

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO.3736
TO BE ANSWERED ON 11.12.2019**

TRAIN FARES

†3736. SHRIMATI RITI PATHAK:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether fluctuation in the prices of petrol and petroleum products both in domestic and international market has affected the train fares and freight structure of Indian Railways;**
- (b) if so, the details thereof;**
- (c) whether the Government has taken any initiative to make the structure of freight and dynamic pricing logical in Indian Railways in view of fluctuations in the prices of diesel / 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 competitiveness among freight of Railways and other means of transportation including roads?**

ANSWER

MINISTER OF RAILWAYS AND COMMERCE & INDUSTRY

(SHRI PIYUSH GOYAL)

(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.3736 BY SHRIMATI RITI PATHAK TO BE ANSWERED IN LOK SABHA ON 11.12.2019 REGARDING TRAIN FARES

(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) Pricing is based on number of factors like cost of service, value of service, what the traffic will bear, competition from alternative modes of transport etc. Pricing of diesel / petrol constitute a part of input costs. Thus, pricing is at present not directly tagged to diesel /petrol prices by any pre-fixed formula.

(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), discount on loading of bagged consignment in open and flat wagons, rationalisation of freight rate, 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 and upto 1000 km for Intra Zonal traffic, proliferation of Roll-on Roll-off (RORO) services, de-notification of large number of commodities for charging at FAK rates, withdrawal of congestion charge for stone traffic transported from Eastern Railway to Bangladesh via Darsana/ Benapole, withdrawal of 15% Busy Season Charge from 01/10/2019, withdrawal of 5% supplementary charge from Mini Rake and Two Point Rake combination, Discount of 25% on movement of empty containers and empty flat wagons, Round-trip haulage charge for container traffic (for 0-50 km) for ultra short lead. Liberalization of Terminal Access Charges (TAC) for double (loading & unloading) operations; i.e. instead of 1.5 times the applicable rate, one time charge is now applicable.

- ii. 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.**
- iii. 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.**

