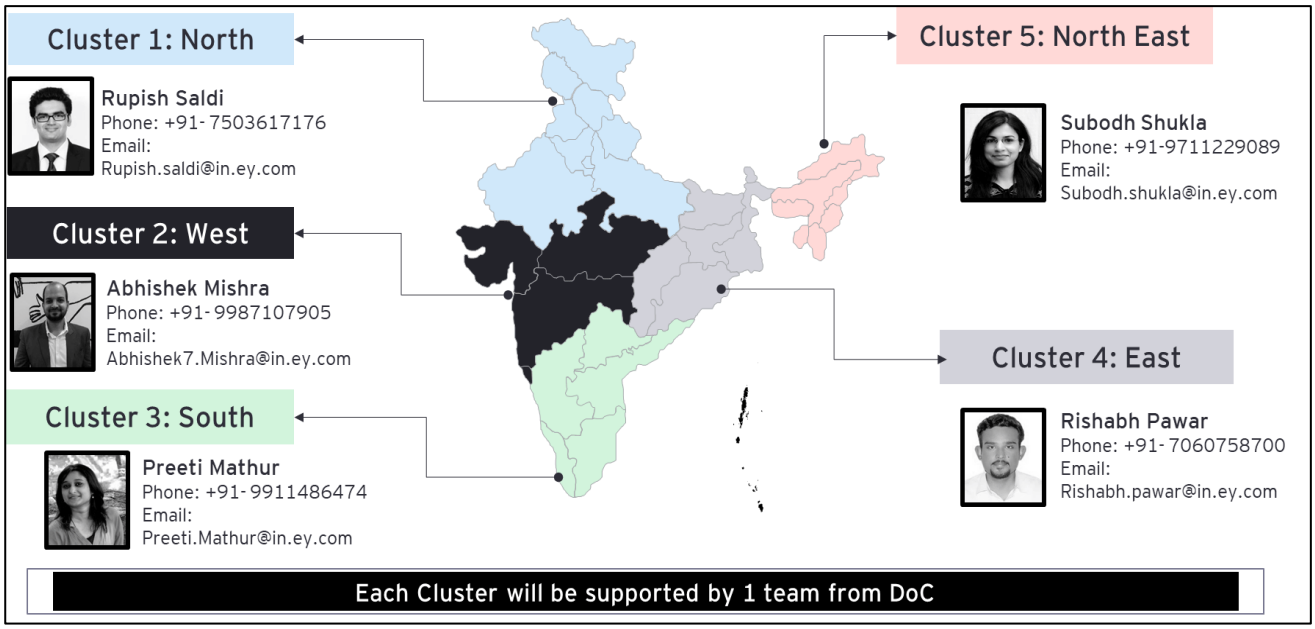
Figure 3 Indicative list of data points which will be captured for the 2021 study

Infrastructure	Services	Operatory and Regulatory framework
► Rail Track Kilometres	► Number of goods commercial vehicles (GCV) registered	► Does the State/UT have a Logistics Policy/Scheme?
► Total length of road network (NH, SH, MDR)	► Number of drivers registered for goods commercial vehicle (GCV)	► Has the nodal department for logistics been identified
► Total capacity of dry ports (including ICD, PFT, CFSs, MMLPs)	► Number of GCV accidents	► Is there a state logistics master plan
► Total warehouse capacity (including cold storage)	► Number of FIRs registered	► Does the state have a single window mechanism for approvals
► Number of testing labs	► Availability of a digital platform to integrate logistics ecosystem stakeholders	► Does the state have a dedicated land bank for setting up logistics facilities
► ETC enabled tolled plazas on State highways	► Number of logistics related courses in ITI's	► Have GST, Fast-track, VAHAN and SARATHI databases been integrated
	► Number of individuals registered for training courses at ITI's	► Does the state have a grievance redressal mechanism for logistics

Source: LEADS reports, EY Analysis

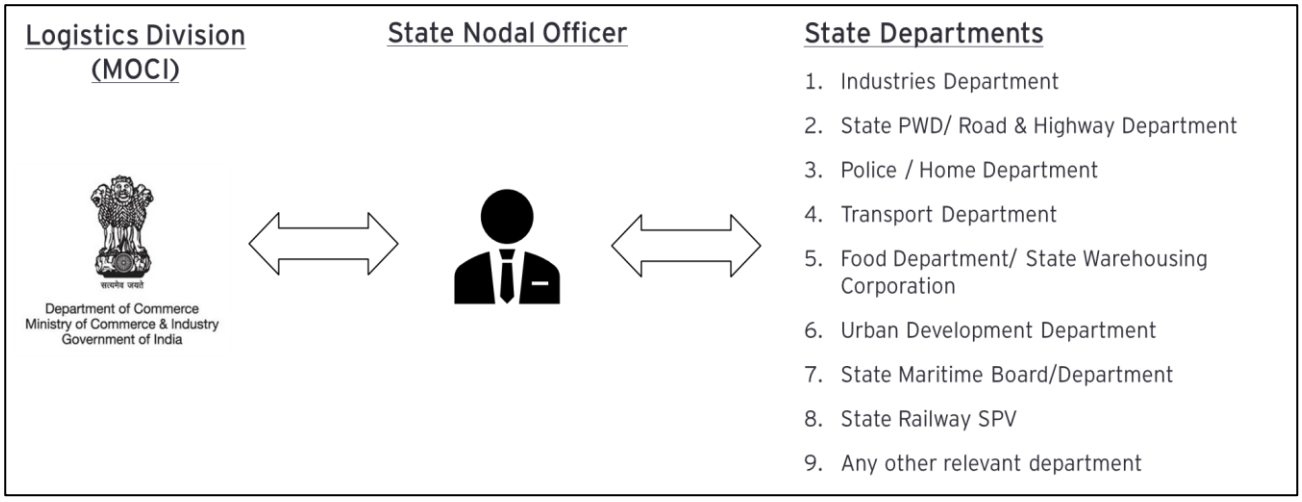
The States will be divided into five clusters and one member from EY will be coordinating with the States from each cluster. Each cluster will be supported by one team from DoC. The figure below indicates the cluster wise distribution of States.

Figure 4 Cluster wise Team Leader distribution of States



The presentation also highlighted the support or assistance required from the states at different levels for the study in upcoming years. States are requested to appoint a nodal officer who will help coordinate with various state departments to collect data for the LEADS Report. The nodal officer will act as a common mediator between the Central and State Govt.

Figure 5 Suggestive institutional mechanism for States and Logistics Division



The assistance required from the Sates/ UTs includes the following-

- Nodal point of contact for each States and UT's
- Creation of a common database for aggregation of data from multiple state agencies
- Feedback from the States/UTs on the LEADS 2019 report
- Provide data for baseline/dipstick survey for specific interventions (e.g. Smart Enforcement)
- Provide inputs and comments on the Draft National Logistics Policy

The engagement with the States will be conducted through various mediums viz., web-enabled portals and mails, telephonic discussions, video conferencing, face to surveys and dipstick surveys. The main motive was to make the states aware of this report and their ranking along with seeking coordination from them subsequently during the exercise.

Smart Enforcement (Session 1)

Background

Problem Statement

In India, there are more than 66 different causes and violations due to which a truck can be stopped on the road by different enforcement agencies. These stoppages cause following issues:

- Reduction in utilization level of the asset (truck)
- Increase in overall transit time
- Increase in logistics cost, part of which is passed on to the customer while part of it is borne by the drivers in terms of deterioration in quality of life of drivers

These issues impact overall cost and quality of logistics services in the country as road carries majority of the cargo in the country (almost 59% of the overall trade). Around 40% of the drivers report dissatisfaction on how rules and regulations are enforced on the road in surveys by Asian Development Bank. Both truck drivers and fleet owners identified multiple check-posts and stops as a major operational challenge.

Average speed of trucks remains relatively low in India, with most trucks covering between just 350 to 450 km per day. This is significantly less in comparison to European countries where single truck covers around 581 kms per day.

Poor compliance on issues like over-loading and protruding cargo is causes of accidents, injuries, and fatalities on road. There were almost 1,51,000 fatalities and almost 4,51,000 injuries in 2019 on Indian roads. Protruding cargo alone was responsible for 85,00 deaths and 21,200 injuries in 2017.

One of the key questions in front of Government of India is how the balance between benefits of stronger enforcement of laws and cost borne by country in terms of efficiency and convenience by stronger enforcement. It means simultaneously more effective and efficient, leveraging a variety of drivers of compliance and of stakeholders, combining a number of approaches and tools, and also differentiating between those who are following the laws effectively, violations which may have a variety of causes and not always be conscious or profit-driven and offenders who wilfully do not follow the laws.

In such a system, agencies focus controls on establishments or operators where they estimate the aggregate risk to public welfare to be greatest, take enforcement decisions where measures are proportional to the actual harm or risk, but also “reward” firms that voluntary report their own violations and/or actively seek to improve (through relatively more lenient treatment). By contrast, for offenders and offences which are considered more serious (both in terms of the probability and potential magnitude of harm, and of behaviour), they will typically use more stringent measures. Therefore, there is a need to address these bottlenecks and transform the overall enforcement mechanism in the country. With this intent in mind, Department of Commerce included Smart Enforcement as one of the discussion topics for the States.

What is Smart Enforcement?

In order to efficiently identify those who are wilful offenders and strengthen enforcement of laws without causing issues to wider market and deal with one of the challenges i.e. dependence on physical by-sight enforcement, it is important for States to deepen the penetration of technology. Adoption of risk-based prioritization, based on data and backed by technology interventions, can help drastically reduce the need for physical stoppages and occasional inspections by enforcement agencies.

States would be required to devote much lesser human resources to maintain physical on-road enforcement teams and at the same time, this will help States drive greater compliance with regulations and procedures

from transporters/drivers and prevent revenue leakage. These technological interventions are part of Smart Enforcement mechanism.

For example: adoption of sensors, or in the case of overloading WIM, and creating an integrated system of remote monitoring and focused enforcement would help improve outcomes.

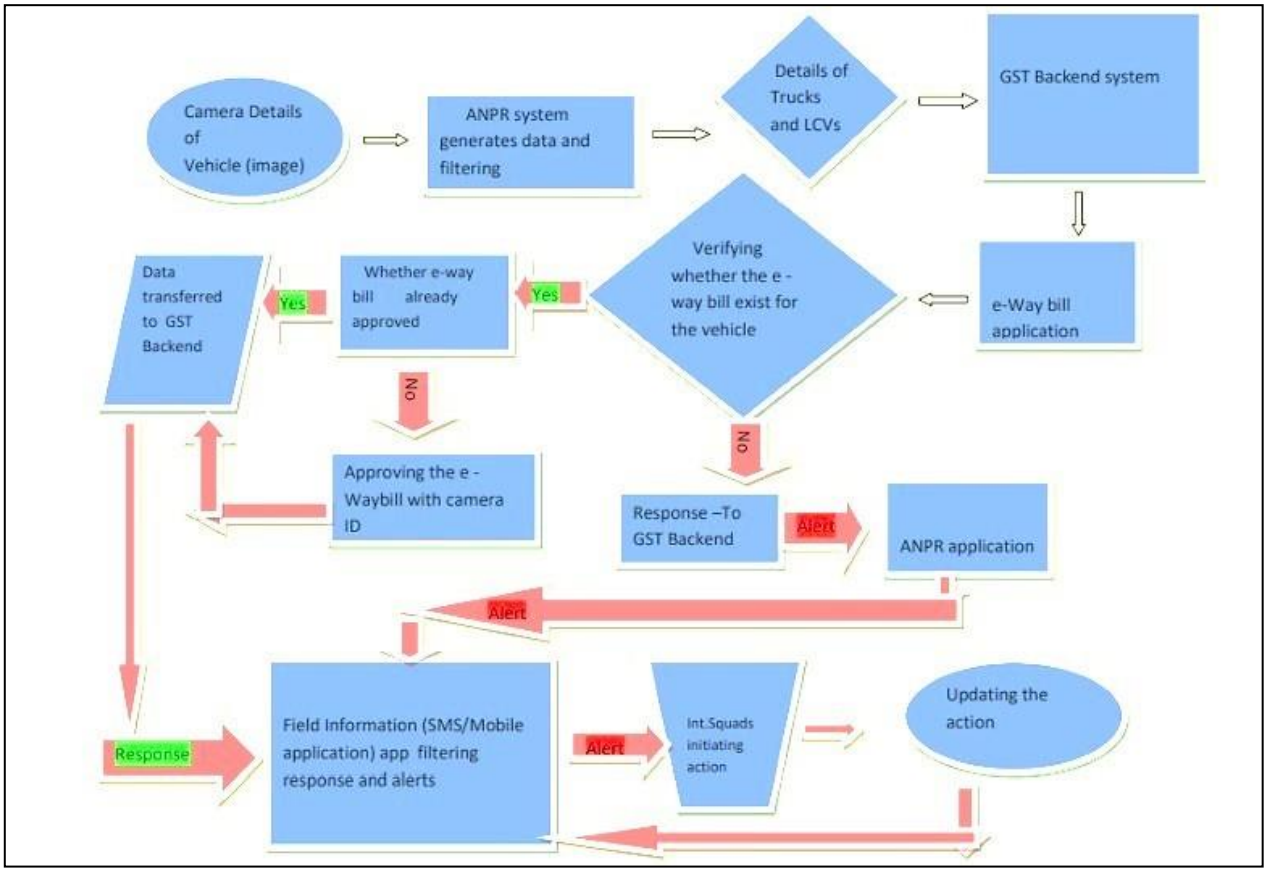
Few States have started working in this direction and have incorporated elements of risk management (RM) based approach and use of technology for enforcement of laws.

Highlights of the presentation

Acknowledging the importance of the subject matter for overall improvement in the movement of cargo and need of shifting towards risk mapping-based scrutiny of documents and other necessary permits, one breakout discussion was on Smart Enforcement. During this session, states presented views on the subject and what measures have been taken in this direction. Out of all the states, two states presented how they have started setting up necessary infrastructure for Smart Enforcement and what is the progress till date. These presentations were by:

- **Kerala**
  Kerala presented how they have implemented Automatic Number Plate Reading (ANPR) System. The step by step process is given below:
    - ANPR system captures vehicle image
    - Number plate and type of vehicle identified by OCR and AI
    - Number plate of truck and data in E Waybill cross checked
    - If e-way bill is available, risk-based parameters of the truck are checked from central database
    - Enforcement teams to intercept in case of any issue
      The architecture of this system is as given below:

Figure 6 Automatic Number Plate Reading (ANPR) System - Kerala



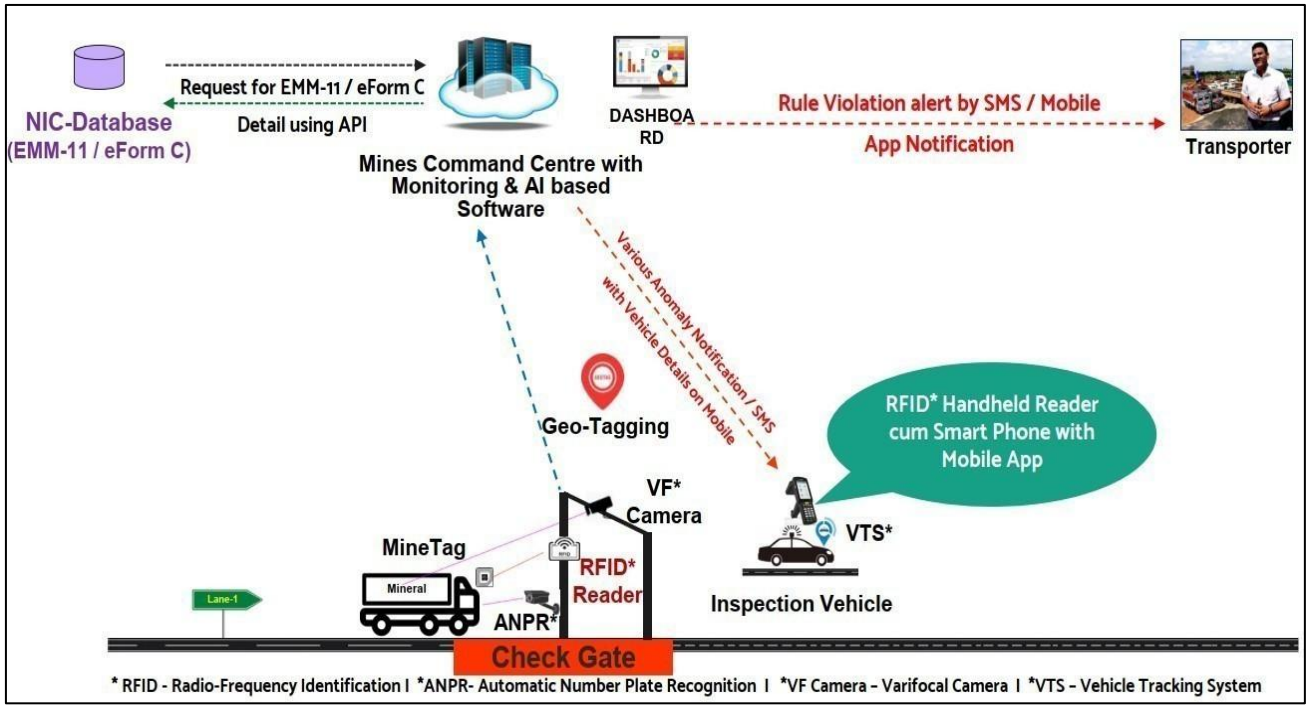
Any issue reported with the vehicle will enable the Control Room for allotting suspected vehicle for direct action based on Alerts received from ANPR System using GPS location. Enforcement vehicles are also supported with GPS supported video surveillance. This acts as a control mechanism to ensure that enforcement agencies are performing any interception only due to a valid reason and further increases transparency in the system. System will also provide route map to the surveillance vehicle squad, in order to ensure successful interception.

- **Uttar Pradesh**

  District Administration was looking for a solution to check if vehicles followed all prescribed rules/guidelines in the transportation of minerals (Mines to Market). The objective was monitoring of approximately one lakh commercial vehicles, carrying minerals from various mines (Within UP as well as vehicles coming from neighbouring States). State came up with a solution of installing smart check gates at multiple pit stops. These check gates were enabled with self-contained/UN-Manned/AI Based Solution to prevent and monitor illegal transportation of minerals through RFID-based check gates and IP Cameras for surveillance.

  The check gates were working as shown below:

Figure 7 RFID-based check gates and IP Cameras surveillance for trucks in transport of minerals - Uttar Pradesh



The system has been enabled with vehicle identification using RFID reader or ANPR camera installed at check-gates. Mineral identification in the trucks was performed through AI analysis. Weight in the truck is measured using WIM and IoT. Advance analysis of vehicles enabled data record at check – gates to general MIS reports.

Issues discussed

Key points discussed during the breakout session were as follows:

a. 66 different cause/violations for which a truck can be stopped on road by different enforcement agencies
b. Authorities are interested in three broad things: what is being carried, the vehicle it is carried in and road behaviour
c. Need for a system which makes enforcement seamless and without stopping trucks unnecessarily
d. To be integrated with various stakeholders such as transport agencies, GST agency, enforcement agencies etc

Outcome/ analysis / issues on which cooperation sought from States

Tamil Nadu expressed interest in implementing Smart Enforcement and informed that ANPR system, vehicle tracking devices and portable weighing machines will be soon installed in the state on pilot basis. It was also agreed that Smart Enforcement has following major benefits:

a) Suitable for States having limited number of Toll Plazas
b) Not depended on presence of RFID tags in Goods Vehicles to be captured
c) This eliminates manual intervention in e-way bill verification
d) This process automates approval of e-way bill without manual intervention.
e) This avoids cancellation of e-way bills and multiple transportation using same e-way bill.
f) Supports risk based intelligent vehicle inspection giving quality output and saving time of mobile squads.

Allows future integration with RFID, VAHAN, Fastag system, Weigh in Motion Sensors, etc.

Few major next steps were identified as follows:

a) Primer study by ADB to be shared with all the States and UTs
b) Dip-stick study to be initiated to understand current enforcement mechanism of each State and UT
c) Identification and prioritisation of corridors to implement Smart Enforcement
d) Awareness drive to enforcement agencies to stop movement of protruding cargo

Warehousing (Session 2)

Background

Warehousing sector has gained importance post implementation of GST in 2017. This was primarily due to an eco-system for efficient supply chain being triggered in country. In 2017, the Central government granted the logistics sector including warehousing the status of “Infrastructure”. On supply side, warehousing has gone from a sector which was dominated by “organised players” to now attracting “international players”, which has led to formalisation of the sector. On demand side, occupier expectations in terms of compliant and quality warehousing space has catapulted to the next level. This is primarily due to the increasing dominance of e-commerce, 3-PL, corporates and global operations.

Establishing and operating Warehouses requires multiple interactions with the government to secure applicable licenses, approvals and clearances, with regard to planning, construction, operationalization, along with ensuring structural safety, building quality, safety and well-being of workers, adoption of standards for ensuring quality and safety of goods stored etc. These clearances also look at long and highly variable timelines across states. Approvals and licenses required for setting up of warehouses is highly staggered, with minimal or no consolidation of such approvals processes leading to duplication of effort from warehouse developer for getting approval to set-up warehouse. The detailed process mapping will help link the dependent processes for approvals and the timelines to get clearances from the authorities.

Highlights of the presentation

Across top 8 cities, warehousing sector has witnessed a 3-fold transaction growth from FY2017 to FY2019. These cities include NCR, Mumbai, Ahmedabad, Pune, Bengaluru, Kolkata, Chennai and Hyderabad. The transactions have also seen a significant growth from 14mn sqft in FY2017 to 26mn sqft in FY2018 (87% YoY growth) and 46mn sqft in FY2019 (77% YoY growth). On the supply side, the top 8 cities held an estimated 307 mn sqft of warehousing stock at the end of FY2020. NCR and Mumbai together account for 58% stock of which Mumbai alone has a share of 40%. The vacancy level on currently built-up space is 15.5%. Nearly 193 mn sqft of potential warehousing can come up on existing land parcels.

Emphasis is laid on developing standardisation of warehouses for structure, process, storage, material handling and packaging methodologies confirming to globally acceptable standards. Development of unified document for standards to act as enabler for development of warehouses in various states is also the main focus area. This would lead to maximizing warehouse efficiency and reducing costs.

Measures are also taken to create a digital interactive platform to enable warehouse operators and users to engage in faster and refined search for suitable infrastructure. Geo-tagging of warehouse facilities within the country will provide larger visibility of existing infrastructure. Enabling attribute-based search and selection of most feasible warehousing facilities and creating digitization of information will improve longevity of the data.

Discussion with States

Representatives of the states presented advanced measures implemented to ensure development of the warehouse and logistics sector.

Punjab

- Right to business act - has highlighted that initial clearances are not needed, and this facility is extended within the states to setup infrastructure with deferred permissions.
- Punjab state government has placed focus on the accessibility for the facilities being developed for logistics
- In lines with the state reform action plan, all processes are online already or being made online. Even CLU is online.
- A logistics Committee is also established as per MoCI direction

Haryana

- Single window clearance for approvals is also available through online portal. (with timelines as low as 45 days too)
- Awarded special 'Industry' status to Logistics and warehousing in Haryana
- Increased FAR for warehousing, Subsidy for new technology upgradation

Rajasthan

- CLU is automated for upto 10 acre, charges exempted with clearances within 45 days
- Capital subsidy for development of storage infrastructure for both farmer (50%) and others (25%)

Madhya Pradesh

- Deemed approval system for Industrial process, clearance in 15 days under public service approval act
- Availability of contiguous land
- Relaxed FAR (maximum ground coverage of 60%)
- Single window clearance system
- 100% reimbursement of stamp duty and registration fee

Uttar Pradesh

- State has granted 'Industry' status to logistics sector.
- State Logistics cell strengthened, and State Logistics Coordination Committee set up. Integrated State Logistics Plan being developed

Karnataka

- Setting up of Logistics Academies in 3 districts
- Truck Driver Training programme
- Parking Policy, Nominated Additional Chief Secretary (Commerce and Industries) as nodal officer for development of logistics sector.

Issues discussed

The challenges that warehouses currently face include:

- Standardisation of warehouses: certain standards were required to be identified in terms of the structure, storage, processes, handling and packaging methodologies. Required documentation also needs to be unified across states.
- Approval Processes Mapping: Streamlining of approval and licensing processes is needed. Practices such as Single Window Clearances need to be adopted. Conflict among applicable guidelines of various regulatory agencies for storage of special and dangerous goods e.g., SPCB requirements and NBC and Fire norms - Online dissemination of authenticated applicable guidelines are required.

Outcome/ analysis / issues on which cooperation sought from States

Logistics Departments are simultaneously focusing on certain aspects of warehousing. These include:

- Standards for Physical Assets: Measures to be taken towards identification and creation of standards related to physical assets of Logistics infrastructure

- Approval Processes: Cataloguing aspects of Warehousing approval processes as in vogue in various states basis stakeholder consultations
- National Warehouse e-Directory:
  - Development of a National Warehouse Directory e-platform
  - Collection of data from various warehouse providers and maintain a geo-mapped directory for users to discover most suitable facilities
- Warehouse Rating Mechanism:
  - Creation of Warehouse rating mechanism to identify service levels of various operators in the industry
  - Creating matrices under which facilities may be audited and certified

City Logistics (Session 3)

Background

City logistics involves both freight distribution in urban areas as well as the strategies that can improve its overall efficiency while mitigating congestion and environmental externalities. It includes the provision of services that manage the movements of goods in cities and provide innovative responses to customer demands. City logistics has received a growing level of attention in light of ongoing urbanization, rising standards of living, globalization, and new forms of consumption such as e-commerce.

City logistics is inherently interdisciplinary, trying to reconcile several domains of inquiry and analysis. Freight movements are a function of economic activities and their spatial organization, the domains of urban geography and urban economics. They are also a function of consumer demand, the domains of economics, and sociology. Freight mobility is managed by competing transportation and logistics service providers who are constantly seeking new efficiencies, the domain of logistics. This mobility is also a function of sourcing, procurement production, and distribution, the domain of supply chain management. Lack of planning for city logistics infrastructure and its best use will impede quality of life as well as economic development.

Highlights of the presentation

Planning of cities has a superior approach today, but one has to go to the road of restriction and regulation as most of our cities have traditionally grown up. They have become robust centres because they were not planned in any organised or systematic way, except for those which are greenfield, like Naya Raipur or Chandigarh, etc. All the other cities have grown up in a haphazard way. Earlier, in western civilization, cities used to grow up on the banks of rivers or the periphery of railway connection. In our country, cities have grown up partly to respond to a variety of factors, including people moving with large demographic shift from rural to urban areas for employment opportunities thus, creating informal settlements.

But the cities are more inclined towards restricting the urban freight by adopting measures like putting time and weight restrictions on commercial vehicles or by implementing congestion pricing, parking restriction etc. than planning for the freight flows for the existing and for the future scenario. Planning is required in terms of required infrastructure and efficient utilisation of capacities. Cities are needed to develop a coherent supply chain awareness among the concerned stakeholders.

The presentation put emphasis on a five-step guide (DEVEC) which will be instrumental in improving city logistics and primarily revolves around Data capture, Stakeholder Engagement, Guiding Vision, Evaluation framework to prioritize solutions and Capital generation methods for financing logistics infrastructure projects. On the other hand, solutions like encouraging use of Non-Motorised Transport (NMT), identification of peri urban locations for setting up of urban consolidation centres for deliveries, use of energy efficient and environmental suitable modes like usage of electric two and three-wheeler vehicles for first and last mile deliveries, planning for optimizing reverse logistics, promoting Mass Rapid Transportation Systems (MRTS) for distribution across the cities for lighter commodities, etc. are the quick solutions which can be adopted by States for ameliorating the condition of logistics in the respective cities.

Discussion with States

The States and UTs have implemented various best practices for efficient management of city logistics, some of which are mentioned below.

Haryana:

- Earmarking special hubs for warehousing and logistics sector at the stage of Master Planning of "Panchgram Cities"
- All industrial approvals in the State are being granted through single window portal

- Increased store functioning hours to operate 24x7

Karnataka:

- Created a dedicated Logistics Division, to be handled by Visveswaraya Trade Promotion Centre – the State nodal agency for export promotion
- Nominated Additional Chief Secretary – Commerce & Industries Dept. as nodal officer for development of logistics sector
- Formulated State Industrial Policy 2020 - 2025 identifies Logistics as a key focus sector and offers several incentives for development of the sector
- Fast-track facilitation of clearances for logistics sector projects
- Parking Policy for Bengaluru to streamline development of truck terminals, time based parking options etc.
- Established Logistics Academies in 3 districts on PPP with Government support
- Constructed peripheral ring road in Bengaluru for uninterrupted movement of regional freight, thus reducing congestion and pollution within the city
- Provision of smooth metro rail connectivity within the city of Bengaluru to decongest the city

Rajasthan:

- Fixed timings for goods movement in city area to reduce congestion
- The goods carriage Electric Vehicles (EVs) are being used as allowed by the Government.

Uttarakhand:

- The State has encouraged use of Electric Vehicles for transportation of goods
- Adoption of Smart Parking initiative by using in-ground Smart Parking sensors, cameras or counting sensors

Dadra and Nagar Haveli & Daman and Diu:

- The UT has created a “Parivahan Suvidha” mobile application to provide solutions to transporters, truck drivers and industries on one digital platform

Issues discussed

The advent of rapidly expanding cities has led to many challenges in city logistics that result from the negative externalities in traditional freight distribution network. Some of the key issues gripping the city logistics are given in the table below.

Figure 8 Critical list of issues on City Logistics

Challenges
Rising Logistics cost
• Suboptimal selection of Facilities acting as a transhipment points on the delivery routes • Unplanned land use patterns – For urban freight distribution higher densities involve higher costs and lower reliability. Higher density areas make retail space at a premium, inciting a lower level of in store storage and therefore more deliveries are required. • Lack of Planning based on data of freight flows • Life cycle cost of fleet of vehicles providing deliveries • Cost borne due to parking and penalties • Urban freight distribution is characterized by smaller volumes and high frequency deliveries, which is in contradiction with the consolidation of loads leading to higher delivery costs
Environment concerns

Road transportation is the most polluting mode per unit of distance travelled. Urban freight distribution is more polluting than intercity freight transport due to: • Vehicle age –More common to use older vehicles for urban deliveries • Vehicle size- Smaller vehicle size makes it difficult to realize economies of scale .Smaller delivery vehicles must undertake more travel to deliver a similar volume of freight than a regular truck • Operating speeds and idling – Vehicles have lower driving speeds , regular stops and much more idling in addition to city traffic rules that result in more fuel consumption and pollution
Congestion & City Dynamics covenants
• Congestion due to parking of delivery vehicles, absence of standard vehicle size, illegal parking and loading/unloading facilities • Road capacity taken by urban freight transportation is at the expense of capacity available to passenger transportation (and vice versa). Peak hours due to commuting exacerbate the difficulties of freight distribution • Cities impose restrictions on time access, vehicle with certain characteristics, emission zoning • Multiple stakeholders with competing objectives and resource constraints • Compromise on safety- accidents involving ecommerce deliveries

Outcome/ analysis/ issues on which cooperation sought from States

Some of the key solution mechanisms to overcome the above challenges as discussed during the session are given below.

- An institutional mechanism at city level for coordination between key stakeholders in city logistics (Residents, Shippers, Government, Logistic service providers).
- Data acquisition pertaining to freight flows, imperative to understand critical nodes in freight distribution scheme
- Comprehensive land use plan in line with the city mobility plan and logistics needs of key supply chains
- Arranging capital by enabling users pay in proportion of benefits derived, some of the options can be PPP (capital by Govt and Industry), Project finance (loan – repaid from revenue streams of created infra) and Value Capture (e.g., tax enhanced land prices).
- Regulatory and Land Planning: Restrictions on Vehicles in small areas and roads based on emissions (Low Emission Zone), weight, size, age, mixed land use based development to reduce freight distances
- Market based measures: Urban congestion charge when entering the city or a certain area, Smart fare Implementation based on the distance travelled, volume shipped or the current traffic conditions in the city.
- Equipment and technology enablers: Optimization of freight distribution via traffic information systems, freight capacity exchange systems, centralized route planning, route optimization. Lower or Zero Emission Trucks (Euro NCAP 5, electric, gas) in combination with regulatory and land planning measures
- Infrastructure:
- Fixed Infrastructure: Identification of peri-urban locations to setup urban consolidation centers for last mile deliveries. Optimal locations to develop logistics facilities Transshipment points, check posts, driver resting points, holding areas at entry
- Rolling/Floating Infrastructure: Metro network for distribution of lighter commodities, promoting Non-Motorized Transport including EV, 2-3 wheelers etc. for first and last mile deliveries
- Capacity sharing and collaboration:
  (a) Sharing transport Demand: Carriers collaborate to share Orders & Optimize transport capabilities while retaining service levels
  (b) Sharing Logistic service supply: (ex: truck fleet & warehouse) resulting in expansion of Service area of the receiver
  (c) Sharing information: Eliminating simultaneous arrivals and improvisation build on previous freight flows

In this direction, National Logistics Policy (NLP) is being drafted which requires full support from the States as they will be playing a very important role in development of key areas within their territories including but not limited to institutional mechanism or regulatory framework, infrastructure establishment, digital performance measuring system or development of an efficient work force of logistics providers.

Drivers' Empowerment and Employment (Session 4)

Background

Trucking sector is the Gordian knot in India's logistics sector commanding two –thirds of the intermodal share in Freight. Despite being the real translators of the cargo movement, Truck drivers have not been given the due importance needed to transform the overall outlook of logistics. Truck drivers face a very harsh work environment characterized by low & erratic remuneration, long working hours, inadequate resting facilities, health issues include HIV/AIDS, mental issues etc, lack of access to healthcare, insurance & social security like PF/ESI due to contractual nature of work, hassles en-route with law, lack of formal training in skill, digital & financial domain etc. The extent of population affected directly is about 700 lacs of truck drivers and their families, i.e. about 4-5 cr people. Stressed & fatigued drivers are susceptible to cause & also be victim of road accidents. The catastrophic economic losses include loss of productive manpower, pay-outs in claims and compensation, litigation cost of large number of cases in courts under Motor Vehicle Act, loss of property and goods etc.

In the view of above it is imperative that the Ministry, States and other industry stakeholders work in close coordination to create a conducive ecosystem for truck drivers. The breakout session on Driver Empowerment & Employment aimed at discussing state specific issues, initiatives taken by states in the thrust areas, suggestions for a common vision and build on the learnings.

Highlights of the presentation

Availability of Truck drivers is critical to logistics, even as the number of truck drivers keep sliding, the share of road in overall freight continues to rise, compounding the issue. India needs Truck drivers who are well trained and skilled, physically and psychologically healthy, are financially stable, are under a social security net and are seamlessly integrated with "Digital India". At the outset the table below entails the reasons of unattractiveness of Truck driver as a profession:

Figure 9 List of reasons of unattractiveness of Truck driver as a profession

Harsh Working conditions	• Improper monitoring of work hours , • Absence of basic amenities like accommodation, food, washrooms • Away from home and on the road mostly
No Social Security	• Lack of regular employer-employee relationship • 93% get no Insurance, retirement, PF,
Poor Road safety	• Lack of formal training/skilling. • Fatigue related accidents • 12.3 % of road accidents & 15% fatalities
Poor Remuneration	• Erratic and low salaries • Non-standardized wages/salary
Poor Health	• Poor health- HIV, Vision, neck/back, drug abuse • A large number do not realize benefits from "Ayushman Bharat"
Lack of Respect	• Discriminatory behavior of enforcement • 38% drivers not married -social stigma
Low job satisfaction	• 53% are dissatisfied with their profession; • 84% will not recommend trucking to their family members or relatives; • 60% work for less than 15 years in the industry.

