

'Infrastructure status: a first step for logistics'

DTDC's Chakraborty says several issues yet to be addressed

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The Centre's decision to assign infrastructure status to the logistics industry is a good first move, but there are several other problems that need to be addressed such as the lack of proper regulatory oversight and the lack of skilling in the sector, according to DTDC Express, a leading courier brand.

The e-waybill system also needs several improvements before it can viably be rolled out across the country, the company said, such as the removal of the need for e-waybills for intra-city or intra-State transport and the modification of the validity of the e-waybills.

"It (infrastructure status) is a positive move by the government and is definitely an acknowledgement that the industry is becoming critical to the success of many other industries and indeed the GDP growth of the country," Abhishek Chakraborty, executive director, DTDC Express, said in an interview. "We see this as the first step, but there is a need for more steps in the near future."

'Highly fragmented'

"The first obvious problem is that generally this is an industry that is not very regulated, which means that it has become a highly fragmented industry," Mr. Chakraborty added. "You have a lot of players from very small to very large operators. So it tends to become a chaotic situation at times because not all players are of the same quality or adhere to the same standards, but yet all of them compete for the same set of customers."

The second problem the



Miles to go: Logistics industry still faces challenges like lack of skilling. ■ GETTYIMAGES/ISTOCK

industry is facing, according to Mr. Chakraborty, is that it employs a large number of blue collar workers but there isn't enough infrastructure to train them. "The government needs to invest from its own side to see how these workers can be better skilled so that they can provide better results for the industry," he said.

Overall, Mr. Chakraborty said the government needs to keep the needs of the logistics sector in mind when it is designing the infrastructure.

"For example, if a national highway is being made, you know that in most cases it will be used by trucks and transport players, so creating proper facilities where truckers can get their supplies is essential," he said. "Even post GST, while there is talk of RFID tags being created, how well is the government going to implement this? There are millions of trucks that ply across the country every day. How do you ensure that every truck is smoothly handled while ensuring compliance is met through these tags?"

The e-waybill system -

timed at tracking the transport of goods worth ₹50,000 or more across the country - is probably one of the most critical and contentious points as far as the GST system is concerned, according to Mr. Chakraborty.

"No wonder that the government had to defer the e-waybill concept (to a nationwide rollout on April 1, 2018)," he said.

"There is a set limit on the validity of the e-waybill according to the length of the trip, exceeding which the e-waybill has to be renewed," Mr. Chakraborty said.

"This is utopian. It's not always the case that distances are covered along that timeline and if, for any reason, there is a bottleneck or problems due to which the material is stuck for some - or like what happened in Delhi, where the local government banned the entry of trucks within the border - then is the transporter penalised, or the customer?"

"There is still more room for improvement to the e-waybill system, but there has to be some pragmatism to it," he added. "Compliance can't come at the cost of crippling trade."