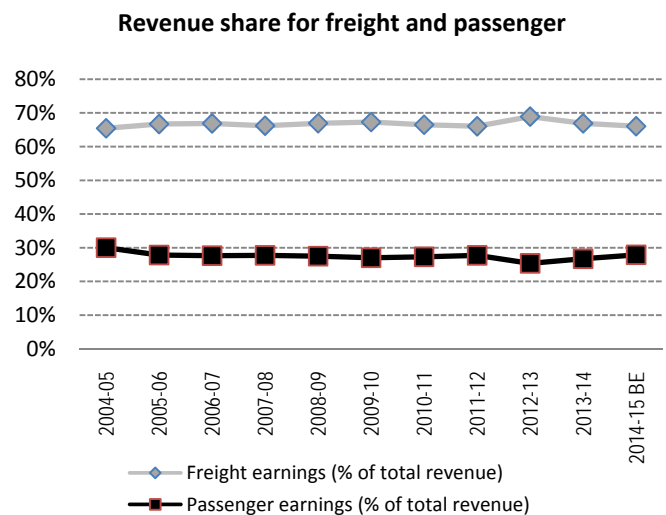
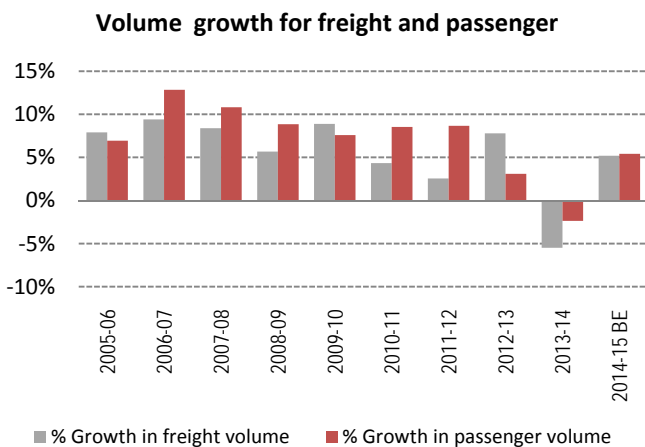


# Vital Stats

## Functioning of the Railways

The Minister of Railways, Mr. D.V. Sadananda Gowda, presented the Railways Budget 2014 to Parliament on July 8, 2014. In his address, he commented on the performance of Railways in 2013-14 and laid out his budget proposals for 2014-15. In this context, we present some statistics on the functioning of the Railways.

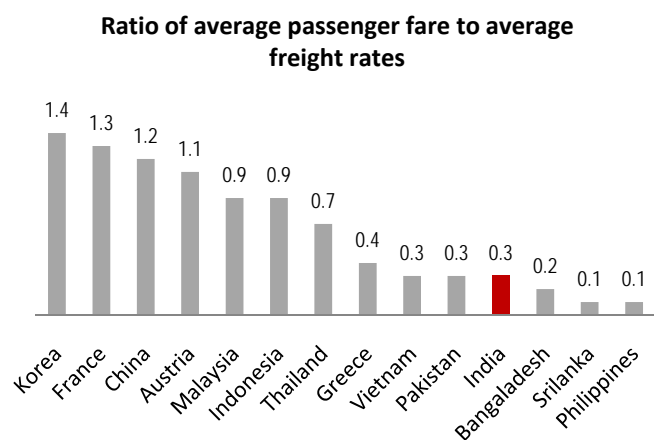
### Cross subsidisation of passenger traffic by freight has increased



Source – Railways Budget documents, Railways Annual Report, PRS

- Freight traffic volume grew by 67% in the last 10 years while passenger traffic volume grew by 94% in the last 10 years.
- Freight earnings have consistently been around 67% of the total Railways revenue in the last 10 years. Passenger earnings have been around 27% of the total Railways revenue.
- While passenger traffic has grown faster than freight traffic, the relative share in earnings has remained the same. This implies that the cross subsidisation by freight has increased.

