

# **An In-Depth Analysis of Railway Budget 2016-17**

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The 2016-17 budget is remarkable in many ways. First, it has breath-taking range. The budget mentions everything from baby food to restructuring of the railway board on business lines. Second, it places the customer right at the center of the organizational focus. For an institution which is not so well known for customer-centric approach, this budget makes the customer, especially the passenger very much at the center of the discourse. Third, the budget is very strong on vision with a 2020 focus. Right in the beginning it speaks of meeting 8 long felt desires of the common man including reserved accommodation on trains on demand, punctuality of 95%, increase in average speed of freight train to 50 kmph and mail express trains to 80 kmph and perhaps most importantly, zero direct discharge of human waste on tracks.

The budget reflects the large level of interaction between passengers and the Railways facilitated by social media. This has given voice to the customers and as the Minister said in the Budget speech that “there is no barrier between the common passengers and the railways”. Many aspects of the railway travel experience have been touched upon in the budget and measures described to improve the journey of passengers. Starting from ticketing where e-ticketing has been augmented from 2000 tickets per minute to 7200 tickets per minute on the IRCTC website and in future hand held terminals for sub-urban and short distance travelers would be introduced. Similarly, the provision of cancellation of booked ticket through 139 helpline will be of great help to the passengers. The thrust on cleanliness of coaches, stations and provisioning of 17000 bio toilets this year and 30000 bio toilets in the trains in 2016-17 will go a long way in increasing the level of cleanliness in the entire railway system.

The budget is very inclusive in its approach and has kept its focus on the average passenger. The passengers of unreserved category which constitute 95% of the total passengers of the Indian Railways have been taken care through Deendayal coaches and Antodaya Express which is a long distance fully unreserved superfast train service on dense route. It is hoped that these services which are a revamped version of the earlier Jansadharan trains will be more successful. The

segmentation approach of designing different services for different categories of passengers has been taken with more well-to-do passengers to be served by Hamsafar, Tejas and UDAY category of trains where higher speeds and more comforts will be provided and will give opportunity to Railways for extracting higher consumer surplus through enhanced fares.

Similarly in the case of freight, winning back the lost modal share has been made into a strong mission for the Railways. Going beyond the traditional freight basket and moving into new areas such as transporting cars, FMCG goods through container and Ro-Ro services will be very important. Starting timetabled freight trains is also a good effort to add reliability to the freight trains operations on the Indian Railways. Measures such as key customer managers would also be a good beginning.

On the infrastructure expansion front, the budget has kept up the momentum from the previous year of increasing the capital expenditure for capacity expansion and increase in network length. In 2016-17, 1.21 lakh crore is targeted to be invested which is a quantum jump from the previous years. Correspondingly, the project execution capacity is sought to be improved through measures like launch of more EPC projects and introducing technology such as drone and satellite technology for reviewing the physical progress across major projects. Since railways have a large pipeline of unfinished projects and many more are being added, superior execution of on-going projects is of crucial importance. In the financial year 2015-16, Ministry of Railways and NITI Aayog have worked together to evaluate and approve 50 projects of doubling and tripling of tracks worth nearly 50,000 crores and 26 electrification projects worth nearly Rs 5000 crores. Besides one project for new line of Rs 2000 crores and a project for expansion of Mumbai Suburban railways costing more than Rs 10,000 crores have also be evaluated and moved ahead for execution after approval at higher levels of the Government.

On the whole, therefore, this is a very comprehensive budget touching all aspects of railway operations and planning. It is extremely visionary and lays down a clear road map for the future in not only areas of operation but also capacity building through organizational reforms of the Railway Board. The underlying philosophy which permeates the budget is that of “cooperation, collaboration, creativity and communication” and as the Minister has mentioned that the vision needs

to be converted into “specific reality with speed, efficiency and total transparency” as demanded by the Hon’ble Prime Minister. This Budget has created a template for action by the officers of the Railways and its staff who are known to be a disciplined work force with capacity to deliver higher order of output. It is, hoped that the organization will convert the vision into reality in 2016-17 and the years to come.

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