

## Railways

9.46 The Indian Railways consist of an extensive network spread over 62,809 kms, comprising Broad Gauge (44,216 km), Meter Gauge (15,178 km) and Narrow gauge (3,415 km). Electrified networks of 14,579 km length account for 23.3 per cent of the total route kilometer. Gauge conversion of 693 km was completed during 1998-99.

9.47 During 1998-99, slow growth in the core sectors of the economy, which primarily generate demand for rail transport, caused a slump in revenue earning freight traffic. Consequently, against a target of 450 million tonnes, the Railways' revenue earning freight traffic aggregated to only 420.92 million tonnes. This was about 2 per cent lower than the performance in 1997-98. The freight traffic carried during April-November 1999 at 290.44 million tonnes constituted an increase of 7.4 per cent over April-November 1998. A positive growth has taken place in all bulk commodity groups during this period except Iron-ore for Export (Table 9.6). Notwithstanding the two

cyclones, which hit Orissa as well as heavy rains in the eastern sector thereby causing dislocation in a heavy freight-loading route for a considerable period of time, a recovery in Railways' freight business is discernible responding to the revival in core sectors of the economy.

9.48 The Railways are the largest employer among Public undertakings in the country. It has about 15.8 lakh employees at present. Continuously increasing staff cost accounts for substantial proportion of Gross Expenditure as well as Gross Earnings. A number of measures have been initiated to improve staff productivity with a view to providing cost effective services to customers. The challenges posed by economic liberalisation and stiff competition from roadways call for urgent measures with regard to modernisation of infrastructure and rolling stock, sophisticated signaling and telecommunication systems, computerization of freight operations and passenger reservation and adoption of strong safety measures, enhanced manpower productivity and a

**TABLE 9.6**  
**Performance of the Railways**

	1997-98	1998-99*	April-November*		Change over previous year	
			1998	1999	1998-99	1999-2000@
					<i>(per cent)</i>	
Total revenue earning freight traffic (million tonnes)	429.4	420.9	270.5	290.4	-2.0	7.4
(i) Coal	208.7	197.6	129.3	134.5	-5.3	4.0
(ii) Raw Materials for steel plants (excl.coal)	37.8	35.9	24.1	24.1	-5.0	0.0
(iii) Pig iron & finished steel from steel plants	11.8	11.0	7.0	7.1	-6.8	1.4
(iv) Iron ore for export	12.2	11.5	7.8	7.5	-5.7	-3.8
(v) Cement	37.4	36.7	22.3	27.4	-1.9	22.9
(vi) Foodgrains	26.3	27.5	16.9	19.5	4.6	15.4
(vii) Fertilizers	26.7	27.8	18.0	21.4	4.1	18.9
(viii) POL	30.7	33.0	21.3	22.8	7.5	7.0
(ix) Balance (other goods)	37.8	39.9	23.8	26.1	5.6	9.7
2. Net tonne kilometers (billion)	284.3	281.5	180.3	196.2	-1.0	8.8
3. Net tonne kilometers per wagon per day (broad gauge)	1894.0	1904.0	1781.0	1931.0	0.5	8.4
4. Passenger traffic originating (million)	4348.0	4411.0	2954.0	2642.0	1.4	1.9**
5. Passenger kilometers (billion)	380.0	403.9	232.3	239.6	6.3	3.1**

\* Provisional.

@ April-November

\*\* April-October

significant improvement in work culture at all levels. Human Resource Development through effective training methodology continues to be a thrust area in the Railways. A number of measures have already been initiated towards this end. The system of making the instructions available to the manager and staff through Codes/Manuals/Publications, along with latest corrections slips has been streamlined with specific emphasis on safety. In addition to upgradation of the training infrastructure of 181 Training Centres spread over the entire system including 5 Centralised Training Institutes and 52 Main Training Centres, a dedicated training institute has been set up to train different categories of staff in areas relating to customer care. The other thrust area engaging the attention of Railways is Competence Development of Railwaymen by utilising services offered by non-railway organisations. These initiatives have resulted in improved manpower productivity, reflected in higher traffic units per employee over the years.

9.49 The railways have been discharging a unique and difficult role as both a commercial undertaking as well as a provider of a public utility service. The role of being a public utility service involves a measure of cross-subsidization of passenger service by freight revenues as well as operating certain uneconomic services like those in certain suburban sections and branch lines in order to provide cheap and affordable transport to the public at large.

9.50 However, the ratio of rail fares for freight to passengers is tilted against the former and is well above the international norms. The high fares for rail freight also divert traffic to roads. The problem merits serious review. The Railways have also launched a number of schemes to mobilise extra-budgetary resources to meet the needs of growth and development. In addition to Build-Own-Lease-Transfer (BOLT)

and Own Your Wagon Scheme (OYWS) other initiatives to attract private participation include setting up a private terminal and public-private partnership to provide railway connectivity to the new, upcoming ports. Parcel Services of Indian Railways are also being revamped with leasing of space in all front brake vans of passenger trains. With fast growth in cargo in private sector, it has become possible to offer better quality of service by guaranteed clearance of cargo through regular train services. To augment parcel services, round trip parcel vans are also offered to private cargo carriers.

9.51 The Indian Railways have recently incorporated the Indian Railway Catering and Tourism Corporation to improve the rail catering and hospitality (Box 9.4).

#### **BOX 9.4**

##### **Indian Railways : Tourism Initiatives**

- Indian Railway Catering & Tourism Corporation (IRCTC) Ltd. was incorporated on September 27, 1999 as a Government company with the objective of upgrading and managing rail catering and hospitality. The Corporation would act as a special-purpose vehicle to stimulate public/private partnership and strengthen Railways' linkages with the travel and tourism industry.
- IRCTC, among other things, would help construction, operation, and board and lodging facilities/budget hotels in private sector on Build, Own, Operate and Transfer (BOOT) basis or through joint-ventures. It will also manage existing railway hotels/Yatri Niwas projects.
- IRCTC will help consolidate and upgrade existing rail catering industry and act as a regulatory body to award franchises and contracts for providing branded retail outlets on railway premises and in mobile pantry cars.
- Indian Railway have issued Letters of Intent for ownership, operation and management of two luxury trains in private sector. Potential also exists for more of such dedicated trains to cater to tourist traffic.