

Union Minister of Commerce and Industry, Shri Piyush Goyal launches report on Assessment of Logistics Cost in India, strengthening data-driven logistics planning

Decade of Make in India: Government unveils comprehensive logistics cost assessment to boost competitiveness

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On the occasion of celebrations marking a decade of “Make in India,” the Union Minister of Commerce and Industry, Shri Piyush Goyal, today in New Delhi launched the report on Assessment of Logistics Cost in India. For the first time, India will have a comprehensive and scientifically derived estimate of logistics costs, using a hybrid methodology that combines secondary data with nationwide surveys. This initiative follows the mandate of the National Logistics Policy (2022) to establish a uniform framework for measuring logistics costs and benchmarking them against global practices.

Shri Goyal highlighted that the Government has undertaken multiple initiatives to make logistics more competitive and reduce the cost of doing business in India. He noted that studies and reports prepared by the Industry and Commerce Departments are helping identify key issues in logistics costs. Efforts such as mapping each Harmonized System of Nomenclature (HSN) code to the respective line ministry streamline coordination and strengthen India’s position in free trade agreement (FTA) negotiations. He further emphasized that the creation of a logistics data bank, the implementation of integrated state and city logistics plans under the SMILE programme in collaboration with ADB, and infrastructure projects spearheaded by NICDC and other agencies aim to assess available facilities, improve transport and connectivity, and reduce inefficiencies. These measures, along with reforms such as GST implementation and rationalization, are central to ongoing efforts to reduce logistics costs, enhance ease of doing business, and boost competitiveness.

Until now, logistics costs in India were often misrepresented, with commonly cited figures of 13–14% of GDP derived from external studies or partial datasets. This led to inconsistent estimates, causing confusion among policymakers and global stakeholders. As per the current assessment prepared by NCAER for DPIIT, logistics costs in India are estimated at about 7.97% of total GDP.

The report provides a comprehensive framework by capturing logistics costs across different transport modes, product categories, and firm sizes. It also presents estimates of freight cost per tonne-kilometre and highlights the role of multi-modality in enhancing efficiency. By providing evidence-based guidance, the study strengthens India’s efforts to improve competitiveness and supports the broader vision of positioning the country as a global logistics hub.

Estimates for the previous five years show that the growth rate of logistics costs is gradually slowing compared with the pace of growth in non-services output. This improvement can be attributed to initiatives such as the PM GatiShakti National Master Plan, Dedicated Freight Corridors, Bharatmala Pariyojana, Sagarmala Project, Integrated Check Posts, development of the Unified Logistics Interface Platform (ULIP), and the Logistics Efficiency Enhancement Programme (LEAP), among others.

Release of Report of "Assessment of Logistics Cost in India":

https://drive.google.com/file/d/1w2Pyd2rzCiJ_GZijUxHZmoPuKdSqzgPc/view?usp=drive_link

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