

Hindu Business Line

'A positive budget for firms and passengers'.

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'A positive budget for firms and passengers'

Our Bureau

Kolkata, Feb. 24

The Railway Budget is positive for passengers as well as commercial firms as there are no changes in fares and freight rates, according to Mr D.P. Agarwal, Vice-Chairman & Managing Director of TCI Group.

"It is a positive move that the proposed dedicated freight corridor will be completed in time and additional dedicated and high-speed freight corridors will be planned.

This will smoothen the freight traffic movement and reduce the congestion of the operative lines and also bring in efficiency in freight business by reducing delays," Mr Agarwal observed.

As for the impact on the road freight sector, his view was that with railway freight remaining the same, there would be no immediate or di-

rect impact on the road freight sector.

CHAMBERS UPBEAT

The local chambers of commerce have joined the chorus in praise of the Railway Minister. Mr S.K. Roy, President of Bengal National Chamber of Commerce & Industry, in a statement lauded the Railway Minister for presenting a budget without any hike in fares or freight charges.

"This is most appropriate at a time when the economy is on a rebound," Mr Roy observed. He particularly welcomed the proposals which would benefit West Bengal.

Mr Jayanta Roy, Senior Vice President, Indian Chamber of Commerce, felt that the Rail Budget for 2010-11 was passenger-friendly and growth-oriented as the Railway Minister's philosophy of 'Ma Maati Manush' had been reflected in it.

Particularly welcome were the proposals for expanding connectivity to 25,000 km of railway routes, widening inclusion through mobile e-ticketing and encouraging PPP models.

Mr S.S. Beriwal, President of Merchants' Chamber of Commerce, complimented the Railway Minister for presenting "a bold, visionary and people-oriented budget for 2010-11," focusing on inclusive growth through expansion of railway network, improvement of passenger amenities and rapid build-up of 275 locomotives, 18,000 wagons, 1,021 km of railway tracks by the next year.

Mr Pavan Poddar, President, Bharat Chamber of Commerce, said the Railway Minister presented a pragmatic budget, acknowledging the social responsibility of unifying the country through rail connectivity.

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Bengal Chambers hail Rly budget

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Indian Railways gear up to tackle transport road rage

SHARMISTHA MUKHERJEE
& MIHIR MISHRA
New Delhi, 24 February

To regain market share from road operators providing container services, the railways have introduced a freight time-table offering assured transit time (ATT Scheme) to container train operators on specific routes.

A senior official at the ministry said: "This is a first of its kind initiative. We have drawn up a schedule for operation of premium freight services to transport time-sensitive cargo. Assured transit time will be provided under the scheme between identified terminals on end-to-end basis."

The service can be availed on payment of a fee per trip as prescribed by the railways from time to time. The official said: "In case timelines for the journey are not adhered to, the service charge will be reimbursed to the container operator by adjusting against the haulage charges of any subsequent trip."

The measure comes in the wake of the railways increasingly losing market share to road operators in freight transportation. A study conducted by Rail India Transport and Economic Services called "Total Transport System Study on Traffic Flows and Modal Costs" shows though traffic volumes on Indian Railways have gone up over the years, rail share, par-



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ticularly in freight transport, declined steadily over the past few decades.

Of the freight transportation market of around 2600 million tonnes (2007-08 estimates), rail share amounted to a moderate 30 per cent. In 1950-51, the railways had accounted for 89 per cent of goods transported in the country. The biggest gainer in this period has been the road sector, which has increased its share in the freight transportation market from a mere 11 per cent in 1950-51 to 61 per cent in 2007-08.

With the expansion of the national highway network under the National Highway De-

velopment Programme and the introduction of multi-axle high capacity trucks, competition in transporting bulk commodities (previously the railways' forte) has stiffened from road operators.

As regards the carriage of non-bulk commodities, which has acquired importance with growing share of the manufacturing sector in India's Gross Domestic Product, rail share has remained low at a mere 12 per cent of the total traffic.

Vineet Agarwal, executive director at Transport Corporation of India, concurred, "I do not see any threat from the railways introducing the service as the type of cargo trans-

ported by roads will remain with us. Also, most of the cargo we transport has an assured transit time attached with it and we deliver them within scheduled time."

The failing has been recognised by the ministry and which is now laying emphasis to evolve strategies to enlarge the basket of goods carried by the railways. Another official at the ministry said: "We are working on a policy to establish auto hubs which would help grow the railways' share in transporting cars to 15 per cent from two per cent. Focus is also being laid to tap the market for other non-bulk commodities like fly ash."

