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**News: National Logistics Policy 2022**

- Recently, the Government has launched a National Logistics Policy (NLP) 2022, aiming to achieve 'quick last-mile delivery', end transport-related challenges.

**National Logistics Policy 2022**

- The National Logistics Policy 2022 focuses on key areas such as process re-engineering, digitization, and multi-modal 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.

**Goals**

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

- Countries like the US, South Korea, Singapore, and certain European nations have such a low logistics cost-to-GDP ratio.
- The **current cost is 16% of GDP.**
- Being **the 5<sup>th</sup> largest economy in the world, India aims to be among the top 10 in the LPI (Logistics Performance Index) by 2030.** It has to match the pace of South Korea.
- In **2018, India was ranked 44<sup>th</sup> in the LPI.**
- Creating **data-driven Decision Support Systems (DSS) to enable an efficient logistics ecosystem.**
- The policy's target is to ensure that **logistical issues are minimized, exports grow manifold, and small industries and the people working in them benefit significantly.**

### **Key Building Blocks**

- **Digital Integration System:** It will **lead to seamless and faster work-flow, making logistics significantly more efficient.**
- **Unified Logistics Interface Platform:** It **aims to collapse all logistics and transport sector digital services into a single portal, thereby freeing manufacturers and exporters from the present tyranny of long and cumbersome processes.**

- **Ease of Logistics Services:** E-Logs, a new digital platform, will allow industry to directly take up operational issues with government agencies for speedy resolution.
- **Comprehensive Logistics Action Plan:** The Comprehensive Logistics Action Plan comprising integrated digital logistics systems, standardisation of physical assets, benchmarking service standards, human resource development, capacity building, development of logistics parks, etc.

### **Significance of the Policy**

- PM Gati Shakti will get further boost and complementarity with the launch of the National Logistics Policy.
- The Policy will help make the sector an integrated, cost-efficient, resilient, and sustainable logistics ecosystem in the country as it covers all bases of the sector along with streamlining rules and addressing supply-side constraints.
- The policy is an endeavor to improve the competitiveness of Indian goods, enhance economic growth and increase employment opportunities.

## **Logistics**

- Logistics encompasses planning, coordinating, storing, and moving resources people, raw materials, inventory, equipment, etc., from one location to another, from the production points to consumption, distribution, or other production points.

- The term "logistics" describes the total process of controlling the acquisition, storage, and delivery of resources to their intended location.
- It entails locating potential distributors and suppliers and evaluating the viability and accessibility of such parties.

## **Logistics Ease across Different States (LEADS) Index**

- Logistics Ease across Different States (LEADS) index is a composite indicator to assess international trade logistics across states and Union territories.
- LEADS report and index have been publishing annually since 2018 (excluding 2020 due to covid crisis).
- It is based on a stakeholders' survey conducted by Deloitte for the Ministry of commerce and industry.
- The index is loosely based on the World Bank's biennial Logistics Performance Index (LPI).
- A total of 21 perception and objective variables have been statistically analysed to prepare a composite index basis upon which the states have been ranked.
- Gujarat, Haryana and Punjab have emerged as the top performers in the LEADS 2021 index respectively. Gujarat has been the top ranked state since the inception.