

Freight smart cities

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In news

Recently, the Logistics division of Ministry of Commerce has launched plans for Freight smart cities

Background

The need for focus on city logistics was first discussed with States/UTs during the **first National Conference of States on Logistics** on 19th January, 2021.

Taking this forward, the Logistics Division has been engaged with subject experts and technical organizations to devise a roadmap for improvement in freight movement in the Indian cities.

What is the need?

- **Growing urbanisation, requirements of rapid economic growth including e-commerce** and associated first and last mile freight movements; increasing congestion, noise and sound pollution in the Indian cities is a menace affecting both public health and local economies
- The demand for urban freight is expected to grow by 140 per cent over the next 10 years.
- **Final-mile freight movement in Indian cities is currently responsible for 50 per cent of total logistics costs** in India's growing e-commerce supply chains.

About Freight smart cities

- **Aim:** To improve the efficiency of urban freight and create an opportunity for reduction in the logistics costs.
- The Ministry urged the State Governments to identify ten cities, to begin with, to be developed as Freight Smart

Cities and also to set up institutional mechanisms for the same involving the Government as well as Private stakeholders like Logistics services providers, users and citizens.

- On the Freight smart city initiatives, the Logistics Division is working closely with GIZ (Germany) under Indo-German Development Cooperation, Rocky Mountain Institute (RMI) and RMI India.

Cities covered under it

- From the **ten cities to be identified on immediate basis, it is planned to expand the list to 75 cities** in the next phase before scaling up throughout the country including all state capitals and cities that have more than one million population.
- The list of cities to be taken up would however be finalised in consultation with the State governments.

City-level logistics committees

- Under the Freight Smart Cities initiative, city-level logistics committees would be formed.
- These committees would have related government departments and agencies at the local level, state and from the related central ministries and agencies.
- These **would also include the private sector from the logistics services** and also users of logistics services.
- These committees would **co-create City Logistics Plans** to implement performance improvement measures locally

Other initiatives launched

- During the same event, the Ministry launched the **website on 'Freight Smart Cities' and also released a handbook outlining 14 measures** that can be taken to improve urban freight.
- The 14 measures presented in the handbook represent

high-leverage areas for cities to improve their economic competitiveness and reduce congestion and pollution.

- Several of these measures are **low-cost, low effort initiatives** that can be quickly taken up by working with the related public and private stakeholders.

Significance

Improving city logistics would also enable efficient freight movement and bring down the logistics costs boosting all sectors of the economy.