INTEGRATED LOGISTICS & LOGISTICS PARK POLICY 2023





Message from Chief Minister, Punjab

I am proud to introduce Punjab's new Logistics and Logistics Park Policy, which is a significant step towards creating a thriving and efficient logistics sector in the State. The policy has been developed to meet the growing demand for faster and more reliable delivery of goods and services, and to create an enabling environment for industry and businesses to flourish.

Logistics Parks are a crucial component of our new policy, and promotion and development of the same will provide the necessary infrastructure, facilities, and services to support the smooth flow of goods. These parks will be located strategically near major transportation hubs, which will enhance our state's logistics potential and maximize the utilization of existing infrastructure.

Our new policy aims to improve the efficiency and competitiveness of the logistics sector, which will, in turn boost our State's economic growth. It will reduce transportation costs, improve supply chain efficiency, and create job opportunities for the youth in the State. The Policy also focusses on skilling and capacity building to create a skilled workforce.

Additionally, the policy aims to promote sustainable development by reducing carbon emissions and improving environmental performance.

The policy has been made based on extensive consultations with experts, stakeholder and government departments and it has been aimed to bring out a framework which promotes ease of doing business and is beneficial for the overall development of the logistics ecosystem and the State at large.

I urge all the stakeholders to embrace this new policy and take advantage of the opportunities provided in it. I invite businesses to invest in logistics parks and allied logistics services and utilize the facilities and services it offers. By working together, we can create a robust logistics sector that can meet the evolving needs of our economy.



S. Bhagwant Singh Mann
Chief Minister, Punjab

GOVERNMENT OF PUNJAB
DEPARTMENT OF INDUSTRIES & COMMERCE
NOTIFICATION

The 27th February, 2023

No. Comm/Logistics Policy-2023/54 In pursuance of the approval of the Council of Ministers, Government of Punjab conveyed vide no 01/18/2023-1Cabinet/1077 dated 23.02.2023, the Governor of Punjab is pleased to notify 'Integrated Logistics & Logistics Park Policy-2023', as per Annexure –A, (page numbers 1 to 40).

Dilip Kumar, IAS
Principal Secretary to Government of Punjab
Department of Industries & Commerce

Dated: 27.02.2023
Place: Chandigarh

Endst. No. Comm/Logistics Policy-2023/55 **Dated:** 27-02-2023

A copy of the above is forwarded to the following for information please.

(i) The Chief Secretary, Punjab
(ii) The Additional Chief Secretary to Chief Minister, Punjab

Monika
Deputy Secretary to Government of Punjab
Department of Industries and Commerce

Endst. No. Comm/ Logistics Policy-2023/56 **Dated:** 27-02-2023

A copy of the above is forwarded to the following for information please.

(i) The Commerce Secretary, Ministry of Commerce & Industry, GOI, New Delhi

Monika
Deputy Secretary to Government of Punjab
Department of Industries and Commerce

Endst. No. Comm/ Logistics Policy-2023/57 **Dated:** 27-02-2023

A copy of the above is forwarded to the following for information please.

(i) All the Special Chief Secretaries/ Additional Chief Secretaries /Financial Commissioners /Principal Secretaries/ Administrative Secretaries, Punjab
(ii) All Members of the State Logistics Coordination Committee.
(iii) All Deputy Commissioners in the State of Punjab.
(iv) Regional Authority, Office of Director General of Foreign Trade
(v) All General Managers, District Industries Centre in the State of Punjab

Monika
Deputy Secretary to Government of Punjab
Department of Industries and Commerce

Endst. No. Comm/Logistics Policy-2023/58 **Dated:** 27-02-2023

A copy is forwarded to Cabinet Affairs Branch, Department of General Administration, Punjab w.r.t. their Endst. No. 01/18/2023-1Cabinet/1077 dated 23.02.2023 for information.

Monika
Deputy Secretary to Government of Punjab
Department of Industries and Commerce

Endst. No. Comm/Logistics Policy-2023/59 **Dated:** 27-02-2023

A copy is forwarded to the following for uploading the same on the website of Printing & Stationery Department, Punjab for publishing the same in the extra ordinary gazette. After publishing the same, 100 copies may please be sent to this department.

(i) The Nodal Officer (e-gazette-printing & stationery) o/o Department of Industries & Commerce, Punjab.

Monika
Deputy Secretary to Government of Punjab
Department of Industries and Commerce

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Abbreviations

AKIC	Amritsar-Kolkata Industrial Corridor
BISAG-N	Bhaskaracharya National Institute for Space Applications and Geoinformatics
CCTV	Close-Circuit Tele Vision
CFS	Container Freight Station
CONCOR	Container Corporation of India Ltd
EDFC	Eastern Dedicated Freight Corridor
EV	Electric Vehicle
EXIM	Export-Import
FCI	Food Corporation of India
GDP	Gross Domestic Product
GI	Geographical Indicator
ICD	Inland Container Depot
JNPT	Jawaharlal Nehru Port Trust (Nhava Sheva Port)
LEADS	Logistics Ease Across Different States
LSP	Logistics Service Provider
MMLP	Multi-Modal Logistics Park
MoCI	Ministry of Commerce and Industry, Government of India
MoRTH	Ministry of Road Transport & Highways, Government of India
MSME	Micro, Small and Medium Enterprises
NHAI	National Highways Authority of India
NMP	National Master Plan
NOC	No Objection Certificate
ODOP	One District One Product
PCTO	Private Container Train Operator
PGA	Participating Government Agency
PPP	Public-Private Partnership
PSIEC	Punjab Small Industries & Export Corporation
PSWC	Punjab State Warehousing Corporation
PUDA	Punjab Urban Planning & Development Authority
PUNGRAIN	Punjab Grains Procurement Corporation Ltd
PWD	Public Works Department
RFID	Radio Frequency Identification
ROB	Rail Over Bridge
RTO	Regional Transport Office
SLC	State Logistics Committee
SLCC	State Logistics Coordination Committee
SMP	State Master Plan
TIES	Trade Infrastructure for Export Scheme
UT	Union Territory
WIM	Weigh In Motion

1. Definitions

- **Logistics** for the purposes of this Policy shall mean Units meeting the following criteria:
  (i) Providing warehousing services i.e., warehousing facilities (having a minimum of 3,000 sq. ft. of storage area at the ground level), material handling, packaging facilities and transport facilities. Provided that only specialised transportation facilities e.g., specialised vehicles such as refrigerated transport vehicles, specialized construction sector vehicles, specialized chemical transportation vehicles, and cryogenic vehicles will be counted for the purposes of FCI. It shall exclude normal transport vehicles, goods carriers, cargoes, containers etc.
  (ii) The facility shall not be for self-consumption.

- **Logistics Park** means an agglomeration of a given set of logistics activities (core, value-added*, ancillary as well as commercial) at a particular, well-defined location. Such a park will be developed on a minimum area of 25 acres with a total investment of at least INR 25 Crore and will include but not be limited to the following activities:

  - Warehousing Storage System
  - Industrial Plots
  - Logistics Services
  - Infrastructure for value-added and ancillary industries & commercial activity
  - Sector-specific in-bound and out-bound logistics
  - Inter-modal transfer arrangements/ truck terminals

  A minimum of 85% of the total area shall be used for providing logistics services and within this 20% shall be permitted for industrial activities. 10% of the total remaining area shall be allowed for residential purposes. For commercial activities, up to 5% of the total area shall be allowed.

  * Value-added services include processing, sorting, grading, packaging, re-packaging, palletisation, Bagging, Kitting & Unitizing Facilities etc. and Ancillary services include equipment maintenance & repair, testing/inspection

- **Inland Container Depot** means a customs notified off seaport (port) facility having such fixed installations or otherwise, equipment, machinery etc. providing services for handling and/or clearance of laden import/ export containers, under customs control and with storage facility for customs bonded or non-bonded cargo. These facilities shall have road connectivity, rail connectivity, customs/non-customs bonded warehousing, truck terminals etc. and other common user facilities required to carry out efficient operations.

- **Container Freight Station** means a customs notified off seaport (or port) facility having such fixed installations or otherwise, equipment, machinery etc. Providing services for handling/clearance of laden import, export containers under customs control and with storage facility for customs bonded or non-bonded cargo, parking area and such other facilities desired to carry out the operations.

- **Air Freight Station** means a customs-notified off-airport common user facility equipped with fixed installations of minimum requirement and offering services for handling and temporary storage of import and export cargo, etc. These facilities shall be equipped with customs/ non-customs bonded warehousing, parking area etc. and other common user facilities required to carry out efficient operations.

These facilities shall be developed at strategic locations to provide smooth connectivity to the airports and may also have extended areas leased out to e-commerce zones.

- **Private Freight Terminal / Gati Shakti Multi-modal Cargo Terminal (GCT)**: A terminal notified under Gati Shakti Multi-modal Cargo Terminal (GCT) or PFT policy to deal with rail-based cargo including containers. Greenfield PFT means a new PFT commissioned on private land under the provisions of the PFT policy. Brownfield PFT is used to refer to an existing private siding (including the private sidings dealing with container traffic) converted into PFT under the policy.

- **Air Cargo Complexes** are customs-notified areas developed to enhance the air cargo movement capacity of the State. These facilities may be located within airport/off-airport locations and provide facilities such as handling, storage, and clearance of cargo, among others.

- **Cold Chain Facility** means a facility for storage and minimal processing of perishable/temperature-sensitive cargo such as agriculture, horticulture, dairy, fish & marine, poultry & meat products, pharma etc. with a linkage from source to the consumer. The key components of a Cold Chain Facility may include:
  - Controlled Atmosphere (CA)/ Modified Atmosphere (MA) chambers, Variable Humidity Chambers, Ambient Storage, Individual Quick Freezing (IQF), blast freezing, etc.
  - Minimal Processing Centre may have facilities for weighing, sorting, grading, cleaning, waxing, packing, pre-cooling, fog treatment, irradiation facility, etc.
  - Mobile pre-cooling vans and reefer trucks may also be attached with cold chain facilities on a dedicated basis to provide end-to-end services.

- **Multi-Modal Logistics Park** means a logistics facility with access to more than one mode of transport. An Integrated/Multi-Modal Logistics Park (MMLP) is defined as a multi-modal freight handling facility with a minimum area of 50 acres with a total investment of at least INR 100 Crore.

- **Warehouse** means any premises (including any protected place) conforming to all the requirements including manpower specified by the Warehousing Development and Regulatory Authority by regulations wherein the warehouseman takes custody of the goods deposited but the depositor and includes a place of storage of goods under controlled conditions of temperature and humidity.

