

THE INDIAN RAILWAYS



SECTOR OVERVIEW

The Indian Railways is regarded as the foundation and lifeblood of the economy. The Indian Railways, a premier transport organization of the Country is the largest rail network in Asia and the world's 2nd largest under one management. The Railways Board, which has a monopoly over the provision of rail services in India, is in charge of overseeing the whole infrastructure. Due to its low cost and effective operations, railway continues to be the most popular means of transportation for the majority of Indians when travelling long distances.

The Government of India has focused on investing in railway infrastructure by making investor-friendly policies. It has moved quickly to enable Foreign Direct Investment (FDI) in Railways to improve infrastructure for freight and high-speed trains. At present, several domestic and foreign companies are also looking to invest in Indian rail projects.

STATISTICS

- ❖ The Indian Railways' revenue reached USD 16.56 Billion in FY 2023 (until October 2022).
- ❖ The total passenger revenue stood at USD 4.39 Billion in FY 2023 (until October 2022).
- ❖ The passenger traffic stood at USD 3.61 Billion in FY 2023 (until October 2022).
- ❖ FDI equity inflows in railway-related components stood at USD 1.23 Billion from April 2000-June 2022.

GOVERNMENT INITIATIVES

- ✦ In the Union Budget 2023-24, the Government allocated Rs. 2,41,267.51 Crore (USD 29.3 Billion as on 31-03-2023) to the Ministry of Railways.
- ✦ The Government has allowed 100% FDI in the Railway Infrastructure Sector through Automatic Route.

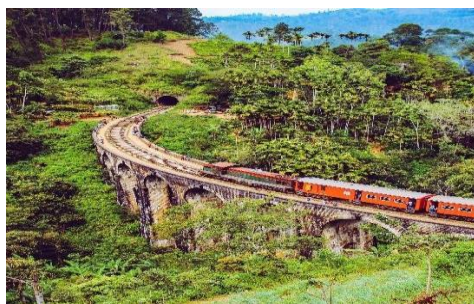
- ✦ In 2022, the Government announced that 100 PM-GatiShakti Cargo Terminals for multimodal logistics facilities will be developed over next three years.
- ✦ In 2022, the Government announced ‘One Station-One Product’ concept to promote the supply chain of local products using the Indian Railways network and Visakhapatnam Station would soon implement the same.
- ✦ Prime Minister Mr. Narendra Modi inaugurated the new and upgraded version of Vande Bharat Express between Gandhinagar Capital & Mumbai Central on 30.09.2022.
- ✦ The Government, in August 2022 launched Mission Raftaar for speed enhancement and to achieve doubling average speed of freight trains and increase the average speed of superfast /mail/express trains by 25 kmph.
- ✦ Indian Railways has indigenously developed an automatic train protection system rechristened as ‘Kavach’ (Train Collision Avoidance System), to prevent accidents due to human error resulting in Signal Passing at danger and over-speeding.
- ✦ The Vande Bharat Express is a semi-high speed electric multiple-unit train operated by Indian Railways and is currently operational in various cities inter alia New Delhi, Mumbai, Howrah, Varanasi, Gandhinagar, Chennai, Mysuru, Nagpur, Bilaspur, Visakhapatnam, Secunderabad, etc. According to Indian Railways, 102 Vande Bharat rakes will be produced in a period of two years, i.e. 35 in 2022-2023 and 67 in 2023-2024.

FOREIGN INVESTORS

- ✦ Alstom Transport Holdings B.V. (Netherlands)
- ✦ Bombardier (Singapore)
- ✦ Ansaldo STS (Australia)
- ✦ GE Capital International (Mauritius)



AGENCIES



- Indian Railways
- Container Corporation of India Ltd.
- Dedicated Freight Corridor Corporation of India
- National High-Speed Rail Corporation of India
- IRCON International Ltd.
- Rail Land Development Authority
- Rail Vikas Nigam Ltd.
- Research Designs & Standards Organization
- Indian Railways Finance Cooperation

ROAD AHEAD

The Indian Railway network is growing at a healthy rate. In the next five years, Indian railway market is expected to be the 3rd largest, accounting for 10% of the global market. The Government has announced two key initiatives for seeking private investments-running passenger trains by private operators across the railways network and redevelopment of railway stations across the country.

The Indian Railways is also looking at other areas of revenue generation such as a) Change in composition of coaches so that it can push the more profitable AC coach travel; b) Additional revenue streams by monetising traffic on its digital booking portal, Indian Railway Catering and Tourism Corporation (IRCTC); and c) Disinvesting IRCTC.

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