

# OUTCOME PAPER

## LOGISTICS & MULTIMODAL TRANSPORT – LEVERAGING THE EUROPE-INDIA BUSINESS CORRIDOR

INDUSTRY LEADERSHIP SESSION:

14<sup>TH</sup> JULY 2021

► SESSION PARTNER

*DSK Legal*   
True Value, True Values



# CATALYSING ECONOMIC GROWTH THROUGH MULTIMODAL LOGISTICS AND TRANSPORT: **ROLE OF EU-INDIA COLLABORATION**



Logistics as a sector, and being the backbone of most enterprises, is the driver of a nation's economy. A weak and inefficient logistics sector will have a domino effect on the manufacturing and export sectors. It will also hinder the ability of economies to expeditiously recalibrate supply chains and respond to crises, such as the ongoing COVID-19 pandemic.

A developed, internationally competitive, and truly multi-modal logistics sector will boost India's image as a lucrative investment destination, facilitate its manufacturing export performance, and enable India to integrate more and better into global supply chains. As a consequence, a better performing logistics sector will generate employment and broadly provide for social benefits.

In recent times, the Indian Government, at the Central and State level, recognising the benefits of multi-modal transport, is taking concerted measures to augment the existing infrastructure to enable multimodality, for instance, by developing dedicated multi-modal transport hubs. These are supported by a variety of policies and plans floated by the Government (e.g., Logistics Efficiency Enhancement Program, National Logistics Policy, National Master Plan for Multi-Modal Connectivity, Maharashtra Logistics Park Policy, and Haryana Logistics, Warehousing & Retail Policy).

In this regard, the best practices and policies already implemented by major European marine, rail and air ports, as well as by other logistics services providers, can provide inspiration and ideally act as a catalyst for the development of an efficient and enabling logistics and multimodal transportation sector in India.



# KEY DRIVERS

The industry leaders agree that the following key drivers are essential for the growth of a multi-modal logistics sector:



## ROLE OF THE GOVERNMENT AND POLICY FORMULATION:

- There must be a shift in the role of the Government, from regulatory to facilitative. As part of this facilitative role, the Government must, under an umbrella master plan, formulate goal-oriented policies, and allow the market to execute projects its own will.
- The policies must be drafted through close cooperation between all agencies governing aspects of the logistics sector (e.g., the Department of Logistics, NHAI, Ministry of Railways, Customs and Excise, etc.) and in consultation with the developers, users, and other stakeholders, to ensure that they are uniform, efficient, effective, minimise wastage, and cater to the needs of the market.



## IMPLEMENTATION OF POLICIES

- The policies must be implemented in an effective and timely manner, to ensure that they remain relevant to the extant on-ground conditions.
- Such policies should be 'future-proof', i.e., they should have the scope to implement innovations in technologies in the coming years into their formulation and implementation. Policies which focus on providing a more attractive public procurement process for innovative technologies from global businesses and adopting new global standards for products which do not have standards in India could be promoted for achieving such goals.
- The Government may consider further optimising the single-window clearance model by permitting self-certification and reducing time by allowing the clearance window to freely access data controlled by other Government agencies.



## DEVELOPMENT OF MULTIMODAL INFRASTRUCTURE

- The basic tenet behind the development of multimodal logistics parks should be that they permit the cargo to choose the mode of transport that it wishes to adopt and must not merely act as a cargo transfer hub.
- Such infrastructure should be sensitive to the varying needs of the goods and cargo owners (e.g., agrarian products would require timely delivery, whereas glass and other fragile products would prefer a smoother delivery over speed).



## STANDARDISATION OF INFRASTRUCTURE

- All existing logistics infrastructure facilities from maritime, rail and air ports, to inland transit centres, warehouse and modes of transportation must be standardised to reduce costs and ensure smooth transition. Further, its constituents should be in the form of plug and play infrastructure.
- To further ease inter-changeability at transport nodes, all stakeholders across all forms of transport must adopt standard dimensions and capacities for trucks, containers, warehouse facilities etc. In this regard, inspiration may be drawn from Europe.
- The standardisation measures must be supported through bi-modal or tri-modal transfer terminals which are in close proximity to each other.
- Standardisation will be a driver of investment into the sector.



## SYMBIOSIS OF RAIL AND ROAD TRANSPORT

- With greater inter-changeability of road and rail transport, emphasis must be placed on the complimentary nature of roads and the dedicated freight corridors. This will lead to de-congestion and allow quicker repair and maintenance of roads.
- Transit time for transport through rail must be made more competitive (by increasing speeds, introducing newer technologies, etc.) to make it a more lucrative option.
- The RO-RO model should be optimised by enabling offloading of containers on trains, and freeing the trucks to continue operations, instead of being locked on a train.



# WAY FORWARD



A clear PPP framework, backed by tender documents compliant with current policies, is the need of the hour to rationalise the multimodal framework.

The industry must also reflect a shift in their goals from increasing individual market shares to ensuring growth of the entire sector through collaborative measures.



Setting internationally competitive standards for development and operation of all existing and planned logistics and multimodal transportation facilities and establishing the eligibility criteria for concessionaires are also important measures for creation of a sustainable and self-sufficient multimodal infrastructure.

Interdisciplinary groups comprising of industry leaders and experts may be established to assure a holistic and regular reflection on issues and opportunities.



