

LAKSHADWEEP ADMINISTRATION/लक्षद्वीप प्रशासन
DIRECTORATE OF INDUSTRIES/उद्योग निर्देशालय
KAVARATTI-682 555/ कवरत्ती-६८२५५५

F.No.16/14/2023 -IND

Dated: .11.2024

Notice

Sub: UT of Lakshadweep Logistics Policy 2024 - comments invited- Reg

Ref; Draft UT of Lakshadweep Logistics Policy

A copy of the Draft UT of Lakshadweep Logistics Policy 2024 is attached herewith. The stakeholders such as logistic companies, local communities, environmental experts are requested to offer your comments to finalise the UT of Lakshadweep Logistics Policy. The comments can be shared through the email id lk-doi@nic.in . The comments on the policy should reach this office on or before 15.12.2024.


RAKESH DAHIYA
DIRECTOR OF INDUSTRIES

To

State Informatic officer, NIC Lakshadweep with request to publish in the Lakshadweeop website.

UT of Lakshadweep Islands LOGISTICS POLICY 2024 (Draft)

1. Background

- 1.1. Logistics sector is considered as the backbone of economic growth. Growth of other sectors, amongst other factors, depends heavily on the efficiency of the logistics network. Due to its topology and poor infrastructure, the cost of logistics in UT of Lakshadweep Islands continues to remain high in comparison to other states / UTs of the country
- 1.2. "Lakshadweep, the group of 36 islands is known for its exotic and sun-kissed beaches and lush green landscape." India's smallest Union Territory Lakshadweep is an archipelago consisting of 36 islands with an area of 32 sq km. It is a uni-district Union Territory and comprises of 12 atolls, three reefs, five submerged banks and ten inhabited islands. The islands have a total area of 32 sq km and the size of island is varies from 05 Sq.km to 4.8 sqkm. The total population in the Lakshadweep is 64,741 as per latest census. The capital is Kavaratti island and it is also the principal town of the UT. All Islands are 220 to 440 km away from the coastal city of Kochi in Kerala, in the emerald Arabian Sea. Dearth of quality logistics infrastructure has put the state in competitive disadvantage in various economic activities
- 1.3. In order to be economically competitive with other states/UT of the country, UT of Lakshadweep Administration has developed Lakshadweep Islands Logistics Policy, 2024 (hereafter "policy").
- 1.4. This policy endeavors to create and strengthen the network of logistics facilities by creating new infrastructure and effective regulatory and support system, encourage private players to adopt new technologies and up skill professionals in logistics

2. Existing Logistics Facility available in the UT

2.1. Road Connectivity / Network

- 2.1.1. The UT of Lakshadweep Islands is a Union Territory without legislation. The UTL administration is constructing cement concrete roads in the islands with a width of the road of 3 metres.

There is no National Highways in this UT. Due to scarcity of the land and lesser traffic, road construction is comparatively less. The total length of road network in Lakshadweep Islands is shown below

Sl.No	Name of the Island	Length of the road(in km)
1	Agatti	21.8
2	Amini	22.7
3	Andrott	32.4
4	Bitra	1.82
5	Chetlat	7.18
6	Kadmat	16.56
7	Kalpeni	21.1
8	Kavaratti	33.29
9	Kiltan	15.2
10	Minicoy	39.4
Total		211.45

2.2. Air Connectivity / Network

- 2.2.1. Agatti Airport is the only Domestic Airport of Lakshadweep Islands. An approximately 45,000 pax and Air Cargo of 102 MT capacity are handled here in an year. The passenger traffic has increased by 17.1%. For faster transport of low volume, high value goods, especially those of perishable items air cargo and cargo handling facility is required. The Agatti Airport is being upgraded to meet the International standard for International passenger and cargo handling.
- 2.2.2. The UT of Lakshadweep Islands have planned to construct additional Air Port at Minicoy Island.

