

The Bihar Logistic Policy

Section 3 - Need for the Policy The Government of Bihar realizes that to achieve the vision of sustainable industrialization in the

the implementation of the National Waterways Act, 2016 seven rivers of Bihar have been declared National Inland Waterways. Amongst these 7 National Waterways (NW), NW 1 (Allahabad-Haldia) is already operational with a fixed Jetty at Patna and Floating Terminals at Bateswarthan, Bhagalpur, Munger, Barh, Saran and Buxar. The rapid industrialization in Bihar has also created a higher demand for more sophisticated logistics infrastructure. With the introduction of GST, India has become a unified market, and Bihar has immense potential to emerge as a manufacturing and warehousing hub of the nation given its locational advantage. The current storage and warehousing capacity in the State is not sufficient to meet the rising storage demand. Therefore, expanding the storage capacity in the state shall be further emphasized through this policy. Through this policy, the Government of Bihar envisages attracting investments in the following categories but not limited to: (i) Warehousing, Cold storage and associated infrastructure (ii) Technological solutions in real-time logistics, upgrading supply chain management and process improvement (iii) Robotics & Automation technologies in the warehousing and logistics sector (iv) Skill development and training This policy takes ahead the vision and objectives of the states Industrial Investment Promotion Policy 2016 (BIIPP 2016) and further provides strategic direction for the development of the warehousing and logistics sector in the state over the next 5 years.

4, Objective a) Promoting private investments in setting up logistics facilities in the state for further streamlining the forward and backward linkages b) Upgrading and improving the existing warehousing and logistics infrastructure to boost economic activities and generate mass employment opportunities c) Enhancing the warehousing capacity to promote the interests of both primary and secondary sectors d) Promoting green and innovative practices to develop a competitive logistics infrastructure in the State

5: Policy Framework

5.1 Infrastructure status of the logistics sector Given the importance of the sector, the Government of India has included Logistics Infrastructure as a new item in the renamed category of Transport and Logistics. Accordingly, under this policy, multi-modal logistics parks and Logistics Park comprising of Inland Container Depot (ICD), cold chain facility, and warehousing facility as defined under this policy have been granted infrastructure status. This shall enable the logistics sector to avail of 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 shall be eligible to borrow from India Infrastructure Financing Company Limited (IIFCL). The Government of Bihar shall complement the Government of Indias vision in developing the logistics industry through this policy.

5.2 High priority status to the Logistics Sector The logistics sector in the state comprising Logistics Units, Logistics Park and Multi-Modal Logistics Park satisfying the conditions laid out in this policy will be granted high priority status in the state.

5.3 Dedicated agency for the development of logistics The State intends to set up a dedicated logistics division headed by an officer, not below the rank of Director under the Department of Industries, Government of Bihar. The logistics division shall ensure better coordination between various departments including Civil Aviation, Transport, Power, Food & Agriculture, and other related departments in setting up logistics infrastructure in the state.

5A Development of Green Channel for EXIM Cargo The State shall identify green channels (with less inspection during transit) to prevent delays for vehicles carrying export-import cargo. Further, the Government of Bihar envisages the development of comprehensive transport zones in all major cities, including truck terminals near major national and state highways, expressways, investment zones and Industrial corridors. These comprehensive transport zones and terminals shall have common facilities for goods vehicles such as lay-byes, workshops, canteens, rest-houses, etc.

5.5 Logistics Zones With the operationalization of certain sections of the Eastern Dedicated Freight Corridor, the Government of Bihar shall lay special emphasis on developing the regions lying in its periphery as Dedicated Logistics Zone (DLZ). The Government of Bihar shall identify and declare such logistics zones from time to time. The State envisages providing seamless connectivity, excellent social and physical

infrastructure, 24X7 water-power availability, and other required facilities in these zones. The private logistics parks as defined under this policy shall be facilitated by the Government in obtaining peripheral external link infrastructure such as roads, facilities for uninterrupted water and power supply including substations, etc.

5.6 Identification of logistics infrastructure requirement In order to assess the requirement of additional logistics zones, as mentioned above and related facilities, particularly along the Eastern Dedicated Freight Corridor, existing and upcoming expressways, National Waterway-1 and other strategic locations such as Integrated Check Posts (ICP), the Government of Bihar shall commission regular studies and surveys.

