

Enabling Multi-Modal Freight in India

Background note

India's freight transport includes five modes - road, rail, aviation, shipping and pipeline transport. However, the lion's share of the freight transportation is catered to by road transport. Over the past three decades India's road freight activity has increased more than tenfold. The oil demand from Indian road freight transport has seen the highest growth among all countries since 2000, increasing by more than a factor of three. The CO₂ emissions from the freight transport sector have grown at a CAGR of 6 per cent between 2000 (~40 MtCO₂) and 2020 (~130 MtCO₂). About half the contribution to the CO₂ emissions from the freight were from the heavy freight trucks. In addition to CO₂ emissions, diesel vehicles, buses and trucks in particular, have been known to contribute significant emissions in urban areas leading to deterioration in air quality.

Railways went from carrying about 62 per cent of the share of freight transport in the country in 1990-91, to about 27 per cent by 2014-15. Inland waterways, is another underdeveloped mode of transport in India contributing to a modal share of 0.1 per cent in the total freight traffic. Compared with the global trade, coastal trade too has remained quite stagnant and accounts for around 40 million tonnes of cargo, comprising three bulk commodities - crude oil, coal, and iron ore.

A transition to multi-modal freight, that curtails the share of road transport, is both an imperative and inevitable part of decarbonising India's transport sector to comply with its climate commitments.

Towards this end the Government of India is undertaking a range of interventions including the Dedicated Freight Corridors, Multi-Modal Logistics Park, Sagarmala programme, *National Waterways Act* and most recently, the tabling of the *Inland Vessels Bill*, 2021. This roundtable will explore the likely outcomes of these initiatives in terms of emissions reductions based on CEEW-IEA analysis.

Discussion themes

1. Presentation of insights from CEEW-IEA analysis
2. Roundtable discussion on the following topics
 - Level of emission reductions needed in freight transportation
 - Feasibility of achieving mode-shares targeted for rail, coastal shipping, and inland water transport by current policies
 - Potential contributions of Multi-Modal Logistics Parks
 - Further interventions needed to enable multi-modal freight in India