

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO.2511
TO BE ANSWERED ON 26.12.2018**

FREIGHT EARNINGS

**2511. DR. J. JAYAVARDHAN:
SHRIMATI SUPRIYA SULE:
DR. HEENA VIJAYKUMAR GAVIT:
SHRI SATAV RAJEEV:
SHRI P.R. SUNDARAM:
SHRI DHANANJAY MAHADIK:
SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:**

Will the Minister of RAILWAYS be pleased to state:

- (a) whether it is true that the freight earnings of the railways for 2016-17 decreased by 4.46% when compared to 2015-16;**
- (b) if so, the zone-wise details of the freight earnings thereof and the reasons therefor;**
- (c) the details of norms for fixing freight charges for transportation of goods;**
- (d) whether the Government has conducted any assessment regarding the reasons for the freight earning loss and if so, the details thereof; and**
- (e) the Zone-wise and State-wise details of the steps taken/ being taken by the Government to enhance freight earnings of railways, year-wise since 2014?**

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.2511 BY DR. J. JAYAVARDHAN, SHRIMATI SUPRIYA SULE, DR. HEENA VIJAYKUMAR GAVIT, SHRI SATAV RAJEEV, SHRI P.R. SUNDARAM, SHRI DHANANJAY MAHADIK AND SHRI MOHITE PATIL VIJAYSINH SHANKARRAO TO BE ANSWERED IN LOK SABHA ON 26.12.2018 REGARDING FREIGHT EARNINGS

(a): Yes, Madam.

(b): Zone-wise details of Freight Earnings for the year 2015-16 and 2016-17 are appended.

(c) to (e): Rating of Indian Railways is based on certain cardinal principles which includes; cost of services, value of service, competition from other mode of transportation, what the traffic can bear. Cost of service determines the minimum rates i.e. floor rate and what the traffic can bear determines the maximum rates i.e. ceiling rate.

Due to stiff competition from alternative modes of transport, it was felt that railway freight had out priced itself in certain sectors. To make the rail transportation attractive to its customers, various initiatives have been taken which include tariff rationalisation, classification of new commodities and expansion of freight basket through containerisation. Some of major steps, which have been taken in last four year to generate additional revenue are as under:-

- i. Long Term Tariff Contract with key freight customers.**
- ii. Introduction of new delivery model of Double Stack Dwarf Container.**
- iii. FAK rate benefit extended to notified commodities loaded upto 50 TEUs per rake which was earlier 30TEUs per rake.**
- iv. 25% discount granted for movement of empty container and empty flat wagon in container traffic.**
- v. Introduction of Advance Freight scheme.**

- vi. Rationlisation of Station to Station Rates.**
- vii. Increase in Permissible Carrying Capacity (PCC) of BFNSM 22.9 wagon.**
- viii. Introduction of Customer friendly rationalisation of weighment policy.**
- ix. Liberalised Automatic Freight Rebate Scheme in Empty Flow Directions.**
- x. Withdrawal of Port Congestion Charge.**
- xi. Proliferation of Roll-on-Roll off Service on Indian Railways.**
- xii. Withdrawal of levy of congestion charge for stone traffic transported from Eastern Railway to Bangladesh via Darsana/Benapole.**
- xiii. Withdrawal of Inflation in distance for charge @ 50% on goods traffic in Bibinagar-Nadikudi section of SCR.**
- xiv. Rationalisation of Coal Tariff.**
- xv. More flexibility in Mini rake loading by increasing the distance from 400Km to 600Km.**
- xvi. Withdrawal of Dual Freight Policy of Iron Ore traffic.**
- xvii. Reduction in minimum distance for charge from 125 km to 100 km.**
- xviii. Expansion of the freight basket – Additional 44 commodities have been de-notified from the notified list and brought under FAK rates.**
- xix. Dispensation from mandatory (100%) weighment in case of loading of “Standard Bags of uniform size” when transported in container.**
- xx. Discount for loading of bagged consignment in open and flat wagons.**
- xxi. Rationalisation of Merry-Go-Round (MGR) scheme.**

- xxii. Permitting all covered wagons for booking of traffic to two-point/multi-point combinations, mini rake.**

Recently, freight rate has been further rationalized with effect from 01.11.2018, having following features:

- i. Increase in freight rate of Coal, RMSP (Raw material for steel plants) , Iron & Steel, Iron ore , Other goods @ 8.75 %.**
- ii. Increase in haulage charge of Container trains @ 5 % w.e.f 01.12.2018.**
- iii. No increase in freight of Foodgrain, Fertilizers, POL, Sugar, Salt, Edible oils and Cement as these are essential commodities or already at high rate.**

APPENDIX REFERRED TO IN REPLY TO PART (b) OF UNSTARRED QUESTION NO. 2511 BY DR. J. JAYAVARDHAN, SHRIMATI SUPRIYA SULE, DR. HEENA VIJAYKUMAR GAVIT, SHRI SATAV RAJEEV, SHRI P.R. SUNDARAM, SHRI DHANANJAY MAHADIK AND SHRI MOHITE PATIL VIJAYSINH SHANKARRAO TO BE ANSWERED IN LOK SABHA ON 26.12.2018 REGARDING FREIGHT EARNINGS

(b): Zone-wise Freight Earnings for the year 2015-16 and 2016-17 are as under:-

(₹ in crore)

Zone	2015-16	2016-17
Central	7354.87	6695.42
Eastern	3649.15	4049.99
East Central	8558.99	8302.24
East Coast	12290.90	13263.88
Northern	7191.59	6697.96
North Central	9321.97	8490.48
North Eastern	1321.13	1409.23
Northeast Frontier	1930.89	1918.66
North Western	4772.78	4465.17
Southern	2816.17	2615.32
South Central	10145.43	9366.99
South Eastern	10558.34	10899.96
South East Central	10932.29	10671.80
South Western	3000.64	2792.27
Western	7597.29	6100.69
West Central	7765.22	6598.48
Total	109207.65	104338.54
