National Logistics Policy, 2020: An in-depth analysis of the Policy uniting the Logistics sector

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Introduction

The National Logistics Policy is brought out to address the various challenges bedeviling the smooth cargo movement and imposing additional cost to importers and exporters. The draft of National Logistics Policy was published by the Ministry of Commerce on 5th February 2019, to seek suggestions from various stakeholders which can be examined and reviewed before finalizing the Policy. An integrated and a profitable logistics Policy developed for creating user friendly ecosystem can be a key contributor to powerful economic growth in the country, with a potential to promote domestic and foreign trade, develop global competitiveness, improve income and reduce economic inequality. India’s logistics sector has been fragmented and unorganized despite its economic growth. The current logistics Policy is a broad document which addresses the extensive challenges faced today in the industry.

According to Mr. Vikas Anand, the Managing Director, DHL Supply Chain, India, “when one looks at logistics sector in India, and breaks it into various components, and looks at transportation for example within India, it is very fragmented. 55-60% truck drivers are actually the owners of the trucks. There are very few organizations, which have a large fleet. The National Logistics Policy will provide greater clarity, which will enable the companies to start investing, which will help the sector to grow.”

The challenges faced by the industry are multi-fold, and include insufficient transport network, unregulated growth of information technology, underdeveloped warehousing facilities. Efficient, effective, successful and well-coordinated implementation of the Policy will regulate the positive impact on the ground. The solution stated in the Logistics Policy includes improvement in road network, rail corridors and modern cargo facilities. The warehousing facility is required for changing the dynamics of the manufacturing, modern sales and distribution. Due to this Policy, the warehousing sector will develop in India by improving the storage facilities across country and also promote cross regional trade on e-commerce platforms by smooth flow of goods. The Logistics plan can prove to be a crucial element in bridging the gap between producers and consumers.

The draft Policy released by the Commerce Ministry aims at reducing logistics cost from 14 percent to less than 10 percent by 2022. The Policy will provide an impulse to India’s industrial competitiveness and thus have a positive impact on the exports. The Policy will facilitate in creating a point of reference for all matters relating to logistics and trade which will also function as an information and knowledge sharing platform. It will also entail the formulation of data and

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analytics centre to create transparency and continuous motoring of key logistics metrics. The Policy at the same time will also provide impetus to trade, and focus on economic growth which will lead in competitiveness of imports and export and double the employment in logistics sector by generating additional 10-15 million jobs and target on improving skills in the sector and encourage gender diversity. Efficient and practical implementation of the Policy would help provide an impulse to consistent trade border facilitation, and improve India's ranking in the Logistics Performance Index and boost investments.

The Logistics value chain is being managed currently by many ministries, including road transport and highways, shipping, railways, civil aviation. Agencies like Central Drug Standard Control Organization, Food Safety and Standard Authority of India are some agencies providing relevant trade clearances. The Policy seeks to call for cooperation between various ministries, and have an integration on the central level.

The main aim of National Logistics Policy is to promote smooth movement of goods across the country. Pawan Agarwal, Secretary to the Ministry of Commerce, Logistics Division, said that the Policy will look at several areas such as process re-engineering, digitisation and focus on multi modal transport.\textsuperscript{162}Financial Minister Nirmala Sitharaman in her budget speech stated that the Policy will help in clarifying the roles of centre, states and key regulations.

Thus, effective and efficient flow of goods on which commercial sectors depends, production of goods for customer satisfaction, improving the quality and promoting excellence in the sector are the main criteria which are covered by the Logistics Policy aiming to improve the logistics sector.

**Research Methodology**

The logistics sector in India as we know, is largely unorganised, and this policy seeks to integrate this industry on a central level. Through this research, we aim to analyse the viability of the policy against the backdrop of current social, economic, political, and environmental scenarios in India. The research is also headed to make useful suggestions and recommendations to the concerned ministry within the government of India, to make the policy more efficient, and abreast with realistic standards.

In order to conduct an efficient search, first and foremost we have looked at the history of the logistical sector in our country right from the 60’s. We have tried to study, how the logistics in India have developed, from being completely manual, to being semi-automatic, to being largely dependent on technology, where the sector lies today. Next, we have done an extensive study of the various legal regulations available in our country with regards to logistics. An analysis of various acts such as the carriage by road act 1856, the railway act 1985, the carriage by air act 1978, the merchant shipping act 1958, the multimodal transportation of goods act 1993 has been done, to understand how the regulatory framework has evolved over the years. The later part of the study involves, an in-depth analysis of various provisions contained within the draft national

logistics policy. We have tried to base our research on not limiting to, but including the following key points-

- Cost efficiency of the national logistics policy, and its effectiveness in terms of decreasing the cost incurred by the logistics sector in India.
- Local procurements vis-à-vis trade competitiveness, and maintaining relations with border nations.
- Technical readiness of India in terms of supporting a big data enabled logistics data hub and analytics centre, and a shift from manual to fully automated functionalities.
- Balancing play between private and public sector to achieve the goals of the policy.
- The environmental impact of the rampant development to be conducted as a result of the national logistics policy.
- Accountability within the viability gap funding.
- Training to be provided to stakeholders involved within the logistics framework for effective implementation of the objectives of the policy.

In order to fulfil our study on the above pointers, we have made use of primary and secondary methodologies of research. We have conducted a survey of over hundred candidates taking into account their opinions on the national logistics policy with regards to various clauses within the same. We have conducted a study, and analysis of the result of the survey, in order to come to a conclusion regarding efficiency of various clauses of the policy. We have also taken into consideration opinions of various industry experts, who have knowledge and experience of decades, and are either working in the domain of logistics, or various subjects linked to the logistics framework through this policy. Lastly, we have made use of literature available online on the logistics industry in India, and have attached our own interpretation to the same.

**History of Logistics in India**

The evolution of Indian logistics industry from being labour intensive during the 60’s to the present technology-oriented system provides a huge range of logistics services. Earlier the manufacturing companies in our country used to manage all their work related to logistics in-house, it was later on when the country decided to move towards the process of development and adopted the concept of outsourcing so that they can overcome the labour related problems in their fields. Over the last decade there has been a significant focus on the logistics sector from the centre and state governments to improve efficiency; subsequently there has been an increase in the outsourcing tasks related to transportation and warehousing. Outsourcing tasks are easier for India, because of very vast range of connectivity ranging from north to south and east to west therefore it wasn’t much of a difficulty to try to connect from one part of the country to the other either by road, air or water. The 5,864 km connectivity under the golden quadrilateral was a boost for the Indian industries, and also the connectivity through the rail corridor which has covered about 3200 km running from west to east. Globally, India has the 2nd largest road network in the world and almost half of the cargo is carried through the roadways.\(^{163}\) In India the most dominant form of transport is roadways which accounts for about 68% of freight movement in India. Trucks are mostly used for the carrying of freight from one part to the other.

