

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 3579
TO BE ANSWERED ON 07.12.2016**

LOSS IN FREIGHT AND PASSENGER TRAFFIC SEGMENT

**3579. SHRI VENKATESH BABU T. G.:
SHRI HARI MANJHI:
SHRI SUBHASH CHANDRA BAHERIA:
SHRI NALIN KUMAR KATEEL:**

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways lose massive amounts in freight and passenger traffic;**
- (b) if so, the details of loss incurred during the last three years in freight and passenger traffic, separately, year-wise;**
- (c) the details of norms for fixing freight charges for transportation of goods;**
- (d) whether decline in the share of the Railways in freight traffic in the recent years is one of the major reasons; and**
- (e) if so, the details thereof including the percentage of freight share and the steps taken to increase the freight traffic growth in the Railways?**

ANSWER

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI RAJEN GOHAIN)

(a)to (e) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO. 3579 BY SHRI VENKATESH BABU T.G., SHRI HARI MANJHI, SHRI SUBHASH CHANDRA BAHERIA AND SHRI NALIN KUMAR KATEEL TO BE ANSWERED IN LOK SABHA ON 07.12.2016 REGARDING LOSS IN FREIGHT AND PASSENGER TRAFFIC SEGMENT

(a) & (b): No, Madam. The Railways have not incurred any loss in freight segment. However, the loss incurred in passenger segment during the last three years is as under:-

(₹ in crore)

Year	Amount
2013-14	32067.00
2014-15	33491.00
2015-16(RE)	34031.00

(c) The fixation of rates for transportation of goods and passenger by Indian Railways is done based on certain principle which includes cost of service, value of service, what the traffic can bear, competition from alternative modes of transport, socio-economic condition of the country, etc.

(d)&(e)The freight earnings contribute significantly to Indian Railways' total traffic earnings :

Year	Freight Earning as a percentage of total Railways earning
2012-13	68.80%
2013-14	67.15%
2014-15	67.35%
2015-16	66.68%

The steps taken to increase freight earnings are as under:-

I. Two Schemes viz, (1) Special Freight Operator (SFTO) and (2) Automobile Freight Train Operator Scheme (AFTO) have been launched to improve Railways share in the market. The details are as under:-

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(1)Special Freight Operator Scheme (SFTO)- SFTO provides investments for procurement of High Capacity and Special Purpose wagons for specific commodities like molasses, fly ash, edible oil, caustic soda, chemical, petrochemicals, alumina and bulk cement.

(2)Automobile Freight Train Operator Scheme (AFTO)- AFTO provides procurement and operation of special purpose wagons for transportation of automobile i.e. two /three - wheelers, cars and tractors etc.

II. Apart from the above, following steps have also been taken to increase freight earnings:-

(1) Rationalization of Merry-Go-Round (MGR) system w.e.f. 01.04.2016.

(2) Withdrawal of Port Congestion Charge from 13.04.2016.

(3) Withdrawal of Busy Season Charge for traffic loaded in BCN group and BCNHL wagons w.e.f 01.05.2016 till 30.06.2016.

(4) Withdrawal of dual freight policy for iron ore w.e.f 10.05.2016.

(5) Re-introduction of short lead concession and reduction of minimum distance for charge from 125 km to 100 km w.e.f. 15.07.2016.

(6) A liberalized policy introduced for two point booking of covered wagons in which any two stations within a distance of 200 km in busy seasons and 400 km in lean season have been permitted for two point booking w.e.f. 22.07.2016.

(7) Charging of commodities for transportation by containers has been liberalized.

(8) Guidelines for Station to station Rate policy issued.