

Railways International Overview: Issues for India

**Presentation to
The National Transport Sector Development Policy Committee**

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International overview: 3 reports



..Focus on capturing international experience,
not designing a model for India



Countries reviewed:

All 8 in freight paper and 4 in passenger paper



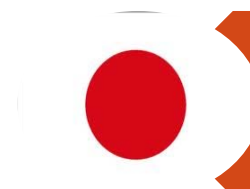
Australia



Germany



Brazil



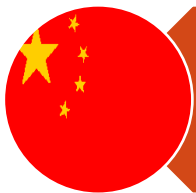
Japan



Canada



Russia



China



USA



Divergent railway industries...



Differences

Role

- Big differences in the balance of freight and passenger transport tasks.

Ownership

- Some mainly public-owned some predominantly private, some mixed.

Concentration

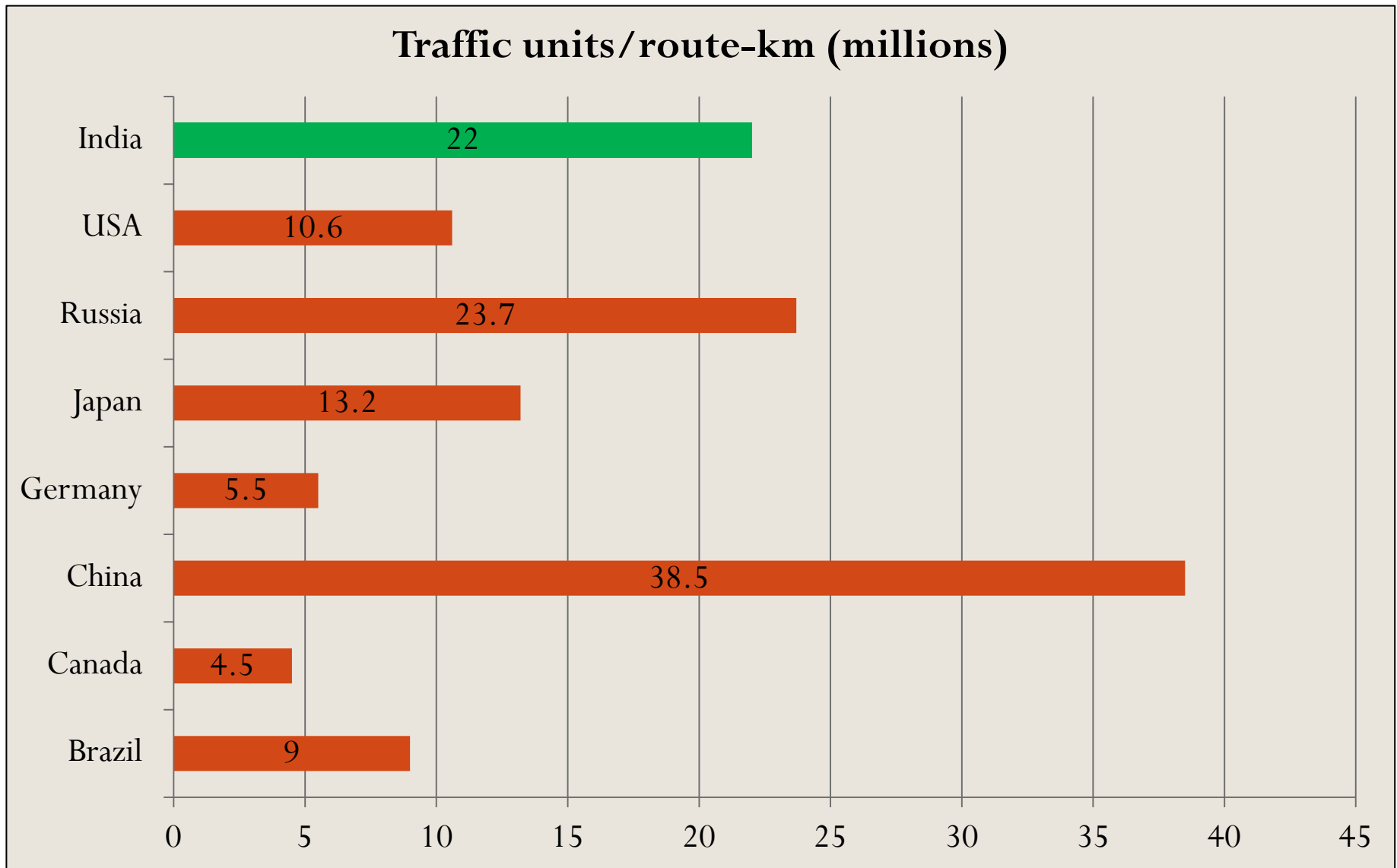
- Varying degrees of horizontal and /or vertical industrial integration.

