Chapter 10

Trend, Growth, and Problems of Road Transport in India

Kabita Kumari Sahu
North Orissa University, India

ABSTRACT

The objectives of the present chapter are to analyze the trend, growth, problems of road transport and inter-state variation in road network in the country with the help of secondary data. India has one of the largest road networks in the world, of 33.14 lakh km, consisting of (1) national highways (NHs), (2) State highways (SHs), (3) major district roads (MDRs), and (4) rural roads (RRs) that include other district roads and village roads. The growth rate of road was 12.50 per cent in 2014 due to significant increase in urban roads. The road density per 100 Sq KM of land area is 142.68 in India. The road density has increased from 3.28 km in 2001 to 3.96 km in 2014, registering a CAGR of 3.9%. Inter-state analysis of road transport reveals that Andhra Pradesh has highest road length followed by Uttar Pradesh and Karnataka.

INTRODUCTION

The provision of efficient, low cost, reliable and safe transport infrastructure and services assumes additional significance in India because resources and markets are dispersed across long distances. The Road Transport industry has a lion’s share in India’s economic development. Due to easy accessibility, flexibility of operations, door to door service and reliability, Road Transport in India showed an increase in share of both passenger and freight traffic vis-à-vis other modes of transport. In fact, the progress of a nation and progress of its transport industry is complementary to each other. Roads and road transport forms the backbone of the transport sector in India for both passenger as well as freight mobility. Transport sector accounts for 6.4 percent share in India’s Gross Domestic Product (GDP). However, Road Transport has emerged as a dominant segment in India’s transportation sector with a share of 4.8 percent in India’s GDP comparison to rail-ways that has a meager 1% share of GDP in 2011-12. India has the second largest road network in the world, spanning a total of 4.87 million kms. Roads in India make transport of over 60 per cent of all goods and 85 per cent of total passenger traffic. The roads and bridge
infrastructure industry is expected to be worth US$ 19.2 billion by FY17. The National Highways account for 1.9 per cent of the total road network in India and are expected to reach 100,000 kms by the end of the 2017 from 97,135 kms in FY15. The Government of India has formulated a seven-phase programme, ‘National Highway Development Project (NHDP)’, vested with National Highways Authority of India (NHAI), for the development of National Highways in the country. The private sector has emerged as a key player in the development of road infrastructure in India. Increased industrial activities, along with increasing number of two and four wheelers have supported the growth in the road transport infrastructure projects. The government’s policy to increase private sector participation has proved to be a boon for the infrastructure industry with a large number of private players entering the business through the public-private partnership (PPP) model. As on March 2015, projects worth USD 32.69 billion have been awarded through PPP model, with as many as 165 PPP projects still under progress. During the next five years, investment through PPP is expected to be US$ 31 billion. With the Government permitting 100 per cent foreign direct investment (FDI) in the road sector, several foreign companies have formed partnerships with Indian players to capitalise on the sector’s growth.

India has the second largest road network across the world at 4.7 million km. The road network transports more than 60 per cent of all goods in the country and 85 per cent of India’s total passenger traffic. Road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country. In India sales of automobiles and movement of freight by roads is growing at a rapid rate. Cognizant of the need to create an adequate road network to cater to the increased traffic and movement of goods, Government of India has set earmarked 20 per cent of the investment of US$ 1 trillion reserved for infrastructure during the 12th Five-Year Plan (2012–17) to develop the country’s roads. The value of roads and bridges infrastructure in India is projected to grow at a Compound Annual Growth Rate (CAGR) of 17.4 per cent over FY12–17. The country’s roads and bridges infrastructure, which was valued at US$ 6.9 billion in 2009, is expected to touch US$ 19.2 billion by 2017. The financial outlay for road transport and highways grew at a CAGR of 19.4 per cent in the period FY09-14. The plan outlay for 2015-16 stepped up budgetary support for Road Transport and Highways to Rs 42,912 crore (US$ 6.43 billion).

LITERATURE REVIEW

There is plenty of literature on road transport in India and abroad. Some of the relevant literature on road transport is reviewed in this section. Deshpande (2014) in a study mentioned that Road accidents are a human tragedy. They involve high human suffering and monetary costs in terms of untimely deaths, injuries and loss of potential income. Although we have undertaken many initiatives and are implementing various road safety improvement program the overall situation as revealed by data is far from satisfactory. During the calendar year 2010, there were close to 5 lakh road accidents in India, which resulted in more than 1.3 lakh persons. These numbers translate into one road accident every minute, and one road accident death every 4 minutes. Unfortunately, more than half the victims are in the economically active age group of 25-65 years. The loss of the main bread winner can be catastrophic. Road traffic accidents are amenable to remedial action. Many a countries have curbed the menace of road accidents by adopting a multipronged approach to road safety that encompasses broad range of measures, such as, traffic management, design and quality of road infrastructure, application of intelligent transport system, safer vehicles, law enforcement, effective and quick accident response and care etc.
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