Project for Financial Access Improvement for Micro, Small and Medium Logistics Businesses in Rural Areas（BL）

Enhancing financial access for small and medium-sized logistics operators engaged in agricultural and food transportation in rural areas (especially lagging states) through local financial institutions in India.

Project Overview

This project aims to improve financial access for small and medium-sized logistics operators engaged in agricultural and food transportation in rural India, particularly in lagging states*. By providing long-term financing to Shriram Finance Limited (Shriram), a private financial institution in India, the project seeks to promote small and micro enterprises, expand employment, and strengthen logistics, thereby contributing to India's sustainable economic development.

* Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Tripura, Uttar Pradesh, West Bengal

Key Points of the Project

1. Addressing Logistical Bottlenecks in Agricultural and Food Transportation

- India’s logistics sector accounts for 13–14% of GDP, yet the number of commercial vehicles per 1,000 people is significantly lower than in China (31.3 vehicles) and Thailand (129.2 vehicles), at only 8.1 vehicles per 1,000 people.
- This shortage of commercial vehicles contributes to high food wastage rates.
- By providing financing to Shriram, one of India’s leading financial institutions with strong competitiveness and presence in commercial vehicle financing, the project will improve financial access for small and medium-sized logistics operators engaged in agricultural and food transportation.

2. India’s First Co-financing with India Exim

- Through an arrangement by the Asian Development Bank (ADB), India Exim Bank will participate in the project, supporting small and micro enterprises engaged in export transactions.
- This marks the first co-financing between JICA and India Exim in India, with expectations for strengthening future partnerships.

Lenders

ADB | JICA | India Exim Bank

Loan

Borrower

SHRIRAM Finance

Loan

Financial Access for Small and Medium Logistics Operators in India