Waterways for freight transport. Will it work?

What is the issue?

India has an extensive network of cost-effective and environment-friendly inland waterways which are highly underutilized for freight transport and hinterland connectivity.

Which are the key inland waterways?

- The Ministry of Ports, Shipping and Waterways has declared 111 waterways (5 existing and 106 new) as National Waterways (NWs) under the National Waterways Act, 2016.
- The Inland Waterways Authority of India (IWAI) says 25 of the 111 National Waterways (NWs) are fit for cargo and passenger traffic and developmental activities are underway for 13.
- The Ganga-Bhagirathi-Hooghly River system designated as National Waterways 01 is 1,620 km long and runs across Uttar Pradesh, Bihar, Jharkhand, and West Bengal.
- Gujarat, Kerala, Goa, Assam, and Andhra Pradesh are also among the states that have inland waterways under development.

How will they help the economy?

- Inland water transport is significantly cost-efficient compared to rail and road transport.
- Development of inland waterways transport will also help with the de-congestion of overcrowded rail and road networks in India.
- Already, the development of inland waterways has been effective in increasing the movement of cargo by about 13% in 2020-21, compared to 2019-20.

- Using inland waterways wherever feasible could help lower transportation costs and time.
- This will have a spillover effect on manufacturing and

export competitiveness as the price of most items also depends on transportation cost.
- India's logistics cost as a share of GDP is estimated to be at around 14% and the Centre's goal is to bring it down below 10%.

How's India promoting inland waterways?

- **The Jal Marg Vikas Project** for increasing the capacity of waterways was undertaken by the IWAI, and was approved by the Cabinet Committee on Economic Affairs on 3 January 2018.
- To promote inland waterways as a supplementary mode of transport, the Ministry of Ports, shipping, and waterways last year waived user charges for a period of three years.
- The government also came up with digital solutions such as CAR-D (Cargo Data) Portal and PANI Portal.
- **CAR-D (Cargo Data) Portal -** It is a web-based portal for the collection and compilation, analysis, and dissemination of all cargo and cruise movement data of NWs to the stakeholders. It is expected to promote ease of doing business.
- **PANI Portal** or the Portal for Asset and Navigation Information is an integrated solution that compiles river navigation and infrastructure information on a single platform.
- The portal provides detailed information such as the fairways, infrastructure facilities, cross-river structures, and emergency services.
- The Inland Vessels Bill 2021 is tabled in the Lok Sabha to promote economic and safe transportation and to bring uniformity in the law.

How it helps regional trade?

- **Bangladesh** - The addition of 7 new ports of call on each side of India and Bangladesh is expected to increase the accessibility of inland water transport mode for trade and result in growth of traffic on the national waterways.
- **Nepal** - Inland waterway mode has been agreed for inclusion in the trade treaty between India and Nepal.
- **Bhutan** - Stone exporters from Bhutan have identified inland waterways as an alternative mode of transportation.
- The IWAI supervised the first movement which was successfully executed in July 2019.

Reference

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