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NOTIFICATION

No. F. 12017/18/2022-C&I(Logistic), the 21st July, 2022. In the interest of public service and in order to ensure integrated development of Logistic Sector in Mizoram, the Governor of Mizoram is pleased to notify " The Mizoram State Logistic Policy, 2022 which shall come into force 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.

Vanlal chhuanga,
Principal Secretary to the Govt. of Mizoram,
Commerce & Industries Department.

THE MIZORAM STATE LOGISTICS POLICY 2022

1. Introduction
- 1.1. Background

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 Mizoram continues to remain high in comparison to developed states of the country. A key contributor to this high cost is dependency on the road, which are yet in needed to improve for freight movement.

Topographical distribution of Mizoram is hilly terrain with some sharp edges stretching from north to south in the eastern side, although limited flat lands are seen unevenly distributed in the whole state. Most of the rivers in Mizoram are flowing in the north-south directions rather than east-west direction. These river-flowing directions create much problems while constructing roads connecting east-west directions. This topographical distribution poses challenges for construction of roads and railway network and airport throughout the State. Dearth of quality logistics infrastructure has put the state in competitive disadvantage in various economic activities.

In order to be economically competitive with other states of the country, Mizoram Government has developed Mizoram Logistics Policy, 2022 (hereafter "policy"). This policy endeavours 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.

1.2. Road Network

The state of Mizoram became Union Territory as late as in 1972 and later with its upgradation to the statehood on 20th February, 1987. Up till date the best inland roadways it has- is from Silchar up to Lunglei trailed by NH 54 (renamed NH 306). The road transport logistics networks of the state are still work in progress. This policy aimed at providing better road transport network and transport logistics in the state.

The total length of road network in Mizoram is shown below.

National Highways

- 1) NH-154 = 58.00 kms (Bairabi – Bilkhawthlir)
 - 2) NH-150 = 140.00 kms (Seling to Manipur Border)
 - 3) NH-44A = 130.00 kms (Aizawl – Mamit - Tripura)
 - 4) NH-54A = 9.00 kms (Hrangchawkawn-Lunglei)
 - 5) NH-54B = 27.00 kms (Zero Point to Saiha)
 - 6) NH-54 = 522. 00 kms (Lailapur to Tuipang)
 - 7) NH-502 A = 100.00 kms (Multi Modal Road, i.e. NH-54 at Lawngtlai to Myanmar border)
- Total = 886. 00 kms.

State Highways and other roads:

- 1) State Highways (SH): 505.05 Kms
 - 2) Major District Road (MDR): 709.90 Kms
 - 3) Other District Road (ODR): 1013.77 Kms
 - 4) Village Road (VR): 1061.70 Kms
 - 5) Roads within Towns & Villages: 591.645 Kms
 - 6) City Roads (CR): 355.487 Kms
 - 7) Other Roads: 1020. 576 Km
- Total length of Roads Network: 5258.128 Kms.

Kaladan Multi-Modal Transit Transport Project (KMMTTR) under Kaladan Road Project costing USD 484 million is going on and is expected to be fully operational by March 2023. The project is being piloted and funded by the Ministry of External Affairs (India).

The project will reduce the distance from Kolkata to Sittwe in Myanmar by approximately 1328 km and will reduce the need to transport goods through the narrow Siliguri corridor (West Bengal), also known as Chicken's Neck, which is as narrow as only 20-21 kms in the narrowest neck.

The KMMTTR Project will enhance road connectivity and enable logistic conveniency in the existing road transports networks to a better status.

1.3. Railways

Bairabi Railway station is the lone railway head in the state of Mizoram for decades unchallenged due to both remoteness and hilly nature of the surface land, efforts are on put another railhead station in Sairang, about 20 kms west of Aizawl.

The railroad under construction from Bairabi to Sairang will trail 55 kms south ward from Bairabi with the proposed station a little above Sairang town. The railway transportation, when commissioned is expected to serve the logistics facility of the State for internal trade as well as export promotion.

1.4. Air

Lengpui Airport is the only Airport of Mizoram. No cargo handling facility is yet available. For faster transport of low volume, high value goods, especially those of perishable items air cargo and cargo handling facility is required. Upgradation of Lengpui airport so as to enable cargo flight with necessary cargo handling facilities will be a priority under this policy.