Traditional transporters, freight forwarders and courier companies are rapidly changing into integrated service providers by including and incorporating other activities like inventory management, order processing, collection of bills various sales and excise duty documentation etc. The directions which were received during the period of 1990’s like the licensing policy, introduction of mnics, liberalization and permissible capital account transactions, have boosted the logistics industry. With globalization, the logistics industry has played a very crucial role in the development of our country. With 54th position of India in logistics performance in 2014 and 44th position in 2018, there has been a reflective improvement in the sector, since then there has been a down fall in the field of unskilled labourers.\footnote{The World Bank, IBRD, Country Score Card: India 2018.}

Though the logistics sector which appears to be highly unorganized, according to the government, there is a lot of complexity in the sector with more than 20 government agencies, 37 export promotion councils, 500 certifications which results to the services provided by the various industries, the government is hoping to overcome these hurdles with the help of ‘national logistics policy’ which would work as a critic in the seamless movement of freight across the country. One such policy was the introduction of the ‘bharatmalapariyojana’ which is an umbrella programme for the highway sector, mainly optimizing efficiency of the freight and passenger movement across the country which will help in building various gaps through effective interventions.\footnote{BharatmalaPariyojana, https://www.india.gov.in/spotlight/bharatmala-pariyojana-stepping-stone-towards-new-india.} this project was focused on improving the efficiency of existing corridors through development of multimodal logistics parks and elimination of choke points, to enhance focus on improving connectivity in north-east. On the part of the investment, the government is boosting the corporate to invest in the roads and shipping sector through the introduction of business-friendly strategies. The logistics sector which is the lifeline of trade in the country is controlled unfortunately by various departments like road, transport and highways, shipping, railways, etc.there is hope that with the introduction of the ‘national logistics policy’ the government would be able to coordinate the policies and a majority of the industry’s concern would be addressed. During the past decade, logistics have improved infrastructural capacity. The length of operational national highway has doubled from 71,000 km to 1,02,000 km. The railways have seen 40% growth in cargo handling during the same period, clearly indicating railway connectivity as modal transport. Recognizing the growth of the country in the future, a task was set up which was to work on allocating the task of ‘integrated development of logistics sector’ to the department of commerce and industry. In 2018 primary aim of the ‘national logistics policy’ was to enable integrated development of the logistics sector in the country. It was aimed at clarifying, informing, strengthening and prioritizing the key objectives of logistics in india. The policy of 2019 defined the key thrust areas for logistics in india, focusing on the relevant industries and also to acts as a guidance to the state government, the critical points which needs to be focused on are the driving development of multi modal logistics parks (mmlp), with intention to reduce logistics cost and promoting logistics efficiency for the movement of key commodities, setting up logistics data and analytics centre etc. The inclination of indian industries from the traditional form of logistics to the more advanced form should be looked at the way whether traditionally logistics companies are ready for digital connection and supply chain, and whether india is ready to implement digitalization of the logistics chain.
Considering and comparing the logistics of the developed country with India, our country is still underdeveloped. The major restrictions which hinder the growth of logistics industry in India, including the poor conditions of infrastructure and transport vehicles, complex tax laws, lack of infrastructure, and the lack of industry readiness. Due to the following reasons India incurs more logistics cost than those incurred by the developed countries. Comparing 13% of GDP of India and 9% of GDP of US, India incurs more costs related to logistics. However, this is less than China which incurs about 20% of GDP. It is clear that Indian logistics centre has been facing a lot of challenges and there is quite a lot to act upon. Use of innovative knowledge and technological changes is basically the need of the hour. Also, research and adequate implementation can help in the improvement of the sector stimulating the growth and employment in the country.

Laws application in relation to national logistics policy-
Logistic refers to the overall process of managing how resources are acquired, stored and transported to their final destination. This is mostly used in trade purpose, and transportation is a key service in this. This can be done basically by three ways—air, water and road.

The various acts governing the transportation of goods are—

- **Land**-
  1. Carriage by Road Act, 1856
  2. The Railway Act, 1989
- **Air**—
  1. Carriage by Air Act, 1972
- **Water**—
  1. The Carriage of Goods by Sea Act, 1925
  2. The Merchant Shipping Act, 1958
  3. The (Indian) Bills of Landing Act, 1856
  4. The Marine Insurance Act, 1963
- **The Multimodal Transportation of Goods Act, 1993**—this act becomes applicable, when transportation is done by two or more ways and to transport from India to anyplace outside the India. The ministry of commerce is going to replace the above act with the national logistic efficiency and advancement predictability and safety act (nealps).
- **Carriage by road act**—
  Carrier by road act, 2007 came into force on 1 March, 2011 superseding the erstwhile carriers act. This act provides that what is the ‘common carrier’—‘it means a person engaged in the business in the business of collecting, storing, forwarding, or distributing goods to be carried by goods carriages under a goods receipt or transporting for hire of goods from place to place by motorized transport on roads, for all person indiscriminately and includes a goods booking company, contractor, agent, broker, and

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171 The (Indian) Bills of Lading Act 1856, Act No. 9 of 1856, Act of Parliament 1856, (India).
courier agency engaged in the door to door transport of documents, goods or articles utilizing the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles, but does not include the government.”

And person not to engage in business of common carrier without registration. This also provides the method suspension or cancellation of registration. Along with that, what is the liability of common carrier is also given. This act gives the rates of charge to be fixed by common carriage for carriage of consignment at a higher risk rate. And at last this act provides for the contravention in relation to non-registration, carrying goods of dangerous or hazardous nature, or prohibited goods.

- **Railway act, 1989-**
  The railway act, 1989 came into force on July 1, 1990. This act provides for responsibilities, duties and liabilities of the Indian railway administration as a carrier of goods, provision for rates and procedure required to be complied with and redressal mechanism for grievance related to carriage of goods. The railway claims tribunal act, 1987 provides for the establishment of a railway claims tribunal for enquiring into and determining claims against a railway administration. This act has an overriding effect as it bars the jurisdiction of civil court. Also, the commercial courts will not have any jurisdiction arising out of carriage of goods by railway administration.

- **Carriage of Air Act, 1972-**
  Carriage by Air Act, 1972 came into force on May 15, 1973 by superseding the erstwhile Indian carriage act, 1934. This act was made to given the effect of-
  i. The Warsaw convention 1929
  ii. The Montreal convention 1999
  This act is made for all the matters related to the international and the national carriage by the air. The above-mentioned conventions are made as a schedule in the act, as it deals with the liability of air carriage for injury, death of passenger, damage to any cargo and baggage or in case it goes missing.174

- **Carriage of goods by sea act-**
  The law relating to shipping in India is, the (Indian) carriage of goods by sea act 1925 and the merchant shipping act, 1983. This act applies on any port of the India to carry the goods from any port outside or inside the India. These laws are equally applicable to the foreign ships as well as the Indian ships. This act remains applicable from the time it is loaded on the ship to the time period up to it is discharged by the ships on the port. This act also states, what responsibilities, liabilities and rights of the carrier. Their responsibility is to make the ship seaworthy, properly equipped with the necessary material. They have to properly handle, carry and discharge the goods. Whenever any loss or damage happens the burden of proving the exercise of due diligence shall be on the carrier or any other person claiming exemptions under this section.

- **Multimodal carriage of goods, 1993-**
  As the globalization took place, there is need of the better transportation and the infrastructure. To grab more opportunities and the stabilization in the competitive scenario, infrastructure is the key to it. The cargo industry is one of the growing industries. And it needs the interlinking of all four modes of transportation, i.e. Road, rail, water and by air. This act was introduced to

and gives the exporters a sense of security in transporting their goods. It helps in reducing the logistic costs of exporter and to make the product so competitive in the international market. This regulates the multimodal transport of the goods outside as well as inside the India. This act was amended in the year 2000 again. Section 2(k) of this act defines the “multimodal transportation” to mean carriage of goods by at least two different modes of transport under a multimodal transport contract from a place of acceptance of the goods in India to a place of delivery outside India. This act also talks about the nature and value of consignment, what are their liabilities and rights as well as consequence and the liability when the consignment goes missing, damaged or any delay. It also talks about the jurisdiction for instituting the suits. The main idea behind this multimodal is the concept of the door to door delivery; this is useful in catching up of international trade faster. This reduces the logistic cost and makes it more competitive in the market. This act is based on the UNCTAD/ICC (United Nation Council for Trade and Development/ International Council for Commerce) which are widely accepted.

Indian has also ratified the two conventions namely-

i. Warsaw convention  
ii. Montreal convention

Warsaw convention-

It is an international convention which regulates the liability for international carriage of persons, luggage, or goods performed by aircraft. It was signed in the 1975 in Warsaw, but it was amended in 1995 at Hague and then in 1999 in the Montreal. Particularly, the Warsaw convention based upon-

- Mandates carriers to issue passenger tickets.  
- Require carriers to issue baggage checks for checked luggage,  
- It limits the carrier liability like - 250,000 francs for personal injury.

