

**GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**LOK SABHA UNSTARRED QUESTION NO.466
ANSWERED ON - 22ND JULY, 2021**

LOGISTICS COST OF TRANSPORTATION

**466. SHRI RAM MOHAN NAIDU KINJARAPU:
SHRI JAYADEV GALLA:**

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) the impact of rising fuel prices on the logistics cost of transportation in the country during the last year;**
- (b) whether this cost is being passed on to the consumers by transport companies;**
- (c) the data of per kilometer freight cost along with the details of the additional cost incurred due to rise in fuel prices during the last year, State-wise;**
- (d) whether the Government aims to reduce the taxes levied on petroleum products to ensure decrease in costs of transportation; and**
- (e) if so, the details thereof and if not, the reasons therefor?**

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

- (a) (b) & (c) The logistic cost of transportation through road depends on number of factors (i) capital cost of the vehicle (ii) salaries (iii) insurance (iv) permit tax (v) maintenance (vi) fuel**

(vii) toll tax and (viii) other miscellaneous expenses. As per study carried out by Ministry of Road Transport & Highways through Consultant, the impact of fuel is 34% of the total transport freight cost by the vehicle. The transport companies may or may not pass the increased cost depending upon the market situation or capacity to absorb additional cost etc. As per the said report of 2016-17, road freight cost in different categories of truck with rated pay load is as follows:-

Truck

Cost PT/KM	Pay Load (in MT)
Rs.3.8	9
Rs.2.4	16
Rs.1.9	20
Rs.1.7	40

The Ministry does not have the state-wise road freight cost.

(d) & (e) The excise duty rates on petroleum products have been calibrated to generate resources for infrastructure and other development items of expenditure keeping in view the prevalent fiscal situation.
