

National Logistics Policy, Objectives, Features & Achievements

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The **National Logistics Policy (NLP)** is a government initiative aimed at improving the efficiency of the country's logistics system. It focuses on making the movement of goods faster, smoother, and more cost-effective by better coordination between different transport modes like road, rail, air, and waterways. Overall, the policy seeks to reduce logistics costs, boost trade and economic growth, and make businesses more competitive.

About National Logistics Policy

- **Genesis and Background:** The National Logistics Policy (NLP) was introduced in 2022 to strengthen India's logistics sector alongside the **PM Gati Shakti National Master Plan**. While Gati Shakti focuses on building physical infrastructure like roads, railways, and ports, NLP focuses on **improving how the logistics system actually functions**, making it more efficient and coordinated.
- **Vision and Objective:** The policy aims to create a logistics ecosystem that is well-integrated, technology-driven, cost-effective, reliable and environmentally sustainable. The broader goal is to support faster economic growth and ensure that development benefits all regions and sectors.

- **Focus on Soft Infrastructure:** Unlike infrastructure-heavy plans, National Logistics Policy mainly deals with improving processes and systems. It works on simplifying rules, reducing delays, improving logistics services, promoting digital platforms and building a skilled workforce for the sector.
- **Key Targets:** The policy sets clear goals such as reducing logistics costs in **India to match global standards by 2030**, improving India's ranking in the global **Logistics Performance Index** to the top 25, and creating a strong data-based system for better planning and decision-making.
- **Implementation through CLAP:** The policy is implemented through the **Comprehensive Logistics Action Plan**, which includes multiple action areas covering reforms, digital integration, service improvement, and sector-specific strategies.
- **Digital Transformation and Integration:** Major digital initiatives like ULIP have connected multiple logistics-related systems, enabling smooth data sharing and coordination. This has led to a large number of digital transactions, improving efficiency and transparency across the supply chain.
- **Regulatory and Business Ease Reforms:** Mechanisms like the E-Logs portal and Service Improvement Group have been set up to address industry problems and improve ease of doing business. Many issues raised by stakeholders have already been resolved.
- **Infrastructure Support through MMLPs:** Multi-Modal Logistics Parks are being developed to integrate different modes of transport and provide services like warehousing, packaging, and customs clearance at one location, improving efficiency.
- **Sustainability and Green Logistics:** The policy promotes environmentally friendly logistics practices. Tools have been developed to measure emissions, and companies are encouraged to adopt cleaner and more sustainable methods.
- **Skill Development and Capacity Building:** A strong emphasis is placed on training and education. Many universities now offer logistics courses, and thousands of professionals have been trained to improve the quality and efficiency of the workforce.
- **Sector-Specific Logistics Planning (SPEL):** The policy includes special logistics strategies for important sectors like coal, cement, steel, and food processing. These plans aim to reduce costs and improve efficiency in each sector.
- **State-Level Implementation:** Many states and union territories have created their own logistics policies and action plans. Some have also given industry status to logistics, allowing businesses to receive incentives and benefits.
- **Urban Logistics Planning:** City Logistics Plans are being developed to improve the movement of goods in urban areas. These plans aim to reduce traffic congestion, lower pollution, and make deliveries more efficient.
- **Inclusivity and Gender Participation:** Efforts are being made to increase the participation of women in the logistics sector. Studies and policy recommendations are being developed to make the sector more inclusive.

Overview of Logistic Sector of India

- **India's Economic Growth and Global Position:** India has emerged as the **fourth-largest economy in the world**, showing strong recovery after the pandemic. Between 2021 and 2022, the economy grew by **15.3%**, driven by sectors like services, manufacturing, and agriculture. Even after that, India has continued

to grow steadily, recording a **6.5% real GDP growth in 2024-25**, making it one of the fastest-growing major economies in the world.

- **Role of Logistics in Growth:** A strong and efficient logistics system plays a key role in this growth. Better supply chains help industries run smoothly and make the economy more resilient. With increased focus on infrastructure and digital systems, India is gradually becoming an important **logistics hub in Asia**.
- **Overview of the Logistics Sector:** The government created a separate logistics division in **2017 under the Department of Commerce** to improve coordination and development. The logistics sector supports almost every part of the economy, including manufacturing, retail, e-commerce, and services, by managing transportation, storage, warehousing, and delivery of goods.
- **Size and Growth Potential:** India's logistics sector was valued at around **USD 215 billion in 2021** and is expected to grow at a **CAGR of 10.7% till 2026**. Giving infrastructure status to the sector has helped it access cheaper and long-term funding, similar to sectors like roads and railways.
- **Sustainability in Logistics**
 - **Green Logistics Initiatives:** The government is promoting eco-friendly logistics practices. Tools like the **Freight GHG Calculator** help measure emissions and costs.
 - **Shift to Rail Transport:** Indian Railways is encouraging freight movement through rail to reduce emissions, aiming to increase its share from **35-36% to 45% by 2030**.
 - **Use of Digital Platforms:** Platforms like ULIP help companies choose greener transport options, supporting India's climate goals.