This system allows the four choices of jurisdiction for filling the claims by the passengers namely- place of issue of ticket, principle place of business of the carrier, the place of destination of the passenger and the place of the domicile of the carrier.

Applicability of Warsaw convention in the India-

The rules of the Warsaw convention are contained in the first schedule of the carriage by the air act, 1972. The provisions of the right and liabilities of the carriers, passenger, consignors, consignees, etc have taken from this convention. The date of enforcing of this convention be such as mentioned in the part 1 of the annexure. And this annexure was inserted in the act from an amendment of 2009.

These rules are applicable in relation to the carriage by the air and irrespective of their nationality. It applies both to the national and international air carriers.

Montreal convention-

This convention is the unification of certain rules for international carriage, it is treaty of the diplomatic meetings of the ICAO members state in 1999. It amended the important provision of the Warsaw convention and specially related to the compensations of the victims of air disasters. It
provides the procedure to get the compensation to victims without going into the lengthy litigation procedure.\textsuperscript{175}

For example, if payment of damages is up to 100,000 special drawing rights, a mix currency value, this is established by the international monetary fund. If damages go beyond the above number then the aircraft can deny the damages by proving that the injury was not due to their negligence or it was third party’s fault. But no defence is available if it is lesser than the 100,000 sdr.

It also changes the jurisdictional provisions of the warsaw convention and held that the victim and their families can sue the foreign carriers. The montreal convention puts the fine of 1000 sdr in case of loss of baggage, whereas the warsaw gives the compensation on the basis of the weight of the baggage. It provides the compensation to families for death and injury while on board for the aircraft.

Applicability of Montreal convention in india-

The rules such as the liabilities of the carriers, passengers, consignors and the consignee and other person are mentioned in the third schedule of the act. They apply on the air carriers but not on the basis of the nationality. I.e. It is applicable both to the national as well as international carriage. The date for the enforcement of the montreal convention is same as such mentioned in the annexure 3 of the carriage by air (amendment) act 2009.

But in the budget of this year, the ministry of commerce has announced to replace the above-mentioned multimodal transportation of goods act with a new national logistic law, to promote the growth of the economic sector. The new law known as national logistic efficiency and safety act (nleaps) is under consideration and defines the new space and scope of the logistic and will regulate its ecosystem. Under this law the cost of logistic will be reduced which will impact the trade at the international level, it will increase the competitiveness of export market, reduce the consumption of 14% of gdp to less than 10% of gdp and will improve the ranking of india in the logistic performance index.

Making logistics cost efficient-

One of the key concerns with the logistics sector, as identified by the policymakers was the cost inefficiency. In order to drive the ‘make in india’ initiative, and to develop a supply chain network, which can potentially increase the income of the farmers, and can lead to overall prosperity of the environment, this policy seeks to make the logistical infrastructure for commercial goods, cost efficient. According to the policy, although logistics is one of the key drivers of the economic development in india, its cost is estimated to be at 13 to 14% of the gdp which is quite high as compare to other nations such as europe which has 10%, japan which has 11%, and usa which has 9-10%. Hence, in order to have trade competitiveness within the nation, the policy-makers have sought to make the logistics sector more cost efficient. Through this policy, it is estimated that the logistics cost as a percentage of gdp will trickle down from 13-14% to 10%. Further, the government also wants to provide an impetus to the msme sector in the country, which can

ultimately lead them to produce and procure locally which will drive the costs down even further. The plan is, to identify the most cost-efficient modes of transport, in order to optimise the current model mix which is operational within the logistics sector.

According to Mrs. Swapna Deshmukh, Head of Plant operations-Thane plant, Huhtamaki PPL Limited, India, “national logistic policy will help manufacturing companies to reduce logistic cost, which is very high at present. This will be possible because it will give end to end solutions and bring about digitalization in various processes of logistical areas, which are at present not available, and are also time consuming. This policy will help movement of goods across the country with ease.”

Since export and import of goods in India accounts for 31.4% of India’s gdp in 2019\(^{176}\), and logistics being one of the key driver thereof, the policy-makers have placed a lot of reliance on unifying the customs process whereby, they would accelerate the flow of lower risk goods, and have greater scrutiny over high risk goods. This would not only lead to cost saving, but also reduce the time of various stakeholders. This policy will create an increase in exports and manufacturing and this will help in improving the economy. India will be transformed into global hub of manufacturing through global investment and will boost the gdp. the main purpose of the policy is reducing huge transaction cost of traders which may set up a central portal for end to end logistics solutions. Efficient and efficient implementation of the policy will bell create an impetus to trade and enhance export competitiveness, also improve india's ranking in logistics sector. To make india globally competitive in the logistics sector, the logistics policy points out potential solutions to the challenges; adoption of integrated end to end logistics and newer, digital technology will help in the growth of the sector and promote innovative practices. Hence, to enable seamless movement of cargo, a transport network would ensure that the freight is channelled through the efficient mode for faster services. The policy intends to create a single window logistics e-marketplace, which will unite the logistics sector digitally and is thus hoping to reduce the transactional costs. The policy-makers have also identified packing packaging to be one such area, which leads to increased costs. Hence by suggesting methods such as white palletisation of cargo, the government intends to solve this problem.

In order to drop the logistics costs, government wants to identify areas of specific interventions relating to certain commodities. For now, the policy-makers have identified commodities such as coal, steel, iron ore, food grains, steel, cement, fruits and vegetables, etc. The current trend of the logistical network shows that these commodities are mainly focused and are confined to the regional clusters. Hence, the policymakers feel it important to establish a link between the place of origin, and destination place. Rather than confining the supply to the regional markets, policy-makers wish to integrate the supply on a national level, which will help in identifying various methods which can reduce the costs. For this, they intend to utilise various means such as operational research, discussions with stakeholders, benchmarking, etc. Another key area which the policy has identified, is transportation. According to the policy, it is eminent to identify the correct model mix for the commodities to reach their destinations, which can not only reduce the speed the time required, but also make the transport economical. Next, the government believes that there is lack of adequate infrastructure for movement of key commodities, which results in

increased costs 1st mile and last mile connectivity. By citing an example of the us cement industry, which has more than 350 railway integrated terminals for storing and handling infrastructure for cement, and also provides certain value-added services like blending, the indian government also intends to construct 8 to 10 large institutional demand centres and bag handling terminals at certain strategic locations. We have already seen the private players like amazon and flipkart invest in huge demand centres, post the gst implementation, this boost by government through the policy would push investments even further. These terminals will come under the purview of the logistics wing, and will run in coordination with the ministry of railways. The government was also efficient to identify the huge costs attached with perishable commodities. Considering the fact that india is the second largest producer of fruits and vegetables in the world, the wastage associated with it is around 16%. The main reason behind it is unavailability of cold chain infrastructure at appropriate locations. Due to the specialised nature of the perishable goods, extra costs have to be incurred regarding their packaging, transportation, and storage. In addition to this, due to lack of proper storage, the wastage associated with them is multi-fold. As the solution to this, the logistics wing is proposed to work with the ministry of food processing industries and identify certain key performance indicators, and thereby promote establishment of cold chain facilities and refer trucks to strategic locations. Participation of start-ups in this area would also be encouraged by the government.

The logistics division is working on how to update and formalise the logistics service for promoting digitisation in the sector which can help in smooth movement of goods. The structural reforms have drastically changed the face of the logistics sector like the new and enhanced logistics centres and warehouses near ports. The logistics sector is set to further invest and execute advanced technologies such as internet of things, data analytics. The ‘make in india’ and digital india initiative have played an important role in the extensive growth of the sector. New and enhanced trade policies have also contributed in promoting bilateral trade and enough international business. Hence, with investment in infrastructure, better stakeholders and enhanced operational efficiency can help india become an economic and logistics powerhouse.

