

**Item 3(a): Efficient and Resilient Transport and Logistics Networks
and Mobility for Economic Growth**

1. Distinguished participants, an efficient logistics sector is extremely important to improve country's trade competitiveness and resource efficiency. The logistics cost in developing countries is quite high. In India, it is estimated to account for 12 to 13 percent of GDP as compared to about 10 percent in developed countries. A reduction in logistics cost by one percent would yield an annual saving of \$5 billion to Indian economy. If the logistics cost are brought down to a level to the developing countries, this would result in about 4 percent reduction in the prices of Indian goods making them more competitiveness globally. This underlines the need for taking reform measures to enhance the efficiency of logistics sector in developing countries.

2. The first step in transforming logistics sector is the formulation of National Logistics Policy that should envision an integrated cost-effective, reliable, sustainable and digitally enabled logistics system. The overarching objectives that the logistics sector of the future should target are:

- (i) Logistics competitiveness measured in terms of overall logistics cost as a percentage of GDP; and
- (ii) Wellbeing measured in terms of affordability and inclusiveness

3. I will like to mention that the improvement in logistic efficiency may lead to inequalities the objective regarding Wellbeing measured in terms of affordability and inclusiveness becomes important.

4. To achieve these objectives, I think, it is necessary to develop integrated transport and logistics system. An integrated multimodal transport system where each mode of transport play its role determined on the basis comparative resource cost would help in establishing a system which would deliver transport services at minimum cost to the economy. This will also moderate its dependence on carbon-based energy reduce the logistics cost and minimize collateral health damages.

5. Recently, a study carried out in India made scenario calculation of the effects of increasing share of environmentally friendly modes which are light on fuel, optimize truck use and alternative fuel technologies. The study concluded that modal shift and improving the efficiency of modes results in huge economic and social gains. For example, it has been estimated that increasing rail modal share bring down carbon dioxide emission as much as 4.3 giga tonnes in the long term apart for reducing the transport logistics cost.

6. Another area which requires attention in this context is the capacity building and human resource development. It has been observed that professionals engaged in devising and implementing sectoral plans and policies relating to transport infrastructure do not appreciate their socio-economic objectives. Another knowledge gap pertains to inadequate realization that a sub-sector is to be developed as a part of integrated transport system which includes other modes of transport as well. These knowledge gaps apart from creating a disconnect between policy makers and professionals act as constraints in realizing envisaged objectives and developing an optimal intermodal mix that can meet transport demand at minimum cost to the economy. As matter of fact the competencies of professionals working in the transportation field have to be strengthened considerably. The developing countries need to put a system to continuously review these capacities, by updating existing workers' skills as well as inducting new expertise into the service as needed. Technology changes as well as rapidly evolving transport techniques and demands require a variety of new skills from engineering, social and management sciences.

7. The appropriate initiative that ensures imparting training and capacity building would help in bridging these knowledge gaps.

8. For the past many decades, transportation policies focussed mainly on increasing transport capacity and operational speeds. Time has come for skill development of the workforce having regard to the fast changing operational and information technologies. Keeping this in view, the Asian Institute of Transport Development (AITD) has been organising training courses for transport personnel from South and South-East Asian countries, which would assist in the development of safe and sustainable transport network that will promote green transport. During the last 17 years, we have organized 31 courses benefiting more than 750 transport professionals.

9. AITD, in collaboration with the South and South-West Asia Office of UNESCAP, organized a regional policy dialogue on Transforming the Logistics Sector in July 2022 at AITD Campus, New Delhi. The objective of the dialogue was to bring together the stakeholders to facilitate capacity building from country experiences and to collect feedbacks from various stakeholders of the logistics industry. This was followed up by a training course on the same subject for the South and South-east Asian countries in order to share and disseminate knowledge on the subject.

10. The Institute would be pleased to organize training programmes in association with UNESCAP in furtherance of measures that would promote sustainability in all its manifestations.