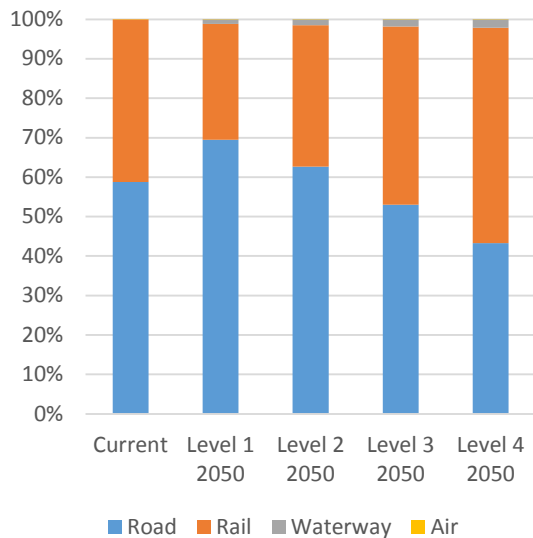


Freight transport mode

Level 1

Level 1 assumes that the past trend continues till 2050, with the modal share rising significantly in favor of roadways. Large-scale investments in highways and expressways, including industrial corridors, are expected to encourage the use of road over railways. However, it would also lead to congestion due to the increase in road freight traffic which could decrease transport efficiencies after a certain point of time. Share of rail is expected to decrease to 29%, by 2050, and waterway taking 1% share from road.



Level 2

Level 2 sees the start of the 1100km East Coast Dedicated Freight Corridor connecting Kharagpur with Vijaywada by 2035, a broad gauge double line electrified corridor. Superior technology will improve rail efficiency and capacity. High speed freight trains will be introduced running at 100+kmph. This would also be accompanied with tariff rationalization, both of which would work towards attracting more rail based transport, reaching 36% in 2050. As more stretched of NW4 are developed, 1.5% of freight share will move from road to waterway by 2050.

Railways in Andhra carried 46.1 BTKM of freight in 2015, which accounted for 42% of the total freight transport, with the remaining transported by road. The trend in the last few decades has seen an increase in the share of traffic on roads in the total share of surface freight transportation. This is mainly due to high growth of manufacturing in the state, such as auto and auto components, textiles, agro and food processing, and bulk drugs and pharmaceuticals. These cargos move over shorter distances and some are time sensitive. The share of road has also increased due to the highly competitive nature of road transport, convenience and flexibility in tariffs, and the capability of road to handle smaller loads. AP has plans to develop inland water ways along National Waterway 4 for movement of freight, which is an energy efficient mode of transport, and hence it is also included in the modal mix in the future, though only after 2035, as it is expected to take several years to develop due to the need for increasing the height of bridges across the waterway.

Level 3

Level 3 sees higher investments in rail based freight transport. This level sees further strengthening of the East Coast DFC. Rationalization in the tariff regime of railway freight transport, coupled with increased speeds and a shift towards containerization would increase the share of the freight traffic on railways to 45% by 2050. Waterway development is further strengthened and its share in the freight modal mix increases to 1.75% by 2050.

Level 4

Level 4 assumes quick implementation of East Coast Dedicated Freight Corridor. State develops policies to encourage a modal shift towards rail freight in alignment with central policies and along with tariff rationalization, increased privatization etc. New technologies, such as RoadRailers (highway trailers that are specially equipped for intermodal movement on railway tracks and highways) would further help increase the intermodal share of Railways to 55% in 2050. Waterways will have a 2% share in freight transport by 2050.