1.5. Inland Waterways

Mizoram is endowed with 13 rivers out of which the major inland waterways which contribute to transport of goods include Tlawng River which connects North of Mizoram to Assam. River Tlawng runs from Aizawl to Silchar covering a distance of 185.15 Km and used from the time of colonial British days till modern day. Chhimtuipui also known as Koladyne river in the south of Mizoram runs along the border of Myanmar is being used in transportation of goods between Mizoram and Myanmar. Khawthlangtuipui also known as Karnafuli River is yet another inland waterway that runs along the border of Bangladesh and connects Mizoram to Bangladesh, this was an excellent waterway between Chittagong in Bangladesh and Demagiri in Mizoram through the Karnafuli River before partition of India in 1947.

Inland waterways which are the most cost-efficient mode of transport could be used for economic development of the state 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.

1.6. Border trade Facilities

Mizoram shares a long international boundary with Myanmar and Bangladesh. Various trade points have been identified, developed and yet few of them were being developed along Indo-Myanmar and Indo-Bangladesh border. Thrust has been given on the following major trade points:

- 1) Land Custom Station is located at Zokhawthar to facilitate trading with Myanmar. LCS Zokhawthar is functional since 2015 and is being upgraded.
- 2) Integrated Check Post at Kawrpuichhuah for trade with Bangladesh. This check post is a work in progress and Land Port Authority of India is taking necessary steps for development of necessary infrastructures.
- 3) Land Custom station at Zorinpui is an earmarked location. The Koladan Multi Modal Transit Transport Project Road (KMMTTR) will link Sittwe Sea port of Myanmar through this Land Custom Centre.

This policy aimed at developing Integrated Logistics Parks at the vicinity of these major trade points.

Apart from these major trade points, Border Haat at Hnahlan, Pangkhua, Vaphai and Zote along India-Myanmar Border have been approved and along India-Bangladesh Border-Marpara, Nunsuri, Tuipuibari and Silsury were identified for border Haat and approval by Central Government is expected shortly. These Border Haat will be connected with proper transport logistics under this policy.

1.7. Supply chain mechanism for Untapped export potentials

Mizoram is blessed with rich soil and good climatic condition for agriculture and horticulture crops. It has tremendous potential for export of these crops which are more or less untapped

due to under developed supply chain mechanism and export logistics. This policy aimed at creating supply chain logistics for various agriculture and horticulture produces. Supply chain mechanism will be established in open or controlled medium with regulatory and facilitatory mechanism.

1.8. Logistics for manufacturing and other potential sectors

The manufacturing sector is having tremendous scope for growth under proper transport and other logistics infrastructure. The state is having abundant bamboo forest that can be harvested. The potential for bamboo and other industries using locally available raw materials is yet to be explored due to logistic problem.

This policy aims at linking raw-material supply locations with manufacturing centres by proper transport and other logistics. Industrial growth areas and economic zones will be developed with modern logistics network. This will enhance the growth of manufacturing sectors by attracting more investment and thereby creating more jobs.

2. Policy period

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.

3. Vision, Mission and Objectives

3.1. Vision

"To develop logistics Infrastructure and facilitate logistics ecosystem in Mizoram, to create competitiveness, operational efficiency and sustainability in various economic activities through innovation, skilled manpower, quality and technologies; thereby strengthening Mizoram's position as a preferred destination for investment, trade and commerce."

3.2. Mission and Objectives

Following mission statements have been identified for the policy:

- 1) To create an efficient and competitive logistics ecosystem to support growth through regulatory reforms and streamlined processes.
- 2) To promote and develop integrated logistics facilities in the state. Continuously explore the possibilities of improving land, air and inland waterways connectivity across the State and to prioritize decision making in this regard and build a robust logistics infrastructure on modern lines like chain of logistics parks, transport yards, warehouses, controlled atmosphere stores etc.
- 3) To reduce logistics cost and enhance efficiency by enabling multi modal transportation.
- 4) To ensure adequate supply of skilled manpower through continuous learning/ upskilling to meet the long term needs of the sector.
- 5) To promote use of technology and innovation for driving operational and cost efficiencies.
- 6) To make suitable interventions for improving logistics performance of the State 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.
- 7) To identify key issues and bottlenecks impacting logistics efficiency in the State.

