

New Delhi, 12<sup>th</sup> February 2019

## WORKSHOP ON NATIONAL INTEGRATED LOGISTICS PLAN



*Suresh Prabhu addressing participants at the workshop*

A workshop was organized by the Logistics Department of the Ministry of Commerce and Industry in New Delhi today to discuss with logistics stakeholders the challenges and opportunities of this sector in India. Commerce & Industry and Civil Aviation Minister, Suresh Prabhu, delivered the keynote address.

Speaking on this occasion, Suresh Prabhu, said that India has improved its ranking in the World Bank's Logistics Performance Index and jumped from 54<sup>th</sup> in 2014 to 35<sup>th</sup> in 2016. But India need to urgently improve further so that we can be a part of international standards, reduce costs, join global value chains and increase trade. Minister further added that although India has 7600 km of coast line our ports and shipping industry can play a major role in improvement of the logistics sector.

India's logistics sector is highly fragmented 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 partnering government agencies (PGAs), 37 export promotion councils, 500 certifications, 10000 commodities, 160 billion market size. It also involves 12 million employment base, 200 shipping agencies, 36 logistic services, 129 ICDs, 168 CFSs, 50 IT ecosystems and banks & insurance agencies. Further, 81 authorities and 500 certificates are required for EXIM.

The Minister informed participants that the Commerce Ministry has developed a logistics portal which is technology driven and will create an eco-system for achieving highest efficiency in all aspects of India's logistics. The portal will ensure ease of trading in the international and domestic markets. It will link all the stakeholders of EXIM, domestic trade and movement and all trade activities on a single platform.

Suresh Prabhu further said that logistics sector has the capacity to generate massive employment in the country and it is expected that 28 million workers will be required in this sector in the near future in order to deliver competent and quality service.

Commerce Minister said that once the portal begins functioning it will put in place an institutional mechanism which will work in a concerted manner for delivering vertical integration to the logistics sector in the country. Commerce Ministry will support all stakeholders in bridging infrastructure gaps and provide legislative support whenever required. Suresh Prabhu exhorted all global players to get involved in India's logistics sector. This alone will be a game changer and put India firmly on the path of becoming a USD 5 trillion economy.

Mr. Kenichi Yokoyama, Country Director, Asian Development Bank, Mr. Uwe Brinks, CEO, DHL Freight, Germany, Dr. Wonkyu Kim, Professor, Korea Aerospace University and Dr. Hong-Seung Roh, Head of Global Logistics, Korea Transport Institute participated in the discussions.

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