

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

LOK SABHA
UNSTARRED QUESTION NO. 1688
TO BE ANSWERED ON 08th DECEMBER, 2021

LOGISTICS COST IN NER

1688. SHRI VINCENT H. PALA:

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

- (a) the details of the steps taken by the Government to improve the logistics cost in NER;
- (b) the details of the funds allocated and released under any such schemes to bring down the logistics cost in NER;
- (c) whether any study has been undertaken by the Ministry to assess the economic benefits in NER by reducing logistics cost; and
- (d) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a) & (b): The logistics ecosystem comprises of multiple activities & participants concerned with transportation, warehousing, inter modal transfers, services, policy and regulatory regime, skilling etc. Due to network effects, the impact on logistics efficiency and costs accrue not only from local but also from efficiency improvements works in other parts of the network.

The Government has approved PM Gati Shakti National Master Plan for multimodal connectivity infrastructure for various Economic Zones. Multiple infrastructure projects and process reforms have also been taken up across the country which have contributed towards logistics efficiency as have the following NER specific major initiatives:

Ministry for Development of North Eastern region under its various development schemes has sanctioned road and bridges projects of Rs 8487.39 crores (cost of projects completed : Rs 4083 Crores).

To improve the logistic cost in NER, NHIDCL (National Highways and Infrastructure Development Corporation) is developing Two Lanes/Four lane NHs. NHIDCL is

further constructing Multi Modal Logistic Park (MMLP) at Jogighopa and another at Silchar. The cumulative funds released to NHIDCL is Rs 35,166.01 Crores.

So far as railways is concerned, the total Budget allocation for Infrastructure projects & safety works, falling fully/ partly in North East Region in 2021-22 is Rs 6,913 Crores which is 226% more than the average of 2009-14 (Rs 2122 Cr/Yr.).

Railways also provided a 6% concession on transportation of traffic from and to the stations falling in the State of Assam and other North Eastern Region, with certain exceptions.

Inland Waterway Authority has developed Multi-Modal Terminal(MMT) with Rail connectivity at Pandu (Guwahati) on NW-2 (River Brahmaputra) at a total cost of Rs. 100.37 Crores, a permanent terminal at Dhubri on NW-2 at a cost of Rs 47.00 Crores. For strengthening connectivity of North- Eastern Region with Haldia & Kolkata Ports, under the Protocol on Inland Water Trade & Transit (PIWT&T) with Bangladesh, the number of Ports of Call in each country has been increased from 6 to 13, the number of protocol routes have been increased from 08 to 10 and a new route between Sonamura and Daudkandi on river Gumti, opened for providing Inland Water Transport (IWT) connectivity to Tripura.

Likewise, LPAI is also undertaking an array of initiatives for reducing logistics costs at its ICPs including full body truck scanners, Land Port Management System etc.. Further, financial assistance is provided to exporters @ Rs.2.00 per kilogram of tea exported through Inland Container Depot (ICD), Amingaon, Assam to offset the additional cost the exporters have to incur for haulage of empty containers from Kolkata/Haldia port to Amingaon. Moreover, The Central Sector Scheme – ‘Transport and Marketing Assistance for Specified Agriculture Products’ – for providing assistance for the international component of freight to mitigate the freight disadvantage for the export of agriculture products is also available for products from North east.

(c) & (d): While evaluation of logistics efficiency and addressing specific issues is carried out by ministry through interactions with stakeholders, surveys (like Logistics Ease Across Different States - LEADS survey) etc, no specific study to assess economic benefits in NER by reducing Logistics Costs has been undertaken by Ministry of Commerce & Industry.
