

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO.1758
TO BE ANSWERED ON 13.02.2019**

FLUCTUATIONS IN THE PRICES OF DIESEL/PETROL

†1758. SHRI JUGAL KISHORE:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether fluctuations in the prices of petrol and petroleum products in both national and International markets have any effect on fares and freight structure of the Railways;**
- (b) if so, the details thereof;**
- (c) whether any effort has been made to make railway freight structure including multidimensional price determination policy reasonable in the Railways in view of fluctuations in the prices of diesel and petrol;**
- (d) if so, the details thereof during the last three years and the current year; and**
- (e) the steps taken by the Government to ensure completion of freight rates of railways with other means of transport including roads?**

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. 1758 BY SHRI JUGAL KISHORE TO BE ANSWERED IN LOK SABHA ON 13.02.2019 REGARDING FLUCTUATIONS IN THE PRICES OF DIESEL/PETROL

(a) Presently, adjustments in the fare and freight structure on the Indian Railways are not directly linked to fluctuations in the prices of petroleum and petroleum products.

(b) Does not arise.

(c) &(d) The evaluation of various alternatives relating to rationalization of the fare and freight structures is an ongoing process. Such exercises are yet exploratory in nature and do not constitute a systemic proposal for revision of fares in line with fluctuations in fuel prices.

(e) Steps taken to progressively upgrade Railway's competitive edge over other modes of transport include inter-alia the implementation of a differential tariff regime for specifically addressing situations arising out of skewed demand during different periods of the year as well as across different regions of the country. The slew of freight incentives schemes that are also in place for attracting traffic include following initiatives:-

- i. Liberalised Automatic Freight Rebate scheme for traffic loaded in empty flow direction, Long Term Tariff Contracts (LTTC) with key freight customers, Station to Station rates (STS), withdrawal of Dual freight policy for Iron Ore, discount on loading of bagged consignment in open and flat wagons, rationalisation of coal tariff,**

withdrawal of port congestion charge, rationalisation of Merry-Go-Round (MGR) system, reduction of minimum distance for charge from 125 km to 100 km, distance increased for mini rake from 400 km to 600 km, proliferation of Roll-on Roll-off (RORO) services, de-notification of 44 additional commodities for charging at FAK rates, withdrawal of congestion charge for stone traffic transported from Eastern Railway to Bangladesh via Darsana/ Benapole.

- ii. The methodology for levying Terminal Access Charge (TAC) for handling container train in railway terminal has been liberalised from 1.5 times to one time in case of double operation (i.e. unloading followed by loading), reduces non-freight cost to customer.**
- iii. Indian Railway has taken an innovative business decision to transport empty containers and empty flat wagon for private container rakes at a discount of 25%. The move is likely to give a thrust to movement of empty container by rail towards ports to return as loaded, thus profiting Indian Railway with higher container share.**
- iv. Use of extensive computerization in freight operation to improve monitoring and to improve utilization of assets, deployment of higher capacity locomotives and higher capacity wagons, improvement in**

maintenance practices of wagons and locomotives resulting in increased availability of rolling stock for traffic, improvement in track and signaling to carry the higher volume of traffic, training staff and officers to adopt the new technology and management practices.

- v. Two Dedicated Freight Corridors (Western & Eastern Dedicated Freight Corridors) have been taken up to create adequate capacity, which is essential requirement to cater the traffic demand and improve quality of service.**
