

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:689  
ANSWERED ON:28.07.2005  
REVENUES EARNINGS FROM FREIGHT TRAFFIC  
Rao Shri Sambasiva Rayapati

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

- (a) whether higher movement of iron ore for exports is significantly adding to the revenues of the Railways;
- (b) if so, to what extent the revenues earnings from freight traffic has increased during 2004- 05 as compared to 2003-04; and
- (c) the efforts being made by the Railways to increase freight traffic earnings further?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a) Yes, Sir.

(b) Revenue earning freight traffic has increased by 7.98 % during the financial year 2004-05, as compared to the figures for the financial year 2003-04. Increase of iron ore export traffic during 2004-05 is 52.60 % in comparison to preceding financial year 2003-04.

(c) Several steps have been taken to increase freight traffic earnings further. The steps taken are rationalization of preferential traffic schedule, Electrification of Diesel sidings, liberalization of Engine-on-Load scheme, encouragement to freight customers to develop their private sidings on cost sharing basis, Electronic Payment Gateway, Schemes for development of integrated warehouses complexes, rationalisation of Goods Tariff, reduction in total number of classes, highest class reduced from 300X to 240S, introduction of new Premier Registration Scheme, introduction of new attractive `Wagon Investment Scheme`, 20 % rebate on incremental traffic booked from sidings in the notified empty flow direction of rakes, concession of 15 % in freight rates to incremental traffic during non-peak period, distance based graded concession from 10 % to 50 % for short lead traffic less than 100 Kms, reduction in `To-pay` surcharge from 10 % to 5 % for all commodities except for coal which was reduced from 15 % to 10 %.