2.3. Mainland & Inland Waterways

2.3.1. The Major transport of Goods from Mainland India to UT of Lakshadweep Islands is done through Ships. The passenger and cargo ships of UT of Lakshadweep Islands is given below:

Sl No	Name of the Ship	Cargo	Pax
1	M.V kavaratti	160 MT	700
2	MV. Lakshadweep Sea	100 MT	250
3	M.V Arabian Sea	100 MT	250
4	M.V Lagoons	250 MT	400
5	M.V Corals	250 MT	400
6	M.V Ubaidullah	600 MT	0
7	M.V thinnakara	600 MT	0
8	M.V Laccadives	600 MT	0
9	M.V Cheriya	600 MT	0
10	M.V Sagar Samraj	971 MT	0
11	M.V Sagar Yuvraj	970 MT	0
12	M.V Kodithala	1000 MT	0
13	M.V Elikalpeni	1000 MT	0
Inter-island connectivity			
1	HSC Valiyapani	0	150
2	HSC CheriyaPani	0	150
3	HSC Parali	0	150
4	HSC Skip jack	0	50

5	HSC Black marline	0	50
6	HSC Blue marline	0	50
7	HSC Bangaram	0	20
8	HSC Viringili	0	20

2.3.2. Coastal Shipping and Inland waterways transport need to be key focus areas as Cargo Transportation by water is cheaper and cleaner, reduces cost and port congestion and brings in efficiency, and could be used for economic development of the UT for inter-state and cross border transport of trade items. The benefits of inland waterways could be harnessed by reviving the inland waterways and boosting the infrastructure for promotion of trade activities with setting up of jetties, shipway, go-down and warehouse in the vicinity of the trade routes. As of now there are 20 jetties and 4 berthing facilities for bigger ships in UTL.

2.3.3. Challenges: Rising fuel price present a challenge for the logistics Industry (inland waterways), as increasing costs typically force players to either raise prices or suffer financial losses.

3. Supply chain mechanism for Untapped export potentials

3.1.1. UT of Lakshadweep Islands with abundant marine resources of approx 11706.8 MT fish landing thus there is a tremendous potential for promotion of value added fishery products for its direct exports to kerala Karnataka. Further, Coconut which is grown in an area of 2658 Ha with annual production is approx. 90722248 nuts annually which is one of the major cash-crop of the Islands. Thus UT of Lakshadweep has a huge potential for promotion of export oriented higher value added Coconut products (Desiccated powder, Virgin Coco Oil, Coir Products etc) and sea weed production is also one of the major emerging enterprises in Lakshadweep.

3.1.2. The details of coir production center in islands are as follows

Sl.No	Name of the Unit	Ownership	Year	Product name
1	Coir Fiber factory Amini	Dept of Industries	1982	Coir fiber
2	Coir Production centre Amini	Dept of Industries	1977	Coir yarn
3	Demonstration cum Productio Unit Amini	Dept of Industries	2001	Coir matting
4	Coir Fiber Factory Andrott	Dept of Industries	1969	Coir fiber
5	Coir Production Centre Andrott	Dept of Industries	1979	Coir yarn
6	Coir Fiber Curling Unit Andrott	Dept of Industries	2000	Curled rope
7	Coir Fiber Factory Agatti	Dept of Industries	1991	Coir fiber
8	Coir Production Centre Agatti	Dept of Industries	1982	Coir yarn
9	Coir Fiber Factory Kavaratti	Dept of Industries	1982	Coir fiber
10	Coir Production Centre Kavaratti	Dept of Industries	1996	Coir yarn
11	Coir Fiber	Dept of Industries	1976	Coir fiber

	Factroy Kadmat			
12	Coir Production Centre Kadmat	Dept of Industries	1972	Coir yarn
13	Coir Fiber Factory Kalpeni	Dept of Industries	1989	Coir fiber
14	Coir Fiber Factory Kiltan	Dept of Industries	1986	Coir fiber
15	Coir Production centre chetlat	Dept of Industries	1982	Coir Yarn
16	Hosiery factory Kalpeni	Dept of Industries	1990	T shirts
17	Tuna Canning Factory	Dept of Fisheries	1969	Canned tuna
18	Dedicated Coconut production unit Kalpeni	Lakshadweep Development Corporation Ltd	2011	Dedicated coconut powder
19	Dedicated Coconut production unit Kadmat	Lakshadweep Development Corporation Ltd	1993	Dedicated coconut powder
20	Dedicated Coconut production unit Amini	Lakshadweep Development Corporation Ltd	2011	Dedicated coconut powder
21	Dedicated production Unit Andrott	Lakshadweep Development Corporation Ltd	2011	Dedicated coconut powder
Private				

1	Cocolack coconut processing units	Private	-	Coconut oil
2	Al- Ameen coconut oil Mills	Private	-	Coconut oil
3	M/s Lakshadweep coconut powder	Private	-	Coconut powder
4	Al Jazerath industries	Private	-	Coconut water vinegar and oil
5	Minmas canning factory	Private	-	Canned tuna