Socio Economic impact of improper management of Drivers in the logistic sector

The shortage of drivers is a major impediment in an efficient logistics network, not only it causes economic loss but also has a huge sociological impact. According to a study by TRIPP of IIT(Delhi) and DIMTS in 2018 the socio-economic cost of road accidents amounted to INR 5.9 Lac crores or 3.1% of GDP. Trucks directly or indirectly are involved in large number of accidents. India can add 14% to its Gross Domestic Product per capita if it successfully halves the number of road accidents crashes and injuries by 2038. Key features of the socioeconomic costs attributed to driver shortage and accidents are given below:

a. Cost borne due to Idling of Trucks:
   - A shortage of 28-30% of drivers leads to missed opportunities, and the subsequent cost of idling of trucks translates to a loss of 1-1.5% of GDP.
   - Against the global average of 600kms/day, trucks in India are able to cover an average distance of 270 Km per day only.

b. Accidents-Loss of life, property and goods:
   - Trucks- 5% of vehicles and 15.8% of fatalities
   - 22,637 deaths (trucks/lorries) = 14.6% of the total deaths (NCRB- 2019)
   - 69% of fatalities between 18- 45 yr age group- Loss of productivity
   - Cost of fatalities- Over Rs 22,00S0 cr
   - Claims: Rs 35,519 cr settled during 2018-19 by general insurance companies
   - Compensation: The paid amount for the settled claims was Rs 18,262 crore.

Overcoming the challenges

Resolving truck driver shortage needs an active collaboration amongst all stakeholders to provide 360 degrees solutions and standardize the strategy to overcome the challenges.

Figure 10 List of various stakeholders involved for drivers' empowerment

Government	Industry	Subject specific Expertise
• State Governments • MoRTH • NHAI • RTOs	• Automobile Industry • Truck User Industries • Truck Associations • Insurance Companies	• Ayushman Bharat, MoHfW: Insurance • MoHFW, NACO- Health Initiatives • Dept of Financial Services: Reduced insurance claims mobilization • MoHFW, NACO- Health Checkups • MeITY: Digital Initiatives • MSDE: Skill & Training

The four main components of Driver Empowerment and Employment Programme (DEEP) are Wayside Amenities, Training/skill upgradation & facilitation, Social security & Empowerment and Digital ease and efficiency. The section below attempts to detail the key pointers for each component

Wayside Amenities

It is imperative to provide host of facilities to give home like comfort to the drivers en route, so they are in best state of mind and motivated to perform efficiently. The resting etc facilities should be provided at freight

handling terminals, transhipment points, peri-urban areas etc or anywhere where the trucks come to halt for any activity or compliance related requirement, some of the noteworthy aspects are:

- A network of Amenities to be developed along the highways
- Location selection to be based on traffic density, truck throughput, proximity to industrial hubs, etc. and points where wheels stop (warehouses, etc.)
- Amenities for Rest, food, hygiene, parking, repairs, recreation. Add-ons like wi-fi, ATMs, 24X7 store
- Introducing a single Touch Point to train and skill drivers, facilitation of kiosks for welfare schemes. Health camps and mental-wellbeing/counseling
- Creating Greenfield as well as Brownfield facilities and utilizing the existing dhabas etc. by upgrading them to the standard.
- Explore PPP model with beneficiaries like logistic service providers and user industries
- Tie-up with NHAI- Highway Village Scheme

Training/skill upgradation & facilitation

The States may draw plans to train truck drivers on most important subject; i.e. road safety. This would include training as well as facilitation for driving license. Financial literacy & facilitation to avail the benefits of insurance etc is another important area. Further, as the country embarks on the "Digital India" mission, the drivers must be ready to join the same. Some of the key action points can be:

- To encourage supply of trained drivers
- Prioritize four focus Areas- Road safety, Financial literacy, Digital literacy & Mental health
- Training in driving, road Safety, maintenance & compliance before license
- Facilitate process for obtaining license.
- Sensitize the law enforcers to drivers in particular & logistics in general
- Simplifying compliance procedures
- Facilitate incentives for the profession at "Rozgaar melas".
- Maintain contact digitally - Online content like videos, memes and games, posters and booklets.

Social security & Empowerment

In an advent of rapidly changing sector and economy prone to disruptions like COVID-19, truck drivers are the most vulnerable to bear the most negative externalities and therefore should be given a total security net to provide financial sustainability to survive the difficult times. Most drivers are without medical & insurance cover. Key steps to be taken in this regard:

- "Ayushman Bharat" relies on the SECC'2011 data. Truck drivers are an eligible category but only 2-2.5 lac transport workers enrolled. Of which, only 40-50k truck drivers. Need to identify and enroll all active truck drivers.
- A mission to provide affordable & accessible healthcare to drivers
- Frequent health camps, especially for vision and counselling for well being
- Covering drivers under existing welfare schemes
- Explore tie-ups with user industries, medical & insurance companies
- Innovative financial models to meet the expenditure in association with the insurance companies etc.

Digital Ease and Efficiency

Initiatives taken to impart digital ease and efficiency are as follows:

- ELD (Electronic Logging Device): for logging in and out- part of truck equipment
- SLDE: Secure Logistics Digital Exchange for digital document transfer across agencies.
- SAMMAN (also Green Trucking) – easing compliance burden through an IT framework
- e-POD- eliminate need to carry physical delivery proof
- TVPP (Truck visibility and Positioning Program): to facilitate finding return trips. Better turnaround time.

Discussion during the session

Initiatives taken by the States -

- Maharashtra- Samruddhi corridor-Mumbai-Nagpur- having the wayside amenities, Integrated Logistics Park with all the amenities are planned at almost 100 places.
- Telangana- Driver Empowerment programmes in association with Maruti Motors and SBI, Assistance to purchase vehicles in terms of subsidies, Creation of Truck hubs on PPP to provide state of art facilities for drivers.
- Rajasthan- OEMs training centre for heavy vehicles. RSLDC plans to train 5000 drivers in level 4 NSQF courses in road safety & vehicle

Outcome/ analysis / issues on which cooperation sought from States

- Assessment of current training infrastructure for truck drivers, including specific categories like Heavy Vehicles, ODC, Bulk etc.
- Assessment of critical locations having and explicit need of having truck hubs and ensuring state master plans to have provision for the same along key National and State Highways
- Devising an institutional mechanism for enrolment of truck drivers into welfare schemes
- Skilling of truck drivers on road safety, financial and digital initiatives.

National Logistics Policy

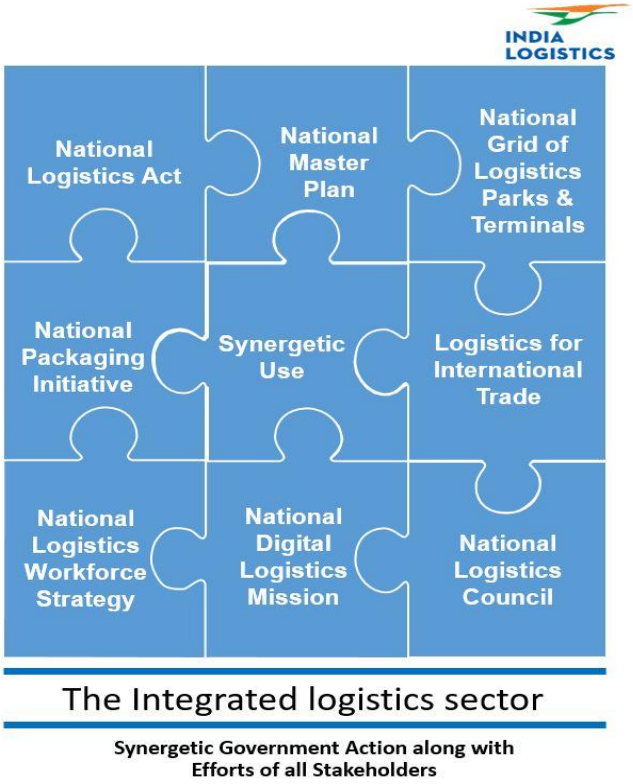
Shri Pawan Kumar Agarwal, Special Secretary (Logistics), Ministry of Commerce & Industry, GoI highlighted key aspects of The National Logistics Policy. The desired outcome of the policy is to achieve a reduction in logistics cost of 40% which currently stands at 13% of GDP.

The context

As India endeavours to become a self-reliant USD 5 Trillion economy by 2025, there is an inherent need to develop a robust, well integrated, and efficient logistics network. Over the past few years, India has made significant progress by building logistics infrastructure and carrying out various regulatory and structural reforms. Despite the reforms, several inefficiencies persist like:

- Piecemeal development of infrastructure:
- Complex and fragmented regulatory environment
- Gaps in skilling ecosystem
- Disjointed IT systems
- Overdependence on road transport
- Lack of predictability & visibility
- Weakness in EXIM logistics
- Suboptimal use of available infrastructure
- Empty return trips

Figure 11 Ingredients of Integrated Logistics Sector

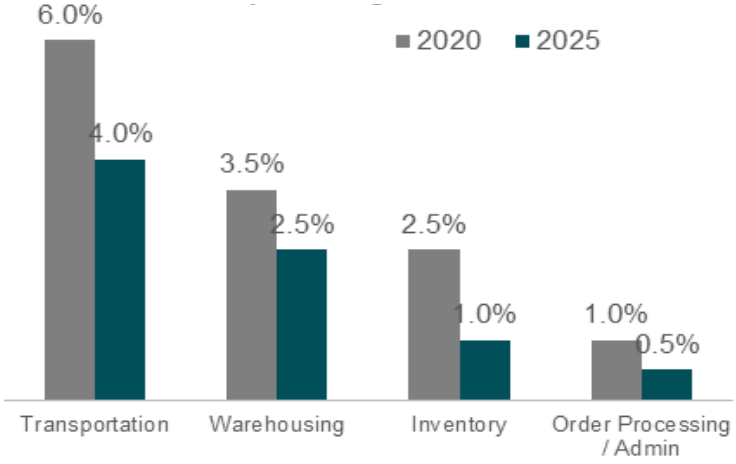


In order to enhance the logistics sector competitiveness, the Ministry of Commerce and Industry, has set up the Logistics Division, which has drafted a “National Logistics Policy” to provide a unified policy environment and an integrated institutional mechanism, for developing the logistics sector. The policy aims to imbibe resilience in the logistics services sector building on dynamic processes, technological interventions and skilled manpower to seamlessly integrate multiple modes of transportation and inventory management to provide more reliable, cost effective, environment friendly safer and equitable logistics solutions.

Vision

The key objective of the National Logistics Policy is (i) increasing logistics efficiency and throughputs to reduce logistics cost from 13% of GDP to 8% by 2025 (ii) achieving a ranking in top 25 in major global logistics-related performance indices, and iii) encourage environmentally sustainable, inclusive and future ready logistics. These objectives can be achieved through promoting integration, optimisation, standardisation, modernisation, formalisation and democratisation of the logistics space.

Figure 12 Logistics cost as a % of GDP

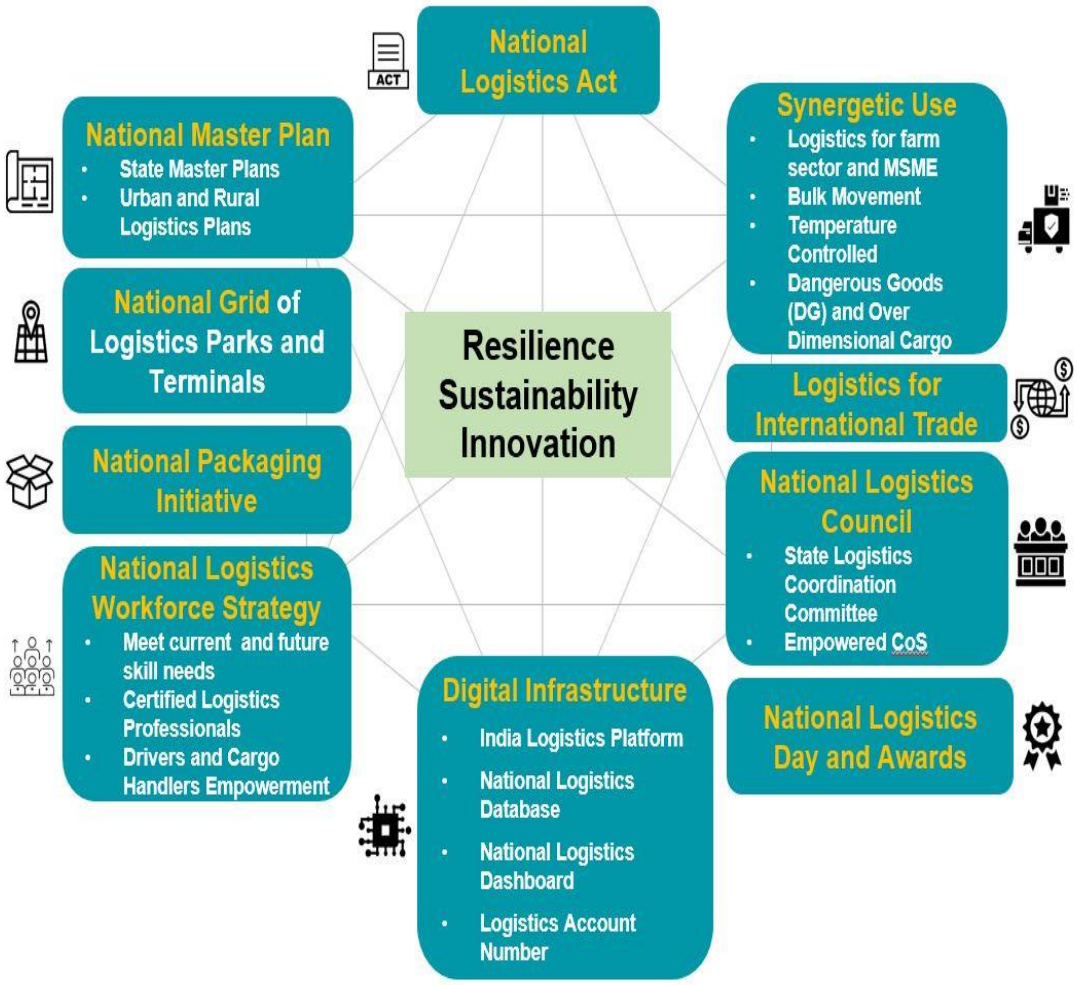


The table below provides the vision for the four vital components contributing to the logistics costs:

Transportation	• *Improved turnaround (road) - 300 km to 600 km/day* • *Shift to railways and Coastal Shipping / Inland waterways* • *Interconnected infrastructure (National Master Plan) and address first mile & last mile connectivity*
Warehousing	• *Modern warehousing – standards, grading & certification, streamlined processes, National Registry* • *National grid for logistics parks and terminals - Consolidated guidelines, MCAs, National Registry*
Inventory	• *Improved predictability and visibility* • *Optimization in supply chain management (capacity sharing)*
Order Processing/ Admin	• *Unified documentation* • *Standard language, obligations and liabilities* • *Facilitation of Ex-Im trade through IT platform* • *Unique Logistics Account Number*

Proposed Framework to achieve Integrated Logistics sector In order to overcome the inefficiencies in the logistics sector as discussed above, it is pivotal to embark on an Integrated Logistics Sector framework as illustrated in the image given below. The National Logistic Policy aims to provide a framework built on pillars of (i) Integrated logistics Services (ii) Efficient and Multimodal Transport Infrastructure (iii) Meeting logistics needs of core sectors (iv) Logistics for International Competitiveness (v) Logistics for emergencies and disasters. The section further attempts to discuss each thematic area in detail, wherein solutions are presented to integrate the current interplay various stakeholders involved in the logistics framework and bring them under a unified umbrella.

Figure 13 Pillars of integrated Logistics Development



National Logistics Act

The laws governing the current logistics practices in India are under the dominion of various authorities. This leads to ambiguity in compliance procedures attributed to interconnected logistics framework spanning across various states and ministries. The table below enlist the current laws governing the cargo movement.

Road, Transport and Highways	• *Carriage by Road Act, 2007*
Ports, Shipping & Waterways	• *Carriage of Goods by Sea Act, 1925* • *Merchant Shipping Act, 1958* • *Bill of Lading Act,1856*
Railways	• *Railways Act, 1989*
Airways	• *Carriage by Air Act, 1972*
Multimodal	• *Multimodal Transportation of Goods Act, 1993* (confined to outside India)

National Logistics Act aims to provide a unified legal and regulatory framework (One Nation-One Contract-One Form) for logistics sector in India, acting as an umbrella for various laws governing the activities in the supply chains. Key features of the national logistics act are:

- Unified legal framework and common terminology, obligations and liabilities across all modes of transport
- Impetus to multi-modal activities and optimal utilization of all modes of transportation
- Logistics Account Number and National Electronic Platform to maintain a common digital repository
- Promote transparency in charges and levies and competition across different modes of transports available
- Recognize Logistics Associations to ensure speedy dispute resolution
- Robust Co-ordination Mechanism between various stakeholders to abide by a common code of conduct

National Master Plan

National Logistics Master Plan aims to nurture multi modal connectivity and directing the efforts of various stakeholders in a planned manner towards a common vision for the end to end logistics network. Masterplans would be developed at National, State levels and city levels, covering projects envisaged by various Ministries / Departments to ensure multi-modality, optimal modal mix and addressing first and last mile connectivity. This would factor freight demand, its growth and availability of logistics facilities, and address both hard and soft infrastructure requirements of the sector. There should be a harmony between different endeavours as given in table below, pertaining to fixed infrastructure to reach a common ground for streamlining the logistics.

Roads Transport and Highways	• *Bharatmala*
Ports, Shipping & Waterways	• *Maritime India Vision 2030* • *Sagarmala* • *Jal Marg Vikas*

Civil Aviation	• *Vision 2040* • *UDAN-RCS*
Railways	• *National Rail Plan , 2030* • *Planned Corridors*
Economic clusters	• *Defense, Food, Electronic, Textile, Pharma clusters*
Industrial Corridors	• *DMIC, AKIC, NEEC, ECEC, CBIC, VCIC, BMIC and others*

Objectives of the National Master Plan:

- Ensure synergy between individual infrastructural development plans of Ministries, Departments and State government
- Optimize logistics movement between major economic hubs/ clusters
- Augment inter-modal and/or multimodal transport mix
- Conjoined development of related infrastructure
- Empowered Group of Secretaries (eGoS) to monitor
- State Master plans to be aligned with National master plans
- City logistics plans to improve urban freight distribution

Freight Terminals & Multimodal activities

Currently development of freight terminals and multimodal facilities involves compliance to different guidelines specific to the core function of the logistic terminal or characterized by the transport medium.

Inland Container Depot (ICD)/ Container Freight Station (CFS)	• *Central Board of Indirect Taxes & Customs (CBIC), Ministry of Finance* • *Guidelines defined by CBIC*
Air Freight Station (AFS)	• *Ministry of Civil Aviation (MoCA)* • *Guidelines defined by CBIC and MoCA*
Private Freight Terminal (PFT) / Container Rail Terminal (CRT)	• *Indian Railways* • *Guidelines defined by Indian Railways*
Inland Waterway Terminal (IWT)	• *Inland Waterways Authority of India (IWAI), Ministry of Ports, Shipping and Waterways* • *Guidelines defined by IWAI*
Free Trade Warehousing Zones (FTWZ)	• *Directorate General of Foreign Trade (DGFT), Ministry of Commerce* • *Guidelines defined by DGFT and CBIC*

National Grid of logistics Parks and Terminals aims at providing consolidated guidelines and a unified approach for coordinated development. Its focus should be to promote Inter-modal cum Multi-Modal Logistics Parks (MMLPs) as a separate class of infrastructure. Enabling a project structuring framework and development of model concession agreement to induce private sector participation. It will have a national registry of multimodal facilities to enable price discovery, optimal utilization and facilitate planned development.

Development of Modern Warehousing

India's warehousing sector gained prominence in last 4-5 years as the eco system for efficient hinterland supply chain has been triggered by implementation of GST. Central govt granting "Industry Status" to warehousing has also proved to be a catalyst. Contrary to being earlier dominated by unorganized players the sector has increasingly attracted international players promoting formalization and advent of new technologies. On the demand side, occupier expectations in terms of compliant and quality warehousing space has proliferated to next level with increasing involvement of e-commerce, third party logistics (3PL) players and corporates with global presence. Some of the key action points for the improvement of the warehousing:

- Recommendatory guidelines and standards for warehousing and related physical assets to drive interoperability and compatibility
- Framework for Excellence in Warehousing to encourage grading and certification
- Streamlined processes for securing approvals/ clearances
- National Registry of Warehouses to enable price discovery and optimal utilization
- Adoption of warehouse management systems and other technology
- Development of silos for bulk storage and modernize government warehouses

Rolling & Floating Stock

Rolling & floating stocks are the real physical assets used in movement of goods across supply chains. It is important to ensure reliable availability to meet the demand, planned maintenance and technological interventions to improve the operational efficiency on a significant level. Focus areas for rolling and floating stocks are:

- Local manufacturing of containers
- Containerization in less than train load and palletization in less than wagon/ truckload
- Innovative wagon / truck design
- Low draft vessels suited for Inland Waterways and Coastal Shipping
- Slurry pipelines for bulk commodities (like iron ore etc.)
- Designate well-equipped logistics facilities for movement of ODC
- Reefer container and trucks
- Innovative delivery models - Double Stack Dwarf Containers (DSDC), Roll-on Roll off (RORO), and Road Railers

National Packaging Initiative

India's Packaging Market was valued at USD 50.5 billion in 2019, and it is expected to reach USD 204.81 billion by 2025[1]. Packaging particular the one designed to protect the shipment in transit is often overlooked aspect of supply chain. Despite being one of the strongest growing sectors in the country it is not been give the due importance to standardize the processes. Moving away from the conventional wisdom of looking packaging as simply a cost of doing business it is important for the overall supply chain to synthesise National Packaging Initiative on the following lines:

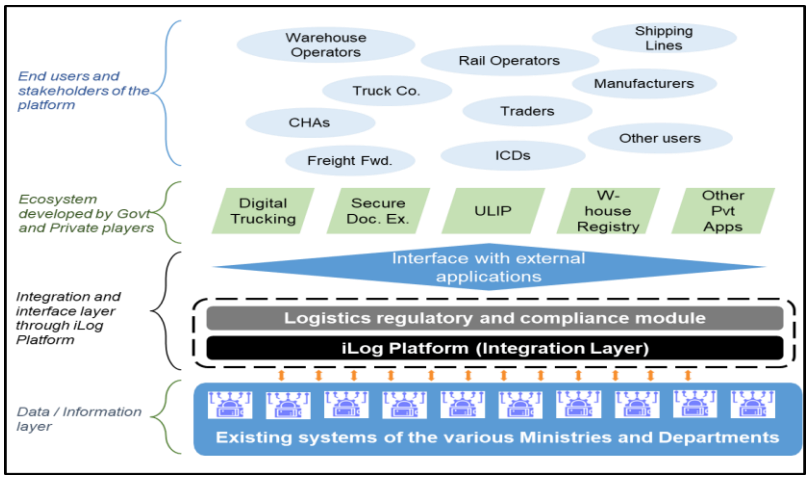
- Develop Guidelines and Standards for packaging material and design
- Promote domestic industry for manufacturing specialized packaging materials and machines
- Use local and sustainable packaging material
- Certification of bulk packaging of dangerous goods for all modes
- R&D and Technology Development
- Develop Common Facility Centre(s) for packaging
- Ensure availability of skilled workforce
- Packaging standards for GI-products and other for branding, tracking & tracing

[1] Source: https://www.ibef.org/blogs/indian-packaging-industry-riding-on-the-e-commerce-wave

Digital Infrastructure

Several IT based solutions have been developed by government over the years as illustrated in the table below, however each system has adopted a different approach, leaving critical gaps that require manual or offline processing at various stages subsequently leading to inefficiencies. Therefore a comprehensive user friendly platform called iLOG is being developed for integrating all logistics related digital interfaces.

Road Transport & Highways	• *Vahan* • *Sarathi* • *mParivahan*
Ports, Shipping & Waterways	• *Port Community Systems (PCS)* • *NLP Marine*
Civil Aviation	• *Integrated Cargo Management System (ICMS)* • *National Air Cargo Community System*
Railways	• *FOIS* • *SFOORTI* • *RAIL SUGAM*
GSTN	• *E WAY BILL* • *E Invoice*
Agriculture	• *E Nam* • *Kisan Rath*
DGFT	• *Digital processes* • *IEC Digital Portal*
Customs	• *ICEGATE* • *E Sanchit*



iLog will bring together different IT solutions created by various stakeholders.

iLOG to have a 3 layered structure with – (1) Data/Information layer, (2) integration layer, (3) top layer created by application developers enabled to create own solutions using integrated architecture. Development of iLOG will require – Regulatory framework, harmonisation of terms used and process simplification initiatives to enable seamless experience to the end user

Apart from an integrated digital platform for logistics, there is a need for digital intervention in track and trace for containerised and non-containerised cargo and other areas like warehousing and information retrieval.

a) Track and Trace for containerised cargo
   - Container Tracking System - NLDS/LDB has implemented a container tracking system on major EXIM corridors

- Digital Port Decongestion – May be developed to provide visibility on movement of containers between different terminals at ports

b) Track and Trace for Trucks (non-containerized cargo)
   - Truck Visibility & Positioning Platform - Concept paper is ready with POC; Integration with GSTN is currently under discussion
   - Digital Green Corridor - A primer on smart enforcement highlighting the best practices by certain states in replacing physical inspection with digital alternatives is ready and is being shared with all states; Adoption of risk management based methodology backed by technology Intervention is also planned
   - Digital Trucking (ELD- Electronic Logging Device) – May be developed to enable monitoring work and rest of truck drivers and enable tracking of the real-time location of trucks

c) Other digital initiatives
   - Secured Logistics Document Exchange - POC is completed; Buy-in from government & private sector stakeholder has been secured; Integration of SLDE on pilot basis has been initiated into IBA, IPA & CRIS
   - National e-registry of Warehouses - The pilot has been completed with mapping of over 20,000 warehouses Final roll-out underway

Skilling Ecosystem

It is estimated that logistics sector employs 12 million workforce, involved mainly in land transportation, warehousing (storage and packaging), supply chain and courier and express services. It is important to develop skill certification regimes and skill infrastructure to impart training across various functions of the supply chain. Curriculum on logistics and supply chains should be encourage for senior secondary classes. It will be beneficial to collaborate with ITIs, Polytechnics under Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Deen Dayal Upadhyay Grameen Kaushal Vikas Yojana (DDU-GKY) and stat skill missions.

The table below showcase the current scenario in terms of skill schemes and Institutions imparting relevant training.

Entity	Scheme	Institutions
Ministry of Ports, Shipping and Waterways	No dedicated scheme	• Indian Maritime University • Marine Engineering Colleges (Kolkata, Chennai, Mumbai) • National Inland Navigation Institute (NINI) • JNPT Antwerp Port Training
Ministry of Civil Aviation	No dedicated scheme	• Rajiv Gandhi National Aviation University • India Aviation Academy • IATA Certified Training Institutes • Private Institutions
Ministry of Road Transport and Highways	Driver Training Scheme	• Regional Driver Training Centre(s) • Central Institute of Road Transport / Central Road Research Institute • Institutes of Driver Training and Research

Ministry of Railways	Project Saksham	• National Rail and Transportation Institution • Indian Railway Institute of Transport Management • Other Technical Training Institutes
Others	• Pradhan Mantri Kaushal Vikas Yojana (PMKVY) • Sector Skill Councils - Logistics, Agriculture, Aviation, Automotive Capital Goods, Life Science (NSDC) • DDU-GKY (Ministry of Rural Development) • Scheme for Capacity Building in Urban Transport (MoHUA)	

Key themes for developing a holistic skill ecosystem are:

- Coordinated approach to assess and meet current and future skill needs
- Mainstream logistics in formal education and training system
- Certified Logistics Professional (CLP) scheme
- International recognition for Indian logistics related skill certifications
- Occupational safety and health guidelines for workers
- Ensure gender inclusiveness through increased participation of women
- National Logistics Day

Addressing shortage of Truck Drivers

The trucking industry is witnessing a shortage of drivers to the tune of 28-30% due to the unattractiveness in the profession because of multitude of reasons like lack of basic amenities, absence of social welfare framework and unattended need of financial and digital literacy Shortage of drivers lead to compounding monetary loss including huge socio economic impact due to road accidents. States need to creatively work on schemes to mobilize resources through PPP and other models –putting at the front, the logistic service providers and user industries who shall benefit from the improved logistic efficiencies.

DEEP (Drivers Employment and Empowerment Program) will be a synergetic and comprehensive program for truck driver empowerment, and is proposed to consist of:

- Training and skill upgradation in driving , road safety , financial and digital literacy
- Highway amenities/centers to provide facilities for rest, hygienic food, safe parking and basic vehicle repairs etc. Resting facilities at freight handling terminals, trans-shipment points, peri-urban areas etc.
- Improve health & well-being by facilitating enrollment under “Ayushman Bharat”, Employees State Insurance or state specific schemes

Synergetic use for optimization

Inclusive Logistics Agriculture & MSME	• Modernize logistics for agriculture and coordinate to develop an effective Agri logistics ecosystem, silo development, modern aggregation center’s/ pack houses, cold chains, Gramin Agricultural Markets

	• Drive MSME competitiveness through a single window IT platform for all logistics services, and facilitate transparent price discovery and remove information asymmetry • Develop common logistic-related facilities to facilitate cost-effective and efficient supply chains for MSME clusters
Core Sector Bulk Movement (fertilizer, coal, food-grains, cement…)	• Adoption of operations research based holistic planning to optimize transport and distribution • Support adoption of coastal and Inland water transport for core sector needs wherever feasible • Coordinate efforts with line Ministries to expedite adoption of innovations and new modes to minimize cost and time and reduce wastage
Other Sectors (FMCG, automobiles, electronics…)	• Fast moving consumer goods have distinct logistics needs (including reverse logistics); similarly automobile sector and its ancillaries, electronics • Tremendous scope for reducing working capital requirements by reducing inventories increasing efficiency of these supply chains • Scope for sharing capacities
Cold Chain Facilities	• Development National Cold-Chain Grid for effective temperature controlled supply-chain with assurance of quality control and temperature management in transport, storage, and distribution
Dangerous Goods (DG) and Over Dimensional Cargo (ODC)	• Streamline transportation and storage of DG and ODC with robust oversight mechanism to ensure compliance • Train workforce to meet safety standards

Logistics for International Trade

To foster International competitiveness thereby improving ranking on LPI, it is important to channelize a dedicated strategy for EXIM trade. Dynamic gains emanating from foreign trade can be realized by following a three pronged strategy encompassing Infrastructure, Processes and Connectivity as given in table below.

Infrastructure	• Enhance infrastructure, including cargo handling equipment's at the ports • Augment infrastructure for off border clearances to reduce border congestion • Specific solutions for direct rail-based evacuation of containers and cargo to/from off-port locations and improvement in last mile connectivity

Processes	• Develop Model Guidance Manual on streamlining and standardization of logistics processes for self-improvement in logistics efficiency at ports/ airports • Coordinated Testing Lab Eco-system and SOPs for collection/ transmission of sample from ports to lab; supporting accreditation of Indian labs conforming with standards of trading partners, electronic database of accredited labs, s • Develop IT platform and Risk Management System (RMS) for PGAs to digitize processes, streamline inspections, sampling, testing and issuance of certification across key PGAs
Connect local to Global	• Highly Facilitated Trade Corridors (HFTCs) that link Indian enterprise with key markets and global trade hubs

Resilience, Sustainability and Innovation

Disruption caused due to COVID-19 has reemphasized the need to instil resilience across the logistics framework. It is equally important to continuously evolve strategies building on learnings caused due to disruptions or setbacks to ensure sustainability in long term. Innovating new models and structural interventions are a must for a win-win scenario for each stakeholder.

The table below details the noteworthy points to be covered under three ethos of the logistics framework

Resilience	**Logistics During Disasters** Support Ministries in better **management of relief and rehabilitation**: • Identification of **minimum logistics resources** (assets, manpower, essential supplies) • Designate **logistics hubs as disaster support cells** • Develop **resiliency plans for the logistics network** **Logistics during Extended Disruptions** • **Financial support to small fleet owners** to avoid disruption in logistics • Support **health concerns of logistics workers** **Strategic Logistics Assets** • **Identify strategic logistics assets, and facilitate in upgrading them** to meet military standards in terms of their design, construction and build quality
Sustainability	• Encourage **modal shift** to more **environment friendly** modes • Promote use of **electric and non-motorized** vehicles • Mechanism for **rating, rewards and recognition** to encourage **adoption of eco-friendly practices** • Encourage **Reverse logistics** and modern waste management to push towards a '**circular economy'**
Innovation	• Develop a **Network of Centers of Excellence** for innovative solutions/ emerging areas in partnership with select institutions

	• Promote a **start-up ecosystem** in collaboration with industry/ academia to **accelerate digital innovation**

Implementation, Financing and monitoring

Implementation
• National Logistics Council (NLC), Central Advisory Committee on Logistics (CACL) for effective coordination and implementation. Empowered Group of Secretaries (eGoS). • State Logistics Coordination Committee (SLCC) for integrated development at state level Categorization of strategic initiatives: • Cross-cutting initiatives involving multiple stakeholders - to implement under NLC's guidance • Stand-alone initiatives with significant policy implications - NLC to define the guidelines • Infrastructure development initiatives within single ministry – monitor under Inter-Ministerial Committee's guidance
Financing
• Co-funding options for augmenting logistics infrastructure through convergence of schemes • Policy based funding support from multi-lateral agencies • Promote private sector investment leveraging various financial schemes and developing model concession agreements • Recommend fiscal incentives and tax related interventions to enhance efficiency and competitiveness
Monitoring and Evaluation
• Logistics Performance Index (LPI), Trade across Borders in Ease of Doing Business • Outcome oriented monitoring through indigenous India-specific metrics on performance dashboards for logistics sector. • Periodic audits to identify key impediments in policy implementation and undertake corrective measures

Agenda for states

Steps in short term to realise long term benefits:

- **Focus on Truck Drivers** - Earmark dedicated parking spaces along highways and major roads for trucks and resting places for drivers
- **Warehousing** - Ensure easy availability of land and facilitative environment for conversion of land use, FSI / FAR relaxation for warehousing, relation in height of warehouses etc.
- **Smart Enforcement** - Move towards an eco-system of minimal inspection and stoppages of trucks on road; Identify truck movement choke points and address these bottlenecks; and Effective implementation of Carriage of Goods by Road Act, 2007 and Indian Motor Vehicles Act
- **City logistics** - Logistics parks with truck parking/warehousing in peri- urban areas near cities / Transport infrastructure and traffic planning for last mile delivery

State logistics plan to focus on:

- Connectivity - National and State Economic Corridors

- Leverage coastal shipping and inland waterways (where available) and railway network as an environment friendly and cheaper alternative to transportation
- Infrastructure and planning for cargo movement for exports and imports (EXIM), wherever applicable
- Create aggregation points for farm produce and products from MSME sector at the first-mile preferably with multimodal connectivity
- Ensure modern material handling systems and facilities for weighment and X-ray screening for safely
- Promote innovations to promote green logistics and reverse logistics.
- skill development and capacity building for the logistics sector

Initiatives taken by states for logistics

The States of Uttar Pradesh, Karnataka, Tripura, Gujarat and Madhya Pradesh made presentations, during the Conference, on policy initiatives taken by their respective States in the logistics sector.

