

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

LOK SABHA
UNSTARRED QUESTION NO. 3658
TO BE ANSWERED ON 17th MARCH, 2021

INTEGRATED LOGISTICS PLAN

3658. DR. PRITAM GOPINATHRAO MUNDE:

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

- (a) whether the cost of logistics for India is about 14 per cent of its gross domestic product (GDP) and on the other hand, it is only 7-8 per cent in developed countries and if so, the details thereof;
- (b) whether the Government is preparing an integrated logistics plan to fast-track movement of goods and cut transactions cost of businesses and if so, the details thereof;
- (c) whether the integrated logistics plan would integrate all sectors-rail, road, ship and air and if so, the details thereof;
- (d) whether there were disruptions happening in the global supply chain due to the rising trade tensions between countries such as the US and China, creating huge opportunities for Indian logistics players; and
- (e) if so, the details thereof and the steps taken by the Government to harness the opportunities?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री हरदीप सिंह पुरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI HARDEEP SINGH PURI)

(a) : There is no official estimate of the logistics cost in India. However, Armstrong & Associates Inc., a private firm, in its study has estimated that logistics cost in India is 13% of GDP, which is higher than that observed for most of the developed countries (less than 10%).

(b) & (c): In order to reduce logistics cost, Government has taken a number of policy initiatives involving Rail transport, Road transport, Inland Waterways, Coastal Shipping and Streamlining Regulatory procedures. In order to have an integrated approach to logistics, a separate Division has been created in the Department of Commerce to coordinate various Logistics initiatives of the Government. The draft Logistics Policy envisages an IT enabled geospatial approach to integrate the efforts of various ministries in infrastructure planning and its optimal utilisation’.

(d) & (e): Global Supply chains are complex, dynamic and dependent on multiple factors. It is the continuous endeavour of Government of India to avail the opportunities to increase India’s share in global value chains and remains closely engaged with all trading partners in this regard.