3.1.3. Details of ICE plant in islands are as follows

Sl.no	Location	Owner	Capacity
1	Amini	Dept of Fisheries	5 Ton
2	Agatti	Dept of Fisheries	5 Ton
3	Minicoy	Dept of Fisheries	5 Ton
4	Kalpeni	Dept of Fisheries	10 Ton
5	Kadmat	Dept of Fisheries	10 Ton
6	Andrott	Dept of Fisheries	10 Ton
7	Kavaratti	Dept of Fisheries	10 Ton

3.1.4. However, direct export from Lakshadweep to nearby States or country does not take place due to under developed supply chain mechanism and export logistics

3.1.5. This policy is aimed at creating supply chain logistics for various Marine, Agriculture and fishery products.

3.1.6. Supply chain mechanism will be strengthened and established in open or controlled medium with regulatory and facilitator

mechanism

3.2. Logistics for manufacturing and other potential sectors

- 3.2.1.1. The scope for setting up of big Industrial units in manufacturing sector is limited due to various bottlenecks and the primary and foremost being availability of sufficient land for development.
- 3.2.2. Further, growth of Industries in this territory has been in a slow pace due to various limitation such as availability of land, power, water, transportation etc. It is pertinent to mention that Lakshadweep is declared as Non Industrial Area Hence Administration is promoting MSME Sectors. There are 801 MSME registered in UTL out of which 222 units are under service sector (ie 23%).
- 3.2.3. The UT of Lakshadweep Administration is promoting enterprises such as IT & ITeS sectors including Electronic assembling sectors, Agriculture/ Marine / Fishery Products/coir and Tourism and Tourism supported industries.
- 3.2.4. This policy aims at linking raw-material supply locations with manufacturing / assembling centres by proper transport and other logistics.

4. Policy period

- 4.1. This policy shall come into force with effect from the date of its notification and shall remain valid for a period of 5 (five) years or till the declaration of a new or revised policy, whichever is earlier.

5. Vision, Mission and Objectives

5.1. Vision

- 5.1.1. "To develop logistics Infrastructure and facilitate logistics ecosystem in Lakshadweep Islands, to create competitiveness, operational efficiency and sustainability in various economic activities through innovation, skilled manpower, quality and technologies; thereby strengthening UT of Lakshadweep Islands as a preferred destination for investment, trade and commerce

5.2. Mission and Objectives

Following mission statements have been identified for the policy:

- 5.2.1. To create an efficient and competitive logistics ecosystem to support growth through regulatory reforms and streamlined processes
- 5.2.2. To promote and develop integrated logistics facilities in the UT. Continuously explore the possibilities of improving land, air and inland waterways connectivity across the UT and to prioritize decision making in this regard and build a robust logistics infrastructure on modern lines like chain of transport yards, warehouses, controlled atmosphere stores etc.
- 5.2.3. To reduce logistics cost and enhance efficiency by enabling multi modal transportation
- 5.2.4. To ensure adequate supply of skilled manpower through continuous learning/ upskilling to meet the long term needs of the sector.
- 5.2.5. To promote use of technology and innovation for driving operational and cost efficiencies.
- 5.2.6. To make suitable interventions for improving logistics performance of the UT on key parameters, viz. Quality Logistics infrastructure, Quality of Logistics service providers, Efficiency of regulatory processes, Operating Environment favorability, Ease of arranging logistics at competitive rates, Timeliness of cargo delivery, safety/security of cargo movement and Ease of track and trace
- 5.2.7. To identify key issues and bottlenecks impacting logistics efficiency in the State

5.3. Approach and Strategy

- 5.3.1. A policy to identify clear and targeted strategy and approach for the UT along with their implementation strategies. These are

mentioned below:

- 5.3.2. State logistics development road map
- 5.3.3. The UT Government will draw up logistics development road map taking into account short, medium and long term need of the sector in phase manner. Focus for each phase will be designed as below
- 5.3.4. **Phase-I:** Focus will be on development of strong foundation for the state logistic system, focusing in particular on local connectivity of various islands . Priority will be given for regulatory framework, human resource capacity development through standardization and accreditation, and improvement of infrastructure, with particular focus on key economic centres
- 5.3.5. **Phase II:** ,The focus will be on integration with national logistics networks, with the special aim of developing integrated logistics information system. National and international certification system will also plan for logistics service providers
- 5.3.6. **Phase III:** Further integration of the network will be designed to support intermodal transport, and the logistics system will be connected to the global logistics network in the border trade points