Local procurement, foreign investment, and relations with border nations regarding logistics-

The national logistics policy primarily aims at driving the economic growth and trade competitiveness of india whereby to make india an integral port of call and the primary choice of the businesses all across the globe including those that are domestic herein and international alike to use india’s enviable reach and geographic make-up to cater to the needs of customers of the intermediate and final kind. The ‘make in india’ initiative, of course, on the other hand, calls for procurement, processing, production and providing of local materials, goods and tradeable commodities to the service of end-use customers and intermediate production points thereby

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179 Samrat Sharma, India wastes up to 16% of its agricultural produce: fruits, vegetables squandered the most, (Jul. 28. 02:23 PM, 2020), https://www.financialexpress.com/economy/india-wastes-up-to-16-of-its-agricultural-produce-fruits-vegetables-squandered-the-most/1661671/.
making the country self-reliant and drop India’s dependence on other countries for meeting the gaps that exist in the realm of trade and commerce.

As per Dr. Aashish Pawasar, MBA, LLM, Ph.D, Professor, NMIMS School of Business Management, Mumbai, “while both the initiatives (Make in India and trade competitiveness) may seem independent of their intrinsic nature but the fact remains that both are so broad and enabling in their reach, that they cannot be seen in isolation of one another. To that effect, the cause-and-consequence analogy does need to play in the context of these two initiatives. While it shall be expedient to say that there shall be a directly proportional impact of one on the other but the fact remains that while the Make in India campaign may reduce the need for an overseas logistics unit to patronize the Indian logistics services but that shall get compensated by the growing demand by the domestic industry to use the offerings of the sector and eventually in the best-case scenario, the local industries shall become so fecund and competitive that they would start using the envisaged logistics parks and facilities to actually export out the goods and commodities manufactured in India.”

So, with good tending of both the initiatives, by the state on one end and the concerned stakeholders on the other, it is not wholly correct to surmise that the Make in India initiative is necessarily at cross-purposes of the national logistics policy.

The concept of foreign direct investment itself is based on the fundamental principles of trust, analysis, performance and prospects. This stands equally true in the logistics framework too. For India to be able to attract FDI in this sector, the state needs to take up the onus of coming clear on its projections and envisages and then stick to them.

When we asked Dr. Aashish Pawasar, MBA, LLM, Ph.D., Professor, NMIMS School of Business Management, Mumbai, as to how difficult would it be to attract FDI within the logistics sector, he said, “the leeway of 'once-bitten-twice-shy' as far as instilling confidence in the minds of foreign investors is concerned, has already been wrongly extinguished by our governing personnel on more than moderate occasions irrespective of their political standpoints in the recent as well as distant past, so to expect that there shall be a queue of investors lined up to invest in India and its logistics sector development is foolhardy to say the least, though, having said that, with the clarity of purpose and deliverance, if evinced enough, coupled with the far reach impact of our population and market size as also the fact that the globe across at this point of time is averse to deal with the Chinese dragon thanks to its continual flashing of fangs and the pandemic origin beliefs, there is no reason as to why should India not be able to attract big ticket investments in this sector.”

Hence through the logistics policy, government should prove its mettle and might by initially having smaller and manageable projects successfully implemented by the FDI route and then use them as a showcase for encouraging more foreign investment in various logistics projects. This shall help in improving the country’s image globally and also give the much-needed fillip to infrastructural wherewithal where India leaves much to be desired presently.

For trade to be bolstered, it is imperative for any nation to have a robust commercial relationship with its neighbours, indeed, same is the case with India too. Presently, more than half of the trade that happens between India and its neighbours is by the way of surface transport, while it is essential that other modes of transportation including water and rail be enhanced but due to various reasons inter alia, regional backwardness, governmental laxity, mismanagement,
underdevelopment, presently, the state of international regional trade in the sub-continent is not in a great shape.

Dr. Aashish Pawasar, MBA, LLM, Ph.D., Professor, NMIMS School of Business Management, Mumbai, appreciates the efforts taken by through the logistics policy, by stating that, “to that effect, the draft national logistics policy has some good measures lined up including the development of custom stations, check points, multi modal logistics parks. Additionally, secretarial level talks should be conducted with members of the SAARC region to know the needs and expectations of their countries so that those measures can be included before the policy is confirmed.”

**Is India technologically ready?**

The main genesis of the national logistics policy 2020 is integration of the logistics industry through technology. The technology which the policy talks about, is not very straightforward, and easy to understand. The policy aims to utilise cutting-edge methods such as artificial intelligence, blockchain technology, smart contracts, big data, etc. It plans to creating a data analytics centre for driving greater transparency and continuous monitoring of key logistics metrics. The policy also wants to create an e-commerce platform for a seamless flow of goods across regions. It is the argument of the policymakers that currently in India a number of certifications are required and various agencies are essentially responsible for the logistical movements, which in fact slows down the entire process. Due to other factors such as limited capacity and availability of warehouses, the transactional cost increases. As a solution to these issues, the policy wants to create a national logistics e-marketplace which will be set up by the logistic wing. Under the e-marketplace, a single window portal will be created, where service providers such as warehousing providers, shipping experts, third party service providers, transporters, customs brokers, etc. And various governmental agencies will be unified in order to provide simplification of documentation. In the e-marketplace, the stakeholders will be provided with information at the tap of their fingertips, and would make the entire regulation system digitised. The policy claims, that this would create an environment of transparency, and would ultimately lead to faster clearances and more exports. Further, while setting up a logistics data and analytics centre, the policymakers felt that there was no single portal in the country which tracks and reports the metrics which are involved within the logistics value chain. In order to have standardisation and consistency in data reporting, a data and analytics centre will be created, which will enable data driven decision making for various infrastructure projects under logistics. Various components such as telematics, remote sensing and track, and trace data will be incorporated within this data centre for higher efficiency. This data centre is also proposed to be reviewed on a half yearly basis by the national council for logistics which will be chaired by the prime minister.

When we asked Dr. Preeti Khanna, Ph.D., Associate Professor, NMIMS School of Business Management, Mumbai, as to whether it is feasibility to use technology to integrate the logistics sector, she replied by saying, “hundred percent. This is very much feasible. There are multiple challenges in setting up such framework, such as privacy, cyber security, etc. But from benefits point of view, people would opt for it. There are ways in which these risks can be mitigated, even by redesigning the framework if need be. The government has designed the policy in such a way, that the integrated window will have an impact on the society. Establishing an e-commerce platform would be beneficial for the country as a whole, as five years down the lane, the financial industry, including the basic and third-party transactions will be enabled by private blockchain
technology. This will enable transparency and visibility, which will even have a cascading effect on corruption. Hence no doubt, the policy would be beneficial.”

However, when we speak about such advanced technology, we need to first understand as to whether India as a country is ready to welcome such robust mechanisms, which only a few people know about. Creating a data hub, although very useful from the point of view of development, raises various concerns with regards to accountability and data protection. Before the policy goes on to integrate such drastic technological steps within the Indian framework, basic questions regarding cyber security, data localisation, etc. Need to be answered.

Cyber security-

As we embark on the digital India journey and expand our digital footprint, the challenge to address the issues around cybersecurity needs to be done on a war footing basis. The scale of cyberattacks has increased with each passing day, as threat vectors evolve and get bigger and smarter. We cannot afford to ignore this threat. We are miles behind and have lot of catching up to do if we are to compare ourselves with developed countries on various cybersecurity infrastructure readiness parameters. Serious initiatives must be taken with a well-defined, focused approach and a skilled cyber team. India is ranked 23rd on the index with a score of 0.683 and has been listed in the "maturing" category, which refers to 77 countries that have developed complex commitments to cybersecurity and engage in cybersecurity programmes and initiatives.180 The government approved a framework to enhance security in cyberspace for cybersecurity in the Indian cyberspace, with the national security council secretariat functioning as the nodal agency. The national cyber security policy, 2013 was developed to build a reliable cyberspace for India’s citizens and businesses.

