

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

STARRED QUESTION NO:296  
ANSWERED ON:18.12.2008  
DECLINE IN EARNINGS OF THE RAILWAYS  
Verma Shri Ravi Prakash

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

- (a) whether the earnings of the Railways have declined as reported in The Hindu` dated 11 November,2008;
- (b) if so,the reasons therefor;
- (c) whether a sharp decline has been recorded In the earnings from freight loading;
- (d) if so,the details thereof and the reasons therefor;and
- (e) the steps taken by the Railways to increase the earning from freight?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF RAILWAYS (SHRI LALU PRASAD)

(a) to (e): A Statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN THE REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO.296 BY SHRI RAVI PRAKASH VERMA TO BE ANSWERED IN LOK SABHA ON 18.12.2008 REGARDING DECLINE IN EARNINGS OF THE RAILWAYS.

(a) to (d) Yes Sir.The overall growth in revenue earnings of the Railways in the month of October 2008 declined sharply to 6.52% compared to 19.31% registered in the same month last year as per the Statistical Report of approximate earnings on originating basis.Cumulative growth in earnings from April to October 2008,however,stood at 15.76% as against 11.96% for the corresponding period of last year.

Details of earnings for the current financial year on a month-to-month basis according to the above statistical trend reporting are furnished in the Appendix. It may be seen that during October 2008,earnings from freight traffic which constitutes bulk of the revenue earnings of the Railways dipped to single digit at 4.91% compared to the corresponding month of last year.

The decline in Railways freight earnings is attributable to a slackening of market demand for transportation in the present environment of economic downturn.

(e) To counter the effect of the slowdown on financial health of Railways,a number of steps has been taken to boost demand for rail transportation. These include freight discounts of up to 40% on short lead cement traffic and distance-based freight concession of up to 50% on iron-ore traffic for export.