

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:2550

ANSWERED ON:29.03.2012

HIKE IN FREIGHT RATE

Owaisi Shri Asaduddin;Swamygowda Shri N Cheluvarya Swamy ;Thamaraiselvan Shri R.

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

- (a) whether just ahead of presentation of Rail Budget this year, the Railways increased the freight rates;
- (b) if so, the details thereof alongwith the commodities on which the said hike is applicable;
- (c) the reasons for this rate hike; and
- (d) the extent to which this rate hike is likely to help the Railways vis-à-vis the increasing competition being faced by the Railways from the road transportation in the country?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI K.H. MUNIYAPPA)

(a) to (d) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF UNSTARRED QUESTION NO. 2550 BY SHRI ASADUDDIN OWAISI, SHRI N.CHALUVARAYA SWAMY AND SHRI R.THAMARAISELVAN TO BE ANSWERED IN LOK SABHA ON 29.03.2012 REGARDING HIKE IN FREIGHT RATE.

(a): Yes, Madam.

(b) & (c): In an effort to (i) adjust freight rates of all commodities in line with increased input costs; (ii) raise resources for undertaking maintenance & rehabilitation, modernization and critical safety related works; and (iii) meet demands emanating from various social obligations that the Railways are required to discharge, it had become necessary to rationalize the freight tariff structure. Accordingly, a revised set of freight rates has taken effect from 6th March 2012.

(d): Even though the tariff structures in respect of freight transportation by road vis-a-vis rail are not amenable to ready comparison, the steps taken to progressively upgrade Railway's competitive edge over other modes of transport include inter-alia the implementation of a differential tariff regime for specifically addressing situations arising out of skewed demand during different periods of the year as well as across different regions of the country. The slew of freight incentives schemes that are in place for attracting traffic include (i) Incentive scheme for traditional empty flow directions, (ii) Incentive scheme for loading bagged consignments in open & flat wagons, (iii) Incentive scheme for freight forwarders, and (iv) Incentive scheme for incremental traffic.