

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO.2054
TO BE ANSWERED ON 09.03.2016**

SUBSIDIZATION OF PASSENGER SERVICES

2054. DR. P. VENUGOPAL:

Will the Minister of RAILWAYS be pleased to state:

(a) whether it is true that keeping fares within affordable limits has led to cross subsidization of passenger services leading to erosion of railways market share in freight; and

(b) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI MANOJ SINHA)

(a) & (b) Yes, Madam. The tariff policy on Indian Railways has been to keep passenger fares low especially in the lower classes so that even the poorest segment of the people can travel by rail while the freight rates have been increased periodically. As per the Report of the National Transport Development Policy Committee 2014, Railway's share in freight segment has come down from 89% in 1950-51 to 36% in 2010. The Railways market share in freight is subject to a number of factors including impact of hike in freight rates, growth and competition from alternative modes of transportation.