- **Truck Terminals** mean such facilities which are developed in order to ease traffic congestion in strategic locations such as the district logistics nodes, industrial areas, national/ state highways, expressways intersection points, etc. Truck terminals may provide facilities such as repair and maintenance of the trucks, stores for spare parts, ATMs, fuel stations, parking spaces, transport offices, sanitary facilities, weighbridges, storage spaces etc. These facilities may also have lodging facilities for drivers and helpers along with areas for loading/unloading (cross-docking) of cargo among other facilities. Facilities to check vehicle fitness automatically may also be provided at truck terminals. Such shall be developed on a minimum area of 10 acres with a minimum parking capacity of 100 Trucks.

2. Preamble

The efficiency of the logistics sector is a crucial factor that determines the economic competitiveness of the country. The growth of the other sectors depends heavily on the efficiency, reliability, and responsiveness of the logistics network. The need for resilient and stable logistics and supply chains has been clearly emphasized by the recent COVID-19 pandemic. Over the past few years, India has undertaken significant measures for building an effective, efficient, and modern logistics and warehousing landscape. It has come a long way in improving its logistics sector considerably in past years. India ranked 44th on World Bank's Logistics Performance Index 2018 report – a 10-place improvement from 2014. The report also highlights the concerns in the country's logistics infrastructure and suggests measures to strengthen the ecosystem & reduce the overall cost by 40% (i.e., from 14% to 8% of GDP)[1].

With the Government of India's thrust on boosting the economy in the form of initiatives such as Make in India, GST along with the focus on FDI, the onus on the logistics sector is unprecedented. Measures to enhance the warehousing capacities and transport infrastructure across modes such as Pradhan Mantri Gram Sadak Yojna, dedicated freight corridors, UDAN scheme, Bharatmala and Sagarmala, etc. provide important enabling infrastructure for logistics.

Despite these developments, the sector suffers from myriad issues such as sub-optimal modal mix, outdated material handling systems, redundant skill sets, multiple physical documentation etc. Hence, optimal road network, interlinkage of industrial hubs with railways, roadways and airways, creation of multi-modal logistic parks along with the adoption of new-age IT technologies and regulations are key to India's vision of becoming a USD 5 trillion economy.

To further improve the logistics sectors of the country, the Government of India (GoI) established the Logistics Division in July 2017 under the aegis of the Ministry of Commerce and Industry (MoCI). The Division acts as a nodal point for Centre/ States and other agencies to coordinate on all the issues/concerns of the sector and has been mandated to develop an action plan for the integrated development of the logistics sector in the country, by way of policy changes, improvement in existing procedures, identification of bottlenecks and gaps and introduction of technology.

The Govt. of India has undertaken multiple initiatives to improve the logistics infrastructure & business ecosystem. These initiatives include:

1. **Launch of Gati Shakti National Master Plan for Multi-Modal connectivity:** which will bring several ministries such as Railways, Roads, Shipping etc. together for integrated planning and coordinated implementation of infrastructure connectivity projects. It will depict all economic zones and infrastructure linkages required to support them with the objective to holistically integrating all the multimodal connectivity projects and will enable central & state stakeholders to remove gaps for the seamless movement of people, goods, and services. This initiative will also provide the framework for National Infrastructure Pipeline Plan.

2. **LEADS (Logistics Ease Across Different States) Survey**: A pan-India annual survey for ranking the States & UTs on their ability to facilitate logistics and suggest action points for improvement, involving feedback from the stakeholders (such as trader/ shipper, exporter/ importers, freight forwarders, transporters, logistics & supply chain service providers etc.)

[1] Reimagining India's supply chain, A bold vision for 2030 by Arthur D Little & CII

3. **National Conference on Logistics:** First conference with the States and UTs was held on 19th Jan'21 with the objective of integrated development of the logistics sector wherein the stakeholders across the ecosystem would work collectively and in harmony to make the logistics sector more robust and make India a competitive destination and a manufacturing hub. The core themes around which the conference emphasized include LEADS, Smart Enforcement, Warehousing, City Logistics and Driver Empowerment and Employment, Green Logistics etc.

4. **18 focus areas to improve the logistics sector in the States:** A letter from the Hon'ble Minister of Commerce and Industry was sent to the States and UTs listing measures that States can undertake to improve logistics and promote ease of living. The letter mentioned 18 areas for integrated development of logistics broadly encompassing measures that link production centres with consumption centres, decongest urban centres, move towards an ecosystem of minimal inspection, improve first and last-mile connectivity etc.

5. **Consultations on the National Logistics Policy** which will promote seamless movement of goods across the country by focusing on several aspects of process re-engineering, digitisation, multi-modal logistics infrastructure creation for EXIM and domestic trade etc. The policy has a multi-jurisdictional mechanism that would cut across silos by integrating policies, schemes and legal frameworks of different Ministries/ Departments and thus contribute to the vision of Gati Shakti.

These initiatives aim to ensure that the nation has a safe and efficient logistics system that increases the productivity and competitiveness of manufacturers, producers, and other relevant stakeholders.

LEADS: Ease of Logistics

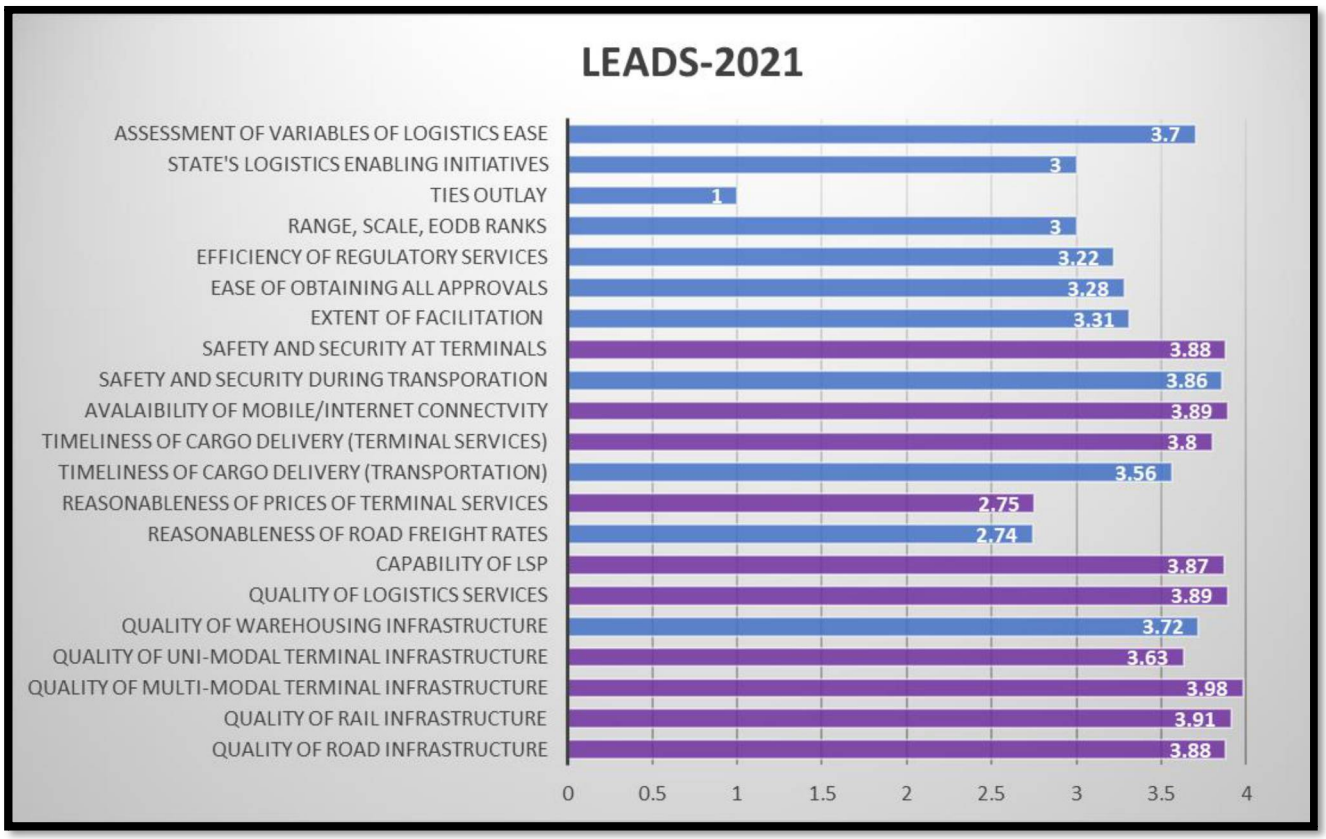
Punjab has been ranked in the Top Achiever Category in 2022 and 2nd in the LEADS report for the years 2018 and 2019 and secured 3rd position in the LEADS 2021.

In LEADS 2022, Punjab is rated high on indicators related to the quality of Infrastructure, Modal Logistics services and Safety and security of Cargo. The operating and Regulatory Environment in Punjab has been perceived as good.

Punjab has been graded as an Achiever in all 15 indicators below.

Road Infrastructure	Rail Infrastructure	Terminal Infrastructure	Warehousing Infrastructure	Modal logistics services
Quality of services Terminals	**Reasonableness of prices of logistics services**	**Timeliness - transportation services**	**Timeliness - terminal services**	**Track and trace cargo movement**
Safety/security of cargo	**Promoting, incentivising, facilitating**	**Ease of obtaining all approvals**	**Ease of entry**	**Issues related to grievance redressal**

In LEADS 2021, Punjab scored the highest in 10 out of the 21 parameters that were considered for rankings further Punjab scored the second highest in 4 other parameters. The State has shown good scores across infrastructure, services, and regulatory categories. Punjab was able to continue its trend of improvement by recording a score of 3.51 out of 4 in 2021 against that of 3.46 in 2019 indicating a 5% increment over its previous performance. The State's proactive policies such as a single window clearance mechanism for regulatory approvals, fiscal incentives granted under the Industrial and Business Development Policy, and the presence of quality infrastructure have resulted in Punjab being a top performer State.



- *Punjab scored the highest on 10 out of 21 parameters (as highlighted in purple)*

LEADS Index of Punjab (2021): 3.51 | Rank: 3

In the year 2019, the parameters of assessing the performance of States were: availability and quality of logistics infrastructure, quality of services provided by service providers, ease of arranging logistics at competitive rates, timeliness, ease of track and trace, safety and security, state facilitation and coordination and efficiency of regulatory processes. The LEADS index score of the State was 3.46 and the State emerged as the cluster leader in the northern states.