The logistics policy should collaborate with the ministry of electronics and information technology to build a robust mechanism which can be complete with measures for cyber security of the logistics sector in India.

Data localisation-

Data localization laws refers to regulations that dictate how data on a nation’s citizens is collected, processed and stored inside the country. The main intent behind data localization is to protect the personal and financial information of the country’s citizens and residents from foreign surveillance and give local governments and regulators the jurisdiction to call for the data when required. Localization mandates that companies collecting critical data about consumers must store and process them within the borders of the country. Data localisation as an element of regulatory data protection has come to the fore globally in the past two years. The EU’s general data protection regulation (“GDPR”) came into force in May 2018. While GDPR does not restrict data flow, it imposes 'adequacy' and other tests on transfer of data abroad. In India, too, since early 2018, data localisation measures and proposals have sped up substantially.181 An obvious spur to regulation was the Indian Supreme Court's 2017 ruling that Indian citizens have a fundamental right to privacy.

180 India is ranked a high 23rd out of 165 nations in a global index, (Jul. 23, 3:00 PM, 2020), https://www.financialexpress.com/industry/technology/india-ranks-23rd-among-165-nations-in-cybersecurity-index/

The court recognized informational privacy as a facet of the right to privacy, and ordered the government to put in place a data privacy regime.\textsuperscript{182} India has its own personal data protection bill 2019. This bill is very much in consonance with the GDPR guidelines and proposes to establish a data protection officer, whose duty would be punishing the offending organizations by levying a fine.

The implementers of the logistics policy should see to it how the massive amounts of data to be collected as a result of this policy, will be stored. Local storage of data would become a mandate once the PDPB gets applicable. Hence, it is pertinent to make use of local servers for this cause.

However, the above being said, as rightly mentioned by Mr. Vikas Anand, the managing director, DHL Supply Chain, India, “The government through the policy intends to use the doctrine of proof of concept, to do research and development on a small scale in the logistics sector, and if it works, they would scale it up in a big way. Since we have to start somewhere, the initiatives around digitization are very efficient. The government is looking at logistics, in a manner similar to how a CEO would look at his company. By trying to look at the logistics related key performance indicators, which should be measured, the government is giving priority to data collection. The idea of creation of centralised control towers, data hubs, dashboards, etc. Would help in better decision making.”

Maintainence of private autonomy-

In the words of Mr. Abhishek Tople, general manager and head legal, Jio Financial Services, India, “The policy revolves around overall development of the sector. I am of the view that private sector will be benefited due to one window approval policy, less clearances required, clarity on state and centre’s expectations from the sector, reduction in costs and increase in business. For the success of this policy coordination between state and centre is of prime importance.”

A general reading of the policy might give an impression, that there is excessive intrusion from the government’s end. However, when a micro view is taken of the policy, it shows ample partnership opportunities between the public and the private sector. The policy wants to drive investments within certain key infrastructure projects, for which it requires collaboration with the private sector. Provisions such as viability gap funding, which are included within the policy, would ensure that there is sufficient backing from the private sector, which will also preserve the autonomy and independence of the private sector, at the same time bringing everything within the general purview of the governmental framework regulated through this policy.

A common criticism of public-private partnership is that they can be more complex and time consuming to procure and manage than conventional forms of procurement. In some cases, this criticism can be misplaced as it may be important to recognize that the existing conventional approaches may need improvement.\textsuperscript{183}

\textsuperscript{182} Justice KS Puttaswamy vs. Union of India, (2017) 10 SCC 1 (India).
\textsuperscript{183} PPP Motivations and Challenges for the Public Sector Why (not) and how?, (Jul. 23, 03:00 PM, 2020), https://docplayer.net/.
Environmental impact of the national logistics policy 2020-

India being a developing nation, has always focused on getting ahead, and creating a mark for itself in the world economy. The emphasis has always been on industrial development, for which exploitation of natural resources has been considered as a collateral damage. With the national logistics policy coming into place, the threats to environment have increased multi-fold. The extensive industrialisation, construction of infrastructural setups, have raised serious questions regarding its impact on the surroundings. In order to predict the effects of this policy on the environment, we must first look at the relevant portions of the draft which speak about sustainability and green development.

A plain reading of the draft policy shows efforts of the government to encourage green logistics in our country. The basic idea behind green logistics is to conduct the logistic activities in such a manner, so as to reduce the costs required to move the raw materials involved, and to minimise the environmental impact of such actions. All activities aiming to reduce the ecological impact of logistical activities would be categorised as green logistics. However, it is essential to further the propaganda of green logistics in such a manner that all stakeholders involved, namely, environment, economy, and society are benefitted.\(^\text{184}\) in order to ensure that, the government of india has ensured to include such provisions which not only promise development, but also ensure environment protection. The key focus of the policy is to reduce costs attached to specific segments of logistics, one of which is transportation. By encouraging adoption of more economical and environment friendly means of transportation, the policy seeks to provide a better and amicable solution from the point of view of progress and sustainability. The policy gives example of iron ore, and the various means of transportation used to move iron or from places to places. According to the research conducted by the government, most economical method of transporting iron ore within 300 to 400 km are inland waterways, whereas up to 400 to 500 km are slurry pipelines, beyond 400 km and up to 1100 to 1200 km are railways, and beyond 1100 km are methods such as coastal shipping. Through this policy, the government wants to explore the best practises which are adopted globally, and wants to improve the logistical framework by enhancing effectiveness, and also reducing the environmental concerns associated with these modes of transportation. According to the policy, the ro-ro (roll on-roll off) method on flat reel wagons in difficult terrains instead of road transportation would not only be cost efficient, but also would reduce the environmental impact of transporting goods via road, in terms of lesser fuel consumption, and greater supply of bulk quantities. The ro-ro technique is known to check the pollution levels, and solve problems of road congestion. The first ro-ro service was run by konkan railways in the 90’s. According to the financial express, up to 50 trucks can be carried at a time through ro-ro method, thus saving 10 litres of diesel per kilometre.\(^\text{185}\)

According to the policy, it is time for india to shift to more energy efficient means of transportation, as well as greener fuels. The main impact of all of this should be in the form of reduced supply chain carbon footprint. The policy also further emphasises on creating regulations for controlling vehicular noise, emissions, and wastage. Research on investment in improve the regular design,


and promoting road telematics would not only ensure progress, but also would mean that the objectives of green logistics are fulfilled. The policy provides for benchmarking as a tool for analysing the best global practices, and integrating them within the policy for assured results. An example of the united states of a public private program, known as ‘smartway’ has been quoted within the policy which seeks to promote advances in sustainable transportation and supply chain. This platform aims to provide a comprehensive network whereby the stakeholders can share information regarding fuel usage and emissions across supply chains.

According to Mr. Vikas Anand, Managing Director, DHL Supply Chain, India, “the whole idea of sustainability is very much welcome within the logistics framework. Sustainable solutions do not add up to extra costs, the do provide good roi, provided clever decisions are made by the management. Government should have a sustainability target. After all, sustainability is not ‘good to have’, it is ‘must to have.’”

