

Minutes of the meeting with Logistics User Ministries/Departments chaired by Special Secretary (Logistics), on 19th Jan 2018, 1200 hrs at #263 Committee Room, Udyog Bhawan, New Delhi-11

The meeting was attended by the following officers from the Ministries/Departments that are major users of Logistics services:

1. Ms Bharati, JS, M/o Power
2. Sh Sunil Barthwal, JS, M/o Steel
3. Ms Asha Nangia, Director, MeitY
4. Sh Rakesh Goyal, Director, M/o Power
5. Dr Anindya Sinha, Advisor, M/o Coal
6. Ms Aditi Das Rout, Trade Advisor, M/o Textiles
7. Sh Kedar nath Verma, DS, D/o Agriculture, Cooperation & Farmer's Welfare
8. Sh Prashant Saxena, CC(MIDH), D/o Agriculture, Cooperation & Farmer's Welfare
9. Sh Sanjay Chavre, Sr DO, D/o Heavy Industry
10. Sh Ramesh Chandra, Sr Div Engg, Damodar Valley Corporation
11. Sh AL Maurya, Sr Mtng Officer, Dte of Mtng & Inspection, D/o Agriculture, Cooperation & Farmer's Welfare
12. Sh Anant Swarup, JS(Logistics), DoC
13. Sh Keshav Chandra, JS(Logistics), DoC
14. Sh DP Mohapatra, Addln DGFT, DoC
15. Sh SK Ahirwar, Director (Logistics), DoC
16. Sh Aman Sharma, Director (Logistics), DoC

The following Departments were not represented:

1. Department of Mines
2. Department of Food Processing
3. Ministry of Petroleum
4. Department of Chemical & Fertilizers
5. MSME
6. Department of Posts

A reference is made to the concerned Secretaries to direct their concerned officers to attend such meetings next time.

In his opening address, SS(Logistics) highlighted that the agenda of this meeting was to try and understand the Logistics related issues faced by the user Ministries/Departments and the strategy to make it more efficient and economical.

- A. The following discussion took place during the meeting:
1. JS M/o Steel highlighted that high Logistics costs in the country are hurting the competitiveness of Indian steel and iron ore not only in the world market but also within the country as cheap exports are threatening Indian Steel makers and iron ore miners. It was shared that cost of transporting iron ore from Brazil to China was USD 12, whereas the same cost from Bailadila mines to Vizag Port was USD 15. JS Steel also highlighted that steel had been put in Class 165 by railways in contrast to Coal which was Class 145, meaning thereby that freight charges for coal were lesser than that of steel; the rail freight in India was very high and it is making Indian iron ore and steel expensive both internationally as well as within the country. Moreover, there was a huge shortage of rakes for steel/iron ore transportation

and the steel industry was suffering on account of delays in getting rakes. It was also highlighted that presently M/o Railways did not take any inputs from the user Ministries like Steel before finalizing their infrastructure expansion plans. As per the national Steel Policy it has been planned to enhance steel production from 100 MT to 240 MT by 2025, and there was need for Railways to plan infrastructure enhancement accordingly. It was also informed that RINL Vizag was transporting steel to western India using coastal shipping and the logistics cost was lower by atleast Rs 250-300 per ton. M/o Steel was also planning to lay a pipeline from Bailadila mines to Vizag Port as the cost of transporting iron ore through pipeline is Rs 0.75 TKM in contrast to Rs 4 TKM by road and Rs 2.5 TKM by rail. It was also informed that MSMC has started transporting farm produce from NE India by air and this project was highly successful.

2. Officials from M/o Textiles informed that in case of textiles export, Logistics cost constitutes 7-8% of the invoice value and countries like Vietnam and Turkey were giving stiff competition to India on account of lower Logistics costs. It was also shared that presently India is exporting huge quantity of cotton yarn and fabric to Bangladesh by road through Petrapole border and the waiting period was 8-10 days for the Indian trucks to enter Bangladesh; the main reason for this huge delay was cited to be daily ceiling on number of Indian trucks allowed by Bangladesh authorities as well as problems created by Bongaingaon truck unions. It was highlighted that there was a need for additional truck berthing platforms at IGI cargo terminal in Delhi.
3. Officials from M/o Agriculture shared that the report on doubling farmer's income mentions about the need to improve agri-logistics. Presently M/o Agriculture provides subsidy for cold chains. M/o Agriculture also subsidizes M/o Railways for transporting agri-commodities.
4. M/o Heavy Industry highlighted the huge time was taken by Customs for clearing automobile, & machinery export consignments. Bangladesh has put a ceiling of 350 automobile carrying trucks per day at the Petrapole border, which was causing huge delays in exporting automobiles to Bangladesh; no such ceiling has been put by India. Similarly, at the Nepal border (Raxaul-Birgunj), owing to the presence of a narrow gate, large trailer trucks find it difficult to enter Nepal and cargo has to be transferred to smaller trucks which adds to the logistics cost. Within India, certain States such as Tamil Nadu, Maharashtra and Gujarat have put restrictions on free movement of trucks having National Permit.
5. Advisor, M/o Coal informed 70% of coal was used by the Power sector and transportation from the coal mines to the power plants was the major coal movement within the country and was primarily done through Rail. It was shared that there was good co-ordination between M/o Railways and M/o Coal and evacuation strategy is worked out jointly. M/o Coal was also exploring the option of slurry pipeline based evacuation as well as closed conveyors, in order to reduce the Logistics cost. Officials from DVC shared that rail rakes were not being made available in time by M/o Railways for transporting coal.

B. The following action plan was agreed in the meeting:

1. Officials from M/o Steel, M/o Coal and M/o Agriculture were requested to share reports/recommendations pertaining to Logistics in their respective sectors with Logistics division, DoC. Target date 29th Jan 2018
2. M/o Textiles was requested to send a detailed note on bottlenecks faced by Textile exporters/importers at the Ports (Sea, Air and land). Target date 5th Feb 2018

3. M/o Textiles was requested to direct Textiles Committee to join Customs SWIFT system and also do a BPR in order to reduce the time taken to clear import consignments. Target date 31st March 2018
4. M/o Agriculture was requested to develop a region-wise Logistics plan for agricultural commodities. Target date 31st March 2018
5. MeitY to send a detailed note highlighting the issues relating to port clearance of electronic items and BIS Standards for novel/latest electronic items. Target date 5th Feb 2018