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CONTRIBUTION OF TRANSPORT INDUSTRY IN ECONOMIC DEVELOPMENT OF INDIA

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ABSTRACT

Transportation infrastructure is a crucial part of any country's transportation system. The importance of transportation as a catalyst for socioeconomic development has grown along with social upheaval and the intensification of international interactions as a result of globalization processes. Scientific study is increasingly concentrating on various aspects of the expansion of the transportation infrastructure. As an economic factor, transportation is both a function of economic growth and an indication of economic performance. Hence, both academic and non-academic circles are debating the issues of measuring the effectiveness of transportation infrastructure and the relationship between transportation infrastructure and economic development. This study analyses the function of transport infrastructure in world economic growth and discusses the idea of transportation infrastructure as an essential component of the transport system in a nation. Trade practices, both globally and locally, are crucial to the advancement of society and the economy. Infrastructure for transportation plays a significant role in the efficient flow of products. The movement of commodities will be facilitated by the transportation infrastructure, which will foster economic growth. This essay examines four typical forms of transportation infrastructure upgrades and their effects on the economy.

Keywords: *Logistic Operation, Economic Development, Economic Indicators, GDP, GNP, GVA.*

Introduction

Any economy's transportation infrastructure serves as a foundation for maintaining the seamless movement of people and goods as inputs and outputs from all economic sectors. Hence, maintaining and enhancing current transportation systems and developing new infrastructure are necessary to ensure national prosperity. Economic, technological, and social growth are all components of national development. The major obstacles to improving the economy in a developing nation are the population explosion, the reduction of poverty and unemployment, and social and economic disparities. Economic development requires that the GNP growth rate be greater than the population increase for a country's residents' per capita income or living standards to rise. Transport contributes significantly to capital development by reducing physical impediments. The transportation network includes a number of modes, including pipelines, interior waterways, coastal shipping, civil aircraft, rail, and road. The demand for transportation services dramatically grew as a result of economic liberalization, and in recent years, this demand has switched to focusing mostly on road transportation. Road transportation now accounts for a larger portion of both passenger and freight traffic than other modes of transportation, thanks to factors including accessibility, operational flexibility, door-to-door service, and reliability.

Transportation Infrastructure helps in GDP Contribution

- **Highways**

Most significant aspects of economic growth, including productivity, manufacturing costs, and interprovincial trade, are directly impacted by highways. This is due to the fact that the majority of economic activities either relies on or uses highways for the movement of traded products. In situations where a road expansion enhances road systems to handle more traffic and vehicles, the improved road system helps to increase the effectiveness of product flow through regions. A region can manage output that requires larger vehicles to convey its materials and goods thanks to such an upgrade. This can encourage urban economic growth while lowering costs for the majority of businesses and people that use the new road systems.

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- **Distribution Facilities**

Distribution centers increase the highest level of local profitability. Distribution centers help a region's economy function effectively by reducing congestion. As a result of distribution centers reducing the amount of huge truck traffic on congested roads, goods move relatively effectively, and people's commutes to work take less time. Distribution centers can affect the location of manufacturing by drawing production to the area around them. Industries and warehouses that locate near distribution centers have an impact on the geography of production.

- **Ports**

Seaports and inland ports give localities access to global markets and are often a cheap means to ship heavy commodities to and from far-flung locations. Gains in efficiency have an impact on profitability because they increase the delivery of huge quantities of commodities to remote areas and broaden the consumer base of the enterprises and regions that utilize port infrastructure. Airports facilitate the quick distribution of vital goods and services and have an impact on a number of essential aspects of regional economic growth. Delivery services and a number of professional services are advantageous to an airport. Airports with low fares draw travelers, increasing the local economy's employment, income, and production. Delivery times are reduced and area and business profitability are increased by efficient and trustworthy airport services. The status of a company in a region will be impacted by the provision of efficient and dependable airport services.

- **Intermodal Connectors**

Intermodal connectors play a significant role in the transportation network, particularly entry roads to ports and connectors that connect roadways to one another. Without them, the transportation system is lacking and cannot effectively move people and products. Due to their importance in the transportation system, they have an impact on other transportation infrastructure as well as all aspects of economic development. Intermodal connectors make it possible for the system to operate as it should. Large highways leading to ports serve as intermodal connectors, allowing regions to use port infrastructure and lowering production costs for enterprises using them.

