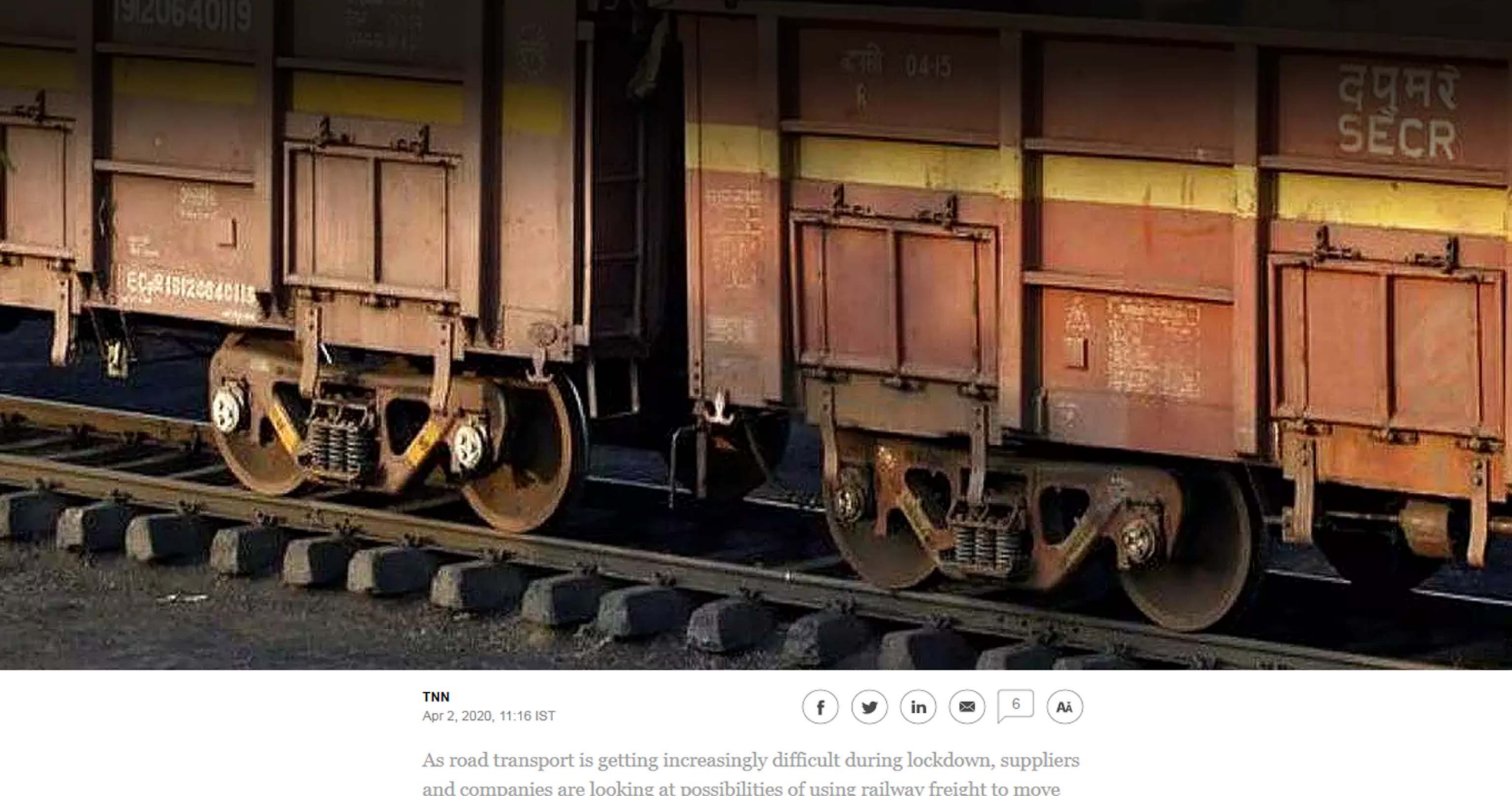


# CAN RAIL EASE SUPPLY CHAIN WOES?



**TNN**  
Apr 2, 2020, 11:16 IST

As road transport is getting increasingly difficult during lockdown, suppliers and companies are looking at possibilities of using railway freight to move goods

