

How the Modi led NDA Government has ruined the Road Transport Sector during the last 10 years

It is the time to defeat BJP led NDA to save the Road Transport Sector-AIRTWF

It is a well-established fact that Transport is the life line of any economy in the World. Without the Transport it is impossible to assume the society. According to the Ministry of Road Transport & Highways (MORTH), 80% of the passengers and 62% of the goods in India are being carried by the Road Transport sector. The contribution of the Road Transport sector to the GDP is 4.5%. Around 10 crore workers are directly working in this sector mainly the drivers, conductors, mechanics, booking clerks etc. Another big number are employed indirectly. In the Auto Rickshaw, Taxi segments educated unemployed youth are coming in a big way as self-employed. Such an important and vital sector is thrown in to serious financial crisis by the wrong policies pursued by the Modi led Government with an intension to hand over the sector to huge Companies. Let us examine how it was happened.

When Narendra Modi took the Office of Prime Minister, the crude oil prices in the international market was 109 US Dollars per Barrel. Then the Diesel Price was Rs. 56/ per litre. After that the prices have come down gradually and as of 01st March 2024 the Crude Oil Price is 82 Dollars per Barrel. Now the Diesel Price is around Rs.90/ per litre. Year wise average crude Oil Prices, the Diesel/Petrol Prices collected and what should be the actual Price according to the crude Oil Prices in the international market and how much was squeezed from each Auto Rickshaw, Taxi and Lorry is given in the table I.

Table I:

1	2	3	4	5	6	7	8	9	10	11
Year	Crude Oil	Petrol	Diesel		Diesel					Petrol
				Diesel Should be	Excess Collected	Additional Burden on Auto	Taxi	Truck	Petrol Should be	Excess Collected
2014	98.97	72.76	55.48							
2015	52.32	60.49	49.71	29.32	20.39	37211.75	111635.25	744235	38.46	22.03
2016	43.67	59.68	48.33	24.48	23.85	43526.25	130578.75	870525	32.1	27.58
2017	54.25	63.09	53.33	30.41	22.92	41829	125487	836580	39.88	23.21
2018	71.34	75.55	67.38	39.99	27.39	49986.75	149960.25	999735	52.44	23.11
2019	64.3	72.96	66.69	36.04	30.65	55936.25	167808.75	1118725	47.27	25.69
2020	41.96	79.76	79.88	23.52	56.36	102857	308571	2057140	30.84	48.92
2021	70.86	99.86	89.36	39.72	49.64	90593	271779	1811860	52.09	47.77
2022	100.93	105.4	96.67	56.6	40.07	73127.75	219383.25	1462555	74.2	31.21
2023	82.49	96.72	89.62	46.24	43.38	79168.5	237505.5	1583370	60.64	36.08
					Total:-	574236.25	1722708.75	11484725		
					Average per Year:-	63804.028	191412.0833	1276080.6		

Source: index Mundi

Note:-1. Crude oil Prices are calendar years (January to December) Average

2. Diesel & Petrol Prices in the above sheet are of Delhi State

3. The Prices in other states may differ from state to state according to the sales tax levied by different states.

4. The prices of Petrol and Diesel in column 5 are calculated basing on the Crude Oil prices.

5. On an average every Auto Rikshaw will consume minimum 5 liters of Diesel a day.

Basing on that the additional burden is calculated. (see column 7)

6. Taxi:- On an average a Taxi/Cab consuming 15 litres a Diesel per day. If we want for one year it comes to 5475 Litres.

7. Truck/Lorry:- On an average one Truck consumes 100 litres a Diesel per day. If we count one year (365 days), it comes to 36500 Litres.