Review of Literature

In both the public and private sectors, particularly in developed countries, the growth of the transport infrastructure has firmly established itself and its relationship with economic development.. "No roads meant no transport, no trade, no skills, no economies of scale, no growth in productivity and no development" (Sharma.r.k, 2018). The research conducted by Rahul et al., (2017) and Navjot (2020) has shown that investment in transport infrastructures such as rail, airports and seaports allows businesses (local, national and international) to develop their presence and transport facility to enjoy access to goods, distribution channels and customers' base. All of these link to economic clusters and fuel economic growth. In several developing countries, such as India, economic development policies indicate weaknesses in describing the connection between transport infrastructure investments and economic growth and how economic growth can occur on different phases of the development concepts (Hansraj et al., 2020; Lindsey & Santos, 2020; Transportation, 1996). Considering the current colonial road infrastructure system designed without a very long-term commitment to sustainable economic growth, economic development planning is viewed differently from transport planning, investment and execution in several developing nations (Banita, 2020; Development & Group, 2015; Anjali & Ayappa, 2020). In these developing countries, roads infrastructure function as backbones for most transport infrastructures, without the help of feasibility analysis, economic research and environmental assessment reports which are generally correlated with the design and expenditure of transport infrastructure in the developed world. In the developed countries in general, much consideration has been devoted to transport development during the formative days of their industrial development, but now the inherited transport systems have been amended or renewed. From the other hand, developing nations, such as India, also strengthen their transport networks so that they grow economically faster (Agarwal, 2016; suresh & navjot, 2020). This research aims to examine the connection between India transportation infrastructure, especially the development of road networks and economic development. This research will guide developing countries like India to concentrate more effectively and in ways that better help economic growth on investments in road transportation infrastructure.

Objectives

- To conclude the role of Road Transport in economic development.
- To analyze the contribution of transport sector in GAV of economy of India.

Research Methodology

This study analyzed the secondary data to evaluate the correlation and difference between the gross values added from different sector of GDP. The factors were either derived from earlier research in the field or were widely regarded as significant GDP indicators to assess national income performance. Present study based on secondary data. Current study based on secondary data which was collected form Indian government source.

Data Analysis

Table 1: Sector wise GDP in India

Sr. No.	Sector	Contribution in GDP
1.	Agriculture	20.19%
2.	Industry	25.92%
3.	Service	53.89%

The services sector is the largest sector of India. Gross Value Added (GVA) at current prices for the services sector is estimated at 96.54 lakh crore INR in 2021-22. The services sector accounts for 53.89% of total India's GVA of 179.15 lakh crore Indian rupees. With GVA of Rs. 46.44 lakh crore, the Industry sector contributes 25.92%. While Agriculture and allied sector share 20.19%.

