

AMTOI

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NEWS

Targeting Growth with

National Logistics Policy

VISION

To develop technologically enabled, integrated, cost-efficient, resilient, sustainable and trusted logistics for accelerated and inclusive growth.

POLICY COMPLEMENTS THE
PM GATISHAKTI NATIONAL MASTER PLAN



Reduce cost of logistics in India to be comparable to Global Benchmarks by 2030



Logistics Performance Index Ranking - Endeavour to be among top 25 countries by 2030



Create data driven decision support mechanism for an efficient Logistics Ecosystem

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ASSOCIATION OF MULTIMODAL
TRANSPORT OPERATORS OF INDIA

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THE NATIONAL LOGISTICS POLICY (NLP)

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The National Logistics Policy (NLP) is a vision of our Honorable Prime Minister Shri Narendra Modi has taken 8 long years to develop. The NLP was formally launched by Honorable Prime Minister on 17th Sept' 2022 at Vigyan Bhavan 2022, New Delhi with an aim of reducing the logistics cost and to making India more competitive in the global supply chain market.

The National Logistics Policy is a comprehensive effort to address inefficiencies issues and developing the entire logistics ecosystem. The strategic aim is to boost economic growth, provide employment opportunities and make Indian products more competitive in the global market. In short India should become the factory of the world!!

Our Prime Ministers vision of creating a modern world class infrastructure including all regiment stakeholders in the process is truly commendable. For the same the Prime Ministers initiative PM Gati Shakti also known as the National Master Plan for Multimodal Connectivity was introduced in the previous year as

the first step. Establishing the National Logistics Policy will support the PM Gati Shakti initiative. The backbone of any economy is logistics. As per current estimates the worth of the Indian logistics market will be around USD 215 billion in the next two years compared to the current USD 160 billion dollars.

The Investment Information and Credit Rating Agency of India Limited (ICRA) estimates that the sector will develop at a compounded annual growth rate (CAGR) of 10.5% by 2025 after growing at the CAGR of 7.8 % over the past five years. The logistics sector employs more than 22 million people in India. Skill development is expected to grow at a rate of 5 % in five years. The core significant steps to be undertaken for NLP include:

1. Integration of Digital System (IDS). There will be a digital integration of various departments like road transport, railways, aviation, commerce ministries and foreign trade.
2. Unified Logistics Interphase Platform

(ULIP): this ensures shortened and smoother cargo movements and enable the exchange of information, confidentially on a real time basis.

3. Ease of logistics – (ELOG) will enable and ensure the ease of logistics business through transparency and accessibility.
4. System improvement: will monitor all logistics related projects.

The program aims to ensure that logistical problems are minimized, exports increase significantly, and small businesses and the people who work in them gain profit. All this will augment the economy in various ways like employment generation, inter-state, and international exchange of goods. This policy move will bring India closer to becoming a global manufacturing powerhouse and pave its way to becoming a logistics hub.

The NLP's transformational capacities further increase when combined with previous connectivity and infrastructure improvement programs like:

- As mentioned earlier Gati Shakti Program's goal is to implement infrastructure connectivity, including roadways and railways projects across the nation, in a coordinated manner.
- Sagarmala - envisions using the potential of the coastline and waterways to reduce the amount of infrastructure needed to reach their targets.
- Bharatmala - focuses on reducing critical infrastructure gaps to increase the effectiveness of road traffic circulation across the nation.

The above core initiatives will help create a single window e-marketplace as a one-stop shop for relevant knowledge and information exchange that can ease logistics facilitation matters in the country.

There have been some noteworthy changes in the Indian ports already, as the capacity of Indian ports has increased significantly, and the average turnaround time for cargo ships has decreased by

18 hours. Forty air cargo ports have been built to increase exports, and thirty airports have been equipped with cold storage facilities. There will soon be 35 multi-modal hubs nationwide, enabling seamless freight movement. The development of waterways is a direct response to the pressing need for environmentally friendly and cost-effective transportation alternatives.

India's latest policy of Comprehensive Logistics Action Plan (CLAP), provides details and a push to the NLP's specific targets. It focuses on reducing India's logistics cost to a level comparable to global benchmarks by 2030. It thus aims to be among the top 25 countries by 2030 in the Logistics Performance Index (LPI) (according to the World Bank Logistics Index of 2018, India is ranked 44th in logistics cost).

Further, better technology has been adopted to strengthen the logistics sector. For example, paperless export-import trade operations have been made possible by the e-sanchit portal, and faceless evaluation in customs has been implemented. E-way bills and FASTag are also frequently used on roads to boost the effectiveness of the logistics industry. Also, a unified tax system like Goods and Services Tax (GST) enables ease in issues related to the logistics sector.

The industry observers' are certain that the NLP will bring a brand-new transformative approach to the country's logistics ecosystem, increasing the efficiency across supply chains. This new programme is anticipated to enable a modal shift in logistics away from the current over-reliance on roads (over 60 per cent share currently versus 25 per cent globally) and towards railways (30 per cent currently versus around 60 per cent globally) and waterways, which presently have a 5 per cent share in the modal mix.

India aims to become \$ 5 Tn economy by 2024-25. For this, connectivity and robust infrastructure will become crucial points, and the NLP provides the required boost for the sector to this effect. This policy will augment warehousing capacity and enable faster communication to take products closer to their consumption points. NLP will also bring new energy

to all other sectors. As logistics develop, manufacturing, production, automobile, and other industries like warehousing and infrastructure development will also develop. This will spur the growth of commercial real estate and industrial parks.

NLP will thus promote the facilitation of a unified regulatory environment and institutional framework governing the sector that will set up multi-modal logistics parks (MMLPs) as key markets. This will ensure faster first and last-mile connectivity, and as logistics improve, the export-import, manufacturing, cold storage, and industries will also grow.

In the last few years, Indian government has been gradually & consciously advancing its capabilities to build and export more from India. Through schemes such as the Make in India or Production-Linked Incentives (PLI), the government is providing attractive incentives to domestic as well as global manufacturers to set-up or expand their base in India. As a result of these initiatives, manufacturing companies (both local and global) have been expanding their presence across various cities. The result is that there is a surge in demand for office spaces, where Engineering & Manufacturing (E&M) industry occupiers have taken a lead over last 2 years (largely coinciding with the PLI announcement). E&M sector has been amongst top-3 sectors that has contributed to robust demand for Grade-A office spaces in India. Another indicator from a commercial real estate standpoint is the strong growth of activity and investments in the industrial and warehousing space.

The NLP is the game changer for the Indian economy. The National Logistics Policy will bring together the highly fragmented logistics industry into one cohesive silo thereby ensuring India to become a global logistics hub. What is good for logistics is good for the economy!!

We are at the cusp of a great revolution. We can either make it happen or fritter this opportunity away if we do not take the advantage of the same.



