CURRENT SCENARIO

- India's logistics sector employs nearly 22 Mn people, and is expected to grow at a rate of 16% over the next 2 years
- The Logistics sector contributes nearly 5% to India’s economy
- India’s warehousing industry is expected to maintain a CAGR of 10.6% until FY20
- India’s E-commerce market is expected to grow at a CAGR of 31%, and reach USD 83 Bn by 2020
- Shortage of more than 10 MT of cold storage for agro-produce

INFRASTRUCTURE INVESTMENTS IN LOGISTICS VALUE CHAIN

**Bharatmala Pariyojana**
- Indian Govt. to build 80,000 Km of roads, highways, greenfield expressways and bridges, with an investment of ~USD 107 Bn
- Will improve road connectivity & speed of road transport
- 1st phase involves construction of ~35,000 Km highways by 2022

**Multimodal Logistics Parks**
- Govt. has planned investment of ~USD 31 Bn
- These parks will lease space to private companies to run central operations and save on warehousing costs
- They will act as freight aggregation and distribution hubs, and enable long haul freight movement to reduce transport costs

**Dedicated Freight Corridors (DFC)**
- DFC is India’s largest infrastructure project, worth USD 12.6 Bn and spread across 3,317 km
- ~70% of freight is expected to shift to DFC, freeing up capacity of Indian Railways
- DFC will aid in decongestion of highways, as one freight train will be able to carry load equivalent to 1,300 trucks

**Sagarmala and Inland waterways**
- Sagarmala is a flagship programme to promote Port-led development, designed to harness India’s 7,500 km coastline
- 508 projects with an estimated investment of more than USD 117 Bn have been identified
- 111 inland waterway channels have been declared as National Waterways
- Waterways can carry 4x amount of cargo on a litre of fuel, and are ~50% cheaper compared to roads
RECENT POLICY & REGULATORY CHANGES

Logistics given infrastructure status

- Will enable the logistics sector to access infra-lending at easier terms
- Will allow for enhanced limits, larger funding as ECGs, longer tenure funds from insurance companies
- Will make logistics sector eligible to borrow from IIFCL

National Logistics Policy

- Developing an online National Logistics Portal which will serve as an online marketplace for logistics service providers, buyers and government agencies to reduce the cost of moving goods and services across the country
- Creating a data and analytics centre for transparency and continuous monitoring of key logistics metrics
- Creating a single platform for all logistics and trade facilitation matters in the country, which will also function as a knowledge- and information-sharing system
- Boosting Startup acceleration fund by the Logistics Wing under the Ministry of Commerce Industry

Foreign Trade Policy 2015-20

- Lays down measures for infrastructure development
- Identifies measures for enhancement of trade ecosystem
- Trade Infrastructure for Exports Scheme launched to assess gaps in logistics infrastructure
Authority to provide encumbrance-free land parcels

Authority to develop trunk infrastructure

30-year concession period; concessionaire has first right of refusal (subject to matching the winning bid)

In case of termination of agreement, compensation to be provided to concessionaire as per agreed guidelines

**Draft Guidelines for Development of MMLPs**

- Authority to provide encumbrance-free land parcels
- Authority to develop trunk infrastructure
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All information in this brochure was last updated on Feb 21st, 2020.
HOW WE HELP INVESTORS

- RESEARCH CONTENT PROVIDED
- LOCATION ANALYSIS
- ISSUE RESOLUTION
- POLICY ADVISORY/REPRESENTATION
- STAKEHOLDER MEETING
- SITE VISITS
- REGULATORY CLEARANCE FACILITATION

To find out more
https://www.investindia.gov.in/sectors

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