Access

- Extent of access railway infrastructure.



Like India, some the world's busiest railways....



But also some notable similarities

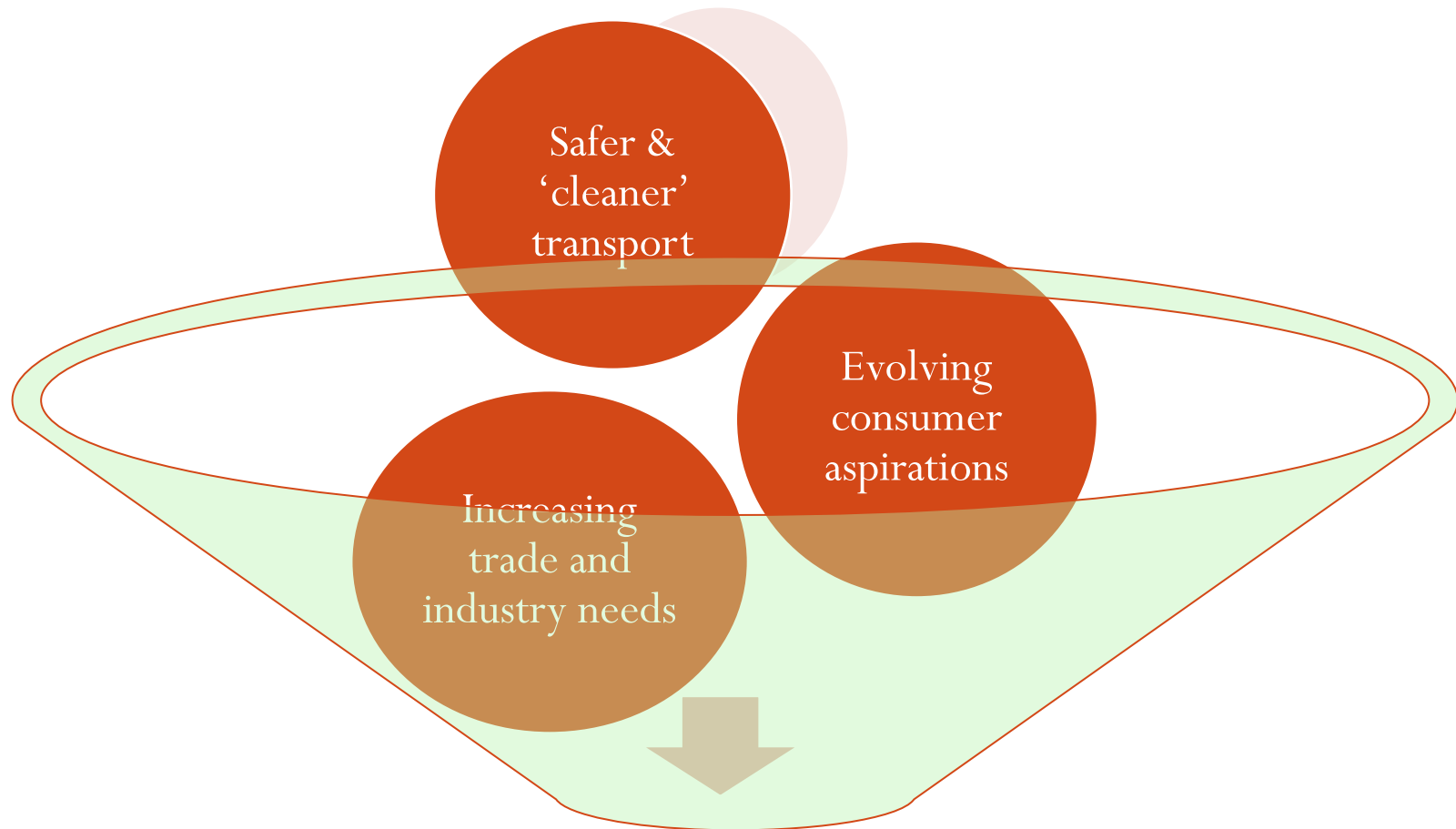
Similarities

- 1 • Separation of public policy from service provider roles
- 2 • Integrated land transport public policy administration
- 3 • Diversity of service provider entities
- 4 • Providers structured as corporations (in various forms)
- 5 • Divested of non-core manufacturing and social functions
- 6 • Address freight and passenger markets by separate LOB's
- 7 • Operate/fund low density lines with specific approaches
- 8 • Target budgetary support for passenger railway services

*China is an exception in categories 1,2,6 and 8



A flourishing railway is vital to India's future..

