

SOUTH COAST RAILWAY: ECONOMY

NEWS: *Why Union Cabinet approved bifurcating one of the railways' biggest revenue-generating zones*

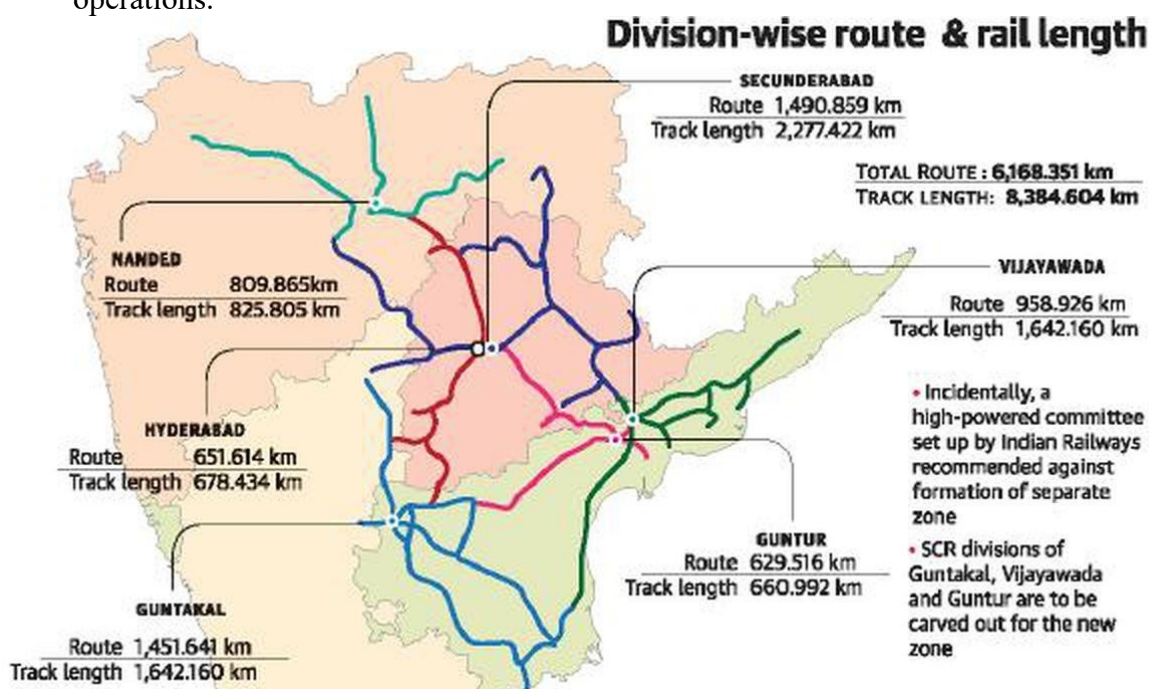
WHAT'S IN THE NEWS?

The Union Cabinet approved the South Coast Railway (SCoR) as the 18th railway zone, headquartered in Visakhapatnam, under the Andhra Pradesh Reorganisation Act, 2014, by reorganizing divisions from East Coast Railway (ECoR) and South Central Railway (SCR). The creation of SCoR aims to enhance operational efficiency, support regional economic growth, and improve logistics for key industries and ports.

South Coast Railway (SCoR) Zone – A Comprehensive Overview

1. Introduction: Creation of South Coast Railway (SCoR) Zone

- The **Union Cabinet approved** the formation of the South Coast Railway (SCoR) zone, making it the **18th railway zone** in India.
- Prime Minister **Narendra Modi laid the foundation stone** for the South Coast Railway headquarters in **Visakhapatnam, Andhra Pradesh** in January 2024.
- This new railway zone was formed **under the Andhra Pradesh Reorganisation Act, 2014**, which mandated the examination of creating a new zone for Andhra Pradesh after Telangana's separation.
- The SCoR zone is formed by **carving out portions of the East Coast Railway (ECoR) and South Central Railway (SCR)** to improve efficiency in railway operations.



2. Objectives and Significance of SCoR

Operational Efficiency:

- Creation of SCoR allows for **better management of passenger and freight traffic**, reducing congestion in existing zones.

Regional Economic Growth:

- The new zone will **enhance railway infrastructure** to support **industrial and agricultural growth** in Andhra Pradesh.
- It will **improve logistics connectivity** for key industries, including **steel, mining, and agriculture**.

Boosting Port Connectivity:

- Major ports such as **Visakhapatnam, Krishnapatnam, and Kakinada** rely heavily on railway freight transportation.
- SCoR will help streamline railway logistics for these ports, **reducing freight costs and transit time**.

Enhancing Tourism:

- **Tirupati**, one of India's most visited pilgrimage destinations, falls under SCoR.
- Improved railway infrastructure will boost tourism, benefiting **hotels, transport services, and local businesses**.