Shantanu Bhadkamkar

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The policy aspires to reduce the cost of logistics in India to be comparable to global benchmarks by 2030, endeavour to be among the top 25 countries by 2030 in the Logistics Performance Index ranking, and create data-driven decision support mechanism for an efficient logistics ecosystem.

- Unified Logistics Interface Platform- ULIP will bring all the digital services related with the transportation sector on a single portal.
- Gatishakti and National Logistics Policy together are now taking the country towards a new work culture"

-Indian PM, during Launch of NLP

Supply Chain

Supply Chain Challenges - Responsive Logistics Policy

The success of the Retail & eCommerce business is directly proportionate to effective & responsive supply chain management. The vision begins with building a robust network, brick by brick, for a well-managed supply chain which can optimise every dimension of efficiency, reduce every operating cost, and translate to massive growth to achieve unimaginable business volume. Mega retailers and eCommerce companies have used different techniques to achieve consistent and comprehensive results. This included mitigating the supply chain issues to avoid inventory shortages by relying on: diverse sourcing; alternative routes, means of transport & port pairs; improved forecasting; and developing advanced partnership-based relations with logistics service providers, particularly international freight forwarders & carriers.

A resilient supply chain is defined by its capacity for resistance and recovery. That means having the capability to

mitigate most supply chain disruptions and greatly limit the impact of those that occur. Supply chain resilience is 'the adaptive capability of the supply chain to prepare for unexpected events, respond to disruptions, and recover from them by maintaining continuity of operations at the desired level of connectedness and control over structure and function'. The resilient and agile supply chains exist only in consultants' reports and are supposedly designed to do more than simply resist and recover. The consultants claim that they can establish processes and use modern supply chain technologies, enabling customers to forecast, anticipate, and respond quickly to whatever risks or opportunities the future brings. I find it too bookish. More precisely, it is akin to Middle Ages Alchemists' belief that someday they'd find a panacea that would cure all diseases and prolong life indefinitely. Almost every study demonstrates that the impact of the pandemic and war on the European economy and social life has been disastrous. Global Supply chains drive European growth, yet Every report concedes that operating models are not

equipped for uncertainty. A reinvention of supply chains is required to address a paradigm shift — supply chains were designed mainly to optimise costs. In today's world, they must be more resilient and agile to respond to increasing supply uncertainties while also becoming a critical competitive advantage to enable future growth.

On the contrary, most businesses saw short-term opportunities. They could convert the adversity into opportunity by targeting above-average profit margins, which is among the contributors to the growth in inflation. McKinsey & Company report shows that, Post-pandemic, most employees want to work from home three days a week. Employees expressed concerns that their wants and needs may not match those of their employers. The employees are keen to see organisations put a greater emphasis on flexibility, competitive compensation and well-being. In short, people want more for less and hold that someone else is obliged to do it and pay the price for it. Political correctness is at its peak in every segment of society is the scary part of

it. Labour shortages, supply disruptions and demand surges have compelled almost all organisations to tap into digital solutions. Businesses will increasingly rely on Robots (bots), machine learning, RPA, and Robo-Advisors / Robovisors, in short, every digital tool to reduce reliance on human physical and mental work. As a result, smart logistics solutions based on the internet of things and next-generation robotics are becoming a focal point of future supply chain design.

Responsible Supply Chains integrate the environmental, social (including labour & human rights), and good governance factors into the lifecycles of goods and services. Supply-chain sustainability is the impact a company's supply chain can make in promoting human rights, fair labour practices, environmental progress and anti-corruption policies. There is a growing need for integrating sustainable choices into supply-chain management. Environmental, social, and governance (ESG) issues have raised the agenda hierarchy for businesses and consumers. Companies are obliged to look at their wider supply chains to

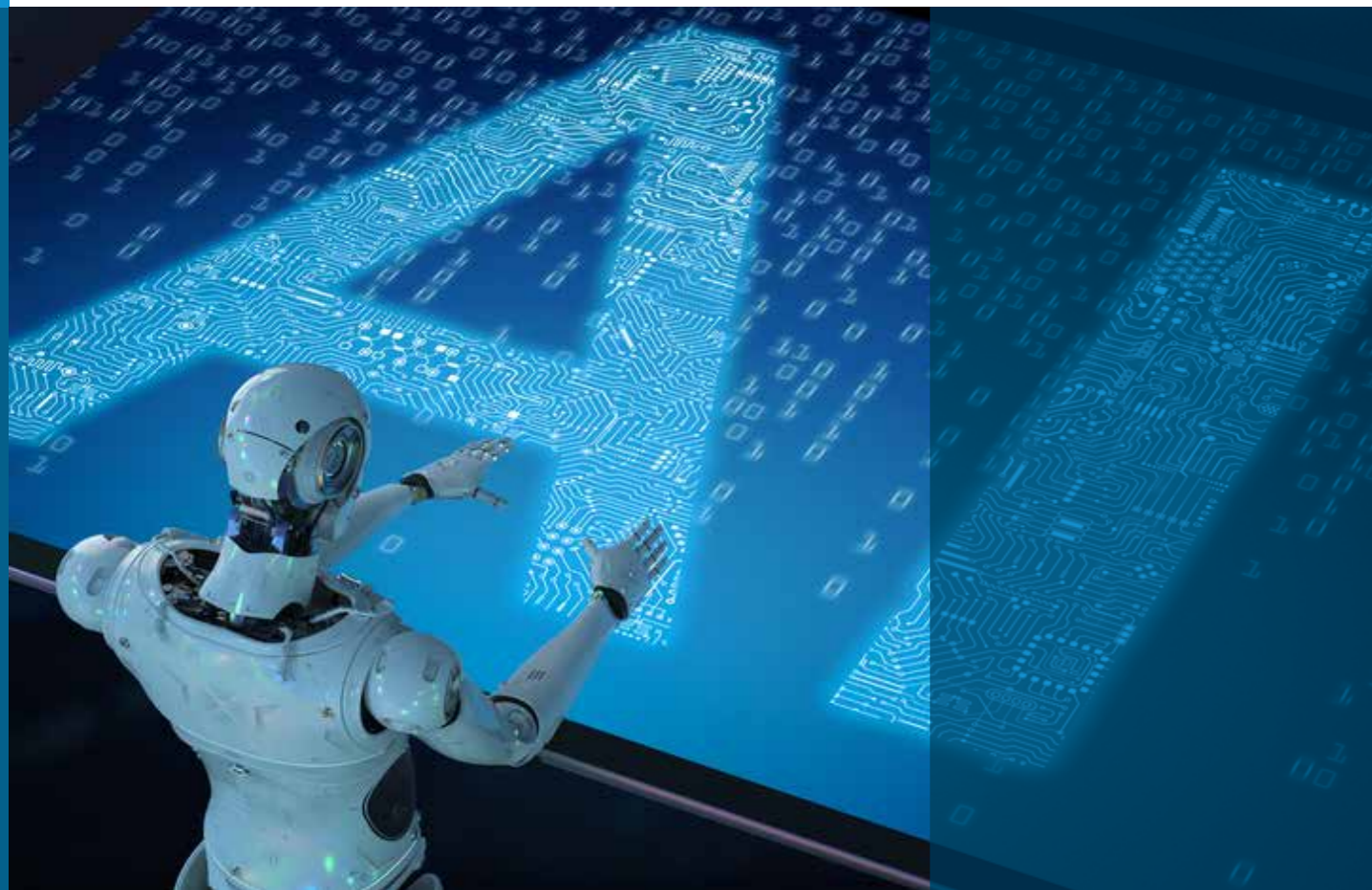
mitigate the most critical ESG risks in Supply Chain: Environmental Supply Chain Risks (Climate Change And Emissions, Natural Resources And Biodiversity, Pollution And Waste); Social Supply Chain Risks (Human Rights, Labor Standards, Community Impact); Governance Supply Chain Risks (Corruption, Internal Controls, Diversity And Discrimination).

