

Indian Railways' Reforms in Bulk Cement Transportation Receives Good Response

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Efforts by Indian Railways to increase loading and promote rail-based movement of bulk cement in tank containers is bringing positive results. Many cement companies have approached CONCOR for the movement of bulk cement in tank containers.



CONCOR is also facilitating the setting up of silos in its terminals for bulk cement handling and storage. Deepening the reforms and to make its schemes attractive, Indian Railways had recently brought down charging on GTKM basis from 90 paisa to 85 paisa per tonne per kilometer. This along with discounts for empty return movement to the originating terminal on GTKM basis is making rail movement of bulk cement in tank containers significantly more competitive compared to road.



The response of the trade to this innovative charging scheme has been very good. This scheme will benefit in reduction in overall freight cost for bulk cement movement. This will result in lower fuel cost and reduced emissions. The reforms support faster turnaround and reduced handling losses compared to bagged cement. It also facilitates adoption of tank containers in bulk cement logistics, improving plant-to-market efficiency.



Earlier, Indian Railways was charging haulage on per TEU basis as per the distance slab for movement of bulk cement in tank containers with a graded discount on haulage in the empty return direction, i.e., 50% in the first year, 40% in the second year, 30% in the third year, 20% in the fourth year, 10% in the fifth year, and no discount from the sixth year onwards.

However, this basis of charging was found to be unattractive for cement producers and was acting as a deterrent to shifting bulk cement movement to rail from road. In order to increase loading and promote rail-based movement of bulk cement in tank containers, Railways brought reform in rates to make win-win situations for Railways and customers.

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