

DFC to fast-track India's Growth

The Hon'ble Prime Minister of India, Shri Narendra Modi, recently inaugurated a 306-km section of the Western Dedicated Freight Corridor (DFC) and launched a 351-km section on the Eastern DFC for commercial operations.

Being created for addressing the burgeoning transport demand of a growing economy, the main objectives of developing the DFC include decongesting the existing Indian Railway network, connecting the existing ports and industrial areas for faster movement of goods, reducing the cost of transportation, creating an energy-efficient and environment-friendly rail transport system as per global standards, increasing the average speed of Indian goods trains from the existing 25 to 70 kmph, running heavy haul trains, facilitating the running of longer and double-stack container trains and increasing the existing rail share in the Indian transportation system from 30 per cent to 45 per cent, among others.

Announced in the Railway Budget 2005-06, the construction of the project has been delayed due to problems in land acquisition and garnering capital investments. While 88 per cent of the land for the project had been acquired by 2014, the World Bank and Japan International Cooperation Agency (JICA) are funding the project.

When fully operational, 70 per cent of the goods trains will shift to the DFC, thus freeing up the existing tracks for passenger trains; and it will enable faster movement of agricultural products, fertilizers, coal, petroleum products, iron and steel, cement and manufactured goods.

The main aim of the DFC is to reduce the high logistics costs in India, which average around 13-15 per cent of the product cost compared to the global average of 6 per cent, thus enhancing the efficiency of Indian industries, agriculture, trade and commerce, and making our manufacturing and exports competitive.

As a large part of the freight movement in India takes place through road transport, which raises the logistics cost of goods, DFC can be a game-changer by providing an alternative low-cost energy-efficient mode of transport that can fast-track India's goal of becoming a USD 5 trillion economy.

Notifications

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11th Installment released to the States as loan to meet the GST compensation shortfall

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