Gujarat

- Ports such as Mundra, Kandla and Pipavav are being connected with the Western DFC and aimed to be connected by December 2021.
- G-RIDE (Gujarat Rail Infrastructure Development Ltd), a joint venture between Ministry of Railways and Govt of Gujarat, is in process to linking major industrial hubs with Indian Railway Network on PPP mode.
- Gujarat is developing new Dholera city and has started with the process to construct a 6-lane highway between Ahmedabad and Dholera. It is expected to be completed in 2 years.
- Gujarat has inaugurated India's first Ro-Ro ferry service that has reduced travel distance from 360kms to 31 kms and travel time from 8 hours to 1 hour. With the success of this model, Gujarat is aiming to start more such Ro-Ro services to make movement of trucks and cars more efficient.
- Under industrial policy of the State, Gujarat provides incentives for development of the industrial infrastructure and logistics parks.
- Under Port Policy, State is aiming privatization of existing ports, captive jetties by industries and privatization of services. Recently, GMB has announced policy on 'Unlocking value in existing port infrastructure by allowing existing captive jetty holders to handle third – party cargo and opportunity for new players.
- Under Agro Policy, Gujarat provides incentives for development of Cold Chain processing units, Primary Processing and Collection centers and freight subsidy (Air and Sea).
- In order to boost exports and trade, Gujarat is in process of formulating first of its kind Integrated Logistics and Logistics Parks Policy. Aligned with the vision and objectives of National Logistics Policy (draft) which will also to promote integrated development within logistic sector by
    - Driving development of Multi Modal Logistics Parks (MMLPs)
    - Last mile connectivity of logistic park
    - Reduce logistics cost and promote logistics efficiency
    - Promoting green logistics
    - Promoting standardization in the logistics sector etc.

Madhya Pradesh

During the Conference, Mr. Sanjay Kumar Shukla (IAS,1994) Principal Secretary, Department of Industrial Policy and Investment Promotion Govt. of Madhya Pradesh delivered a presentation on 'Madhya Pradesh as a Logistics hub'.

The state has been taking various initiatives in developing the industry scenario. 20,000 acres of land has been allottable as Industrial Land Banks along with availability of contiguous land parcels. The topography of the state is smooth and undulating with a low seismic risk zone. Land has been made available at affordable rates from ₹ 500 3,000 per sqm.

Measures have been taken to ease the clearances processes and has been reduced to 15 days as per provisions of the Public Service Guarantee Act. The state also as abundant skilled manpower churning out

over 2 lakh technical professionals each year. 24,000 MW power capacity has been installed with an exclusive DisCom for Mohasa Babai Industrial Area.

Policy Initiatives of Madhya Pradesh

Madhya Pradesh is one of the few states in India that has a dedicated 'Warehousing & Logistics Policy'. Some of the noteworthy policy related initiatives taken by the state include:

- Investment assistance to the tune of 15% (maximum of ₹15 Cr.) on Gross Fixed Capital Investment
- Infrastructure development assistance
- 100% reimbursement of stamp duty and registration fee on Instrument of Mortgage
- Electricity duty exemption for 5 to 10 years for new High Tension (HT) connection by a DISCOM
- Relaxed Floor Area Ratio (FAR) of 1:0.60 and maximum ground coverage of 60%
- Single Window Clearance system

Future Potential

The potential regions identified by the state for the integrated logistics development are Gwalior –Shivpuri region and Indore-Ujjain-Ratlam region. Following are the features of these regions:

Particulars	Potential Area I	Potential Area II
Region	Gwalior –Shivpuri	Indore-Ujjain-Ratlam
Key feature	300 KM from NCR Land available at nominal rates	Industrial belt of MP
Connectivity	Intersection of East-West, North-South Corridor	Delhi-Mumbai Rail route (Ujjain & Ratlam) are main Rail Junctions; Air cargo available at Indore; Close to JNPT, Kandla, Mundra Port
Potential Markets	Fulfilment centre of ecommerce player feeding NCR; Collection centre for outbound traffic from NCR, Raj, Har, UP, MP	Nearby Industrial areas of Rajasthan, Gujarat, Maharashtra

Uttar Pradesh

The presentation of Uttar Pradesh was given by Mr. Alok Kumar, Additional Chief Secretary, Commerce & Industries. Uttar Pradesh is India's third largest economy contributing 8% to GDP, ranking 2nd in ease of doing business reforms it is among the top 5 manufacturing & exporting states. Uttar Pradesh vision to become a USD 1 Trillion economy cannot be completed without strengthening its logistics sector. A dedicated state Logistics cell has been set up under the championship of Additional Chief Secretary, Industries and a State Logistics coordination committee is set up under the Chief Secretary with all related central and state departments. The table below illustrates the four pronged strategy adopted by UP to develop Integrated State logistics plan.

Strategy 1: Promote logistics industry	• Ensure facilitative environment for establishment of warehousing facilities • Promote UP Warehousing & Logistics Industry Policy 2018 • Create institutional mechanism for effective administration of the sector
Strategy 2: Develop logistics infrastructure	• Identification of economic hubs & aggregation points for farm produce & products in the state and address associated logistics related challenges

	• Enhance traffic linkages by promoting inter-modalism of road, air, water & rail • Enhance the warehousing capacity
Strategy 3: Safe & supportive regulatory framework	• Ensure minimal cargo damage • Promote technology adoption ensuring safe movement and tracking of cargo • Promote an ecosystem of minimal inspection and stoppage of cargo movement on road
Strategy 4: Skill development & Capacity building	• Enhance the logistics sector related skill development/ training facilities • Address the demand – supply gap of trained drivers required in the state • Customize courses to provide industry relevant sector skills in the state

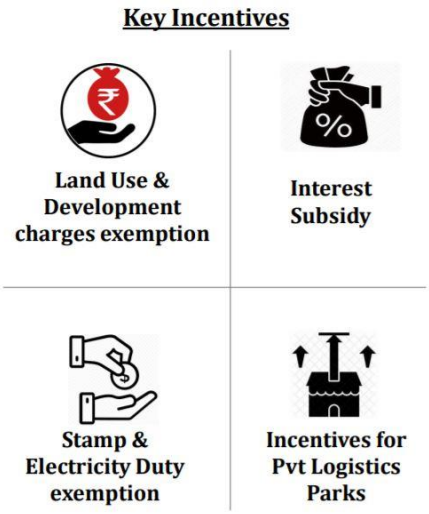
Uttar Pradesh launched its Warehousing & Logistics Policy in 2018. In an attempt to standardize the logistics infrastructure, UP has defined the ambit of Logistics park and Logistics unit as:

- ***Logistics Parks***
  - Container Freight Station (CFS) and/or Inland Container Depot (ICD) and/or Air freight stations and/or Warehouses and/or Cold Chains and related infrastructure, developed on atleast 25 acres of land, qualifies for incentives under the policy

- ***Logistics Units***
  - Container Freight Station (CFS) or Inland Container Depot (ICD) with minimum investment of INR 50crore and minimum area of 10acres
  - Warehousing facility with minimum investment of INR 25crore and minimum area of 1lakh sq. ft
  - Cold chain facility with minimum investment of INR 15crore and minimum area of 20,000 sq. ft

Salient features of UP W&L Policy 2018

- Attractive incentives to parks & units under the policy including capital interest subsidy, infrastructure interest subsidy, stamp duty & electricity exemption and other incentives like concession on Land use conversion charges, Land development charges
- Industry Status to the sector implying industrial land use and industrial land rates for W&L units qualifying infrastructure status as granted by GoI
- Special incentives for providing skill development services and installing intelligent logistics infrastructure at the park
- Additional Subsidy for investments in Bundelkhand, Poorvanchal region and notified logistics zones



Incentives	Logistics Parks	Logistics Units
Capital Interest Subsidy	5% for 5 years subject to overall ceiling of INR 10Cr	5% for 5 years subject to overall ceiling of INR 0.50Cr
Infrastructure Interest Subsidy	5% for 5 years subject to overall ceiling of INR 10 Cr	5% for 5 years subject to overall ceiling of INR 5 Cr

Stamp Duty	100% exemption of stamp duty paid on purchase of land	100% exemption on purchase of land in Bundelkhand & Purvanchal region, 75% in Madhyanchal & Paschimanchal (except GB Nagar, Ghaziabad) & 50% in GB Nagar, Ghaziabad
Electricity duty exemption	100% exemption for 10 years	
Purchase of Transport Vehicles	2% exemption in vehicle registration fee and 30% road tax exemption	
EPF reimbursement facility	50% reimbursement on providing direct employment to 100 or more employees	
Land use conversion	50% concession on land use conversion charges	
Development Charges	75% exemption	
Skill Development	Reimbursement of INR 1000 per trainee per month for 6months up to maximum 50 trainees per annum for 5years	
Intelligent Logistics	Interest subsidy of 5% on loan taken for building such intelligent logistics	

Tripura

- State is following HIRA model of development which includes: Highway, Internet way, Railway and Airway led development.
- Due to efforts of the State, National Highway 8 (NH8) is being extended upto Sabroom and upgraded into double lane road.
- Union Minister of Road Transport and Highways has laid foundation stone for development of nine national highways across the State. These NHs will cover a cumulative distance of around 262kms.
- State is also ensuring OFC network up to block levels and providing landline, mobile and broadband connectivity to the people of the State.
- State is housing 3rd international internet gateway after Mumbai and Chennai.
- State is also developing OFC route from Agartala to Cox's Bazar to Chennai via submarine network in the sea.
- State is house of accelerated internet connectivity in the mountainous north eastern region and has also taken 10GB bandwidth from Bangladesh Submarine Cable Company.
- On the side of railways, broad gauge rail network is being built upto Sabroom.
- State is also aiming to facilitate access to Bangladesh's Chittagong international seaport (at a distance of 75kms).S

Karnataka

The presentation of Karnataka was given by Mr. Gaurav Gupta, Additional Chief Secretary, Commerce & Industries. Karnataka is known to be a leading destination for investment in India. Bengaluru, the capital of the state is known to be the startup capital of India and is ranked among the top startup ecosystems globally. The state has a GSDP of $230 billion, which is almost the same as the size of Vietnam and has the 3rd highest FDI

among all states. It holds the 1st position in total exports among all Indian states and the 4th largest technology cluster in the world.

Multi-modal Logistic Ecosystem

The state has well established National Highways. The upcoming Bengaluru-Mumbai Economic Corridor and Chennai- Bengaluru Industrial Corridor also pass through the state further encouraging trade and commerce in the state. The state has easy access to major ports at Mumbai, Mangalore, Karwar, Chennai, Krishnapatnam and more that 10 minor ports. The state has 2 International airports and 6 Domestic airports; Bengaluru Airport being the 3rd largest airport in India. Bengaluru International Airport Limited (BIAL) is known to be the fastest growing cargo airport in India.

In terms of value of trade handled, Karnataka has the 2nd largest ICD in India. It also hosts 3 ICDs and has 6 upcoming ICDs. Bengaluru is also the 3rd largest logistics hub in India. There are 2 CFSs in Bengaluru, 2 AFS in Bengaluru and Mangaluru and 1 AFS upcoming in Hubbali Airport.

Key physical infrastructure interventions

Some of the infrastructure interventions taken across the state include:

- Dharwad
  - Air cargo terminal at Hubballi airport
  - MMLP at Anchatgeri
- Mangalore
  - Air Freight Station at Mangalore Airport
  - Coastal berths at New Mangalore Port Trust
- Mysuru
  - ICD at Kadakola by CONCOR
  - AFS at Mysuru Airport
  - Truck Terminal
- Uttara Kannada
  - Coastal berths at Karwar Port
- Ballari
  - Truck Terminal at Hospet
- Tumakuru
  - Industrial Node under Chennai
  - Bengaluru Industrial Corridor
- Bengaluru
  - Peripheral Ring Road
  - Suburban Railway Network
  - Expansion of Metro Rail
  - Private ICD at Hoskote
  - MMLP at Dabaspet

Non-physical interventions by Government of Karnataka

- Policy & Regulatory Interventions:
  - Fast track facilitation of clearances for logistics sector projects
  - Parking Policy for Bengaluru to streamline development of truck terminals, time based parking options etc.
- Institutional Interventions:
  - Establishment of PMU for identifying, monitoring, reviewing logistics sector projects
  - GoK has nominated Additional Chief Secretary Commerce Industries Dept as nodal officer for development of logistics sector
- Skill Development Initiatives:
  - Establishment of Logistics Academies in 3 districts on PPP with Government support

- Truck Driver Training Program for addressing shortage of truck drivers

- Stakeholder Engagements:
  - Constitution of Vision Group comprising industry leaders to guide Govt
  - Enhanced engagement with industry associations, BIS, Govt of India institutions, etc

Initiatives taken by the State

Government of Karnataka continues to make major developments in the logistics sector, some of which are as below:

- Identified logistics as an important champion service sector
- Created a dedicated Logistics Division, to be handled by Visveswaraya Trade Promotion Centre the State nodal agency for export promotion Karnataka
- Industrial Policy 2020-2025 identifies Logistics as a key focus sector and offers several incentives for development of the sector
- Primary focus areas of the State development of dedicated export infrastructure such as Cool Port in Airport, ICDs, AFSs, and CFSs

Annexures

Speech transcripts

Shri. Piyush Goyal, Hon'ble Minister for Commerce & Industry, Railways, Consumer Affairs, Food and Public Distribution, GOI

Thank you Pawan Agarwal ji, my colleague and senior leader, Shri Som Prakash ji, other friends on the call from across the country, ladies and gentlemen. I am delighted that Pawan, you and your team have put in together a lot of labour and love to organize this on Logistics, probably for the first time ever.

Yes, this is the first time.

Clearly, it demonstrates the spirit of cooperation and collaboration that the Centre and States are both committed to, and also demonstrates how Government and private sector need to work together in a holistic manner, so that all the various stakeholders recognise their own contribution, their own role towards a much more robust largest logistics system, as well as support each other's efforts to truly make India a competitive destination, a competitive manufacturing hub; and integrators in global supply chains which are today looking for trusted partners, and India finds itself in a very soft and very sweet spot, where we can become the trusted partners that countries across the world are looking for.

A warm welcome to all the participants who have contributed through their presentations, through the various discussions that have taken place. And I believe a forum like this will help us to continuously resolve issues, foster greater cooperation, improve the coordination amongst the private sector, States, and the Centre, and help us take the subject to the next level. I remember, we now have been working on Logistics Policy and its associated technology framework for nearly three years. Sivasailam had started it sometime back as Special Secretary, put in a lot of work, put in a lot of effort; was able to create some form of a structure; but we were not able to take it to its logical end.

I am delighted that Pawan and his team, Ahirwar, other colleagues on this call here, have all worked with a deep commitment to make this a success. And I have absolutely no doubt in my mind that this kind of a commitment that I am seeing on this call today, the various presentations, the quality of the presentations, show that covid-19 may have been a disruption for a short period, but the benefits of this disruption will be available to India for years to come. We have actually embraced the disruptive period of Covid-19 by improving our way of working, by focussing on newer and newer areas which came to the fore important areas, which need to concentrate upon. And as Jay Samit, former Vice Chairman of Deloitte had said,

“Disruption isn’t about what happens to you, it is about how you respond to what happens to you”

And I think clearly all of you stakeholders in the country, India, under the leadership of Prime Minister Modi have demonstrated that this disruption will only make a challenge, a difficulty, which we will convert into an opportunity.

There are always a lot of nay-sayers who wrote of the Indian economy, predicted Doomsday, predicted a lot of problems going forward. I think the leadership we have seen from Prime Minister Modi through the last ten months has been exemplary. He has led from the front. He has not rested for a moment.

Across the country has been able to ensure a very organised behaviour in terms of saving people lives and saving people’s livelihoods. He focused on protecting lives first, he prepared the nation to fight against the covid-19 pandemic. And once he got down to getting back livelihoods and getting back the mojo into economic activity, I think there was no looking back. And all the statistics and all the figures that are coming out, show that India, the new India, in the new normal is going to surpass all previous records in terms of growth, in terms of the way we do business, in terms of realising our vision to make India self-reliant economy and Atma Nirbhar Bharat and truly achieve our rightful place in the comity of nations across the world.

Logistics, as we all know, is the lifeline of a nation's economy, nation's industry, and for that matter our own lives. In the midst of the lockdown, during the pandemic, we were able to ensure that not a single person across the country had to suffer for want of food grains, power, essential commodities, or the like. So you had coal moving to every powerhouse, you had food grains being distributed across the country, you had free food grains being given to the poor under the Pradhan Mantri Garib Kalyan Yojana. Thanks to the massive digitisation effort and direct the benefit transfer, on which Prime Minister Modi has focused his energy for the last six years, we were able to give support to the lesser privileged sections of the society, be it the women

who , I believe about 8 crore odd women got money directly into their bank accounts, 10 crore plus farmers who kept getting money under the Pradhan Mantri Kisan Yojana and under several initiatives.

Throughout this period of COVID India has been able to demonstrate to the world, our resilience, our capacity to face adversities, and we have shown that India can handle these things probably far better than some of the much more developed Nations. And today, the world looks up to India, looks up to the leadership of Prime Minister Modi when it comes to addressing the challenges before the world.

When we talk about logistics, in some sense, if you want to simplify what logistics is all about, it's about having the right product, in the right condition, *Pawan just talked about packaging being important*, at the right place, at the right time, to the right customer.

So you have a very simplistic definition to define what logistics is all about. It's about ensuring customer satisfaction. And ensuring that what one desires, he gets at the right price, at the right time, at the right place. And the associated infrastructure required to achieve that is what logistics is all about.

In India, we have a 200-billion-dollar Logistics ecosystem. A good part of it is supported by the Indian railways, where we are making massive efforts to bring down the cost of logistics, to expand the scope of service that the railways provides. As you might be all aware, that the Hon'ble Prime Minister initiative, the first 650 odd kilometres of dedicated freight corridor on both, the Eastern and the Western front. By March we will have another 350 or 400km ready of the DFC. By 2022, we will have both the EFC and DFC, ready, good to go, good to serve the people of India. These are freight corridors which will only carry freight traffic, thereby increasing the speed exponentially, and bringing down the costs, while adding huge capacity to be able to transport volume goods as well as small parcels.

In fact, I hope all of you'll are aware, or whether in the course of the presentations during the day today, it was brought out that the freight that the railways carries, is running at twice the average speed that it was running at about a year ago. Last year, the freight trains were running at about 22-23 kms/hr at an average. This year, we are at a speed of about 46-47kms/hr at an average.

Now, I do believe this has been an area of concern for everybody over the years. But using the COVID problem or the COVID situation, the railways also reoriented its own pattern of working. We created a zero-based timetable. And if I may quote for you the Statistics of yesterday, January 18th, 2021, the average freight train speed in km per hour was 46.77 km/hr. And on January 18, 2020, a year ago, it was 22.47km/hr. i.e. 108% faster. That means Mumbai to Guwahati you can move your cargo in about two and half days, which earlier used to take 4 days. Mumbai Delhi you can move your cargo in just about one and half days, which earlier could take about 4 or 5 days. And this is not a one-off phenomenon, for the whole month of January, we are at 97% over the first eighteen days of January 2020. And this has been continuous since June, it is not as if it is a sudden development, since June we are at a speed of 45,46,47km/ hr.

Secondly, our loading has consistently been higher since August 2020. While we did lose out in the first 4-5 months of the lockdown period, say from 22nd March, when we started reducing the economic activity and freight movement until about July, we were stressed in terms of a huge shortfall in loading. From April to July, 4 months, we were, I think 17 million tonnes shortfall, only in 4 months. But since August, we have been growing, we have had different levels of growth. In the current month we have had about 8% more loading than last year, and for the year as a whole, From April to 18th January, you'll be happy to know we are at 98% level of loading. So last year we loaded 952 million tonnes until 18th January 2020, in about nine and a half months. This year we have loaded 938 million tonnes. We are just about 2% lower. Next month we will be exceeding last years freight performance.

All of this has been possible with the support of all the states, all the stakeholders on this call. The entire logistics ecosystem that has, if I may say, worked to take the benefit of this cost effective means of transport. And that is what Pawan Agarwal and his team are trying to institutionalise, they are trying to ensure that the entire logistics ecosystem is addressed and the problems around it are addressed holistically.

We look at each item to make them more cost effective, prepare a coherent National Logistics Policy, make sure that our policies are consistent, predictable, bring in economies in our logistics movement so that they can become more cost competitive both for domestic and export markets. Different studies show that we may be at 13-14% cost of products is on account of logistics; we wish to bring it down to about 8% and we are all

working as a team. And I am sure that the National Logistics Policy, which is under consultation and under public domain, some of which Pawan and his team have also presented to you today, along with the National Logistics Council and the State Logistics Coordination Committee will work as a template for better coordination and integrated development of the logistics sector, both at the centre and the state level.

I am sure, that with greater teamwork, greater synergy and working together as a team, all of us working as partners in India's progress, this sector will certainly show dramatic transformation in the days and months to come.

Technology is going to play an increasingly important role. The Logistics team is trying to work towards integrating the various means of transport, the various documentation and the various stakeholders including customs, ports, shipping companies, railways, trucking companies, inland waterways. They are working to bring the entire ecosystem together through technology platforms into a much simplified way of working, which will enhance the ease of doing business and I'm sure this holistic approach that the logistics sector is defining will yield very good results going forward.

As they say, "necessity is the mother of all invention" but, it is also the father of corporation. And I believe this co-corporative spirit that I'm seeing in todays conference, and the presentations the different states made will truly give confidence to our business community and all our stakeholders in logistics, that the centre and states are working as a team, are working together, are focusing on different very important initiatives, for example the "skilling initiative" Pawan talked about.

Pawan, did you also describe the DEEP initiative?
(Addressed to Shri. Pawan Kumar Agarwal, Special Secretary (Logistics), Dept. Of Commerce, Ministry of Commerce & Industry, GOI)
So I think the passion with my team on logistics is working will clearly demonstrate to all of you on this call that they are working with a with a purpose, they are working with a clear direction and they will drive this whole process, on a mission mode, they will fast-track it so that we can redesign the entire logistics framework of India for a better future, for all of you and your business, for all stakeholders in the logistics sector.

Let's work together, lets ensure that we give India safety and sustainable development. I believe this is also the safety month of the road sector, I do hope all the stakeholders on the call today, will take up this mission of the safety month which Nitin Gadkari ji, my senior colleague, kickstarted yesterday or a day before. Lets all work together to achieve success.

Pawan, you would like to tell them afterwards about my serious concern about the overhang of trucks. I want that to be achieved on mission mode. I don't want any lives to be lost due to this. I we achieve this we will be a great public service. I request everyone to take this concern seriously and would request all states to create a helpline, support the police, work collaboratively with transport and logistics stakeholders and endeavour to achieve this mission. This would also have multiple economic benefits, it would reduce the insurance cost, and provide an overall financial boost to the entire ecosystem.

This is a very important meeting for this division that we have conducted via this conference as it will help us firm up the National Logistics Policy. We need your support and point of view to draft a good policy.

I wish you all the best, good health and success.

Today is a very special day, our cricket team has performed outstandingly and shown how a new team can achieve great things. And now, taking inspiration form our new cricket team, our Logistics division will come up with a new logistics policy, bring fresh thoughts and endeavour to create a new India.

Thank you very much.

DISCLAIMER: This is the approximate translation of the Minister's speech. Parts of the original speech were delivered in Hindi.

Shri. Hardeep Singh Puri, Hon'ble Minister of State for Housing and Urban Affairs, GoI

I would like to complement the Logistics team for organising the 1st conference on logistics. This is a vital component because it gives a platform for interaction between the centre and the states. Interaction between stakeholders is beneficial for everyone.

Based on what I have heard let me make a few comments, of a general nature and of some ideas which are more specific. First of all, as the as the urban space is concerned, I want to share with you my own feelings. You said that the “City Logistics” have been neglected, I think the urban space has been neglected prior to 2014. You know, when we acquired independence in 1947, 17% of India lived in urban spaces, but that 17% was on a population base of something like 350 Million people. According to the latest statistics, which are drawn from the census of 2011, and working forward, we will have something like 600 million people living in urban spaces by the year 2030. That is when the United Nations finishes its work on the “Sustainable Development Goals”.

On this 600 million people will roughly represent something like 30% of our population. So if we are going forward from there, 30 % of our population by 2030 is 600 million people, this will be 40 % of the population, or 800 million people, by 2040 and so on. So in the past, one could very comfortable say that we are pre-occupied with agriculture and issues related to rural development, which we should be, I mean, considering what we are facing today, we need to relook at agriculture and rural development also, but the new dynamic that has risen on account of the expansion in the urban space, required a renewed focus. And I think you are doing very well to look at the logistics aspect in so far as the urban space is concerned. And this has to be a comprehensive and holistic look.

Now, on regulation versus planning, well, clearly planning has decidedly has a superior approach today, but you had to go do the road of restriction and regulation because, simply, most of our cities have traditionally grown up. They have become robust centres because they were not planned in any organised or systematic way, except for those which are greenfield, like Naya Raipur or Chandigarh, etc. All the other cities have grown up in a haphazard way. You know, earlier, in western civilization, they used to grow up on the banks of rivers or the periphery of railway connection. Here cities have grown up partly to respond to a variety of factors, including people moving with large demographic shift from rural to urban areas and looking for work. And, as happens ever so often, those who come to cities looking for work, end up living autonomously, in what I call informal settlements, which is a more polite way of calling a slum. And slums grow up in the centre of cities.

Equally, your supply chains, your logistics thing has in the past, not been systematically approached, therefore, I am very happy that we are doing this conference and that you will bring a scientific approach to doing these things. We clearly need to have an institutional mechanism to synergize the pursuit of the main stakeholders concerning City Logistics. Who are these users of the city logistics… are the manufacturers, retailers, users, the urban residents, the logistics service providers, the freight carriers and the public authority. Now clearly, all of them, like in any area, would not have converging interests. But those need to be rationally addressed through some agency who has both the authority and the vision in order to develop that space. Therefore, the quick wins that are needed could be, identification of peri urban locations where goods coming to the city are transferred, use of energy efficient and environmental suitable modes, planning for optimizing reverse logistics.

Now, in out Housing and Urban side, one of the issues I am primarily concerned with is Urban mobility. Now, till a few years ago, we did not have a vision, we did not have a metro policy, we did not have any coordinated, well entrenched stakeholder consultation. Today I can happily tell you that thanks to the effort of the Modi government, not only urbanisation, is being viewed as a challenge, but it is being viewed as an opportunity, and therefore we are getting a win-win. Our expenditure on urban schemes, I can give you some comparisons, in the 10 years prior to the Modi government, before coming to office in May 2014, the total expenditure in

10years was 157 thousand crores. In the 6 years after 2014, it has gone up 6 times, it is almost 10 lakh crores. Now this is reflected in the spending on urban schemes like Pradhan Mantri Awas Yojana, AMRUT, Jal Shakti, Smart Cities Programme, etc. Now, on mass rapid transport, let me just give you an example, we had a situation where there scheme has just started, under Vajpayee ji's government in 2002, today we have 708km of metro line operational in 18 cities and we have another 1000km+ under construction in 28 other cities. So the urban mobility through urban mass transport system is a requirement of any modern city and we are getting that.

This will also link some of the other tasks with which this meeting has engaged itself. Commodity flow should be compiled and extrapolated based on the city growth aspirations and infrastructure plan accordingly. We need a cross driven approach which covers all transport modes with close coordination among states and central government. We need to work as one government, and the Logistics Division of the Commerce Industry and Ministry of Housing and Urban Affairs, Smart Cities Missions, will collaborate will identify the team to assist them in setting up a mechanism for coordination with central government agencies. I had the occasion to mention to some of you yesterday that one of the Prime Minister's oft-repeated points has been, let all the concerned ministries work together. We have been in the process of building another 100 Airports in the coming years. Therefore, it is vey important for logistics and the ecosystem around logistics to take into account where the new airport is going to come because you can be setting up some infrastructure, logistics hub, and the airport will be coming up somewhere else. Some work has been started by the MoHUA on mapping urban freight flows and developing evaluation matrix and identifying best practices in urban freight. We need to work more closely in this. I have been told that the Logistics Division will soon be organising a cities conference on this, and I think it is a very good idea when you take this from a state level to the cities level.

Two other points I want to say, just mention by way of ruling, I am sure that the states are aware of the National Logistics Policy which is being finalized, we need to ensure that they are on board as they will be playing a very important role in development of key areas. Be it institutional mechanism or regulatory framework, infrastructure, digital performance measuring system or development of an efficient work force of logistics professors. I would, personally, like to be kept in the loop on the decisions that are been taken in todays conference, how this can be made a basis for the follow up. And you have conducted the annual LEADS in 2018 and 2019 and you will be initiating the preparation for LEADS 2021 and we should be request the states to participate and strive for achieving the best ranking and facilitate the logistics division in successfully completing this task.

One final thought I want to share with you, is that, when we come out of this pandemic in a more self reliant manner through the Atma Nirbharta initiative, focus must be improving our cities. Whether it is through the logistics work that is being done through the commerce ministry or the urban mobility through the housing ministry or the flagship programme, the objective is the same. And the more we can coordinate and pool our efforts, I think the easier will be the results.

Thank you very much.

Shri Som Prakash, Hon'ble Minister of State for Commerce & Industry, GoI

Good Evening! In an endeavour to transform the logistics scenario of the country, I would like to congratulate Department of Commerce for this initiative of bringing States and Industry stakeholders together.

India is one of the fastest growing economy in the world. And a strengthened logistics ecosystem is regarded as the backbone of our economy acting as a fuel to India's industrial growth on a global scale. The Commerce and Industry Ministry has given highest priority to Logistics Sector. The National Logistics Policy formulated by the Commerce and Industry Ministry will improve India's trade competitiveness, create more jobs, improve India's performance in global rankings and pave the way for India to become a logistics hub.

Each state of India acts as a wheel which must function effortlessly to keep the momentum high of logistics efficiency. Cooperation and Competition amongst States plays a crucial role in determining India's future in Logistics.

I would like to acknowledge and appreciate the States and UTs for their initiatives taken in the areas of creating new reforms, infrastructure, socialistic labour and other policy reforms within their respective States. Further, I encourage the States to focus on areas such as Seamless Process Integration; Transparency; Infrastructure Creating, Regulatory Interventions; Technological Advancement and redressal mechanisms to name a few. Bringing accountability to each stakeholder is crucial. This can be ensured by adopting user friendly interfaces at each step of the supply chain.

COVID-19 has also brought in new set of roadblocks. Our collective resilience has helped overcome these challenges and have helped in speedy recovery of our economy as a whole. India's ecommerce industry has a promising potential as well. We have witnessed an overall order-volume growth of about 17% post the outbreak of COVID-19.

It is my earnest belief that with collective growth strategies, a time is soon to come where the world will look to us for best practices in the Global Supply chain. I look forward to having stimulating discussions and encourage the States to share and gain knowledge from all the experiences shared today.

Thank you.

Letter from Minister of Commerce and Industry to All States and UTs

पीयूष गोयल
PIYUSH GOYAL

सत्यमेव जयते

रेल, वाणिज्य एवं उद्योग तथा
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री
भारत सरकार
MINISTER OF
RAILWAYS, COMMERCE & INDUSTRY AND
CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
GOVERNMENT OF INDIA

D.O. No. RFP/3/SRLE/2020-log

27th November, 2020

Dear Shri Chouhan ji,

For competitiveness of businesses and economy, improvements in logistics are essential. This also promotes ease of living. With a view to ensuring the integrated development of the logistics sector, the Government of India had established the Logistics Division in July 2017 under the Ministry of Commerce and Industry.

The Logistics Division is coordinating with the related Central Ministries/Agencies at the National level. Given that several important areas in the logistics sector fall within the domain of the State Governments, there is a further need for coordinated action and focused attention. The annual survey of 'Logistics Ease Across Different States (LEADS)' in 2018 and 2019 had assessed the status and performance of States and UTs in logistics and made separate recommendations for each State and UT. The Reports are available on the website of the Ministry of Commerce and Industry. The URL is given below:

https://commerce.gov.in/about-us/divisions/logistic-division/logistics/

In the backdrop of *"Aatmanirbhar Bharat"* - building a self-reliant India and in response to supply chain disruptions during the COVID-19 pandemic, there is now increased focus on logistics and supply chain issues. The Logistics Division is preparing itself for the next round of the LEADS survey for States/UTs. In this context, I would request you for the following:

i. Designate an officer of the level of Principal Secretary or Addl. Chief Secretary as Nodal Officer for integrated development of logistics sector in the State/UT and set up a State Logistics Cell. The Nodal Officer and the Cell would liaise with the Logistics Division in matters relating to integrated development of logistics sector in the State and align State plans and activities with the National Plans.

ii. Set up a State Logistics Coordination Committee under the Chairmanship of Chief Secretary with all related departments and designated central government officers. An illustrative list of areas for focussed attention at the State level is given in the annexure. Discussions in these meetings may cover all the relevant areas included in the illustrative list.

iii. The State may develop an integrated State Logistics Plan, if not developed (If such a plan has already been developed, a copy of the same may be shared) and identify 5 top challenges faced by the State/UT in the Logistics Sector. The States may also share 3 good practices with potential for replication that they would like to showcase.

I sincerely hope that the issue of integrated development of the Logistics Sector in the State will receive your personal attention. The Central Government is committed to working with the States/UTs for coordinated development of the sector.

I look forward to hearing from you on the above suggestions and ideas to move forward and make India's logistics sector more competitive thereby contributing to *Aatmanirbhar Bharat.*

With warm regards and good wishes for your health and well being. Stay safe.

Sincerely,

Piyush Goyal

Shri Shivraj Singh Chouhan
Hon'ble Chief Minister
Government of Madhya Pradesh
Mantralaya, Vallabh Bhawan-1
Bhopal-462 004

Annexure

Illustrative List of Areas for Integrated Development of the Logistics Sector in States/UTs

1) **Create aggregation points for farm produce and products from MSME sector at the first-mile preferably with multimodal connectivity**. This will necessitate identifying production and manufacturing clusters in the state that the efficient forward aggregation of supplies to varied markets can be implemented.

2) **Establish logistics parks with truck parking locations and warehousing facilities in peri-urban areas near cities**. This will decongest urban centres by shifting terminal level freight handling outside of city limits, for both food and non-food supplies into each city. It will also allow for a more controlled flow of smaller last-mile delivery vehicles into high density urban zones.

3) **Move towards an eco-system of minimal inspection and stoppages of trucks on road** by tax, transport, and police, helping transporters achieve maximum operational efficiency, while also moving towards a smart enforcement model that allows the state administration achieve its regulatory goals with much lesser deployment of resources. This can be done by using digital information available in Ewaybill database of GSTN, e-challan systems developed by some states, VAHAN, SARATHI and Fastag developed by MoRTH.

4) **Identify truck movement choke points and address these bottlenecks** with a view to improve Truck Travel Time Reliability in the State –. This will contribute to improve ease-of-doing logistics in the state, and smoothen intra-state and inter-state movement of goods.

5) **Earmark dedicated parking spaces along highways and major roads for trucks and resting places for drivers**. This will bring best practices for the human factor in trucking, to build a value system that reduce accidents and add to quality of life of truckers.

6) **First Mile / Last mile connectivity to National Economic Corridor and major transportation projects including major Rail, Air and Shipping / inland waterways terminals**. This will ensure inter-modal connectivity and intermodal shipments, so as to

optimise logistics costs and streamline operational delays. Developing a State action plan that leverages existing passenger transport infrastructure such as inter and intra-city buses and mass rapid transit system for last mile parcel distribution logistics during off hours or off-peak hours

7) **Transport infrastructure and traffic planning for last mile delivery within the city boundaries.** This will reduce conflicts between people transport and goods logistics, and contribute to modernising of traffic management initiatives.

8) **Leverage coastal shipping and inland waterways (where available) and railway network as an environment friendly and often cheaper alternative to transportation.** This will maximise on advantages from economy of scale in moving goods, and contribute to lowering of climate change impact from logistics.

9) **Infrastructure and planning for cargo movement for exports and imports (EXIM), wherever applicable.** Airports, seaports, ICDs as gateways for EXIM movement need to be modernised to reduce lead times, waiting times and improve throughput of goods.

