



Press Note

ICC asks Priority sector status for Logistics Industry

The Logistics sector in India was growing at a double digit rate, amidst the slowdown, powered by the growth of E-Commerce. Reportedly, when the lockdown was announced Rs 35,000 crore worth of goods was on the road. The movement of non essential goods is still facing challenges in terms of availability of trucks, labour and local level permissions etc. Instead of letting truck drivers be stuck on the road, they should be provided with digital permits visible in their phones.

Container freight stations, inland container depots, warehouses and port terminals, which are all notified as essential services, are getting choked due to slow evacuation of containers and cargo. Moreover quarantining of ships for 2 weeks at high seas with delayed berthing is also adding to the chaos. Given the capital intensive nature of the industry, liquidity and working capital management play an important role in profitability. The standing cost of assets is very high, running into crores of rupees. A simple moratorium of debt service obligations do not help.

ICC seeks the following relief measures for logistics Industry:

- **Request NHAI** to take initiative to start packaged food service for drivers involving NGOs after every 50 kms.
- Complete waiver of EMI obligations for at least 6 months till earnings normalize.
- Treatment of **Logistics sector as Priority Sector** for Lending - sanctioned soft loans & existing loans be rolled over at a lower rate
- Auto renewal of National movement Permits till September 2020.
- A **reduction in GST** for the sector to lower than 12%.
- **Waiver of Revenue share & Lease Rental** payable by PPP operators to Government Partner till September 2020
- **Waiver of Minimum Performance obligations** of Private Operator till September 2020
- A Government sponsored Health Insurance Cover for all the employees of the sector.
- Extension of Construction Period of ongoing PPP projects by 6 months to 1 year. Allowing of GST Input Credit in such projects.

ICC Requests for your favored publication at your Esteemed Newspaper.

Dr. Rajeev Singh, Director General, Indian Chamber of Commerce