If all this does not make you dizzy, stretch your thought process and discussions to consider: the impact of Shortages of raw material and natural resources; Geopolitical considerations and trade risks; Upcoming Slowdown coupled with high inflation; the steep rise of political correctness in each sphere of life with resultant superficial quick fix solutions. Positional 'good' has a peculiar property: the utility their consumers derive from them is inversely related to the number of people who can access them.

I am sharing two surveys on Supply Chain Trends; they will help you characterise the patterns, and act as road signs for charting the way forward.

Supply Chain Trends for 2022/2023 -Astrid Eira, FinancesOnline

1. Supply chains are going green
2. Circular supply chains are the future
3. More supply chain integrations
4. Workforce globalisation and challenges
5. The Spread of SCaaS and SCM on tap
6. The Effects of faster product lifecycles
7. The Rise of elastic logistics
8. A Standard certification process for SCM
9. Better transparency in the supply chain
10. Blockchain tools to handle information
11. Extensive adoption of IoT
12. Robotic automation of the supply chain



13. Automation through AI, AR, and VR

14. More agile supply chains

Top 10 Supply Chain Trends - 2023 - ASCM Report

1. Big data and analytics
2. Digital supply chains
3. Supply chain risk and resilience
4. Artificial intelligence and machine learning
5. Robotics
6. Data security and cybersecurity
7. Circular and sustainable supply chains
8. Essential goods supply chains
9. Smart logistics and the internet of things
10. Logistics vulnerability

We take great pride in bringing out the print version of the AMTOI News. We encourage more extensive & broader

stakeholder participation for the exchange of ideas. We look forward to hearing from you. We welcome your articles and suggestions. We also welcome goodwill messages.

"Every breakthrough business idea begins with solving a common problem. The bigger the problem, the bigger the opportunity. I discovered a big one when I took apart an IBM PC. I made two interesting discoveries: The components were all manufactured by other companies, and the system that retailed for \$3,000 cost about \$600 in parts." - Michael Dell



THE NATIONAL LOGISTICS POLICY (NLP)

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The National Logistics Policy (NLP)
- The much-awaited policy caters to country's vast yet fragmented logistics landscape. The new framework comes with a special emphasis on streamlining processes for seamless coordination, and reduction in overall logistics cost, which was further underlined by our Hon. Prime Minister, Shri Narendra Modi Ji who said, that "From 13 to 14% logistics cost, we should all aim to bring it to single-digit to become globally competitive."

As part of the Industry, we are of the view that NLP will get a much needed transformation in logistics which is heavily dependent on surface movements (by road) to other modes like railways and waterways which can provide a faster and cost effective options to the entire movement, which unfortunately, is not explored or trusted by many yet, even though we have natural connectivity through it. So NLP is going to get that culture change and a huge leap forward for the country's logistics sector.

NLP will help bring down the transportation and warehousing costs

and the digitalization (ULIP) will not only bring the logistics sector together but it will serve as a single window to address the issues. As India aims to become a \$5 trillion economy by 2024-25, logistics sector will become more critical and NLP will help to get products closer to the consumption points. Apart from this, we as Industry, appreciate the government's consistent push towards technology adoption like e-sanchit, faceless assessment for customs, e-way bills, FASTag etc. that has brought efficiency to the overall movement and sector.

The four significant steps to be undertaken for NLP include:

1. **Integration of Digital System (IDS):** There will be digital integration of different systems of seven various departments (like road transport, railways, aviation, commerce ministries and foreign trade)
2. **Unified Logistics Interface Platform (ULIP):** This ensures shorter and smoother cargo movement and enables the exchange of information

confidentially on a real-time basis.

3. **Ease of Logistics (ELOG):** will enable and ensure the ease of logistics business through transparency and accessibility
4. **System Improvement Group:** will monitor all logistics-related projects regularly

With the remarkable growth of the Indian economy, the sector will create almost 40 million job openings, making it the largest job creating sector in the country. This will ensure faster first and last-mile connectivity, and as logistics improve, the export-import, manufacturing, cold storage, and industries will also grow.



AMTOI AT THE PORT OF ANTWERP- BRUGES. – EVENING

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AMTOI at the Port of Antwerp- Bruges. – Evening

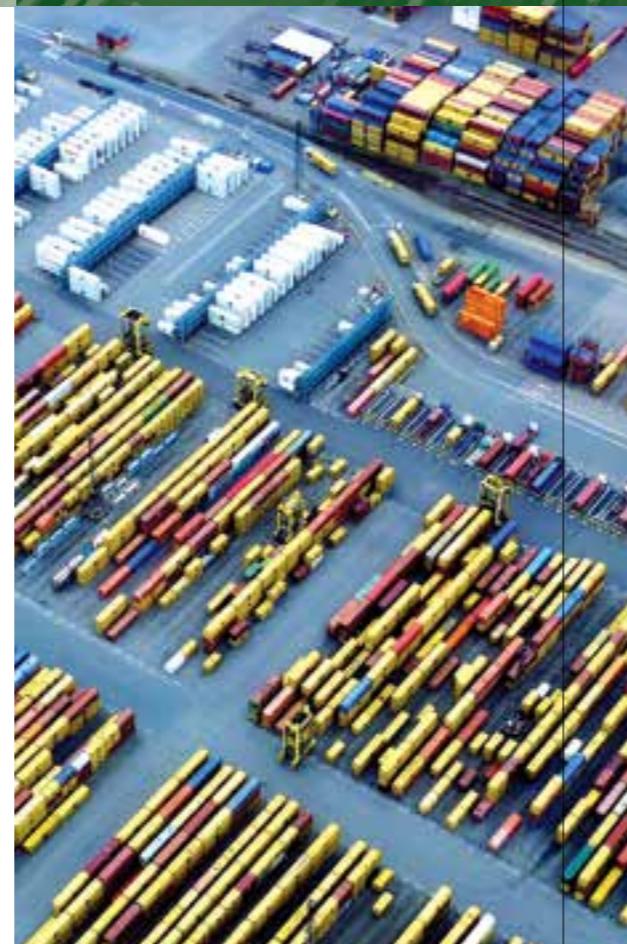
Port of Antwerp Alumni Association (PA3) networking dinner was scheduled on the evening of Thursday, 20th of October 2022 at Boundary Hall, Mumbai Cricket Association (MCA), Bandra Kurla Complex (BKC), Bandra East, Mumbai.

