

# Logistics Sector's Expectations from Union Budget 2025

Published on: 28 Jan 2025

## 1. CCI Group's Perspective

The Union Budget 2024 laid a strong foundation for the logistics sector, particularly with the successful execution of the PM Gati Shakti program, Western Dedicated Freight Corridor, and National Logistics Policy. As we look forward to the Union Budget 2025, industry leaders anticipate progressive measures that will accelerate the adoption of emerging technologies such as IoT, AI, automation, robotics, and 5G, supported by tax incentives and financial assistance.

Tech-driven infrastructure, including IoT-enabled transport systems, smart logistics parks, and advanced port and highway technologies, is expected to gain momentum, with Public-Private Partnerships (PPP) playing a crucial role. The introduction of single-window clearance systems to streamline approvals, enhance cross-border trade, and boost international competitiveness is another key expectation.

Additionally, increased capital expenditure on green technologies like hydrogen-powered and electric vehicles, green road networks, and logistics parks is needed to establish a sustainable and efficient ecosystem. Given the global trade volatility, the industry also anticipates measures like interest equalization and remission of duties and taxes on exports to enhance India's export price competitiveness.

## 2. KSH Distriparks' Perspective

Inland Container Depots (ICDs) play a pivotal role in logistics, facilitating seamless transportation between ports and inland regions. To meet the growing demands of global trade, Budget 2025 should introduce tax breaks and grants for ICDs to modernize their infrastructure, expand storage capacity, and reduce congestion at major ports.

The Gati Shakti Program is expected to remain a priority, with a special focus on the development of green corridors—designated routes ensuring low environmental impact while optimizing goods movement and reducing logistics costs.

Furthermore, policy reforms should focus on making electric vehicles (EVs) more affordable, alongside investments in charging infrastructure, creating a more energy-efficient transport system. The integration of automation, digitalization, and AI-driven platforms for better supply chain visibility is essential to enhance competitiveness and sustainability.

Manoj Jhanwar, Finance Head, KSH Distriparks, stated:

“Enhanced connectivity and operational efficiency at ICDs will further the ‘Make in India’ initiative, boosting domestic manufacturing, exports, and economic development.”

### **3. KSH Integrated Logistics’ Perspective**

A growth-oriented budget that reduces logistics costs to single-digit percentages is a top priority for the sector. A robust digital push with increased adoption of AI, IoT, and advanced solutions will be essential in achieving this goal.

The logistics sector’s rapid technological adoption requires proper workforce training and targeted government incentives. Additionally, a single-window system for regulatory approvals will enhance efficiency and global alignment.

Given the carbon-intensive nature of logistics, sustainability remains a critical focus. The government should incentivize green technologies, including EVs and alternative fuels, to minimize environmental impact while fostering a tech-driven logistics ecosystem.

Snehil A Singhai, Head of Business Development, KSH Integrated Logistics, stated:

“By promoting sustainability and technology adoption, the logistics sector can significantly contribute to India’s economic growth while aligning with global sustainability goals.”

### **Conclusion**

As the logistics sector eagerly awaits Union Budget 2025, the emphasis is on technology-driven infrastructure, sustainability, regulatory reforms, and cost optimization. With the right policies and investments, the sector can play a pivotal role in making India a global logistics powerhouse while enhancing domestic and international trade efficiency.