



# NATIONAL OGISTICS POLICY HIGHLIGHTS



Presented by: Niranjan Chaudhari



## **OVERVIEW**

Introduction

Aim of the Policy

**Building Blocks** 

Outcome of the policy

Major changes

Who can adopt this?

How can adopt this?



# INDIA'S LOGISTICS MARKET SIZE



Logistics industry growth is at compounded annual rate of 9%+. Logistics industry contribute 14.4% to GDP, but it costs 14%.



## INTRODUCTION



The logistics industry in India has been growing rapidly and is expected to reach \$ 380 Billion by 2025.



The policy focuses on key areas such as process reengineering, digitisation, and multimodal transport.



It is a crucial move as high logistics cost impacts the competitiveness of domestic goods in the international market.



The need for a national logistics policy was felt since the logistics cost in India is high as compared to other developed economies



## AIM OF THE POLICY





Logistics costs of product have to be cut by half to be near global benchmarks by 2030. from 14-18% of GDP to global best practices of 8%.

Being the 5<sup>th</sup> largest economy in the world, India aims to be among the top 10 in the logistics performance index (LPI) by 2030. In 2018, India was ranked 44th in the LPI.



Creating Data-Driven Decision Support Systems (DSS) mechanism to enable an efficient logistics ecosystem.

Integrate all agencies who gives clearance and ministries for smooth cargo transportation.



## **BUILDING BLOCKS**

Digital Integration System



Unified Logistics Interface Platform (ULIP)



Ease of Logistics Services



Comprehensive Logistics Action Plan (CLAP)





## **OUTCOME OF THE POLICY**



PM Gati Shakti will get more boost and support with the help of NLP.



The Policy will help make the sector an integrated, cost-efficient, resilient, and sustainable logistics ecosystem in the country.



The policy is try hard to improve the competitiveness of Indian goods and enhance economic growth and increase employment opportunities.



# **MAJOR CHANGES**

- ❖Turnaround time of container vessels at ports has been reduced from 44 hours to 26 hours.
- ❖New eco-friendly waterways are being setup.
- ❖40 air cargo terminals have been setup to facilitate exports.
- ❖30 airports have cold storage facilities.
- ❖35 multi modal logistics facilities are being setup.
- ❖In some states logistics parks are already developed, like MH, TN, KN, RJ, UP.











- As per estimates, about 16% of India's Agri-production is wasted at different stages of supply chain, to overcome these losses warehouse facilities and cold chain efficiency increases by 5% for perishable commodities.
- Single window portal for all logistics service provider.
- Technology enhancement with the help of AI and Blockchain technology to increase transparency.
- \* The logistics policy lays emphasis on the shift to more energy-efficient.









# WHO CAN ADOPT THIS

#### PRIMARY SECTOR



Agriculture

Raw material suppliers



#### **SECONDARY SECTOR**



Manufacturing Industries



Automobile



Pharmaceutical

Chemical

Consumer durable goods

#### TERTIARY SECTOR



Service providers



Custom house agents (CHA)

Freight Forwarder

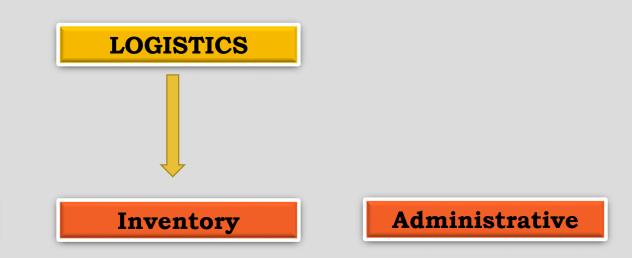
E-commerce



# HOW CAN ADOPT THIS

There are three main components of logistics

**Transportation** 





## **Transportation**

## **PRIMARY**



INBOUND LOGISTICS







Bulk Outbound Logistics







## **SECONDARY**



Low volume movements





Multi-Drop Deliveries









### **Inventory**

Five types of cost is associated with inventory:-

Ordering cost

Inventory Holding Costs

**Shortage Costs** 

Spoilage Costs

**Inventory Carrying Costs** 





#### **ADMINISTRATIVE**

Central Distribution Staff

Inventory planning

Analysis staff

Traffic department

Nowadays, computer software and hardware cost allocations are an important distribution expense.



Presented by: Niranjan Chaudhari (Management Trainee)

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For Business Inquiries Write to us at:- - <u>eximpune@eximmanagementservices.com</u> and export@eximmanagementservices.com

EXIM MANAGEMET SERVICES Office No. 5, 2nd Floor, Arihant Complex, Opp. Ayurvedic Rasashala, Karve Road, Pune 411004