# Hike in Delhi metro fare

## Why in news?

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Delhi Metro Rail Corporation (DMRC) has hiked the metro fare.

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## What are the instances of metro fare hike?

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- Delhi Metro is seeing a second hike in fares, less than 6 months after a major fare hike took place in May 2017.
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- The impact of the fare hike can be seen in the fall in the ridership of the Metro, with the number of passengers falling from 27 lakhs per day in June 2016 to 25 lakhs per day in June 2017.
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- With one single fare hike two lakh citizens of Delhi were unable to afford travelling on the metro.
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## What are the assumptions behind the fare hikes?

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- The Fare hikes are based on the recommendations of Fare Revision Committee (FRC) were submitted in September 2016.
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- The fare hike is seen an immediate and essential financial need to meet the operational cost.
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- Fare hike assumes that the ridership will remain constant and therefore the increase in fares will increase the revenue.
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- TheUrban Development Ministry senses that doubling the fares of the metro is essential to keep it financially viable and pay back the Japanese loan.

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## What are the concerns with this fare hikes?

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- During two Board meetings (December 2016 and March 2017), the recommendations of the FRC were not placed before the Board.
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- They were placed before the DMRC Board only on May 2017 and the minutes of the meeting clearly state that it was not apprised of the recommendations before that.
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- Increasing the fare twice in one year is in violation of Section 37 of the Metro Act, which clearly states that the fare cannot be increased more than once a year.
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## What are the adverse outcomes of the fare hike?

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- Doubling fares in a single year has put immense pressure on commuters.
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- The first fare hike has shown that daily ridership has fallen by 2 lakhs.
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- With the second hike in fares, the ridership is likely to see another substantial hit.
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- For many passengers, it will become more financially viable to take a shared cab, than to take the metro and pay for last mile transport.
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- This also has implications for the city in terms of greater pollution, as well as costs of road repairs and maintenance.
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## What is the way forward?

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- There is a need to fundamentally rethink the financial model of the Delhi

Metro, a task neglected by successive governments.
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- Lessons can be taken from cities like Singapore and Hong Kong, who have developed their own unique models for financial sustainability of their metros.
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- Indian government must ensure that the commuters coming from weakest economic strata who travel the longest distances do not end of up bearing the greatest cost of public transport.
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**Source: The Indian Express**

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