

Transporters may have to shell out more for toll on new port roads

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Transporters grappling with surging costs and rising toll charges on roads and highways may have to deal with an additional cost burden. The Centre is mulling over the possibility of instituting toll collection on the new road infrastructure (infra) being developed around ports for smoother connectivity, *Business Standard* has learnt.

With 95 per cent of India's export-import trade happening through its ports, toll levies on port-connecting roads not part of national highways could provide a new source of revenue for the debt-plagued National Highways Authority of India (NHAI).

The Ministry of Ports, Shipping, and Waterways recently made a proposal to the Ministry of Road Transport and Highways (MoRTH), based on which NHAI could initiate toll collection at port gates for port-bound traffic by signing memoranda of understanding with port authorities, reveal internal documents.

The development comes at a time when the shipping ministry, which has been sizing up its port infra, stares at under-utilisation of assets since there has been slow progress on road and railway connectivity projects. *Business Standard* previously reported that Union Cabinet Secretary Rajiv Gauba had recently pulled up MoRTH and the Ministry of Railways over tardy execution of these projects.

The two departments have been given time until August 15 to make a rigid execution plan and integrate it with the PM GatiShakti portal.

Currently, 62 existing road projects and 52 new ones are in MoRTH's pipeline, of which 35 projects have been stuck in the development stage since the release of the ministry's flagship Bharatmala project in 2017.

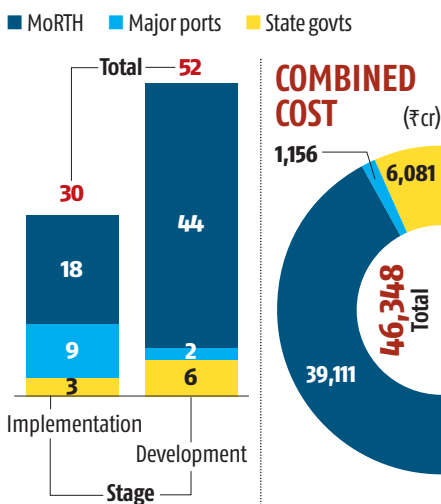
Between state governments, major ports, and MoRTH, projects worth ₹46,347 crore remain unfinished. Among other measures to encourage rapid execution, the shipping ministry has suggested that critical infra gap projects may be classified as part of the associated national highways. It suggested that port authorities may provide free right-of-way to implementing agencies like NHAI for these projects.

Senior officials are of the opinion that these projects need to be taken up on priority, else slow movement of port-bound traffic and sluggish import cargo evacuation could result in under-utilisation of augmented capacity, spawning delays and increasing costs for ports and industries. While many major ports are connected with road and railway networks, many state-owned and non-major ports severely lack the connecting infra.

Sector experts believe that the proposal ought to provide incentive for NHAI to expedite the execution of these projects, while the impact on transporters may not be considerable, particularly when these projects, once complete, will also be cost savers due to higher traffic and quicker movement of goods.



STATUS CHECK



Source: Ministry of Road Transport and Highways (MoRTH) & Ministry of Ports, Waterways and Shipping

Meanwhile, the revenue opportunity could prove beneficial to NHAI, which currently has a debt burden of over ₹3 trillion. With ₹1.34-trillion allocation, the Centre, in the Union Budget for this fiscal year (2022-23), gave adequate monetary support to the agency for it to stay off the borrowing market and cool off the debt pressure.

"The ministry is currently looking at a near-double expenditure on the Bharatmala project. As costs increase, it may have to look at alternative means of funding Bharatmala since the Centre can only provide limited resources from its own coffers. One of these funding mechanisms would be monetising and collecting revenue from some of these newly completed projects," said a Mumbai-based infra analyst.

Sanctioned in 2017 at a cost of over ₹5 trillion, the Bharatmala project will be completed at ₹10.63 trillion, with rating agency ICRA expecting the costs to rise even further by the time of completion.