

# Indian Logistics Industry Insight

# Surface Transport

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**Cygnus**

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## SYNOPSIS

Spending on logistics in India is estimated to be around 13% of GDP, which amounts to Rs. 5,594.75 billion (2007-08). Road transport has a dominant role in India's transportation sector with a share of 4.6% in India's GDP in 2007-08, according to the data released by the Central Statistical Organisation. The aggregate length of roads in India increased from 0.4 million km in 1950-51 to 3.314 million km by the end of 2007-08. The road network handles about 65% of the freight and 85% of passenger traffic. According to the Planning Commission, the road freight traffic is estimated to reach the value of 1,231 billion tonne km (BTKM) by 2011-12. During 2007-08, Indian Railways contributed significantly to surface logistics and carried 794.21m tonnes of revenue earned cargo, witnessing an excellent growth rate of 8.98% against the previous year. The gross receipts of railways grew from Rs. 544.91 billion in 2005-06 to Rs. 627.32 billion in 2006-07. With the implementation plan for dedicated freight corridors to bring out synergy between road and railways for prompt and efficient surface transport, it is expected that surface transport will drive Indian logistics in a big way. Third Party Logistics (3PL) is emerging as a potential segment of logistics, as companies are increasingly outsourcing their non-core activities for gaining efficiency.

In the backdrop of the above scenario, Cygnus Research has come out with an Industry Analysis on Surface Logistics. The report has total 13 chapters, covering industry structure with reference to global logistics industry, brief about intermediaries, market dynamics and cost structure, growth drivers, major issues and challenges, major players, regulatory issues and outlook.

The report is useful for logistics players to update their industry knowledge, industry analysts to make use of related industry statistics and other important facts and issues about surface logistics, foreign industry research houses and students enrolled in specialised curriculum in logistics.

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