For the year 2018, the parameters for assessing the performance of the State were Infrastructure, Services, Timeliness, Track & Trace, Competitiveness of Pricing, Safety of Cargo, Operating Environment and Regulatory Process. The LEADS index score of the State was 3.22. The State scored well on indicators such as quality of infrastructure, services offered, favourability of the operating environment, timeliness, safety and security and ease of track and trace but scored low on indicators such as ease of arranging logistics at favourable rates, efficiency of regulatory processes and timeliness of cargo delivery.

3. Punjab: State of Possibilities

Punjab has an area of 50,362 sq. km and is located in the northern part of the country. It is bordered by the Pakistani province of Punjab to its west, Jammu and Kashmir in the north Himachal Pradesh in the northeast, Haryana in the south and southeast, and Rajasthan in the southwest. The State sits strategically in northern India and has emerged as a hub for agriculture and industrial development in the region. The strong economic foundation of the State was laid in the early 1960s with the advent of the Green Revolution which made Punjab a hub of micro, small and medium enterprises. The State is now on the brink of transition to a new culture of innovation and technology-driven ecosystem.

The State's GSDP increased at a compound annual growth rate of 6.78% between 2015-16 and 2020-21[2]. The major industries in Punjab include agro-based industries, machinery and hand tools, automobiles and auto parts, food processing, yarns and textile, and hosiery. Given its size and geography, Punjab has been performing decently on the export front. As per the latest data available, the State ranked 13th on the export ranking table with exports amounting to US$ 6.06 billion[3] and a share of 2 per cent in the country's exports. Punjab has been ranked at 8th place in the Export Preparedness Index (EPI), 2021 up from 18th position in 2020 and has risen to 4th position under "landlocked states", up from 8th position in 2020.[4]

To give a boost to the manufacturing and service sector and thereby facilitate trade, the State Government has identified the need and potential for the development of its logistics sector, as per the Industrial and Business Development Policy, 2017. Under this policy, several incentives are offered for the development of infrastructure comprising of MMLPs, custom ports, cold storage, bulk courier services, custom bonded warehousing to mention a few. In addition to this, Logistics is also considered to be one of the thrust sectors.

The State has actively been encouraging districts to become export hubs for boosting rural economic growth, making local products more attractive to consumers across the world and supporting employment generation through empowering of MSME sector. To make the environment conducive to MSMEs, it is extremely important to understand the market demand and barriers and address issues related to connectivity and logistics. The State has recently undertaken the "State Export Plan" initiative with the vision to transform every district into an export powerhouse, create institutional mechanism to promote trade and connect rural and urban economies seamlessly while promoting sustainable and economic development.

The prominent industrial clusters of Punjab are as follows:

[2] Punjab State Presentation Report, IBEF, August 2021
[3] Export Analysis and Export Vision: Punjab (2021-26)
[4] Export Preparedness Index, 2020 and 2021, NITI Aayog

Punjab and its Industrial Cities/ Clusters

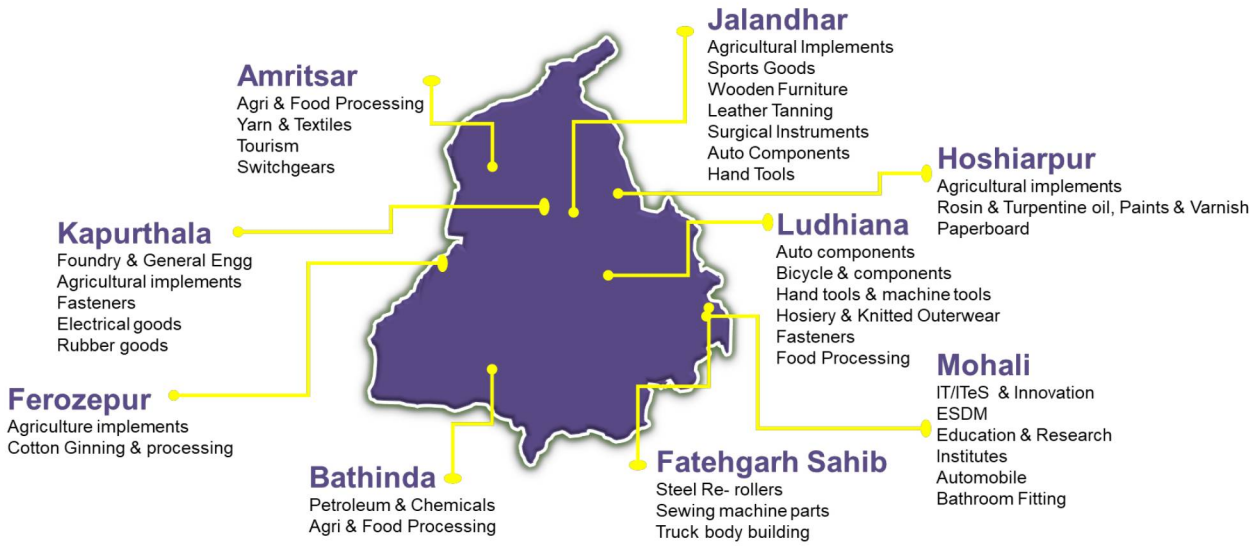


Figure 1: Industrial Clusters of Punjab

The State is well connected to its neighbouring states and the rest of the country through 15 national highways. The State has a robust network of national highways of a length of 3,228 km, state highways of the length of 1,103 kms and road length of 1,39,492 kms[5]. The State's railway network is more than two times that of the country's average rail density. A well-developed network of Indian railways of length 2,269 kms also exists and accounts for 3.4% of total railway network in India[6]. The State has well developed and robust connectivity with 4 domestic and 2 international airports. In 2020-21, Amritsar and Chandigarh Airport alone handled 1,253 MT and 8,069 MT of freight[7].

Despite strong footing in agriculture and industries and proximity to major States and the national capital, the value the goods fetch falls short of its potential. Issues such as uneven development of roads, last mile connectivity, lack of storage & reefer facilities and inefficient modal mix etc. affect the logistics sector. Hence, to build an efficient and effective logistics sectors in Punjab, it is essential to formulate a comprehensive logistics policy.

[5] Punjab Economic Survey (2020-2021)
[6] Punjab Economic Survey (2020-2021)
[7] Punjab State Report-June 2021, IBEF

Current Industrial Infrastructure in the State

A. Industrial Corridors

Industrial Infrastructure is one of the key mainstays in the long-term development of the industry. The Government aims to develop robust infrastructure including core and supporting infrastructure which shall provide long term benefits to the industry and set the State on the path of planned industrial growth. The State has planned to develop one major industrial corridor, i.e., Amritsar-Kolkata Industrial Corridor in area falling along the Eastern Dedicated Freight Corridor (EDFC) as major industrial hub. It will cover important towns of Rajpura, Sirhind, Doraha, Sahnewal and Ludhiana. The State has already identified various land parcels for the purpose of setting up Industrial areas along AKIC. A 2 km stretch on both sides of state highways/ expressways and/or industrial corridors outside municipal limits shall be demarcated for the development of logistics facilities. The State shall explore the development of areas around the below mentioned projects by identifying land parcels for the development of logistics parks and allied infrastructure.

The State has planned following multiple intra-state corridors:

- **Chandigarh-Amritsar Industrial Corridor**: It is an important urban industrial corridor. The State will strengthen the existing industrial clusters on this corridor. The State would further carry out the feasibility of various identified land pockets on this corridor and develop new Industrial Parks and Industrial Townships along this corridor.

- **Chandigarh-Hoshiarpur-Gurdaspur Industrial Corridor**: The Development of Chandigarh-Hoshiarpur-Gurdaspur Industrial corridor will give a fillip to Kandi Area and Border Area. The State would further carry out the feasibility of various identified land pockets on this corridor and develop new Industrial Parks and Industrial Townships along this corridor.

- **Chandigarh-Patiala-Sangrur-Bathinda Corridor**: The development of Chandigarh-Patiala-Sangrur-Bathinda corridor will ensure development of industrial infrastructure in Malwa region of the State and provide employment opportunities to youth in this region.

- **The Amritsar-Jamnagar Expressway**: The development of **Amritsar- Jamnagar Expressway** is part of the top nine priority economic corridors to be linked through expressways under the Bharatmala scheme. The expressway would pass through Faridkot, Bathinda and Abohar in Punjab; Sri Ganganagar, Bikaner, Nagaur and Jodhpur in Rajasthan; and Radhanpur, Samkhiyali and Jamnagar in Gujarat.

- **The Amritsar-Katra Expressway**: The NHAI's 650-kilometer Delhi – Amritsar – Katra (DAK) expressway project, which is under Bharatmala Pariyojana connects Jasaur Kheri, Jhajjar District near Delhi, with Katra, north of Jammu city.

- **Development of Economic Corridors along major rivers such as Ravi, Beas and Sutlej**: The State will explore canalisation of major rivers namely Ravi, Beas and Sutlej and construct high speed economic corridors along these rivers to attract industry and investment, which will develop these areas and provide jobs and growth opportunities to local people.

B. Rail Freight Corridor:

The rail freight corridor is a high speed and high-capacity railway corridor exclusively meant for transportation of goods and commodities. The construction of Eastern Dedicated Freight Corridor will allow seamless integration of better infrastructure and state of art technology. The EDFC will initiate at Sahnewal (Ludhiana) in Punjab, connect with WDFC at Dadri (UP) and will provide connectivity to both western ports of Mundra, JNPT, Pipavav, Kandla and eastern port of Kolkata as EDFC's current alignment ends at Dankuni in West Bengal. EDFC will cover almost 88 kms in the State of Punjab and will be an electrified single-track segment of 447 kms between Ludhiana-Khujra and Dadri. The main features of the corridor are as follows[8]:

- It will facilitate movement of coal for power plants, ores, finished steel, food grains, cement, fertilizers, limestone, and general goods
- Total route length: 1,856 km covering states of Punjab, Haryana, Uttar Pradesh, Bihar, Jharkhand, and West Bengal. 88 km route is in Punjab having 6 stations: New Chawapail, New Khanna, New Mandigobindgarh, New Sirhind, New Saraibanjara, New Shambhu, as loading and unloading points.
- It will also lead to decongestion of roads by shifting of freight to more efficient rail transport system.

