

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

STARRED QUESTION NO:291

ANSWERED ON:18.12.2008

HIKE IN FREIGHT RATES

Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of RAILWAYS be pleased to state:

(a) whether problems are being faced by the traders and the general public due to the sudden and unannounced hike in the freight rates effected by the Railways in the recent past;

(b) if so, the details thereof;

(c) whether the Railways are aware of the diversion of freight movement from railways to roadways in different zones including Southern Railway due to the hike in freight rates;

(d) if so, the details thereof and whether the Railways have taken any steps to revert the hike in freight rates and to increase the level of freight traffic;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

Answer

MINISTER OF RAILWAYS (SHRI LALU PRASAD)

(a) to (f) A statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF STARRED QUESTION NO. 291 BY SHRI S. K. KHARVENTHAN TO BE ANSWERED IN LOK SABHA ON 18.12.2008 REGARDING HIKE IN FREIGHT RATES.

(a) to (f) : Representations have been received from rail customers against recent changes in classification of domestic iron ore, cement, coal & coke. These representations were examined and were not found feasible to agree to. It has to be appreciated that changes in classification of commodities cannot be announced in advance since these are internal budget exercises of the Railways.

Railways are not aware of any large scale diversion of traffic from rail to road. Loading has gone up to 534.60 Million Tonne during April – November 2008 as compared to 502.19 Million Tonne during April – November 2007 thereby registering a growth of 6.45%. On Southern Railway in particular, railway's loading has gone up to 22.17 Million Tonne during April – November 2008 as compared to 18.84 Million Tonne during April – November 2007 thereby registering a growth of 17.68%.

Railways have recently granted number of concessions to boost traffic and increase rail share.