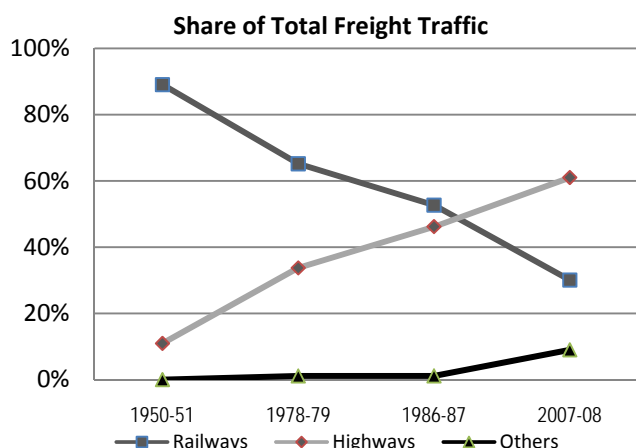
### India has a low passenger fare to freight rate ratio



Source – White paper on Indian Railways

- In many countries, passenger fares are either higher or almost equal as freight rates.
- However, in India, the ratio of passenger fare to freight rate is about 0.3.
- This also suggests that freight earnings significantly cross subsidizes passenger fares in Indian Railways.

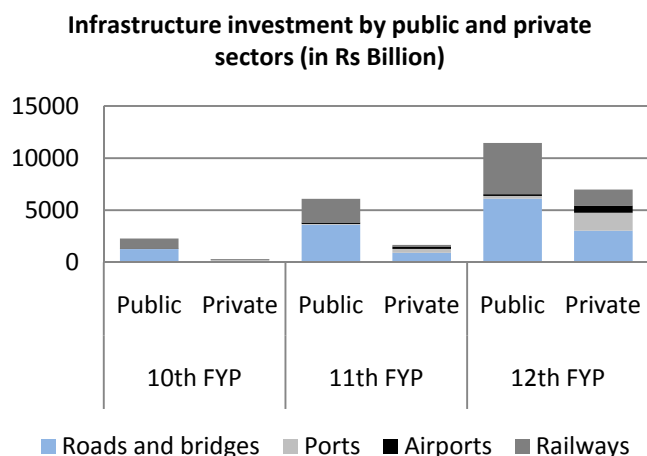
### Share of Railways in Total Freight Traffic has declined



- The share of Railways in total freight traffic has declined from 89% to 30% over the last 60 years.
- A steady increase in freight rates for Railways has led loss of freight traffic to roads.
- In the last decade, some of the freight traffic has shifted to other modes of transport such as airways and waterways.

Source – NTDP India Transport Report

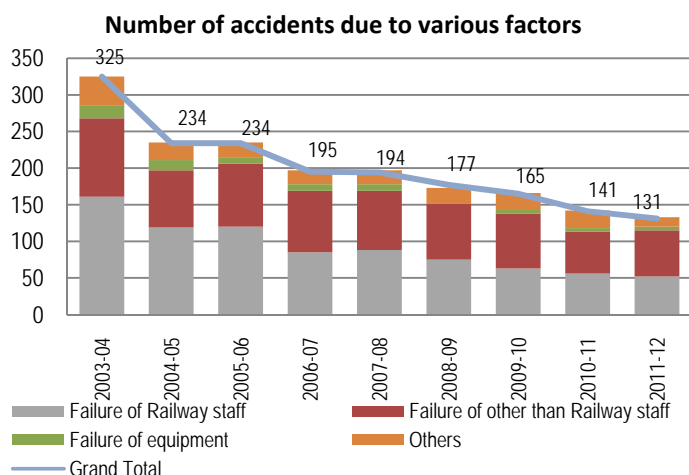
### Infrastructure investment is directed more towards Roads, less towards Railways



- The gradual decrease in the freight share of Railways can also be attributed to the decrease in investments in the sector.
- Roads have consistently received a larger chunk of the infrastructure investment.
- Railways receives most of its funding from the public sector. In comparison, roads receive investments from both public and private sectors.
- The 12<sup>th</sup> Five Year Plan proposes to encourage private investments in Railways.

Source – NTDP India Transport Report

### Number of accidents has declined in the last 10 years



- The number of rail accidents has declined from 325 in 2003-04 to 131 in 2011-12.
- The share of failure of railways staff contributing to rail accidents has declined steadily.
- The number of sabotage cases causing rail accidents has increased in the last few years.
- This suggests that while Railways is slowly improving its internal efficiency, it needs to work towards improving general safety and security of the services.

Source: Railways Budget documents

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