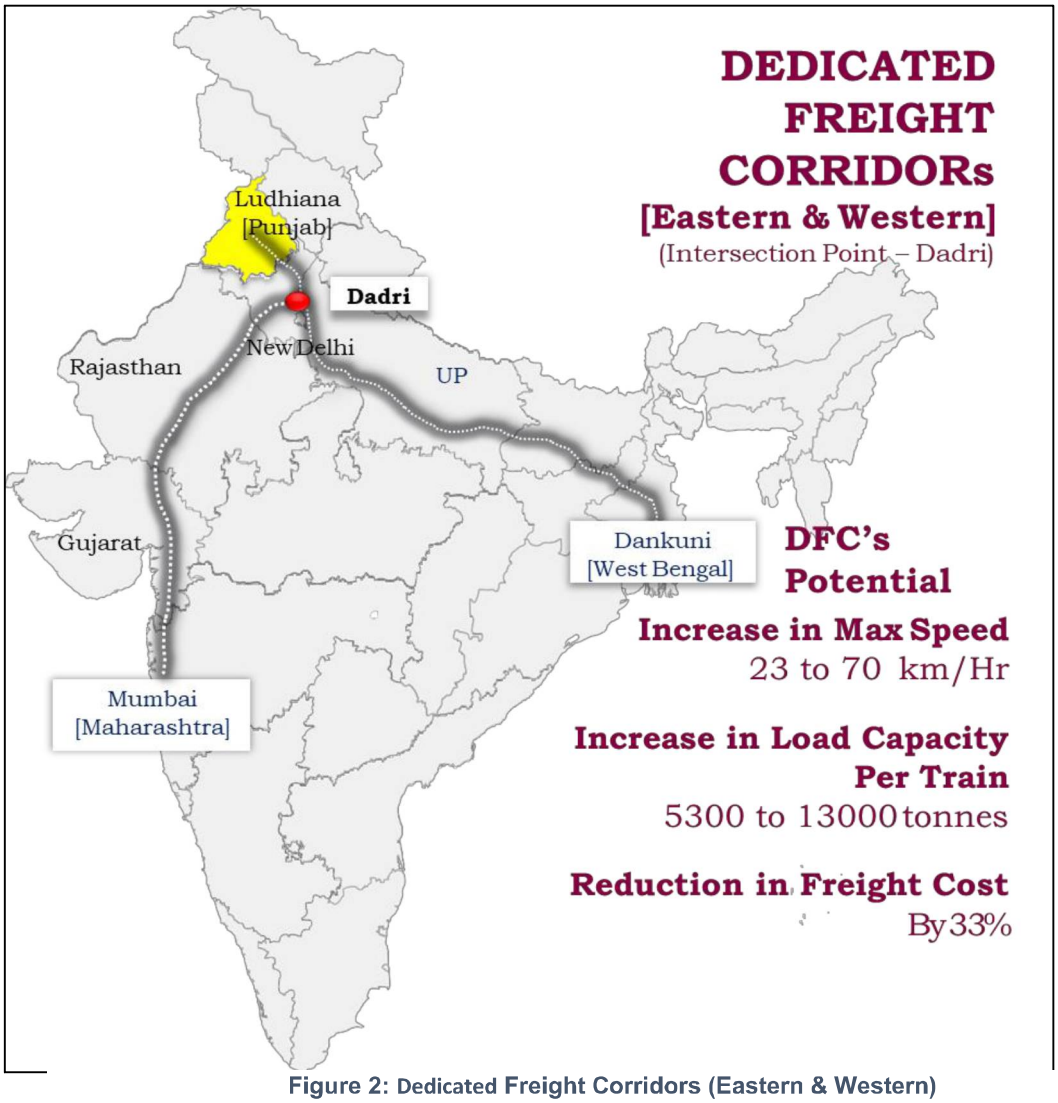


Figure 2: Dedicated Freight Corridors (Eastern & Western)

[8] New Railways, New Punjab: Railways Development in Punjab (2014-Present), Indian Railways

C. Storage, Warehousing and Transportation

The State has presence of several ICDs (Inland Container Depots) and CFSs (Container Freight Stations) developed at:

- ICD Punjab State Warehousing Corporation Ltd, Focal Point, Dhandari Kalan, Ludhiana
- ICD Container Corporation of India Ltd (CONCOR), Focal Point, Dhandari Kalan, Ludhiana
- ICD Pristine Mega Logistics Park Pvt. Ltd, Village Chawapail, Ludhiana
- ICD Punjab State Warehousing Corporation Ltd, Dappar, Mohali
- ICD Punjab State Warehousing Corporation Ltd., Jalandhar
- ICD Punjab Logistics Infrastructure Ltd (PLIL), Ahmadgarh
- ICD Adani Logistics Ltd, Kila Raipur, Ludhiana
- M/s Overseas Warehousing Pvt. Ltd, Ludhiana: Container Freight Station linked to PSWC, ICD, Ludhiana
- ICD-Hind Terminals Pvt. Ltd., Kila Raipur, Ludhiana, Punjab

The State has presence of 6 PFTs[9] (Private Freight Terminals)

- M/s Gateway Rail Freight Ltd-PGFS, Sanhewal
- M/s Punjab Logistics Infrastructure Ltd. GFPA, Ahmadgarh
- M/s Pristine Mega Logistics Park Private Ltd., Chawapail
- M/s Adani Logistics Pvt. Ltd., Kila Raipur
- M/s Hind Terminal Pvt. Ltd. Kila Raipur
- M/s Central Warehousing Corporation, Nabha

The State has presence of Integrated Check Posts (ICP)/ Land Customs Station (LCS)

- Integrated Check Posts, Attari
- Integrated Check Posts, Dera Baba Nanak, Kartarpur
- LCS Attari Rail, Attari

The State has presence of 2 Air Cargo Complexes (ACC)

- Shaheed Bhagat Singh International Airport, Chandigarh
- Shri Guru Ram Dass Jee International Airport, Amritsar

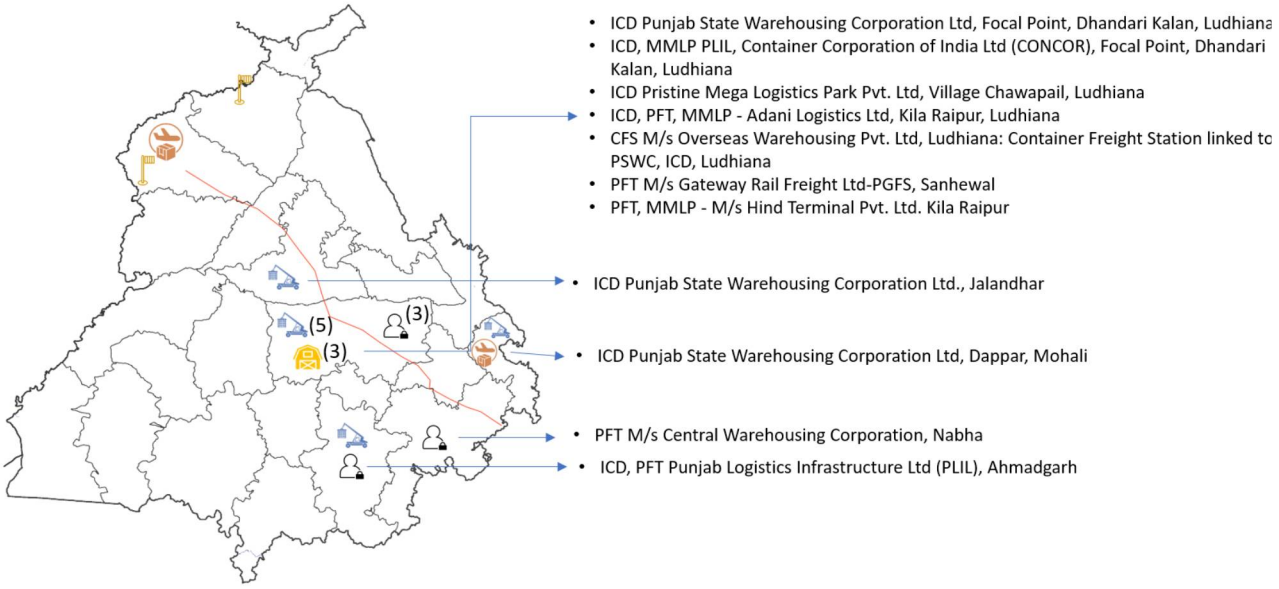
D. Logistics Parks

To improve the logistics efficiency in the country, the MoRTH has planned to develop state of art Multi-Modal Logistics Parks (MMLPs) across the nation under Logistics Efficiency Enhancement program (LEEP). The Parks under the MoRTH with minimum area of 100 acres will comprise of specialized storage facilities like cold storage, mechanized and integrated warehouses, integrated technology, mechanized material handling and inter modal transfers of containers and cargo from different carrier mediums.
For the state of Punjab, the policy envisages MMLPs for Jalandhar, Amritsar, Gurdaspur, Ludhiana, Sangrur and Patiala making the state a northern hub. At present, notable MMLPs in State are:

- Punjab Logistics Infrastructure Limited, Ludhiana
- Hind Terminal, Ludhiana
- Adani Logistics, Ludhiana

[9] Many of the PFTs are notified as custom ports

The State of Punjab has 9 Custom Ports, 6 Private Freight Terminals, 3 Integrated Check Posts/ Land Custom Station, 2 Air Cargo Complex and 3 MMLPs



Multi Modal Logistics Parks (MMPLs)

Air Cargo Complex [including Perishable Cargo] (ACCs)

Integrated Check Post (ICPs)

Inland Container Depot (CFSs/ ICDs)

Private Freight Terminal (PFT)

Amritsar Kolkata Industrial Corridor

4. Vision

"To drive the economic growth of Punjab through an efficient, effective, sustainable and integrated logistics network by leveraging latest technology and well laid down operational procedures. The Policy aims to create a framework which provides cost effective and reliable infrastructure along with skilled manpower."

5. Policy Objective

To increase the competitiveness of goods produced in the State and to boost job creation and manufacturing in the State, the State has initiated the development of a robust and integrated logistics policy which shall support efficient and modern industrialisation in the State. The policy works in tandem with the objectives set forth in Industrial and Business Development Policy-2017 which may be extended by the State or any subsequent policy that may supersede/ follow.

The objectives of the policy are as follows:

1) To create an effective and efficient logistics ecosystem to support the vision set forth in Industrial and Business Development Policy i.e.- To develop the State as one of the most economically developed states in the country and make it the best for doing business
2) To enhance first and last mile connectivity and reduce the cost of logistics
3) To synchronize the activities of State Departments in line with the tenets of PM Gati Shakti Master Plan for providing multi modal connectivity infrastructure to various economic zones
4) To take initiatives with special focus on skill development and capacity building
5) To keep a ready shelf of land bank earmarked after their due feasibility and facilitate environment for speedy clearances
6) To promote green logistics for de-carbonisation of the sector
7) To enhance, improve and upgrade existing warehousing and logistics facilities in the State and create a plan to build new ones
8) To promote use of technology and innovation for the development of logistics facilities

Through this policy, Govt. of Punjab aims to attract investments in the following key sectors but not limited to:

- Cold Chain Facilities, Silos storage, Warehousing, and associated infrastructure
- ICD, CFS, ACC, AFS, PFTs, MMLPs and associated infrastructure
- E-Commerce fulfilment hubs
- Skill Development and Trainings
- Electric and cleaner emission freight infrastructure
- Robotics and Automation technologies in warehousing and logistics sector
- Supply Chain Management and Process Improvement etc.