To welcome and meet the new Consul General of the Kingdom Belgium – Mr Frank Geerkens along with his colleagues Mr Stefan Kessen – Customs Attaché – Federal Public Service Finance Customs & Excise, Mr Wouter Vanhees – Trade and investment Commissioner from Flanders Trade and Investment as well as colleagues from the Indian Maritime and Logistics sector.

Mr Frank has been with the Port of Antwerp and was part of the team that set up the training centre at JNPT, he was glad to be back and looks forward to bettering the relation further.

Mr Stefan spoke about the various initiatives that Belgium had introduced to further ensure smooth working of the 2 countries and he is based in Delhi to assist any business house that so wishes to set up shop in Belgium.

AMTOI was represented by VP Ms. Anjali Bhide, IPP Mr. Shantanu Bhadkamkar, Mr. Ravindra Gandhi, Ms. Sharmila Amin, Mr. Prashant Popat and Mr. Shankar Shinde at this event



Mr Keyur Gandhi Felicitated Mr Stefan and Mr Prashant Mr Geerkens



NATIONAL LOGISTICS POLICY- INDIA'S MOMENT

Ramesh Varadarajan
Former Co Convenor for
AMTOI Northern Region

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NATIONAL LOGISTICS POLICY- INDIA'S MOMENT

We have witnessed over the last few decades that the Logistics industry has been highly fragmented with virtually no framework or operating guidelines. The regulatory environment until now has been incredibly complex with different stakeholders regulating different parts of the process. India ranked 44th in the World Bank Logistics Performance Index of 2018. All of these point towards the need for simplified and easily accessible business procedures along with a cost advantage.

The Pandemic has made governments worldwide realize the vital role supply-chains play, disruptions of which led to shortages and eventual inflation. Through various studies over the past four years, the Indian government concluded that Logistics accounted for 14% of the GDP, which is double of the developed nations. A large share in this was the inventory carrying cost due to high interest rates, leading to high input costs for manufacturers and thereby

making their products expensive for exports.

These factors set the ball rolling for a comprehensive strategy aimed at reducing overall costs through efficient logistics by cutting down turn-around time and ensuring speedy movement of cargoes within the country. Various steps have been suggested by the stakeholders and the Prime Minister launched a National Logistics Policy on the 17th of September 2022. The Policy lays a framework that is interdisciplinary, cross-sectional, and multi-jurisdictional to reduce the logistics cost and improve the ability of our domestic goods to compete in the export markets. This would encourage efficiency across the different sections, add value and motivate enterprise.

Some salient features of the Policy are:

1. Integration Digital System - Data from various ministerial departments would be integrated for smooth movement of cargo.
2. Unified Logistics Interface Platform

- There shall be a platform where movement of all cargoes can be easily tracked.

3. Ease of Logistics (ELOG) - Attempting to simplify the rules for logistics, making it more transparent and accessible.
4. System Improvement Group - Officers from different Ministries shall monitor implementation of Logistics projects and remove bottlenecks. Fast movement of cargo is of paramount importance for both manufacturing and retail sectors which would cut down costs substantially.

In addition to these and previous projects, the Policy will get a capacity augmentation including - Gatishakti projects to implement connectivity via the roadways and railways, Sagarmala projects that utilize the coastlines and waterways to reduce the amount of infrastructure needed, and Bharatmala that focuses on reducing infrastructure gaps and increasing the effectiveness of road traffic circulation.

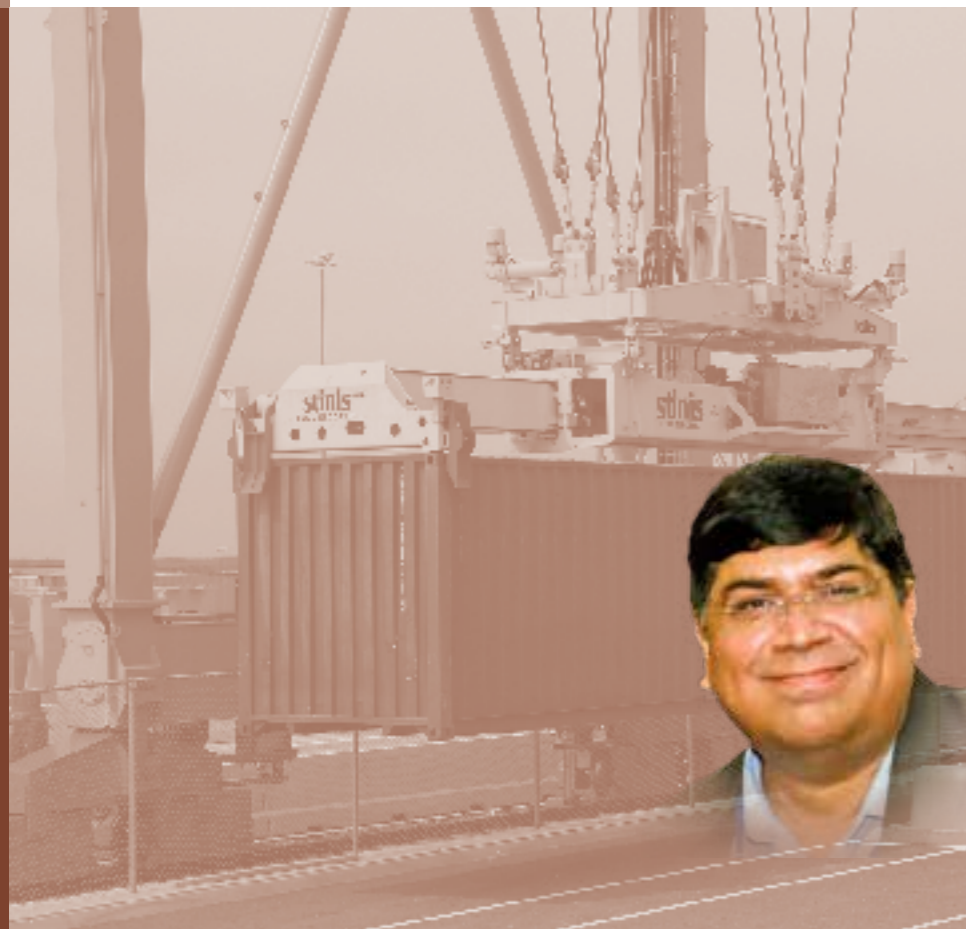
The need of the hour is specialization and we all must look to upgrade the skill-sets of our staff in order for us to be ready to meet any new challenges and demands of the markets.

