

Tough days ahead for the transport industry

Commercial vehicles have been in the news off late, however not for very good reasons. The anti-pollution tirade has been targeting trucks. Nothing wrong with that - except that they think that trucks is the only cause for pollution. Well almost!

The governments and the judiciary has been quick to pull the trigger on the transport industry by levying additional entry charges on trucks and also penalising them for polluting the air. However no one talks of alternatives or methods to improve the situation. The Delhi government imposed entry fees on commercial vehicles, a decision that was further enforced by the judiciary. If the intention of the government is to collect revenue from the trucks – then there is nothing wrong in the move. However if the intention is to reduce pollution, then the fee is completely out of place. All trucks entering the capital have to pay a fee. How does it make any difference if the polluting or not? It would have made a difference if the fee was levied on just polluting trucks. But simply penalising all trucks is simply not justified – definitely not under the guise of controlling

pollution.

In a bid to address the environmental issues, the government seems to be rushing with the emission norms. They have been exploring a lot of options, which include expediting the process or even skipping one stage and directly moving on to Bharat Stage VI. However the results of such measures are best derived when they are implemented gradually and following a certain process. Skipping a stage can have an adverse impact – in terms of cost as well as implementation. India has traditionally been slow to adapt new technology, especially

in case of commercial vehicles. We have seen in the past how difficult it has been to implement technologies such as the power steering and ABS. In terms of cost as well, many modern technologies that are mandatory elsewhere are not implemented in India. A classic example of the same is GPS. In many countries GPS is a standard feature in all trucks. In India however, there are a handful of players providing GPS technology and a small percentage of trucks having this technology. These are minor technologies that we are talking of in terms of cost as well as implementation. But when we



talk of Bharat Stage norms, it is a different ball game altogether.

The other critical element in advancing the Bharat Stage norms is the quality fuel. Besides the machinery, the other important constituent is fuel. Without the right kind of fuel, advancing to Bharat Stage 5 or 6 is a futile exercise. Oil companies have already started calculating the amount of investment required for upgrading the quality of fuel. However they are not the only ones calculating the cost. Vehicle manufacturers too are working on their costing and there are already indications that vehicles would be getting costlier. Until some time ago vehicle manufacturers as well as oil companies were stating that they were ready with the technology to move up the Bharat Stage ladder and were only waiting for directives. However with the government deciding to speed up the process, they are developing cold feet. The manufacturers as well as oil companies know very well how price sensitive Indian buyers are. In fact fuel cost is a major decider when it comes to purchasing a vehicle, including trucks. And that could really have an impact on the volumes once the new prices are introduced. Anyways the transport industry is

struggling with their costing and further increase in cost of trucks and diesel could have a cascading effect on the sales.

Besides technology and costs, the other uphill task facing the industry is regulations. The Carriage by Road Act is almost ready to be implemented in totality and the new Motor Vehicle Act and Road Safety Bill too is on its way in. Put together, these new laws / rules would impact the road transport industry severely and the transporters and truckers would have a tough time implementing the same. There would be a few challenges initially that the transporters and truckers would have to deal with, but in the long run they would help the organising the industry. However that would not happen until the transport industry proactively starts implementing the same. It's a matter of getting used to the new systems in place – be in terms of vehicles or rules/law. Unfortunately the transport industry has always had to struggle and every department feels that the transporters are an easy target – either to blame for something or to collect money. The recent happenings in Delhi/NCR are a classic example of the same. The officials blamed the trucks for pollution and then

allowed the same trucks to ply by collecting a fee. Did the trucks stop polluting once they paid the fees? The Delhi government knew for long that most of the trucks were simply passing through the city. However no one ever decided to fast track a bypass route, even though models of the same have been discussed and planned. The implementation part is where everyone simply slept over and did nothing. Now suddenly pollution and environment have become the buzz word and everyone wants to talk about it and offer ideas.

Whatever the government or the judiciary decides, one thing is for sure that the axe is going to fall on the road transport industry. This would be the time when associations have to actively interact with the government and make sure that there are no disasters in store for the transport industry. Although movement of goods across the country may grow in the coming months, times are not going to be easy for the transporters. We hope that the industry is able to cope with these changes and associations take the initiative to educate the members and create awareness amongst them.

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