10) **Ensure modern material handling systems and facilities for weighment and X-ray screening for safely managing cargo** movement as well to address security and transparency concerns.

11) **Ensure easy availability of land and facilitative environment for conversion of land use, FSI / FAR relaxation for warehousing, relation in height of warehouses etc.**

12) **Effective implementation of Carriage of Goods by Road Act, 2007.** Improved compliance or associated shall provide opportunity to streamline road logistics, which comprises the major share in national logistics.

13) **Special focus on skill development and capacity building for the logistics sector.** This will ensure the human backdrop also evolves with associated technological developments and is better integrated into the requirements of equipment, specialised goods, and future development.

14) **Effective grievance redressal and dispute resolution mechanism.** There is the need to fast-track resolution of issues of logistics services so that this vital enabling sector can contribute more to domestic and international commerce and to national growth.

15) **Promote innovations to promote green logistics and reverse logistics.** Collaborations that promote sharing of freight routes to minimise idling of transport units within states may be considered. Support development of other process and technology innovations that minimise polluting impact of logistics and optimises capacity utilisation can be taken up.

16) **Develop State Logistics Plan.** This will drive greater coordination between cross-sector implementing agencies for targeted outcomes and focused central government support. As a part of the State Logistics Master Plan, a network of warehousing, transport and distribution assets would be pre-identified, and crisis response action plans developed. In addition, the plan would include measures that allow seamless digital coordination of assets and human resource deployment during crisis. This would allow rapid and coordinated deployment of assets and personnel in the minimum amount of time during any crisis or emergency and ensure supply chains remain functional

17) **Appointment of Nodal Officer for Logistics and Creation of State Logistics Cell.** A senior officer to coordinate and liaise with Logistics Division of Commerce Ministry, so that matters can be resolved on priority at central government level. The State Logistics Cell would provide hand-hold businesses get all requisite approvals and clearances for setting up of new logistics businesses or expansion/modification of existing operations. This facilitation office could adopt a framework of best practices for procedural approval of facilities like warehouses or logistics parks.

18) **Setting of State Logistics Coordination Committee**. This will facilitate the inter-state agencies to act in coordination to meet challenges faced in doing logistics in the state.

List of Participants

Central Government

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State Government

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15	Assam	Kamal Lochan Baishya	Joint Director (Industries and Commerce)		kamallochanbaishya@gmail.com
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17	Bihar	Rakesh Kumar	Extension Officer	9709665067	thakurkumarrakesh@gmail.com
18	Bihar	Balram Singh	Joint Director	7320923208	balramsinghgm@gmail.com
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20	Chandigarh	Mr. Jagjit Singh	Director, Industries	9814236221	dimsmeutchd@gmail.com
21	Chhattisgarh	Abhinav Agrawal	MD, State Warehousing Corporation	9987440059	abhinav120@gmail.com
22	Chhattisgarh	Saumil Ranjan Chaubey	Addl. CEO SUDA	9993109999	saumil.chaubey@gmail.com
23	Chhattisgarh	Devvart Sirmour	Joint Transport Commissner	8224900700	vedshorea@gmail.com
24	Chhattisgarh	Anurag Pandey, IAS	Joint Secretary, GoCG	9827168500	anuragpandeyias@gmail.com
25	Daman & Diu and Dadra & Nagar Haveli	Ashish Mohan	Director-cum-Joint Secretary (Transport)	7889034295	ceodp-dmn-dd@nic.in

26	Daman & Diu and Dadra & Nagar Haveli	Bipin Pawar	Motor Vehicles Inspector	8469888844	rtodaman-dd@nic.in
27	Daman & Diu and Dadra & Nagar Haveli	Abhinav Patel	Asstt. Motor Vehicles Inspector	9978777775	abhinav.patel@gov.in
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34	Goa	Hemant Kumar	Commissioner of Commercial Taxes	0832-2422757//2229430	ho-ctaxgoa@nic.in
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43	Jammu & Kashmir	Ms. Anu Malhotra	Director, Industries & Commerce, J&K	1912474085	
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		D S Rajora	Asstt. Secretary General	9818483881	d.s.rajora@assocham.com
6	Associated Container Terminals Ltd. (ACTL)	Bharat Joshi	Director	9818123232	bharatj@actlindia.com
		Hitendra Joshi	Director	9811000183	hitenjoshi@actlindia.com
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8	Federation of Associations of Maharashtra (FAM)	Rasesh Doshi	Vice President	9820214602	raseshdoshi@aaparts.co.in
9	Federation of Freight Forwarders' Associations in India (FFFAI)	A. V. Vijayakumar	Chairman	91-9840060452	vijay@fffai.org
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Presentation on LEADS

Department of Commerce
Ministry of Commerce & Industry
Government of India

FIRST NATIONAL CONFERENCE ON LOGISTICS WITH STATES/UTs

19th January 2021

Logistics Ease Across Different States (LEADS) Report

LEADS : Logistics Ease Across Different States

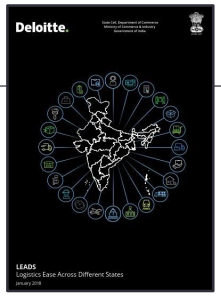
LEADS is an annual study to measure the efficiency of logistics ecosystem of states and recommend action points for further improvement

Objectives of LEADS Ranking

1. Rank states /UTs logistics ecosystem performance to create constructive competition
2. Facilitate right inputs from stakeholders
3. Action points and feedback

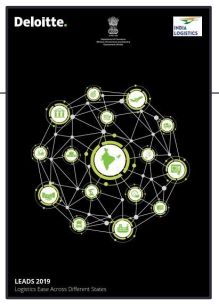
LEADS 2018

- ✓ Focus on EXIM
- ✓ Benchmark state logistics practices
- ✓ Identified stakeholders and initiated dialogue



LEADS 2019

- ✓ Domestic as well as International trade
- ✓ Identified gaps and inefficiencies
- ✓ Provide a sustainable mechanism for assessment of logistics ease



Salient features of LEADS 2019 Exercise

EXIM and Domestic supply chains	Value chain mapping across both EXIM and Domestic value chains
Perception based	Perception based survey covering stakeholders across value chain from service providers to customers and regulatory authorities
9 parameters	Ranking based on 9 indicators across Infrastructure, Services and Regulations
Pan India assessment	3,045 responses were collected from 1,150 respondents across states and UTs

Indicators of logistics performance (LEADS 2019)

Infrastructure	Services	Regulatory framework
► Availability of logistics infrastructure ► Quality of infrastructure	► Quality of logistics services provided by service providers ► Ease of arranging logistics at competitive prices ► Timeliness of cargo delivery ► Ease of track and trace ► Safety and security of cargo	► State facilitation and coordination ► Efficiency of regulatory process

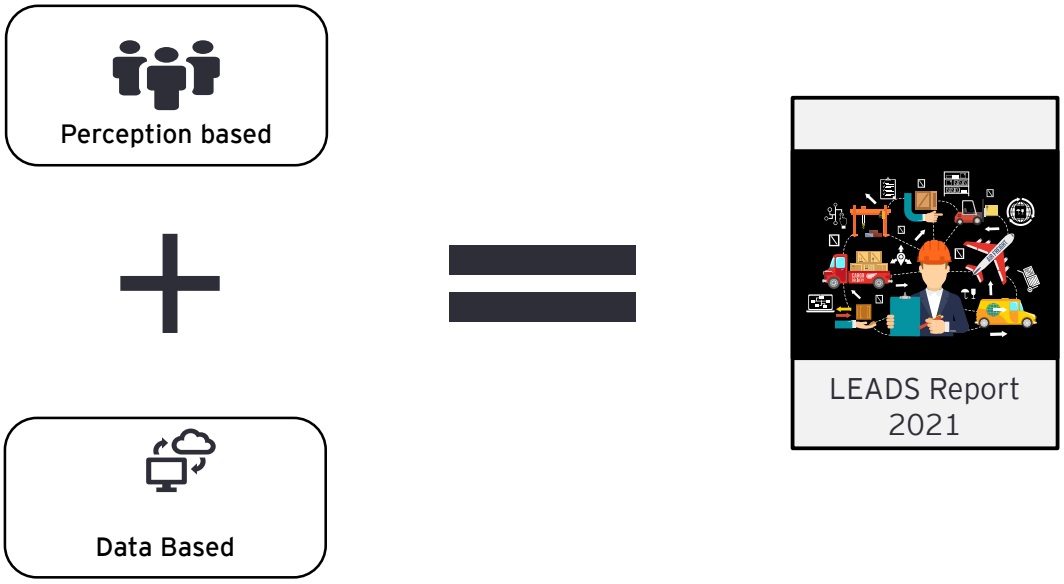
LEADS Ranking for States (2019)

Rank	Name of state	Scores	
1	GUJARAT	3.62	
2	PUNJAB	3.46	
3	ANDHRA PRADESH	3.42	1
4	MAHARASHTRA	3.42	3
5	TAMIL NADU	3.40	
6	HARYANA	3.37	3
7	KARNATAKA	3.37	1
8	TELANGANA	3.22	5
9	MADHYA PRADESH	3.21	1
10	ODISHA	3.18	1
11	KERALA	3.16	5

Rank	Name of state	Scores	
12	RAJASTHAN	3.16	
13	UTTAR PRADESH	3.08	4
14	CHATTISGARH	3.01	5
15	ASSAM	3.00	3
16	WEST BENGAL	2.99	1
17	JHARKHAND	2.88	4
18	JAMMU & KASHMIR	2.87	4
19	ASSAM	2.85	
20	JAMMU & KASHMIR	2.85	1
21	UTTARAKHAND	2.78	5
22	HIMACHAL PRADESH	2.72	5

Change in rank as compared to 2018 — No change in rank — Increase in rank — Decrease in rank

LEADS Report 2021 : Combination of perception and data based approach



Note: The perception based surveys would be conducted with various stakeholders including Shippers, Manufacturers Terminal Operators, Transporters, Logistic service providers etc.

Indicative list of data points (Data points to be normalised, Hilly state shall be evaluated in a customized manner)

Infrastructure	Services	Operatory and Regulatory framework
▸ Rail Track Kilometres ▸ Total length of road network (NH, SH, MDR) ▸ Total capacity of dry ports (including ICD, PFT, CFSs, MMLPs) ▸ Total warehouse capacity (including cold storage) ▸ Number of testing labs ▸ ETC enabled tolled plazas on State highways	▸ Number of goods commercial vehicles (GCV) registered ▸ Number of drivers registered for goods commercial vehicle (GCV) ▸ Number of GCV accidents ▸ Number of FIRs registered ▸ Availability of a digital platform to integrate logistics ecosystem stakeholders ▸ Number of logistics related courses in ITI's ▸ Number of individuals registered for training courses at ITI's	▸ Does the State/UT have a Logistics Policy/Scheme? ▸ Has the nodal department for logistics been identified ▸ Is there a state logistics master plan ▸ Does the state have a single window mechanism for approvals ▸ Does the state have a dedicated land bank for setting up logistics facilities ▸ Have GST, Fast-track, VAHAN and SARATHI databases been integrated ▸ Does the state have a grievance redressal mechanism for logistics

Cluster approach for coordination with States

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Cluster 3: South

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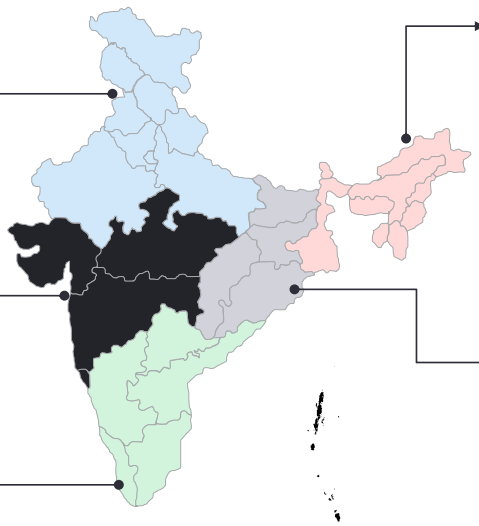

Cluster 5: North East

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Cluster 4: East

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Each Cluster will be supported by 1 team from DoC

Our Engagement plan with the States

1. Web enabled portals and emails
2. Telephonic Discussions
3. Video Conferencing
4. Face to Face Meetings
5. Dipstick Surveys

Real insights will come from face-to-face dialogues with key stakeholders

Support Required From States

States are requested to appoint a nodal officer who will help coordinate with various state departments to collect data for the LEADS Report

Logistics Division (MOCI)

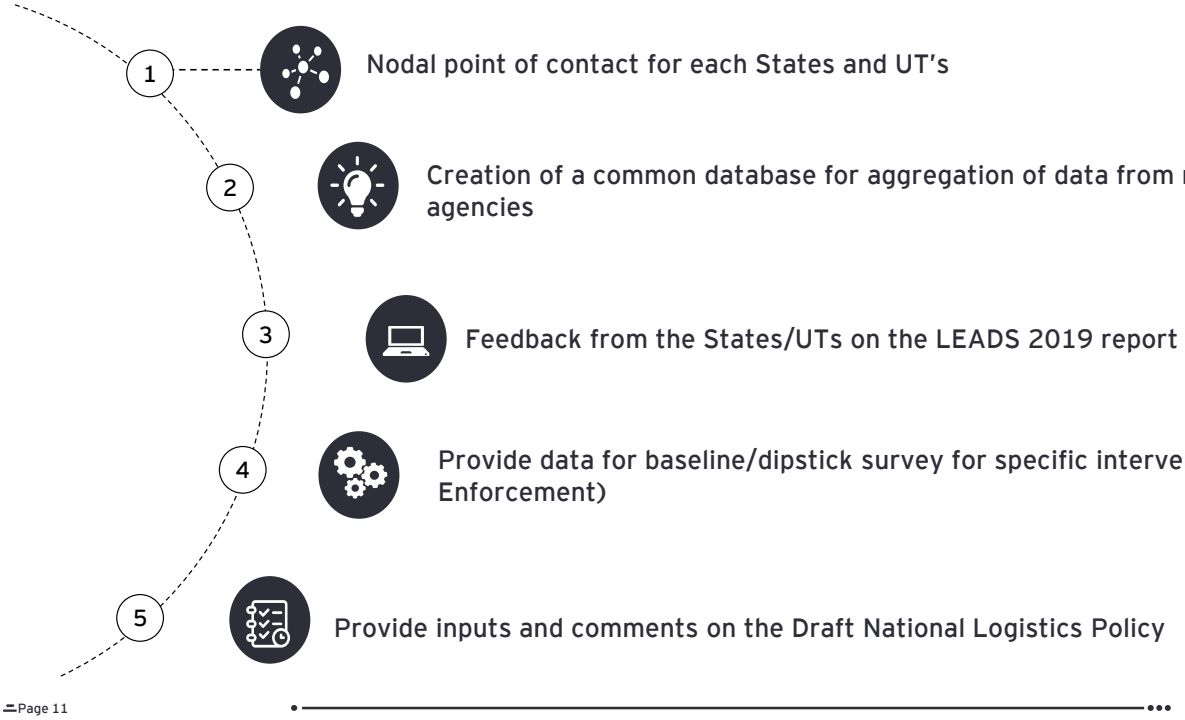
Department of Commerce
Ministry of Commerce & Industry
Government of India

State Nodal Officer

State Departments

1. Industries Department
2. State PWD/ Road & Highway Department
3. Police / Home Department
4. Transport Department
5. Food Department/ State Warehousing Corporation
6. Urban Development Department
7. State Maritime Board/Department
8. State Railway SPV
9. Any other relevant department

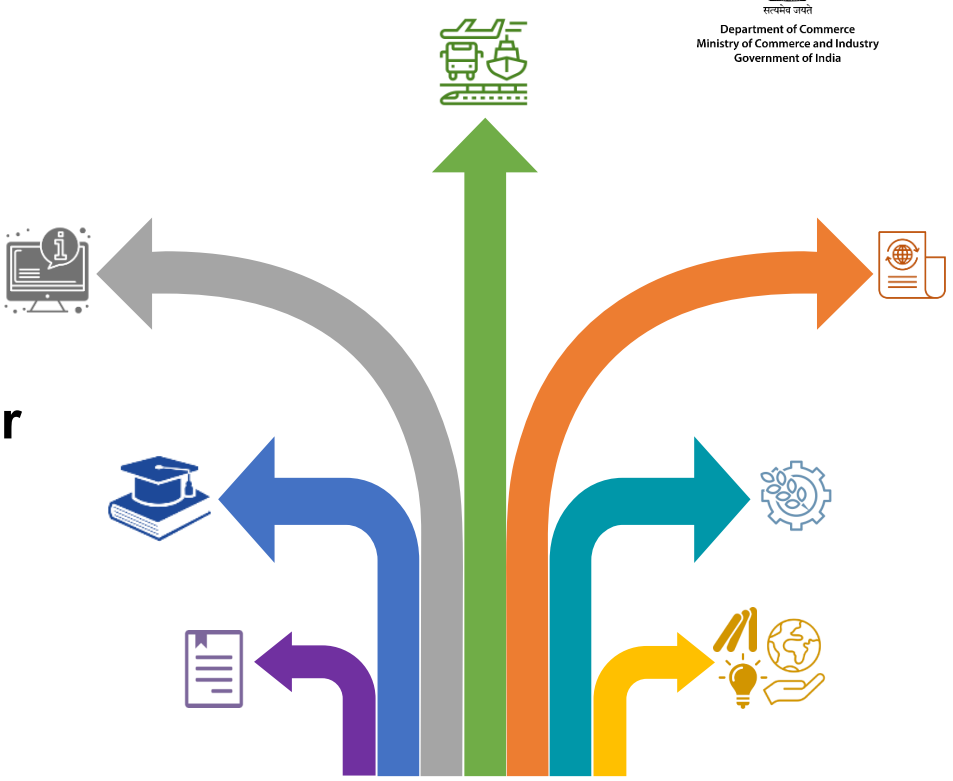
Assistance from States /UTs



Presentation on National Logistics Policy

INDIA LOGISTICS

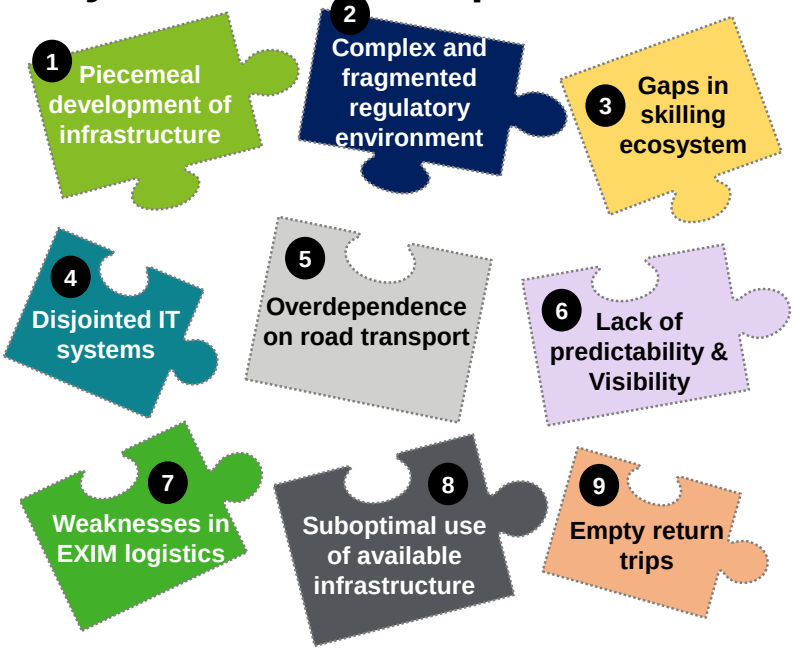
Department of Commerce
Ministry of Commerce and Industry
Government of India



Transforming India's Logistics Sector

Logistics Division, Department of Commerce,
Ministry of Commerce and Industry

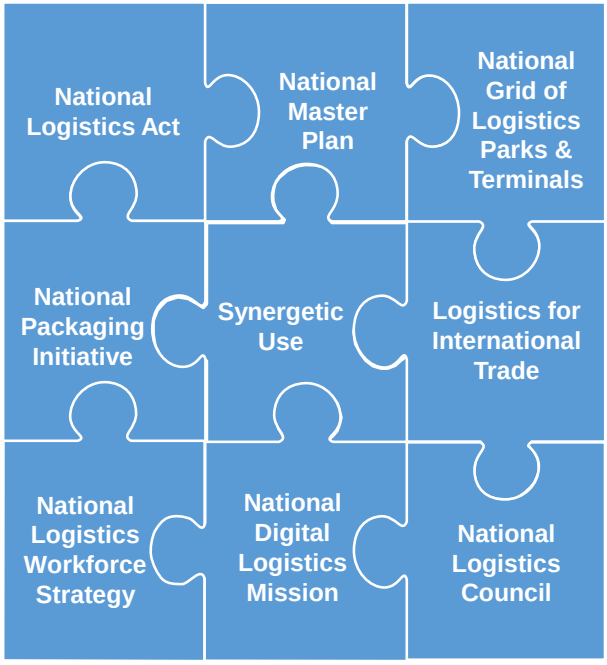
Key Problems & Proposed Solutions



Logistics Cost ~**13% of GDP (2018)**, most developed countries (<10 per cent)

Logistics Performance Index Rank **44 out of 160 countries (2018)**

INDIA LOGISTICS

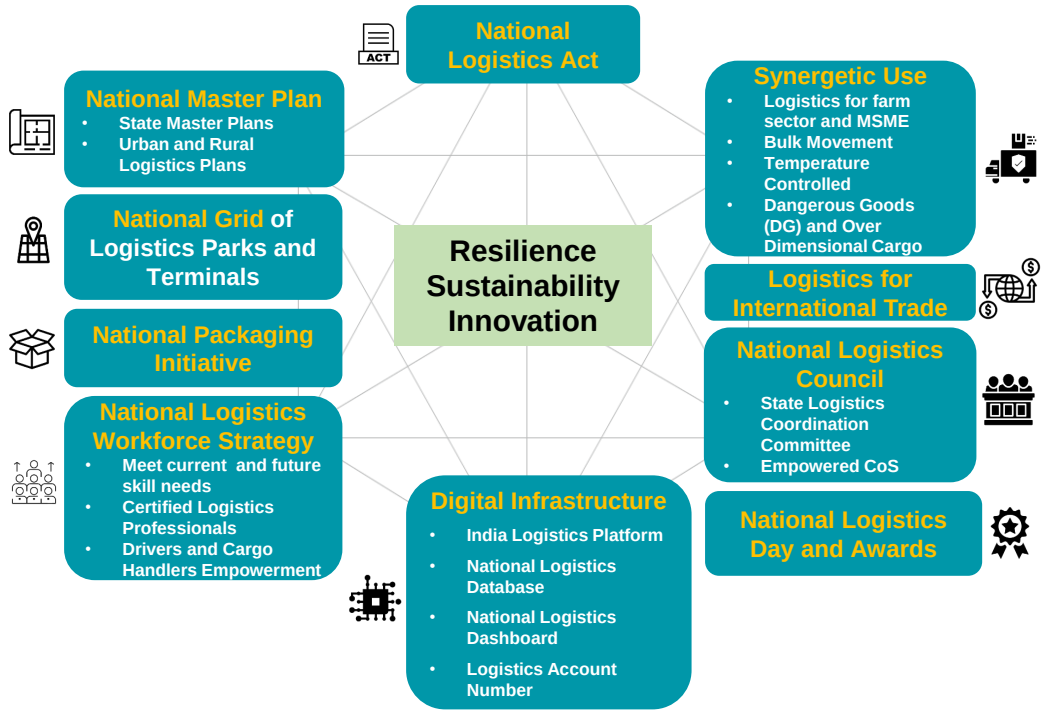


The Integrated logistics sector

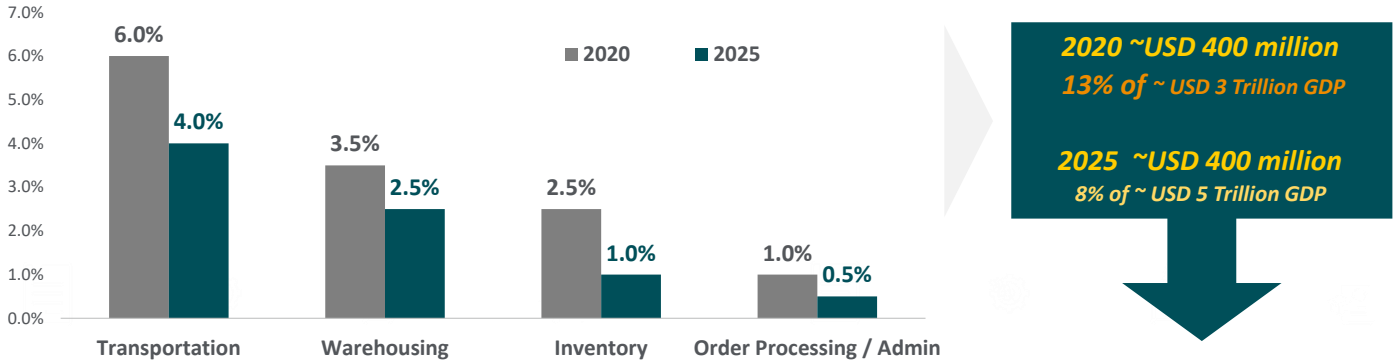
Synergetic Government Action along with Efforts of all Stakeholders

2

Framework



40% Reduction in Logistics Cost



Per-ton-km transportation cost - **Road (INR 2.58 / ton-km) almost double that of Rail (INR 1.41 / ton-km) and Waterways (INR 1.06/ton-km)**

TRANSPORTATION	WAREHOUSING	INVENTORY	ORDER PROCESING / ADMIN
• Improved turnaround (road) - **300 km to 600 km/day** • Shift to railways and Coastal Shipping / Inland waterways • Interconnected infrastructure (National Master Plan) and address first mile & last mile connectivity	• Modern warehousing – standards, grading & certification, streamlined processes, National Registry • National grid for logistics parks and terminals - Consolidated guidelines, MCAs, National Registry	• Improved predictability and visibility • Optimization in supply chain management (capacity sharing)	• Unified documentation • Standard language, obligations and liabilities • Facilitation of Ex-Im trade through IT platform • Unique Logistics Account Number

Digitization, Skilling and Innovation

1. National Logistics Act

Road, Transport and Highways	Ports, Shipping & Waterways	Railways	Airways	Multimodal
• *Carriage by Road Act, 2007*	• *Carriage of Goods by Sea Act, 1925* • *Merchant Shipping Act, 1958* • *Bill of Lading Act,1856*	• *Railways Act, 1989*	• *Carriage by Air Act, 1972*	• *Multimodal Transportation of Goods Act, 1993* (confined to outside India)

* Repeal those in red and partially subsume others

UNIFIED AND AGILE REGULATORY ENVIRONMENT

- **Unified legal framework** and common terminology, obligations and liabilities across all modes of transport
- **Impetus to multi-modal activities** and optimal utilization of all modes of transportation
- **Logistics Account Number** and **National Electronic Platform**
- Promote **transparency in charges and levies and competition** across modes
- **Recognized Logistics Associations** to ensure **speedy dispute resolution**
- **Robust Co-ordination Mechanism**

5

2. National Master Plan

Physical Infrastructure (Fixed)

Roads Transport and Highways	Ports, Shipping & Waterways	Civil Aviation	Railways	Economic Clusters	Industrial and Economic Corridors
• *Bharatmala*	• *Maritime India Vision 2030* • *Sagarmala* • *Jal Marg Vikas*	• *Vision 2040* • *UDAN-RCS*	• *National Rail Plan 2030* • *Planned Corridors*	• *Defense, Food, Electronic, Textile, Pharma clusters*	• *DMIC, AKIC, NEEC, ECEC, CBIC, VCIC, BMIC and others*

NATIONAL MASTER PLAN

National Master Plan

- **Ensure synergy** between individual infrastructural development plans of Ministries, Departments and State government
- **Optimize** logistics movement between **major economic hubs/ clusters**
- **Augment inter-modal and/or multimodal transport** mix
- **Conjoined development** of related infrastructure
- **Empowered Group of Secretaries (eGoS)** to monitor

State Master Plan - Aligned with National Master Plan (18 Identified Areas)

City Logistics Plans - Improving **urban logistics** through **city-level plans**

6

3. Freight Terminals & Multimodal Facilities

Inland Container Depot (ICD)/ Container Freight Station (CFS)	Air Freight Station (AFS)	Private Freight Terminal (PFT) / Container Rail Terminal (CRT)	Inland Waterway Terminal (IWT)	Free Trade Warehousing Zones (FTWZ)
• *Central Board of Indirect Taxes & Customs (CBIC), Ministry of Finance* • *Guidelines defined by CBIC*	• *Ministry of Civil Aviation (MoCA)* • *Guidelines defined by CBIC and MoCa*	• *Indian Railways* • *Guidelines defined by Indian Railways*	• *Inland Waterways Authority of India (IWAI), Ministry of Ports, Shipping and Waterways* • *Guidelines defined by IWAI*	• *Directorate General of Foreign Trade (DGFT), Ministry of Commerce* • *Guidelines defined by DGFT and CBIC*

NATIONAL GRID OF LOGISTICS PARKS AND TERMINALS

- **Consolidated guidelines** and a unified approach for coordinated development
- **Promote Inter-modal** cum **Multi-Modal Logistics Parks (MMLPs)** as a **separate class** of infrastructure
- **Develop Model Concession Agreement (MCA)**
- **A national registry of multimodal facilities** to enable price discovery, optimal utilization and facilitate planned development

4. Development of Modern Warehousing

- Recommendatory guidelines and **standards for warehousing and related physical assets** to drive interoperability and compatibility
- **Framework for Excellence in Warehousing** to encourage grading and certification
- **Streamlined processes** for securing approvals/ clearances
- **National Registry of Warehouses** to enable price discovery and optimal utilization
- Adoption of **warehouse management systems** and other technology
- **Development of silos** for bulk storage and **modernize government warehouses**

5. Rolling and Floating Stock

- **Local manufacturing of containers**
- **Containerization** in less than train load and **palletization** in less than wagon/ truckload
- Innovative wagon / truck design
- Low draft vessels suited for Inland Waterways and Coastal Shipping
- S**lurry pipelines** for bulk commodities (like iron ore etc.)
- Designate **well-equipped logistics facilities** for movement of ODC
- **Reefer container and trucks**
- **Innovative delivery models -** Double Stack Dwarf Containers (DSDC), Roll-on Roll off (RORO), and Road Railers

6. National Packaging Initiative

Develop **Guidelines and Standards** for packaging material and design

Promote domestic industry for manufacturing specialized packaging materials and machines

Use **local and sustainable packaging material**

Certification of bulk packaging of dangerous goods for all modes

R&D and Technology Development

Develop **Common Facility Centre(s)** for packaging

Ensure availability of **skilled workforce**

Packaging standards for GI-products and other for branding, tracking & tracing

Reduce logistics costs, **ensure product safety** and **promote sustainability**

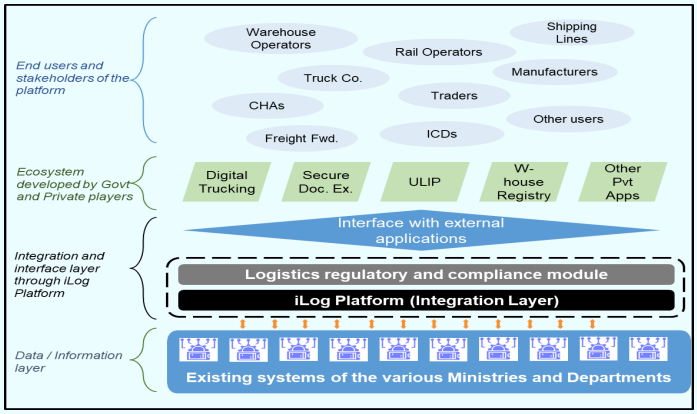
Weighment and Scanning – Review, fill gaps and digital networking

7. Digital Infrastructure – India Logistics Platform (1/2)

Road Transport & Highways	Ports, Shipping & Waterways	Civil Aviation	Railways	GSTN	Agriculture	DGFT	Customs
Vahan	Port Community System(PCS)	Integrated Cargo Management System (ICMS)	FOIS	E Way Bill Portal	E Nam	Digital Processes	ICEGATE
Sarathi	NLP Marine	National Air Cargo Community System	SFOORTI	E-Invoice	Kisan Rath	IEC Digital Portal	E Sanchit
mParivahan			RAIL SUGAM				

India Logistics Platform (iLOG)

- iLog will **bring together different IT solutions** created by various stakeholders
- **iLOG to have a 3 layered structure** with – (1) Data/Information layer, (2) integration layer, (3) top layer created by application developers enabled to create own solutions using integrated architecture
- Development of iLOG will require - **Regulatory framework, harmonisation of terms** used and **process simplification** initiatives to enable seamless experience to the end user



7. Digital Infrastructure (2/2)

1. Track and Trace for Containerised Cargo

- **Container Tracking System** - NLDS/LDB has implemented a container tracking system on major EXIM corridors
- **Digital Port Decongestion** – May be developed to provide visibility on movement of containers between different terminals at ports

2. Track and Trace for Trucks (non-containerised cargo):

- **Truck Visibility & Positioning Platform** - Concept paper is ready with POC; Integration with GSTN is currently under discussion
- **Digital Green Corridor** - A primer on smart enforcement highlighting the best practices by certain states in replacing physical inspection with digital alternatives is ready and is being shared with all states; Adoption of risk management based methodology backed by technology Intervention is also planned
- **Digital Trucking (ELD- Electronic Logging Device)** – May be developed to enable monitoring work and rest of truck drivers and enable tracking of the real-time location of trucks

3. Other Digital Initiatives

- **Secured Logistics Document Exchange** - POC is completed; Buy-in from government & private sector stakeholder has been secured; Integration of SLDE on pilot basis has been initiated into IBA, IPA & CRIS
- **National e-registry of Warehouses -** The pilot has been completed with mapping of over 20,000 warehouses Final roll-out underway

8. Silo-ed Skilling Ecosystem

Ministry of Ports, Shipping and Waterways	Ministry of Civil Aviation	Ministry of Road Transport and Highways	Ministry of Railways	Others
No dedicated scheme **Institutions** • Indian Maritime University • Marine Engineering Colleges (Kolkata, Chennai, Mumbai) • National Inland Navigation Institute (NINI) • JNPT Antwerp Port Training	No dedicated scheme **Institutions** • Rajiv Gandhi National Aviation University • India Aviation Academy • IATA Certified Training Institutes • Private Institutions	• Driver Training Scheme **Institutions** • Regional Driver Training Centre(s) • Central Institute of Road Transport / Central Road Research Institute • Institutes of Driver Training and Research	• Project Saksham **Institutions** • National Rail and Transportation Institution • Indian Railway Institute of Transport Management • Other Technical Training Institutes	• Pradhan Mantri Kaushal Vikas Yojana (PMKVY) • Sector Skill Councils - Logistics, Agriculture, Aviation, Automotive Capital Goods, Life Science (NSDC) • DDU-GKY (Ministry of Rural Development) • Scheme for Capacity Building in Urban Transport (MoHUA)

National Logistics Workforce Strategy

- Coordinated approach to assess **and meet current and future skill needs**
- **Mainstream logistics in formal education and training** system
- **Certified Logistics Professional (CLP) scheme**
- **International recognition** for Indian logistics related **skill certifications**
- **Occupational safety and health guidelines** for workers
- Ensure **gender inclusiveness** through **increased participation of women**
- **National Logistics Day**

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9. Addressing shortage of Truck Drivers

CHALLENGE

Shortage of drivers: >28-30% due to unattractive profession – *low renumeration, long working hours, inadequate resting facilities, lack of access to healthcare & insurance, long absence from home, lack of formal training in skill, digital & financial domains*

Impact- 28-30% shortage of drivers, idling trucks-loss to logistics, accident related deaths & disability

Solutions

- **Training in driving, maintenance, safety aspects and commercial literacy** imparted before grant of license
- **Highway amenities/centres** to provide facilities for rest, hygienic food, safe parking and basic vehicle repairs etc.
- **Resting facilities** at freight handling terminals, trans-shipment points, peri-urban areas etc.
- **Improve health & well-being** by facilitating enrollment under “Ayushman Bharat”, Employees State Insurance or state specific schemes

States need to creatively work on schemes to mobilize resources through PPP and other models – putting at the front, the logistic service providers and user industries who shall benefit from the improved logistic efficiencies.