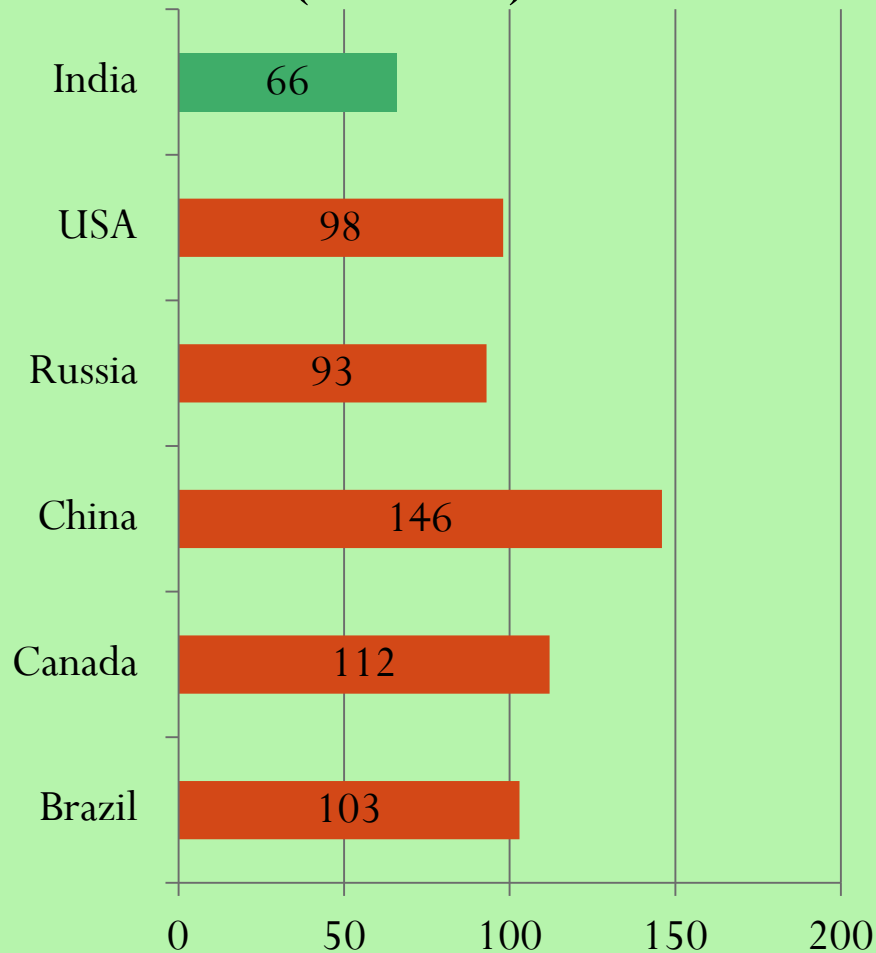


Will India's railways deliver?