It is estimated that up to 10% of the logistics costs are composted of the warehousing expenses. It the policy elaborated on how the warehousing sector in india can incorporate green principles in their functioning. Amongst the key aims of the policy is to organise the warehousing sector in india, by improving the storage quality. Not only was there a need to develop the storage capacity hosted by the warehouses in india, but also to improve the quality and availability of infrastructure that the warehouses use. According to the policy, even the largest of the warehouses in india are less than 10,000 ft.² in size. The policy states that an efficient warehouse can reduce the costs of the entire logistics game by 15 to 20% in totality. Through this policy, an effort is made by the government of india to use technology and automation within the warehousing sector to ensure their optimum utilisation. However, while doing that, the policy focuses on the three r’s, that is reduce, reuse and recycle within warehousing activities to ensure balanced development. Grade a warehousing which is considered to be the most premium type of warehousing, is not very common in india. Even the grade a warehouses in india are under 100 mm² feet, whereas countries like china have grade a warehouses of up to 750 mm² feet. It has to be noted, that the progress in terms of capacity and quality of warehousing of a nation is largely dependent upon the level of gdp of that country. In china, the 750 mm² feet of grade a warehousing was achieved when its gdp had crossed the $2000 per capita income level. India, is currently at that level, and is supplemented with campaigns such as ‘make in india.’ these campaigns ensure that there is enough local production for domestic consumption as well as exports, and ultimately lead to a rise in the per capita income of the citizens, being in line with the sentiment of the policy, moving forward, sustainable warehousing is the only solution for india. As per a study on sustainable warehousing conducted by unilever, sustainability options such as changes within the heating, lighting, water consumption, waste management, and energy consumption, if implemented appropriately can reduce the energy demand by almost 50% per warehouse.

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One of the other aims of the policy is to focus on developing an optimal modal mix in order to connect the first mile and the last mile more efficiently. For that, the government has sought to incorporate various changes within its current model mix, and also develop a system whereby progress can be expedited. In order to further this objective, the government aims to identify certain key projects which are relevant for fulfilling this drive, and seeks to push the same through extra funding to be provided to the state governments, where the relevant projects are located, and to identify a common corridor which can benefit in cost-effective transportation of the required materials. In order to further encourage these projects, a single window environmental clearance is proposed to be given through an established platform called parivesh. Currently, for any infrastructure project to be successful, it requires to go through a host of clearances which seek to check its viability on the environmental front. For example, for construction of a highway, firstly an environment impact assessment has to be done. Getting an environmental clearance for construction of highway is generally divided into four stage, being, screening, scoping, public consultation, and lastly appraisal. Among these stages, a critical analysis of sustainability of that project is done, along with a balancing check of the benefit of that project is done vis-a-vis the environment damage to be created by it. These processes often also involve public hearings at the district level, or at the levels of zilla parishads, or at village panchayats, or at municipal corporations, in which the project is located. Now, since after the implementation of the logistics policy 2020, a single window clearance platform would be provided, questions regarding effective environmental clearance crop up. Unfortunately, the policy does not comment much on the process to be followed in the single window environmental clearance. What the policy does provide is a link between the parivesh platform, and speedy completion of key projects. Parivesh which comes within the ministry of environment, forest and climate change, and is an initiative of the government of india which is responsible for proactive and responsive facilitation of interactive and virtuous environmental single window hub, if followed to its core, would definitely make the infrastructural development worthwhile. Along with this linkage, it would be good if the policy provides certain actions which are considered offensive, and prescribes penalties for the same. It would also be ideal if liabilities such as absolute and strict are brought within the purview of the national logistical framework. Provisions such as these would not only ensure stricter compliance with the contents of the policy, but would put a stop on rampant civilisation at the cost of loss of sustainable living.

Viability gap funding-

Amongst other things, the logistics policy aims to speed up the progress of certain key development projects, which hold importance from the point of view of ease of doing business, automation, and decreased production costs. As per the indian innovation index 2019, which takes into consideration two parameters such as enablers and performance pillars. Within the enablers are, human capital, investments, knowledge workers, business environment, and safety and legal environment. Within performance pillars are, knowledge output and knowledge diffusion. Based on these two parameters, the innovation efficiency ratio is calculated, which indicates which state are more prone to innovate, and which lack behind. On the basis of scores given, karnataka scored the maximum points, whereas jharkhand scored the minimum. However, what is noteworthy, is the disparity amongst the scores allocated to the states, which range from 35.65 to 6.2.\textsuperscript{189} This

shows that development across India is not uniform. In order to tackle such differences, the government has designed viability gap funding (VGF). These funding are a means to bring the projects within certain states at par with the other states, so that equality in terms of development and progress can be maintained pan India. The initiative of VGF has been implemented by the government of India in order to support projects which are socially and economically relevant, but might not be financially viable. The Ministry of Finance on a yearly basis comes up with a plan scheme and an amount of budget to be set aside for supporting VGF. VGF scheme was launched in the year 2004, and is one of the main components of public private partnerships in India. The mean idea behind VGF is of competitive bidding amongst the private sector, to attract private investment for mainly infrastructure projects. Normally, up to 20% of the total capital cost of the project is provided through VGF. However, in the 2020 budget, the cap for social infrastructural projects has been increased up to 30% by the Finance Minister.

The policy seeks to apply the concept of VGF to the logistics sector, by enlisting certain important projects, and allocating funding to the relevant local state governments, where these projects are located. The policy however does not mention the percentage of VGF which could be sanctioned for these kinds of projects, and how much budget allocation they would get. In spite of the same, this is an excellent initiative taken by the government of India, of arraigning private investment into projects of public importance. At the same time, it is also important to comment on the fact that, since the policy stresses on transparency and accountability to be at the core of the logistical framework, it would be great to encourage these principles within the funding framework within the logistics industry. Perhaps, the logistics data hub can be used to keep a track of the funding which are allocated to the relevant state government, and to know how much, and for what purpose is the funding actually being utilised. This would not only curb any malicious intentions of the wrongdoers, but would also set an environment of honest practices right from the inception.

Training to the stakeholders-

When one speaks about the logistics sector, a number of stakeholders are involved therein. Right from the people who are at one end of the supply chain, such as the truck drivers, farmers, cleaners, delivery personnel, etc., to the people who are at the other end of the supply chain, such as the decision making executives, and the management personnel who are responsible for completing the seamless process of making the products available to the end consumers. However, when it comes to employment of manpower, according to the policy, in India there are large gaps within the logistics sector. Within the unorganised sectors such as truck drivers, cleaners, etc., it becomes difficult to recruit and retain these workers. Similarly, the absence of proper compensation, and training does not help their case. Many times, it is also found that the training which is provided to these workers, is not in line with the nature of work to be performed by them. As a result of that, a lot of their skill and potential is wasted in trying to learn the job on field. Hence, according to the logistics policy, it is time for India to identify and categorise these workers, and provide specific trainings which are relevant to their areas of work. It is important to provide adequate incentives for these workers from the retention point of view. The policy seeks to bring cooperation between various concerned ministries such as the Ministry of Skill Development and Entrepreneurship and other relevant ministries, to work on acquisition of skilled manpower and give necessary inputs

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for the progress of this policy. The policy requires this ministry to develop a standardised curriculum which can be adopted by state governments from across India, which can help them in efficient recruitment. Further, the logistics wing to be established through this policy will work with the concerned ministries to launch awareness programmes to better the perception of workers towards various roles created as a result of this policy. Lastly, the policy also encourages the establishment of various institutes to provide specific trainings to this these workers, which can help them in acquiring specialised skills on technology and automation.