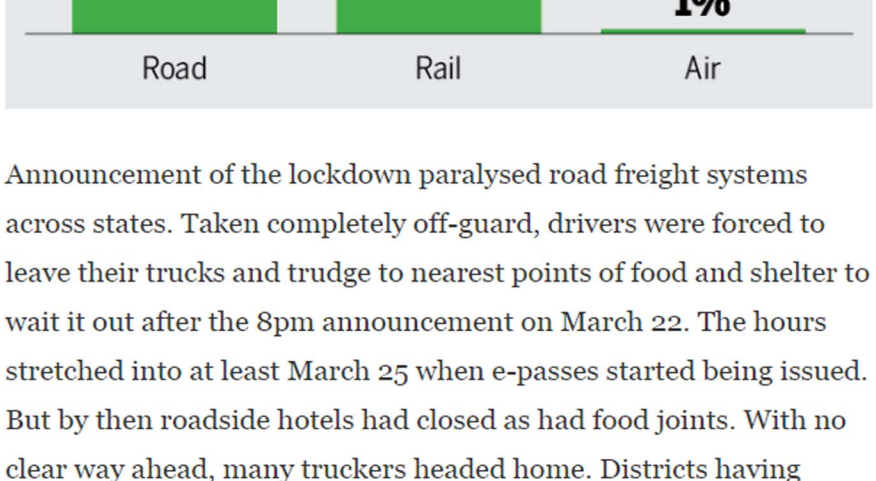
A week into the 21-day pan-India lockdown that snapped supply chains, choked borders and stalled movement of goods across the country, companies and logistics firms are working to relink the chain, exploring alternative routes for essential goods to reach shops, godowns or directly consumers.

"To move essential supplies across the country, from sellers/vendors to customers, our teams are exploring all possible collaboration ideas including railways," said Rajneesh Kumar, chief corporate affairs officer, Flipkart.

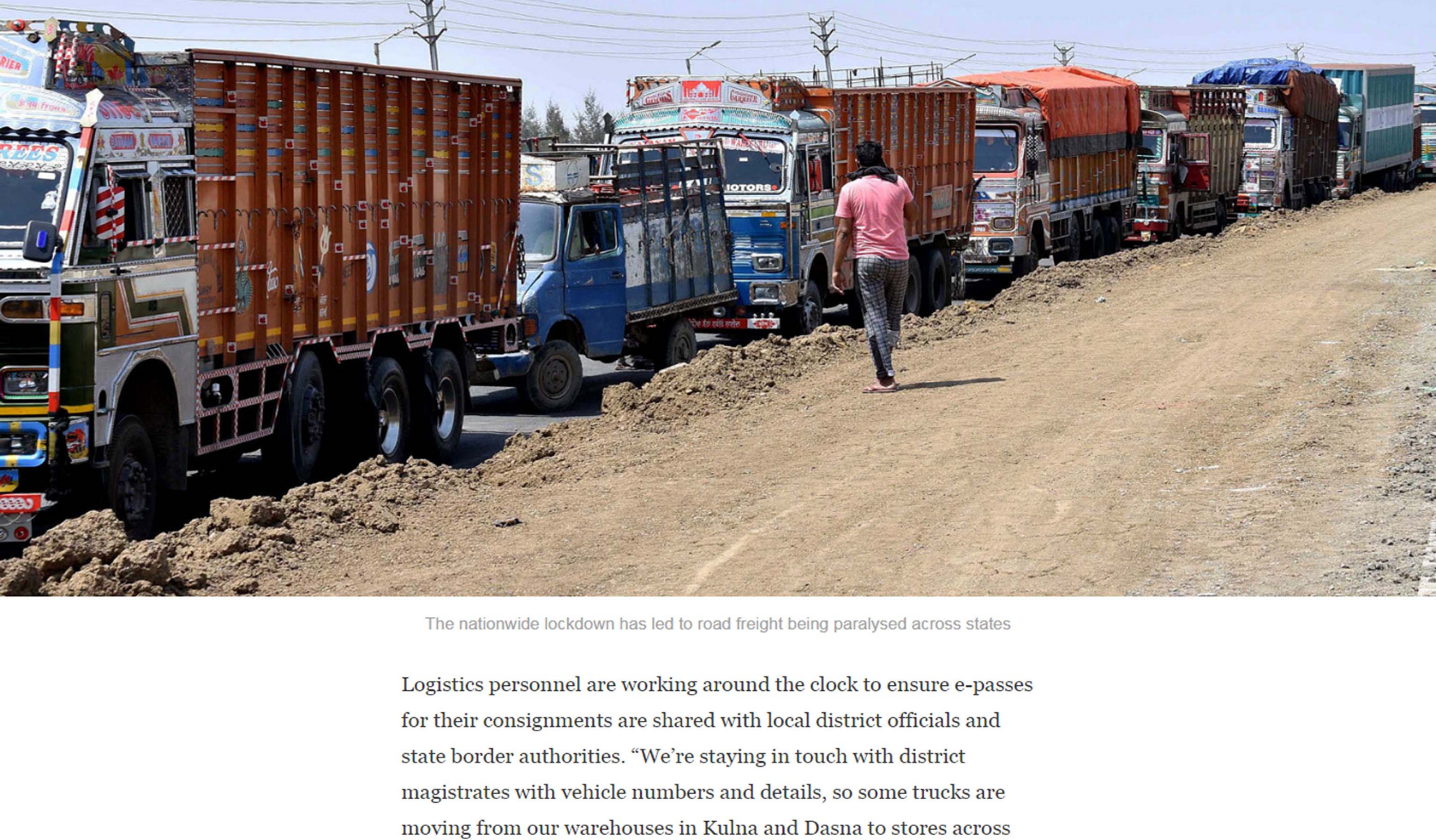
**“ To move essential supplies across the country, from sellers/vendors to customers, our teams are exploring all possible collaboration ideas including railways ”**  
- Rajneesh Kumar, chief corporate affairs officer, Flipkart

