

Vision 2020: A new dawn for India's railways?

Monday, March 29, 2010

Railways minister Ms Mamata Banerjee has announced plans to radically expand and improve India's network over the next 10 years. Kevin Smith takes a closer look at the 2010-11 railway budget and how this fits into Indian Railways' Vision 2020 plans.

IN her budget announcement to parliament on February 24, India's minister for railways Ms Mamata Banerjee told the country's leading political figures that the railways should be used both as a tool to initiate economic growth and to unite all corners of the country as an act of social responsibility.

Banerjee says that as a democratic country, every person must have access to the country's economic lifeline and that the government should be prepared to invest in an improved railway network to provide these opportunities. Without it, she says India is in danger of falling behind its economic rivals.

"Looking at the world, you find that both developed and developing nations are spending hundreds of billions of dollars each year, adding more and more route-km of new lines," Banerjee says. "This is why we have to move faster, to connect people and places across this nation."

Inclusive growth is therefore at the core of the Rs 414.26 billion (\$US 8.9 billion) 2010-11 railway budget. This is a slight increase from 2009's Rs 407.45 billion budget announced last July, but does not meet Vision 2020's investment plan which outlines recommended investments totalling Rs 1.4 trillion per year for the next 10 years.

Announced in December, Vision 2020 is the blueprint for unprecedented investment in the network over the next 10 years. In addition to the extra 25,000km of new lines that will take the network total to 89,000km, the Vision calls for 12,000km of double and multiple track additions for a total of 30,000km nationwide, and an extra 14,000km of lines to be electrified for a total of 33,000km by the end of the decade.

Maximum speeds will also be increased from 110-130km/h to 160-200km/h for passenger trains, and from 60-70km/h to more than 100km/h for freight services. Double-deck trains and modern dmus and emus will be introduced on the network which will include four new high-speed lines that will accommodate trains capable of reaching speeds of 250-330km/h.

Budgets over the next 10 years are intended to evenly support the achievement of these goals, yet this year's appropriations are just over a third of what is believed to be required. Nevertheless, Banerjee says that the provisions made are intended to provide thrust to the expansion of the network.

This includes the construction of 1000km of new lines at a cost of Rs 44.1 billion during the next year, as well as Rs 13 billion to improve passenger amenities. Surveys for 55 new lines will also be conducted, along with gauge-conversion of 800km of track and 700km of track-doubling, with costs to be shared with local governments. Work is continuing on the electrification of 2300km of lines in the next three years, as well as the addition of 12,000km of fibre-optic cable. Vision 2020 calls for the establishment of 50 world-class stations, 10 of which will be upgraded in 2010-11.

To overcome a shortage of passenger coaches, the ministry plans to build new factories at Rae Bareilly, Kancharapara

and Palakkad in the next year. New wagon factories will also be constructed at Sikandrabad, Bardhaman, Bhubneshwar/ Kalahandi, Guwathi and Haldia, and a new rail axle factory at New Jalpaiguri. This will go some way to achieving Vision 2020's goals for the procurement of 280,000 wagons and 50,880 passenger coaches as well as 5334 diesel locomotives and 4281 electric locomotives.

While Banerjee was keen to stress that railways will remain state-owned, she hopes to encourage private investment in the network. Public-private partnerships are considered as a potential avenue to complete many of the proposed construction projects, while increased branding of the railways could bring in an extra Rs 8.5 billion per year. A major component of the Vision 2020 plan is the establishment of a special task force intended to approve investment proposals within 100 days of their submission. Banerjee hopes this will encourage businesses to commit to railways when in the past they might have been deterred from investing.

"Our policy guidelines will be made simple and investment friendly," Banerjee says. "In creating infrastructure with private capital we will create wealth for all, and we will be benchmarked with the best."

With India's rail network currently encompassing 64,015km, just 10,419km more than in 1950, Vision 2020 is undoubtedly the most ambitious and groundbreaking proposal since the country's railways were conceived. It is now up to the Indian government to increase its own financial support as well as identify and secure additional revenue sources for these plans to be realised.

"This year's budget is a humble yet earnest effort to move in the direction of Vision 2020," Banerjee says. "... better days are ahead for Indian Railways. Just as highway, telecom, IT, airport and port sectors have taken off, the railway sector will also see exponential growth in the years to come."