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Chambers cheer grudgingly

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The chambers today welcomed the Railway Budget, but with some apprehensions.

Confederation of Indian Industry (CII) president Sanjiv Goenka said the proposed freight charges hike on coal, iron-ore and other raw materials would adversely affect the power and steel plants and the cost of power would go up. "The reduction of freight charges on steel and cement will boost the induction furnace industry and electric furnace industry," he said. Goenka was disappointed at the increase of Rs 1,473 crore in Plan outlay because industry was expecting more.

Federation of Indian Chambers of Commerce and Industry (Ficci) president R S Lodha said: "The budget will prove to be a harbinger of reducing cross-subsidisation in the economy and seems to be a precursor of things to come in the Union budget." He felt that the objective of supplying clean drinking water through the Railway catering service was a good step but the government could have explored the possibility of privatising such services more aggressively.

Describing the Railway Budget proposals for 2002-03 as "balanced and better" as compared to previous budgets, K K Nohria, presi-

'The railway minister should have pressed ahead with expenditure control especially after having saved Rs 1,000 crore in the 2001-02 Budget'

dent, Associated Chambers of Commerce and Industry of India (ASSOCHAM), said the railway minister should have pressed ahead with expenditure control especially after having saved Rs 1,000 crore in the 2001-02 Budget.

Nohria welcomed the tariff balancing measures introduced in the Railway Budget which are in conformity with the recommendations of the Rakesh Mohan Committee Report. "The allocation of funds to railway projects in states is a welcome measure but this should be done on the basis of a transparent formula for efficient use of resources," he said in a statement. Further adding that rather than investing in projects like 'Rail Neer' and captive thermal stations, it would be prudent for the government to reallocate the funds for beefing up safety measures.

"Considering the fact that rail-

ways are the only high capacity transport mode, the budget has not focused on any long term strategy in terms of investment initiatives," pointed out Arun Kapur, president, PHD Chamber of Commerce and Industry. He also said that an opportunity for a thorough review of remunerative and non-remunerative rail routes has been missed.

In a release, Aditya V Lodha, president, Indian Chamber of Commerce, said that it was a good move that instead of imposing an across the board increase in freight rates, the rates have been rationalised, although he pointed out that the increase in rates of transport of coal, iron ore and raw materials to steel plants could have been avoided in view of requirements for infrastructure expansion and keeping in mind the downturn in the steel sector. While the augmentation of the golden quadrilat-

eral and its diagnosis would help in cost effective cargo movement.

He welcomed the move to introduce high speed refrigerated parcel services which would help contain the colossal wastage of food products in addition to other value-added services for passengers. "The setting up of Special Railway Safety Fund would help in modernising the safety systems," he said in a statement.

Federation of Indian Exports Organisation vice-president S K Saraf stated that a nominal increase of 3 per cent in freight rates of all commodities except essential commodities and a marginal 2 per cent and one per cent increase in coal, iron, steel and furnace oil will adversely impact the economy and exports. And that the rationalisation of freight and passenger tariff is to fetch the ministry the Rs 1,360 crore target in the coming financial year. "Such an hike is uncalled for as the exports are going through a lean phase," he said.

Indian Institute of Finance chairman and director J D Agarwal particularly appreciated the saving of Rs 1,090 crore in working expenditure due to reduction in expenditure and rationalisation of passenger fares.