

Safexpress proposes for an 'Industry Status' to Supply Chain & Logistics in upcoming Budget 2009

The Indian economy is striving for improvements in the field of Supply Chain Management & Logistics to gain a competitive edge in today's globalised economy.

New Delhi, Delhi, June 26, 2009 /[India PRwire](#)/ -- **Safexpress**, the 'Knowledge Leader' and the 'Market Leader' in Supply Chain & Logistics has proposed to the Indian Government for providing an ' **Industry Status**' to Supply Chain & Logistics Sector in India

Supply Chain & Logistics Sector has today grown to USD 100 Billion and forms the backbone of Indian Economy. This Sector contributes immensely in the growth and development of the Indian economy. Today, when our economy is undergoing downturn, Supply Chain & Logistics Sector has a pivotal role to play in the swift bouncing back of our economy.

India spends 13 percent of its Gross Domestic Product (GDP) on Supply Chain & Logistics as opposed to the usual practice of 10 percent by other developing nations. The Indian economy is striving for improvements in the field of Supply Chain Management & Logistics to gain a competitive edge in today's globalised economy. The Indian Government must enhance its focus towards the growth of the Supply Chain & Logistics Sector in India by taking some concrete measures.

Discussing about the key challenges faced by the Indian Supply Chain & Logistics Sector, **Mr. Vineet Kanaujia, GM-Marketing, Safexpress** expressed his views by saying, "Inefficient Infrastructure could be the single most critical issue India faces today. Despite impressive economic growth, India's dilapidated roads, congested ports, inadequate power and complex state regulations are impeding development in the Supply Chain & Logistics Sector."

He further added "National Highways form only 2 percent of the entire Road Network in India, but handle over 40 per cent of the national road freight traffic, putting tremendous pressure on the highway infrastructure as well as resulting in severe traffic bottlenecks. On an average a commercial vehicle in India runs at a speed of 20 miles per hour (mph) compared to over 60 mph in the developed markets of USA and Western Europe."

He added, "The present pace of Road Infrastructure development in India is slow vis-à-vis other developing economies. The quality of roads in comparison with China is well below expectations and our poor hinterland connectivity is affecting the trade growth in our country."

Mr. Kanaujia further emphasized on the development of Road Infrastructure by saying "High transactions costs arising from inadequate and inefficient infrastructure can prevent the economy from realizing its full growth potential irrespective of the progress on other fronts. The sooner our Government takes some concrete steps to improve this situation, the better it would be."

Talking about his expectations from the Indian Government in the upcoming budget, Mr. Kanaujia added "Efficient Infrastructure is the key to the growth of the Supply Chain & Logistics Sector in India. We would request the government to increase its thrust on **Infrastructure Development** and to take initiatives for faster development of roads. The Budget for 2009-10 must encourage **Private and FDI inflows** into Infrastructure and must ease regulatory hurdles in order to facilitate building up of world-class infrastructure."

He added, "To sustain growth, India needs significant investment in Infrastructure including Roads, Rails and Ports in order to facilitate quicker and more efficient movement of goods across the country. The Government must take serious steps in this direction on an immediate basis."

Speaking about the other key issues, Mr. Kanaujia added "Our country also has complex Regulatory structures which form a major bottleneck and bring down the on-road time of vehicles substantially. Bulk of the time which a vehicle takes in moving from one location to another is spent idling on the Check posts. Long halts by delivery vehicles are required to complete the formalities and to pay the cross-border fee at the state borders. The

Government must take strong measures to **ease the Regulatory bottlenecks**. Also, **Check posts must be automated** on a war footing throughout the length & breadth of Indian geography. This could result into faster processing of documents and boost the operational efficiencies of Logistics companies.”

He continued, “Multiple Toll points on highways reduce efficiency and increase the delivery lead time. Also, the non-uniformity in toll charges creates irregularities in the cost structure.”

Mr. Kanaujia recommended, “The Government must implement a Centralized Toll Mechanism to bring about uniformity in Toll Charges across different check points. This will help in curtailing the down-time and enhance efficiency by increasing the on-road time of vehicles. Regulatory hurdles like Permits for moving goods to different states and Documentation at various check-posts need to be eased out.”

With respect to the varying tax structures across various states, Mr. Kanaujia added “Clearances from a host of Government bodies takes very long time. Our economy is losing billions of rupees every year, because of state-level entry taxes along with the related cost of fuel and the waiting time at check points. We would request the Government for a **Uniform Tax Structure** across the country to simplify the Government procedures with respect to movement of consignments.”

Speaking about the dearth of skilled professionals in Supply Chain & Logistics Sector, Mr. Kanaujia said, “There is an enormous shortage of skilled manpower in the Supply Chain & Logistics Sector. There is a scarcity of theoretical knowledge as well as practical expertise in this business. This leads to low skill levels that could hinder the growth of this Sector as well as the economy. We request the Government to acknowledge the requirement of skilled manpower for this Sector and to focus on the augmentation of skills by developing Academic Institutes and by introducing specialized courses for Supply Chain & Logistics in leading institutes.”

Mr. Kanaujia concluded by saying, “Our most important recommendation to the Government would be to recognize the Supply Chain & Logistics Sector as a full-fledged Industry. In this Budget the Government must provide an **Industry status to Supply Chain & Logistics**. A regulatory body should be created by the Government to look into the concerns of this Sector.”

“Given the massive contribution this Sector makes in the growth of our economy, it is imperative that it should be provided an Industry status at the earliest. Despite inefficient infrastructure and very tough regulatory environment in India, this Sector has been working round the clock for the last so many years, to ensure that our economy keeps growing. This Sector has still not got its due for the tremendous contribution it has been making in the astounding growth that our economy has shown over the last many years. It is high time that the Government recognized the contribution of this Sector in the economic success of our country.”

“We must remember that a major part of our economy is hugely dependent on the Supply Chain & Logistics Sector. This Sector is one of the Largest Employment providers of our economy. The Sector employs more than 45 million people.”

“For India Inc to grow at the rate of 8-9%, Supply Chain & Logistics Sector will need to contribute the maximum, otherwise growth can't be achieved at those levels. This Sector has far reaching implications on the economy, and going forward it will keep playing a pivotal role in the overall growth and development of our economy.”

Safexpress has firmly entrenched itself as the ‘**Knowledge Leader**’ and ‘Market Leader’ in Supply Chain & Logistics. The company has expanded its reach to 562 destinations all across India through more than 3,500 GPS enabled vehicles. Safexpress provides Express Distribution, Third Party Logistics (3PL) services and Supply Chain Consulting. Pioneered and driven by ‘Logistics Guru’ and CMD, Safexpress, Mr. Pawan Jain, the company has today given a new face to the Indian Supply Chain & Logistics Industry with the implementation of innovative and state-of-the-art services. Growing at a phenomenal rate, Safexpress is the undisputed leader in the Indian Supply chain and Logistics Sector. The company plans to achieve a turnover of Rs. 1000 crores by 2010. Recently, Mr. Jain has been awarded with the Retail Leadership award at the Asia Retail Congress 2009 in recognition of providing enormous contribution towards the growth of the Retail Sector in India.

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