

### 8.2 TRANSPORT

The country's transport system which comprises rail, roads, seaports and airports have witnessed a rapid growth in the last fifty years and contributed to the development process in the country. The Indian Railways are one of the largest railway systems in the world with a vast network of about 63,000 route kilometre and is a principal mode of transportation for long haul freight movement in bulk and long distance passenger traffic and for mass rapid transit in sub-urban areas. The total freight and passenger traffic carried by railways increased over six fold during 1950-51 - 1999-2000(RE). The aggregate road length which was 0.4 million kms. in 1950-51 has increased eight -fold to nearly 3.32 million kms. including road length constructed under JRY in 1996-97. In the port sector there has been around thirteen-fold increase in sea traffic from 19.38 million tonnes in 1950-51 to 251.70 million tonnes in 1998-99. The traffic carried by the Indian Airlines increased from 83 million RTKMS in 1960-61 to 709 million RTKMS in 1998-99.

#### Problems And Areas Of Concern

2. In spite of the impressive achievements, the transport sector has to gear itself to resolve the various weaknesses and problems with which it suffers. The entire transport system is facing capacity saturation. There is, thus, a pressing need to develop/strengthen the existing network and also to redress the imbalances in the spread of the transport infrastructure and facilities in inaccessible areas including NE and J&K. At the same time, it is necessary to remove distortions in the inter modal mix which have developed over the years to favour more energy intensive and polluting modes of transport.

3. The transport sector plays a very important role in the economic growth and development process of the country. The transport sector, however, has not been allocated required resources over the years. In order to ensure that the bottlenecks in the transport infrastructure do not become a hindrance in the current pace of economic growth, it is absolutely necessary that adequate investments are made in various modes of transport. The magnitude of the resource requirement for the transport sector, however, is beyond normal budgetary financing ability of the Government. This calls for augmentation of internal resources through rationalisation of freight and fare rates and involvement of private sector in the development of transport infrastructure.

#### 8.2.1 RAILWAYS

4. Indian Railways would need to continue with its efforts so as to (i) generate adequate transport capacity for handling the increasing traffic, (ii) complete the rehabilitation, replacement and renewal of assets, (iii) reduce the cost and improve reliability, safety and quality of customer services, (iv) improve manpower productivity and work culture and (v) expedite the completion of the on-going projects by reprioritising the existing portfolios.

#### Sectoral Trends

5. During 1999-2000, Railways carried 450.0 mt. of revenue earning originating freight traffic (revised estimates) showing increase of 6.91 per cent over the previous year mainly because of general economic upswing in the economy. In case of originating passenger traffic, the achievement of 4630 million in 1999-2000 revealed a growth rate of

3.62 per cent as compared to 1998-99. In terms of passenger kms. there was an increase of around 6 per cent during the same period. The progress in the freight and passenger traffic carried by the Railways over the years is given in Annexures 8.2.1 and 8.2.2 respectively.

6. Wagon productivity during 1998-99 was slightly higher by 0.5 per cent compared to 1997-98 as may be seen from the following Table 8.2.1 below. During 1998-99, 260 kms. underwent gauge conversions, 2967 kms. track renewals, 617 route kms. were electrified and 167 kms. of new lines added.

**TABLE 8.2.1  
Wagon Productivity**

Year	NTKM per wagon per day	Improvement over the last year (%)
1994-95	1591	5.6
1995-96	1792	12.6
1996-97	1840	2.7
1997-98	1894	2.9
1998-99	1904	0.5

**Targets For 2000-01**

7. For the year 2000-01, a target of 475 million tonnes of revenue earning freight traffic has been laid down and the physical targets of various programmes along with outlays laid down for gauge conversion, track renewals, electrification and addition of new lines are 385 kms. (Rs.600 crore), 3250 kms. (Rs.2000 crore), 500 route kms. (Rs.325 crore) and 217 kms. (Rs.825 crore) respectively. The physical progress in respect of acquisition of rolling stock, track renewals and electrification is detailed in Annexure 8.2.3.

**Plan Outlay**

8. An outlay of Rs.11000 crore was approved for the Railways for the year 2000-01. The outlay comprises (a) budgetary support, Rs.3291 crore (30 per cent) (b) Market borrowings Rs.3668 crore (33 per cent) (c) Internal resources, Rs.4041 crore (37 per cent). Plan headwise outlays in respect of Indian Railways are at Annexure 8.2.4.

9. A review of the trend in budgetary support to Railways indicates that as a percentage of total outlay it has increased over the past few years as shown in Table 8.2.2 below.

**TABLE 8.2.2  
Budgetary Support To Railways**

(Rs. crores)			
1997-98 (Actual)	1998-99 (Actual)	1999-2000 (RE)	2000-01 (BE)
1992 (24%)	2185 (25%)	2540 (28%)	3291 (30%)

Further, expansion and strengthening of the Railways will have to be financed mostly by Railways through generation of internal resources and market borrowings. The dividend payable to general revenues, as projected in the budget estimate of 2000-01, is Rs.2115 crore but due to shortfall in internal resource generation by the Railways, it is proposed to pay to General Revenues only Rs.615 crore with the balance of Rs.1500 crore going to the Deferred Dividend Liability Account. The high operating ratio of Indian Railways of over 98.8 per cent will have to be improved. This will require better operational and commercial management with emphasis on aggressive revenue generation on the one hand and rigorous cost control on the other.

### **Externally Aided Projects**

10. In 2000-01, a total amount of Rs.111.5 crore is required for EAP, out of which Rs.55.0 crore would be the external aid component and Rs.56.5 crore would be the non-aid portion. The project wise budget provision required in 2000-01 for EAPs is listed at Annexure 8.2.5.