4. Approach and Strategy

A policy to identify clear and targeted strategy and approach for the state along with their implementation strategies. These are mentioned below:

4.1. State logistics development road map

The state 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:

In Phase-I, focus will be on development of strong foundation for the state logistic system, focusing in particular on local connectivity of various economic zones. 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.

In 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.

In 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.

4.2. Mapping and development of infrastructure facilities

This policy aims to map economic zones and potential growth zones across the state and develop logistics infrastructure and connectivity of these zones.

Mapping of these zones will take into account the capacity & operational bottlenecks of existing logistics facilities, services and the proposed development of road and rail network, taking into cognizance of the future need of logistics infrastructure.

Logistics facilities and infrastructure will be developed across the state in a systematic manner as per the state wide mapping document. Such logistics infrastructure development will include:

- 1) Development of storage and handling facilities at strategic nodes
- 2) Development of facilities such as agriculture consolidation & de-consolidation centers, primary processing centers, cold/ambient storage, distribution centers close to farms, silos, tank storages for liquid cargo, etc.
- 3) Development/Creation jetties, shipway, go-down/ware house in the vicinity of Inland Waterway trade routes.
- 4) Development/Creation of air cargo terminals and air freight stations facilities for air cargo and to create space for cargo storage.
- 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.

4.3. Institutional and regulatory framework

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.

The state Government will put in place regulatory framework in line with the requirement of Ease of Doing Business. Single Window Portal under the Mizoram Ease of Doing Business Act, 2022 will be made use of for streamlining registration and monitoring process.

The Logistic and Warehousing Facilitation Cell will be set up which will work in tandem with the Investor Facilitation Centre (IFC) and Single Window Clearance Authority (SWCA) under the Mizoram Ease of Doing Business Act, 2022 to facilitate logistics services and will act as a single point of reference for all logistics related matters in the state.

5. Policy Framework

5.1. Logistic and Warehousing Facilitation Cell

The state 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 state. The cell shall collaborate with the Investor Facilitation Centre and Single Window Clearance Authority under the Mizoram Ease of Doing Business Act, 2022 for enabling ease of doing business and attracting private investments into the state managing 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 specialised cell and manned by expert officials drawn from various stake holder Departments.

The summary of major functions of the cell shall include:

- 1) Attracting investors, framing and executing broad strategies for developing warehousing and logistics facilities in the state.
- 2) Project monitoring and review of existing projects within state and attract fresh investments in the logistics and warehousing sector.
- 3) To expedite the approvals process for investors as per the citizen charter.

5.2. Special taskforce on logistic and warehousing

A special taskforce will also be constituted for ensuring an overall orderly development of logistics in the state. 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.

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

The state 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:

5.3.1 Warehouse

- 1) Warehouses shall be developed in minimum of 2 acres in case of warehouses set up for agriculture/horticulture produce. The approach road width will be minimum of 20 feet.
- 2) Warehouses shall be developed in a minimum of 5 acres other than agriculture/horticulture produce. The approach road width will be minimum of 25 feet.
- 3) Other Godown/Warehouses to be developed in a minimum of 0.25 acres. The approach road width for the warehouses will be 15 feet.

5.3.2 Logistics Park

A logistics park can be developed on no more than 15 acres of land area.

5.3.3 Integrated Logistics Park

An integrated Logistics Park can be developed on a minimum of 50 acres of land. This shall include-Inland container depots/ custom bonded areas to be developed in a minimum of 50 acres. The approach road width will be minimum of 30 feet.

