

# LEADS index, 2021

November 10, 2021

**In news**– The Union Minister of Commerce and Industry has released a report on the **Logistics Ease Across Different States Index (LEADS) 2021** recently.

## About the index

- LEADS report **ranks the states on the basis of their logistics ecosystem, highlights the key logistics related challenges** faced by the stakeholders and includes suggestive recommendations.



- Within the North Eastern States and Himalayan Region, Jammu and Kashmir is the top ranker followed by Sikkim and Meghalaya.
- Delhi stands at the top rank among Other UTs.

Exhibit 2: LEADS 2021 - Perception Indicators

|                | Indicators                                     | Coverage   |
|----------------|--|--|
| Infrastructure | Quality of Road Infrastructure                 | Road network and associated physical infrastructure such as road condition, signage, lighting, vehicle refuelling services, toll, State border points, etc.)   |
|                | Quality of Rail Infrastructure                 | Sufficiency of rail tracks, congestion on rail networks, etc.  |
|                | Quality of Multi-Modal Terminal Infrastructure | ICDs, CFSS, AFSS, PFTs, MMLP, port terminals, airport terminals, logistics parks, inland waterway terminals, dry ports, Land Custom Stations, etc.   |
|                | Quality of Unimodal Terminal Infrastructure    | Road-based terminals, transport nagar, LCS/LCP etc.  |
|                | Quality of Warehousing Infrastructure          | Warehouses including silos/bulk storage, consolidation centres, cold storages, packhouses, etc.  |
| Services       | Quality of Logistics Services                  | Haulage/transportation by different modes, terminal operations including handling and storage of cargo, Delivery in full and on-time, customs broking, and value-added services like consolidation, repackaging, labelling, last-mile connectivity, etc. |
|                | Capability of Logistics Service Providers      | Competency of transport providers, truck drivers, freight forwarders, custom house agents, MTOs etc.   |
|                | Reasonableness of Road Freight Rates           | Road Freight Rates   |
|                | Reasonableness of Prices of Terminal Services  | Tariff at terminal services includes handling, storage, value-added services, last mile connectivity charges, etc.   |

- **LEADS report of 2018 focused on export-import trade** and assessed the efficiency of the logistics ecosystem in each State and UT.
- LEADS report 2019 had covered both international and domestic trade.
- **Being the 3rd report in series, LEADS 2021 exercise** has gone one-step ahead in analysing the domestic and EXIM logistics ecosystem of the state.
- Specifically, two improvements have been done in the overall assessment framework.
- Firstly, the **objective parameters in the LEADS 2021 Index have been introduced by way of an objective survey instrument** administered to the States/UTs and **by the inclusion of secondary datasets** on logistics across the State/UT level.
- Secondly, the statistical methodologies to build the index have been updated to get more robust results, given change in the overall framework.
- The perception survey was administered to the **four different categories of logistics stakeholders**, viz. traders/ shippers, transport service providers, terminal operators, and logistics service providers.
- With the efforts in the right direction, it is hoped that the vision of logistics cost will be reduced by 5% in the next five years.

## **Key suggestions**

It suggests the states frame State Logistics policy & Logistics Master Plan, use single-window clearance system for logistics establishment of grievance redressal mechanism and enable skilling in logistics through State skilling infrastructure.