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10. Synergetic Use for Optimization(1/2)

Inclusive Logistics Agriculture & MSME	• **Modernize logistics for agriculture** and coordinate to develop an effective Agri logistics ecosystem, silo development, modern aggregation centres/ pack houses, cold chains, Gramin Agricultural Markets • **Drive MSME competitiveness** through a single window IT platform for all logistics services, and facilitate transparent price discovery and remove information asymmetry • Develop **common logistic-related facilities** to facilitate cost-effective and efficient supply chains for MSME clusters
Core Sector Bulk Movement (fertilizer, coal, food-grains, cement…)	• Adoption of **operations research** based holistic planning to optimize transport and distribution • Support adoption of **coastal and Inland water transport** for core sector needs wherever feasible • Coordinate efforts with line Ministries to expedite **adoption of innovations and new modes** to minimize cost and time and reduce wastage
Other Sectors (FMCG, automobiles, electronics…)	• Fast moving consumer goods have distinct logistics needs (including reverse logistics); similarly automobile sector and its ancillaries, electronics • Tremendous scope for reducing working capital requirements by reducing inventories increasing efficiency of these supply chains • Scope for sharing capacities

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10. Synergetic Use for Optimization(2/2)

Cold Chain Facilities	• Development **National Cold-Chain Grid** for effective temperature controlled supply-chain with assurance of quality control and temperature management in transport, storage, and distribution
Dangerous Goods (DG) and Over Dimensional Cargo (ODC)	• Streamline transportation and storage of DG and ODC with **robust oversight mechanism** to ensure compliance • **Train workforce** to meet safety standards

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11. Logistics for International Trade

Facilitating integration of Indian enterprises with Global Value Chains	
Infrastructure	• Enhance **infrastructure,** including cargo handling equipments **at the ports** • **Augment infrastructure for off border clearances** to reduce border congestion • Specific solutions for **direct rail-based evacuation of containers and cargo to/from off-port locations** and improvement in last mile connectivity
Processes	• **Develop Model Guidance Manual** on streamlining and standardization of logistics processes for self improvement in logistics efficiency at ports/ airports • **Coordinated Testing Lab Eco-system** and SOPs for collection/ transmission of sample from ports to lab; supporting accreditation of Indian labs conforming with standards of trading partners, electronic database of accredited labs, s • **Develop IT platform and Risk Management System (RMS) for PGAs** to digitize processes, streamline inspections, sampling, testing and issuance of certification across key PGAs
Connect local to Global	• **Highly Facilitated Trade Corridors (HFTCs)** that link Indian enterprise with key markets and global trade hubs

12. Resilience, Sustainability and Innovation

Resilience

Logistics During Disasters

Support Ministries in better **management of relief and rehabilitation**:

- Identification of **minimum logistics resources** (assets, manpower, essential supplies)
- Designate **logistics hubs as disaster support cells**
- Develop **resiliency plans for the logistics network**

Logistics during Extended Disruptions

- **Financial support to small fleet owners** to avoid disruption in logistics
- Support **health concerns of logistics workers**

Strategic Logistics Assets

- **Identify strategic logistics assets, and facilitate in upgrading them** to meet military standards in terms of their design, construction and build quality

Sustainability

- Encourage **modal shift** to more **environment friendly** modes
- Promote use of **electric and non-motorized** vehicles
- Mechanism for **rating, rewards and recognition** to encourage **adoption of eco-friendly practices**
- Encourage **Reverse logistics** and modern waste management to push towards a ‘**circular economy**’

Innovation

- Develop a **Network of Centers of Excellence** for innovative solutions/ emerging areas in partnership with select institutions
- Promote a **start-up ecosystem** in collaboration with industry/ academia to **accelerate digital innovation**

Implementation, Financing and Monitoring

Implementation

- **National Logistics Council (NLC)**, **Central Advisory Committee on Logistics (CACL)** for effective coordination and implementation. **Empowered Group of Secretaries (eGoS).**
- **State Logistics Coordination Committee (SLCC)** for integrated development at state level

Categorization of strategic initiatives:

- **Cross-cutting initiatives** involving multiple stakeholders - to implement under NLC's guidance
- **Stand-alone initiatives** with significant policy implications - NLC to define the guidelines
- **Infrastructure development initiatives** within single ministry – monitor under Inter-Ministerial Committee's guidance

Financing

- **Co-funding options** for augmenting logistics infrastructure through convergence of schemes
- **Policy based funding support** from multi-lateral agencies
- Promote **private sector investment** leveraging various financial schemes and developing model concession agreements
- Recommend **fiscal incentives and tax related interventions** to enhance efficiency and competitiveness

Monitoring and Evaluation

- **Logistics Performance Index (LPI),Trade across Borders in Ease of Doing Business**
- **Outcome oriented monitoring** through indigenous India-specific metrics on performance dashboards for logistics sector.
- **Periodic audits** to identify key impediments in policy implementation and undertake corrective measures

States: On the Agenda

Focus on Truck Drivers
Earmark dedicated parking spaces along highways and major roads for trucks and resting places for drivers

Warehousing
Ensure easy availability of land and facilitative environment for conversion of land use, FSI / FAR relaxation for warehousing, relation in height of warehouses etc.

Smart Enforcement
Move towards an eco-system of minimal inspection and stoppages of trucks on road; Identify truck movement choke points and address these bottlenecks; and Effective implementation of Carriage of Goods by Road Act, 2007 and Indian Motor Vehicles Act.

City Logistics
Logistics parks with truck parking/warehousing in peri- urban areas near cities / Transport infrastructure and traffic planning for last mile delivery

States - State Logistics Plans

- **Connectivity - National and State Economic Corridors**
- **Leverage coastal shipping and inland waterways (where available) and railway network as an environment friendly and cheaper alternative to transportation**
- **Infrastructure and planning for cargo movement for exports and imports (EXIM), wherever applicable**
- **Create aggregation points for farm produce and products from MSME sector at the first-mile preferably with multimodal connectivity**
- **Ensure modern material handling systems and facilities for weighment and X-ray screening for safely**
- **Promote innovations to promote green logistics and reverse logistics.**

Other Issue: Focus on skill development and capacity building for the logistics sector

Key Stakeholders Consulted

Government

नीति आयोग

Ministry of Road Transport & Highways

Ministry of Ports, Shipping & Waterways

Ministry of Civil Aviation

Ministry of Indian Railways

Ministry of Agriculture & Farmers Welfare

विदेश व्यापार महानिदेशालय DIRECTORATE GENERAL OF FOREIGN TRADE

कॉनकॉर CONCOR

MeitY Government of India

State Governments

Industry

FICCI

aitwa

INSA

ACTO ASSOCIATION OF CONTAINER TRAIN OPERATORS

NACFS

CII

AIMT

CFSAI

Express Industry Council of India

AMTOI

Development Agencies

ADB ASIAN DEVELOPMENT BANK

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

THE WORLD BANK

.....and more

The logo for India Logistics is a unique visual metaphor deeply rooted in the Indian ethos.

It is **inspired from the swan – a majestic bird which is known for it's ability to travel long distances and is equally comfortable in the sky, water and on earth**. It represents the agility of India Logistics. A pair of swans portrays teamwork, synergy and coordination between various partners involved in logistics. The overlapping white wing represents transparency in transactions. The swans flying together towards the northeasterly direction above the robust and uptight typography, indicate collective progress.

Inspired by the Indian tricolor, the logo for India Logistics truly represents a growing and progressing nation that India is.

Thank You!

Presentation by States

1. Gujarat

सत्यमेव जयते
Government of Gujarat

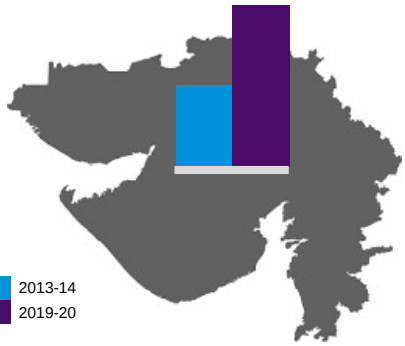
Logistics Scenario of Gujarat

19 January 2021

Gujarat: Economic Engine of India

In last 10 years, the Gujarat's GDP growth is 10% while in 2019-20 the GDP growth is 13%

~18% of India's industrial output, and ranked 1st in terms of investment committed (2019)



Gujarat's GDP (at current prices) stood at **US $243 billion in 2019-20**, as against **US $115 billion in 2013-14**

40%

of India's Port Cargo handled by Gujarat Ports

Manufacturing sector accounts for almost 37% of State's GDP

23%

Gujarat's Share in India's Exports (April-September 2020)

Gujarat with 5% population of India contributes 8.5% to India's GDP

USD 1 = INR 70

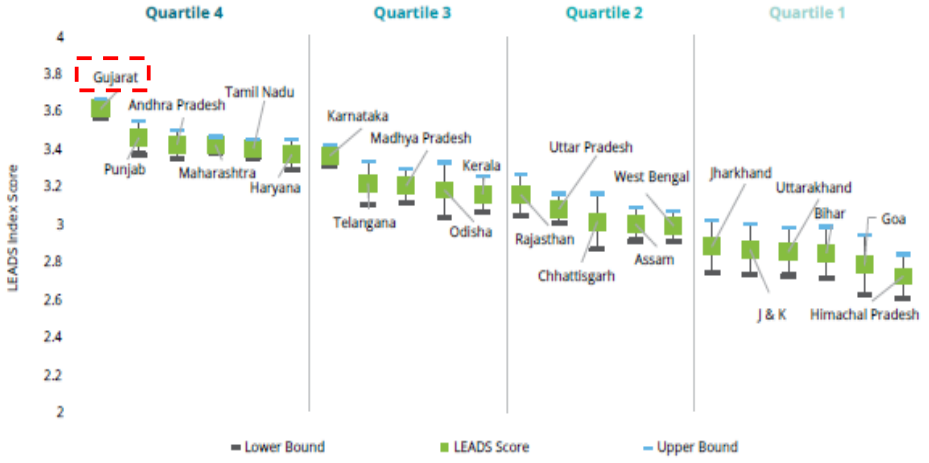
Gujarat: Robust Logistics Network

Gujarat ranked 1st in the Logistics Ease Across Different States (LEADS) index released by Ministry of Commerce and Industry, Govt. of India, in 2018 & 2019

Gujarat has received highest score in 8 out of 9 parameters evaluated in the study.

- **1st - Availability of Logistics Infrastructure**
- **1st - Quality of Logistics Infrastructure**
- **1st - Quality of services offered by Logistics Service Providers**
- **1st - Ease of arranging logistics at competitive rates**
- **1st - Timeliness of cargo delivery**
- **1st - Ease of Track & Trace**
- **1st - State facilitation and coordination**
- **1st - Efficiency of regulatory processes**
- **2nd - Safety/ Security of cargo movement**

Logistics Ease Across 22 States



Source:- LEADS 2019 Rankings, Department of Commerce, Ministry of Commerce and Industry, Government of India

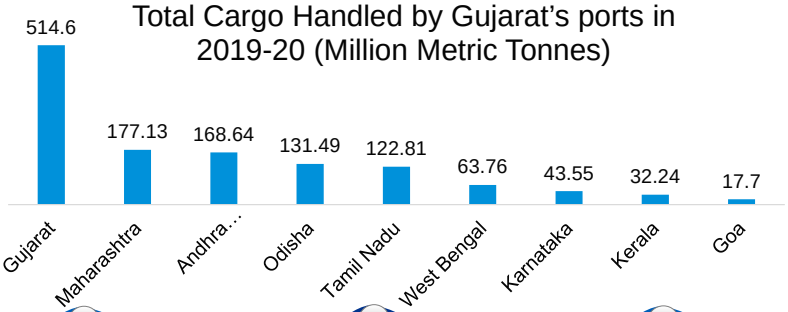
3

Port Infrastructure

48 ports handling over 40% (514 Million Tonnes) of India's Port Cargo

Gujarat's Coastline is dotted with 33 Captive & 11 Operational Private Jetties.
3 Additional Private Jetties are planned in Navlakhi, Bedi & Bhavnagar

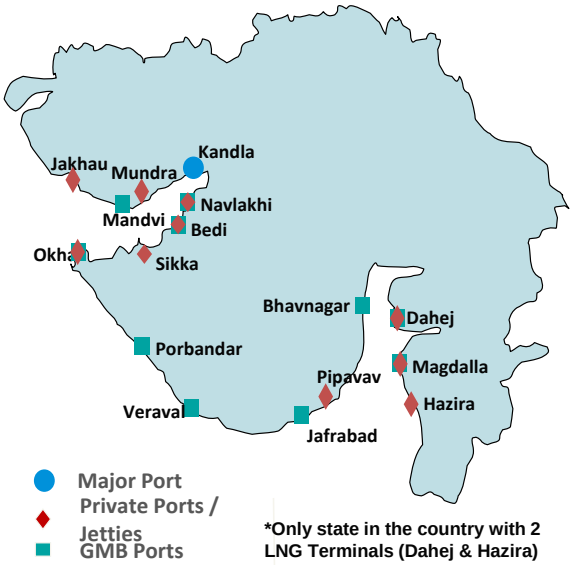
Total Cargo Handled by Gujarat's ports in 2019-20 (Million Metric Tonnes)



First Maritime Board in India; established in 1982

Nearest maritime outlet to Middle East, Africa and Europe for India

Port with the highest throughput – Mundra



*Only state in the country with 2 LNG Terminals (Dahej & Hazira)

Source:- Gujarat Maritime Board, Government of Gujarat

4

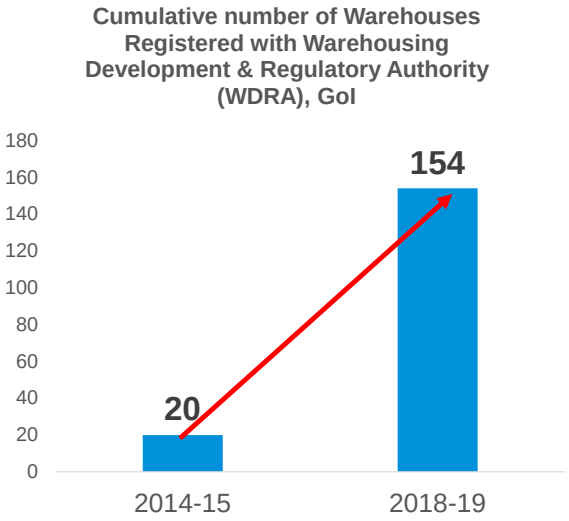
Warehouse & Cold Storage Infrastructure

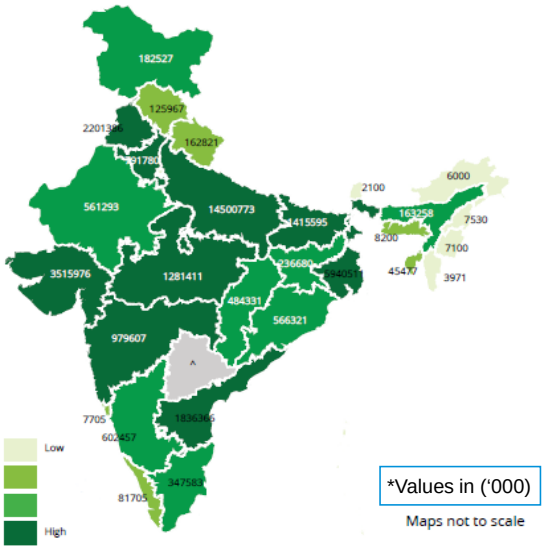
Cumulative warehouse capacity of 14.08 Lakh Metric Tonnes

890 Cold storages with a cumulative capacity of 35.17 Lakh Metric Tonnes

Surface Based Terminals

- 24 Container Freight Stations
- 7 Inland Container Depots



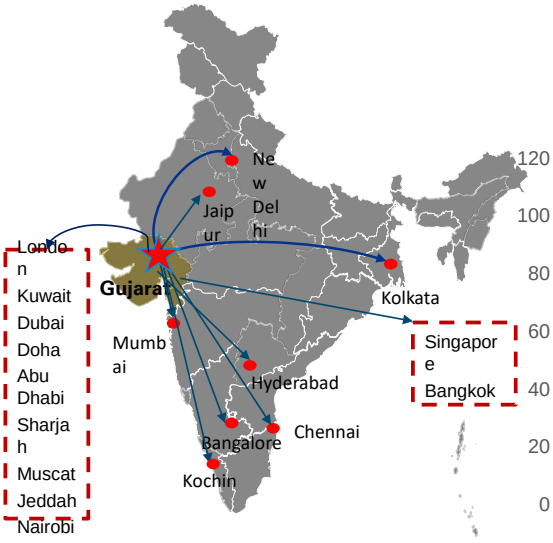


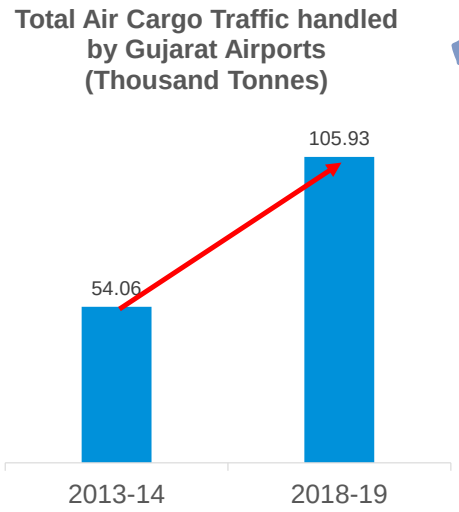
Source:- LEADS 2019 Rankings, Department of Commerce, Ministry of Commerce and Industry, Government of India; WDRA Annual reports

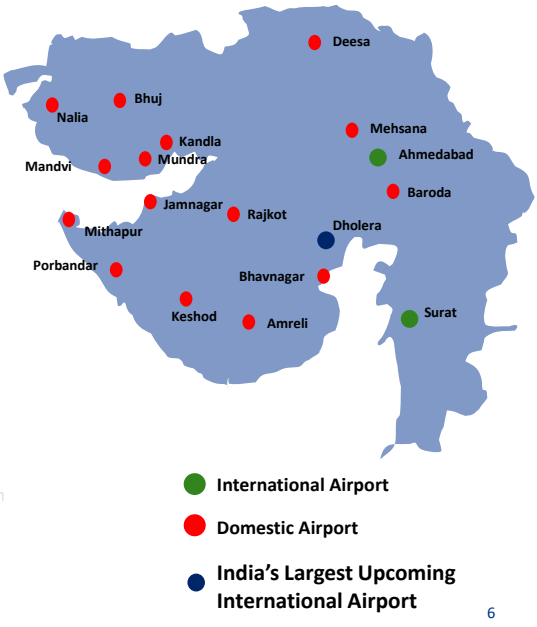
Air Connectivity

Gujarat has non-stop passenger flights scheduled to 50+ destinations in over 9 countries

Well connected intra state air connectivity - 17 operational airports & airstrips with 2 International airports

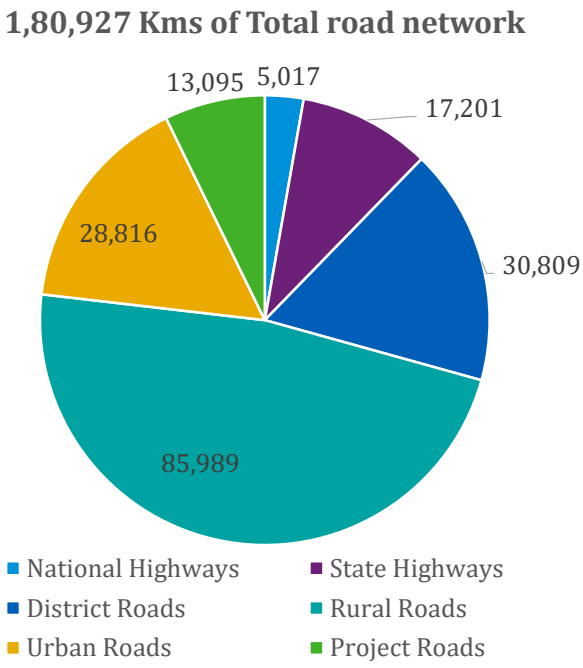






Source:- GUJSAIL, Government of Gujarat; Gujarat Socio Economic Review

Road Network



More then 90% of the roads are well surfaced in the State

In a marquee initiative, **Government removed check posts** to allow seamless cargo movement on state highways.

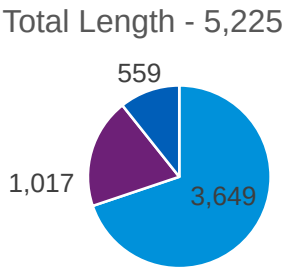
Rural roads comprise **48% of the total roads** in the state providing excellent last mile connectivity across the state.

Gujarat with 17,201 kms of State highway road accounts for **~10% of the total** 1,75,036 kms State Highway roads in India

Source:- Basic Road Statistics of India, Transport Research Wing, Ministry of Road Transport & Highways, Government of India

7

Railway Network



Upcoming Initiative: Preparation of Railway Master Plan for the State of Gujarat (30 Years)

- GIDB in collaboration with G-RIDE (a State JV of GOG & MOR) is also in the process of preparing the Railway master plan for accessing the future logistics needs which can be met through Railway network in Gujarat
- It also envisages to fulfill the supply- demand gap in the existing as well as futuristic Railway infrastructure.

Source:- Socio Economic Review 2019-20, Government of Gujarat & Western Railways, Government of India

8

Mega Initiatives for Infrastructure Augmentation

DFC linking all ports

Pipavav, Kandla and Mundra Ports is being connected by Dec 2021. Revari to Palanpur will be commenced by Mar 2021

Linking Major Industries with Railway

G-RIDE is in process of linking major industrial hubs with Indian Railway Network on PPP mode

6 Lane Highway between Dholera and Ahmedabad

To be completed in 2 years

RO-RO Ferry Service

India's first Ro-Ro that reduces a road distance of 360 kms to 31 kms and journey time from 8hrs to 1 hr

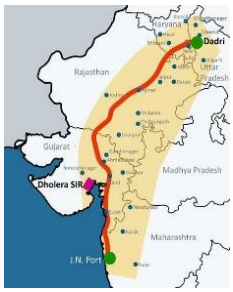
Policy initiatives undertaken by Gujarat in the last two decades

Last mile connectivity to industries	Under **Industrial Policy,** Gujarat provides incentives for development **of Industrial Infrastructure and Logistics Park**
Encourage Private Sector Participation	Under **Port Policy,** Privatization of existing ports, captive jetties by industries, privatization of services **Recently, GMB has announced policy on 'Unlocking value in existing port infrastructure by allowing existing captive jetty holders to handle third – party cargo and opportunity for new players**
Setting up Cold Chain & Processing units	Under **Agro Policy, Gujarat provides incentives for development of Cold Chain processing units, Primary Processing and Collection centers and freight subsidy (Air & Sea)**

9

Mega Projects driving the growth

DMIC & DFC



38% of the USD 100 billion Dedicated Freight corridor between Delhi and Mumbai passes through Gujarat

High Speed Rail

India's first high speed rail project between two mega cities – Ahmedabad & Mumbai

Mandal Becharji SIR

Home to some of the world's largest automobile & auto component companies.

Dholera SIR

- India's largest greenfield industrial zone spread over 900 sq. km
- 500 acres of land earmarked for defence aviation hub

Greenfield ports

New ports at Nargol, Chhara, Jafrabad & Bhavnagar LNG Terminal

GIFT City

India's 1st greenfield financial hub with world class infrastructure for offshore & international transactions

10

Gujarat: Upcoming Logistics and Logistics Parks Policy

In order to boost exports and trade, Gujarat is in process of formulating first of its kind

Integrated Logistics and Logistics Parks Policy

- **Aligned with the vision and objectives of National Logistics Policy** (draft) which will also promote integrated development within logistic sector
  - Driving development of Multi Modal Logistics Parks (MMLPs)
  - Last mile connectivity of logistic park
  - Reduce logistics cost and promote logistics efficiency
  - Promoting green logistics
  - Promoting standardization in the logistics sector etc.
- The policy will further contribute to the **national agenda of "Atma Nirbhar Bharat"**

Objectives : Gujarat Integrated Logistics and Logistics Parks Policy

1. **Bring in unified and coordinated approach to infrastructure and logistics in the state**
2. **Promoting private investment in developing integrated logistics facilities** in the state for creating adequate capacity and quality infrastructure
3. Creating an **efficient and competitive logistics ecosystem** to support Gujarat's Industrial growth
4. **Reduce logistics cost and enhance efficiency** by enabling multi modal transportation
5. Promoting the **use of technology and innovation in the logistics sector for driving higher cost and operational efficiencies**
6. Ensure adequate supply **of skilled manpower** to meet the long term needs of the sector
7. **Reduce the burden on the environment with adoption of green energy** and sustainability practices

Gujarat: India's Investment Magnet

Gujarat received highest **FDI worth of INR 1.19 lakh crores (USD 16.01 bn)** accounting for **53% of the FDI received in India during the April 20 – Sep' 20.**
~ 400% Growth in 2020-21 over the same period (Apr 20-Sep 20) for the previous year

Gujarat stands 1st in terms of no. of IEMs (Industrial Entrepreneurship Memorandum) filed & actual investment reported for 2019 with ~51% share of IEMs filed in India. (US$ 49 Billion) . Gujarat recorded a growth of **333% in proposed investments (IEMs) in 2019** over previous year.

Logistics Ease Across Different States (LEADS) Index

Export Preparedness Index

"Best Performing State" in the National Startup Ranking by DPIIT

Composite Water Management Index by NITI Aayog

Gujarat has the **lowest unemployment rate** in the entire country **@3.4% as per survey report by Ministry of Statistics & Programme Implementation, Govt. of India.**

Source:- FDI Statistics, SIA Statistics, Department for Promotion of Industries and Internal Trade (DPIIT) | 1 USD ~ 74.62 INR

13

Presentation by States

2. Madhya Pradesh

Government of Madhya Pradesh

Madhya Pradesh as a Logistics hub

MPIDC
Madhya Pradesh Industrial Development Corporation

Madhya Pradesh: The Growth Center of India

Huge Market

2nd
Largest Indian State
(by Area)
with
77
Million population

50%
India's population with adjoining states

Industry Ready

20,000 Acres
allottable Industrial Land Bank

Clearance in 15 days
Public Service Guarantee Act

Abundant Skilled Manpower
Over 2 lakh technical professionals each year

24,000 MW Installed power capacity (Also, exclusive DisCom for Mohasa Babai Industrial Area)

900 MCM
river Narmada water reserved for Industry

230,000 KM
of road network

Madhya Pradesh: The Growth Center of India

India's Food Basket

Ranked

1ST producer of
Oil seeds, Tomato, Orange, Pulses, Garlic & Medicinal Horticulture plants

2ND producer of
Food grains, Sesame, Guava, Green Peas, Green chilli & Onion

3RD producer of
Milk, Citrus fruits, Red chilli, Coriander & Cereals

40% Production of India's Organic products

6x growth in **Horticulture** Production over the last 12 years

9 **Food Parks**

Note: All ranks in reference with Indian states.

3

MP's Focus Sectors

Agribusiness & Food Processing
Recorded around 20% agriculture growth rate in the last 4 years

Automobile and Engineering
Indore hub of manufacturing having 100+ large units

Pharmaceuticals
Presence of ~2,800 generic drug manufacturing unit

Warehousing & Logistics
Most of the India can be served from Madhya Pradesh

Renewable Energy
Home to Rewa Solar Power Project- Model project of GoI and World Bank (GIF)

Textile & Garmenting
5th largest producer of cotton in the country

Chemicals & Plastics
Presence of 2 integrated plastic parks

IT/ ITES & ESDM
Operational SEZs, ESDM clusters with Plug & Play infrastructure

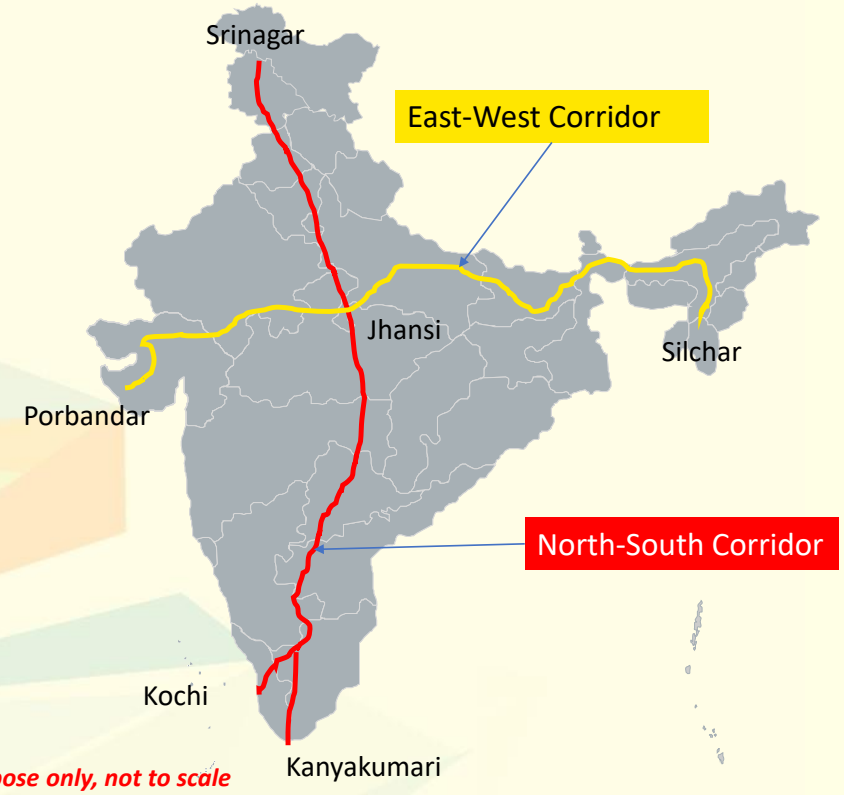
Mineral based Industries
8th most productive mining state in the country

4

MP – Home to over 300 large industries

Madhya Pradesh – Strategic Location

Intersection of E-W & N-S Corridors



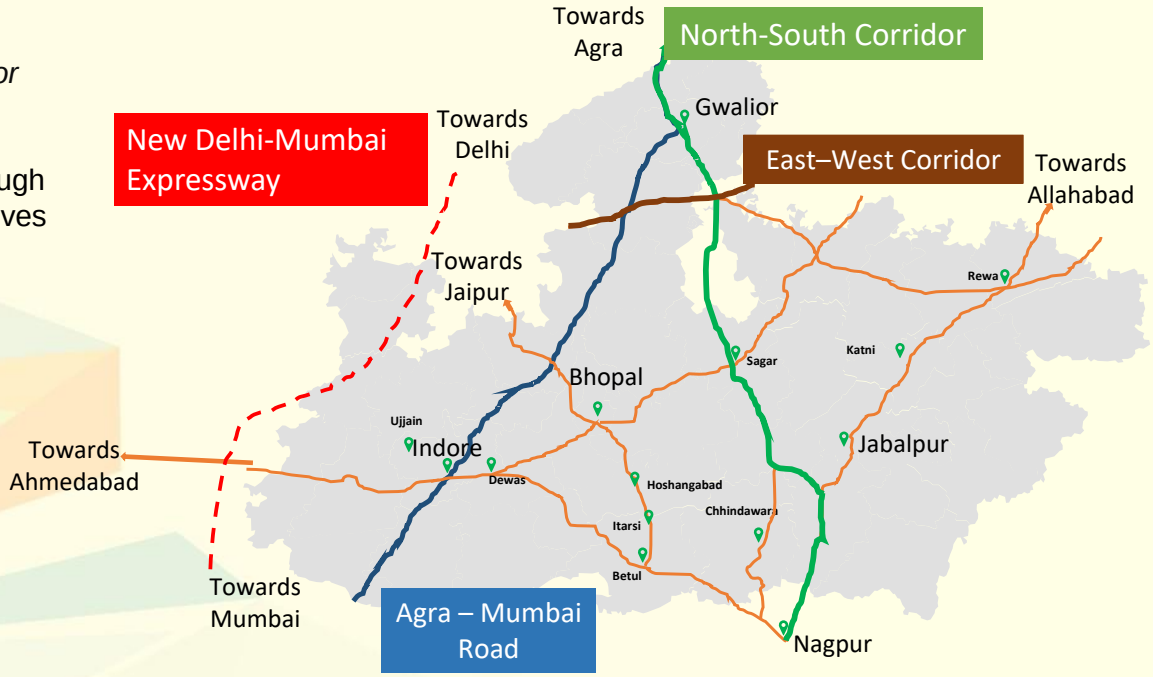
**Map is for representational purpose only, not to scale*

7

Madhya Pradesh: Main Road Routes

Centrally located
both E-W and N-S corridor crosses state

8,772 KM of NH run through the state (59% freight moves on road)



**Map is for representational purpose only, not to scale*

8

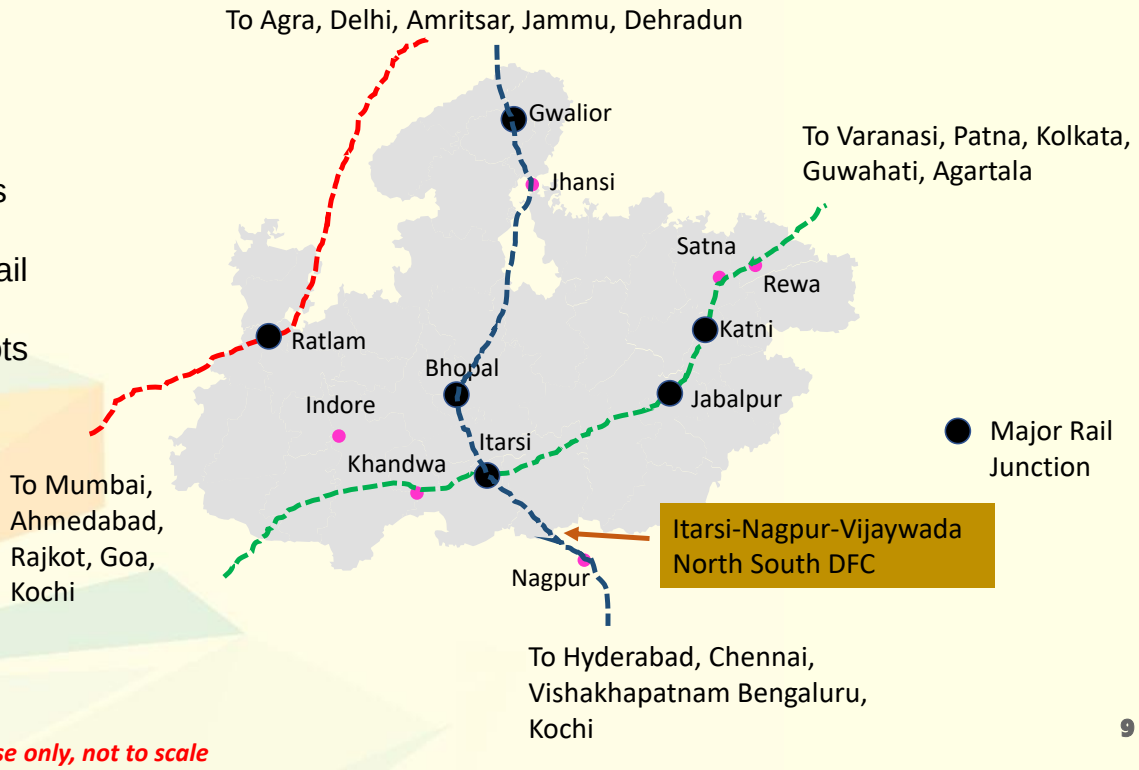
Madhya Pradesh: Main Rail Routes

550+ trains crosses through state daily

20+ Major Rail junctions

35% freight moves on rail

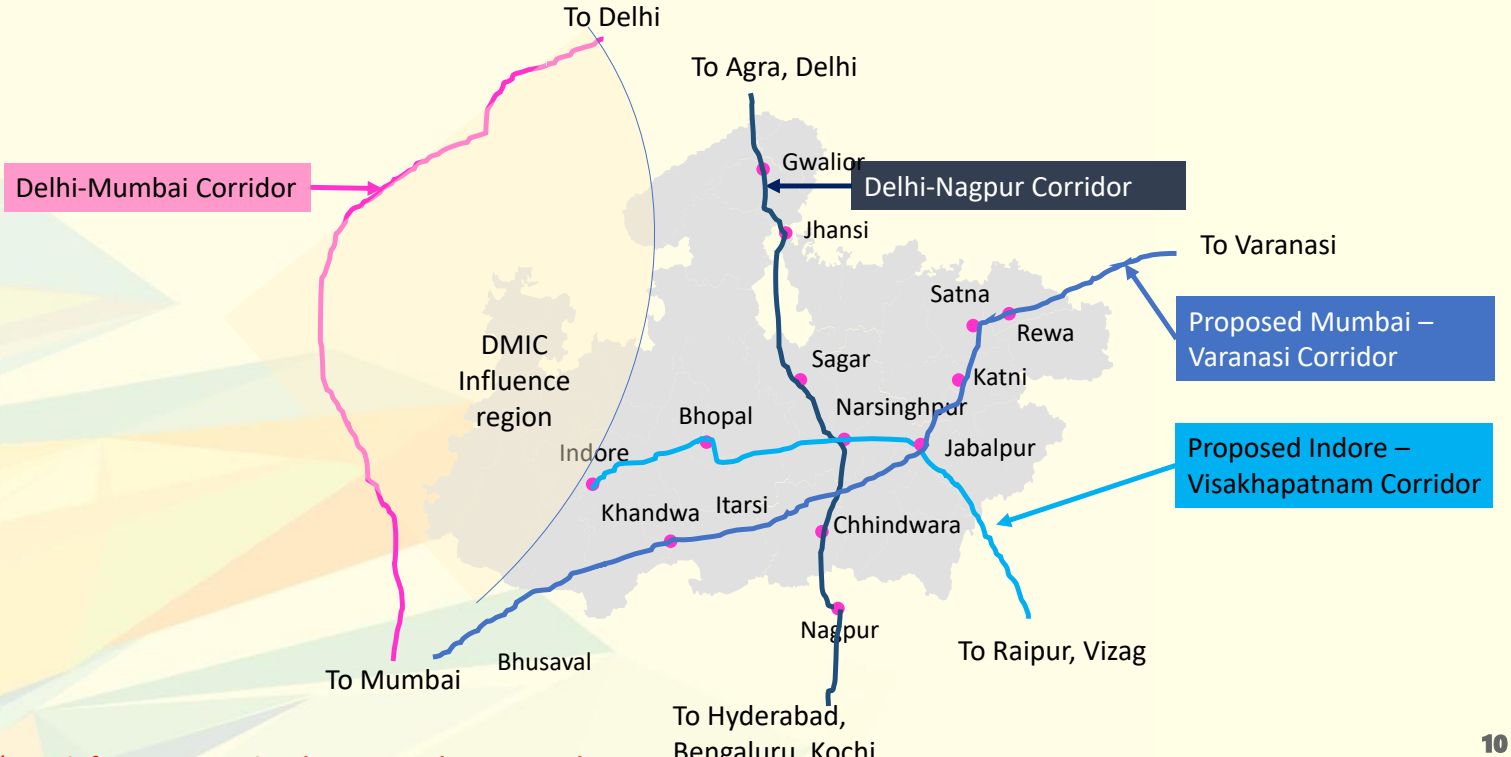
6 Inland Container Depots



*Map is for representational purpose only, not to scale

9

Madhya Pradesh: Industrial Corridors



*Map is for representational purpose only, not to scale

10

Land

- 20,000 Acres of allottable Industrial Land Bank
- Availability of contiguous land
- Topography is smooth and undulating
- Low seismic risk zone
- Affordable land rates; from ₹ 500 - 3,000 per sq.m.