The most important point we should keep in mind is that the Covid 19 has destroyed the lives of the people particularly the poor in the entire world. In that period during June 2020 the crude oil prices in the international market have fallen to the lowest level of 20 USD per Barrel in April 2020. Ironically during that period, the Government has enhanced the Excise duty to a tune of Rs.16 per litre on Diesel and Rs. 13/ on Petrol between March and May. Nowhere this was happened in the world. Rather many countries in the world including USA and UK Governments have deposited some percentage amount of money which the people have forgone. But contrary to the world experience, the Indian Government under the leadership of Narendra Modi has burdened the people abnormally by increasing the Petrol/Diesel Prices. This is one area which the Government of India has destroyed the Road Transport sector. The enhancement of Petrol and Diesel have not only destroyed the Road Transport Sector. It has cascading effect on all the commodities as the Transport costs goes up.

It is reported in Times of India newspaper on 23-03-2024 that the Private and Public Sector Oil Companies denied to import crude oil from Russia succumbing to the sanctions of USA. Then we have to depend on USA. As of now the Russian Crude oil is cheaper. India is paying in Indian Rupees to Russia. For other countries we have to pay in US Dollars. The crude Oil Transportation charges are less as Russia is nearer. In this situation rejecting the Russian Crude Oil will be detrimental to the nation and the people at large..

Second: The third-party Insurance Premium for all the Motor Vehicles have been almost doubled during the last 10 years. The details are given in the table II. Actually, the Insurance Premium Rates should be calculated basing on the accidents and the amount of compensation paid. According to the statistics of the Ministry of Road Transport the accidents after 2014 have come down except in the year 2015. (Find the details in Table II below). How the insurance Premium has been increased abnormally. This is nothing but to maximize the profits of the greedy private Insurance Companies at the cost of the petty vehicle owners. Year wise details of Third-Party Insurance Premium rates are given in.

Table II

Year	3 Wheelers	Taxi(1000 CC)	Taxi(1000-1500 CC)	Lorry(upto 7500kgs)	Lorry(7500-12000 kgs)	Lorry(12000-20000 kgs)	Lorry(20000-40000 kgs)	Road Accidents	Killed	Injured
2014-15	1395	8340	6591	13046	12022	17611	23075	489400	139671	493474
2015-16	1333	4920	6726	14390	15365	19632	19766	505770	146555	503608
2016-17	1733	6396	8408	14390	15365	22577	24708	484756	151192	497806
2017-18	2218	6396	8408	7938	14330	9871	14805	469242	150003	467389
2018-19	2595	5437	7147	14390	24190	32367	39849	470403	157593	464715
2019-20	2595	5769	7584	15746	26935	33418	43037	456959	158984	449360
2020-21	NA	NA	NA	NA	NA	NA	NA	372181	138383	346747
2021-22	NA	NA	NA	NA	NA	NA	NA	412432	153972	384448
2022-23	2539	6040	7940	16049	27186	35313	43950	461312	168491	443366

Third: The collection of Toll Charges. Normally the at the tendering time of a toll plaza, it will be asessed that how many vehicles will pass through that particular toll plaza and in how many years the amount invested (with interest and profit) will be recovered. Basing on that the Toll Charges for different types of vehicles will be decided by the National Highway Authority of India (NHAI). But till date no Toll Plaza is closed and the vehicles are not let free after the expiry of the period. Secondly the Government of India surprisingly allowed the contractors of the Toll Plazas to increase 10% of the Toll Charges every year by Official notification. The Modi led Government has decided to hand over 26,000 Kms of the existing Highways to Private people/Firms in the name of “National Monetization Pipe Line”. When it comes to implementation the NHAI will neither have control over the rates of Toll Charges nor the distance between one Toll Plaza and the other. Now the Two-wheeler, Three-Wheeler vehicles are exempted from Toll Charges. But after the implementation of the monetization there is no guaranty on the exemption to such vehicles. The amount collected towards Road And Infrastructure Development Cess from 2014-15 to 2022-23 is given in

Table III.