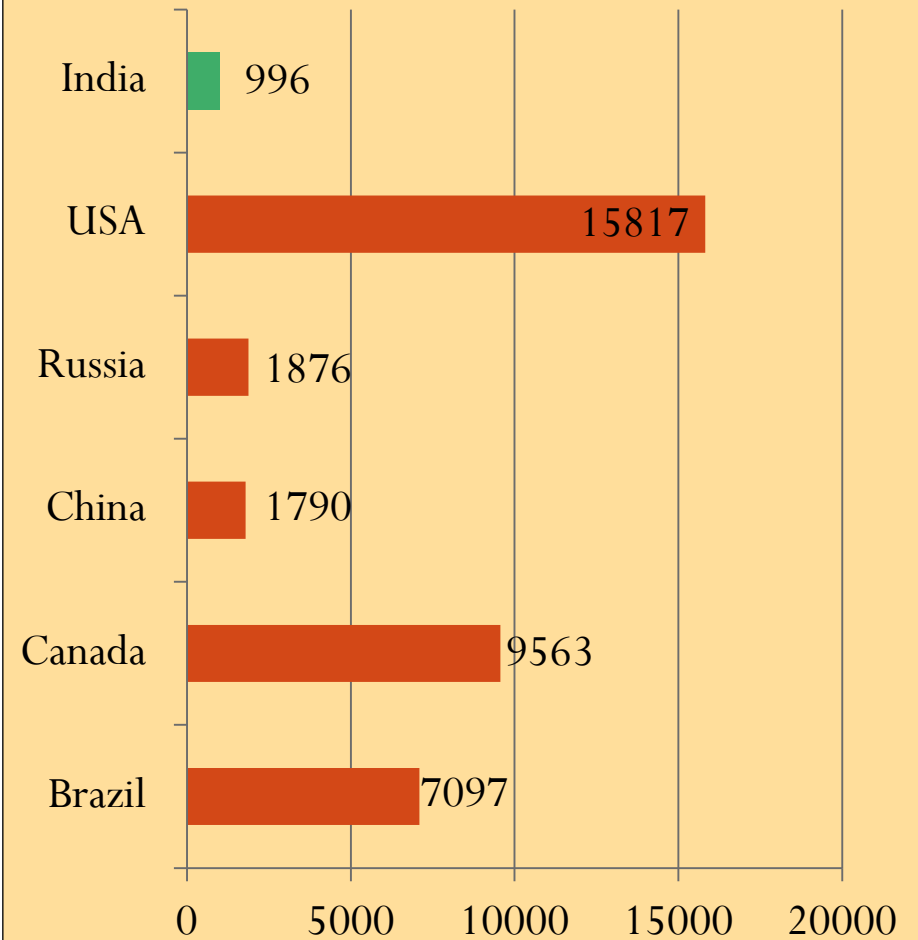


Capital and human productivity is not impressive