Labour

- One of youngest state with median age 25 years as of 2016
- 62% of Population is in 15-59 age bracket as on 2016
- Cost of Labour ₹ 165 per day compared to ₹ 250 - 300 per day in metro cities
- One of the lowest attrition rate in country
- Man days lost due to strikes & lockouts is less than 0.5% of the total available man days

11

Linkages

6 *Inland Container Depots*

79 *Cold Storages*

6 *Container Freights Station*

234 *Warehouses*

Well developed Auto, Textile, Pharma and Food Processing industrial clusters at specially at Indore, Bhopal, Gwalior

12

Policy Initiatives – Dedicated Warehousing & Logistics Policy

- **Investment assistance** to the tune of 15% (maximum of ₹ 15 Cr.) on Gross Fixed Capital Investment
- **Infrastructure development assistance**
- **100% reimbursement of stamp duty and registration fee on Instrument of Mortgage**
- **Electricity duty exemption** for 5 to 10 years for new High Tension (HT) connection by a DISCOM
- **Relaxed Floor Area Ratio (FAR)** of 1: 0.60 and maximum ground coverage of 60%
- **Single Window Clearance system**

13

New Opportunities

Emergence of 3rd Party Logistics (3PL) / 4th Party Logistics (4PL) And Supergrid Logistics	**MP, being in centre of India, is well poised to be centre of this super grid structure**
RELAY TRUCKING	**MP is ideal location to be meeting point of trucks set out from North – South and East – West**

14

Madhya Pradesh: Potential Areas

Particulars	Potential Area I	Potential Area II
Region	Gwalior –Shivpuri	Indore-Ujjain-Ratlam
Key feature	300 KM from NCR Land available at nominal rates	Industrial belt of MP
Connectivity	Intersection of East-West, North-South Corridor	Delhi-Mumbai Rail route (Ujjain & Ratlam) are main Rail Junctions Air cargo available at Indore Close to JNPT, Kandla, Mundra Port
Potential Markets	Fulfilment centre of e-commerce player feeding NCR Collection centre for outbound traffic from NCR, Raj, Har, UP, MP	Nearby Industrial areas of Rajasthan, Gujarat, Maharashtra

15

THANK YOU

16

Presentation by States

3. Uttar Pradesh

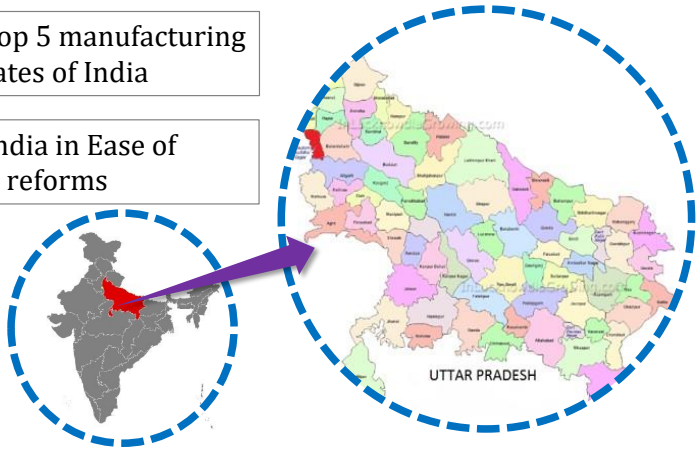
LOGISTICS SECTOR: Opportunities abound in Uttar Pradesh

The better the question. The better the answer.
The better the world works.

UTTAR PRADESH

India's emerging Economic hotspot

- India's 3rd largest economy, contributing 8% to GDP
- Home to 16.5% of India's population
- Highest number of SMEs in India (nearly 14%)
- Amongst the Top 5 manufacturing & exporting States of India
- Ranks 2nd in India in Ease of doing business reforms



- Largest consumer base of India with 240mn population and another 200mn in neighboring states
- Hosts seven cities with 1 mn plus and seven others with over 0.5 mn plus population
- Youngest & largest labour force with 56% of total population in working age group
- 75 Universities, 4000+ Colleges, 125,000+ ITI seats & world class institutes like IIT-K, IIT_BHU, IIM-L, etc.

Industrial Corridors & Waterways

For strong supply chain infrastructure

INDUSTRIAL CORRIDORS

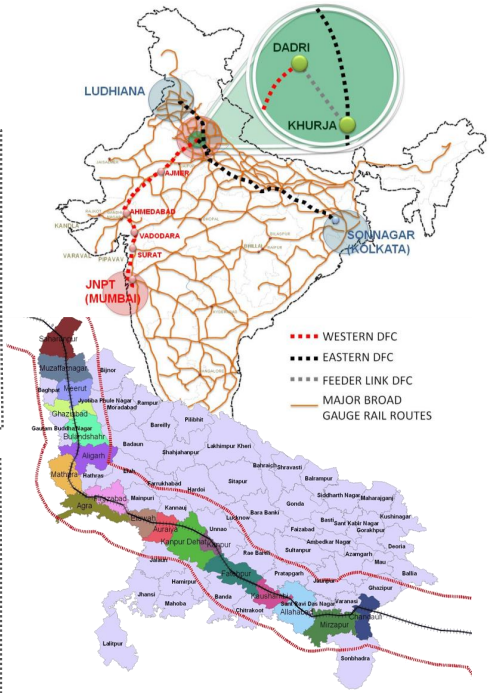
- **8.5% of DMIC catchment** area across 12 districts of UP
- **Highest share of around 57% of EDFC** across ~17 districts of UP
- Western & Eastern Dedicated Freight Corridor under development along these Industrial Corridors: **New Bhaupur-Khurja section of EDFC inaugurated recently**
- **EDFC-WDFC Confluence point at Greater Noida (Dadri)**

INLAND WATERWAY

India's 1st NW-1 connecting Prayagraj to Haldia seaport (~1620 km) under construction

3 terminals at Sahibganj, Varanasi & Haldia

Haldia – Varanasi tract (nearly 1100km) and a Multi modal terminal at Varanasi operational in phase 1 since 2018

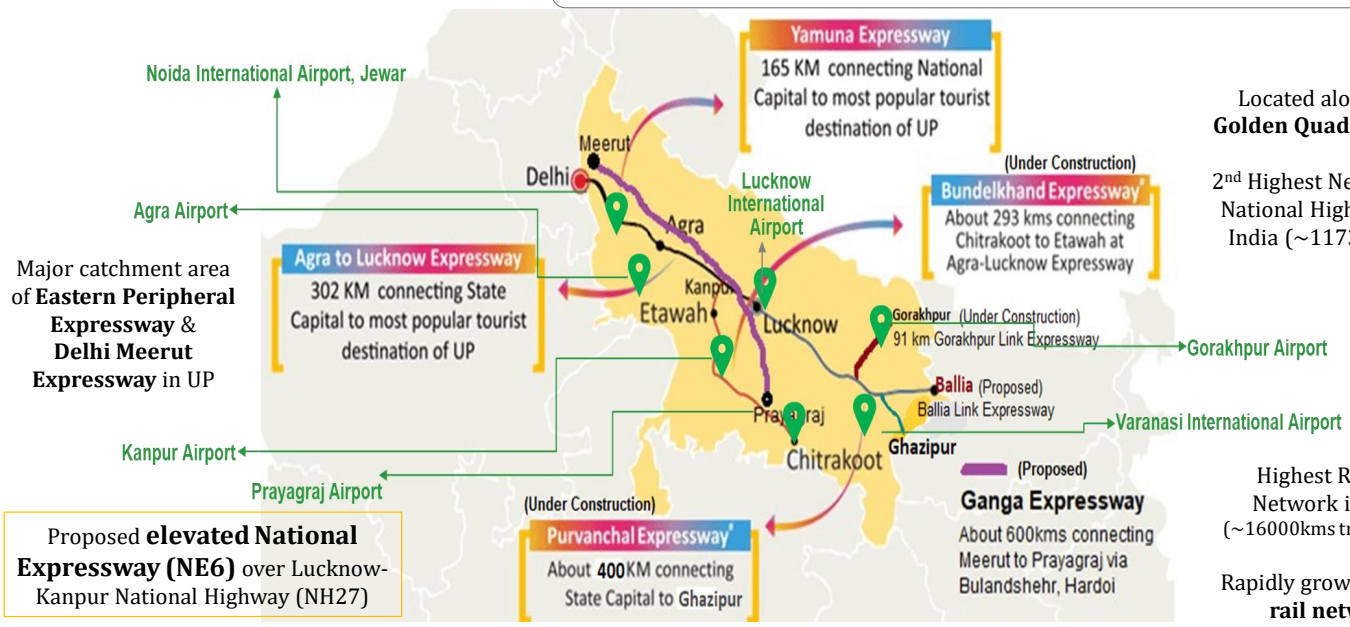


Catchment area of **Western Dedicated Freight Corridor (DMIC – WDFC) & Eastern Dedicated Freight Corridor (AKIC-EDFC)** in Uttar Pradesh

Rail, Roads & Airports

For last mile connectivity

Upcoming **Jewar International Airport** (GBNagar) – One of North India's largest spread over 5000hectares. Emerging MRO & Cargo complex and Aerotropolis



Major catchment area of **Eastern Peripheral Expressway** & **Delhi Meerut Expressway** in UP

Proposed **elevated National Expressway (NE6)** over Lucknow-Kanpur National Highway (NH27)

Located along the **Golden Quadrilateral**

2nd Highest Network of National Highways in India (~11737kms)

Highest Railway Network in India (~16000kms track length)

Rapidly growing **Metro rail network**

Terminal facilities
For smooth transit

Existing Inland Container Depots (ICDs) at **Noida, Agra, Moradabad, Kanpur & Mirzapur**

New projects –

- **Multi Modal Logistics Hub Noida (MMLH)**
- **Multi Modal Transport hub, Boraki (MMTH)**

Project proposed over 750 acres of land near Dadri;

All facilities including warehousing and cold storage;

Train, bus and Metro services including Hotel for MMTH;

Job creation potential of approx.1,00,000 by 2040

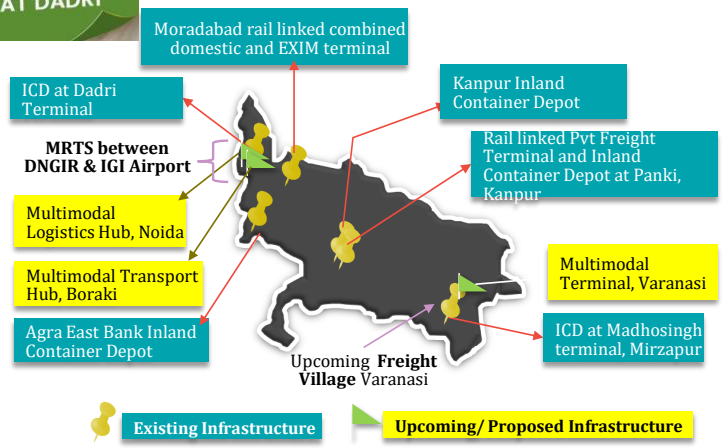
- **Multi Modal Terminal, Varanasi** 1st of the three MMT developed along NW1;

Port inaugurated in 2018; Jetty expansion in progress;

Cargo handling capacity is approx.1.2 million MT p.a.

Facilities which include deposit area, commodity transit shade, parking area etc. It also has floating jetty with terminal for passenger transport

GoI approves Rs 3,883-cr for MMLH/ MMTH at Greater Noida



Freight Village at Varanasi

- India's first; Spread over 100 acres
- Gateway for cargo from Eastern ports to North India

Policy Support

UP Warehousing & Logistics Policy 2018

Launched in February 2018

Key features

- **Attractive incentives to parks & units under the policy** including capital interest subsidy, infrastructure interest subsidy, stamp duty & electricity exemption and **and other incentives** like concession on Land use conversion charges, Land development charges
- **Industry Status** to the sector implying industrial land use and industrial land rates for W&L units qualifying infrastructure status as granted by GoI
- **Special incentives** for providing skill development services and installing intelligent logistics infrastructure at the park
- **Additional Subsidy** for investments in Bundelkhand, Poorvanchal region and notified logistics zones

UP W&L Policy 2018

Snapshot

Logistics parks

- Container Freight Station (CFS) and/or Inland Container Depot (ICD) and/or Air freight stations and/or Warehouses and/or Cold Chains and related infrastructure, **developed on atleast 25 acres of land,** qualifies for incentives under the policy

Logistics units

- **Container Freight Station (CFS) or Inland Container Depot (ICD)** with minimum investment of INR 50crore and minimum area of 10acres.
- **Warehousing facility** with minimum investment of INR 25crore and minimum area of 1lakh sq.ft.
- **Cold chain facility** with minimum investment of INR 15crore and minimum area of 20,000sq.ft

Key Incentives

Land Use & Development charges exemption

Interest Subsidy

Stamp & Electricity Duty exemption

Incentives for Pvt Logistics Parks

Logistics Sector granted Industry Status

Units meeting GoI infrastructure status are being granted industry status under State's policy

- For this, State Government has applied industrial land use to W&L units qualifying infrastructure status as granted by GoI
- Additionally, industrial land rates are applied to such projects for land allotment in areas reserved for industrial activity in industrial areas

Impact

This has drastically lowered the cost of operations in Uttar Pradesh.

- For instance, change of land use is charged @150% of circle rate from commercial to industrial land use, while new rate of 20% of circle rate from agriculture to industrial land use. Now there is no need for land use change from commercial to industrial.
- Similarly, the land price has reduced from an average of Rs40-60000 per sq.mt to around Rs 8-10000 per sq.mt only.
- Industrial FAR (upto 2+1.5) is permissible

Key initiatives

- **State Logistics Cell** strengthened under the chairmanship of ACS, Industries & **State Logistics Coordination Committee** set up under the chairmanship of Chief Secretary, with all related State & Central Deptts.
- **Integrated State Logistics Plan** being developed

Strategy 1: Promote logistics industry	• Ensure facilitative environment for establishment of warehousing facilities • Promote UP Warehousing & Logistics Industry Policy 2018 • Create institutional mechanism for effective administration of the sector	**Strategy 3: Safe & supportive regulatory framework**	• Ensure minimal cargo damage • Promote technology adoption ensuring safe movement and tracking of cargo • Promote an ecosystem of minimal inspection and stoppage of cargo movement on road
Strategy 2: Develop logistics infrastructure	• Identification of economic hubs & aggregation points for farm produce & products in the state and address associated logistics related challenges • Enhance traffic linkages by promoting inter-modalism of road, air, water & rail • Enhance the warehousing capacity	**Strategy 4: Skill development & Capacity building**	• Enhance the logistics sector related skill development/ training facilities • Address the demand – supply gap of trained drivers required in the state • Customize courses to provide industry relevant sector skills in the state

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POWERING NEW INDIA

THANK YOU

For more details, log on to
http://invest.up.gov.in/

And write to us at
info@udyogbandhu.com

UP W&L Policy 2018
Incentives Logistics Park

- **Capital Interest Subsidy**: 5% for 5 years subject to overall ceiling of INR 10Cr
- **Infrastructure Interest Subsidy**: 5% for 5 years subject to overall ceiling of INR 10 Cr
- **Stamp Duty**: 100% exemption of stamp duty paid on purchase of land.
- **Electricity duty exemption**: 100% exemption for 10 years
- **Incentives on purchase of Transport Vehicles**: 2% exemption in vehicle registration fee and 30% road tax exemption
- **EPF reimbursement facility**: 50% reimbursement on providing direct employment to 100 or more employees
- **Land use conversion:** 50% concession on land use conversion charges.
- **Development Charges** : 75% exemption
- **Skill Development:** Reimbursement of INR 1000 per trainee per month for 6months up to maximum 50 trainees per annum for 5years.
- **Incentives for Intelligent Logistics**: Interest subsidy of 5% on loan taken for building such intelligent logistics

UP W&L Policy 2018
*Incentives Logistics units***

- **Capital Interest Subsidy***: 5% for 5 years subject to overall ceiling of INR 0.50Cr
- **Infrastructure Interest Subsidy***: 5% for 5 years subject to overall ceiling of INR 5 Cr
- **Stamp Duty**: 100% exemption on purchase of land in Bundelkhand & Purvanchal region, 75% in Madhyanchal & Paschimanchal (except GB Nagar, Ghaziabad) & 50% in GB Nagar, Ghaziabad
- **Electricity duty exemption**: 100% exemption for 10 years
- **Land use conversion:** 50% concession on land use conversion charges.
- **Development Charges** : 75% exemption
- **Quality certification of Warehouses:** Reimbursement of 50% of cost of quality certification upto maximum INR 1.5 lacs per unit
- **EPF reimbursement facility**: 50% refund on providing direct employment to 100 or more employees
- **Skill Development:** Reimbursement of INR 1000 per trainee per month for 6months up to maximum 50 trainees per annum for 5years.

**Additional 10% subsidy on capital & infrastructure interest to units in notified logistics zones (Dadri, Bhaupur, Naini).*

*** Industry Status granted (next slide)*

Presentation by States

4. Tripura

LOGISTIC SECTOR IN TRIPURA

Government of Tripura
Department of Industries & Commerce

19th January,2021

TRIPURA –AN OVERVIEW

The Land:

Area: 10,492 Sq. km.; 60% hilly and forest.

The People:

Population: 36 Lakhs; 2nd highest in North East.

High Literacy rate; good social infrastructure.

The Economy:

Primarily Agrarian

Per Capita income : Rs. 1,23,630 at current price

GSDP (at current price) : Rs. 55,358 cr. .

Agartala to…

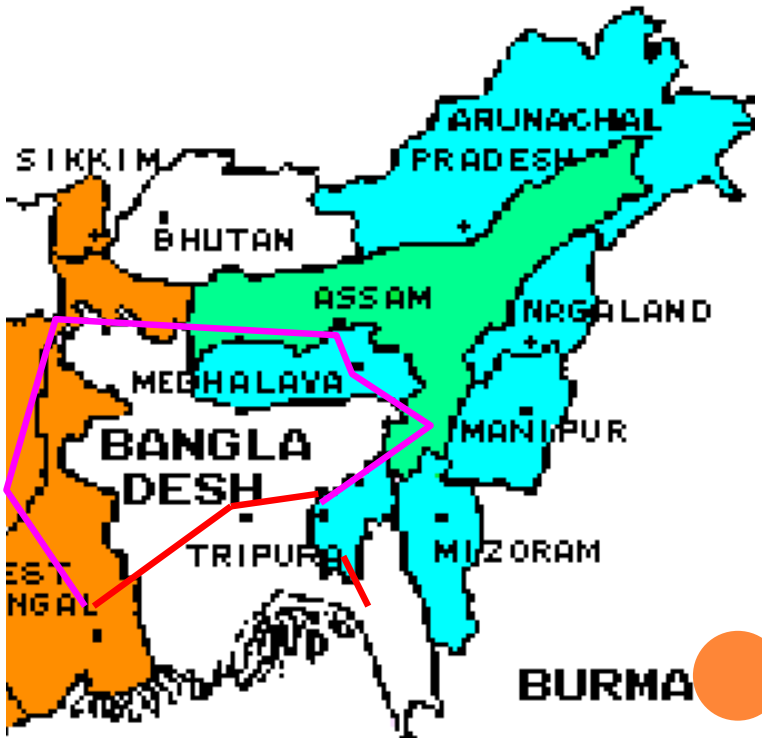
Dhaka: 150 km.

Kolkata: 500 km.

The distance between **Kolkata** and **Agartala** is about 1,650 km through NE Hilly terrain, which reduces to 500 km **through Dhaka**.

Sabroom to…

Chittagong: 75 km.



TRIPURA - STRATEGIC LOCATION

- 856 km. long border with Bangladesh.
- Most of important cities in Bangladesh within 150 km distance of towns in Tripura.
- Akhaura, an important junction on Bangladesh Rail Network, only 7 km. from Agartala.
- Chittagong Port –75 km from Sabroom; Ashuganj River Port: 25 km. from Agartala.
- Well-positioned to be the 'Gateway to the North East'.

LOGISTIC SCENARIO IN TRIPURA

- **HIRA Model** for development of
  - Highway,
  - Internet way,
  - Railway and
  - Airways
- Tripura, the top performer among NE Hilly states in the logistics Ease Across Different States (LEADS) index published by the Ministry of Commerce in Sept, 2019.

BASIC INFRASTRUCTURE - HIGHWAYS

- National Highway :853 km.
- Other District Road : 461 km.
- State Highway : 1057 km.
- National Highway (NH 8) extended upto Sabroom and upgraded into double lane.
- Also Foundation Stone laid by Union Minister of Road Transport & Highways for 9 (Nine) NH projects in Tripura to cover distance of about 262 kms.

BASIC INFRASTRUCTURE – TELE COMMUNICATION

- OFC network upto Block levels;
- Landline/ Mobile/ Broadband Internet
- 3rd International Internet Gateway (IIG) after Mumbai and Chennai ;
- OFC route from Agartala to Cox's Bazar to Chennai on Submarine ;
- 10 gigabit bandwidth from Bangladesh Submarine Cable Company Limited (BSCCL).
- Accelerated internet connectivity in the mountainous northeastern region ;

BASIC INFRASTRUCTURE - RAILWAY

- **The Broadgauge Railway Line** extended upto Sabroom.
- Facilitate access to Bangladesh's Chittagong international sea port (distance only 75 kms);
- **Agartala – Akhaura Railway project (10 Km)**: Bilateral Protocol signed to link the British-era Akhaura Junction with Agartala Railway Station.
- This would be first rail route to run passenger and goods trains from northeast India to Bangladesh ;
- Work is in progress.

BASIC INFRASTRUCTURE – AIR CONNECTIVITY

- Direct air connectivity with major cities like Delhi, Kolkata, Guwahati, Bangaluru, Chennai.
- Agartala is second busiest Airport in NE.
- The Maharaja Bir Bikram Airport set to become Northeast's third international airport after the airports in Guwahati and Imphal.
- Total Project cost : Rs 438 crore project to upgrade.
- Built-up area of 30,000 sq metres,
- Would process 1,000 domestic and 200 international passengers during peak hours,
- which translates into three million passengers annually.

WATER CONNECTIVITY

- **Sonamura-Daudkandi Route:** connects **Tripura with the National Waterways of India** through Bangladesh.

- Included in the list of **Indo-Bangla Protocol (IBP) routes** in May 2020 ;

- One trial vessel carrying cement reached to Sonamura from Munshiganj port in Bangladesh on 5th September, 2020.

- One Floating Jetti has been set up over Gomati River at Sonamura .

- One container Cargo arrived at Agartala ICP from Kolkata via Chittagong Port and then by road on 23rd July 2020.

BASIC INFRASTRUCTURE – MAITRI BRIDGE

•150-metre long, 4-lane bridge across the Feni being built called the 'Maitre Setu' ;

• Getting India access to the Chittagong seaport ;

•Sabroom would transform into the largest transit hub in the Northeast after the bridge is ready ;

• Expected to be inaugurated by next one month.

BASIC INFRASTRUCTURE – LOGISTIC HUB

• Logistic Hub in Sabroom, South Tripura District;
• Proposed area : 84.38 acres ;
•**Total Project cost** **:** Rs.118.47 Crore

•Tripura Industrial Development Corporation Ltd. (TIDC) – Implementing Agency ;

• Provision of 12 Ware houses ; Terminal Yard (10 acres) ; Solid Waste plant etc.

• Would cater to the demands of the trade & commerce activities.

BASIC INFRASTRUCTURE – SEZ

• One Multisector SEZ is being established at Jalefa in Sabroom ;

• Proposed area : 16.35 Hectares;
•**Total Project cost** **:** Rs.60.57 Crore

•Tripura Industrial Development Corporation Ltd. (TIDC) – Implementing Agency ;

•The Industries proposed are : Rubber based Industries – Tyres, Threads etc.;Textile and Apparel Industries ; Bamboo Industries ;Agri-Food Processing Industries

• Would attract private sector investment for export oriented units.

PROSPECTS

- Tripura ideally located to become the "Gateway to the North East India"
- Utilising the infrastructure of neighbouring Bangladesh, and the following recent initiatves,Tripura would be a Logistic Hub in the North-East comprising eight states :
  - The waterways connectivity between Sonamura in India and Daudkandi in Bangladesh,
  - the extension of Agartala-Akhaura rail link between the two countries,
  - construction of Maitri Setu over River Feni in South Tripura

Thank You

Presentation by States

5. Karnataka

Transforming Logistics Sector in Karnataka

19th January 2021

Karnataka is a leading investment destination in India

Capital – Bengaluru
Startup Capital of India; Ranked among top startup ecosystems globally

Economic Overview

- **$230 Bn GSDP,** almost the size of Vietnam
- **1st** in total exports, among all Indian states
- **3rd** highest FDI among all states
- **4th** largest technology cluster in the world

Advantage Karnataka

- **1st** In R&D Centers
- **1st** In Renewable Energy
- **1st** In India Innovation Index
- **1st** In attracting investments since 2016

Aerospace & Defense

Innovation and R&D

Pharma & Chemicals

Warehousing & Logistics

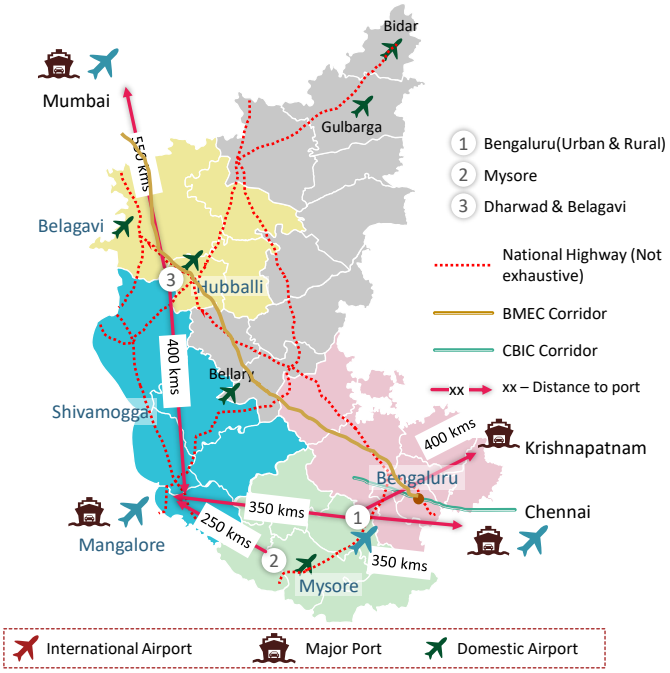
Health & Wellness

Textiles & RMG

ESDM

Precision Engg. & Auto Components

Karnataka has a vibrant & multi-modal logistic ecosystem



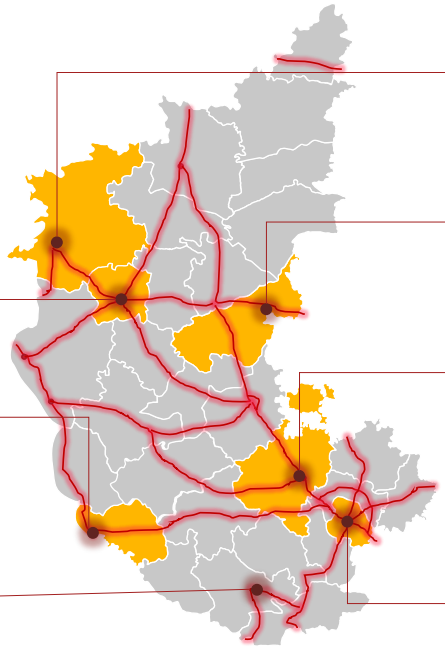
1 In terms of value of trade handled

- Bengaluru- 3rd largest logistics hub in India
- Major ports at Mangalore and Karwar + 10 minor ports; easy access to Chennai, JNPT and Krishnapatnam ports
- 2 International airports and 6 Domestic airports Bengaluru Airport – 3rd Largest in India
- 3 ICDs + 6 upcoming ICDs . 2nd largest ICD[1] in India
- 2 CFS in Bengaluru and 2 AFS in Bengaluru & Mangaluru + 1 AFS upcoming in Hubbali Airport
- BIAL- Fastest Growing Cargo Airport

Karnataka continues to make major inroads in developing the logistics sector

- Government of Karnataka has identified logistics as an important champion service sector
- Government of Karnataka has created a dedicated Logistics Division, to be handled by Visveswaraya Trade Promotion Center – the State nodal agency for export promotion
- Karnataka Industrial Policy 2020 - 2025 identifies Logistics as a key focus sector and offers several incentives for development of the sector
- Primary focus areas of the State – development of dedicated export infrastructure such as Cool Port in Airport, ICDs, AFSs, and CFSs

Key physical infrastructure interventions being undertaken



Dharwad
- Air cargo terminal at Hubballi airport
- MMLP at Anchatgeri

Mangalore
- Air Freight Station at Mangalore Airport
- Coastal berths at New Mangalore Port Trust

Mysuru
- ICD at Kadakola by CONCOR
- AFS at Mysuru Airport
- Truck Terminal

Uttara Kannada
- Coastal berths at Karwar Port

Ballari
- Truck Terminal at Hospet

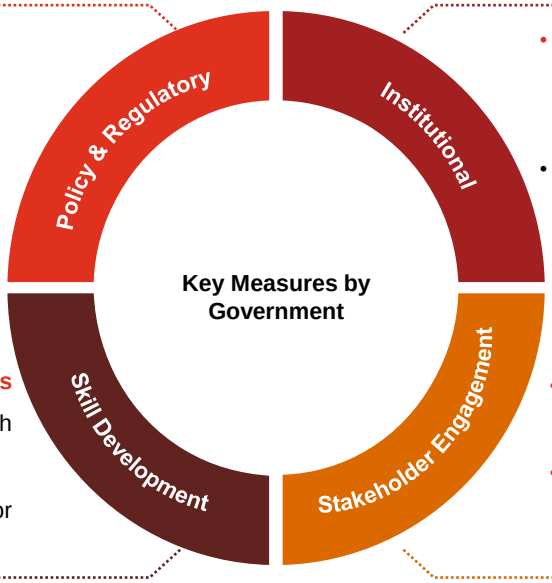
Tumakuru
- Industrial Node under Chennai Bengaluru Industrial Corridor

Bengaluru
- Peripheral Ring Road
- Suburban Railway Network
- Expansion of Metro Rail
- Private ICD at Hoskote
- MMLP at Dabaspet

Non-physical interventions by Government of Karnataka

- **Fast-track facilitation of clearances** for logistics sector projects
- **Parking Policy** for Bengaluru to streamline development of truck terminals, time based parking options etc.

- **Establishment of Logistics Academies** in 3 districts on PPP with Government support
- **Truck Driver Training Program** for addressing shortage of truck drivers



- **Establishment of PMU** for identifying, monitoring, & reviewing logistics sector projects
- GoK has nominated Additional Chief Secretary – Commerce & Industries Dept. as **nodal officer for development of logistics sector**

- **Constitution of Vision Group** comprising industry leaders to guide Govt
- **Enhanced engagement with industry** associations, BIS, Govt. of India institutions, etc.