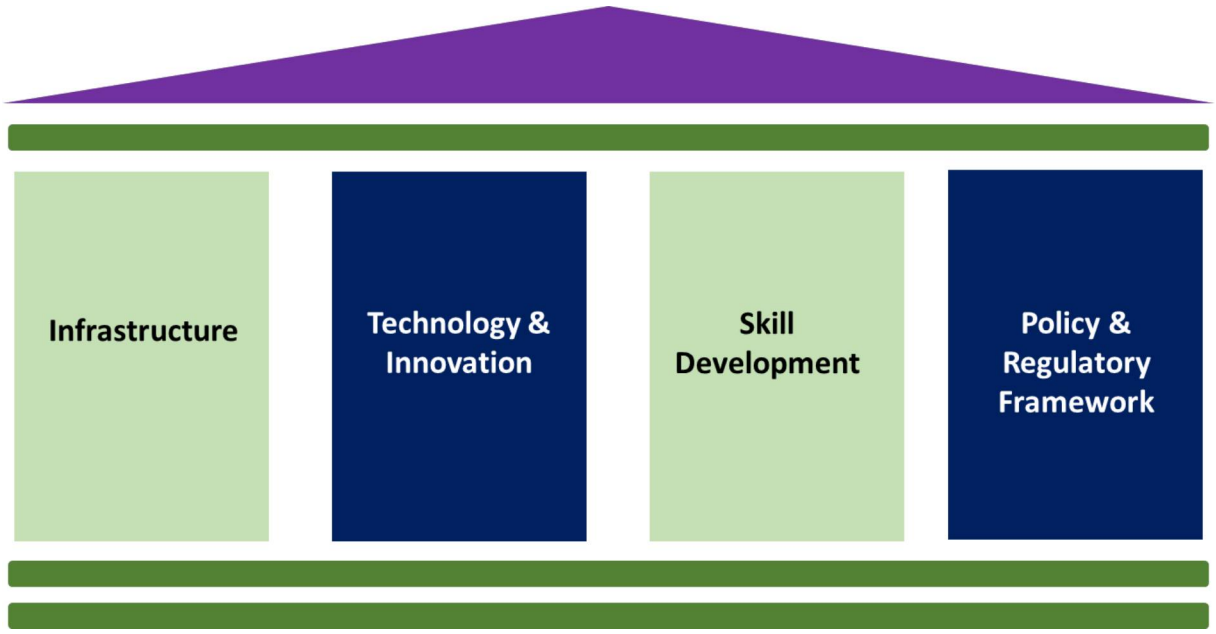
6. Policy Implementation

- The policy will be applicable for 5 years from the date of notification and can be extended further by the State.
- The policy maybe amended and modified during the implementation; however, all such amendments and modifications shall be applied prospectively and shall not curtail any benefit or concession already granted under the policy.
- The reference to the State in the policy is reference to State Government and its relevant departments and agencies as maybe specified in the detailed schemes for the implementation of the policy.
- The definitions, standard operating procedures and other modalities for fiscal and non-fiscal incentives and other aspects of the policy may be given in the detailed schemes for the implementation of the Policy.

7. Policy Features

Guided by the vision of this policy, the policy features are categorised under the following four broad pillars:

These pillars form the structure to support a better and an effective outlay with well-defined policy features that address the objectives of this policy.



7.1. Infrastructure

7.1.1. Support for the Development of Warehousing & Logistics Sector

Logistics and warehousing constitute a critical link in the chain that connects the manufacturer to the eventual consumer. The warehousing sector was earlier dominated largely by unorganized players but with the advent of Goods and Service Tax, the industry is becoming more organized. The e-commerce and third party logistics (3PL) players are increasingly becoming the biggest adopters of organized warehousing. With growth in e-commerce, decentralisation of global manufacturing, increase in inventory levels, the demand for warehousing has increased. Also, the central government's grant of infrastructure status to the logistics sector including warehousing has been a major catalyst in increasing the demand.

However, the warehousing industry in Punjab is still in its nascent stage and needs to undergo complete reform so that the global standards can be met. This policy encourages the development of logistics and warehousing infrastructure; special focus areas shall be as under:

- The Government shall earmark requisite land for development of warehousing facilities.
- The Government shall promote the setting up of warehousing facility in agricultural zones, where they would be operating warehousing operations from the premises. This shall be applicable to warehouses dealing with specialised cargo and cargo with value added attributes.
- A Logistics zone will be earmarked along and around the Amritsar Kolkata Industrial Corridor and all new enterprises setting up in the zone will be exempted from the requirement of CLU/ EDC.
- The Government shall provide necessary infrastructure support for Industrial, Logistics and Warehousing Hub in Zirakpur-Tepla-Rajpura region. Zirakpur, along with Tepla and Rajpura can emerge as the primary logistics hub, which can cater to freight from Shimla, Baddi, Delhi and Punjab.
- Punjab currently has a strong network of customs ports with facilities present in Ludhiana, Dappar & Jalandhar. The State government shall continue to explore establishment of new ICDs and CFSs on need basis and support development of logistics park, warehousing zones etc.
- The Government shall facilitate the development of dedicated Transport Zones in all major industrialized cities/ towns, including truck terminals near major national and state highways, expressways, investment zones, economic corridors, and industrial corridors.
- The State may lease out the existing transport centre/ nagars/ zones in PPP mode for the augmentation of existing infrastructure while encouraging a self-sustaining revenue model.
- The Government shall adopt a rating and feedback mechanism of existing warehouses so that required quality improvement measures can be undertaken.
- The Government shall also develop an online portal showcasing database of warehouses for users to discover most suitable needs.
- The Government shall also provide requisite assistance to the Central Government in order to enable faster and more accurate data collection.

- The Government shall support development of logistic and warehousing zones at strategic locations. The Department of Industries will identify the locations with inherent advantage for the development of logistics and warehousing sector and shall develop logistics and warehousing zones by providing land and other common facilities at competitive cost.

- The Government shall also set up a dedicated grievance redressal mechanism for the industry to report issues pertaining to logistics.

- The Government shall evaluate department-wise regulations/compliances for warehouses and shall work to reduce/rationalize the total number or regulations and compliance.

7.1.2. Integration with PM GatiShakti

With the Central Government announcing Gati Shakti NMP, the focus is being given to planned and coordinated infrastructure development which will be transparent, and data driven. The aim is to facilitate infrastructure development in an objective manner such that efficiency of work is increased and duplicity and overlapping of work between different departments can be minimised.

The State shall act as a facilitator to the Centre in this activity. The State Government will take the following steps to have readiness for seamless integration with Gati Shakti NMP, as and when it is notified:

- The State shall align with the Central Government for easy onboarding with GatiShakti. This will include linking of existing projects with GatiShakti thus bridging the gaps between different Central and State agencies/ departments/ ministries and improving last mile connectivity to production and consumption centres.
- The State Government shall review and monitor implementation of GatiShakti at State level to ascertain the logistics efficiency accruing thereof.
- The State shall adopt frameworks and norms for undertaking any amendments to the policy with respect to GatiShakti.
- The State shall establish a procedure with definitive timeframe for synchronisation of various activities for construction of roads etc. along with all utility services in an area-based approach for development of infrastructure on a pilot basis.
- The State shall align different initiatives on development of a common integrated portal which serves the needs of all stakeholders.
- The State will issue appropriate directions for achieving the objectives and for compliance with guiding principles GatiShakti (as and when it is notified), and in addressing demand side requirements from concerned State Departments.

7.1.3. Logistics for Export

Planning for export growth in India has historically been a centralized process. This new approach of encouraging districts to become the export hubs not only decentralizes the planning process, but also puts at its centre the most valuable stakeholders, i.e., the local producers and manufacturers. Exports are emphasized not just to reduce trade deficit but as a mechanism for boosting rural economic growth too, making local products more attractive for consumers across the world and supporting employment generation through empowering of the MSME sector. For this purpose, the district is the ideal administrative level to integrate the rural economy with the industrial economy and to create a green channel for the MSME sector to access international markets.

Therefore, to realize the vision of creating export centric economic development, it is important to develop adequate logistics ecosystem which will transform the State of Punjab into an export powerhouse. To increase efficiency in the supply chains and augment export infrastructure, following measures shall be undertaken:

- The State shall undertake establishment of ICDs/CFSs which may act as hub in the logistics chain.
- The State shall encourage projects for development of exports under the ambit of Trade Infrastructure & Exports Scheme (TIES) or any other central or State funded schemes.
- The State shall identify Green Channels (with less inspection during transit) in order to prevent delays for vehicles carrying export-import cargo.
- For the promotion of exports in MSME sector, the State shall explore the possibility of running freight trains (including State-owned and private operated) which could be used for the transportation of multiple commodities between ICDs and seaports. In addition, the raw material available in different parts of the country may also be procured and made available to MSMEs at a subsidised rate. This will eventually decrease logistics costs and increase efficiency, making State exports more competitive internationally.
- The State shall endeavour to create Free Trade and Warehousing Zone at strategic locations near ICDs and dry ports and along the existing and upcoming freight corridors, expressways, highways. The FTWZ will be equipped with facilities such as customized warehousing, office spaces, transportation, and handling facilities.
- The State shall undertake upgradation of facilities at ICD Chheharta in terms of human resource and cargo handling capacity.
- The State shall expedite the development of an ICD in Manawala, Amritsar.
- The State shall endeavour to establish an ICD in the District of Bathinda as this shall help in enhancing exports from the Southern region especially for products like textiles and electric transformers.
- The State shall ensure supply and availability of quality power, high speed internet facility at LCS/ICS and other infrastructure create specifically for export and logistics support.

7.1.4. Logistics for Agriculture

The development of logistics ecosystem plays a significant role in agricultural production and supply chain management which ultimately leads to increased productivity and ultimately enhancing food safety and quality. This ecosystem involves pre-harvest and post-harvest handling facilities, storage & distribution, processing facilities, infrastructure (such as roads & railways) etc. Given the perishable nature and stringent import standards it is extremely vital to develop efficient and time sensitive handling of agricultural commodities. Hence, it is important to develop and invest in mega food parks, state of the art testing laboratories and integrated cold chains so that the State can increase its agricultural productivity.