5.7 Promotion of Inland Container Depots (ICDs) The Government of Bihar shall focus on establishing and strengthening dry ports and ICD at suitable locations with access to road/rail/waterway corridors, a quality network of 4-lane and 6-lane highways, interlinking roads, etc.

5.8 Quality Storage facilities In order to meet the requirements of the rapidly growing agro and food market and other industries such as pharmaceuticals, electronics manufacturing, etc., the Government of Bihar envisions the promotion and development of quality storage facilities particularly, food storage facilities in rural areas. The storage facilities shall include warehouses, cold storage, coldrooms, and related infrastructure. The State shall encourage private entities to develop these facilities at appropriate locations, as well as improve the existing storage facilities, as per prescribed quality standards.

5.9 Encouraging Public Private Partnership (PPP) The Government of Bihar shall encourage Public Private Partnerships in the construction of modern logistics facilities in the state. In addition, the State shall sponsor the Project for the release of the Viability Gap Fund from the Govt. of India. The government of India now allows FDI in most infrastructure sectors to the extent of 100% and there are immense opportunities for private investment in infrastructure projects. In order to provide financial support for quality project development activities to the States and the Central Ministries, a corpus fund titled India Infrastructure Project Development Fund (IIPDF), with an initial contribution of INR 100 =)-crore is being set up by the Department of Economic Affairs, Ministry of Finance, Government of India.

5.10 Encouraging Innovations and Intelligent Logistics In order to enable access to efficiency-enhancing mechanisms and adopt modern techniques, the State shall encourage the acquisition of state-of-the-art equipment such as larger and well-equipped trucks, higher load capacity railway wagons, etc. The Government of Bihar shall also promote the development of a standardized layout for multimodal transport and logistics hubs to include containers, pallets, cranes, etc. with consistency. Also, the State shall encourage the development of improved supporting infrastructure such as interlinking roads, drive-through weighbridges, etc.

5.11 Promoting Green Logistics The Government of Bihar aims at building an eco-friendly and sustainable logistics system in the State. Green logistics are techniques that aim at minimizing the ecological footprint of logistics activities, including eco-friendly transportation, reducing carbon emissions, solid-liquid waste management, scientific disposal techniques, use of biodegradable items, adopting recycling techniques, promotion of renewable energy, etc.

5.12 Promoting Solar Powered Logistics Park Supporting the cause of clean energy, the Government of Bihar shall encourage private logistics park developers to use non-conventional and renewable sources of energy.

5.13 Training for Logistics With the expansion in the logistics industry, demand for skilled personnel in warehouse management, logistics management, precision heavy vehicle drivers, etc. is rising continuously. Therefore, the Government of Bihar shall introduce the sector-specific course and shall emphasize upgrading the existing training infrastructure as per the needs of the industry.

5.14 Industry status to Logistics Sector Multi-Modal Logistics Park, Logistics Park and Logistics Units satisfying the conditions laid out in this policy will be granted Industry status in the state.

5.15 Creating a favorable perception of the Logistics Industry in Bihar In order to improve the perception of the Logistics Industry in Bihar and to attract more investment and industrial growth, Bihar aims to improve its ranking in the Logistics Ease Across Different States (LEADS) Survey being conducted by the Ministry of Commerce & Industry, Department of Commerce. Following steps shall be taken to improve the ranking of Bihar: a) Earmarking separate fund for the investment fund in the Logistics sector b) Preparing a State logistics Master Plan for 5 years c) Constituting the State Logistics Cell for 5 years d) Constituting the State Logistics Co-ordination committee and City Logistics Co-ordination committee for the implementation of the City Logistics Plan for all identified cities e) Earmarking of land area in various State Industrial Development Areas for the development of logistics infrastructure f) Deemed conversion of Change of Land Use within 30 days of application g) Ensuring that the majority of the terminals in the state have first/last mile connectivity to the National/State highway h) Taking measures to alleviate the bottlenecks and to map the choke points in road freight movement i) Improving state Single Window mechanism for processing of approval for Logistics

facilitiesj) Framing grievance redressal and dispute resolution mechanism for the Logistics sectork)
Undertaking initiatives for enforcement of the Central Motor Vehicle Rule for the restrictionSection 6 - of
protruding cargo

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