

## **Holistic Approach for Developing Inland Waterways**

### **What is the issue?**

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- Due to heavy cargo movement India's transportation landscape is facing congestion in arterial roads.
- A holistic and concerted effort for tapping the potential of inland waterways will resolve such issues.

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### **What is the potential of Inland waterways in India?**

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- India has nearly 14,500 km of navigable waterways, yet inland water transport (IWT) accounts for less than 1 per cent of its freight traffic, compared with 35 per cent in Bangladesh and 20 per cent in Germany.
- Inland waterways has better cost arithmetic and materially less polluting nature.
- The cost of transporting one tonne freight over 1 km by waterway is Rs.1.19 compared with Rs.2.28 and Rs.1.41 by road and rail, respectively.
- The cost of developing an inland waterway is barely 10 per cent of a four-lane highway of similar capacity.

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### **What are the measures taken by the government?**

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- Union cabinet recently has passed an amendment to the Central Road

Fund Act, 2000, proposing to allocate 2.5 per cent of the funds collected for development of waterways.

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- This support, amounting to Rs.2,000 crore annually, is significant considering that the cumulative allocation till 2014 was Rs.1,500-1,700 crore.
- Union budget for next fiscal has allocated Rs.228 crore to the sector and allowed the Inland Waterways Authority of India (IWAI) to raise Rs.1,000 crore from the capital market.

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### What are the challenges with inland waterways?

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- The sector's investment requirements are Rs.90,000 crore over the next few years to develop navigable routes, connectivity infrastructure to and from hinterland, terminals, vessels and repairing facilities.
- In many States, there are ferry services on national waterways, but these are mostly unorganised country boats.
- Terminal facilities are also woefully inadequate in states like Kerala and Assam.
- Due to unplanned infrastructures along the river banks there are threats to biodiversity.
- Industries are hesitant to use the inland water ways to lack of promotion and incentives from the government's part.

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### What holistic approach must be followed?

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- **Private Partnership** - The government should focus on developing navigation, channel operation and maintenance, and external connectivity infrastructure.

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- Private players can undertake terminal development, cargo and passenger handling, and building low-draft vessels and related repair facilities.

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- **Industrial Incentives** - The Government can mandate/incentivise industries in the proximity of national waterways to use this mode for a portion of their shipments.
- Public sector entities such as Food Corporation of India, power plants and refineries can be similarly mandated.

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- **Sustainable transport model** - For synergy, the government can promote industrial corridors along riverbanks and foster waterways-based industrialisation.
- This will not only ensure captive IWT cargo, but also tackle erosion of riverbanks as industries will tend to protect the land allotted to them.
- **Promoting tourism** - Along with passenger terminal development, the government needs to offer financial support to ferry operators to improve safety, and facilitate insurance coverage.
- The Centre and States need to join hands to package and market river tourism in a big way to trigger a virtuous cycle.

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**Source: Business Line**

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