

# **PUBLIC PRIVATE PARTNERSHIP (PPP) PLANNED IN A BIG WAY ON INDIAN RAILWAYS**

NEWS FROM RAIL JOURNAL 17 Oct 2012

INDIAN Railways (IR) has formulated a new public private partnership (PPP) policy that will allow international suppliers to form joint ventures with existing production units and workshops.

India's newly-appointed railways minister Dr CP Joshi has approved the policy document, which will now be submitted to the cabinet.

IR needs to secure Rs. 1trillion (\$US 18.9bn) in private sector funding during its 12th planning period (2012-13 to 2017-18) to set up new production sites and establish other facilities.

Under the proposals 10% of shares in two IR subsidiaries, Ircon and Rites, will be sold off. IR is also actively considering an offer from Siemens to form a joint venture with India's largest passenger coach manufacturer.

Indian Railways opens the door to joint ventures

with India's largest passenger coach manufacturing plant at Kapurthala in Punjab.

IR plans to build 4000km of new lines over the next five years, in addition to the 2938 km of Dedicated Freight Corridors already planned. Around 5500km of gauge conversion, 7653km of track-doubling and 6500km of electrification are also included in the 12th plan.

Over the next five years, IR proposes to build around 40,000 coaches and 6000 locomotives. With funding in short supply, it currently manufactures around 2500 coaches and 500 locomotives annually.

Once adopted, IR hopes the new PPP policy will speed up the implementation of investment projects. IR says the new policy will be finalised by December.

Source - rail journal.

Dear Brother Rail Engineers,

**PUBLIC PRIVATE PARTNERSHIP (PPP) - IS PLANNED IN A BIG WAY ON INDIAN RAILWAYS**  
- In the Production Units & Workshops & Open Line especially P-Way - to meet with the enhanced projected demand of > Rolling Stock, Locomotives & additional Tracks.

A NEWS ITEM FROM RAIL JOURNAL is reproduced above for your information and comments:

**Comments of the Members are especially invited reg. the following Possible areas of impact of PPP:**

1. **Safety of Railways** : > Will Safety on Railways Improve or Deteriorate?
2. **Quality of Service of Railways** > Will Safety on Railways Improve or Deteriorate after PPP?
3. **Total Strength of Staff, Technical Supervisors & Officers;**  
> a) Is PPP likely to increase the **Total Strength** OR b) Is it likely to be reduced it?
4. **Promotional Prospects & Wages of Staff, Technical Supervisors & Officers;**  
a) Will they improve OR b) Will they deteriorate?
5. **LINE OF ACTION:** What should be our Line of Action on PPP?  
i) Should IRTSA agitate against the same at Local or National Level OR Both?  
OR ii) Should IRTSA let the Trade Unions take the lead & then join the Joint struggle?  
OR iii) Should IRTSA take the lead or initiative to mobilise a joint struggle?
- 6) Any other point or suggestion?

Units are requested to call a meeting of the Core Committee / Executive Committee and send the views thereof early. AN EARLY REPLY WILL BE APPRECIATED

With best wishes;

Yours fraternally,

Er. HARCHANDAN SINGH

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