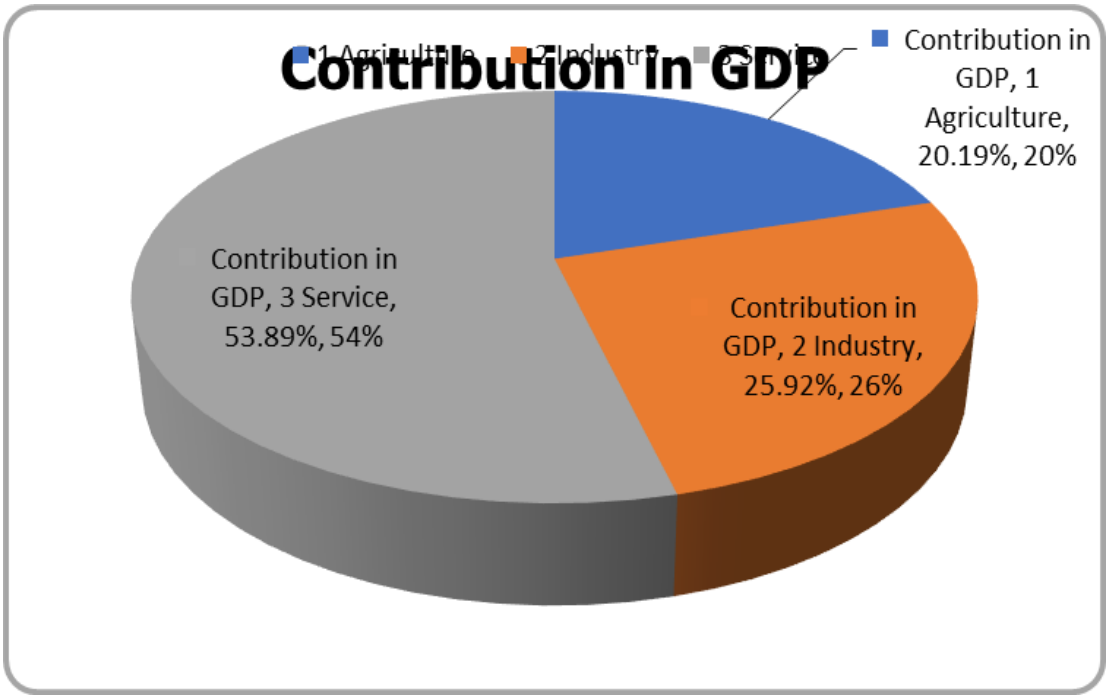
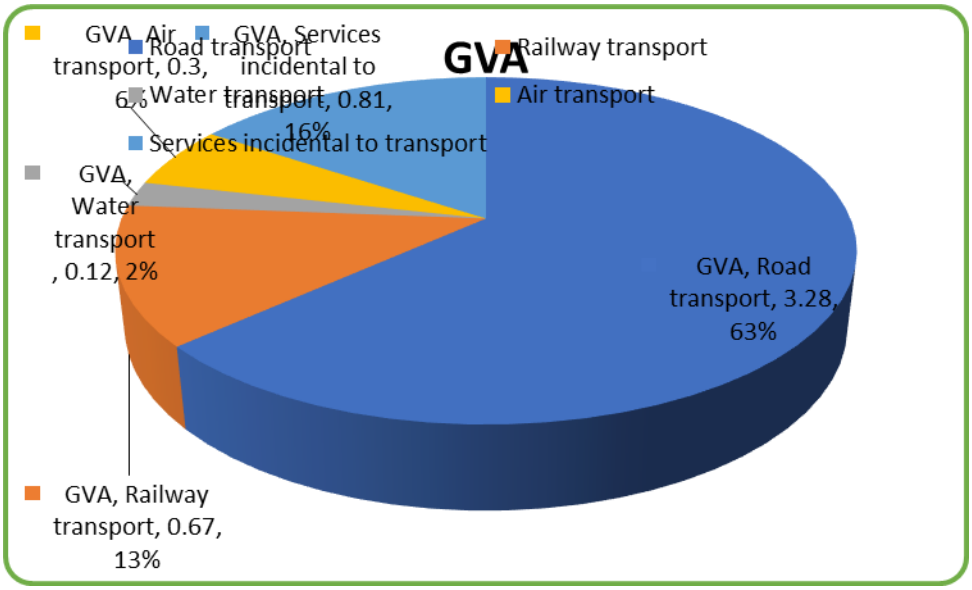


Table 2: Gross Value Addition from Different Sector of Transport in India 2021 (Lakh Crore)

Sr. No.	Sector	GVA (Lakh Crore)	GVA %
1.	Road transport	3.28	63.32%
2.	Railway transport	0.67	12.93%
3.	Water transport	0.12	2.31%
4.	Air transport	0.30	5.79%
5.	Services incidental to transport	0.81	15.63%
6.	Total	5.18	100%

The services sector is the largest sector of India. The services have largest part is road transport which contribution is 63.32% of total India's GVA of transport sector. The second part of transport sector is railway transport which contribution is 12.93%. The third part of transport sector is services incident to transport which contribution is 15.63%.



Conclusion

A specific mode of transportation has been created or modified for each stage of the development of human society. Yet, it was noted that no one form of transportation was completely accountable for expansion throughout history. Hence, the evolution of transportation methods was tied to economic structures and worker mobility. For instance, significant global migratory patterns that have occurred since the 18th century have a connection to the expansion of global and continental transportation. Migration has been accelerated by transportation, which has resulted in the economic and social development of many countries. The expansion and intensification of production and circulation of products were caused by the development, diversification, and development of the transportation system. Particularly in developing nations, investment in transportation infrastructure particularly in the road sector is a strategy for regional development. As a result, the complexity of the relationship between transportation and economic development lies in the wide range of potential effects: expanding the development of economic exchanges between economic agents, forging trade connections with distant trade areas, and having a favorable indirect impact on the development of other economic sectors. It is challenging to distinguish between the various contributions that a country's transportation system makes to its economic development since transportation system development might occur either before or after economic development.

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