

Gujarat Logistics and Logistics Park Policy 2021

Relevant for Mahindra Logistics

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Introduction

With expectations to enhance Gujarat's industrial competitiveness manifold and create employment opportunities for the youth, the Gujarat Logistics and Logistics Park policy 2021 policy focuses on integrated logistics development and cover the entire value chain.

The policy is aligned with the draft National Logistics policy which focuses on driving the country's economic and trade competitiveness through integrated, seamless, efficient, reliable and cost-effective logistics network by leveraging technology, innovation and skill enhancement.

Objective

The Policy aims at strengthening entire value chain to increase state's competitiveness in industrial sector and create job opportunities

Salient Features:

- Nearly 560 kms of the Dedicated Freight Corridor (DFC) is passing through Gujarat, along which freight logistics parks have been planned to enhance rail-based traffic. The expected investment in this project in Gujarat alone is about INR 7,000 crore.
- The Ahmedabad Dholera Expressway, connecting Dholera Special Investment Region (SIR) and proposed Dholera International Airport with Ahmedabad is 110-kilometre long and six-lane expressway is also under construction.
- Around 7 rail connectivity projects have been proposed for providing connectivity to industrial areas such as rail line connectivity to Hazira port and industries in the Hazira area to DFC.
- The policy seeks to provide a capital subsidy to the tune of 25% of the eligible fixed capital investment (EFICI) for construction of new logistics facilities and development & mechanization of new jetties with a cap of Rs. 15 crore.
- Interest subsidy at 7% for 7 years on eligible loan term will be extended with a cap of Rs. 50 lakh per annum. To bring down the capital cost, the government will also reimburse 100% stamp duty for one time.
- A reimbursement of 70 percent of amount spent on research will be given as an incentive for patent assistance.

- For new projects and units, electricity duty will be fully exempted for five years.
- 50 percent of the amount spent on quality certification from national as well as international certification entities will be provided.
- Similarly, a 50 percent reimbursement of amount spent on technology assistance will be provided as per the policy.
- For skill enhancement and improve the employability of our youth, up to Rs. 15,000 per trainee for more than 120 hours of training will be reimbursed. In case of women trainees, 100% fees will be reimbursed with the intention of increasing their participation in this sector. Other assistance related to quality certification, patent, R&D will also be provided under this policy.
- To improve the quality of services and benefit the end user immensely, specific support will be given to private companies to adopt disruptive technologies to increase their efficiency and visibility across the value chain including improved tracking of cargo.

Impact

- The policy has been made keeping in line with the changes that have occurred in the global supply chain during the last year, where the outbreak of the pandemic adversely affected operations.
- Gujarat has secured the first spot in the Logistics Ease Across Different States (LEADS) Index of the central government and with this new policy in place, the state will set a new benchmark in the logistics sector.

Way Forward

A state-wide logistics masterplan will be developed as part of this policy which will study the utilization of the existing infrastructure and accordingly identify strategic locations for new projects across the state.