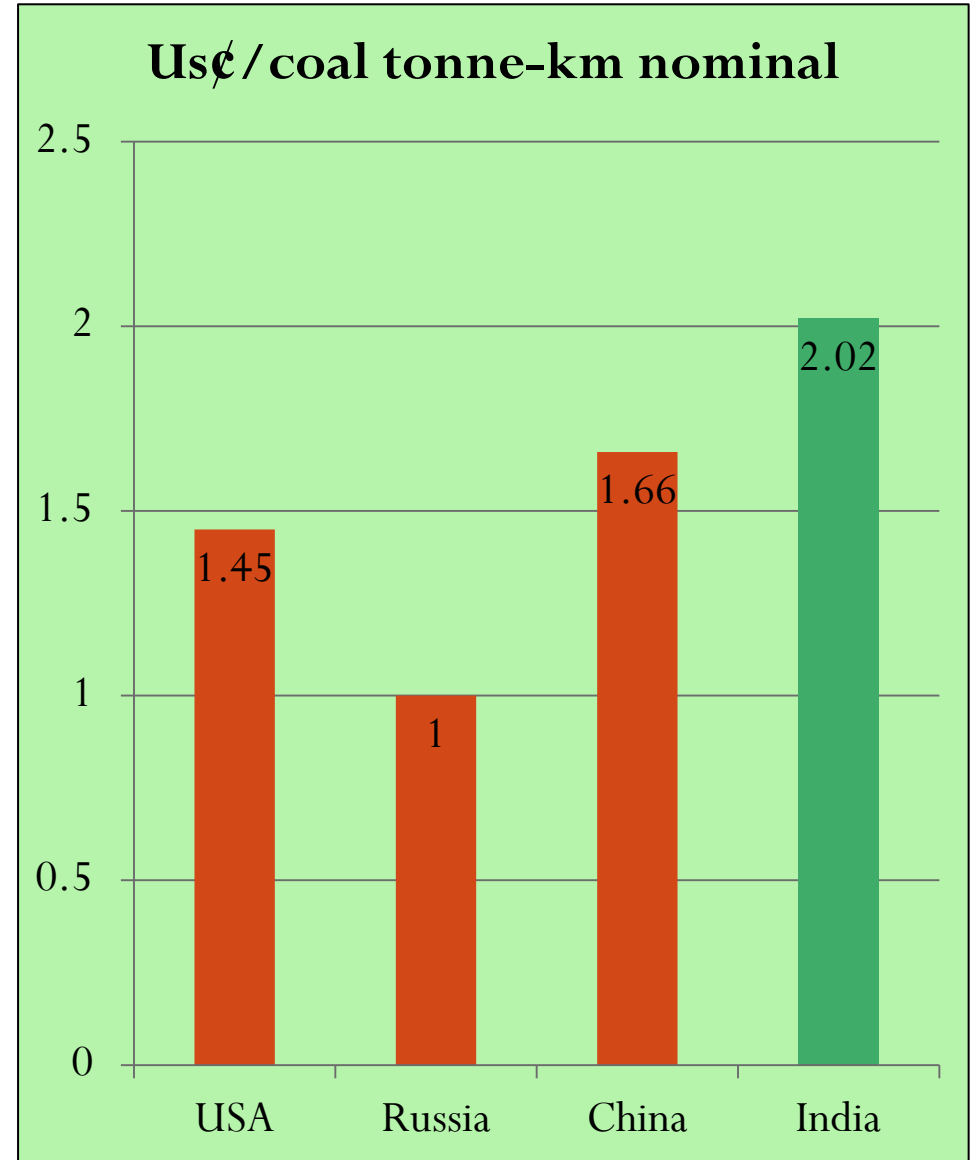
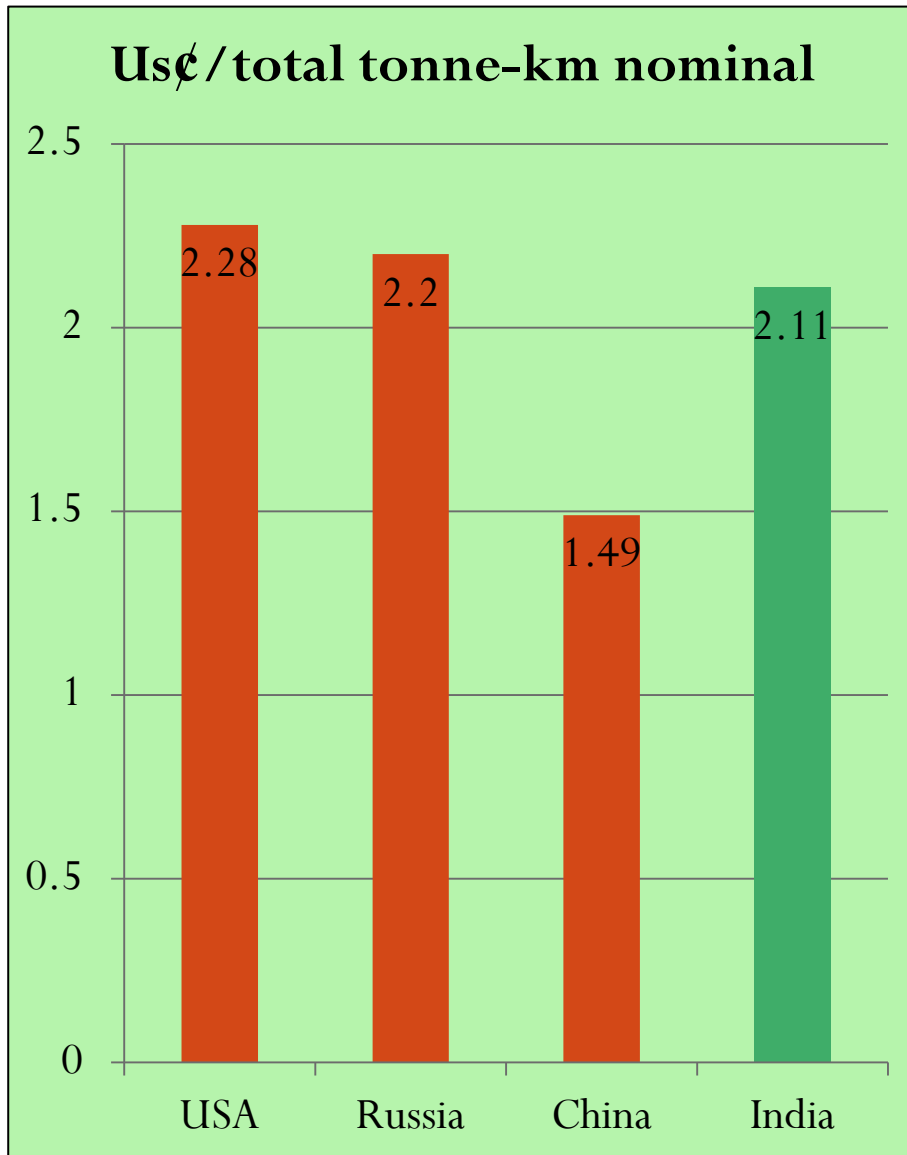
**Traffic units/loco
(millions)**



