

# NATIONAL LOGISTICS POLICY WILL BE RELEASED SOON

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

Ministry of Commerce & Industry

## National Logistics Policy will be Released Soon

### Policy to Create a Single Window E- Logistics Market

### Will Generate Employment and Make MSMEs Competitive - Nirmala Sitharaman

Posted On: 01 FEB 2020 5:22PM by PIB Delhi

A National Logistics Policy will be released soon and it will clarify the roles of the Union Government, State Governments and key regulators said Finance Minister, Nirmala Sitharaman. She was presenting the Union Budget 2020-21 in Parliament today. The policy will create a single window e-logistics market and focus on generation of employment, skills and make MSMEs competitive.

India's logistics sector is highly defragmented and the aim is to reduce the logistics cost from the present 14% of GDP to less than 10% by 2022. India's logistics sector is very complex with more than 20 government agencies, 40 PGAs, 37 export promotion councils, 500 certifications, 10000 commodities, 160 billion market size. It also involves 12 million employment base, 200 shipping agencies, 36 logistics services, 129 ICDs, 168 CFSs, 50 IT ecosystems and banks & insurance agencies. Further, 81 authorities and 500 certificates are required for EXIM.

The Indian logistics sector provides livelihood to more than 22 million people and improving the sector will facilitate 10 % decrease in indirect logistics cost leading to the growth of 5 to 8% in exports. Further, it is estimated that the worth of Indian logistics market will be around USD 215 billion in next two years compared to about USD 160 billion at present.

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.

The following announcements in Finance Minister's Budget Speech will make the National Logistics Policy more robust:

- Introduction of GST has brought in efficiency in logistics and transportation sector. It has reduced turnaround time of trucks by over 20%.
- Geo-tagging of all warehousing.
- Warehousing shall be promoted to comply with WDRA norms.
- VGF shall be provided for setting up of warehousing at the block / taluk levels on PPP mode. Food Corporation of India, Central Warehousing Corporation shall also offer their

land for this purpose.

- Village Storage Scheme through Women Self-help groups shall provide backward linkages for seeds thereby reducing logistics costs. Financial assistance under MUDRA loans and NABARD shall be provided for this purpose.
- Cold chains for fish and perishables shall be promoted.
- Refrigerated vans shall be attached to passenger trains to promote movement of perishables quickly.
- Krishi trains shall also be run on PPP mode.
- Krishi Udan scheme shall be promoted / launched whereby horticulture and perishable commodities shall be transported through the air-route that will especially benefit the North-East region and tribal area. It will definitely help movement of perishables and foodstuff to produce-areas to consumption-areas.
- Cluster approach shall be adopted for promoting horticulture. One Product One District shall be encouraged.
- National Organic e-Market will be developed for organic products.
- Financing of negotiable warehousing receipts would be encouraged and also its integration with e-NAM.
- National Logistics Policy will be released soon. Inter-alia, it will clarify the roles of the Union Government, State Governments and key regulators. It will create a single window e-Logistics Market place and focus on generation of employment, skills and making MSMEs competitive.
- Rs.100 lakh crore National Infrastructure pipeline has been launched which includes over 6500 infrastructure projects. National infrastructure pipeline has projects worth Rs.19.6 lakh crore for roads, Rs.13.69 lakh crore for railways, Rs.1.43 lakh crore for airports and Rs.1.01 lakh crore for ports.
- Accelerated development of highways will be undertaken. 2500 kms. of access controlled highways, 9000 kms. of economic corridors, 2000 kms. of coastal and land-port roads and 2000 kms. of strategic highways.
- Delhi – Mumbai and Chennai – Bengaluru express highways to be made operational by 2023.
- 12 lots of highway building consisting of over 6000 kms. shall be offered for monetisation by 2024.
- Governance structure for corporatisation of one major port shall be introduced.
- Inland Waterways especially Jal Vikas Marg (NW1) will be made operational.
- Inland Waterways from Dhubri to Sadia in Assam shall be promoted by 2022.
- Inland Waterways shall be promoted under the Programme called Arth-Ganga i.e., promoting economic activities along with banks of the river.
- 100 more airports shall be established under the UDAN scheme.
- 1200 airplanes shall be added from the present 600.
- Rs.1.7 lakh crore have been allocated for the transportation sector in 2020-21.

\*\*\*

(Release ID: 1601532) Visitor Counter : 218

**END**

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

crackIAS.com