After an analysis of the proposed skill development clause within the national logistics policy, various gaps can be identified within. First and foremost, the policy only speaks about providing training to skilled manpower. However, as of March 2019, only 4.69% of the total workforce in India is actually skilled, leaving a whooping majority of workforce either unskilled or semiskilled. Hence, it would be efficient to include relevant provisions for the development and betterment of these unskilled and semiskilled workers, and their integration within the logistical framework. The policy focuses much of its attention on use of technology and automation, which evidently is a bold step for India’s development. But it has to be kept in mind that automation would lead to scrapping of many of the traditional job roles which are mainly supported by manual labour. Hence, either the policy should focus on providing training to the workforce which is not equipped with technology, or it should retain certain manual roles, at least for in the initial years, till an equality is achieved in terms of technical knowledge. Similarly, the policy rightly points out the difficult working conditions, low wages and compensation and inadequate training which has currently plagued the logistical workforce in India. However, along with that, what is also needed, are healthcare and welfare schemes for the workforce which can not only give them a sense of security, but would also increase their retention rates. a life cover for truck drivers in terms of drivers term plan and medical insurance in case of accidents should also be provided to these workers. provisions like these, if included within the national logistics policy framework, make it wholesome, as well as would ensure protection of interest of all stakeholders.

Framework and implementation of the policy-

In order to ensure if the components of the national logistics policy are on track, there needed to be some framework within the policy to coordinate with the various stakeholders.

The logistics policy department comes under the ministry of the commerce and industry. They have responsibility to make coordination with the other departments and ministries as well. The central ministries include the (road, railway, shipping, civil aviation and food processing).

The committee/ councils such as would be constituted within the logistical framework-

- National council for logistics.
- Apex- inter ministerial committee.

Indian logistics forum.
In this the national council for logistics will be set up and chaired by the prime minister of India. This also includes the ministers of the road, transport, railway, shipping and the civil aviation etc. The state chief secretary will join the committee on invitation basis or when the meeting is done on the subject matter of their concerned ministries. The apex ministerial committee will be chaired by the ministry of commerce and industry. This is the core committee which will provide advice, approve and implementation of projects on the logistics policy. This committee will review the progress against the integrated national action plan on a quarterly basis. Logistic wings will give the secretarial support, and thus coordinate between the ministries. The national logistic forum is proposed to be chaired by the commerce secretary with representation from the government, and also from the fields like academic, industry, business and other stakeholders. The forum will hear the voice of the industry and what are the best methods they can adopt to make the logistics policy better would be recommended by it. They will also take feedback from the industries, to make the national logistic policy framework more effective.

An empowered task force, headed by the head of the logistic wings, the department of commerce, and the joint secretary level officer of the road, railway, shipping, civil aviation, finance and food and consumer affairs, will meet on the monthly basis to review the progress of the integrated national logistic action plan.

Survey-

The survey conducted by us was a result of collective efforts taken by a group of 101 respondents, who answered a list of questions posed by us. All of the respondents belonged to various different organisations from across India and had some relevant association with the national logistics policy 2020. Following was the distribution of participants-

![Survey Participants]

The questions that were asked to these respondents, the alternatives given to them, and the responses received, along with an analysis there on are as follows-

A. Make in India-
   1) Do you think it is effective to link the ‘make in India’ campaign to the national logistics policy?
   • Yes
   • No
Hence, we can say that, according to the survey conducted it is effective to link the ‘make in india’ campaign to the national logistics policy. As 95% of people polled in favor of linking with it, ‘make in india’, is a systematic process, and is expected to pan out over a long period of time. Since, the start has to be somewhere, if logistics is brought within purview of the campaign, it would give an impetus to the industry to favor local products more.

2) Do you think producing locally at least for the initial period would have a negative impact on one of the objectives of the policy, i.e. To bring down the logistical costs?
   - Yes
   - No

According to the survey conducted 51% of people are in favour of producing locally even for the initial period and it would not have a negative impact on the objectives of the policy, i.e. To bring down the logistical costs. At the same time, 49% also feel that local production would hamper the costs. So, there must be steps taken regarding the production in the initial period, by conducting more research on this area, whereby a middle ground could be achieved. One such step would be
to localise production and procurement of some aspects of the industry, and where the imports are cheaper, opting for that. Government could run a small pilot project regrading local production, and the scale it up, as it succeeds.

3) Do you think India has enough infrastructure to support ‘make in India’ within the logistical framework?
   - Yes
   - No

   ![](image1.png)

   According to the poll done, it is difficult to decide if India has enough infrastructure to support ‘make in India’ within the logistical framework. As 51% of population is in favour of this, and 49% are against. So certain steps must be taken to support this, and bring the infrastructure at par with the expectations of the people and stakeholders involved within logistics.

4) Do you think producing and procuring locally would slow down the progress of national logistics policy?
   - Yes
   - No
   - Yes, but the time required now would be effective in the longer run.

   ![](image2.png)
According to the survey conducted producing and procuring locally would slow down the progress of national logistics policy but the time required now will be effective in a long run. So it will be feasible to produce locally.

B. Government supervision-
1) Do you think the national logistics policy calls for excessive government control?
   - Yes
   - No
   - Yes, but such intervention is needed to organise an unorganised sector like logistics.

   ![Excessive Government Control](image)

According to the poll done more than 60% of people are in favour of government intervention for national logistics policy. So, this confirms the fact that the efforts taken by the government in unifying the sector are on track.

2) Do you think the private players within the logistics industry would lose their independence and autonomy by requiring them to constantly submit to government control?
   - Yes
   - No
   - No, the policy takes into consideration the interests of both public and private parties.
The main objective of national logistics policy is to promote the interests of both public and private sector, so this could be seen in the survey conducted which shows that more than 60% of people think that private players within the logistics industry would not lose their independence and autonomy by requiring them to constantly submit to government control. Besides, provisions such as vgf do promise sufficient private participation.

3) Do you think the national logistics policy leaves room for contingencies, considering that it aims to create highly regulated atmosphere?
   - Yes, the policy does take into consideration the highly speculative economic, social, and political environment.
   - No

According to the survey conducted more than 80% of people believe that national logistics policy leaves room for contingencies, considering that it aims to create highly regulated. So certain steps must be taken for the same. This proves that the regulation opted by the government is adequate.

C. Technological integration-
1) Do you think that India is technologically ready to accommodate the objectives of the national logistics policy?
   - Yes
   - No, the technology talked about in the policy is unheard of in India.

According to the survey conducted on technology more than 50% of people believe that India is not technologically ready to accommodate the objectives of the national logistics policy as the same is unheard in India. So certain steps or measures have to be taken for digital upgradation. However, 48% people also believe that India does have technological readiness. This shows that our country is definitely on the right track.

2) Do you think the conglomeration of data of all the logistical entities would create greater threats on cyber security, especially for the MSMEs who might not have sophisticated protection mechanisms?
   - Yes. There is very less cyber awareness in India.
   - No
According to the poll done 80% of people believe that the conglomeration of data of all the logistical entities would create greater threats on cyber security, especially for the msmes who might not have sophisticated protection mechanisms because the cyber awareness in india is not up to the mark. So, for this, certain step have to be taken for creating cyber awareness within the country.

3) How would you rate the national logistics policy on data localisation requirements which are assuming importance these days? (out of 5, 1 being the lowest and 5 being the highest)

- 1
- 2
- 3
- 4
- 5

According to the survey, the rating received by the national logistics policy on data localization requirements, are on the scale of 3 out of 5. Even this rate is low, we need to amend this to bring more effectiveness in data localization, and making sure that we are in line with the other countries on norms of data protection.

4) How much would you rate yourself/ your organisation based on technological know-how and use of sophisticated concepts such as artificial intelligence, smart contracts, blockchain technology, etc?

- I am highly skilled in this domain, and use it in my day-to-day functioning.
- I am moderately skilled in this domain, and although I don’t use it daily, I conduct a few transactions based on these techniques.
- I am completely new to this, and have never used these techniques in my functionalities.
This finding, thus further intensifies our opinion, by stating that only 9.9% people are highly skilled in the technical domains spoken about in the policy. This shows, that along with bringing in this policy, certain trainings on the grassroot levels need to be incorporated to keep the population on the same pace.