Achievements of National Logistics Policy

- **Strong progress in digital integration (ULIP):** One of the biggest achievements has been the development of the **Unified Logistics Interface Platform (ULIP)**. It has connected more than 30 different digital systems through secure APIs, allowing smooth data sharing. As of August 2025, it has enabled over **160 crore digital transactions**, making logistics operations faster, more transparent, and better coordinated.
- **Better tracking and visibility (Logistics Data Bank):** The Logistics Data Bank system has significantly improved real-time tracking of goods. It has already tracked more than **75 million EXIM containers** across **101 Inland Container Depots (ICDs)**. This has helped reduce delays, improve planning, and bring more transparency to supply chain operations.
- **Improvement in state-level performance (LEADS Index):** The **LEADS** index has become an important tool to measure and compare logistics performance across States and Union Territories. New parameters like corridor access and terminal speed (2024) and digital logistics and sustainability (2025) have been added.
- **Promotion of innovation and sustainability (LEAPS):** The **LEAPS** initiative has supported innovation in logistics by recognizing the efforts of MSMEs, startups, and academic institutions. It also promotes green logistics practices and encourages companies to follow Environmental, Social, and Governance (ESG) standards.
- **Data-driven cost assessment (DPIIT-NCAER study):** A major step has been the collaboration between DPIIT and NCAER to study logistics costs in a detailed and scientific way. Started in 2024, this study is now in its final stage and is expected to provide practical suggestions to reduce logistics costs and improve efficiency.

- **Development of Multi-Modal Logistics Parks (MMLPs):** Large logistics parks are being developed to bring together different transport modes like road, rail, and waterways in one place. These parks also provide services like customs clearance, cold storage, and packaging, making logistics smoother and more efficient.
- **Improved ease of doing business (SIG & E-Logs):** The government has created systems like the Service Improvement Group (SIG) to solve policy and regulatory issues. The E-Logs portal has connected over **35 logistics and industry associations** and has already resolved **100 out of 140 issues** raised by stakeholders, improving overall business conditions.
- **Focus on green logistics (TEMT tool):** Sustainability has been given importance through tools like the Transportation Emissions Measurement Tool (TEMT), developed by IIM Bangalore. This cloud-based platform follows global standards (ISO 14083) and helps measure emissions, encouraging companies to adopt cleaner and greener practices.
- **Major push in skill development:** The policy has greatly improved training and education in logistics. More than **100 universities and institutes** now offer logistics-related courses. Around **65,000 professionals have been trained between 2023 and 2025**, and over **250 workshops** have been conducted for government officials. New programs have also started in collaboration with GatiShakti Vishwavidyalaya.
- **Sector-specific logistics planning (SPEL):** Special logistics plans have been prepared for key sectors like coal, cement, steel, and food processing. Some, like the Coal Logistics Policy and Cement plan, are already finalized, while others are in progress. These plans help improve efficiency and reduce costs in each sector.
- **Efforts towards gender inclusion:** A study in collaboration with GIZ has been started to increase women's participation in the logistics sector. The findings are being reviewed to make the sector more inclusive and create better opportunities for women.
- **Urban logistics improvement (City Logistics Plans):** Guidelines have been issued to develop City Logistics Plans (CLPs) to improve goods movement in cities. These plans aim to reduce traffic congestion, lower pollution, and cut logistics costs while making urban delivery systems more efficient.
- **Strong state participation:** At the regional level, **27 States and Union Territories** have already prepared logistics policies, and **14 States** are working on detailed action plans. Additionally, **19 States have granted industry status** to logistics, providing incentives and benefits to businesses, while more states are in the process of finalizing their policies.
- **Global Ranking Improvement:** India has improved its position to **38th in the World Bank's Logistics Performance Index (2023)**, rising by six places since 2018.
- **Inland Waterways Growth:** Cargo movement through waterways reached a record **145.5 million tonnes in 2024-25**, and operational waterways increased from **24 to 29**.
- **Future Target:** India aims to be among the **top 25 logistics-performing countries by 2030** and reduce logistics costs to below **10% of GDP**.

Other Key Government Initiatives

- **PM Gati Shakti Master Plan (2021):** This initiative focuses on integrating different modes of transport like road, rail, ports, and airways into one coordinated network. It brings together **57 central ministries and all states/UTs**, using around **1700 data layers** to improve planning and execution of infrastructure projects.

