

SectorVector

Reading the topical trends

September 2022

In the express lane

Pan-India toll collections to exceed Rs 25,000 crore in the first half of this fiscal

With mobility picking up across the country, vehicular traffic on highways saw a strong revival from April to August this fiscal on the low base of the previous year, wherein mobility was restricted by the second wave of the pandemic. In addition, a healthy hike in toll rates because of elevated wholesale price index, resulted in a robust on-year growth of 50-55% in toll collections during the period. By the end of the first half, pan-India toll collection is expected to touch Rs 25,500 crore.

On a sequential basis though, toll collections grew at a more sedate pace in the wake of global supply chain disruptions owing to geopolitical tensions and early onset of the monsoon.

Passenger vehicles take the lead

While commercial vehicles typically account for about 75% of pan-India toll collections, it was passenger traffic that drove growth in April and May as consumers took to revenge travel during the vacation months after a host of restrictions in the past two years. On the contrary, commercial traffic was relatively subdued during the first two months of the fiscal on account of relatively weaker demand. Inflated prices of key commodities, elevated fuel prices and lower production of key food grains such as wheat acted as headwinds, with trucks

being the worst affected segment. This was further corroborated by the monthly rail data that showed traffic from transportation-intensive sectors such as cement and steel witnessed a sharp contraction while that from coal, which is mostly transported by rail, remained largely flat relative to the levels observed in March.

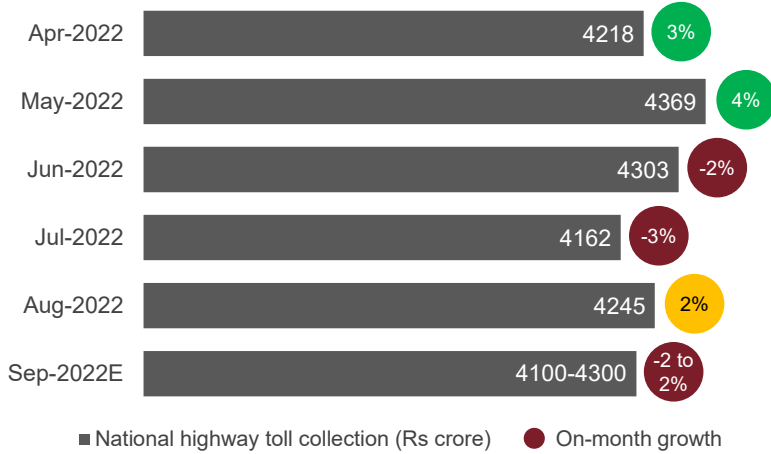
Toll collection to pick up with festive season around the corner

After peaking in May, monthly toll collections tumbled on-month in June and July as monsoon arrived, impeding construction activities and restricting the ease of mobility. However, August saw a slight revival in toll collections as softening of commodity inflation led to an improvement in demand prospects, which in turn, translated into greater transportation of goods.

Toll collection is expected to remain relatively flat in September vis-à-vis the previous month. The likely withdrawal of monsoon during the month and the upcoming festive season augur well for growth in toll collection.

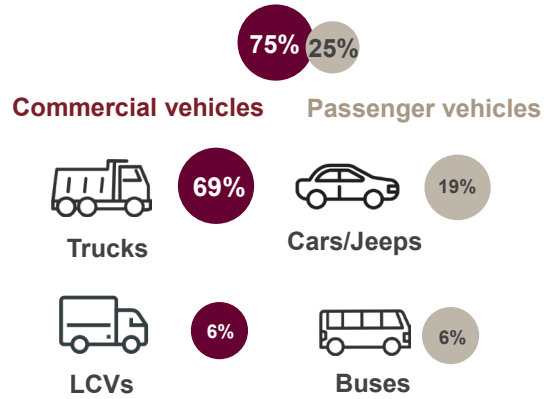


Pan-India toll collections to exceed ~Rs 25,000 crore in H1FY23



Note: The above data pertains to 650+ toll plazas across India. 80-85% of the above data is representative of national highway toll plazas.
Source: National Electronic Toll Collection, CRISIL Research

Commercial vehicles account for bulk of toll collections



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