Thank you

Presentation during Breakout session

1. Smart Enforcement

Smart Enforcement for Seamless Movement of Trucks

Building on Existing Best Practices in States to Significantly Reduce Dependence on On-road Checks and Inspections

Need for continued reform to enable seamless movement of trucks

- There are a total of 66 different causes/violations for which a truck can be stopped on road by different enforcement agencies
- 40% of drivers report dissatisfaction on how rules and regulations are enforced on the road in surveys. Both truck drivers and fleet owners identified multiple check-posts and stops as a major operational challenge
- Average speed of trucks remains relatively low in India, with most trucks covering between just 350 to 450 km per day
- The frequency of stoppages and inspection and methodology of enforcement differs state by state.
- Adoption of risk based prioritization based on data and backed by technology interventions can help drastically reduce the need for such physical stoppages and occasional inspections
- States would require to devote much lesser human resources to maintain physical on-road enforcement teams
- At the same time, this will help states drive greater compliance with regulations and procedures from transporters/drivers and prevent revenue leakage
- Elements of such risk management (RM) based approach and use of technology has already been adopted by some states.

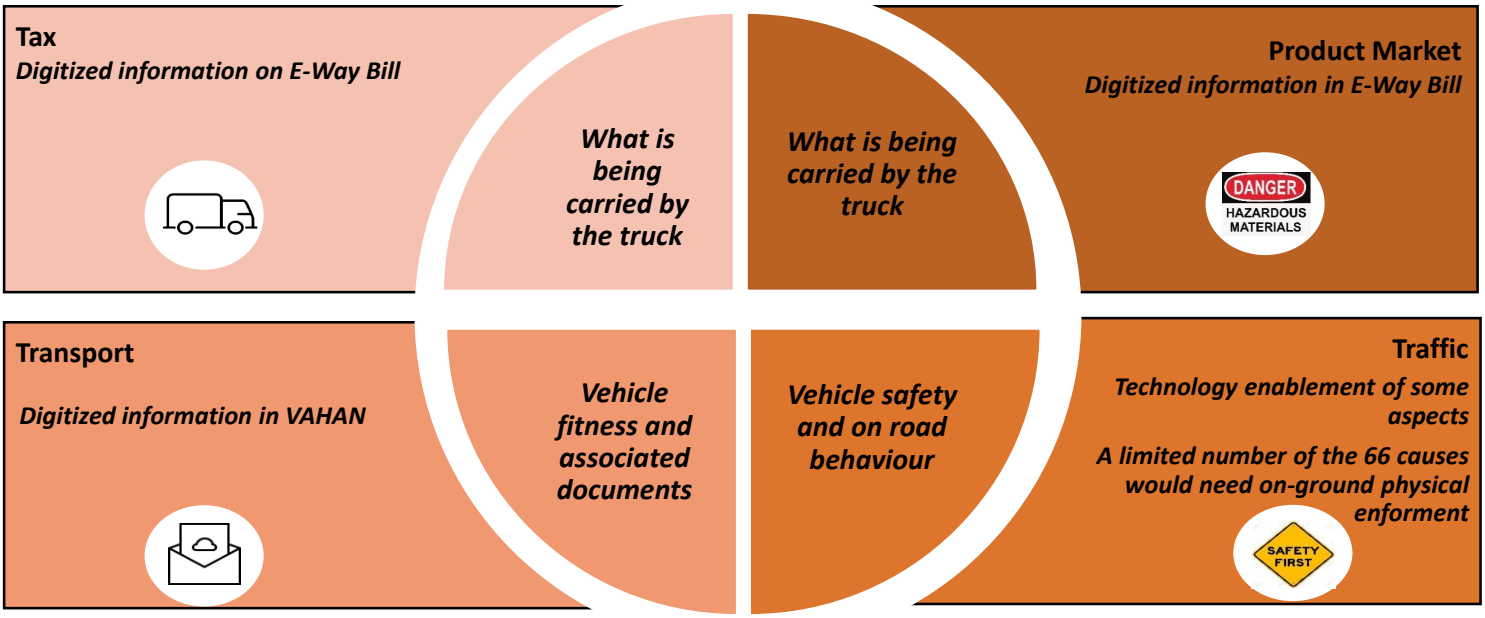
Better and Smarter Enforcement for a safer road eco-system

- Smart Enforcement is also important for improving compliance
- Poor compliance on issues like over-loading and protruding cargo is causes of accidents, injuries, and fatalities
- There were 151000 fatalities and 451000 injuries in 2019 on Indian roads
- Protruding cargo alone was responsible for 8500 deaths and 21200 were injuries in 2017
- One of the challenges is dependence on physical by-sight enforcement
- Adoption of sensors, or in the case of overloading WIM, and creating an integrated system of remote monitoring and focused enforcement would help improve outcomes

List of causes and offenses enforced on road

Data for identifying and prioritizing risk is available

Authorities are interested in three things: what is being carried, the vehicle it is being carried in, and on road behavior



Examples of Tech and risk management adoption in different states

State	Reform	Associated technology and procedural changes adopted
Kerala	*Risk Management for Tax related scrutiny*	▪ Geo tagged ANPR cameras capture the registration number ▪ IT application pulls registration number from the ANPR camera, and fetches relevant Ewaybill data from the GSTN system ▪ A risk identification system uses historical data of offenses and other risk parameters deemed important by the state to pre-select vehicles for further scrutiny. ▪ The IT application alerts the nearest unit and makes the Ewaybill data available to officers
Gujarat	*Replacement of Physical posts by tech-enabled mobile squads for transport related enforcement*	Gujarat transport department closed down 16 border-posts, and replaced them with: • Prior declaration to RTO by truckers through an online system • Mobile squads on GPS enabled interceptor vehicles • On-road enforcement teams using hand-held devices allowing officers to access vehicle related information & online declaration filed by transporters. • A central command centre sends special alerts for lookout for vehicles, and coordinates and observes the operations of the on-ground teams. • The officers use body-cameras while on duty to record the process of enforcement in order to ensure maximum transparency

Examples of Technology and RM adoption in different states

State	Reform	Associated technology and procedural changes adopted
Maharashtra	*Replacement of Physical posts by tech-enabled mobile squads for transport related enforcement*	Maharashtra has mandated its RTO flying squads enforcing transport regulations, especially overloading, to be enabled with cameras and video-recording devices in vehicles. The entire process of inspection would be on camera and recorded.
Punjab	*GPS tracking of vehicles carrying ethanol and spirits*	Punjab excise department has mandated GPS-enabled tracking devices in commercial vehicles carrying ethanol, spirits and other items to check their pilferage for making spurious liquor
Haryana	*No vehicle fitness related checks on road*	Haryana has dispensed with all inspection associated with vehicle fitness and fitment related issues. These are to be checked only during periodic fitness certificate issuance

Advantages of a creating an integrated system backed by risk based prioritization for all enforcers

- Currently, the initiatives in the states remain department specific, while their tech requirements and reform objectives are similar
- A common and connected infrastructure of traffic cameras, sensors, RFID readers, WIM weighbridges can help all enforcement agencies within a state
- A common application that uses the data feed from this tech infrastructure and also fetches data from VAHAN and GST EWB and makes it available to officers across departments would provide all necessary information to their smartphones
- A robust RMS (specific RMS can created customized to the need of every department based on their risk prioritization) can help prioritize enforcers energies, and reduce stoppages to a minimum
- The common app and associated database would also serve to store history of compliance, and this in turn would help refine the RMS, and provide all enforcers access to compliance record of specific transporters, drivers, firms (GST regd holders)
- Further transparency can come from creating designated inspection zones and eliminating all inspections on road side over a period of time

Suggested Steps towards a comprehensive smart enforcement system

Most States have already made full or partial progress in having in place some infrastructure related to Stage 1

Stages 1

- Development of tech infrastructure to support enforcement: ANPR, Traffic cameras, Sensors for heights, RFID readers (for FASTag and linked GST EWB), WIM
- *Will lead to significant automation and transparency for 35 types of causes/violations related to dangerous on-road behaviour, overloading and dangerous loading*

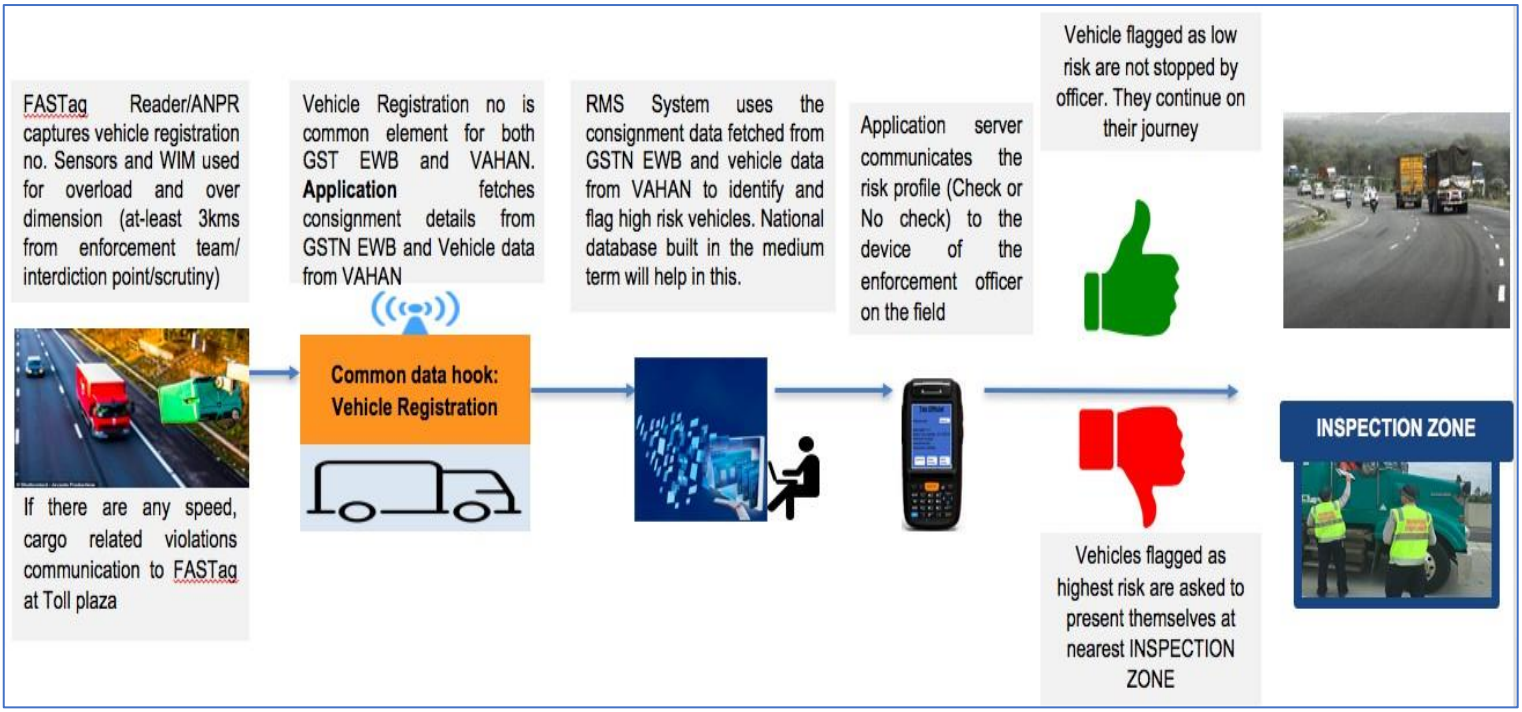
Stages 2

- Development of **an application (app)** that will get data feed from connected common tech infrastructure AND from GST EWB and VAHAN databases, and **app based issuance of e-challan**
- *Will allow officers to take better decision on 13 causes/violations that can often be resolved purely by data from GST EWB or VAHAN. RMS in stage 3 to help further refine*
- *Using the Haryana best practice of checking for minor fitness and fitment related issues during permit renewal/periodic check will eliminate stoppages due to 11 causes/violations*

Stage 3

- Development of RMS customized to needs of different agencies and designated inspection zones will help almost eliminate all stoppages and inspections on road, and make all interventions and inspections highly targeted based on previous compliance record and other risk prioritization factors
- Designated Inspection zones would help drive greater transparency

The model for digitally Integrated and RMS enabled Smart Enforcement System for all agencies on road



Elements of the Comprehensive Smart Enforcement Model

- **Develop requisite digital infrastructure and associated hardware; a lot of it is already in place in many states**
- Develop an **APP to get data feed** from digital infrastructure. Also work with GSTN and MoRTH to get VAHAN related data feed
- **Develop appropriate risk identification and risk management methodologies for different enforcement functions**
- **Development of enforcement control towers**
- **Development designated inspection zones**
- **Implement a pilot** and use its learnings to refine the system

Discussion Points

- **Is such a system useful, and feasible to implement**
- **What support would states need in order to adopt such a system**
- **What would be some of the challenges for adoption of such a system**

FEEDBACK from States

- **Feedback on the initiatives being undertaken to improve enforcement of rules and regulations on road by different departments**

Break-out Session Topic: Smart Enforcement

Number of Participants: 36

Key Discussion Points:

1. 66 different cause/violations for which a truck can be stopped on road by different enforcement agencies
2. Authorities are interested in three broad things: what is being carried, the vehicle it is carried in and road behaviour
3. Need for a system which makes enforcement seamless and without stopping trucks unnecessarily
4. To be integrated with various stakeholders such as transport agencies, GST agency, enforcement agencies etc
5. Kerala Case Study:
    a) ANPR system implemented (captures vehicle number)
    b) Match with E-Way bill
    c) Check risk parameters based on E-Way bill data
    d) Enforcement teams acts accordingly with recording of entire process for transparency

Break-out Session Topic: Smart Enforcement

Number of Participants: 36

Key Discussion Points:

5. UP Case Study
    a) As of now, specific to Mining Sector
    b) Vehicle Identification using RFID reader or ANPR camera
    c) Mineral identification using Varifocal Camera
    d) Analysis of vehicle data through command centre and AI based software
    e) Inspection vehicle alerted in case of any issue
6. Upcoming system from Tamil Nadu: ANPR system and vehicle tracking device, portable weighing mechanism for overloading

Break-out Session Topic: Smart Enforcement

Number of Participants: 36

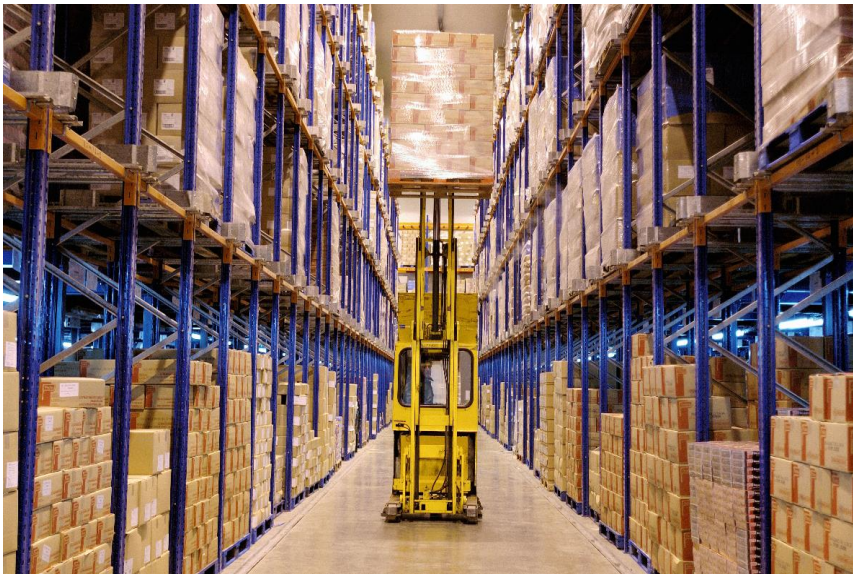
Next Steps:

1. Primer study by ADB to be shared with all the States and UTs
2. Dip-stick study to be initiated to understand current enforcement mechanism of each State and UT
3. Identification and prioritisation of corridors to implement Smart Enforcement
4. Awareness drive to enforcement agencies to stop movement of protruding cargo

Presentation during Breakout session

2. Warehousing

Warehousing Sector



Introduction

- Ware housing sector gained importance post implementation of GST in 2017 as eco-system for efficient supply chain had been triggered
- Central government granted in 2017 the logistics sector including warehousing the "Infrastructure status"
- On supply side: warehousing has gone from a sector which was dominated by "organised players" to now attracting "international players" which has led to formalisation of the sector
- On demand side: Occupier expectations in terms of compliant and quality warehousing space has catapulted to the next level with increasing dominance of e-commerce, 3-PL, corporates and global operations

Source – Knight Frank warehousing report 2020 2

Introduction

- Across top 8 cities, warehousing sector has witnessed a 3-fold transaction growth from FY2017 to FY2019 *(NCR, Mumbai, Ahmedabad, Pune, Bengaluru, Kolkata, Chennai, Hyderabad)*
- The transactions have grown from 14mn sqft in FY2017 ; 26mn sqft in FY2018 (*87% YoY growth)* and 46mn sqft in FY2019 (*77% YoY growth*)
- On supply side top 8 cities hold an estimated 307 mn sqft of warehousing stock at the end of FY2020. NCR and Mumbai together account for 58% stock of which Mumbai has a share of 40% individually.
- Vacancy level on currently built-up space is 15.5%. Nearly 193 mn sqft of potential warehousing can come up on existing land parcels

Source – Knight Frank warehousing report 2020

Aspects of Warehousing

The following aspects of warehousing are being pursued simultaneously by the Logistics Department

Standards for Physical Assets

- Identification and creation of standards related to physical assets of Logistics infrastructure

Approval Processes

- Cataloging aspects of Warehousing approval processes as in vogue in various states basis stakeholder consultations.

National Warehouse e-Directory

- Development of a National Warehouse Directory e-platform
- Collection of data from various warehouse providers and maintain a geo-mapped directory for users to discover most suitable facilities

Warehouse Rating Mechanism

- Creation of Warehouse rating mechanism to identify service levels of various operators in the industry
- Create matrices under which facilities may be audited and certified

Standards for Physical Assets

Warehousing and Transportation

5

Objective of Standardization

- *Developing Warehousing standards for Structure, Storage, material handling and packaging methodologies confirming to globally acceptable standards*
- *Development of unified document for standards to act as enabler for development of Warehouses in various States*

Benefits of Standardization

- *Maximizing Warehouse efficiency and reducing costs by Standardizing Infrastructure and processes*

6

Classification of Warehousing Standards

The standards for warehousing are classified as standards for structures and standards for processes/equipment

	Structural Standards	Process/Equipment Standards
Essential Standards	• **National Building Code** Guidelines for Group H: Storage and Warehousing Occupancy Guidelines including Part 6 (Guidelines on Prefabricated Structures) • Adherence to Fire safety standards as prescribed by the **National Building Code (Part 4)** • Adequate infrastructure to follow **BIS standards** for Fire safety of Industrial Buildings (IS 3594), Specification for fire extinguishers (IS 2171 and IS 2878) and Code for practice for interior illumination (IS 3646)	• Standards issued by **Central Pollution Control Board** on prevention of Air, Water, Noise and Environmental Pollution • **Security standards** including BIS standards for Surveillance equipment and Security applications (BIS 16910:2013 Video Surveillance System for use in Security applications, BIS 13252:2010 Information Technology Equipment-Safety) • **Labor management systems** for effective management of manpower deployed and ensuring compliance with labor regulations
Non-Essential Standards	• Standards by **National Centre for Cold Chain Development** • Guidelines under Food Safety Management System by **FSSAI** • Guidelines under **National Leak Prevention Association** Standards for Entry, Cleaning, Repair of Underground Storage Tanks (NLPA Std 631), • **ISO 1006:1983** for Building construction (Pre-fabricated and Brick and Mortar structures)	• Standards specified by **BIS** committee TED22 for Material Handling processes • Adherence to **ISO standards** for Quality Management (ISO 9001), Environment Management (ISO 14001),and Energy Management (ISO 50001) • Adherence to standards laid down under Leadership Energy and Environmental Design (LEED) Adherence to **Occupational Health and Safety Management Certification** (OHSAS) 18001 to prevent risk associated with workplace hazards

Approval Processes Mapping

Warehousing

Approval Processes Mapping

Objectives

- To streamline the approvals and licensing process to ensure ease of setting up of warehouse
- To consolidate and converge approvals and licensing procedures, where practicable (single window clearance)
- To benchmark best practices for various approvals for adoption by States

Licenses & Approvals for various commodities

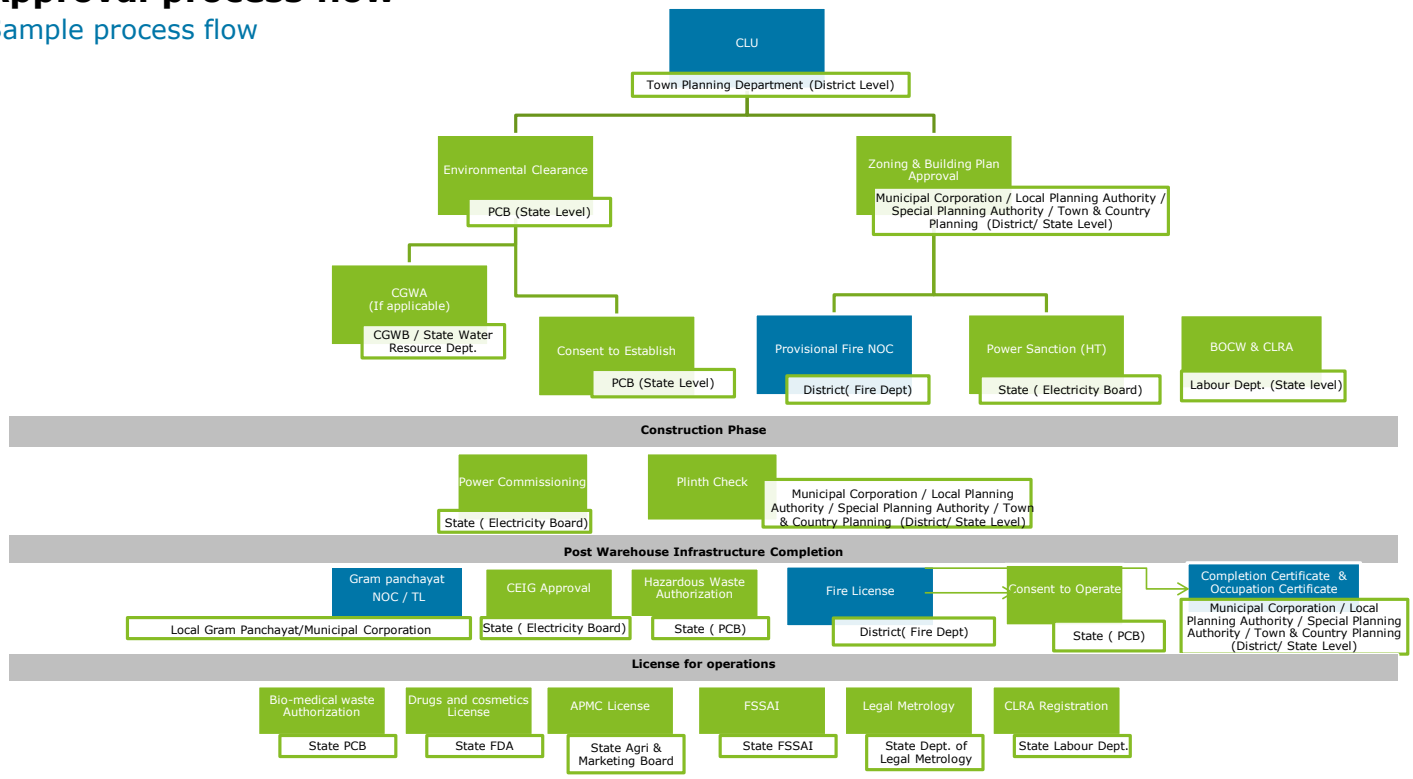
(Typical and variable)

S.N.	Licenses	Department	Agricultural	Non-agricultural (multi-commodity)
1	CLU (Change of Land Use)	District (Town Planning)	Required	For Construction
2	Environment Clearance (EC)	State (MOEF)		For Construction
3	Consent to Establish (CTE)	State (PCB)		For Construction
4	Building Plan Approval	State (Town Planning)	Required	For Construction
5	Provisional Fire NOC	District(Fire Dept)	Some States	For Construction
6	CEIG - For all Solar Roof Top Installations above 100kWp	State (Electricity Board)		For Construction
7	Final Fire NOC	District(Fire Dept		For Construction
8	BOCW for carrying out SOW	State (Labour Dept)		For Construction
9	Occupancy Certificate/Completion Certificate (OC/CC)	District (Town Planning)	Required	For Construction
10	Consent to Operate (CTO)	State (PCB)		Operation related
11	Hazardous waste authorization	State (PCB)		Operation related
12	CEIG (DG)	State (Electricity Board)		Operation related
13	Gram Panchayat NOC/TL	Local Gram Panchayat/Municipal Corporation		Operation related
14	Legal Metrology- Weighing Scale Licenses	State	Operation related	Operation related
15	Shops & Establishment License	District		Operation related
16	Contract Labour (Regulation &Abolition) CLRA Registration	State (Labour Dept)	Operation related	Operation related
17	FSSAI	State (Food Safety)	Operation related	Operation related
18	APMC License	State (Food Safety & Drug Usage)	Where applicable	Operation related
19	Drugs & Cosmetics License	State (Food Safety & Drug Usage)		Operation related
20	Bio Medical Waste Management Authorization.	State (Food Safety & Drug Usage)		Operation related
Total Licenses and Approvals required			**9**	**20**

Table is Representative – can vary regionally

Approval process flow

Sample process flow



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Licenses & Approvals timelines

Sample scenario (eg. 24 months)

Standard Statutory Approval Timelines : Warehousing

Activity	Status	Days Required	Months (1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24)
Pre - Construction			
Mutation	Post Land Registration	30	
Forest NOC	Post Mutation of Land	30	
Forest Permission for Access (If applicable)	Post Mutation of Land	90	
Highway Access NoC (If applicable)	Post Mutation of Land	60	
Change of Land Use / NA Permission	Post Mutation of Land	90	
Zoning & Building Plan Approval	Post CLU & Before Commencement of Construction	90	
Provisional Fire NOC	Post BPA	60	
Power Sanction (HT)	Post BPA	90	
Environmental Clearance (with EIA)	Mutation (TOR, EIA, SEAC & SEIAA)	270	
Consent to Establish (CTE)	Post EC & Before Commencement of Construction	90	
CGWA Permission	Post EC	120	
BOCW & CLRA	Before Commencement of Construction	30	
During - Construction			
Construction Period	Post Consent to Establish	180	
Plinth Check	Post Plinth Completion	30	
Power Commissioning	Post Completion of Electrical Infra	60	
Post - Construction			
Fire License	Post installation of FFS & Related infra	60	
Occupancy / Building Completion	Post Completion of Building & Common Infra	60	
Consent to Operate	Post Completion of Building & Related Infra	90	
Hazardous Waste Authorization	Along with the Consent to Operate	60	
CEIG Approval	Post Installation of Elect. Equipments / DG	30	

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Mapped from large warehouse developer inputs – Maharashtra –2020

Approval Processes – Observed Impedances

- Requirements differing between states, on application process and for approvals from authorities - *Uniformity of requirements recommended*
- Delays at multiple stages during approval process for following : Environmental Clearance, CTE (consent to establish) and CTO (consent to operate), building plan approval - *Online consolidation & tracking of processes can expedite and bring transparency*
- Conflict among applicable guidelines of various regulatory agencies for storage of special and dangerous goods eg. SPCB requirements and NBC and Fire norms - *Online dissemination of authenticated applicable guidelines recommended*
- Categorisation/ Bundling of approvals not clearly available for ease of applying for licenses

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Approval Processes – Optimal Outcomes

- **Categorise approvals as strategic or locational and do not require subsequent interface with developers after initial information exchange**
  - Eg. CLU, EC, Panchayat NOC, Tribal NOC, Highway NOC, Irrigation Dept., etc
  - Such approvals are interlinked and timelines can be improved through convergence of inter-departmental processes
- **Categorise licences that are specific to individual *Design, Operations and Usage* and require subsequent inspection of project**
  - Eg. Fire NOC, Completion & Pollution cert., Electricity board, rainwater harvesting, etc
  - Bundling of requisite common approvals and specific approvals
  - Agencies can be assigned timelines to close matter

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Approval Processes – Optimal Outcomes

- For transparency, all applications and pendency be placed in public domain
- Various approvals are interdependent with other departments. These can be taken up internally so that warehouse promoters need not file duplicate information and to reduce unnecessary interface.
- Convergence of these approval processes will allow for developing a single window clearance mechanism and transparency (*nominate nodal dept. at district level*)
- Certificates and Licences require project specific inspections - as far as practicable, licences can be provisional and on self-declaration, so as not to delay commencement of operations. (*Inspection mechanism to be validated*)
- Responsibility of completing certification and licensing process can shift onto the concerned authority. First time breaches must allow for corrective actions within specific timelines (before imposing penalties)

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Approval Processes Mapping

Way forward

- **Cataloguing Approvals for warehouse** - A compilation of existing approvals and licenses for warehouse establishment after due assessment. State specific Matrix of approval processes categorised by *Usage, Design and Operation*.
- **Consolidation of applications** - Inter-departmental processes that do not require further interface with warehouse developer can be marked for consolidating online applications.
- State level *digital* **single window clearance** to be established, and in the meantime a District level single window clearance is suggested – creating a coordinated mechanism for various approvals for development of warehouses at the district level *(set of recommendations can be formulated and circulated for action)*
- **Developing benchmarks** for Approval processes

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National Warehouse e-Directory

Warehousing

17

National Warehouse e-Directory

Objective of e-Directory

- *Creation of a digital interactive platform to enable warehouse operators and users to engage in faster and refined search for suitable infrastructure*

Benefits of Standardization

- *Geo-tagging of warehouse facilities within the country to provide larger visibility of existing infrastructure*
- *Enable attribute-based search and selection of most feasible Warehousing facilities*
- *Create digitization of information to improve longevity of the data*

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Attributes for National Warehouse e-Directory

CATEGORY	ATTRIBUTES	FIELDS	VALUES
INFORMATION	BASIC	Warehouse Name	
		Contact Person	
		Person designation	
		Contact Email	
		Contact Phone	
		Website	
	ADDRESS	Address of premise	Plot, Street, vill/town/city, District, State, Pincode
		W_Latitude	
		W_Longitude	
	OWNERSHIP	Ownership (drop down)	Private/ Govt/Co-operative
INFRASTRUCTURE	INFRASTRUCTURE	Usage Type (drop down)	Captive, Public, Dual (both)
		Infra Type (multiple check option, with text box)	Open, Covered, Silo, Cold Store, Tanks, Others
		Goods type (multiple check option with text box)	Food Items, Healthcare, Consumer durables, Garments, Dangerous or hazardous goods, Chemicals and gases, others
	FACILITIES	Number of Storage Unit (Godowns/ Chambers/ Bins/ units)	
		Storage Capacity (Cubic metre) or (Sq. Mt.)	
		HMV Entry gate	YES/NO
		HMV Exit gate	YES/NO

Way Forward

- *Assistance from States to enable faster and accurate data collection against defined attributes to ensure robust and reliable platform to strengthen Logistics Sector in the country*

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Summary – Warehousing Session

- States presented advanced measures implemented to ensure development of the warehouse and logistics sector. Many learnings from the states such as Haryana can provide as benchmark for states which are yet to adopt the initial recommendations.

- **Punjab**
- Right to business act - has highlighted that initial clearances are not needed and this facility is extended within the states to setup infrastructure with deferred permissions.
- Punjab state government has placed focus on the accessibility for the facilities being developed for logistics
- In lines with the state reform action plan, all processes are online already or being made online. Even CLU is online.
- A logistics Committee is also established as per MoCI direction

- **Haryana**
- Single window clearance for approvals is also available through online portal. (with timelines as low as 45 days too)
- Awarded special ' Industry' status to Logistics and warehousing in Haryana
- Increased FAR for warehousing, Subsidy for new technology upgradation

- **Rajasthan**
- CLU is automated for upto 10 acre, charges exempted with clearances within 45 days
- Capital subsidy for development of storage infrastructure for both farmer(50%) and others (25%)

- **Madhya Pradesh**
- Deemed approval system for Industrial process, clearance in 15 days under public service approval act.

Summary – Warehousing Session

- **Madhya Pradesh**
- Deemed approval system for Industrial process, clearance in 15 days under public service approval act
- Availability of contiguous land
- Relaxed FAR (maximum ground coverage of 60%)
- Single window clearance system
- 100% reimbursement of stamp duty and registration fee

- **Uttar Pradesh**
- State has granted 'Industry' status to logistics sector.
- State Logistics cell strengthened and State Logistics Coordination Committee set up. Integrated State Logistics Plan being developed

- **Karnataka**
- Setting up of Logistics Academies in 3 districts
- Truck Driver Training programme
- Parking Policy, Nominated Additional Chief Secretary (Commerce and Industries) as nodal officer for development f logistics sector.

Presentation during Breakout session

3. City Logistics

INDIA LOGISTICS

City Logistics

Department of Commerce
Ministry of Commerce and Industry
Government of India

Outline

1. The clutter
2. De-cluttering - a conceptual framework
3. A menu of solutions & Quick wins
4. Systematic City Logistic planning – 5 steps
5. Reports & Policy documents
6. Discussions and Key Take-aways

Logistics Division, Department of Commerce, Ministry of Commerce and Industry

19 January 2021

The clutter: Key Challenges in Urban Freight

Current Scenario :

- **10–18% of total vehicle-kilometers**
- **40% of total vehicular emissions**
- **Increase in E-commerce**
- **FY 2020, saw a 24 % growth in LCV sales**
- **Noise, traffic snarls, congestion, parking problems**

Future :

- **Urban population expected to double by 2050**
- **Exponential increase in demand for urban mobility (passenger and cargo),**
- **E-commerce growth**

Vehicle Size viz-a-viz Space

Pollution: Air, Noise etc.

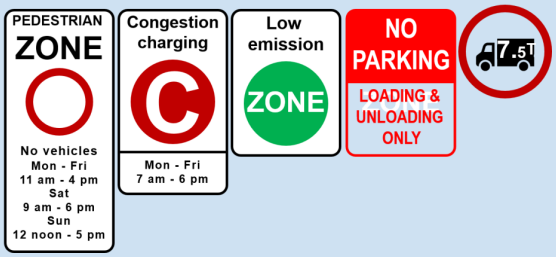
Manual and Poor Handling Conditions

Difficulties in Transit

Lack of planning for city logistics infrastructure and its best use will impede quality of life as well as economic development

The clutter - Restriction vs Planning – Choices have Costs

Cities often choose to restrict urban freight



Restrictions

- **Time access restrictions-**Restrict trucks from entering city limits with
- **Vehicle Restrictions** - vehicle with certain characteristics-length, weight, height, axle load.
- **Low Emission Zones** (special sticker needed)
- **Road Pricing** - may discriminate b/w passenger & freight, low/high emission
- **Parking and Unloading Restrictions**

v/s

They need to develop supply chain awareness……

And **Plan for freight flows** in existing and future scenario.

Planning

Planning needed for:

- **Required Infrastructure**
- **Efficient utilisation of capacities**

Co-ordination required amongst multiple stakeholders

Central Government

- **Roads** - Ministry of Road Transport and Highways (MORTH), National Highways Authority of India (NHAI)
- **Railways** - Ministry of Railways
- **Ports**- Ministry of Ports, Shipping and Waterways
- **Inland Waterways** – Inland Waterways Authority of India
- **Airports** – Ministry of Civil Aviation, Airports Authority of India
- **Central Board of Indirect Taxes and Customs** (ICD, CFS),

State Government

- **State Industries Departments**
- **State Planning and Statistics Departments**
- **State Urban Development and Town Planning Departments**
- **State Public Works Departments**

Private Sector

- **Shippers – Receivers, Manufacturers, Retailers**
- **End user Industry, Importers/Exporters, Domestic Traders, Industry Carriers/ Logistics Service Associations / Chambers of commerce**
- **Shippers - Providers -** Road Transporters, Shipping Line, Airlines, Railways, Waterways, Warehouse Providers, Packaging Companies, Handling Agents, CTO
- **E-commerce players**
- **Facilitators -** Custom Brokers, Freight Forwarders, 3PL/4PL

Challenge: City logistics falls in *"Zone of Concern"* for City/State Government, however not in *"Zone of Influence"* or *"Zone of Control"*

Co-ordination required amongst various stakeholders to:

- Facilitate city logistics planning
- Secure necessary data for planning for freight flows, and
- Develop integrated logistics infrastructure plans

Level of freight does not mean that lives have to get worse

- **Urban Freight: essential part of urban economy** providing residents & businesses with daily needs - affects economic growth & employment
- **Includes economic inputs** like cement, steel, construction material, food grain & vegetables, vaccines and their reverse logistics (inc. disposal of waste)

Freight flows bring prosperity to citizens, this wealth can be leveraged to improve life in city.
A win-win approach is needed.