- The State shall promote development of quality food storage facilities in grain procurement zones/clusters/Mandis to meet the requirements of rapidly growing agro and food markets. The storage facilities shall include warehouses, silos, temperature controlled perishable cargo storage facilities and related handling & transport infrastructure.

- The State shall undertake comprehensive need-gap analysis of existing domestic and export-oriented infrastructure across the entire agricultural and processed food value chain.

- The State shall undertake measures to equip APMC and non-APMC mandis with last mile connectivity including all weather, 24x7 access roads and rail connectivity wherever possible at major procurement centres. This will help in reducing significant costs of logistics for bulk agriculture commodities.

- The State shall undertake measures to sensitize warehouse staff and cold storage owners and encourage and facilitate accreditation/registration of their warehouses.

- The State shall undertake suitable interventions to popularize small scale local storage of produce by farmers. This will help in avoiding distress sale and giving better price realisation.

- The State shall undertake measures to establish multipurpose cold storages with temperature-controlled transport vehicles rather than conventional single commodity storage with the focus shifting from just storage to end to end cold chain.

- The state shall undertake measures to encourage containerisation of domestic agriculture goods which shall enable direct transport of grains from Mandis to food processing factories thus minimizing additional cargo handling and associated wastage & pilferage. Such measures can include fixing quota for using Domestic containers for transport of state procured food grains and facilitate FCI in adopting containerized transport of food grains from mandis in State.

7.1.5. City Logistics / Freight Smart Cities

City Logistics is one of the most complex components and, it is also one of the most overlooked parts of logistics development. Rising levels of pollution and traffic congestion have become areas of concern. With cities being overburdened by ever rising number of vehicles, an immediate need is identified to start a programme to counter the unorganised flow of traffic, which causes great inconvenience to all – road and non-road users alike. Multiple stakeholders need to be considered while forming a city logistics plan. This city logistics plan will encompass all the factors relating to logistics in the city in order to have a holistic approach to cater to the present and future needs of the cities. Implementing any changes in a live and bustling city has always been and will be a difficult proposition. To overcome the complexities, the State shall follow a systematic plan to tackle these aforementioned challenges.

- The State shall adopt a data driven mechanism which identifies areas of concern based on the growth of the city and other factors such as transport restriction of goods, modes of transportation, tracking of commodity flow etc.

- Cities bring complexity of stakeholders in such domains which include manufacturers, retailers, consumers, city residents, daily commuters, logistics service providers, freight carriers and

enforcement agencies. For this the State will work on uniting them to bring better efficiency in the system whilst giving due consideration to interests of all the stakeholders.

- The State shall support Freight Smart Cities and adopt best practices for adoption of efficient and hassle-free transportation solutions.

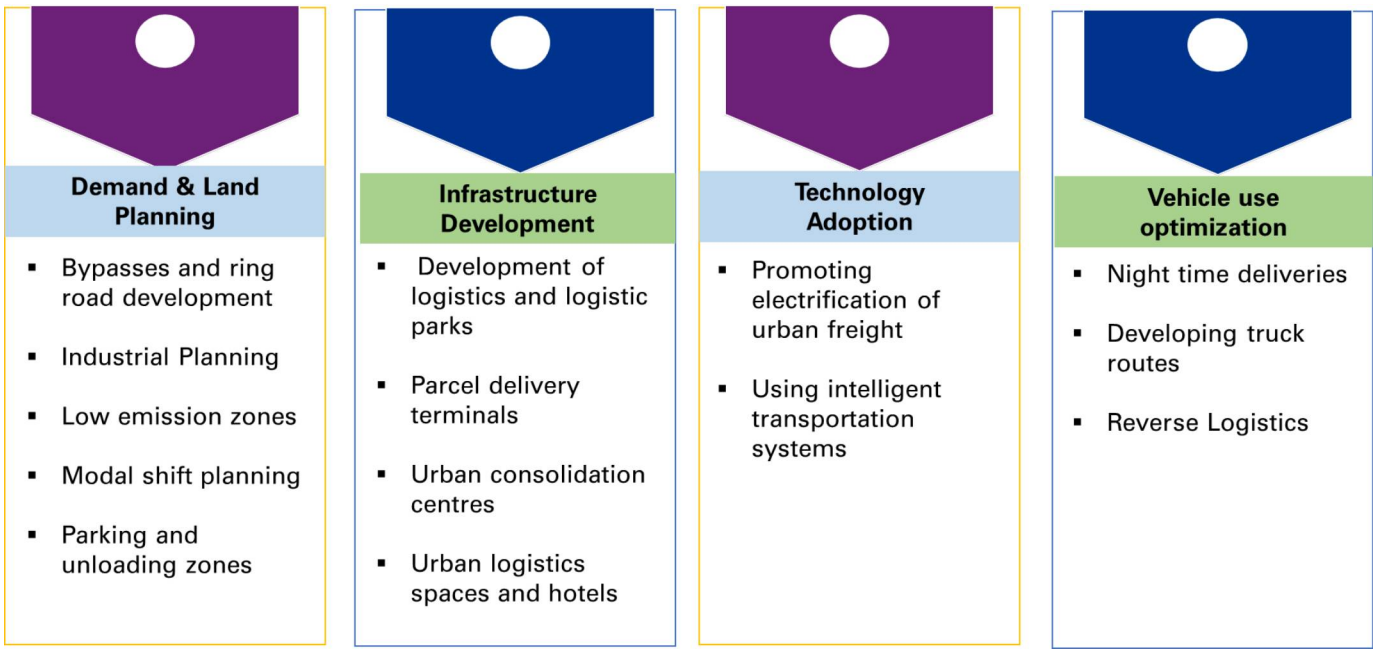
- The State shall facilitate the convenience of the residents and commuters that travel through cities.

Freight Smart Cities

To combat the key challenges of environmental impact, high costs and congestion in the cities due to freight movement, "Freight Smart Cities" have been envisaged. Freight Smart Cities will act as a standard for planning of inter and intra-city logistics. The State shall endeavour to adopt best practices to develop such Freight Smart Cities. This will include widespread use of technology initiatives along with a well-coordinated approach for infrastructure development based on empirical studies. To further improve vehicle (both freight and non-freight) movement, vehicle movement and usage shall be planned more methodically to achieve a solution that maximises the available road usage and paves the way for properly planned areas for future development. Government of India has proposed 75 Freight Smart Cities across the country from which the cities of Amritsar and Ludhiana have been recognised as Freight Smart Cities in Punjab. The State shall support the development of these cities and any other cities as and when declared by the Government of India.

- The State shall oversee that these Freight Smart Cities are planned in tandem with the City Logistics policy for a smooth and congestion-free experience of freight transportation.
- The objective is to implement a robust end-to-end urban city freight system that takes care of all the stakeholders in the most efficient way possible.
- The State shall set up and monitor independent "City Logistics Committee(s) (CLC)" for Freight Smart Cities, which shall be responsible for the implementing logistic plans and initiatives along with coordination with various State and Central Government agencies.

This will also facilitate a broader plan of State-level integration which will a part of a greater national freight integration.



7.1.6. Development of Logistic Parks

Logistics Parks are the dedicated infrastructure created in form of Multimodal or Unimodal logistics terminals catering to various requirements of transportation through one/multiple modes (Rail/Rakes, Road, Inland waterway, Air), providing associated facility of transit, non-transit, bonded, non-bonded warehousing along with other value-added services like packaging, consolidation, specialized handling, sorting of cargo for one or many types of cargo which can be bulk, break-bulk, container(FCL/LCL/Tank), liquid, Chassis, automobiles etc. These can cater to exclusive EXIM or Domestic or both EXIM & Domestic cargo.
These infrastructure creation projects are long gestation projects with minimum establishment time frame of 2-3 years. There are policies governed by Central government nodal ministries governing the approval process and establishment of various kinds of customs ports and other logistics facilities, these are:

- ICD/CFS/AFS: CBIC and proposals are approved by Inter Ministerial Committee
- ACC: MoCA, EXIM area is notified by CBIC
- ICP/LCS: LPAI/MHA, EXIM area is notified by CBIC
- Gati Shakti Multi Modal Cargo Terminal: Indian Railways
- Railways Good Sheds: Indian Railways
- Free trade warehousing zones: MoCI
- Bonded Manufacturing in Warehouses: Manufacturing & Other operation in Warehouse Regulation' (MOOWR) scheme, notified by CBIC

Logistics parks may or may not incorporate the above defined facilities and can be limited to basic truck/road-based terminals. The minimum area requirements are described in the policies governing these individual projects and investors have to consider larger dependencies before making an investment and completing the projects.

To promote creation of logistics park and related infrastructure, the State would facilitate investors by:

- The State shall facilitate any associated approvals from various State Departments through State Logistics Cell and through a single window system.

- Dormitories for workers shall be allowed on 1% of total permitted FAR for Logistics Parks/ Multi Modal Logistics Parks/ Integrated Multi Modal Logistics Parks.

- The State through its Departments/ PSUs shall be open to create JVs/SPVs with private sector stakeholders in creating logistics parks and shall provide land as equity wherever feasible.

- The State shall ensure a non-hindered/ non-restricted road connectivity in the form of 2-way paved road (7 meters wide with 1.5 meters of shoulder on each side) for movement of all types of cargo. Connectivity requests from these will be facilitated by SLC through member Departments.

- SLC shall facilitate removal of hindrances in project infra development like shifting of power lines, drainage through member departments.

- These proposals will be taken up in line with GatiShakti SMP framework and its principles.

7.2. Technology and Innovation

7.2.1. Technological Interventions for Smart Enforcement and Safety

It is important for the State to deepen its penetration of technology to strengthen enforcement of laws and to identify offenders without causing loss of time and disturbance in the market. This would also help the State to reduce dependence on physical - by sight enforcement, thereby reducing the need to devote human resources to on-road enforcement teams. To enable this ecosystem, the State Government will work towards adopting **IT based, data driven, risk assessment-based enforcement of regulatory compliances** so that idle time on highways & logistics costs can be reduced.

Smart Enforcement refers to a range of technological interventions aimed at simplification of processes, reduction in physical check posts, using technology for remote enforcement and transparency along with capacity building and training of enforcement officials. This would be done through development of a State-level database for offences and use of new-age enforcement tools such as cameras, sensors, weigh-in-motion (WIM), portable scales etc. for automated on-road enforcement. It would also require integration of various databases like Aadhar, Vahan, and other applications like e-Waybill and GST and data associated with them. This will move the sector towards an eco-system of minimal inspection and stoppages of trucks on roads. Once implemented, it would result in increase in utilisation level of the trucks, reduction in overall transit time and logistics cost.