The key to success for any program lies in its implementation and this policy too would require the authorities to ensure that an environment is created whereby Ease of Doing Business (EoDB) increases - be it through setting up logistics parks or building infrastructure for fast movements. It is crucial to create this unified platform and focus on employment generation, skill building, and making MSMEs (Micro, Small and Medium Enterprises) nationally and globally competitive. We must move fast to improve our economy and join the elite league of nations. India is ready for the world, enhancing our industrial capacity presents immense potential for growth which can be tapped into through international business collaborations and partnerships. Modernizing of the logistics sector is no longer optional but rather an essential requirement, especially for a country like India with

high stakes in international trade and the potential for further growth in the world order.



FRONT



NATIONAL LOGISTICS POLICY – WITH A PINCH OF SALT!

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National Logistics Policy – with a pinch of salt!

While there is no universally agreed definition for logistics services, we can broadly classify the same as Inventory Management, & Transportation Management. Sounds simple, doesn't it? You get these two aspects of logistics right and that's it! So what is the challenge and why do we need a good logistics policy? Well, the devil is in the details, as it is said!

As celebrated author and academician, Tome Peters once said, *“Leaders win through logistics. Vision, sure. Strategy, yes. But when you go to war, you need to have both toilet paper and bullets at the right place at the right time. In other words, you must win through superior logistics.”*

Unfortunately, much like the rest of the developing world, we in India did not have an organized approach when it came to logistics management. I am not suggesting that the organization was nonexistent, but it was largely unfocused due to a lack of focus. Logistics took the backseat when it came to prioritizing, not just for the government, but even for the business, which did not visualize the importance of

logistics in determining the competitive advantage.

In my view, the National Logistics Policy (NLP), launched by the Hon. Prime Minister on the 19th of September 2022 and notified through gazette on the 28th of September 2022, almost a year after the launch of Gati Shakti Master Plan, should be considered as a starting block, which the athletes use at the start of the race. How well we get off the block, will determine our position at the end line.

If you read carefully, you are bound to notice the focus of this policy is on the Inventory Management aspect of logistics. The five key objectives, Integration, Optimization, Standardization, Modernization, Formalisation, & Democratization, all of which are primarily targeting better Inventory Management. At this point though, I would like to compliment the policymakers, that they did catch the nerve of the problem which has driven logistics costs north. You may want to read my earlier article “THAT 14% CONUNDRUM!” published in AMTOI News edition in December 2020, where I pointed out that 45% of the cost of logistics in India is attributed to Inventory cost,

compared to 29% in OECD countries.

The NLP also has some other good features which are worth the praise, for example, enumerating the Comprehensive Logistics Action Plan (CLAP) covering eight segments and providing elaborate details. Another feature of the policy focuses on IT enablement, which is the need of the hour; also covers Sectoral Plans for Efficient Logistics (SPEL) involving eight line ministries, for better coordination. However, little has been said about Exim Logistics under 5 of CLAP, the segment which matters most to all of us involved in Exim logistics.

While it is a matter of comfort to note that the policymakers got the diagnosis right, should we consider this the gospel of truth? Should we believe that the identification of the problem will also lead to a solution? Or is there something missing?

While I am an eternal optimist, I would do a disservice to my country if I don't call a spade a spade, particularly when it comes to national policies which will determine the course of the growth of the country.

The policy aims at achieving the three listed targets of a) logistics cost reduction, b) LPI rank improvement & c) digital ecosystem creation. In my humble opinion, modern-day logistics stands on five pillars; infrastructure, coordination, digital ecosystem, regulatory framework, and taxation. The NLP 2022 addresses the first three pillars to a great extent but lacks the mention of the other two important pillars, namely regulation and taxation.

Keeping the focus on Exim Logistics, which is our area of concern as MTO, I would say that unless the policymakers take the regulation and taxation into consideration, the NLP will be a non-starter as far as Exim logistics is concerned.

On the taxation front, is it not ironic that merely a couple of days after the NPL was notified, and much before the trade could even study and analyze the details, export freight out of India was taxed on the 1st of October 2022 with as much as 18%, which came as a complete shock to the exporters and Exim logistics trade. Maybe we were expected to take a cue from the absence of the Hon. Finance Minister, who did not attend the launch of the NLP despite

her name being listed in the invite. The levy, which is revenue neutral, will cause major disruptions in the Exim logistics and defeat the core objective of the NLP, cost reduction and ease of business, simultaneously. It is likely to have a negative impact on employment (self or otherwise), revenue to the exchequer, and forex reserves besides the above. Also as an example, the Hon. Supreme Court, in its ruling, has already indicated that GST charged on ocean freight import is ultra virus, but the government has not made any amendment to the notification applying this levy so far, with is rather obnoxious. Without mincing words, putting GST on Exim freight indicates a lack of prudence and it's a penny-wise, pound-foolish move, defeating the very spirit of the NLP.

On the regulatory side too, the NLP does not indicate providing a self-regulatory mechanism, which has been our demand for a long time. We believe that Exim logistics is by and large the most organized and disciplined segment of logistics, and has the wisdom & maturity to regulate itself, much better than what government can contemplate. Associations such as AMTOI are much better equipped to

appreciate the nuances of Exim logistics and have much deeper geographical penetration in the market to effectively implement self-imposed regulation. The government should take on the role of facilitator, and allow selective trade to self-regulate, providing a cost-effective efficient regulatory mechanism of partnership.

In conclusion, while the NLP is a much-awaited policy, and a great first step, it is required to evolve quickly and efficiently in the dynamic global ecosystem, only then will it reap the benefits which it targets. For me, the NLP should provide for the creation of a trust-based, collaborative & responsive, environment, which gives the Indian Logistics stakeholders a sense of partnership in nation-building and the confidence to focus on efficient and cost-effective solutions without undue distractions and fears. With the world order changing rapidly and the geopolitical situation being so fluid, India is emerging as a force to reckon with, I would suggest that the government takes the logisticians into confidence and we will bring glory to the country in this conquest.

NATIONAL LOGISTICS POLICY 2022

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NATIONAL LOGISTICS POLICY 2022:

The Union Cabinet in its meeting held on 21.09.2022, approved and notified the National Logistics Policy 2022 with immediate effect.

The National Logistics Policy (NLP), unveiled by Prime Minister Narendra Modi, is a major policy initiative which is targeted to substantially reduce logistics transaction costs across the entire supply chain.

“Logistics efficiency is a function of infrastructure, services (digital systems/processes/ regulatory framework) and human resource. The PM GatiShakti National Master Plan (NMP) for multimodal connectivity infrastructure to various economic zones, has been launched. PM GatiShakti National Master Plan is a transformative approach for improving logistics efficiency and reducing logistics cost, with focus on integration of existing and proposed infrastructure development initiatives of different agencies, to ensure first and last mile connectivity, for seamless

movement of people and goods.”