- **Maritime Amrit Kaal Vision 2047:** This long-term plan aims to transform India's maritime sector by improving port capacity, promoting green initiatives, and boosting shipbuilding and coastal tourism. Investments worth over **₹10 lakh crore** have been committed, showing strong future potential.
- **Dedicated Freight Corridors (DFCs):** Two major freight corridors – Eastern (1337 km) and Western (1506 km) are being developed to carry heavy goods efficiently. As of March 2025, **96.4% (2741 km)** is already operational. These corridors reduce congestion, lower costs, and improve energy efficiency.
- **Multi-Modal Logistics Parks (MMLPs):** These are large hubs that combine transport, warehousing, and other logistics services in one place. Around **35 locations** have been approved, and at least **5 are expected to be operational by 2027**, helping reduce overall logistics costs.
- **Gati Shakti Vishwavidyalaya (GSV):** India's first university focused on logistics and transport education. It has signed MoUs with around **40 institutions** to train skilled professionals for the sector.
- **LEADS Index:** This annual report evaluates logistics performance across states based on infrastructure, services, and policies. It helps identify gaps and improve decision-making through industry feedback.

Digital and Policy Reforms in Logistic Sector

- **Logistics Data Bank (LDB):** This system tracks EXIM cargo in real time and has already tracked over **75 million containers**. It also sees about **45 lakh searches per month**, showing its usefulness in improving transparency and planning.
- **Unified Logistics Interface Platform (ULIP):** ULIP connects multiple logistics-related systems on a single digital platform. It achieved **100 crore API transactions by March 2025**, helping businesses track shipments and manage inventory more efficiently.
- **Goods and Services Tax (GST):** GST has simplified the tax system and removed interstate barriers. It has reduced transport time by **over 33%** and improved overall efficiency in logistics.
- **E-Way Bill System:** This digital system makes it easier to transport goods across states by reducing paperwork and improving compliance. It is mandatory for goods worth over ₹50,000, helping streamline logistics operations.

Challenges in the Logistic Sector

- **Heavy dependence on roads:** Most goods in India are transported by road (~70%), while railways are underused. This creates traffic congestion, higher fuel costs, and delays.
- **Too many small players:** The logistics sector is highly fragmented, with around 90% being small or unorganized operators. This makes coordination difficult and reduces overall efficiency.
- **Low use of technology:** Many small transporters and operators still rely on traditional methods. Limited digital literacy slows down adoption of tracking systems, automation, and online platforms.
- **Complex rules and regulations:** Different rules across states, multiple permits, and inconsistent GST practices create confusion and increase compliance burden for businesses.
- **Poor infrastructure in some areas:** While highways have improved, last-mile connectivity, rural roads, and warehousing facilities are still inadequate in many regions.
- **High logistics cost:** Due to inefficiencies, India's logistics cost remains high (around 13-14% of GDP), making goods more expensive compared to global standards.

- **Lack of skilled workforce:** There is a shortage of trained manpower in areas like supply chain management, warehousing, and technology handling.
- **Limited multimodal integration:** Smooth coordination between road, rail, air, and waterways is still lacking, leading to delays and higher costs.

Measures to Improve the Logistics Sector

- **Promote better mix of transport modes:** Increase the use of railways, inland waterways, and coastal shipping instead of over-relying on roads. Completing Dedicated Freight Corridors (DFCs) and expanding Roll-On/Roll-Off (RORO) services can make transport cheaper, faster, and more environment-friendly.
- **Adapt to new business models:** With the rapid growth of e-commerce, logistics companies need to adjust to trends like **quick commerce, omnichannel retail, and BOPIS (Buy Online, Pick Up in Store)**. This will help meet customer expectations for faster and flexible delivery.
- **Encourage Public-Private Partnerships (PPP):** Collaboration between startups and small fleet owners can improve efficiency. For example, companies like Rivigo use AI to suggest better routes, helping reduce fuel use, time, and costs.
- **Increase use of technology:** Adoption of tools like GPS tracking, automation, scanners, barcodes, and app-based warehousing can simplify operations. Digital platforms can also help in real-time tracking and better decision-making.
- **Develop modern infrastructure:** Invest more in warehouses, cold storage, logistics parks, and last-mile connectivity. Better infrastructure reduces delays and prevents damage or wastage of goods.
- **Simplify regulations:** Creating uniform rules across states, reducing paperwork, and improving GST implementation can make logistics operations smoother and more predictable.
- **Support small players:** Provide easier access to credit, training, and digital tools so that small operators can modernize and compete effectively in the market.
- **Skill development and training:** Focus on building a skilled workforce in logistics, supply chain management, and digital operations to improve overall efficiency.

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