5.4 Green Logistics and Warehouse

The State 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:

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

5.5 Industry status to Logistics and Warehousing

Status of industry shall be accorded to logistic and warehousing related units set up within the state. With grant of industry status, all logistics and warehousing units in the state shall be eligible for all the incentives as applicable under the Mizoram Industrial Policy notified by Government of Mizoram from time to time

5.6 Multi-dimensional Planning and Strategies

5.6.1 The State Government shall undertake periodic analysis to:

- 1) identify existing cargo centers and trade flows;
- 2) assess existing logistics infrastructure - institutional, regulatory, skill level, etc.;
- 3) identify future trade potential and key economy drivers on the basis of current economic and industrial scenario;
- 4) identify potential focus sectors and commodities;
- 5) estimate future cargo projections;
- 6) assess future logistics requirements and estimate hard infrastructure needs- connecting roads, terminal and facility location, type and phasing;
- 7) identify future workforce skill needs and interventions;
- 8) ensure effective plan implementation by identifying suitable PPP model for infra projects;
- 9) facilitate the construction of road and train links to the proposed Warehouses/Logistics Parks;
- 10) undertake market sounding exercises to gauge private sector views;
- 11) overseeing transaction and bidding process in the logistics industry; and
- 12) 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.

5.6.2 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 state alongwith the type and quality of logistics services they offer. These online directories can be of:

- 1) the registered transport companies across the state with their complete profile, cargo capacity, address and contact details etc.;
- 2) the private warehouses including controlled atmosphere stores across the state with details of storage capacity and charges etc.,

- 3) the packaging service providers across the state with complete profile and work experience;
 - 4) the registered security services and skilled manpower providers across the state.
- 5.6.3 The State Government 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. Incentives
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 government may formulate separate incentives based on the requirement from the assessment carried out periodically as per the need of the sector.
7. Definitions
- 7.1. Logistics
Logistics is a word having broad meaning. It can be said as the detailed organization and implementation of a complex operation. It also means the activity of organizing the movement, equipment, and accommodation of troops. It also means the commercial activity of transporting goods to customer. Logistics can be defined as any commercial activity of transportation, storage and distribution of any article and thing or services by bringing together several functionalities to bring products and services at the right place, at the right time, in the desired condition with the minimum cost and highest return on investment fall under the ambit of Logistics. Its definition includes:
- a) Assembling from basic component either through automation or manually.
 - b) Customizing core product as per customer requirement through the use of automation, semi automation or manual process including module assemble.
 - c) Deconsolidation: Creating from bulk to small packaged goods for retailing e.g. deconsolidation activities in stores/warehouses for retailing and last mile deliver.
 - d) Packing / Packaging / Labeling / Bar-coding / Radio Frequency Identification tagging.
 - e) Ancillary, value addition, processing activities and supply chain management.
 - f) Specialized warehouse storage
 - g) Testing & Inspection facilities.
 - h) Reverse distribution/logistics i.e. collection of damaged, outdated, unsold, returned goods and bringing them back to supplier or manufacturer that includes transportation and warehousing.
- 7.2 Logistics Park
Logistics Park may broadly be defined as a collection of given set of logistics activities at a particular, well-defined location.
- 7.3. Warehousing
Warehousing can be defined as any premise or protected place which include place for storage or accumulation goods under controlled system.
- 7.4. Truck Terminals
Truck Terminals means such facilities which are developed in order to ease traffic congestion on strategic locations such as the district logistics nodes, industrial areas, national/ state highways, expressways intersection points, etc. Truck terminals may provide facilities such as repair and maintenance of the trucks, stores for spare parts, ATMs, fuel stations, parking spaces, transport

offices, sanitary facilities, weigh bridges etc. These facilities may also have lodging facility for drivers and helpers along with areas for loading/unloading (cross docking) of cargo among other facilities. Facility to check vehicle fitness automatically may also be provided at truck terminals.

7.5. Silos

Silos are structures for storing bulk cargo in both solid and liquid form and can be constructed of various materials such as concrete/ steel depending on the cargo type to be stored.

7.6. Jetties

To facilitate the import and export of finished goods as well as raw material by using inland waterways based on the EXIM trade requirements. This facility may be outsourced to private player for construction and management of the jetties.

8. Amendments to the policy

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.

9. Conclusion

Mizoram Logistics and Logistics Policy, 2022 is one of its kind policies which envisages integrated and holistic development of the logistics sector in the state. 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 Mizoram to earn a position in the LEADS Index and effectively contribute to improving the competitiveness of Mizoram's industry and trade.