D. Environmental impact-
1) How effective do you think is the one-stop environment clearance mechanism, parivesh platform, created within the national logistics policy from the environment and sustainability point of view?
   • Very effective. This would streamline the environmental concerns to one authority.
   • Not very effective. Multiple check points are needed to check the environmental viability of any project.

According to the survey conducted 55% of people believe that the one-stop environment clearance mechanism, parivesh platform, created within the national logistics policy from the environment and sustainability point of view is very effective as this would streamline environmental concerns to one authority. But a considerable population also believes that it is not effective, hence steps
must be taken in this direction, to integrate multiple check points through the parivesh platform, for higher efficiency.

2) Do you think the national logistics policy would be counterproductive to the already increasing carbon footprint of citizens?
   - Yes
   - No

According to the survey conducted 59% of people believe that national logistics policy is counterproductive to the already increasing carbon footprint of citizens. So, a balancing act must be incorporated within the framework, whereby, an opportunity may be provided to the citizen to reduce their carbon footprint.

3) Do you think the concept of absolute/ strict liability should be incorporate within the framework of national logistics policy for non-compliance to environmental requirements?
   - Yes. Concepts like absolute/strict liability would ensure stricter compliance, and sustainable growth.
   - No. Since this integrated logistical framework is at a nascent stage, it would be inappropriate to impose such harsh liabilities.
According to the survey conducted the concept of absolute/strict liability should be incorporate within the framework of national logistics policy for non-compliance to environmental requirement because these concepts ensure stricter compliance, and sustainable growth.

E. Viability gap funding-
1) Do you think it should be made mandatory to disclose the details of the flow of funding from the point of view of accountability?
   • Yes
   • No

VGF although is an excellent initiative taken up by the government, to unite the public and the private sector together, it lacks transparency. 86% people believe that it should be made mandatory to disclose the details of the flow of funding from the point of view of accountability. Hence, it would be great if the government identifies this and takes the necessary actions.

F. Training to stakeholders-
1) According to you, are all the stakeholders involved within the logistics industry well knowledgeable when it comes to technical know-how, on which the policy places so much reliance?
- Yes
- No

64% people have stated that stakeholders involved within the logistics industry are not well knowledgeable when it comes to technical know-how. This reiterates the point that, if technical know-how is must for the implementation of the policy, steps should be taken in that direction.

2) Do you think creation of sophisticated jobs, suitable only for skilled/ highly skilled, would create a employment gap for the unskilled/ semi-skilled workers?
- Yes, many unskilled/ semi-skilled workers would be laid off due to automation of work.
- No
- Yes, but with adequate training the unskilled/ semi-skilled workers could be brought at par with the skilled/ highly skilled.

52% people see hope for the unskilled and semi-skilled workers, with adequate training. Hence, steps in that domain need to be taken.
3) Do you think the intermediaries need to be educated about various technological advancements, such as blockchain technology, artificial intelligence, smart contracts, etc. To effectively achieve the aims of national logistics policy?
- Yes
- No
- Yes, but not all the intermediaries. There can be segregation of stakeholders, and based on their ranks, they may be made eligible for trainings.

![Technical education of intermediaries](image)

58% people believe that haphazardly conducting training, and making all the stakeholders eligible for the same would not make sense. Instead, if they are segregated based on the level of technical expertise needed, and then made eligible for the learnings, it would not only save costs, but would also make sure that only streamlined and relevant knowledge is imparted upon them.

Conclusion-
The logistics sector is going through unusual changes and huge loss due to the pandemic going on. Both the sides i.e. Supply and demand are being affected due to covid. Due to the lockdown, the factories have been shut and the need of manpower for the de-stuff of cargo evacuation has hindered the smooth functioning of the logistics sector. The workers have gone to their native places and there are a lot of restrictions on interstate movement due to which the sector is facing an estimated loss of $9 trillion. Restrictions on air travel and international flights have contributed to the slowdown of movement of goods. There have also been manufacturing slowdowns, stuck shipments. During the course of the year, the shipping lines are expected to go down to 29 percent. On one side, the small businesses were hit hard due to covid as they had no backup plans or recovery plans. On the other side, the top players of the industry like dhl and ceva declared force majeure - a clause declaring all contracts null and void due to act of god or unexpected circumstances.

This policy is a beacon of hope during these dark times. An effective logistics ecosystem can be a key contributor to the economic development of the country, with the potential to facilitate domestic and foreign trade, promote global competitiveness, enhance incomes, drive the ‘make in
India’s initiative and reduce economic disparities across geographies. India must adopt a holistic approach in designing integrated transport networks. Hierarchical connectivity, intermodal access and fit-for-purpose network standard should be emphasized. Effective and efficient flow of goods on which commercial sectors depend, production of goods for customer satisfaction, improving the quality and promoting excellence in the sector are the main criteria’s which are covered by the logistics policy aiming to improve the logistics sector. Development is only possible if the country works as a whole. Working hand in hand and supportively we can together take our country to a different level for the welfare, betterment, and well-being of the country and its people.

Development plans have been taking place in our country since its formation but the process of implementing them in productive ways is the thing which can lead us to development. Digital India was also one of the ideas taken care of by the current government. The plans included digitalizing rural places in our country and also to increase internet facilities among all the people. This was done to make the country digitally strong and empowered with different and upcoming technologies. This idea succeeded in achieving its aim. It provided awareness and facilities which were accessible by rural people too. It also helped in increasing job opportunities for the people.

Based on this extensive research conducted by us, incorporating the opinions of industry experts, survey findings, and literature review, we have come to the following conclusion on the key thrust areas of the policy-

1) The ‘make in India’ initiative should be linked to the national logistics policy, as the same would lead to encouragement of nationalism, and local production. In the longer run, it will lead to cost reduction, and increased exports.

2) During the initial years of the policy, a middle ground needs to be reach that between producing locally and importing from abroad. By localising production and procurement of some aspects within the industry, and sticking to importation of some materials from abroad which are cheaper, should be done.

3) The country is right on track with regards to developing supporting infrastructure to incorporate the make in India initiative, and the logistical framework promised within the policy. Consistent efforts on these similar lines should be continued.

4) The policy framework does not call for excessive intervention from the government’s end. The regulation promised within the framework is absolutely required to unite a sector which is as organised as a logistics.

5) The policy places much reliance on public private partnerships, whereby no autonomy or independence is lost to either parties.

6) The policy does take into account contingencies, such as the recent pandemic which the country is going through, and leaves the room for highly speculative economic, social, and political environment.

7) Steps need to be taken in terms of making India technologically ready to support the objectives of the policy on the technical front.

8) There needs to be greater awareness within the country with regards to cyber security, data localisation, and various sophisticated technological concepts such as artificial intelligence, blockchain, big data, etc.

9) It is wise to link the parivesh platform which the logistics policy, as that would ensure that there is speedy infrastructural projects, as well as conservation of the environment.
10) A balancing act needs to be done through the logistics policy, wherein an opportunity should be given to the citizens to reduce their increasing carbon footprint as a result of massive manufacturing and infrastructure in activities which will be undertaken due to the policy.

11) Concepts of absolute and strict liability should be incorporated within the policy for non-compliance with environmental requirements. This would create an environment of deterrence, and would also ensure that there is sustainable development of the logistics sector.

12) The viability gap funding needs to be made more transparent especially in the logistics area, so that the citizens get an account of where and how the funds are actually being utilised.

13) Various stakeholders involved within the logistical framework need to be divided based on the technical knowledge each of them is expected to have. Basis this, they should be made eligible to various levels of training. This would ensure that the right people know the right things.

As correctly pointed out by Mr. Vikas Anand, the managing director, DHL Supply Chain, India, “less is more in logistics. Instead of putting more on the table, focus should be on efficient execution of the contents of the policy. The policy has got a broad-brush way forward, it talks about the direction, measurements, digitisation, dashboards, where the investments should happen. If executed well, the contents of the policy can actually be brought to the reality.”