



TCI & IIM Calcutta launch Joint Study Report on “Operational Efficiency of Freight Transportation by Road in India”

Hon. Minister for Road Transport & Highways and Shipping Shri Nitin Gadkari lends his august presence to the event to underline the relevance of the sector in India's economic progress

New Delhi, June 7, 2016: The Transport Corporation of India (TCI), in collaboration with IIM Calcutta, launched the 3rd edition of the joint study report titled “**Operational Efficiency of Freight Transportation by Road in India**”. The report was unveiled by **Shri Nitin Gadkari**, Honorable Minister for Road Transport and Highways, and Shipping at an event hosted at the India Habitat Centre, New Delhi. The report is based on the joint survey of road freight transportation along 28 key routes in India. The aim of the study is to explore new ways to increase the operational efficiency of freight transport by road.

The study is a follow-up of earlier reports, also commissioned by TCI, in 2008-09 and 2011-12, henceforth referred to as the 2008-09 survey and 2011-12 survey, respectively. The primary objective of the 3rd edition of the study was to compare route statistics with those from 2008-09 and 2011-12 and identify major changes in the road freight transportation sector over the years. Road transport plays a significant role in the country as the total contribution of the transport sector to India's GDP was 6.5% in 2011-12, out of which roads contributed to 4.8% as compared to 1% of the Railways. The key findings of the report were that there is a pressing demand for faster expansion of the road network, to widen and improve the road conditions of the existing roads through periodic maintenance.

Mr. Vineet Agarwal, MD, TCI said, “Freight transportation by road is a very vital component of India's economy. Understanding the best ways to enhance its operational efficiency is therefore very important for the growth of the country and for bolstering internal commerce. The report seeks to understand how road infrastructure needs to keep pace with the increasing traffic and suggests key areas that need to be looked at to ensure that freight transport by road becomes more cost-effective and speedy for all stakeholders involved.”

India incurs \$14.7 billion and \$6.6 billion annually due to additional fuel consumption costs and transportation delays respectively. The report seeks to shed light on all the areas that need to be worked upon to plug these gaps and reduce the cost burden.

The report suggests the following recommendations:

1. Government should resolve issues regarding GST with various stakeholders to reduce the stoppage delays that take place for documentation check and tax collections.
2. Fuel efficiency in terms of mileage has to be increased. This is currently suffering from slow vehicular speeds due to poor road conditions, traffic jams, multiple on-road stops, long queues, idling at check posts, and old vehicles.
3. Issues in relation to rail freight transportation faced by shippers need to be addressed and resolved. This is related to the problems of loading delays, unavailability of rakes when required, poor service and lack of multimodal coordination.
4. The government should broaden the scope of multi-modal transportation under the Multi-Modal Transportation of Goods Act, 1993 in India as it is more economic, efficient and eco-friendly.
5. The government should encourage private participation and assume active roles in multi-modal logistics parks by providing incentives on investments for such projects.
6. As shipping in summer and monsoon months proved less lucrative for truckers due to the poor road conditions, the government should ensure road building and maintenance around these months for smoother vehicular movement.

About TCI Group: TCI Group, with revenues of over Rs.2,500 crores, is India's leading integrated multimodal supply chain and logistics solutions provider. TCI group with expertise developed over 5 decades has an extensive network of company owned offices, 11 Mn Sq. ft. of Warehousing Space and a strong team of trained employees. With its customer-centric approach, world class resources, State-of-Art technology and professional management, the group follows strong corporate governance and is committed to value creation for its stakeholders and social responsibilities. TCI was the first to launch several solutions in the logistics field. Its product offering includes:

TCI Freight: India's leading surface transport entity. This division is fully equipped to provide total transport solutions for cargo of any dimension or product segment. It transports cargo on FTL (Full truck load), LTL (Less than truck load), Small packages and Over Dimensional cargo.

TCI XPS: A leading express distribution specialist, it offers a single window door-to-door & time definite solution for customers' express requirements. It services 13,000 locations in India and 200 countries abroad.

TCI Supply Chain Solutions: TCI SCS is a single window enabler of integrated supply chain solutions right from conceptualization and designing the logistics network to actual implementation. The core service offerings are Supply Chain Consultancy, Inbound Logistics, Warehousing/ Distribution Centre Management & Outbound Logistics.



TCI Global: The global business division of TCI provides end-to-end logistics solutions across boundaries.

TCI Seaways: TCI Seaways has well equipped ships in its fleet and caters to the coastal cargo requirements for transporting container and bulk cargo.

TCI Foundation: As the group's social arm, TCIF fulfils corporate social responsibility and runs charitable hospitals and schools for the under-privileged in the rural areas. It has also collaborated with the Bill & Melinda Gates Foundation & National Aids Control Organization to run programs on AIDS interventions and education among the vulnerable trucking community.