Freight transport in India is road-dominated accounting for 59% of freight movement, as per a NITI report, while rail meets about 35% freight demand, and less than 1% by air.

Though relatively costlier than rail, road offers greater flexibility in terms of destination and volume of goods to be transported. The main advantage of trains is they can transport huge volumes. One train has 20 to 50 wagons and more can be added as required. But there is no last mile connectivity, which is why, a rail official said, business of transporting perishable goods has been with trucks for a long time.



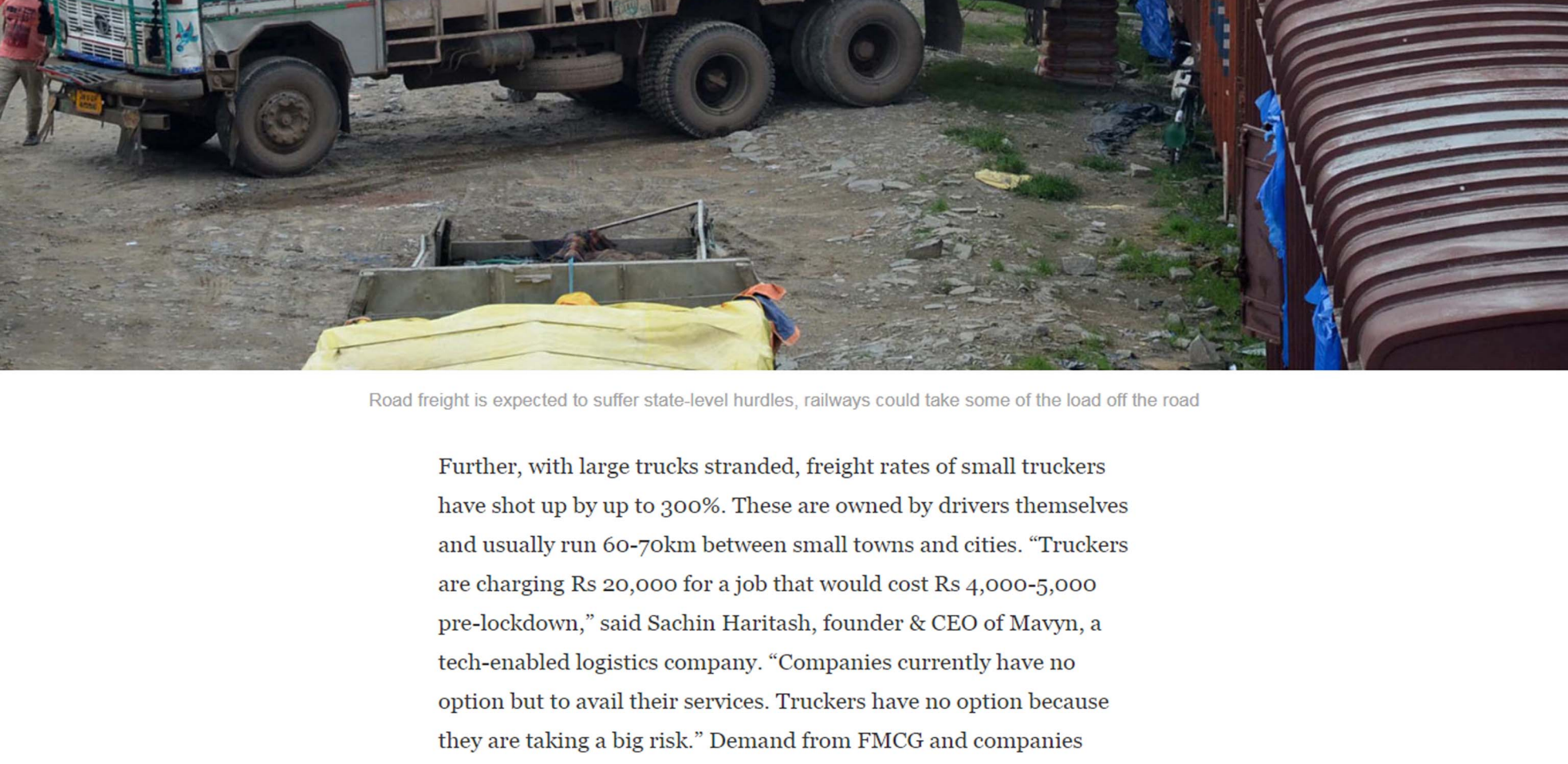
Announcement of the lockdown paralysed road freight systems across states. Taken completely off-guard, drivers were forced to leave their trucks and trudge to nearest points of food and shelter to wait it out after the 8pm announcement on March 22. The hours stretched into at least March 25 when e-passes started being issued. But by then roadside hotels had closed as had food joints. With no clear way ahead, many truckers headed home. Districts having sealed borders to prevent movement of people has further led to an acute shortage of truck drivers and labour to load and unload cargo. People in the logistics space said only about 20-30% of trucks are currently on road.



The nationwide lockdown has led to road freight being paralysed across states

Logistics personnel are working around the clock to ensure e-passes for their consignments are shared with local district officials and state border authorities. "We're staying in touch with district magistrates with vehicle numbers and details, so some trucks are moving from our warehouses in Kulna and Dasna to stores across Delhi and Gurgaon, apart from places like Agra, Mathura etc," said Vishal Choudhary of a Gurgaon-based logistics firm.

