



Cabinet

Cabinet approves allocation of 2.5 per cent of Central Road Fund for development and maintenance of National Waterways (NWs) by amending in the Central Road Fund Act, 2000

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has accorded its approval today to a proposal jointly mooted by the Ministry of Shipping and the Ministry of Road Transport & Highways (MoRTH) for amendment of Central Road Fund Act, 2000 to allocate 2.5 per cent of the proceeds of Central Road Fund (CRF) for development and maintenance of National Waterways (NWs) and a reduction in the share provided for development of National Highways. The Cabinet has also directed that while implementing viable National Waterways projects, all such components that can be done on PPP basis, should be explored accordingly and government funding may be used only if private investment is not forthcoming for any component

The Central Road Fund (Amendment) Bill, 2017 would be moved by the Ministry of Road Transport & Highways in the ensuing Monsoon Session, 2017 of the Parliament.

Impact

An allocation of 2.5 per cent of CRF proceeds would provide approximately Rs.2000 crore per annum for the development and maintenance of NWs at existing rates of duties funding the CRF. The Inland Waterways Authority of India (IWAI) has estimated that approximately Rs. 25,000 crores would be required for development of identified projects on NWs till 2022-23. In this regard, works for construction of multi modal terminals, new navigation lock, River Information System, development of fairway etc., have already commenced under the Jal Marg Vikas Project being implemented on NW-1 (River Ganga). IWAI also has planned to undertake work on the development of 24 NWs during the next three years.

It is estimated that 1.8 lakh persons would be provided employment in the Inland Waterways Transport (IWT) sector in the next five years. New employment opportunities are expected to be generated for operation and management of fairway, terminals, aids to navigation, barges, training, etc. Further, development of additional 106 NWs will create additional job opportunities.

Background

The Government has been emphasizing the importance of developing Inland Water Transport Sector for the national economy. The National Waterways Act, 2016 for developing and maintaining the existing five NWs and new 106 NWs has been passed by Parliament and is now enforced. The arrangement approved by the Cabinet; would make available adequate and sustainable source of funding for NWs through institutional means of CRF. This is one more step towards promotion of Inland Water Transport sector as a cost effective, logistically efficient and environment friendly sector which would contribute in diverting traffic from the over congested roads and railways and offer an incentive and provide certainty for private companies to invest in the sector. It is estimated that a standard 2000 DWT vessel has the potential to transport 125 Truck Loads and almost one complete train rake (40 rail wagons) load on existing road and rail infrastructure.

AKT/SH

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