The State shall augment existing technological interventions on a broader scale. For example, the Punjab Excise and Taxation Department has mandated GPS enabled tracking devices carrying ethanol, spirits, and other such items to check their pilferage for making spurious liquor. There also exists app-based issuance of e-challan. Hence to have a robust digital infrastructure in place, the State shall coordinate with other line departments such as Transport, Revenue, IT etc. to synchronize their efforts and take initiatives for effective implementation of the Smart Enforcement across the State, some of which will include:

- The State shall develop a customized Risk Management System (RMS) for meeting the needs of enforcement agencies and designated zones.
- The State should create a dedicated Data Centre for capturing violations and to aid in informed functioning of enforcement agencies. The State shall also promote setting up of PM Gati Shakti data centres.
- The State shall develop a common and connected infrastructure of traffic cameras, RFID readers, sensors, WIM weighbridges, use of body cameras by vehicle inspectors.
- The State shall onboard with initiatives of Logistics Division to develop an app that will get data feed from collected common IT infrastructure as well as GST e-waybill and Vahan databases and app-based challans will be issued.

7.2.2. Green Logistics

The growth of logistics sector has been accompanied by adverse impact on environment in terms of increased pollution levels, consumption of scarce resources such as water and energy and high wastage related to packaging etc. Given this imperative, it is important to implement Green Logistics and minimize the environmental impact of logistics activities to ensure sustainable growth.

To give impetus to green logistics, the State shall undertake environmentally friendly initiatives. This includes:

- The State shall promote adoption of sustainable design standards to development of logistics infrastructure such as warehouses, road and rail terminals, airports and seaports, multi-modal terminal and other superstructures inside logistics facilities. These will also include wastewater recycling, adoption of alternative energy options, use of energy and waste management systems etc.

- The State shall encourage use of electric vehicles and non-motorized vehicles as well as vehicles using alternative fuels such as CNG, Hydrogen CNG, LNG, ethanol etc.

- The State shall build mechanism for rating, rewards and recognition to encourage adoption of eco-friendly practices.

7.2.3. Digital Transformation

Digitalisation is the cause of large-scale sweeping changes and technological innovations in all the prominent sectors and, logistics & warehousing are no exception to this trend. The role of technology has gradually shifted from being a driver of marginal efficiency to fundamental innovation and disruption. There are multiple challenges that the industry is currently facing such as changing customer expectations, outdated regulations and compliances, cultural transformation, access to right skills etc. and the use of right technology can help in overcoming these challenges. This policy encourages use of new technologies to improve the efficiency of the sectors.

- The State shall encourage use of robotics and automation in cargo transportation, de-congesting cargo traffic and material handling.

- The State shall encourage use of blockchain technology for exchange of information and documentation as well as transaction in a secured manner.

- The State shall encourage use of augmented intelligence tools for demand planning, route and operations planning etc.

- The State shall also undertake measures to incubate and promote start-up ecosystem in collaboration with industry/academia to accelerate digital innovation. It shall also undertake measures to incentivize technical patent registration by technology providers, start-ups etc.

7.2.4. Building Resilience for Crisis Management and Fostering Innovation

The recent pandemic has underscored the importance of building effective and robust supply chains across sectors and the importance of crisis management for logistics sectors. The policy aims to build resilience in logistics supply chain to withstand such disasters. Also, the demand for today and future is to develop end to end logistics solutions, which encompasses integrated infrastructure/ assets, services and digital platforms.

- The State shall also identify strategic logistics assets and facilitate in upgrading them to meet quality standards in terms of their design, construction, and quality.
- The State shall encourage to develop a network of Centres of Excellence for innovative solutions/emerging areas in partnership with industry/ academia.
- The State shall promote a Start-up ecosystem in collaboration with industry/ academia to accelerate digital innovation.
- The State shall form a coordination group to facilitate the movement of commodities and address logistics bottlenecks in emergency situations.
- The State shall establish a framework for resiliency plans for the logistics network wherein logistics support shall be extended to other Ministries/ Departments for better management of relief and rehabilitation during a crisis or a disaster.
- The State shall identify and designate specific logistics hubs as disaster support cells.
- The State shall also review the need to develop a dedicated scheme for financial support to small fleet owners in times of extended disruptions, which would not only foresee their financial stability, but also their health and well-being.

7.3. Skill Development

7.3.1. Driver Empowerment and Employability

The concern for upliftment of truck drivers has been gaining momentum considering that the trucking industry is witnessing a shortage of drivers to the tune of 28-30%[10]. This is primarily because of reasons such as lack of basic amenities, lack of financial & digital literacy, absence of social welfare framework hence resulting in the profession being less lucrative. The lack of standardisation in remuneration in the trucking industry has also led to different freight companies offering different pay for the same routes. The ecosystem also lacks options for truck drivers and transporters for resting during transit. The most common establishment would be roadside dhabas with abysmal sanitation facilities. The industry lacks proper standards and regulations and does not ensure satisfying working conditions for truck drivers.

Considering the importance of well-being of the truck and freight drivers, the State shall develop a Driver Empowerment and Employability Programme which will cater to 4 major components such as **Training & Skill Upgradation, Wayside Amenities, Social Security & Empowerment and Digital Ease & Efficiency**. The initiatives under these components will include:

- The State shall promote the creation of Trucker Parks to ensure safe driving environment for all drivers. These bays will be created along all major highways which will provide facilities such as resting places, amenities for food, hygiene, parking, and repairs.
- The State shall develop a detailed plan to train truck drivers on issues such as road safety, financial literacy and facilitation, and digital literacy.
- The State shall endeavour to provide affordable and accessible healthcare to all drivers and explore tie-ups with medical and insurance industries.
- The State shall devise a concerted institutional mechanism for enrolment of truck drivers into welfare schemes.
- All regulatory clearances pertaining to Trucker Parks shall be provided through Single Window (Business First Portal).

7.3.2. Training and Skilling of Logistics Service Providers

The logistics sector promises a great employment potential across various operations. It is pertinent to have a skilled workforce for efficient and standardised operations throughout the sector. A skilled workforce will support the industry to reach its potential. This will further strengthen the employability and will act as a facilitator for an improved plug-and-play like setup. A skilled workforce will also ensure optimum delivery for the investor/ manufacturer.

- The State shall review multiple skilling options across different skill levels and functions and develop courses to offer curriculum for skilled and semi-skilled functions of logistics such as drivers, loaders, warehouse personnel, logistics specialists etc.
- The State shall encourage partnerships with academic and training institutions like colleges, polytechnics, ITIs etc. Steps will be taken to introduce subjects on logistics and supply chain

[10] First National Conference on Logistics with the States and UTs

across different stages of education and it be encouraged that the subjects are inculcated into mainstream curriculum at school, graduate and post graduate level.

- Collaboration at State level through Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Deen Dayal Upadhyay Grameen Kaushal Vikas Yojana (DDU-GKY), State Skill Missions and with specific sector skill councils will done with an aim to develop a mainstream logistics training system.

- Continuing professional education shall be promoted which shall also include Certified Logistics Professional (CLP) Scheme.

- Proper skilling mechanisms shall be developed to improve the quality of education and skilling, which in turn shall be focused on better workforce safety.

- The State shall take steps to improve occupational health and safety and shall promote best practices to achieve this.

- Punjab has been foremost to ensure gender inclusiveness; this shall be continued by reviewing existing policies and guidelines with an objective of increasing the participation of women in the logistics sector. The State shall further take special initiatives to train women in the logistics domain (for example – material handling equipment operators which includes forklifts, cranes etc.)

- The State shall set up programmes to skill workers for specialised cargo services.

- The State will work on developing a comprehensive framework to address and implement skilling programmes throughout the logistics value chain.

7.4. Policy and Regulatory Framework

The Government of Punjab has been working diligently in the direction to make Punjab an investor-friendly State. To encourage greater investments the State has already started with great initiatives such as a single window – Business First portal along with proactive steps such as auto-renewal and deemed approvals. The State will continue its work in this direction to continue its path for making systems more investor friendly and easy to access. This will be done by adopting digital tools along with process improvements to cater to the needs of the investors.

- The State shall work towards providing an integrated approval for setting up units in the logistics sector.

- The State shall review the structure of clearance and procedure in the logistics sector and will rationalise them for the ease of investors. Special measures shall be taken to ease the process of Change in Land Use (CLU) procedure

- The approval and clearances for logistics related activities such as transportation and warehousing shall be assessed and adequately mapped, and efforts will be made to make the approval process easier and faster for the applicants. Necessary efforts shall be taken for timeline rationalisation.

- Building on the existing 24 - hour shift format, a flexible operating schedule based on a 24x7 format shall be planned for logistic parks and freight smart cities.

- Companies employing women staff in night shifts shall come out with specific policy regarding safety measures put in place to ensure the safety of their women employees in 24x7 shift

- First mile and last mile connectivity issues shall be studied, and the State shall undertake demand analysis to examine the flow of logistics throughout the supply chain. Based on empirical analysis, infrastructure development, skilling and technology shall be integrated as a part of this policy.

8. Fiscal Incentives

It is the State's endeavour to create a welcoming environment for investors and in order to pitch Punjab as an attractive destination for investors, the Government will implement fiscal incentives. Logistics has been identified as an eligible service enterprise (for MSME and Large categories) for Fiscal Incentives. Logistics is also one of the thrust sectors keeping in view its potential for future growth in the State and towards generation of employment.

The State had envisaged Logistics Sector as a thrust sector and for the State shall continue to provide the following incentives:

- Investment subsidy by way of reimbursement of 100% net SGST on intra-state sales for 10 years with a cap of 125% FCI.
- 100% exemption from Electricity Duty for 10 years
- 100% exemption/ reimbursement from Stamp Duty on purchase or lease of land and building
- 100% exemption from CLU/ EDC
- 100% exemption from property tax for 10 years

The benefits of this policy will also be extended to the existing units which would make at least 50% additional investment in fixed assets of the original Fixed Capital Investment (FCI).

Note 1: Any exemptions/ incentives/ reimbursements mentioned in the policy shall only be extended to services pertaining to logistics.

Note 2: Details of incentives mentioned in the policy will be as given and processed as per Industrial and Business Development Policy, 2017 which may be extended by the State or any subsequent policy that may supersede/ follow.

8.1 MMLPs/ Logistics Units in Logistics Parks

First 3 MMLPs/ units in logistics parks approved by the State will be treated as anchor units with the following fulfilment criteria:

Sector	Minimum FCI (Rs in crore)	Or Minimum Direct employment generation
MMLP/ Logistics Units in Logistics Park	100	250

The State will give the following special incentives to the Anchor Units apart from other fiscal and non-fiscal incentives, which the unit may be entitled to.