‘Logistics’ means Transportation & handling of goods between points of production and consumption, storage, value addition and allied services. The logistics infrastructure comprises of nodes and connections, more recognizable as ports, stations, Multimodal Logistics Parks (MMLPs), warehouses, and other business premises, connected by roads, railways, shipping, inland waterways, air routes, pipelines, etc., that are used by a wide range of carriers. This system is operated under a framework through a workforce with a wide range of knowledge of skills and technologies.

The new policy is driven by the vision “To develop a technologically enabled, integrated, cost-efficient, resilient, sustainable and trusted logistics ecosystem in the country for accelerated and inclusive growth.”

The core focus of NLP is to work across different technologies, enabling of unified measures across different logistics modes, including roads, rail, ports, airports and warehousing that

will give a decisive edge to Ease of Doing Business in India (EoDB).

Targets for achieving the vision of the National Logistics Policy are to (i) Reduce cost of logistics in India to be comparable to global benchmarks by 2030; (ii) improve the Logistics Performance Index ranking - endeavour is to be among top 25 countries by 2030; and (iii) create data driven decision support mechanism for an efficient logistics ecosystem.

Logistics costs in India make up for more than 14 % of the country's Gross Domestic Product (GDP) whereas more mature economies have logistics costs at approx 8-11 %. This affects all industries across the manufacturing and services sector and also the agriculture sector. It also provides employment to more than 22 million people.

The introduction of GST has brought efficiency to the logistics and transportation sector by reduced turnaround time of trucks of over 20%.

The Sagarmala project that connects ports and dedicated freight corridors has improved logistics connectivity and systematic infrastructure development work. There have been other initiatives to improve physical infrastructure such as Bharatmala Yojana, dedicated freight corridors, waterways development and multi-modal transport hubs among others.

Last year, the government introduced the PM Gati Shakti-National Master Plan (PMGS-NMP) to achieve economic transformation and logistics efficiency through seamless multi-modal connectivity, which includes transportation by road, rail, sea and air. It also facilitates speedier adoption and implementation of digitalisation. The NLP will leverage this work being done under PMGS-NMP to streamline the sector and enhance efficiencies.

One of the major attractions of NLP is digitisation through ULIP (United Logistics Interface Platform), which brings all modes of transport on one single platform under a common interface, in terms of visibility to

customers. Under the mega policy vision, a new digital platform Ease of logistics Services - e-logs has also been started. Through this portal, industry associations can directly take up any such matters which are causing problems in their operations and performance with the government agencies. A complete system has also been put in place for the speedy resolution of such cases.

Currently, road transportation accounts for approx 60 per cent of the total transport, followed by railways at around 30 per cent and waterways at around 5 per cent. The government is already into boosting development of inland waterways as a major mode of transport by building of infrastructure facilities for smooth loading / unloading of cargo and targeted at reducing the over dependency on road transportation.

Shifting the current transport concentration from roads to railways and waterways will reduce costs in the logistics sector, power the country's economic growth, and help it achieve its environmental, social

and governance (ESG) goals.

E-book on key initiatives in logistics with detailed information under the NLP has been issued by the Ministry of Commerce and Industry.

The NLP is a systematic and sustained effort by the Government to streamline its vision, draw out the requirements and expectations from the Central and State Governments and its related ministries. It focuses on a clear road map to be followed by the various stakeholders to give the requisite push and momentum to the economic growth of the country. By detailing the expectations and responsibilities from the various ministries and giving timelines for review and analysis, there is a lot of positive vibes being felt by the business community and the Logistics stake holders at large and the hope that this vision document will give the necessary boost to the logistics industry and fairly meet its targets.

NATIONAL LOGISTICS POLICY - 2022

Biju Sivakumar
Joint Managing Director
& COO
Navio Shipping Pvt. Ltd.

biju@navio-shipping.com

Please find below few points drawn from the National Logistics Policy 2022

- Honourable Prime Minister on his 72nd birthday, 17 Sep 2022, launched the National Logistics Policy (NLP)
- Vision : To develop a technologically enabled, integrated , cost effective, resilient, sustainable and trusted logistics ecosystem in the country for accelerated and inclusive growth.
- Targets
 - Reduce the logistics cost to be comparable with global benchmark by 2030
 - To be among the top 25 countries in the Logistics Performance Index by 2030
 - Create data driven decisions
- NLP was rolled out keeping in mind to bring down over all Logistics costs in the country by removing the inefficiencies that exists in the country, by bring together a inter ministry, cross sectoral and multi-jurisdictional frame work for developing the entire logistics eco system

- NLP aims to promote seamless movement of cargo and goods to enhance the competitiveness of Indian manufacturing under the key programs of PM – Attmanibhar or Make in India as well as the PM Gati Shakti
- Taking off from this initiative where 16 key ministries are involved in providing the complete visibility to each other's activities, while providing critical data on planning and execution of projects in a comprehensive manner.
- The NLP on the basis of the PM Gati Shakti aims to create a single window E Logistics market, where focus will be on employment, visibility, skill development and making our MSME competitive.
- Policy aims to bring down Logistics costs from current 13-14% to below 10% in a phased manner and comes with the governments Comprehensive Logistics Action Plan (CLAP) which has a goal and defined tasks of bringing down cost by 2030 and making India reach a ranking of top 25 in the Global

Logistics Performance Index by the year 2030.

- Through, integration to promote inter-modality, multi-modality.
 - Provide optimization of assets, infra, facilities through a seamless synergetic use.
 - Standardization of physical assets, process, tax and benchmarking of service quality standards in the sector
9. Four Significant Steps :
- Integration of Data between various ministries (Road transport, Railways, Aviation, Commerce and Foreign Trade) this will be digital integration
 - Unified Logistics Interface Platform (ULIP) : The idea being exchange of information among all players which means that data will be available to all stake holders with confidentiality on a real time basis (Ex. it could be a market place driven

information on routes, space of warehouses, lanes where cargo is waiting to be picked up etc)

- Ease of Logistics : this is aimed at bringing about an ease of doing logistics business, standardization of warehouses, compliance norms more simplified and via a digital platform
- System Implementation Group that would monitor the progress of all logistics related projects

Positives :

- Aims to reduce logistics costs through efficiency in transportation, warehousing, inventory management, and regulatory matters.
- Transportation cost reduction through a development of multimodal inter connected infra, collaborative use of logistics infra, and smart enforcement so that detention is minimised. Promotes use of drones, automation and

new technologies for logistics

- Promotes adequate development of warehousing using optimal spatial planning, facilitating private investment in this space, enhance quality of services through standardization, promoting digitization, development of frame work guide lines for logistics parks for optimal utilization.
- Aims to provide improved efficiency in regulatory matters where government polices do not impede infrastructure development and there by promoting more private participation
- Development of data driven systems to monitor various components of the logistics ecosystem, through the PM Gati Shakti (which means direct monitoring by Empowered group of secretaries and PMO), ULIP, monitoring states performances through the LEADS (Logistics Ease Across Different States),
- Implementation of the NLP through CLAP (Comprehensive Logistics Action Plan) that aims to address key specific action areas of integration of digital logistics systems, standardization of physical assets and bench marking of quality standards, this will really help private sector and customers to opt for facilities as per various classifications, Human resources development and capacity building will give an additional emphasis on bring better people into the industry and help in creating more jobs, states engagement through LEADS will ensure all states do their best to attract investment, EXIM Logistics, services improvement will be achieved through this.
- Financial and fiscal incentives by way of GST rates review, regulatory intervention to promote multimodal transportation, optimal modal mix, energy efficiency through adoption of technologies (solar, renewable, EV etc) these would be developed through line ministries. In certain areas where mandatory intervention is not recommend or possible,

then policy aims to provide recommendatory guidelines, awards and recognition of excellence through pre-decided benchmarks