Fulfilling AP Reorganisation Act, 2014 Commitment:

- The creation of a new railway zone was a **long-pending demand** of Andhra Pradesh and was legally mandated by the Andhra Pradesh Reorganisation Act.

3. Geographical Coverage of SCoR

- **Andhra Pradesh:** Major portions of the state will now be served under SCoR.
- **Parts of Telangana and Tamil Nadu:** Some railway sections from these states will also be included to optimize operations.

4. Reorganization of Waltair Railway Division

The **Waltair Railway Division**, a crucial revenue-generating division of Indian Railways, was previously under the **East Coast Railway (ECoR)**. With the creation of SCoR, Waltair Division was **split into two**:

A. Visakhapatnam Railway Division

- A **new division under SCoR**.
- Headquarters: **Visakhapatnam, Andhra Pradesh**.
- Includes **passenger and freight operations** in Andhra Pradesh.

B. Rayagada Railway Division

- Remains part of the **East Coast Railway (ECoR)**.
- Headquarters: **Rayagada, Odisha**.
- Includes **industrial freight-heavy sections** from mining regions in Odisha and Chhattisgarh.

5. Importance of Waltair Railway Division

Revenue Contribution:

- Waltair Division was one of the **highest freight revenue-generating divisions** in Indian Railways.
- In **FY 2023-24**, East Coast Railway **recorded 250 million tons of freight loading**, the highest in Indian Railways, and Waltair Division contributed **significantly**.

Industrial Significance:

- Waltair Division plays a crucial role in **transporting minerals and raw materials** from Odisha and Chhattisgarh.
- Major freight includes **coal, iron ore, bauxite, steel, and petroleum products**.

Financial Impact on East Coast Railway (ECoR):

- With Waltair Division split, ECoR will **lose a significant portion of its freight revenue**.

- However, retaining Rayagada Division ensures that **some of the high-revenue mining routes remain under ECoR.**

6. Why was the South Coast Railway Zone Created?

Legal Mandate:

- As per **Item 8 of Schedule 13 (Infrastructure) of the Andhra Pradesh Reorganisation Act, 2014**, the Indian government was required to examine the feasibility of a **new railway zone** for Andhra Pradesh.

Improving Railway Administration:

- A separate railway zone allows for **better management, faster approvals, and improved service quality** for passengers and freight customers.

Industrial and Economic Development:

- The new zone will support **major industries, ports, and power plants**, helping in the **economic growth of Andhra Pradesh.**

Port Connectivity Enhancement:

- Reducing transit times for **export and import cargo** through Visakhapatnam and Krishnapatnam ports.

Boosting Tourism:

- **Tirupati, Araku Valley, and other tourist hotspots** will benefit from enhanced railway connectivity.

7. Challenges and Concerns

Revenue Loss for East Coast Railway (ECoR):

- The division of Waltair **reduces freight revenue** for ECoR, which previously handled significant mineral and industrial transport.

Administrative Restructuring:

- The creation of SCoR requires **new offices, recruitment, and infrastructural development**, which involves **high initial costs.**

Balancing Interests of Andhra Pradesh & Odisha:

- While Andhra Pradesh benefits from a dedicated railway zone, Odisha **retains critical mining and freight routes** under Rayagada Division, leading to **mixed reactions from stakeholders.**

Indian Railway Zones and their Headquarters:

Railway Zone	Headquarters
Northern Railway (NR)	New Delhi
North Central Railway (NCR)	Prayagraj (Allahabad)
North Eastern Railway (NER)	Gorakhpur
Northeast Frontier Railway (NFR)	Guwahati
North Western Railway (NWR)	Jaipur
Eastern Railway (ER)	Kolkata
East Central Railway (ECR)	Hajipur
East Coast Railway (ECoR)	Bhubaneswar
Western Railway (WR)	Mumbai CST
West Central Railway (WCR)	Jabalpur
Central Railway (CR)	Mumbai

Railway Zone	Headquarters
Konkan Railway (KR) [Corporation]	Navi Mumbai
South Coast Railway (SCoR)	Visakhapatnam
South Central Railway (SCR)	Secunderabad
South Western Railway (SWR)	Hubballi (Hubli)
Southern Railway (SR)	Chennai
South Eastern Railway (SER)	Garden Reach, Kolkata
South East Central Railway (SECR)	Bilaspur

9. Conclusion

The **South Coast Railway (SCoR) zone** is a major step in restructuring Indian Railways, providing **better administrative efficiency, improved freight movement, and enhanced tourism prospects** in Andhra Pradesh. While the division of Waltair Railway poses some financial challenges, the long-term benefits in terms of **regional economic development, better logistics, and enhanced railway services** make this a **crucial reform in India's railway infrastructure**.

Source: <https://indianexpress.com/article/explained/cabinet-railways-south-coast-new-zone-andhra-9826168/#:~:text=On%20February%2027%2C%202019%2C%20the,growing%20passenger%20and%20freight%20demands.>