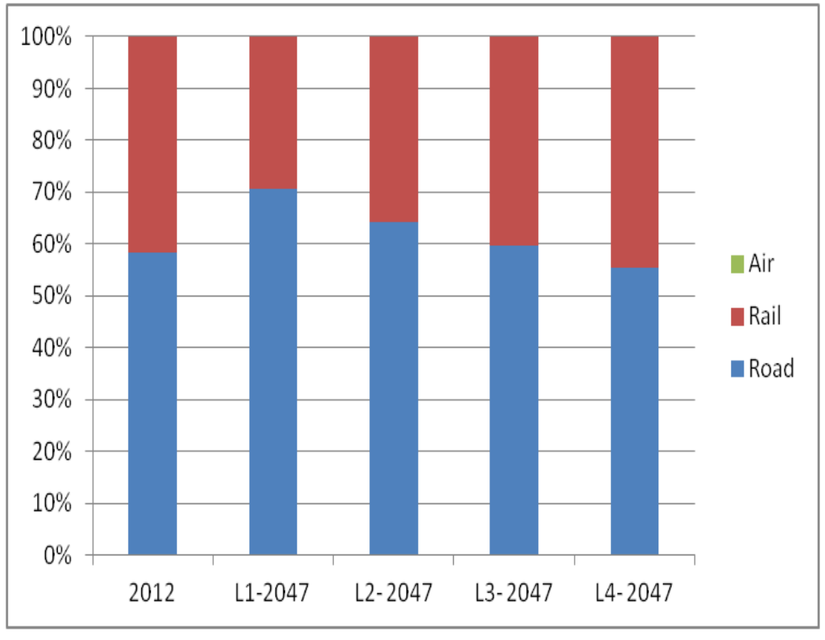
DOMESTIC FREIGHT TRANSPORT MODE

Railways accounted for about 42% and roadways for about 58% of India's total freight traffic in 2011-12. The trend in the last few decades has seen an increase in the share of traffic on roads in the total share of surface freight transportation. This is partly linked to an increase in the share of manufactured goods like white goods, fast moving consumer (FMC) goods etc. These cargos move over shorter distances and are time sensitive. The share of road has also increased due to the highly competitive nature of road transport, convenience and flexibility in tariffs, and the capability of road to handle smaller loads. The share of inland water ways and pipelines, which are both energy efficient modes of transport are relatively low and hence not being projected in this exercise.



LEVEL 1

Level one assumes that the observed trend of the past three decades continues till 2046-47, with the modal share rising significantly in favor of roadways. Large-scale investments in highways and expressways are expected to encourage the use of road over railways even for travel distances beyond 700 km. However, it would also lead to congestion due to the increase in road freight traffic which could decrease transport efficiencies after a certain point of time. The share of road in India's total freight traffic by 2047 will show a marked increase to 71%, and the share of rail will decline to 29%.

LEVEL 2

Level Two sees the introduction of two Dedicated Freight Corridors –Eastern and Western by 2020. Wagons with higher payload (25 ton per axle) will further improve rail efficiency and capacity. Railway freight transport will see a manifold increase in average speeds from 25 kmph to 50-60 kmph on the freight corridors. This would also be accompanied with tariff rationalization, both of which would work towards attracting more rail based transport. Thus the trend of falling share of rail based transport is expected to get arrested at about 36% by 2047.

LEVEL 3

Level Three sees higher investments in rail based freight transport. This level sees an improvement in infrastructure for freight transport via the introduction of DFCs on all four legs of the Golden Quadrilateral (connecting Delhi, Kolkata, Chennai and Mumbai). Rationalization in the tariff regime of railway freight transport, coupled with increased speeds and a shift towards containerization would increase the share of the freight traffic on railways to 40% by 2047, with roads accounting for 60%.

LEVEL 4

Level Four sees the introduction of Dedicated Freight Corridors throughout the four legs of the Golden Quadrilateral as well as the diagonals connecting Delhi to Chennai, and Kolkata to Mumbai. The policy changes to encourage a modal shift towards rail freight would continue, along with tariff rationalization, increased privatization etc. New technologies, such as RoadRailers (highway trailers that are specially equipped for intermodal movement on railway tracks and highways) would further help increase the inter-modal share of Railways to 45% by 2047.