Business Standard (HINDI)

Rail Budget

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रेल बजट से ट्रांसपोर्टों में उत्साह

बीएस संवाददाता
नई दिल्ली, 24 फरवरी

मालभाड़े में कोई बढ़ोतरी नहीं होने एवं पार्सल के लिए घर-घर सेवा की शुरुआत की घोषणा से ट्रांसपोर्टों को अपने कारोबार में बढ़ोतरी की उम्मीद है। ट्रांसपोर्टों का मानना है कि अगले एक साल के दौरान माल ढोने में उनकी हिस्सेदारी 65 से बढ़कर 68 फीसदी तक हो सकती है। फिलहाल उनकी हिस्सेदारी 65 फीसदी के आसपास है।

ऑल इंडिया मोटर कांग्रेस के पूर्व अध्यक्ष ओपी अग्रवाल कहते हैं, 'मालगाड़ी के डिब्बे तैयार करने में महीनों लग जाएंगे, लेकिन हर माह 15,000 नए ट्रक सड़क पर आ रहे हैं। हर साल 6000 डिब्बे बेकार हो जाते हैं और 8000 डिब्बे तैयार किए जाते हैं। ऐसे में ट्रांसपोर्टों का कारोबार निश्चित रूप से बढ़ेगा। घर-घर सेवा से भी ट्रांसपोर्टर अपने कारोबार में बढ़ोतरी की उम्मीद कर रहे हैं। ट्रांसपोर्ट कॉरपोरेशन ऑफ इंडिया के निदेशक के प्रभाकर कहते हैं, 'रेलवे अपने बूते घर-घर सेवा शुरू नहीं कर सकता है। इस काम के लिए रेलवे को निजी सेवा की जरूरत पड़ेगी और इसका सीधा लाभ हम ट्रांसपोर्टों को मिलेगा।'

Business Standard

Truckers see opportunities in freight scheme

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VOICES FROM COMPETITORS

Truckers see opportunities in freight scheme

Railways will have to rope in private players to implement these schemes, they say

Truckers, which carry over 60 per cent of the total freight, see some impact on their long-distance business from some of the new schemes announced in the Railway Budget, yet they see opportunity in them. Railways carry over 30 per cent of the total freight.

Though Railway Minister Mamata Banerjee has not increased freight rates, she has announced schemes like providing door-to-door parcel services to attract freight from roads. Industry sources see an increase in business opportunities from such initiatives.

“It will not be possible for railways to implement these schemes on their own and they will have to rope in private players. We see an opportunity coming to us,” said K Prabhakar, Director, Transport Corporation of India.

Some believe that their long-distance businesses may be impacted on the grounds that door-to-door services by railways on the long-distance route will

be preferred over roads.

“The door-to-door service might impact our long-distance business to an extent but not much. But there is more opportunities for us as to provide this service, railways will need us to complement them and we will gain,” said B Channa Reddy, president, All India Confederation of Vehicle Owners’ Association.

Analysts see huge revenues

coming to railways from the parcel business, but also have doubts over the implementation of the door-to-door service by the railways.

“This is the first time railways are venturing into parcel business and, if implemented in a proper manner, this will fetch Rs 1,000 crore for the railways,” said Manish Saigal, executive director at KPMG, a financial advisory firm.

“The door-to-door service is a brilliant idea but railways will find it difficult. Providing last-mile connectivity to the goods will be difficult for the railways,” Saigal added.

The railways are also eyeing non-bulk goods like transporting automobiles. The minister has announced to set up automobile and ancillary hubs at 10 locations and examine ‘the need for special wagons for iron ore, fly ash, automobiles etc’.

The railways will also introduce a ‘modified wagon investment scheme for high capacity general purpose and special purpose wagons’.

Business Standard

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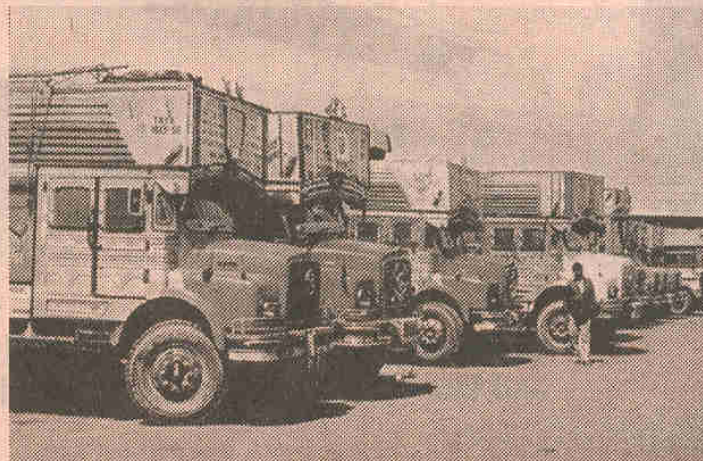
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