Summary of Challenges

Data on Freight Flows not available

High **cost of Capital**

Multiple Stakeholders / Conflicting Interests

Dynamic nature of **Problems**

Multiple KPIs related to costs, safety, risks and environment

Long term Land use and Infrastructure planning

Lack of **Awareness**

High **Logistics Costs**

Single solution cannot be effective

Theoretical framework - Stakeholders in City Logistics

Users of City Logistics (Shippers/Receivers)

- Manufacturers, retailers, producers....
- **Seek:** Increased Profitability by improving reliability

Urban Residents

- Reluctant victims of traffic congestion etc.
- **Seek:** Improved environment, security, safety & quality of life.

Stakeholders

Logistics Service Providers (Freight carriers)

- Transporters, Warehouses etc.
- **Seek:** Increased Profits by meeting demand set by Shippers/Receivers

Public Authorities

- National and City level
- **Seek:** Economic development of whole city, improve environment, safety, enforcement

Presently each stakeholder pulls his own way.

who pursues the overall aim ?

Minimize Total Cost = (Logistics Cost) + (Congestion Cost) + (Environmental cost) + (Traffic Safety cost) + other variables

Theoretical framework - What New infrastructure capacities can we add?

Fixed Infrastructure

- See it as Citywide Grid of supply chain terminals – optimal links and nodes
- Ports, Railway good sheds, Air freight station, Waterway terminal,
- Urban Consolidation Centers, Transshipment points, check posts, driver resting points, holding areas at entry
- Aggregation and distribution centers as per commodities flowing in or out – Bulk, break-bulk, containerized/palletized
- Strengthen Connecting roads
- Optimal locations to develop logistics facilities

Rolling/Floating Infrastructure

- Large vehicles – at night ?
- EVs, two wheelers and 3 wheelers
- Metro network for distribution
- Non Motorized transport for last mile
- Fixed/ Floating Automation/digital technologies will be utilized to improve inter-modal shift and transhipment, facilitate track and trace of cargo etc. This will help to reduce cargo losses and increase logistics efficiency.

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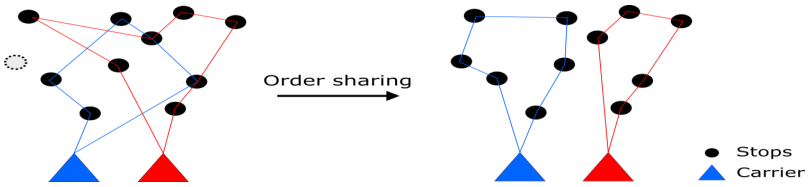
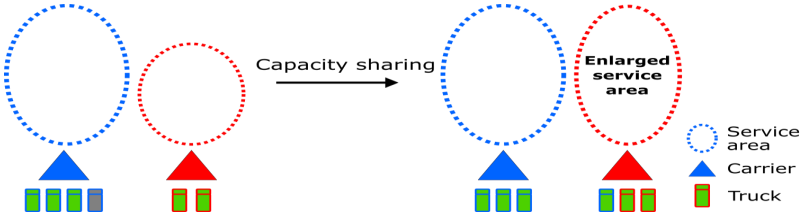
Theoretical framework- How to best Utilise Capacities -Sharing by companies



- **Sharing transport Demand:** Carriers collaborate to share Orders & Optimize transport capabilities while retaining service levels.
- Reduced vehicle visits to each stop.
- Load ability tax? (difficult to implement)
- Reduce Empty Runs



- **Sharing Logistic service supply:** (ex: truck fleet & warehouse)
- Service area of the receiver expands

- **Information sharing: Can eliminate simultaneous arrivals**

Would companies cooperate instead of compete? – Yes …Increased productivity of core activities, Reduces purchasing costs, Enables contracts with large shippers…..

Theoretical framework - How to arrange capital?

- Urban logistics projects -Should be paid for by beneficiaries, in ratio of benefits derived.
- Pvt. entrepreneurs get efficiencies and lower costs, Governments get reduced emissions better employment , economic growth, Residents get better life less travel time, pollution etc

Funding Mechanisms

Public-private partnerships (PPP)- an agreement between private and government agencies for development of Urban logistics projects

Value Capture : Capturing value appreciation due to logistics projects to surrounding real estate appreciation for funding Urban logistics projects.

Project finance – a form of non resource finance .

Theoretical framework -How to choose which scheme/measure is apt for Evaluation

Cost

Facility – construction, rent, maintenance

Vehicle – purchase/lease, maintenance, replacement

Operation– fuel, driver, route, terrain, delivery type, speed

Parking – number of customers, location, service time

Penalties– delay, waiting, parking violations, resident complaints

Environment

Air Pollution (NOx, SPM, CO2) – route length, terrain, speed, weight, etc.

Noise Pollution – Operations hours, equipment, etc.

Visual Pollution – Vehicle type, parking location etc.

Safety

Risk – route length, crash probability, delivery type, exposed population, land use etc.

Congestion

Direct – number, size, type and speed of vehicle

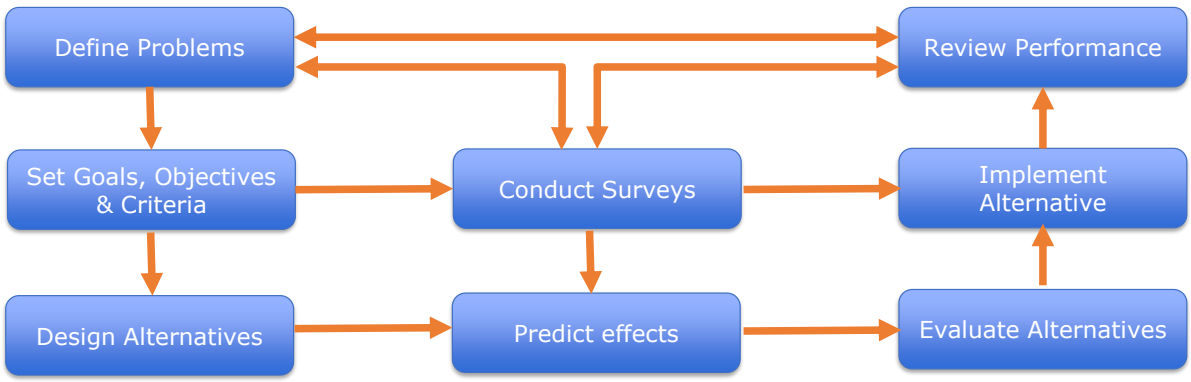
Indirect – illegal parking, loading/unloading facilities etc.

- Freight carriers strive to reduce their cost and improve efficiencies whereas city administrators are more concerned with environmental and congestion aspects.
- Evaluation criteria of City Logistics may be considered and designed basis on **Cost, Environment, Safety and Congestion impact in the city.**

Theoretical Framework - Dealing with failures – in city logistics

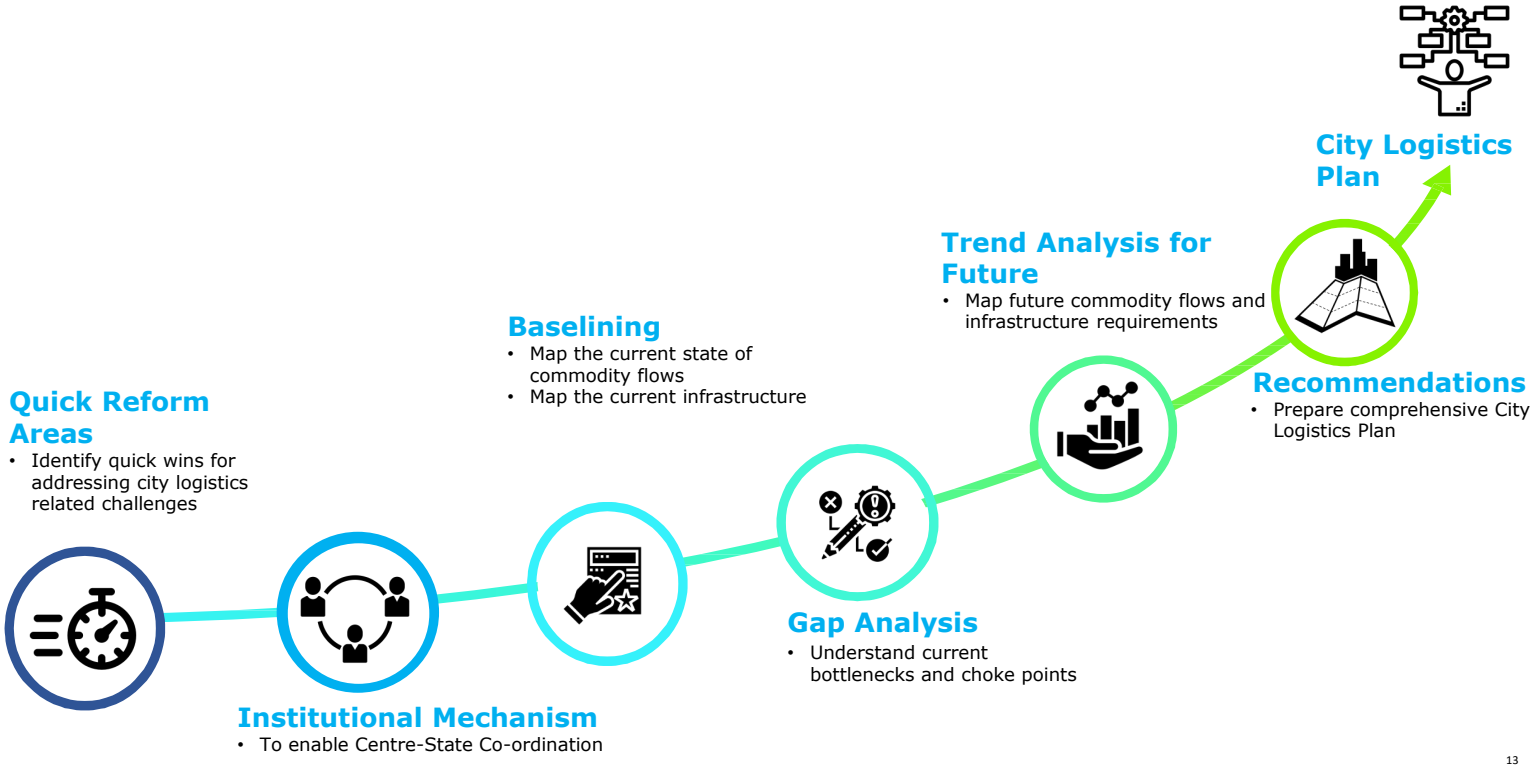
Problems are - Complex, dynamic, involve multiple stakeholders with competing objectives, resource constraints

Not a conventional but An iterative, evidence based approach needed



- ***A living Lab approach - formulate a problem, design a solution, test and survey, get feedback - may need to redefine the problem or try another solution till success is obtained.***

Develop a City Logistics Plan



Quick Wins in City Logistics

- Encourage **Rail based logistics to urban consolidation centres** and warehouses.
- Identification of **peri-urban locations** to **setup urban consolidation centers** for last mile deliveries.
- Encourage use of **Non Motorised transport** – Device creative incentive
- Promote **Electric two and three wheeler vehicles** for first and last mile deliveries
- **Mass Rapid Transportation Systems (MRTS) for distribution** across the cities for lighter commodities.

Institutional Mechanism - Collaboration amongst stakeholders

Living Labs, Rotterdam**,** Netherlands– action driven, experiments in real life context including all stake holders with a long term objective. That are continuously monitored for eg. freight partnerships

Freight Quality Partnerships (FQPs), London- Vans are more significant than trucks utilizing the road network. Moving delivery vehicles from peak periods to non peak periods and increase its efficiency. Several initiatives in London has also consolidated freight flows physically or organizational.

- **Role of Institutional Partnerships –** Case of the Central London Freight Quality Partnership.
- **A participatory approach** of setting up a 'living lab' is helping where all stakeholders are represented.

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Menu of Possible Solutions : Case Studies: International

Regulatory and Land Planning	**Restrictions on Vehicles** in small areas and roads based on emissions (Low Emission Zone), weight, size, age	**Berlin:** Low Emission Zone since 2008 **Paris:** Time slots per type of truck in Paris city center
	Mixed land use based development to reduce freight distances	**India**: mixed landuse development
Infrastructure	**Direct injection** of containers into the city via massified transport (ship, heavy rail)	**Paris**: Direct injection via canal through central injection point
	Urban distribution centers (UDC) within or outside the city to shared logistics facilities for goods consolidation and transportation into the city	**Ningbo**: DHL UDC **Antwerp**: bpost city logistics
Market based measures	**Urban congestion charge** when entering the city or a certain area	London: Congestion charge
	Smart fare Implementation based on the distance travelled, volume shipped or the current traffic conditions in the city.	San Diego: I-15 Hot Lanes
Equipment and technology (enablers)	**Lower or Zero Emission Trucks** (Euro NCAP 5, electric, gas) in combination with regulatory and land planning measures	Denmark: Pilot for use of EV by Post Denmark
	Optimization of freight distribution via traffic information systems, freight capacity exchange systems, centralized route planning, route optimization	Hamburg: Smart city system connecting port logistics and city traffic

The 5 Step DEVEC - Guide for improving City Logistics

1. **Get Data :** needed to understand what are the problems and how badly they affect us : Go for Business Registration, Surveys, GPS Log and Counts.

2. **Forge Stakeholder Engagement and public-private partnerships- Set up** a mechanism for collaboration among stakeholders Ex: Freight Quality Partnerships: , Metropolitan planning organizations: Intergovernmental coordination committee with elected representatives or political appointees; Freight advisory committees: public-private-partnerships with regional, state and national stakeholders to provide multi-stakeholder input in policy and infrastructure planning. **Case study: Central London Freight Quality Partnership**

3. **Prepare a guiding Vision** : Cities need an Economic Development Plan, Land Use Plan – A Desired Urban Form –decide freight flows - what infra and policies needed to manage?

4. **Set Evaluation Framework to prioritize solutions : Max overall Value** (from system investments)

5. **Arrange Capital : A creative exercise users to pay in proportion to benefits derived – options are : P**PP (capital by Govt and Industry), Project finance (loan – repaid from revenue streams of created infra) and Value Capture (ex: tax enhanced land prices).

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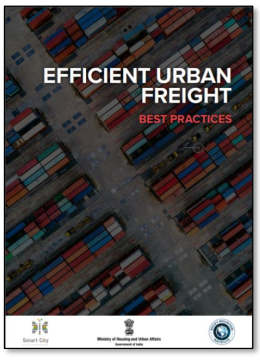
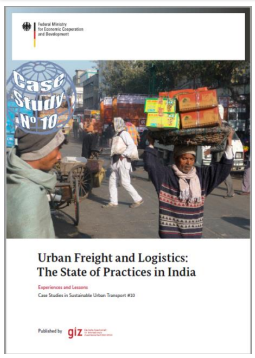
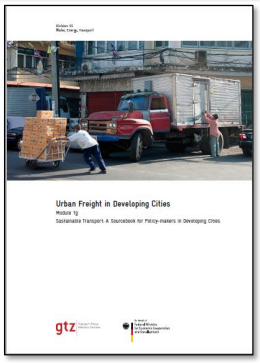
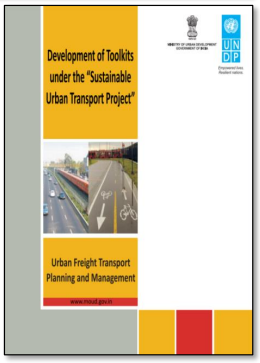
Resources on City Logistics Planning









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Areas panellists may cover in Panel Discussion

1. What is the most serious impediment for development of city logistic plans:
   1. Lack of Data 2. Too many agencies to coordinate with 3. Not a priority 4. Any other (specify)
2. Is there an agency (or an engagement forum) at city level for coordination between key stakeholders in city logistics (Residents, shippers, government, Logistic service providers)? Would it help?
3. Any state has a method of encouraging the sharing of capacities for transport/warehousing etc.?
4. Is freight data available with your cities? (in City Mobility plans)
5. What Range of percentage of city GDP do you think would be getting lost due to Traffic and other regulations. (only perception)
6. Some examples of areas for quick wins are mentioned? Which of these are most feasible for adoption in your cities? Which would be difficult to implement?
7. Please give examples of innovative practices for improving freight flows at city level in your state?
8. Would you like to continue with this engagement?

Institutional Framework at State and City Levels

City Logistics Committee

- **Nodal Officer-** Divisional Commissioner / District Collector / Municipal Commissioner
- **Committee Members:** Officers from Field units of central ministries, Resident Groups + Traders associations + Logistics Service Providers

- **Each state to identify 2 cities (total Identify 40-50 Cities in Phase 1;** In case of smaller States, select State Capitals;

- Logistics Division in collaboration with MoHUA will hold a **City-level Workshop** in 3-4 weeks from today.

Concluding remarks – Key takeaways

1. States agreed - **logistics planning is the right strategy** - as against Restrictions
2. **Data and coordination** with multiple agencies are two big deterrents.
3. **Right Institutional set up can be the vehicle of change** : To bring the 4 stakeholders together – collaborative engagement (Those pursuing commercial and non commercial interest- Logistic service users, Logistic service providers, Residents, Public authorities)
4. **Menu of quick wins** and international examples discussed. (NMT, UCC, EV)
5. **5 step DEVEC guide** to improving city logistics – Data, Engagement, Vision, Evaluation framework, Capital generation methods .
6. **Continue engagement** – and learn from each other – whatsapp group to continue…
7. City conference in about 3 weeks time
8. States to identify 2 cities each (capital cities in small states, rest other than capital)
9. ……..

Presentation during Breakout session

4. Drivers Empowerment & Employment

Logistics Challenge: Shortage of Truck Drivers Reasons & way forward

Road Safety Week

The trucks carry about 60-65% of the freight traffic in India

Availability of truck drivers is critical to logistic

India needs truck drivers, who are….

1. well-trained and skilled
2. Physically and psychologically healthy
3. Financially stable
4. under Social Security Net
5. A part of “Digital India”

Lets’ have a look at how we are doing..

Why is it an unattractive profession?

Harsh Working Conditions

- Inadequate rest (11.9 hrs drive/day)
- sleep eat or shower ?
- Away from home

Poor Remuneration

- Erratic and low salaries
- Non-standardised wages/salary

No Social Security

- Lack of regular employer-employee relationship
- 93% get no Insurance, retirement, PF, …

Poor Health

- Poor health- HIV, Vision, neck/back, drugs
- A large number left out of "Ayushman Bharat

Poor Road Safety

- Lack of formal training/skilling.
- Fatigue related accidents
- 12.3 % of road accidents & 15% fatalities

Lack of respect

- Discriminatory behavior of enforcement
- 38% drivers not married - social stigma

Spotlight on life of a truck driver in India

"Truck drivers in our country are amongst the **most vulnerable sections of our society**. The **backbone of the national economy** is dependent upon the untiring and ever driving efforts and labour of the poor, mostly illiterate and the vulnerable. In the absence of the hard work and toil of truck drivers, economic activity throughout the country is bound to come to a standstill."

Truck drivers **lack proper education; proper healthcare; face daily hardships; have strained and unstable personal relationships; and most importantly are most susceptible to be at odds with the law and the functionaries of the State**. These individuals are under the constant, endless pressure to make ends meet and ensure the survival of their families. It is these **vulnerabilities that make them prone to derelictions of the "dark side of human civilization".**

Patna High Court *on 22 Dec 2020*

5

Low job satisfaction

53% are dissatisfied with their profession;

84% will not recommend trucking to their family members or relatives;

60% work for less than 15 years in the industry.

Shortage of truck drivers

25-28% trucks in India - idle due to shortage of drivers.

Economic impact- (65% modal share)- about 1-1.5% of GDP*

* rough estimate

Socio-Economic Impact

- **Cost of idling of trucks:**
- 28-30% shortage leads to missed opportunities
- 1-1.5% of GDP
- Avg distance: 270 km per day. Global avg is 600 km/day

- **Cost of accidents** - Loss of life , property & Goods
- Trucks- 5% of vehicles and 15.8% of fatalities
- 22,637 deaths (trucks/lorries)=14.6% of the total deaths (NCRB- 2019)
- 69% of fatalities between 18- 45 yr age group- Loss of productivity
- Cost of fatalities- Over Rs 22,000 cr
- Claims: Rs 35,519 cr settled during 2018-19 by general insurance companies
- Compensation: The paid amount for the settled claims was Rs 18,262 crore.

Socio-Economic Impact

Reduced Life expectancy: of Truck driver less by 10 Yrs

Socio economic cost of road accidents- Rs 5.9 lakh crore,i.e. 3.1% of the GDP (2018)- A study by TRIPP of IIT(Delhi) and DIMTS

India can add 14% to its Gross Domestic Product per capita if it successfully halves the number of road accidents crashes and injuries by 2038- **World Bank report 2019**

Holistic approach to cover all aspects-

1. Wayside Amenities- Resting & food + facilities
2. Training/Skill upgradation
3. Social Security & Empowerment
4. Digital Ease & Efficiency

WAY FORWARD

Collaboration amongst all stakeholders to provide 360° solutions

State Govt & Central Ministries

Logistics Service Providers

User Industries

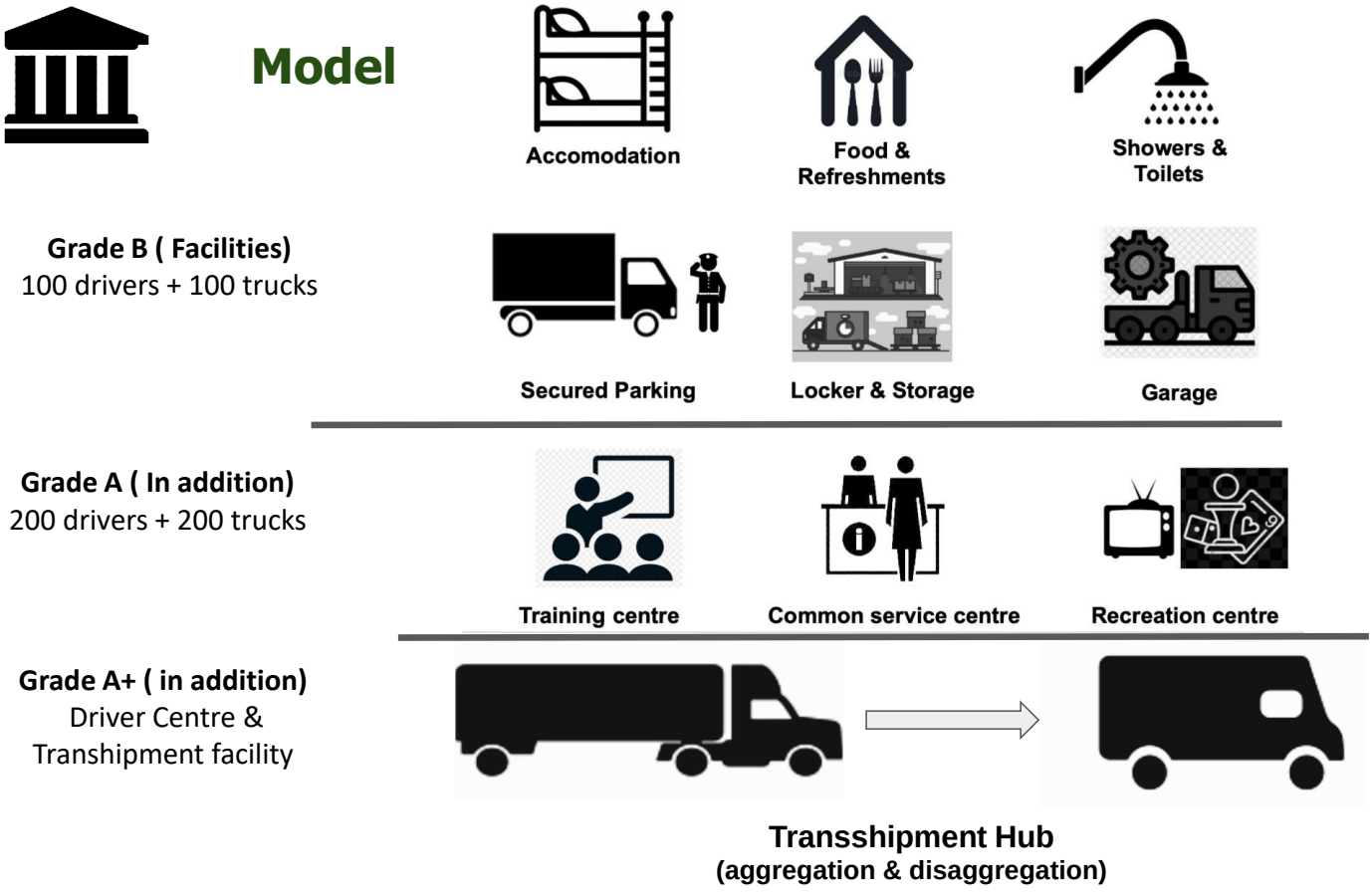
NGOs

Our Initiatives Can CHANGE this picture

Wayside Amenities

- A **network of Amenities** to be developed along the **highways**
- **Location:** roadside-based on traffic density, truck throughput, proximity to industrial hubs, etc. And points where wheels stop (warehouses, etc)
- **Amenities : R**est, food, hygiene, parking, repairs, recreation. Add-ons like wi-fi, ATMs, 24X7 store
- **Single Touch Point**: train and skill drivers, facilitation kiosks for welfare schemes. Health camps and mental-wellbeing/counseling
- **Greenfield as well as Brownfield facilities**- Integrate the existing dhabas etc by upgrading them to the standard.
- Explore **PPP model with beneficiaries like logistic service providers and user industries**
- Tie-up with **NHAI-** Highway Village Scheme

Model



Training/Skill Upgradation & facilitation

To encourage supply of trained drivers
Four Focus Areas- Road safety, Financial literacy and Digital literacy & Mental health

Training in driving, road Safety, maintenance & compliance- before license
Facilitate process for obtaining license.

Sensitise the law enforcers to drivers in particular & logistics in general

Reduce number of compliances. Simplify

Sell this profession at "Rozgaar melas". Follow-up. Facilitate.

Maintain contact digitally - Online content like videos, memes and games, posters and booklets.

Key word: **FACILITATE**

Social Security & empowerment

- Most drivers are without medical & insurance cover
- "Ayushman Bharat": Based on SECC'2011. Truck drivers eligible as a category
- But only 2-2.5 lac transport workers enrolled. Of which, only 40-50k truck drivers. **Need** to identify and enroll active truck drivers.
- A **mission** to provide affordable & accessible healthcare to drivers
- Frequent health camps, including counseling for well being
- Cover them under existing schemes
- Explore tie-ups with user industries, medical & insurance companies
- Innovative financial models to meet the expenditure- insurance companies etc

Digital Ease and Efficiency

Integrate Truck Drivers with the Digital India.

ELD(Electronic Logging Device) : for logging in and out- part of truck equipment

National Logistics Policy

1**. SLDE:** Secure Logistics Digital Exchange for digital document transfer across agencies.

2. SAMMAN (also **Green Trucking)** – easing **compliance burden** through an IT framework

3. e-POD- eliminate need to carry physical delivery proof

4. TVPP (Truck visibility and Positioning Program): to **facilitate finding return trips**. Better turnaround time.

Benefits

1. **Resolve shortage of truck drivers**: by providing safe and humane work environment. Make it preferred occupation.

2. **Integrated Infrastructure:** for complete logistics solutions. A cohesive network of wayside amenities with the multi-model logistic Hubs, MMLPs, Rail freight terminals etc along with the interventions in training and skill development

3. **Ensure Ease and Dignity**. Through Digital interventions providing a transparent and reliable mechanism for capturing verifiable data. Reduce hassles on road.

4. **Boost to logistics & economy**: Prevention of loss of life and property by reduction in accidents. Even a 20% reduction in compensation would amount to Rs 2000 cr. Efficiency on road will reduce overall cost of logistics, which is almost 1-1.5% of GDP as of now.

Collaborations

Govt

- State Governments
- MoRTH
- NHAI

Industry

- Automobile Industry
- Truck User Industries
- Truck Associations
- Insurance Companies

Subject specific Expertise

- Ayushman Bharat, MoHfW: Insurance
- MoHFW, NACO- Health Initiatives
- Deptt of Financial Services: Reduced insurance claims mobilisation
- MoHFW, NACO- Health Checkups
- MeITY: Digital Initiatives
- MSDE: Skill & Training

Specific Campaigns to stop protruding cargo

Road Safety Week

18 Jan-
17 Feb

Create awareness Among general public. Give opportunity to all Stakeholders to contribute to cause of road safety.

Launch Drives this month

Thank You

Comparisons with other drivers

Truck Drivers in India Vs other modes (Rail, Air)

Truck Drivers in India Vs Other countries

- Deplorable condition

Remuneration	**Hours of work -its enforcement**	**Resting facilities**
Training	**Healthcare**	**Social security**

OBJECTIVES

1. Multiplier effect through cohesive & synchronised collaboration

2. **Holistic approach:** Address the entire lifecycle issues under one umbrella, instead of piecemeal efforts

3. **Draw Focus**: of the entire industry- Govt, Logistics Service Provider, beneficiary industries and Non-Govt. Make it a priority area

The Stakeholders

State Governments- Important role in establishing infrastructure and delivery mechanism for training, medical & insurance, communication and support structures

NHAI- a Wayside amenities development programme for providing resting and food facilities to drivers.

Regulatory Framework

1. **The Motor Vehicles Act**- work and rest regulations. But **lack of mechanism to enforce.**

2. **MoRTH- National Road Safety Policy** to promote awareness about the various aspects of road safety. Issued guidelines and schemes for Drivers' training centres, inspections and verification etc

Industry: Logistic Service Providers and user industries.

WAY FORWARD:

Collaboration amongst all agencies to provide 360° support to truck drivers- improving all aspect of their challenged lives

Highway Village : NHAI Highway amenities Scheme (basic model and issues)

Under Highway amenities scheme Land was acquired every 60 km or so of size 2 to 4 acres), On Both sides (staggered). There may be a Few thousand such locations

Model	Land owner	Development and operation by
I	Govt	**BOT concessionaire** who builds and operates the highway also builds and runs the Truckers facility
II	Govt	Truckers facility to be developed and operated **through a bidding process** on Govt land at some concession fees or lease fee
III	Pvt (Kisan)	**Pvt landowner** Join NH work with own land - Develop Truckers amenities in 15-25% of land and use rest for commercial exploitation in permitted sectors

Reasons for limited success

1. **Viability of the business** ?? Focus of concessionaires – Interest in obtaining petrol pumps license etc

1. **Availability of credit** against land for this business

1. **Reluctance of private landowners** to enter into lease arrangement with government (Exit threat)

Need: Make business model attractive, involve beneficiaries/stakeholders, VGF

India Truck Drivers v/s Freight Train drivers

	Truck Drivers	Freight Train Drivers
Remuneration	Non-standardised, Low and volatile	Fixed basic income + Several allowances
Hours of work	Limit of 8 hrs/ day & 48 hrs/ week. No mechanism to check & ensure	Max 10 hrs duty/ day and 104 hrs/ 2 weeks. Defined rest period. Implemented through formal crew links. All data is logged in and maintained electronically
Resting facilities	Inadequate. Unsafe	AC Running Rooms as per formal standards.
Training	No formal training. No certifications	Regular Training as per set curriculum. Tech aids like simulators
Healthcare	Few covered under Ayushman Bharat. No health checkups	Railway hospitals. Scheduled Medical check-ups.
Social Security	Contractual employees. No social security available. Owners, under debt.	Govt Social security net

Indian Truck Drivers v/s UK & USA Truck drivers

	India	UK	USA
Annual Income	USD 1700 - 3300	USD 33,845 - 38,438	USD 45,260 approx
Working Hours Regulation	Limit of 8 hrs/ day & 48 hrs/ week.	Average 48 hrs/week; Max 60 hrs/ week Night work: Not > 10 hours in a day	Limit of 60 hours/ week or 70 hrs/ 8 days. Duty period must begin with at least 10 hours off-duty.
Enforce-ment/Penalties	Stringent rules. But no mechanism for enforcement	on-the-spot fines for drivers' hours offences. Monitored using Tachograph devices.	Enforcement mechanism. Vehicles placed on shut down (until drivers have enough off-duty time)

Economic impact

	Cause	Impact
Cost of compromised road safety	Road Crashes & Accidents- 1.5 lac deaths and 3 lac cases of disability (2019) Loss of property/goods. Litigation- 1.8 lac court cases under The Motor Vehicles Act	The direct costs of paying out the compensations estimated Rs 10,500 cr. Damage to goods worth Rs 1.7 lac cr. Transactional cost to economy due to litigations.
GDP Loss	Lost economic opportunities caused by shortage of truck drivers	Loss of over Rs 10000 crores per annum
Public Health Cost	Decreased life expectancy by up to 10 years. About 42000 HIV +ve truck drivers	Expenditure on healthcare and loss o productive manpower

Resolving shortage of truck drivers – Key Insights from the Panel (2/2)

1. Key areas- Training & skilling, Healthcare & insurance, wayside amenities

2. Key takeaway- Devise innovation solutions in collaboration with all stakeholders for financing & delivery structures for above

3. States' initiatives-

- Maharashtra- Smriddhi corridor-Mumbai-Pune- having the wayside amenities Integrated logistics park with all the amenities are planned at almost 100 places.
- Telangana- Driver Empowerment programmes in association with Maruti Motors and SBI, Assistance to purchase vehicles in terms of subsidies, Creation of Truck hubs on PPP to provide state of art facilities for drivers.
- Rajasthan- OEMs training centre for heavy vehicles. RSLDC plans to train 5000 drivers in level 4 NSQF courses in road safety & vehicle

Resolving shortage of truck drivers – Key Insights from the Panel (1/2)

Specific suggestions-

- Ensuring social security net for drivers by collaborating with corporate & Insurance companies to provide full family coverage during difficult times like the pandemic.
- Healthcare- Digital intervention to create a common repository of Truck drivers instead of SECC 2011 data and leveraging smart card for welfare to embark on Total Security Scheme
- Mechanism to have a real time monitoring & enforcement of rules for work & rest hours
- Rechristen Truck Driver to "Truck pilots" etc to motivate drivers and create a sense of dignity of work.
- Assessment of current gaps in the Training Infrastructure for Drivers in collaboration with associations and industry
- Need for a Training Infrastructure specific to different categories like Heavy Vehicles , ODC, Bulk etc. High CAPEX and land requirements.
- Mechanism to link Truck Insurance with Driver skills instead of Truck condition.
- Developing Truck Aggregation Models to introduce healthy competition in the Trucking industry and ensuring stability in drivers employment
- Promoting the OEMs, Tyre companies etc through regulatory framework for providing hygienic accommodation and food en-route, say at service stations etc.

Specific Campaigns to stop protruding cargo

Road Safety Week

Create awareness
Among general public.
Give opportunity to all
Stakeholders to contribute to
cause of road safety.

Launch Drives this month

Telephone Directory of Logistics Division

List of officers (Logistics Division)

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