

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

STARRED QUESTION NO:263  
ANSWERED ON:10.08.2000  
HIKE IN FREIGHT RATES  
JAIBHAN SINGH PAWAYIA;SHEELA GAUTAM

**Will the Minister of RAILWAYS be pleased to state:**

- (a) whether the Government have recently hiked the railway freight rates and have also withdrawn subsidy on essential commodities;
- (b) if so, the details thereof and the reasons therefor alongwith its impact on freight movement;
- (c) the estimated additional revenue likely to be earned therefrom;
- (d) whether the Railways are still short of funds despite increase in the rates; and
- (e) if so, the details thereof and the steps taken by the Government to meet the shortage?

**Answer**

MINISTER OF RAILWAYS(KUMARI MAMATA BANERJEE)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.263 BY SHRI JAIBHAN SINGH PAWAYIA AND SHRIMATI. SHEELA GAUTAM TO BE ANSWERED ON 10.08.2000 REGARDING HIKE IN FREIGHT RATES.

(a) Ministry of Railways have increased the freight rates as proposed in the Railway Budget 2000-2001. No increase was however, made in freight rates of Urea and certain essential commodities of mass consumption like Kerosene, Foodgrains, LPG, Sugar, Edible Salt, Edible Oils, Fruits & Vegetables.

(b) The freight rates of other commodities were increased to generate additional earnings to meet the increase in cost of inputs as well as to generate funds for developmental projects. Freight traffic has shown signs of improvement as would be evident from the fact that Railways have loaded about 116.57 million tonnes of revenue earning freight traffic during the period from April, 2000 to June, 2000 which is 8.61 million tonnes more than the loading achieved in the same period of last year. This loading is more by 2.12 million tonnes when compared to the proportionate target for the period from April, 2000 to June, 2000.

(c) The additional revenue was estimated at Rs.600 cr (approximately) in 2000-2001, through hike in freight rates, from Goods and Parcel services.

(d) & (e): The Railways expect to generate sufficient revenues to meet all their working expenses including pensionary liabilities arising out of the implementation of 5th Pay Commission recommendations. As has been done in earlier years, Ministry of Finance have agreed this year for deferral of the payment of dividend to the extent of Rs.1500 cr which will be paid in later years. They have also agreed to provide a load of Rs.249 cr from the General Exchequer for the Railways' Capital fund. The Railways propose to meet the emerging requirement of funds through more efficient operation, strict economy and austerity measures and also by making efforts to generate additional resources from non-traditional sources of revenue.