Concerns :

- There are too many ministries that need to be coordinated for the results to be seen, so how does one get to bring about this integration in a time bound manner
- How do we get the regulatory systems simplified as again there are various ministries like the Commerce ministry, the Finance ministry, Highways, Shipping and Ports have their own set of rules and work in silos currently.
- India's LPI is currently being dragged downward due to difficulty in doing business with regards to customs regulations it remains to be seen how this area is addressed
- Implementation is going to be key and hope is that since this is under PM Gati Shakti, it will be co-ordinated effort, it very early days we will need to see this, we will need to see how the execution of this is done.
- Transportation in this policy is to provide industry status which we hope the government will look into this as this still is around 60 to 65% of the logistics cost. While there is emphasis on data sharing and collaborative approach, most of truckers in India are still very fragmented, owning small fleets, old trucks which are not fuel efficient, poor safety standards for both drivers and vehicles leads to inefficiencies and also there are political problems which can crop up. This seems to not have been addressed.
- The success will be only when private sector is incentivised and backed by government to create infra structure that supports multimodal parks and various other ecosystems, when governments simplify labour laws, land acquisition laws and procedures, there is coordinated effort between central and state governments

A detailed presentation is attached below.

NLP 2022 – India's new policy framework to compete globally

- National Logistics Policy, announced in Sept 2022, adopts a multi-faceted approach to solve the inefficiencies and high costs plaguing the logistics sector in India
- NLP is expected to bring down the logistics cost, which is as high as 13-14 per cent of the GDP to less than 10 per cent of GDP by 2030.
- NLP is planned as a logical extension of PM Gati Shakti National Master Plan
 - While PM Gati Shakti focuses on integrated infrastructure and network planning,

NLP is planned for improving efficiency in services
(processes, digital systems, regulatory framework) and human resource



1

NLP – a step in the right direction for logistics industry in India

NLP is expected to bring in much needed “Cheetah Speed” to organize and strengthen the fragmented logistics industry in India. Though this policy, the Government is leveraging latest technologies to strengthen the logistics sector.

Modal shift in logistics:

- A key outcome expected is addressing current situation of overdependence on roads and ushering a shift towards seamless multimodal transportation - This will not only bring in better cost efficiencies but also support increasingly significant ESG goals

Leading logistics performance

- Paperless supply chain initiatives, FASTag and faceless customs inspections and standardisation of the warehousing sector will help India become one of the top 25 Logistics performers in the world.
- Unified Logistics Interface Platform ULIP & Ease of logistics Services - e-logs portals are planned to free exporters from long and cumbersome processes as well as for quick redressal of operational issues.

International competitiveness:

- The policy has a strong focus on digitization and process re-engineering to reduce the Transit Time and Logistics Cost for manufacturer- this will improve competitiveness of Indian goods in international markets, thereby helping our exports

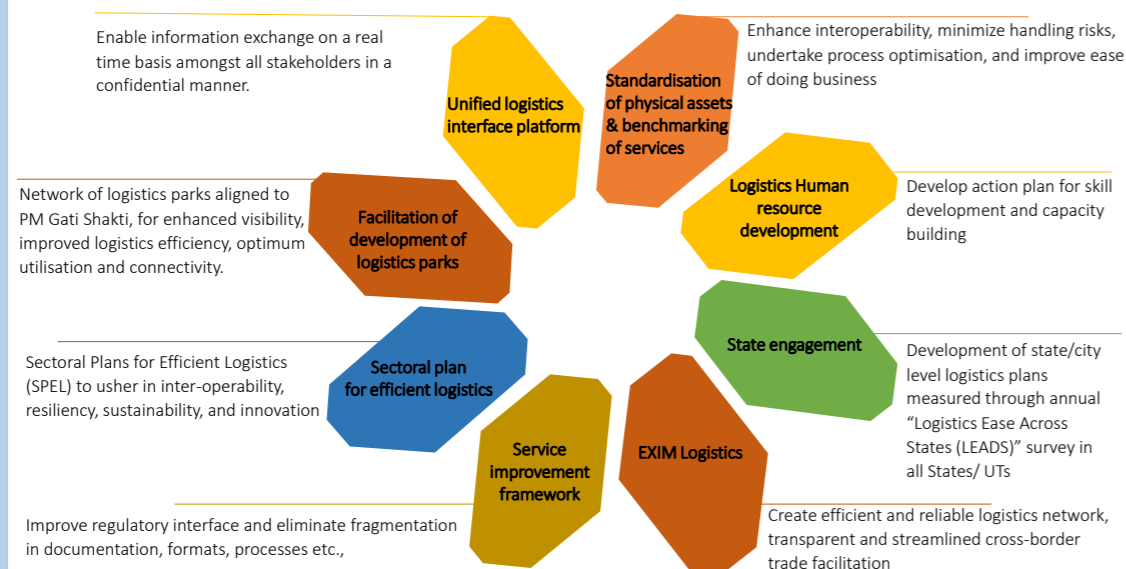
Gati Shakti Vishwavidyalaya

- The university dedicated for training transport sector professionals with address the skills gaps and also enhance technical knowledge with a focus on transport economics and infra finance

3

Comprehensive Logistics Action plan (CLAP)

NLP is planned to be executed through the 8-pronged CLAP framework:



2

Can NLP transform India's Logistic challenges

NLP is planned as a solution for many problems faced by the logistics sector. In order to succeed, the policy needs the support and proactive involvement of all stake holders concerned-

Role of State Governments

- The logistics sector is dealt with by more than 20 government agencies and 40 Partner Government Agencies
- State Governments play a major role in ensuring success of policy implementation and must work in close coordination with central ministries
- State Government institutions and bureaucracy need to prioritise on ground implementation of seamless transactions

Role of private sector

- The success of NLP depends on how ULIP is integrated to individual logistic players at the operational level.
- Market players have a role to play in developing interfaces and plug-ins based on ULIP to support wider adoption across stakeholder

Role of financial institutions

- Cost of financing logistics projects is a challenge for private participation
- Financial institutions can support NLP implementation by creating funding options at discounted rates and also bring in exemptions to support smaller player

Time-bound implementation of PM GATI Shakti is a crucial link to success of NLP. Policy based reforms and land based reforms for infrastructure development need to be roll out in time to take advantage of digital transformation envisaged in the National Logistics Policy

4

- Future of SCM & Logistics at Sahara Star Mumbai
- WW Event



President Xerrxes Master and Ms. Sharmila Amin at
Future of SCM & Logistics at Sahara Star Mumbai
17/11/2022

WW Event 17/11/2022



- Hinode Event
- Seminar for MTOs & Freight Forwarders
- AMICIE Seminar in Chennai
- Meeting with Port of Rotterdam Officials



Hinode Event



Hinode event held on 23/08/2022



Seminar for MTOs & FF



Hon. Secretary Mr. Arun Kumar



Seminar for MTOs & Freight Forwarders - "Regulatory, Compliance, Legal Challenges". The event was organized by Hinode Services and Hon Secretary Mr. Arun Kumar Chaired the Session 2 at the event.

