

India's First Multi-Modal Logistics Park

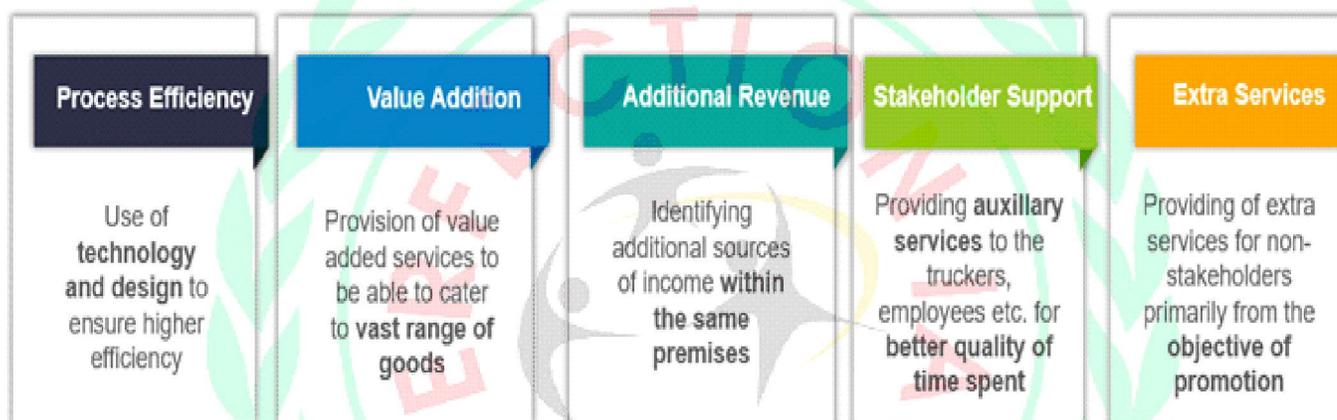
Why in News?

Reliance Industries Ltd (RIL) has been awarded the project to build India's first multimodal logistics park (MMLP) near Chennai, Tamil Nadu.

Background

- The MoRTH and the National Highways Authority of India (NHAI) are planning to establish a total of 35 MMLPs across the country over the next few years.
- Under the National Logistics Policy (NLP) and PM-Gati Shakti, the government wants to bring down logistics costs to under 10 per cent of the GDP in a bid to make exports competitive and supply chains more efficient.
- India's logistics cost is 14% approximately. In developed economies such as the US, logistics cost accounts for only 8%– 10% of GDP.

About Multi-Modal Logistics Parks (MMLPs)



- A MMLP is an inter-modal freight-handling establishment comprising warehouses, dedicated cold chain facilities, freight or container terminals and bulk cargo terminals eases and optimizes merchandise movement via road, rail, waterway and air, consequently, rationalizes the cost of logistics and improves the competitiveness of logistics.
- **Characteristics of modern MMLPs:**
- **Hub & Spoke Model:** Developed under a 'Hub & Spoke' model, the MMLP will integrate multiple modes of freight transport through highways, railways & inland waterways.
- **Advantages of MMLPs:**
 - **Improve efficiency of logistics sector:** MMLPs aim to improve India's freight logistics sector by lowering overall freight costs and time, reducing warehousing costs, improving the tracking of consignments and more.
 - **Reduction in carbon emissions:** Freight movement by rail has 65 per cent lower CO2 emissions compared to road freight on a per tonne per kilometre basis. With India targeting 45 per cent reduction in carbon intensity by 2030, MMLPs will go a long way in reducing freight pollution.

Logistics Speedway

RIL expected to spend ₹783 cr in Ph I of Chennai MMLP

Bids awarded on minimum guaranteed revenue share

15 MMLPs to be awarded in 3 years under PM Gati Shakti

Foreign players showing interest in new MMLP bids

MMLPs to cut transit costs of goods

- **Reduced congestion:** Increased freight movement on higher-sized trucks and rail will lead to a **20 per cent reduction in freight vehicles** catering to the demands.

About PM Gati Shakti National Master Plan (PMGS-NMP):

- **Launch:** It was launched in **October 2021** for providing **multimodal connectivity** infrastructure to various economic zones.
- **Seven Engines:** The scope of PMGS-NMP will encompass the **7 engines for economic transformation**, seamless multimodal connectivity and logistics efficiency namely: **Railways, Roads, Ports, Waterways, Airports, Mass Transport, and Logistics Infrastructure.**
- **The Vision of PM Gati Shakti:**
 - It will incorporate the infrastructure schemes of various Ministries and State Governments like **Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc.**
 - **Economic Zones** like textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, agri zones will be covered to improve connectivity & **make Indian businesses more competitive.**
 - It will also **leverage technology extensively** including spatial planning tools with **ISRO imagery** developed by **BiSAG-N** (Bhaskaracharya National Institute for Space Applications and Geo-informatics).
- **Gati Shakti** — a **digital platform** — will bring **16 Ministries** including Railways and Roadways together for **integrated planning and coordinated implementation** of infrastructure connectivity projects.