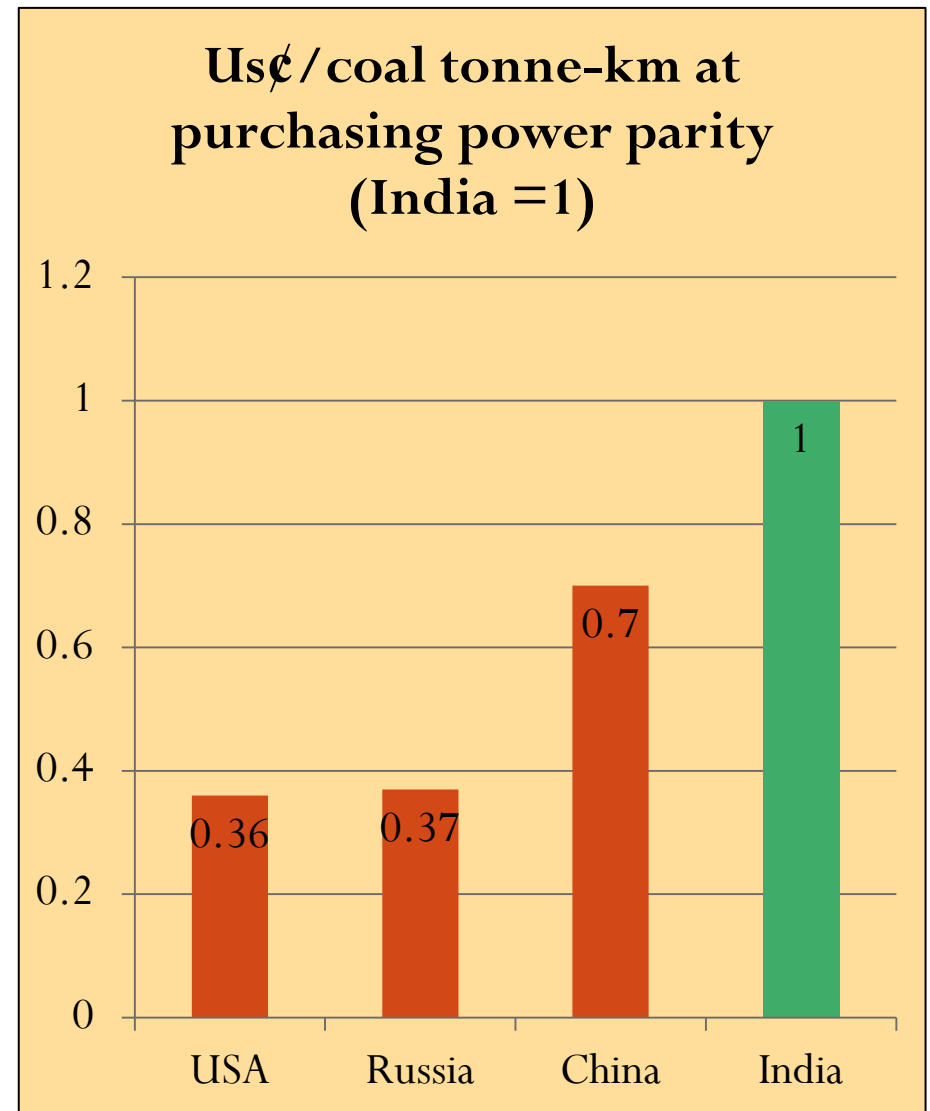
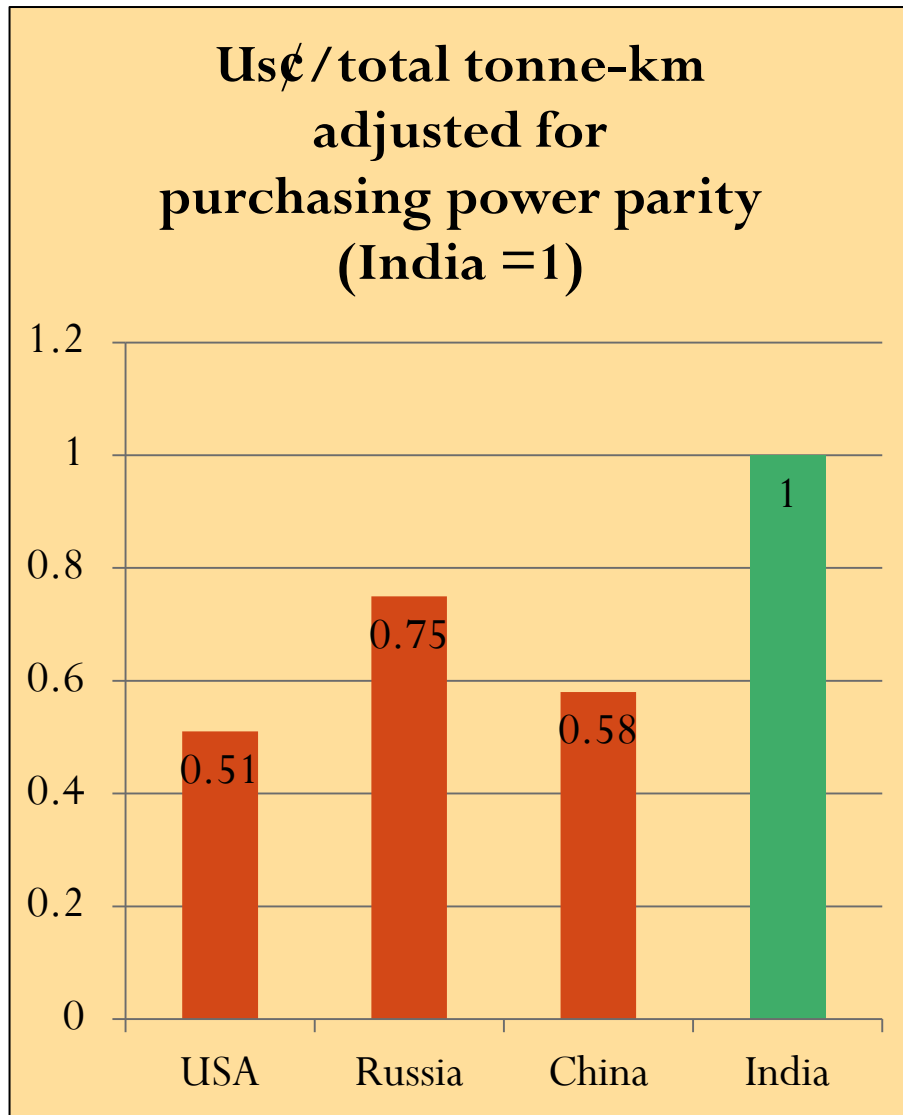
**Traffic units/ employee
(thousands)**