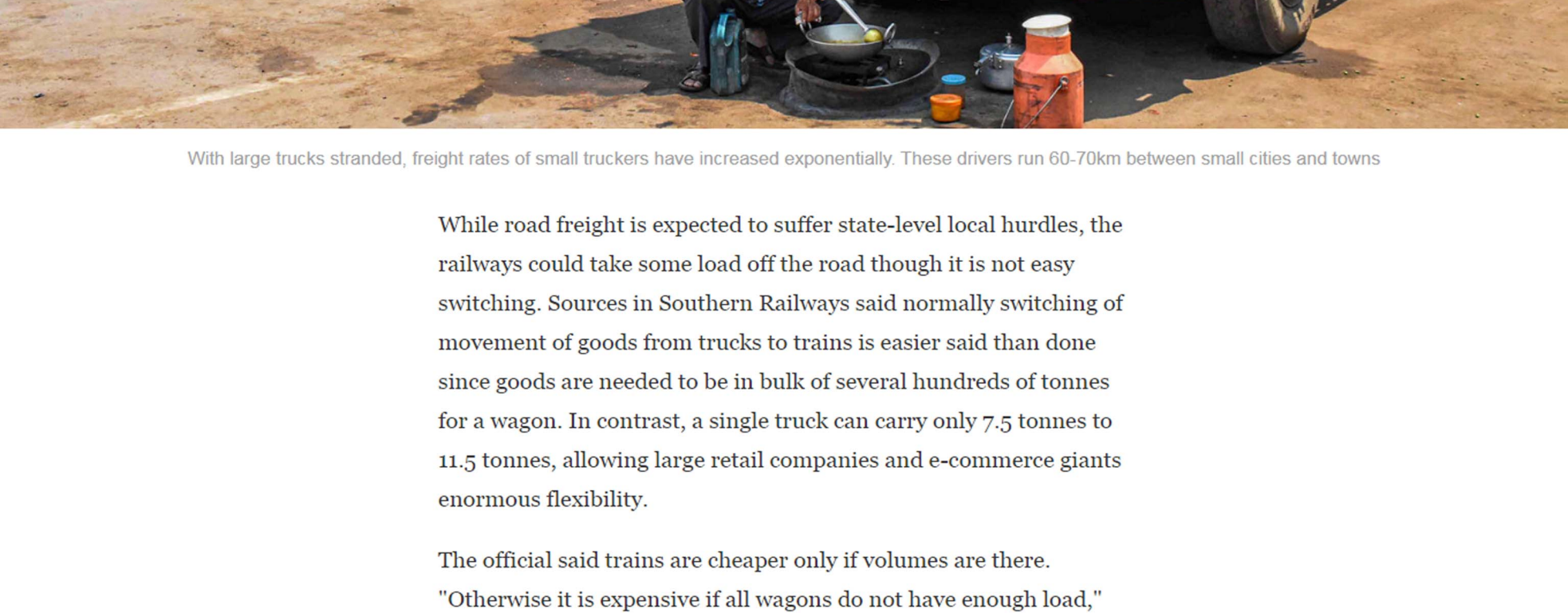
But though e-passes are easing passage, some states have continued to deny road freight. Karnataka government for instance had till Sunday continued to block a main road via Coorg that connects Kannur with the stay Karnataka, which impacted flow of goods to the state. Despite interventions by senior authorities and SPMs, the road remains blocked at the Kerala- border. Local MLA Sunny Joseph told TOI, "When this road is blocked, the trucks have to travel an additional distance of over 100km to reach Kannur. This would lead to escalation of price," he said. Many trucks are still stuck at the border.



Road freight is expected to suffer state-level hurdles, railways could take some of the load off the road

Further, with large trucks stranded, freight rates of small truckers have shot up by up to 300%. These are owned by drivers themselves and usually run 60-70km between small towns and cities. "Truckers are charging Rs 20,000 for a job that would