5.4. Mapping and development of infrastructure facilities

- 5.4.1. This policy aims to map economic zones and potential growth zones across the state and develop logistics infrastructure and connectivity of these zones.
- 5.4.2. Mapping of these zones will take into account the capacity & operational bottlenecks of existing logistics facilities, services and the proposed development of road and shipping network, taking into cognizance of the future need of logistics infrastructure.
- 5.4.3. Logistics facilities and infrastructure will be developed across the UT in a systematic manner as per the UT wide mapping document. Such logistics infrastructure development will include:
 - 5.4.3.1. Development of storage and handling facilities at strategic nodes

- 5.4.3.2. Development of facilities such as Marine Fishery consolidation & de-consolidation centers, primary processing centers, cold/ambient storage, distribution centers close to fish landing center, silos, tank storages for liquid cargo, etc.
- 5.4.3.3. Development/Creation jetties, shipway, go-down/ware house in the vicinity of National, International and Inland Waterway trade routes
- 5.4.3.4. Upgradation/ Development/Creation of air cargo terminals and air freight stations facilities for air cargo and to create space for cargo storage
- 5.4.3.5. Development of truck terminals for their repair & maintenance, driver rest areas and parking spaces at strategic locations. This will ease out congestion and provide proper waiting areas to trucks during city timing restrictions

5.5. Institutional and regulatory framework

- 5.5.1. This policy also adopts “Ease of Doing Business” as one of its key objectives. Simplification of procedures such as business registration, single source to check business eligibility for availing incentives/ subsidies, availability of desired information on current processes and procedures, elimination of multiple touch points in the approval process and reduction in turnaround time of the approval processes are some of the identified strategies to enable ease of doing business and eliminate duplication of efforts
- 5.5.2. The UT Administration will put in place regulatory framework in line with the requirement of Ease of Doing Business. Single Window Portal will be made use of for streamlining registration and monitoring process
- 5.5.3. The Logistic and Warehousing Facilitation Cell will be set up to facilitate logistics services and will act as a single point of reference for all logistics related matters in the UT.

6. Policy Framework

6.1. Logistic and Warehousing Facilitation Cell

6.1.1. The UT of Lakshadweep Administration shall set up a dedicated Logistic and Warehousing Facilitation Cell which will act as a converging body to monitor the progress of logistics and warehousing in the UT. The cell shall collaborate with various agencies for enabling ease of doing business and attracting private investments into the UT managed time bound clearances, sanctioning special packages for logistic projects and approving any policy initiative(s) for activities such as container depot, freight forwarding and warehousing. The cell shall be positioned as specialized cell and manned by expert officials drawn from various stake holder Departments

6.1.2. The summary of major functions of the cell shall include

6.1.2.1. Attracting investors, framing and executing broad strategies for developing warehousing and logistics facilities in the UT

6.1.2.2. Project monitoring and review of existing projects within state and attract fresh investments in the logistics and warehousing sector

6.1.2.3. To expedite the approvals process for investors as per the citizen charter

6.2. Special taskforce on logistic and warehousing

6.2.1. A special taskforce will also be constituted for ensuring an overall orderly development of logistics in the UT. The taskforce shall be responsible for creation and implementation of Logistics Master plan for the state with a dedicated roadmap for development of National Highway, State Highway, Waterways and other logistics infrastructure.

6.3. Norms for setting up of Warehouse, Logistics Parks and Integrated Logistics Parks

The UT of Lakshadweep Administration shall formulate norms for setting up of Warehouse by private company and Government directly or in Public Private Partnership(PPP) mode. Such norms inter alia include the following

6.3.1 Warehouse

- a) Warehouses near ports/jetties shall be developed in an area of not less than 5000 Sq. mt. The approach road width will be minimum of 20 feet
- b) Other Godown/Warehouses to be developed in a minimum of 1500 Sq. Mt. The approach road width for the Godown/warehouses will be 15 feet

6.4. Green Logistics and Warehouse

6.4.1. The UT shall promote and incentivize the adoption of Green Rating for Integrated Habitat Assessment (GRIHA) III norms and Green Norms Incentives (Leadership in Energy and Environmental Design (LEEDS) ratings). This may be provided subject to the inclusion of the following