Product	2014-15	2015-16	2016-17	2017-18	2018-19
Diesel (MMT)	69.4	74.6	76	81.1	83.5
Petrol (MMT)	19.1	21.8	23.8	26.2	28.3
Total	88.5	96.4	99.8	107.3	111.8
Total sales of Diesel in litres	89964548802.00	96705408366.00	98520255172.00	105131482822.00	108242648775.00
Total sales of Petrol in litres	26568100000.00	30323800000.00	33105800000.00	36444200000.00	39365300000.00
Total Sales of Diesel&Petrol	116532648802.00	127029208366.00	131626055172.00	141575682822.00	147607948775.00
Cess Per Litre	Rs.6/	Rs.6/	Rs.6/	Rs.6/	Rs.8/
Total Amout of Cess Collected	699195892812.00	762175250196.00	789756331032.00	849454096932.00	1180863590200.00

Product	2019-20	2020-21	2021-22	2022-23
Diesel (MMT)	82.6	72.7	76.7	85.9
Petrol (MMT)	30	28	30	35
Total	112.6	100.7	106.7	120.9
Total sales of Diesel in litres	107075961542.00	94242401987.00	99427678575.00	111353814727.00
Total sales of Petrol in litres	41730000000.00	38948000000.00	41730000000.00	48685000000.00
Total Sales of Diesel&Petrol	148805961542.00	133190401987.00	141157678575.00	160038814727.00
Cess Per Litre	Rs.8/	Rs.8/	Rs.8/	Rs.8/
Total Amout of Cess Collected	1190447692336.00	1065523215896.00	1129261428600.00	1280310517816.00

- Note:-1. One Million Matric Ton Diesel= 1296319147 Litres**
2. One Million Matric Ton Petrol= 1391000000 Litres
3. Road Development cess on each litre of Diesel and Petrol was Rs.6.00/- up to june 2018.
4. From June 2018 it has been enhanced to Rs. 8.00/-.
5. The Modi Government changed the name as Road and Infrastructure Development cess in the year 2017

One important factor here is that the Government has introduced the “the Road Development Cess” in the year 1998-99. For this purpose, a Cess of Rs.6/ per litre of Diesel and Petrol was levied (in addition to the duties and Taxes) till 2018 May. The rate of this Cess has been increased to Rs.8/ from Rs.6/ from 01-06-2018. This amount should be utilized for the construction of new Roads and maintenance of the Roads. After the Modi Government came to power, the name has been changed as “Infrastructure Development Cess”. Hence this can be utilized for all the infrastructure like Railways, Ports, Airports etc.

When the Cess on Diesel and Petrol is collected for the purpose of Construction and maintenance of the Roads, how the Government is collecting the Toll Charges. This may be the biggest loot and deceiving the people of India. Changing the name as Road And Infrastructure Development Cess is to divert the funds to various sectors at the will and pleasure of the Government. The details of the amount of Cess collected from 2014-15 to 2022-23 is given in table no III.

All the above three factors have thrown the Road Transport Sector in to serious financial crisis and the livelihood of crores of people working in this sector.

Further, the M.V. Amendment 2019 Act is aimed at to eliminate the petty vehicle owners having one two vehicles as self-employed. To clear the way, the penalties for different offences have been increased abnormally. The minimum penalty of Rs. 50/ has been enhanced to Rs.1000/. After implementation of these heavy penalties the Auto Rickshaw Drivers are getting thousands of rupees penalties per month on flimsy grounds. The same is the case with Taxi and Lorry. This is creating smoke without asking anyone to leave.

Another factor is that the Vehicle Scrapping Policy. The 15 years old vehicles are to be scrapped and to purchase new vehicle. When the situation is very much alarming even to survive how the petty vehicle owners can purchase a new vehicle. This policy is also aimed at to boost the Vehicle sales and maximize the profits of the Manufacturing Indian and Multinational Companies.

At this juncture the country is going for the 18th Parliament Elections. There is no other way except to defeat the BJP led NDA in the forthcoming elections to save the Road Transport Sector and the livelihood of the workers in particular and to save the nation in general. All India Road Transport Workers’ Federation appeals to all the Road Transport Workers and the stake holders and their family members to cast their vote to the Left/Democratic/Secular parties and defeat the BJP led NDA.

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