



CHARTING INDIA'S LOGISTICS LEAP

Building a future-ready supply chain for a \$7-trillion economy.

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THE LOGISTICS sector will play an outsized role in fulfilling India's vision to become a \$7-trillion economy by 2030. Often termed a key enabler of economic growth, logistics is more than the movement of goods. A robust logistics and supply chain ecosystem—comprising transportation, warehousing, inventory management, and packaging—fuels industrial productivity, boosts trade competitiveness, and builds investment attractiveness.

Over the past decade, the sector has steadily transformed due to policy reforms, infrastructure upgrades, and technology adoption. From 54 in 2014, India rose to 38th among 139 countries in the World Bank's 2023 Logistics Performance Index. In the International Shipments category, India surged from 44 in 2019 to 22 in 2023. In shipment timeliness, the country jumped from 52 in 2018 to 35 in 2023.

As a result, manufacturing, retail, agriculture, and e-commerce sectors have developed crucial supply chains and market linkages across geographies, banking on logistics services. Although logistics has become vital, significant ground remains to be covered as the country sets its sights on meeting economic goals, making its presence felt as a global manufacturing and trade hub, or strengthening its position as a global logistics hub.

Several improvements have stemmed from focussed efforts to reduce port dwell times, streamline cargo processing, and modernise infrastructure. Turnaround times at major ports halved from 94 hours in FY14 to 48.06 hours in FY24. Since FY15, berth-day output and cargo handling capacity have increased by 52% and 87%, respectively. Major ports are clocking double-digit annual growth, showcasing India's growing role in global trade.

On the domestic front, 3PL (third-party logistics) and express delivery services are redefining customisation to capitalise on the demand-side dynamics. From providing integrated, multimodal solutions to deploying digital technologies for real-time tracking, warehousing automation and data-driven decision-making, they are helping industries reimagine supply chain efficiency.

Building the backbone
Government programmes such as

Sagarmala (for maritime), Bharatmala (for road), and PM Gati Shakti—for integrated multimodal connectivity using geospatial tools—are creating a more unified national logistics framework. These efforts, along with investments in freight corridors and logistics parks, will be key to reducing bottlenecks.

The upcoming National Manufacturing Mission, part of the Make in India push, will rely heavily on strong logistics networks. For export-led growth, industrial clusters need seamless connectivity to ports, airports, and markets via robust road, rail, and last-mile links. Hence, bridging connectivity gaps is vital.

In addition, concerted efforts and a strategic push are required to build a vibrant shipbuilding industry in line with Maritime India Vision, 2030, and Maritime Amrit Kaal Vision, 2047, not only to enhance India's global shipbuilding ranking, but also to boost the share of India-flag tonnage. A domestic shipbuilding industry will help the country build self-reliance in maritime trade.

A reality check
Despite progress, structural challenges hinder the sector's full potential. Logistics costs in India remain far above the global average of 8%, undercutting price competitiveness.

This is mainly due to wastages from inadequate storage and a lopsided freight modal mix. Nearly 66% of



goods move by road, raising costs, emissions, and congestion. A more balanced use of coastal shipping, inland waterways, and rail is essential for cost and sustainability gains.

Supply chains remain somewhat fragmented. Lack of standardisation, poor interoperability, and limited digital integration result in delays, empty miles, and high operating costs.

Policy as a catalyst

To address these gaps, the government launched the National Logistics Policy (NLP) in 2022, aiming to bring logistics costs to global benchmarks by 2030.

The Budget 2025 proposed opening Gati Shakti data to private players to encourage public-private partnerships. Union minister Sarbananda Sonowal recently announced a \$20-billion commitment to boost multimodal logistics and port connectivity, underscoring the government's focus.

The way forward

India's logistics growth must rest on three pillars—infrastructure, innovation, and forward-looking policy.

The government's capex and PPP investments should focus on enhancing connectivity between production hubs and consumption centres

through integrated logistics parks and freight corridors. Inland water transport, coastal shipping, and rail freight must be promoted to reduce road dependency and decrease carbon emissions.

Technology adoption also needs a push. AI-based analytics, warehouse automation, blockchain, and real-time tracking can improve transparency and turnaround time. Sustainability should be integrated by adopting EVs, renewable energy, and green warehousing.

Emerging technologies like large language models (LLMs), agentic AI, robotic process automation (RPA), and knowledge graphs are automating tasks, improving forecasting, and enabling smarter route optimisation to reduce costs and emissions.

Digitisation is not just operationally efficient but also aligned with national goals. It contributes to Sustainable Development Goals (SDGs) by improving service delivery and supporting India's 2070 net-zero emissions target. But as digital adoption rises, cybersecurity will be critical to maintain system resilience.

A skilled workforce is the final piece. Bridging talent gaps across operations, management, and leadership requires scaled-up skilling programmes and collaboration between industry and academia.

Regulatory simplification is also key. Single-window clearance systems and consistent policy implementation can widen the sector's growth potential.

The growth multiplier

India's logistics sector stands at a turning point. With the right blend of infrastructure, technology, talent, and policy support, it can become a powerful engine driving the economy toward the \$7-trillion mark. To get there, India must build a logistics ecosystem that is efficient, resilient, sustainable, and inclusive. ■

(Views are personal)