

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO.1104
TO BE ANSWERED ON 17th DECEMBER,2018

INTEGRATED LOGISTICS PLAN

1104. SHRI VINAYAK BHAURAO RAUT:
SHRI GAURAV GOGOI:
DR. PRITAM GOPINATH MUNDE:
SHRI DHARMENDRA YADAV:
SHRI SHRIRANG APPA BARNE:
SHRI ADHALRAO PATIL SHIVAJIRAO:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether it is true that the cost of logistics for India is about 14 percent of its Gross Domestic Product (GDP) and on the other hand, it is only 7-8 percent in developed countries and if so, the details thereof;
- (b) whether the Government proposes to introduce an integrated logistics plan to fast-track movement of goods and cut transactions cost of businesses and the said plan would integrate all sectors-rail, road, ship and air;
- (c) if so, the details thereof along with the proposed timeline for its introduction and if not, the other measures proposed by the Government to help alleviate the concerns regarding slow movement of goods and high transaction cost;
- (d) whether there were disruptions happening in the global supply chain due to the rising trade tensions between countries such as the United States and China creating huge opportunities for Indian logistics players; and
- (e) if so, the details thereof along with the steps taken by the Government to harness the opportunities?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a) There is no official study to indicate that the cost of logistics in India is about 14% of its GDP. However, some studies have estimated the logistics cost at 14% of the GDP in India compared to 9% in Germany and 10% in the USA. The main reasons for lower logistics cost in developed countries are: -

- Greater share of Railways, Coastal Shipping, Inland Waterways etc.
- Shorter distance between ports and production – consumption centres.
- Introduction of better technology etc.

(b) & (c) Improving logistics through asset and cost optimization is an ongoing activity. The Government on a continuous basis reviews and improves the logistics ecosystem.

(d) & (e) Rising trade tensions between the USA and China may lead to diversion of some trade to third countries including India.
