

11 March 2023

95-3 - Infrastructure.

3. Increased adoption of railways for cargo movement is crucial to improve the country's logistics competitiveness. Comment

Budget 2023 has increased allocation upto ₹24 Lcr to Indian railways & ^{PM Gati Shakti master plan} to boost logistics sector & improve logistics competitiveness.

Railways Importance.

1. Indian railways - efficient & economical means of transportation of passengers & goods and services.
2. Contributes 1.5% of Gross domestic product in.
- 45% of Infrastructure building.
3. National Rail plan → also plans to Increase passenger services & boost freight movement to 40-45%.

Road (vs) Railway freight

currently ⇒ Road freight ⇒ >65% of total freight.

Issue is High transportation cost - affecting logistics efficiency
world bank's - Logistics performance Index - India -
13-14% logistics cost.

Challenges → Faced by Railway sector.

It faces, Infrastructure, operational & procedural delays.

1. pre-movement & post movement procedural delays increasing transit time eg: loading/unloading goods.
~~warehouse~~ wagon movement

2. Terminal Infrastructure is lacking - leading to. Increased congestion & Low service level.

eg: warehouse.

3. Absence of 1st & last mile connectivity - increasing multiple handling.

need of home.

1. upcoming Dedicated freight corridors in Eastern western corridors - may ease oversaturation line

2. Special entity within Railway for Intermodal logistics handling - participation of private.

Reduce multiple handling } eg: warehouse management

3. Uber-like - online booking for wagon services to improve usage rate of wagon.

4. Boosting Infra → Policy tool → to increase private participation
way forward.

Increased Multimodal connectivity policy Infrastructure in Railways - will increase the logistics efficiency & also exports to neighboring countries