GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

RAJYA SABHA
STARRED QUESTION NO. *24
ANSWERED ON 04.02.2025

ECONOMIC BENEFITS FROM CARGO TRANSPORTATION

*24. MS. KAVITA PATIDAR:

Will the Minister of PORTS, SHIPPING AND WATERWAYSbe pleased to state:

(a) the expected economic benefits from promoting cargo transportation on inland waterways; and
(b) the manner in which the "Jal Vahak Scheme" would improve the efficiency and sustainability of cargo transportation on India's inland waterways?

ANSWER

MINISTER OF PORTS, SHIPPING AND WATERWAYS
(SHRI SARBANANDA SONOWAL)

(a) and (b) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) AND (b) OF RAJYA SABHA STARRED QUESTION NO. *24 FOR 04.02.2025 RAISED BY MS. KAVITAPATIDAR, HON'BLE M.P. REGARDING "ECONOMIC BENEFITS FROM CARGO TRANSPORTATION"

(a) Expected economic benefits from promoting cargo transportation on inland waterways are as under: -

- Reduced Logistics Cost: -Inland Water Transport (IWT)can help reduce logistics cost, making cargo movement more competitive. The cost of transportation of 1 tonne cargo for 1 km is Rs. 2.58 by road, Rs. 1.41 by rail and Rs. 1.06 by waterways.

- Decongestion of Roads &Railways: -Diverting cargo to waterways reduces pressure on roads and railways, leading to less wear andtear, fewer accidents, and lower maintenance costs.

- Boost to Trade &Industry: -Efficient cargo movement via waterways can help industries like steel, cement, coal, fertilizers,and food grains by providing a cost-effective logistics option.Encourages coastal shipping and multimodal transport, improving supply chain efficiency.

- Employment Generation: -Expanding IWT creates jobs in port infrastructure, vessel operations, shipbuilding, and logistics.The growth of riverine tourism and passenger transport adds further employment opportunities.

- Infrastructure Development & Regional Growth: -Investment in river ports, terminals, and jetties leads to regional economic development.Development of hinterland connectivity boosts trade in remote and landlocked areas.

(b) Jalvahak Scheme aims to enhance the efficiency and sustainability of cargo transportation across India's extensive network of inland waterways in the following ways: -

1. Incentivize modal shift to waterways to increase cargo movement: The IWT sector, unlike ports, is in its nascent stage and requires support to promote modal shift of cargo, in addition to creation of physical infrastructure. Based on a model followed in the developed countries where financial packages are offered to cargo owners to facilitate modal shift to waterways, the Jalvahak Scheme offers incentive to the extent of 35% of the total actual operating expenditure incurred on waterways journey to cargo owners for modal shift of cargo from rail/ road to IWT. Jalvahak Scheme incentivizes long haul cargo movement on National Waterway-1 (NW-1), National Waterway-2 (NW-2) and National Waterway-16 (NW-16) via Indo-Bangladesh Protocol (IBP) Route providing an opportunity to the trade interests to explore cargo movement through waterways.

2. Scheduled Services: Under Jalvahak Scheme,scheduled services have been introduced, which are crucial for improving the reliability and predictability of cargo transportation on India's inland waterways. These scheduled services ensure that vessels operate on a consistent timetable, allowing businesses to plan their logistics more efficiently. This predictability helps in reducing delays and ensures timely delivery of goods, fostering confidence among stakeholders in the reliability of waterway transport. The routes identified for scheduled services are Kolkata - Patna - Varanasi stretch of NW-1 and between Kolkata and Pandu in Guwahati on NW-2 via Indo Bangladesh Protocol Route. Schedule service aims to provide reliable, cost effective and efficient cargo movement on NW-1, NW-2 and NW-16 via IBP route to demonstrate readiness of waterways and to boost confidence of the stakeholders in IWT sector.

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