

Initiative to Promote Rail-Sea-Rail Transportation for Efficient Movement of Domestic Coal

RSR-an Alternative Mode of Coal Evacuation aims to Ensure a Seamless and Uninterrupted Power Supply

RSR Reduces Costs for End Users and is Eco-Friendly

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The Ministry of Coal has taken an initiative to promote Rail-Sea-Rail which aims to integrate Rail-Sea-Rail (RSR) transportation for the efficient movement of domestic coal. This multimodal transportation system allows for the seamless transportation of coal from mines to ports and then to end-users, reducing transportation costs and improving logistic efficiency.

In the financial year FY'23, the major coal-producing states such as Odisha, Chhattisgarh, Jharkhand, along with parts of Madhya Pradesh, accounted for approximately 75% of the total domestic raw coal despatch. Recognizing the need to increased coal production, the Ministry of Coal has projected nearly doubling of coal production in India with a CAGR of ~7.7% by FY' 30.

To meet the growing demand, well-planned and efficient coal evacuation system is required. Therefore, Ministry of Coal has constituted an Inter-Ministerial Committee (IMC) headed by AS, Coal consisting of Ministry of Power, Ministry of Railways and Ministry of Ports, Shipping, and Waterways with the aim of preparing a long-term plan for coal movement in the country. Currently, railways account for about 55% of coal evacuation, with a target to increase this share to 75% by FY'30. The Ministry of Coal is emphasizing the need to augment coal evacuation and enhancing alternative routes of evacuation to avoid congestion such as RS/RSR mode by FY'30. The committee has recommended several measures to promote RSR evacuation of coal to reach 112 MT by 2030, from the existing 40MT. This strategy offers multifaceted benefits. Firstly, it is likely to reduce congestion on the All-Rail Route by providing an additional alternative mode of coal evacuation. Secondly, it creates export opportunities by building infrastructure that can be utilized for exports in the future and lastly, RSR has significantly lower carbon footprint compared to ARR.



The coastal shipping mode of transportation, which is an economical and eco-friendly system for moving goods, has the potential to revolutionize India's logistics industry. The ongoing efforts to augment coal evacuation such as RS/RSR, strives to achieve full capacity utilization of the ports along the Southern and Western coasts. This will enable efficient transportation of more coal to power houses in Gujarat, Maharashtra, Karnataka, Goa, Tamil Nadu, Kerala, and Andhra Pradesh. Initiatives are underway to optimise the costs of delivering coal through RSR. Opting for Rail-Sea-Rail could potentially save around Rs. 760-1300 per ton in logistics costs for end users located in Southern India. Presently, for supply of Coal from MCL (Paradip) to Western/Northern TPPs the total cost increases by around Rs 2500/ton over ARR but still it is cheaper than the total landed cost of imported coal.

The Ministry of Coal's efforts to promote Rail-Sea-Rail are yielding significant results as Rail-Sea-Rail transportation of coal has significant growth of around 125% over the past four years. With coal production in India expected to nearly double in the next seven years, the Rail Sea Rail as an alternative mode of transportation, becomes crucial for efficient Coal evacuation to consumption centres in India, ensuring a seamless and uninterrupted power supply.

The IMC recommendations are the part of “Whole of Government” approach to address the challenges of efficient evacuation of coal to the destinations by all the Ministries.

The Ministry of Coal is taking all necessary steps to further enhance the Rail-Sea-Rail Coal Evacuation strategy to consistently meet the nation's growing energy demands ensuring a resilient and efficient energy supply system.

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