cost Rs 4,000-5,000 pre-lockdown," said Sachin Haritash, founder & CEO of Mayvin, a tech-enabled logistics company. "Companies currently have no option but to avail their services. Truckers have no option because they are taking a big risk." Demand from FMCG and companies making equipment and medicines to fight coronavirus is high, while some industrial areas producing commodities in eastern parts of India have come to a complete halt. Intra-city truckers, however, have raised rates by not more than 30%, and no one is complaining about that, said Pushkar Singh, CEO & co-founder of LetsTransport.

"Their trucks are their livelihood and charging a premium for the trouble they're going through, whether negotiating local authorities or returning to destination empty-handed is a good job done," he said.



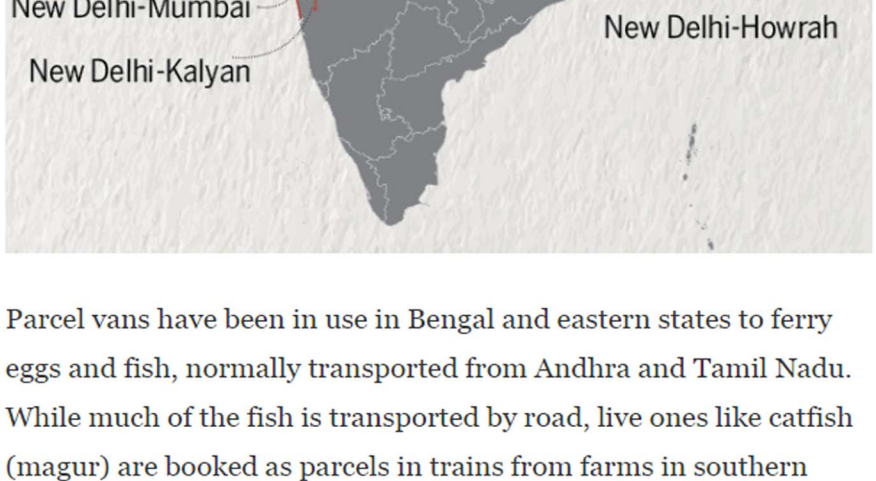
With large trucks stranded, freight rates of small truckers have increased exponentially. These drivers run 60-70km between small cities and towns

