

Hindu Business Line

Boost to wagon industry, rail freight sector

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Our Bureaus

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Private container rail operators, logistics service providers and other industry bodies have reacted positively to the interim railway budget, especially its focus on infrastructure development and freight corridor project.

Mr Chandrajit Banerjee, DG, Confederation of Indian Industry, said freight corridors, containers and improved passenger amenities that were announced in the budget, will go a long way in making India's railway network more modern and efficient.

The CII, however, noted, that the budget did not mention any PPP projects, which the industry was expecting. "The forward-looking budget will create a win-win situation for all - the Railways, the

wagon manufacturers, heavy industries and the common man," the CII added.

The wagon industry appeared to be the happiest lot, as the budget's commitment to infrastructure development will shore up wagon demand.

"The proposed outlay of Rs 2,30,000 crore in the Eleventh Plan will give a major boost to large sections of industry involved in serving Railways. The wagon industry certainly stands to reap a rich harvest from the huge investment in the rail sector," **Mr Ramesh Maheswari, President of Texmaco**, said. He, however, felt that the proposed takeover of certain sick wagon units by the Indian Railways is a rather retrograde step.

Mr D.P. Agarwal, Vice-Chairman and Managing Director of Transport

Corporation of India Group, described as positive move the inauguration of the dedicated freight corridor on the Ludhiana-Kolkata route by the month-end.

"The rail freight sector is expected to get a boost, with the Railways deciding to introduce new high-capacity wagons. This will help augment the business of the customers since they will be able to transport more than what they did earlier," he added.

On the impact on the road freight sector, Mr Agarwal said: "We do not see any immediate impact — however, the end customer will benefit with better coordination between the rail-road freight sectors."

Mr Rajeev Jyoti, President of Bombardier Transportation India, said the company was actively in-

involved in the technology upgradation of electric locomotives and signalling activities of the Railways and would support its new initiatives. "We will continue to supply additional requirements of signalling systems," he said.

Mr Ajay Mittal, Chairman and Managing Director of Arshiya International, felt that private rail operators should speed up investments in the rail infrastructure sector, such as sidings and logistics parks. He felt that a cut in freight rates could have nominally brought down cost of goods in a prevailing downturn situation.

Logistics player Blue Dart feels that the logistics industry will benefit from the budget. "More freight trains with more carriage capacity, supe-

rior rakes and dedicated freight corridors would have been beneficial. Smoother and efficient process for loading and unloading also needs to be looked into," **Mr Yogesh Dhingra, Finance Director and COO of Blue Dart**, said.

Mr Akhileshwar Sahay, President, Infrastructure Advisory Division, Feedback Ventures, said the interim budget brings little succour to rail passengers and freighters, despite some tinkering of passenger fares.

The country, he said, is already reeling under industrial recession, which may reduce coal, iron ore and cement movement, next year. "The interim budget, like all railway budgets, needs substantial improvement in the area of transparency of financial reporting," he added.