

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:3071

ANSWERED ON:30.08.2012

ECONOMIC VIABILITY OF RAILWAYS

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Will the Minister of RAILWAYS be pleased to state:

- (a) whether it is a fact that the Railways need an investment of several lakh crores of rupees for their expansion/growth during the 12th Five Year Plan;
- (b) if so, the details thereof along with the steps proposed by the Railways to meet the said requirement;
- (c) whether the Railways propose to allow Foreign Direct Investment (FDI) and private participation for their expansion/growth particularly for creation of dedicated railway lines for the industries in the country;
- (d) if so, the details thereof; and
- (e): the other steps taken/proposed to be taken to make the Railways economically more viable?

Answer

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

(a) & (b): A modified outlay of Rs. 5.48 Lakh Crore has been proposed for the Twelfth Five Year Plan by Ministry of Railways to Planning Commission for meeting the requirements of expansion, modernization and safety. For financing this outlay, adequate Gross Budgetary Support, successful implementation of Public-Private Partnership (PPP) in identified areas and mobilization of internal resources through conventional and non-conventional means would be necessary. All out efforts are being made for mobilizing these resources.

(c) & (d): Foreign Direct Investment (FDI) in railway projects is governed by the existing policy of Government of India. Indian Railways have identified following areas for implementation through Public-Private Partnership - station development, logistic parks, private freight terminals, high speed corridor (Mumbai-Ahmedabad), elevated corridor (Church Gate-Virar), locomotive & coach manufacturing units, Dedicated Freight Corridors (Dankuni-Sonnagar section), Port connectivity projects etc.

(e): Various steps have been taken to improve economic viability of Railways including improving efficiency and throughput, controlling expenditure, investment of plan funds in priority areas, involving state governments in construction of railway projects and thrust on Public Private Partnership to get private investment.