While road freight is expected to suffer state-level local hurdles, the railways could take some load off the road though it is not easy switching. Sources in Southern Railways said normally switching of movement of goods from trucks to trains is easier said than done since goods are needed to be in bulk of several hundreds of tonnes for a wagon. In contrast, a single truck can carry only 7.5 tonnes to 11.5 tonnes, allowing large retail companies and e-commerce giants enormous flexibility.

The official said trains are cheaper only if volumes are there. "Otherwise it is expensive if all wagons do not have enough load," he said, adding that if organisations or traders gather large quantity of materials, they can hire trains.

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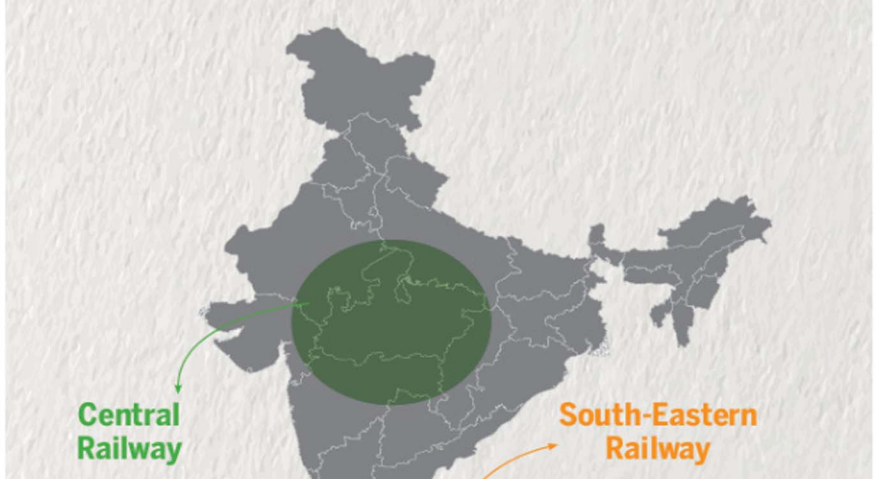
An emerging option, yet to be tested, is Indian Railways parcel vans. Railways has started eight parcel trains to move essential items and is set to run more such trains on 20 other routes across the country to ferry medical items, electronic, FMCG, edible oil and even reportedly dairy products. A parcel van can take 16 to 18 tonnes. An added advantage, officials said, is that as passenger trains are not running, all routes are clear for the parcel vans. On March 30, Northern Railways started its first special train from Moga, Punjab to Changsari, Assam.



Parcel vans have been in use in Bengal and eastern states to ferry eggs and fish, normally transported from Andhra and Tamil Nadu. While much of the fish is transported by road, live ones like catfish (magur) are booked as parcels in trains from farms in southern India and ferried to large fish markets like Howrah (Asia's largest fish wholesale market). Egg supply is also supplemented by Railways' parcel vans.



"With the railways now announcing the movement of special parcel vans, we expect more packages like medicines, medical equipment, food items and other essentials. The costs involved in the movement by rail is much cheaper. It is also quicker," a senior railway official said.



The parcel van can be hired by private companies and state governments. Even before the rolling out of the parcel-train idea, Southern Railway cut down on moving steel and cement as demand sank and manufacturing had slowed to a crawl. Presently, they are running 25 goods trains across TN and Kerala as against the daily average of 81 on a non-lockdown day. Wagons are now being used to move essential supplies across the country. Though rice, paddy, sugar, salt and dairy are usually ferried in the south by train, vegetables, dairy products, packaged dry provisions would be supplied via trucks. All of this including salt and sugar are now being moved by train.

In Bengal and other eastern states, Eastern and South-Eastern Railway are ferrying essentials of rice, wheat, maize, salt and potatoes to key hubs including Kolkata. Among staples, sugar was the only one entirely ferried by the Railways in the east.

*Inputs: Krishnendu Bandyopadhyay, Jayanta Gupta, Ayyappaan V, Dipak Dash, Manthan Mehta, Madhava Chanchani, John Sarkar*

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