



Indian Commerce

**PRESS RELEASE**

**Rail Budget to boost socio-economic development through concerted focus on long-term reforms : ICC**

*Budget lays the roadmap for attracting private investment in railways ; focus on passenger amenities, timely project completions and infrastructure expansion*

Kolkata, February 26, 2015: ICC feels that the **Railway Budget 2015-'16**, presented by **Railway Minister Suresh Prabhu** today, has laid down the roadmap for attracting private investments which could be instrumental in boosting project completions and infrastructure expansion. The Budget talks about concrete plans to enhance passenger amenities & safety, boost revenues, upgrade stations, restructure , modernize and transform the railway network, and boost cleanliness drive. The Chamber is of the opinion that the Rail Budget will develop infrastructure by focusing on Freight Corridors, and will facilitate smoother flow of goods and services, and hence also enhance business & industrial prospects. Rail Minister's announcement of establishing partnership with the private sector for last mile connectivity will ensure enhanced intra-country trade & commerce, feels ICC.

**ICC welcomes -**

- The announcement that 8.5 lakh crore rupees ( 8.5 trillion USD) will be invested in the railways in the next 5 years and decision to increase Plan expenditure to a record Rs. 1.1 lakh crore in 2015-16 from an estimated Rs. 61,500 crore in 2014-15 - these will significantly improve railway services & infrastructure
- The decision to increase track capacity by 10 per cent to 1.38 lakh km, and passenger carrying capacity from 21 to 30 million - this will boost trade and the economy as a whole. Promotion of JVs with major public sector companies for meeting requirements of new lines - welcome step
- The decision of not increasing passenger fares
- Decisions to rope in private agencies for cleanliness drive in sync with the 'Swachh Bharat Mission', and to have partnership with private sector for last mile connectivity - these will infuse more efficiency into the system and also promote trade & commerce
- Proposal to keep the operating ratio at 88.5%, best ever in 9 years - this means more revenues and profitability
- Significant focus on passenger amenities & quality of life in journeys - 17,000 toilets in coaches to be replaced with bio-toilets ; new toilets covering 650 additional stations ; introduction of 'operation 5 minutes', ie hot button for ease of purchasing unreserved tickets within 5 minutes ; provision of 120 crore to equip major stations with lifts & escalators ;

introduction of all-India 24x7 helpline number 138 from April 1<sup>st</sup> in Northern Railways and later in all zones, to address passenger complaints on a real-time basis, raising of advance booking period for train tickets from 60 to 120 days, etc. ICC welcomes the fact that outlay for passenger amenities has been increased by 67%, and feels all these measures will significantly improve passenger comfort and in the process, raise revenues for the railways majorly

- Decision to develop satellite terminals for de-congesting cities and provide services to people in the suburbs, and also the proposal to open bid for interested parties for station re-development
- Decision to set up Transport Logistic Corporation of India to aid expanding freight handling capacity and provide end-to-end logistic solutions ; also PPP cooperation for end-to-end logistics management at select stations - ICC feels this would significantly boost trade & commerce
- Decision to revamp PPP cell to make it result-oriented
- Proposal to set up 9 hi-speed corridors and introduction of high speed trains - ICC feels this will create enough 'Make in India' opportunities and boost manufacturing
- Allocation of Rs.2000 crore for Coastal Connectivity Program - this will boost trade & exports
- Announcement that ongoing projects in North Eastern States will receive a major thrust ; ICC welcomes the Railway Minister's statement "We are committed to provide rail connectivity to North Eastern states" , and believes that enhanced railway connectivity can propel North-East's growth & development significantly , and unlock the region's huge economic potential

The Indian Chamber of Commerce feels that this ambitious & focused rail budget will help in reviving the sector along with reducing the key challenges of one of the largest PSUs in India. The ICC lauds the 4 goals laid down in the Budget meant to transform the sector in next 5 years - Customer satisfaction, safer travel, infrastructure modernization and financial self-sustenance. However, with the massive expansion, consolidation and modernization plans on chart, resource mobilization may be a challenge.

To sum up, ICC compliments the Hon'ble Railway Minister, and expects that the pro-active measures and plans announced in Railway Budget 2015, would help the Railways to be on a path of sustainable growth through concrete implementation of short and medium-term projects of strategic importance.

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