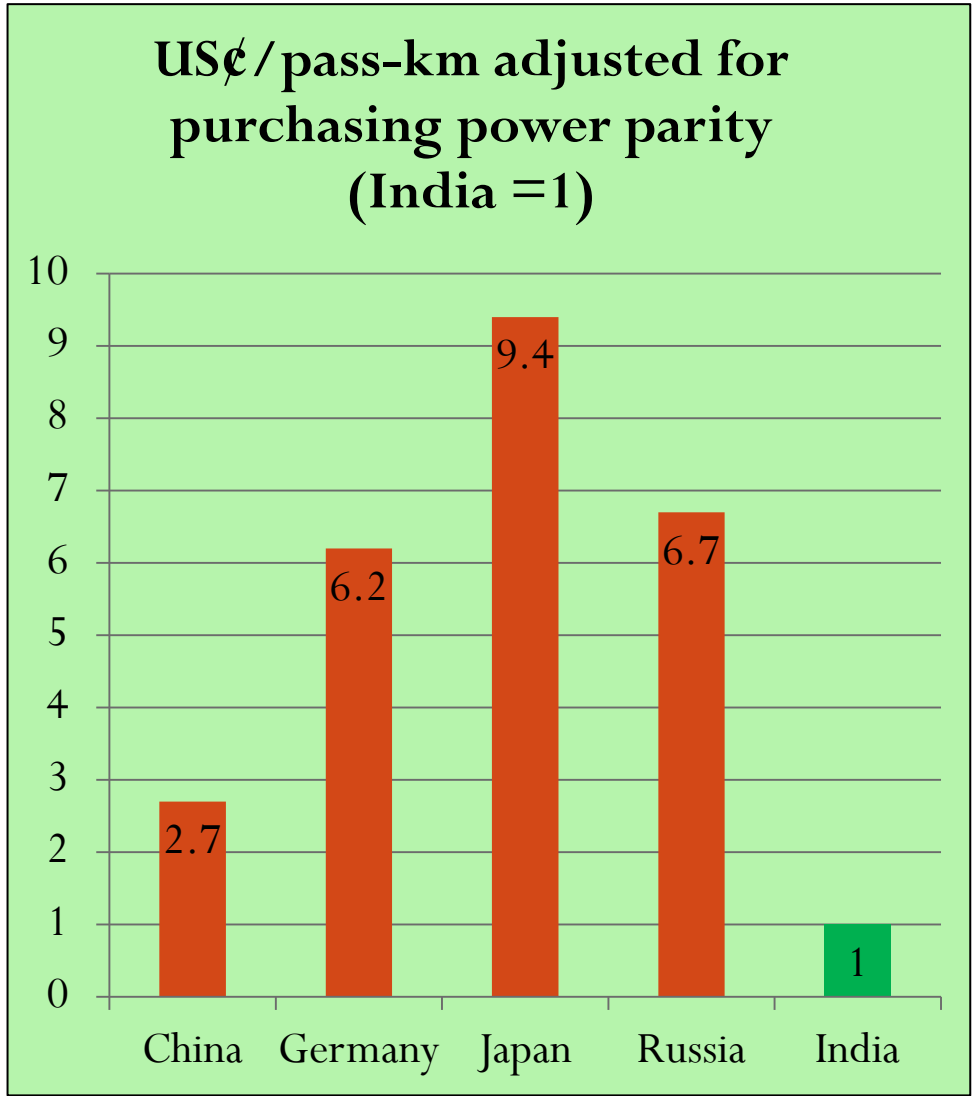
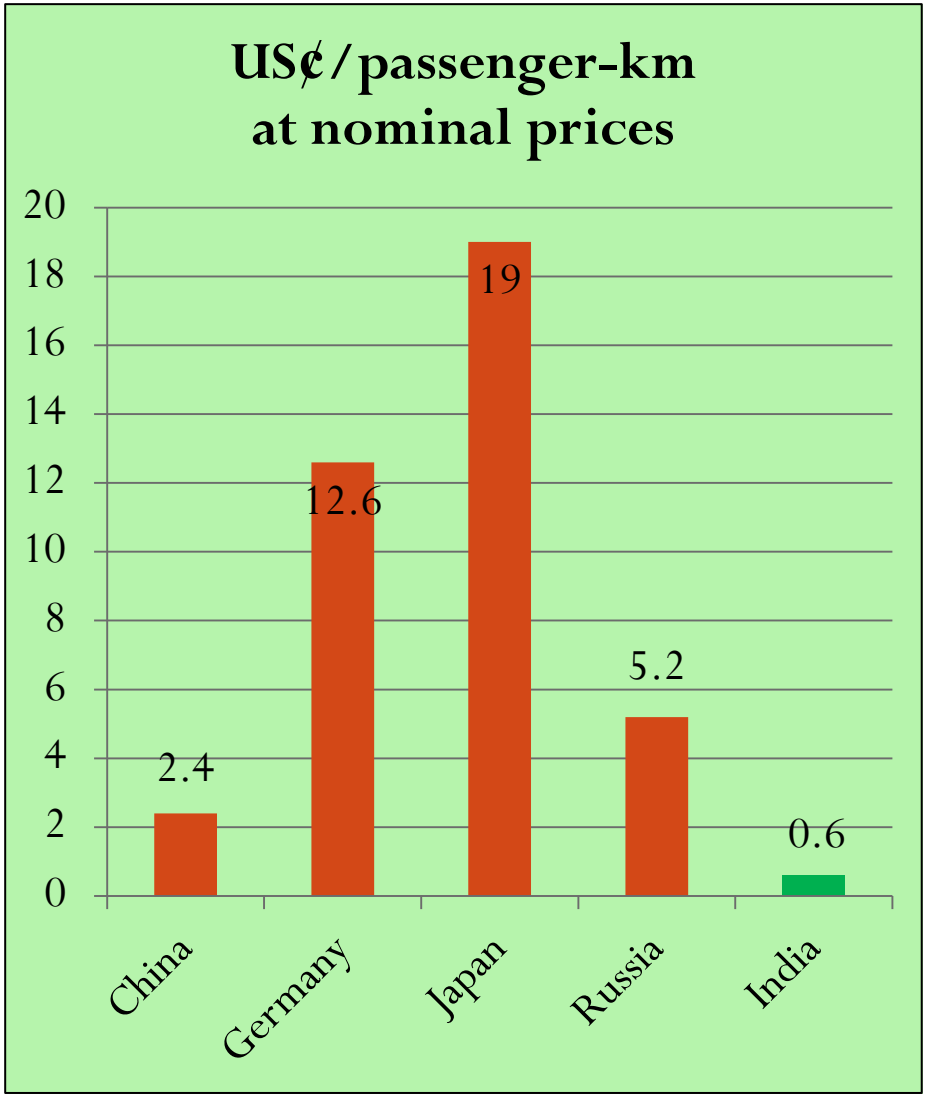
Freight yields are at USA/Russia levels, higher for coal



Adjusted by purchasing power, India's rates are highest



...while passenger fares seem unsustainably low.



Eight Issues: would any of these help India's rail industry to meet future economic and social needs?

- 1 • Separation of public policy from service provider roles
- 2 • Integrated land transport public policy administration
- 3 • Diversity of service provider entities
- 4 • Provider entities structured as corporations (in various forms)
- 5 • Divestment of non-core functions that reduce competitiveness
- 6 • Address freight and passenger markets by separate LOB's
- 7 • Operate/fund low density lines through specific approaches
- 8 • Target any budgetary support for passenger railway services



If not, why not?

Thank you

Questions and Discussions

