

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:2453
ANSWERED ON:08.12.2005
LOW PRODUCTIVITY IN RAILWAYS
Adhalrao Patil Shri Shivaji

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Government is struggling with low productivity;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government proposes to make railways one of the country's largest profit making units;
- (d) if so, the strategy adopted by the Government therefor; and
- (e) the annual volume and revenue target already achieved in the in the first six months of the current financial year?

Answer

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

(a) to (e): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA UNSTARRED QUESTION NO.2453 BY SHRI ADHALRAO PATIL SHIVAJIRAO TO BE ANSWERED ON 8.12.2005 REGARDING LOW PRODUCTIVITY IN RAILWAYS.

(a) to (d) Railways` productivity, in financial terms, is best judged by the Operating Ratio; the ratio of working expenses to the traffic earnings which reflects the input cost per unit of earnings. In the last few years, the Operating Ratio of the Railways is showing continuous improvement and the same for 2004-05 at 91.0% indicates an improvement of 7.3 percentage points over 98.3% in 2000-01. This improvement is primarily attributable to substantial increase in traffic earnings on account of significantly improved performance in the freight segment and moderate growth in other segments of traffic earnings, complemented by strict control over expenditure.

The targeted Operating Ratio for 2005-06 is 90.8%. Railways have a focused thrust towards maximizing the capacity of the system so as to increase throughput in order to be able to cater to the growing demand of the economy. Besides, changes have been made in the freight policy through rationalization of freight structure with a view to make freight rates attractive. Various schemes such as Engine-on-Load (EOL), Premium Registration Scheme etc. have been implemented to facilitate and attract customers. Several measures like expansion of computerization of passenger reservation system, Unreserved Ticketing System and Internet Ticketing are in place to help push up passenger traffic. Apart from the measures taken to increase earnings, Railways are continuing with efforts to control expenditure through austerity and economy in all the areas.

(e) The target of traffic output and earnings envisaged in the Budget Estimates, 2005-06 vis-À-vis the performance to end September, 2005 are as under:

	Budget Estimates,		Performance to end of September		
	2005-06	2004-05	2005-06	Growth over	
				previous year	
Freight Loading (million tonnes)	635.00	284.80	313.49	10.07%	
No. of Passenger Booked (millions)	5707.44		2718.89	2895.66	6.50%

Segment-wise Earnings (Rs.in cr.)

Passenger earnings	15,080.00	6,911.69	7,393.12	6.97%	
Other Coaching earnings	1,100.00	456.58	521.69	14.26%	
Goods earnings	33,480.00	14,407.70	17,257.59	19.78%	
Sundry earnings	1,208.00	402.63	411.31	2.16%	
Total Traffic earnings	50,868.00	22,178.60	25,583.71	15.35%	