Formulation of new policies must be accompanied by behavioural changes in businesses to adapt to the new on-ground situations and interplay between components of the supply chain.

Such groups should be complemented through the establishment of academic centres and Centres of Excellence that could enhance the sharing of best practices, know-how and the latest global innovations for the logistics and multimodal transportation sector.





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As a large segment of India's logistics sector still remains fragmented, it is important to develop, frame, and deploy policies and procedures that will synchronize logistics providers with accepted worldwide metrics. Standardization of the logistics sector, use of advanced analytics to optimize logistics operations, digitalization, and adherence to sustainable practices will be the key drivers for the logistics sector in the near future.

**Prof. Jitamitra Desai**

Associate Professor and Chairperson,  
Decision Sciences, Indian Institute of  
Management Bangalore

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A critical piece that needs quick action in logistics infrastructure relates to standard setting. For example, “multi-modal park” could mean any structure from a truck parking lot to a modern fulfilment centre. India must publish and implement standards in building logistics infrastructure for plug and play construction that is compatible with global value chains, enabling quicker handling and reduction in logistics costs.

**Davinder Sandhu**

Chair & Co-Founder  
Primus Partners

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Antwerp Port is a strong endorser of multimodal transport, with the objective of reducing reliance on any one mode of transportation and congestion. 36 new rail connections between Port of Antwerp and the European hinterland, developed in just the last 8 months are an evidence to this. Even with global trade disruptions like BREXIT, the Port viewed it as an opportunity as against a barrier and increased its short sea connectivity to the UK. The results are for all to see. There is not just an increase in volume with UK by 5% in first six months as compared to last year in maritime traffic but also the throughput to UK increased by 11.5%. Multimodal transport is thus at the heart of our strategy.

**Malini Dutt**

India Representation  
Antwerp Port Authority

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Growth of multimodal transport rests on three critical aspects. Firstly, the pricing needs to be made more competitive & market responsive. Secondly, user access for terminals needs to be increased through crucial policy interventions aimed at a common user platform. Lastly, it requires more competitive service quality, especially compared to single mode road transit.

**Mr. Manish Puri**

President  
Association of Container Train Operators

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The Government of India is in the process of introducing various programmes and policies, such as the Logistics Efficiency Enhancement Program, National Master Plan for Multi-Modal Connectivity, and National Logistics Policy, with a view to incentivise the multimodal transport and logistics sector. Whilst these programmes and policies are steps in the right direction, further supplemental measures such as policy for viability gap funding, setting of development and operation standards, and a clear PPP framework are crucial to the success of the sector. In this regard, partnerships with European players will facilitate understanding international best practices and developing world class infrastructure.

**Mr. Anjan Dasgupta**

Partner  
DSK Legal

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Strong policy intent with targeted interventions towards the creation of efficient logistics systems can drive economic growth, integration into global supply chains and foreign investments.

**Mr. Poul V Jensen**

Managing Director  
European Business & Technology Center (EBTC)

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## FURTHER READING

- Concept Note on Logistics Enhancement Efficiency Program: Ministry of Road Transport & Highways
- National Logistics Policy: Ministry of Commerce (Logistics Division)
- National Master Plan for Multi-Modal Connectivity: Economic Times
- Maharashtra Logistics Park Policy: Government of Maharashtra
- Haryana Logistics, Warehousing & Retail Policy: Invest Haryana
- How India can be part of Global Supply Chains: The Hindu Business Line
- Logistics Sector gets Infrastructure Status: Livemint
- Overview on Logistics Industry: Logistics Skill Council

## ABOUT EUROPEAN BUSINESS & TECHNOLOGY CENTER (EBTC)

EBTC is a project facilitation and advisory company, enabling development cooperation and collaborations between Europe and India. As a service provider to public and private sector projects, EBTC focuses on enhancing the economic activity and supporting internationalisation of businesses in India and Europe. EBTC's initiatives are guided by standards of sustainability and innovation.

EBTC was constituted as an outcome of an EU-India Summit in 2008, where it was decided to create a body that would support cross-border collaborations for clean and sustainable solutions. Whilst EBTC thereby started as a Project, co-funded by the EU, with a mandate to enhance multilateral cooperation in the area of sustainability and climate change, EBTC transformed itself into a self-sustainable not for profit company headquartered in New Delhi, India.

## EBTC TRANSPORT CLUSTER

The Europe-India Transport Cluster has been established by the European Business and Technology Centre (EBTC) to bring together key stakeholders from the European and Indian private & public sector organizations with the objective of creating concrete project models that are mutually beneficial to all cluster members.

Through a collaborative approach, which considers the unique resources and capabilities of its members, the cluster aims to enhance joint capacity building, technology transfer, knowledge sharing and pilot project monitoring & development, monitoring and evaluation.

The cluster has already developed the sustainable mobility, aviation and multimodal connectivity sub-clusters, to further bolster pilot project opportunities within these areas of interest to our cluster members. The cluster has also spearheaded the creation of a 'Hydrogen for Mobility Project Activation Group (PAG)'.

Through the creation of a multi-stakeholder platform with a shared value proposition and mitigation of risks by cluster members, as well as a strong advocacy support mechanism, the cluster strives to build new & sustainable bridges between the European & Indian transportation sectors.



EBTC New Delhi – Head Office  
DLTA Complex, South Block, 1st Floor  
1, Africa Avenue New Delhi 110 029, INDIA