SN	Nature of incentive	Extent of incentive
1	Investment subsidy by way of reimbursement of net SGST	100% reimbursement of net SGST for a period of 15 years subject to 200% of FCI in place of investment subsidy specified above
2	Exemption from CLU/ EDC	100% exemption from CLU/ EDC charges (except for commercial activities)
3	Employment Generation subsidy	Employment Generation subsidy @ Rs. 36,000 per employee per year for a maximum period of 5 years and @ Rs. 48,000 per employee per year for a maximum period of 5 years for women and SC/BC/OBC employee provided that the employee must be certified by a Government or Government authorised agency.
4	Exemption from Electricity Duty	100% Exemption for 15 years for all new units from the date of release of electricity connection.

8.2 Logistics Parks

Logistics Parks with minimum area of 25 acres shall be allowed with a total investment of at least INR 25 crore. A minimum of 85% of the total area shall be used for providing logistics services and within this 20% shall be permitted for industrial activities. 10% of the total remaining area shall be allowed for residential purposes. For commercial activities, up to 5% of the total area shall be allowed. No CLU or EDC shall be levied on logistics services, industrial and EWC residential components of Logistics Parks.

8.3 Trucker Parks/ Wayside Amenities

The Government shall facilitate the development of Trucker Parks/ Wayside amenities with a minimum area of 10 acres, located along/ at a distance of up to 2 kms on either side of National/ State Highways.

The development of such Trucker Parks/ Wayside amenities shall be provided with the following incentives:

- 100% exemption from CLU/ EDC
- 100% exemption/ reimbursement of Stamp duty

The State permits Multi Modal Logistics Parks/ Logistics Parks to develop truck terminals on the minimum 15% spare land already allocated for parking.

The key components for Trucker Parks/ Wayside amenities shall be as follows:

S. No.	Facility	Origin / Destination Model	Transit Model
1	Idle Truck parking space (at approx. 80 sqft/ truck)	5-10%	>60%
2	Motel and commercial activities (restaurant & retail shops, repair and service station) – excluding fuel pump	5%	2-3%
3	Other allied activities: Transport operators office, bulk breaking yard, Cross Docking, Weigh Bridge, medical facility, fuel station, ATMs etc	As per requirement	As per requirement
Note: Commercial activities (excluding fuel pump) shall be restricted to 5% of the total area for the Trucker Park/ Wayside amenity subject to prevailing CLU/EDC levies. The Charges LF/PF, SIF etc. along with norms & Building Rules shall be applicable on other components in idle truck parking like Motel and Commercial Activities (restaurant & retail shops, fuel pump, repair and service station).			

8.4 Specialised Commercial Vehicle Fleets

Incentives to Commercial Electric Vehicles for logistics (vehicles carrying goods) shall be as per the Punjab Electric Vehicle Policy.

Further, there will be a 50% waiver of motor vehicle tax for 1st 1,000 non-EV Refrigerated vehicles (Reefer vehicles) intended to carry perishable goods.

8.5 Specialised Warehouses in Border Districts

Warehouses in border districts except the ones handling unprocessed and/ or non-packaged and / or non-value added food grains or commodities shall be 100% exempt from CLU/ EDC charges. The required road width for warehouse shall be 80 feet with minimum plot area of 1 hectare.

9. Non-Fiscal Incentives

The State would provide non-fiscal incentives as well to support the growth of existing logistics services and to attract new investments.

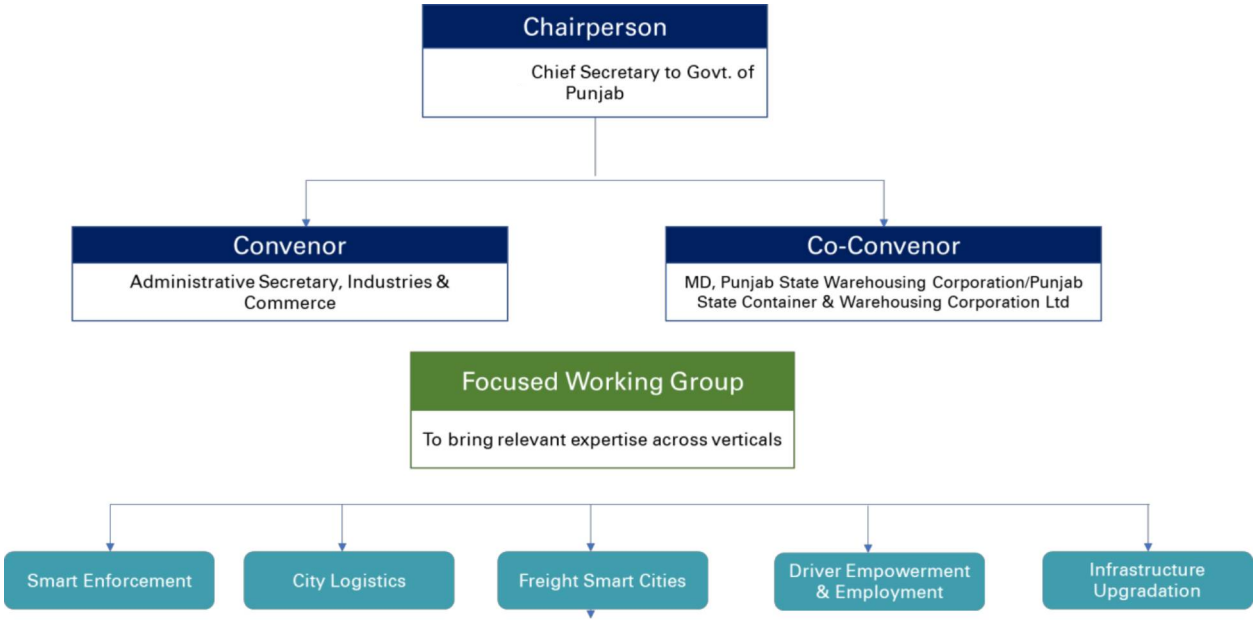
Sr. No.	Incentive	Description
1.	Setting up a fast-track mechanism for approval of logistics/ warehousing infrastructure aided by a single-window approach	The State shall streamline the existing single window clearance system for Logistics Sector approvals for better facilitation and transparency.
2.	Design a single integrated approval system for setting up units in the logistics sector.	The State shall evaluate and develop a single integrated approval mechanism for setting up units in the logistics sector through a common application form.
3.	Reservation of designated land area logistics and warehousing.	The State shall earmark at least 10%, or 10 acres, whichever is less, of the land area in all upcoming industrial parks for dedicated logistics and warehousing activities.
4.	The State shall adhere to stipulated timelines for time-bound delivery of services	Punjab Transparency and Accountability in Delivery of Public Service Act, 2018 is already notified and the existing timelines shall be applicable.
5.	For Logistics MSMEs	Punjab Right to Business Act, 2020 is already notified and the existing timelines for delivery of services shall be applicable for Logistics MSMEs.
6.	Modernisation of transport nagars	The State may lease out the existing transport centre/ nagars/ zones in PPP mode for the augmentation of existing infrastructure while encouraging a self-sustaining revenue model.
7.	Increased functioning hours	Logistics and warehousing facilities including operations of ecommerce ecosystem shall be allowed to operate 24x7 to offer better last mile connectivity.

10. Institutional Mechanism

A. State Logistics Coordination Committee (SLCC)

The Government of Punjab has constituted a State Logistics Coordination Committee under the chairmanship of Chief Secretary, Punjab for the overall development of logistics sector in the State of Punjab. The SLCC has representatives from all major State Departments.

A State Level Coordination Committee has been formed to create a conducive and favourable logistics ecosystem.



B. Working Groups for Integrated Development of Logistics Sector

The Working Group will consist of members who have expertise in logistics, warehousing, and other user sectors. These groups will primarily be responsible for recommending measures to improve the entire ecosystem in the State. Keeping in line with the Draft National Logistics Policy, the State shall form the following 6 working groups under SLCC:

1. Smart Enforcement
2. City Logistics / Freight Smart Cities
3. Warehousing
4. Driver Empowerment and Employment
5. Infrastructure Upgradation

C. State Logistics Cell (SLC)

The Government of Punjab has also constituted a State Logistics Cell under the chairmanship of Administrative Secretary, Industries & Commerce, Punjab for overall development of logistics sector in the State of Punjab

D. City Logistics Committee (CLC)

A State level City Logistics Committee (CLC) is constituted under the Chairmanship of Deputy Commissioner of the respective district for integrating city logistics development as per National Logistics Policy so that the State may play an important role in advising, planning, stakeholder coordination and progress assessment etc. The cities of Amritsar and Ludhiana will be considered for implementation of city logistics initiatives, involving municipal corporations, district authorities etc., with the prime objective to improve urban freight efficiency and ease cargo movement and reduce bottlenecks.

E. Dedicated Agency for development of logistics ecosystem and implementation of Gati Shakti

The Department of Industries and Commerce will handle the work related to the growth and development of the logistics sector in the State. The State has set up a dedicated **Logistics Cell** manned by personnel of appropriate qualification which shall be responsible for attracting investors and for framing and executing the broad strategy for logistics development in the State.

- Further the State shall create an Institutional setup in-line with the framework outlined at the Central level. **The State Level Institutional Framework (SLIF)** shall also be responsible for providing adequate support for the coordination and implementation of PM GatiShakti programme to speed up India's infrastructure mission in the State.

  A three-tiered State Level Institutional Framework is set up as under:

  - **State Empowered Group of Secretaries (EGoS)**

    In pursuance of PM GatiShakti NMP, State Empowered Group of Secretaries (State-EGoS) has been constituted under the chairmanship of State Chief Secretary for achieving the objectives set forth under PM GatiShakti NMP.

  - **State Network Planning Group (NPG)**

    In pursuance of the launch of PM GatiShakti NMP, the existing State Logistics Cell (SLC) constituted under the chairmanship of Administrative Secretary, Industries & Commerce, shall also act as State Network Planning Group (NPG) under the State Level Institutional Framework (SLIF) of PM GatiShakti.

  - **State Technical Support Unit (State-TSU)**

    State Technical Support Unit (State-TSU) has been constituted under the supervision of Secretary-cum-Director (Department of Industries & Commerce) for achieving the objectives set forth under PM GatiShakti National Master Plan along with the development of logistics ecosystem.



Disclaimer

Though all efforts have been made to ensure the accuracy of the content of this policy, the Government of Punjab does not assume any legal liability, whether direct or indirect or responsibility for the accuracy, completeness or usefulness of this information.

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