

Workshop on Multi-modal Model under Sagarmala

The Ministry of Shipping organized a workshop on 'Multi-modal Model' under its Sagarmala Programme, at New Delhi recently. The workshop deliberated upon the key constraints in logistics movement based on actual & projected EXIM traffic flows. The workshop was attended by representatives from Niti Aayog, Indian Railways and CONCOR.

The workshop apprised the participants of the need for a national freight flow model for better logistics planning in the country.

As part of the programme a multi-modal model has been prepared based on the extensive origin-destination (OD) analysis for key traffic categories to identify opportunities for reducing logistics cost. The Multi-modal model has been developed to revalidate key constraints in logistics movement. These constraints have been analysed to evolve projects to address bottlenecks. The model optimises the flow of the commodities moving to and from the ports. For the optimized scenario, it identifies the road and rail routes, ports and multi-modal hubs which need to be debottlenecked to handle existing and future cargo traffic. The model provides flexibility to add any new ports, multi-modal hubs and traffic origination points.

The participants were of the unanimous opinion that insights from the model created under Sagarmala programme could benefit the freight flow model and can be helpful in reducing the logistic costs. The need for an institutional mechanism for locating and operating such model was also deliberated upon during the workshop.

One of the key objectives of the Sagarmala programme is to reduce the cost of transporting cargo by optimizing the modal mix. It has been estimated that the cost per tonne kilometre of moving cargo by sea or inland waterway routes can be 60 to 80 percent lower than road or rail. However, the modal share of coastal shipping and inland waterways remains low. Several production and demand centres in India lie close to the coastline and rivers, yet the waterways are under-utilized. The National Perspective Plan of Sagarmala envisions projects which have potential for moving raw materials and finished products between these centres using coastal shipping and inland waterways instead of rail or road. The change in modal mix could lead to large amount of savings in logistic costs.