AMICIE Seminar



IPP speaking at AMICIE Seminar in Chennai on 03/09/22



IPP speaking at AMICIE Seminar in Chennai on 03/09/22

Meeting with Port of Rotterdam Officials



Meeting with Port of Rotterdam officials at Master Group Office on 21-11-2022

- Celerity Supply Chain Tribe Confrence and Awards 2021
- BW Businessworld Supply Chain Resilience Summit & Awards
- NLP Launch Event



Supply Chain Tribe



Celerity Supply Chain Tribe Conference and Awards 2021



BW Businessworld Supply Chain Resilience Summit & Awards



HS and HT at BW Businessworld Supply Chain Resilience Summit & Awards 2022 Radisson Blu New Delhi 17/11/2022

NLP Launch Event



HS, HT and NRC Convenor at NLP launch event



EVENTS - 4



Mr. Ravindra Gandhi had represented AMTOI during the visit of Russian delegation at “Regional Cooperation as a driver of Economic Development” Conference Organised by CII.

Date : 15th December, 2022

Venue : J W Marriott, Juhu

Time: 10.30am to 5.30pm

CII Event



EVENTS - 5

4th Extended Board Meeting of AMTOI for the term 2021-2022 held on 25th AUGUST, 2022 at ROYAL BOMBAY YACHT CLUB, MUMBAI



AMTOI Vice President, Ms. Anjali Bhide and Managing Committee Member, Mr. Ravindra Gandhi meeting with Ms. Shirley Ng, Director, Thailand & South Asia, Hong Kong Trade Development Council to explore what benefits can be availed of by AMTOI members and how this collaboration can be further strengthened.

Date : Thursday, 19th January, 2023.

Venue : TAURUS LINES PVT LTD

AMTOI SUB - COMMITTEE LIST FOR THE TERM 2022 – 23

SUB – COMMITTEE	Convenor / Co-Convenor	Coordinator
Taxation (Direct & Indirect)	Mr. Dushyant Mulani – Convenor Mr. Arun Kumar – Co-Convenor Mr. Devpal Menon – Jt. Co-Convenor	Mr. Shantanu Bhadkamkar
Training Programs	Mr. Hareesh Lalwani – Convenor Ms. Priya Anil Thomas – Jt. Convenor Mr. Vasant Pathak – Co-Convenor Ms. Sharmila Amin – Co-Convenor	Mr. Devpal Menon
Digital Platform (NLP; PCS; AMTOI Portal)	Mr. Sailesh Bhatia – Convenor Mr. Clarence Xavier – Co-Convenor	Mr. Anand Sheth
New MTO License Application / Renewal	Mrs. Anjali Bhide – Convenor Mr. R.K. Rubin – Co-Convenor	Mr. George Abrao
AMTOI Day (Event)	Mr. Ravindra J Gandhi – Convenor Mr. Vasant Pathak – Co-Convenor	Mr. Xerrxes Master
Publication (Weekly, Newsletter / Quarterly AMTOI News)	Mr. Shantanu Bhadkamkar - Editor Mr. T. Venkataraman – Editorial Consultant	
Coastal Shipping	Ms. Sharmila Amin – Convenor Tentative Mr. Girish Pandey (TBD) – Co-Convenor	
International Relations	Mr. Ravindra J Gandhi – Convenor Mr. Hareesh Lalwani – Co-Convenor	Mr. Shantanu Bhadkamkar
Northern Regional Chapter	Mr. Tarun Sharma – Mentor Ms. Priya Anil Thomas – Convenor Mr. Supratim Majumdar – Co-Convenor	Mr. Devpal Menon
Western Regional Chapter	Mr. Shankar Shinde – Mentor Mr. Prashant Popat – Convenor Mr. Vasant Pathak – Co-Convenor	Mr. Xerrxes Master
Eastern Regional Chapter	Mr. Sumit Sircar – Mentor Mr. Brij Lakhotia – Convenor Mr. Kaushik Roy – Co-Convenor	Mr. Devpal Menon
Southern Regional Chapter	Ms. Vinita Venkatesh – Convenor Mr. Jayaram Radhakrishnan – Co-Convenor	
NVOCC Council	Mr. T. Venkataraman – Convenor Mr. Biju Sivakumar – Co-Convenor	Mr. George Abrao
Liquid Logistics Council	Mr. Hareesh Lalwani – Convenor Mr. R.K. Rubin – Co-Convenor	Mr. Anand Sheth
AMTOI Women's Wing	Ms. Sharmila Amin – Convenor Ms. Sumita Banerji – Co-Convenor	Mr. Xerrxes Master
SCMTR	Mr. Arun Kumar – Convenor Mr. Clarence Xavier – Co-Convenor	
Family Business Empowerment Co-optition Thought leadership	Mr. Tarun Sharma – Convenor Mr. Prashant Popat – Co-Convenor	Mr. Shantanu Bhadkamkar
SRO Committee (Self-Regulatory Organization)	Mr. Sailesh Bhatia – Convenor Mr. Anand Sheth – Co-Convenor	Mr. Shantanu Bhadkamkar
NLEAPS (National Logistics Advancement Predictability and Safety)	Mr. Arun Kumar – Convenor Mr. Ramesh Vardarajan – Co-Convenor	Mr. Shantanu Bhadkamkar
ACT Committee (AMTOI Cricket Tournament)	Mrs. Anjali Bhide – Convenor Mr. Nishant Bhide – Co-Convenor Mr. T. Venkataraman – Jt. Convenor	Mr. George Abrao
Information Technology Security and Social Media Cell	Mr. Prashant Popat – Convenor Mr. Clarence Xavier – Co-Convenor Mr. Abhishek Das Bakshi – Jt. Convenor	Mrs. Anjali Bhide
GRF	Mr. Anand Sheth – Convenor Mr. Sailesh Bhatia – Co-Convenor	Mr. Shantanu Bhadkamkar
Environmental, Social and Governance (ESG) Council	Mrs. Anjali Bhide – Convenor Mr. Vivek Kele – Co-Convenor	



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