



Ministry of Finance

Logistics Sector granted Infrastructure Status

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The Logistics Sector has been granted Infrastructure status. The need for integrated Logistics sector development has been felt for quite some time in view of the fact that the logistics cost in India is very high compared to developed countries. High logistics cost reduces the competitiveness of Indian goods both in domestic as well as export market. Development of logistics would give a boost to both domestic and external demand thereby encouraging manufacturing and 'job creation'. This will in turn be instrumental in improving country's GDP.

The inclusion of "Logistics Sector" in the Harmonized Master List of Infrastructure Sub-sectors was considered in the 14th Institutional Mechanism (IM) Meeting held on 10th November, 2017. It was recommended by the Institutional Mechanism and subsequently approved by the Union Finance Minister, Shri Arun Jaitley. "Logistics Infrastructure" is included by insertion of a new item in the renamed category of 'Transport and Logistics', with a footnote stating that "Logistics Infrastructure" means and includes Multi-modal Logistics Park comprising Inland Container Depot (ICD) with minimum investment of Rs. 50 crore and minimum area of 10 acre, Cold Chain Facility with minimum investment of Rs.15 crore and minimum area of 20,000 sq. ft, and/or Warehousing Facility with investment of minimum Rs. 25 crore and minimum area of 1 lakh sq ft.

It will enable the Logistics Sector to avail infrastructure lending at easier terms with enhanced limits, access to larger amounts of funds as External Commercial Borrowings (ECB), access to longer tenor funds from insurance companies and pension funds and be eligible to borrow from India Infrastructure Financing Company Limited (IIFCL).

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