- Extensive horticulture and plantation along with adequate sewage treatment.
- Recycling of water for landscaping and horticulture
- Use of natural materials like dry stone cladding for exteriors
- Use of bio-methanation for treatment of bio waste and for generation of cooking gas
- Rainwater harvesting.
- Installation of roof top solar panels.
- Provision of single/ double glazed windows with matched U-Factor for increased energy efficiency
- Provision of adequate ventilation and natural day light

6.5. Industry status to Logistics and Warehousing

- Status of industry shall be accorded to logistic and warehousing

related units set up within the UT. With grant of industry status, all logistics and warehousing units in the UT shall be eligible for all the incentives as applicable under the UT of Lakshadweep Islands Industrial Policy notified from time to time

6.6. Multi-dimensional Planning and Strategies

6.6.1. The UT of Lakshadweep Administration shall undertake periodic analysis to:

- identify existing cargo centers and trade flows;
- assess existing logistics infrastructure - institutional, regulatory, skill level, etc
- identify future trade potential and key economy drivers on the basis of current economic and industrial scenario
- identify potential focus sectors and commodities
- estimate future cargo projections
- assess future logistics requirements and estimate hard infrastructure needs- connecting roads, terminal and facility location, type and phasing
- identify future workforce skill needs and interventions
- ensure effective plan implementation by identifying suitable PPP model for infra projects
- facilitate the construction of road to the proposed Warehouses
- undertake market sounding exercises to gauge private sector views
- overseeing transaction and bidding process in the logistics industry; and
- undertake periodic policy review of efficacy and proposed modifications with an eye on ensuring systems ability to meet logistics requirements not only of trade, commerce and industry but during the testing times of natural disasters and security challenges thrown upon the State

6.6.2. The Government and Non-Government agencies shall be encouraged to develop, publish and put in public domain the directories of key locations and players in logistics industry

across the UT along with the type and quality of logistics services they offer. These online directories can be of

- (a) The registered transport companies across the UT with their complete profile, cargo capacity, address and contact details etc.
- (b) the private warehouses including controlled atmosphere stores across the UT with details of storage capacity and charges etc
- (c) the packaging service providers across the state with complete profile and work experience
- (d) the registered security services and skilled manpower providers across the state

6.6.3. The UT of Lakshadweep Administration shall put in place an effective mechanism to ensure that quality, standards and norms of various logistics services are defined, monitored and periodically reviewed to upgrade them to the best in the market.

6.7. Incentives

6.7.1. The units set up in logistics sector under this policy shall qualify for all the incentives as are provided to the Industrial units from time to time under the State Industrial Policy. The Administration may formulate separate incentives based on the requirement from the assessment carried out periodically as per the need of the sector.

7. Amendments to the policy

7.1. Logistic and Warehousing Facilitation Cell, in consultation with relevant government departments shall have the right to review the provisions of this policy from time to time and include/ amend/ delete provisions as it may deem fit for the growth of this sector.

8. Implementation of UT of Lakshadweep Logistics Policy

8.1. The policy will be implemented through a Comprehensive Logistics Action Plan (CLAP). The interventions under CLAP are divided in to specific key action areas, including i)integrated Digital logistics System. ii) Standardization of physical assets & benchmarking service quality

standards (iii) Logistics human resource Development and Capacity Building (iv) UT engagement (v) EXIM (export-import logistics) (vi) Service improvement framework (vii) sectorial plan for efficient logistics.

8.2. Effective implementation of interventions would be achieved by framing and vetting of the planned interventions by concerned line departments and stakeholders.

9. Monitoring and coordination

9.1. Institutional frame work under PM GATI SHAKTI NMP has been put in place. Accordingly the apex body – an Empowered group of Secretaries (EGoS) has been setup and mandated inter alia , to review and monitor implementation of state Master Plan.

9.2. The network Planning Group (NPG) with head line departments for unified planning and integration of the proposal has been constituted, which will be supported by a technical support Unit (TSU)

9.3. The network Planning Group (NPG) will also monitor improvements pertaining to processes regulatory and digital improvements in logistics sector.

10. Conclusion

The UT of Lakshadweep Islands Logistics and Logistics Policy, 2024 is one of its kind policies which envisages integrated and holistic development of the logistics sector in the UT. The policy adopts some unique features such as improving utilization of existing infrastructure, single nodal agency for approvals and grievances, incentives for technology implementation and skilling, sustainability in logistics etc. to ensure comprehensive growth of the sector. The policy shall help UT of Lakshadweep Islands to earn a position in the LEADS Index and effectively contribute in improving the competitiveness of UT of Lakshadweep Islands industry and trade.