

A photograph of a modern high-speed train, possibly a Shinkansen, at a station platform. The train is white with blue accents and is positioned on tracks. The station has a complex, modern roof structure with many white beams. The text is overlaid on the image.

The Relevance of the ADB STI for ADB's Engagement with the Railway Sector in Asia

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Sustainable Transport Initiative

ADB initiative to develop sustainable transport system that is

- accessible,
- safe,
- environment-friendly, and
- affordable

STI seeks to:

- Mainstream sustainable transport in existing areas of operations
- Introduce new and enhanced sustainable transport operations
- Prepare new types of sustainable transport operations

How?

1. Promoting urban transport
2. Addressing climate change in transport
3. Encouraging cross-border transport and logistics
4. Promoting road safety and social sustainability

Railways and STI

Railways is a mode of transport that is:

- Sustainable
- Energy-efficient
- Clean and environment-friendly
- Cheap, safe, and reliable

Railways and STI

- Promotes regional development
 - improved mobility
 - greater inclusion
 - better market integration
 - increased trade
 - improved competitiveness
- Can be promoted in three ways
 - intraregional
 - extraregional
 - transit transportation

Railways in Asia

- Route length—about 200,000 kilometers (km)
- 70% in the People's Republic of China (PRC), India, and Kazakhstan (PIK)
- Freight volume—over 4 billion tons and 4 trillion ton-km (TKM)
- Similar figures for passenger volumes and passenger-km (PKM)

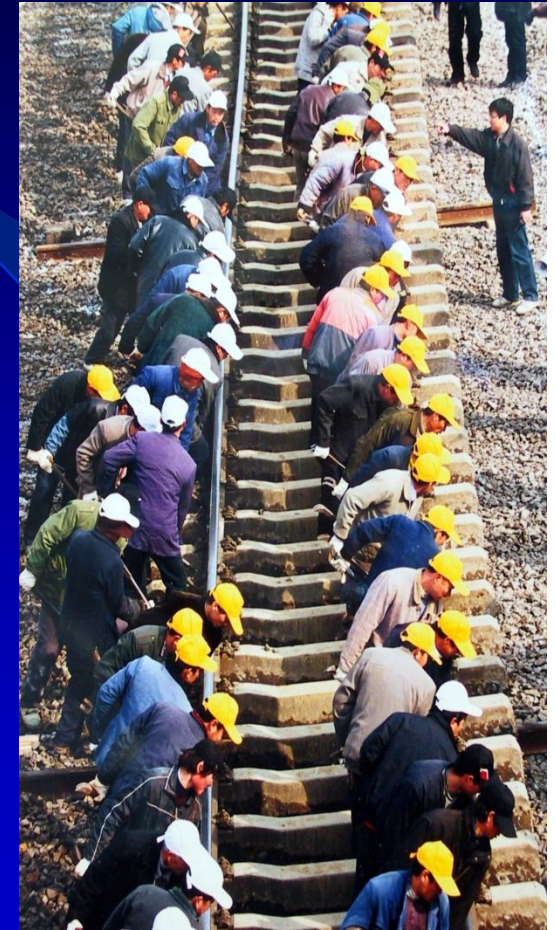
Is this enough?

- No
- Capacity is an issue
- Countries in the region are preparing plans to develop railways (opportunities)



Development Plans

- PRC railway system to expand from 80,000 km to 120,000 km (2020)
- Developing Corridors for
 - Coal–5,000 km
 - Passenger–13,000 km of passenger-dedicated lines
 - Container–a country-wide network of rail-based container terminals
- 11th Five-Year Plan Investment–CNY1.5 trillion



Development Plans

- India has plans for
 - Dedicated freight corridors
 - High-speed dedicated passenger lines
 - Gauge conversion and electrification
 - Strengthening rail-port connectivity
 - Promoting container traffic
 - - - and many more.

Development Plans

- Other interregional plans:
 - Singapore–Kunming rail link
 - Uzbekistan–Afghanistan rail link
 - PRC–Kyrgyz Republic–Uzbekistan rail link
 - Trans-Kazakhstan rail link to Europe

Urban Rail—Opportunities

- Rapid urbanization in PRC, India, Southeast Asia, and South Asia
- Need for faster, safer, and cleaner mode of city transport
- Large demand for appropriate and affordable urban transport

Urban Rail—Opportunities

- PRC: 30 cities plan to build urban rail
- Build more than 1,000 km by 2010
- Investment: \$25 billion (2006–2010)
- India: 22 cities plan to build urban rail
- Other countries in the region such as Viet Nam, Indonesia, Pakistan, Bangladesh, and Mongolia have similar plans

Key Challenges

Ambitious plans, but a number of challenges need attention.

- Lack of financing
- Unequal competition
- Lack of regional connectivity
- Monolithic and monopolistic nature of the organizations
- Multiple and complex relationship for urban rail

Key Challenges

- Discretionary tariff setting with significant cross-subsidies, often discouraging use of rail freight by private shippers
- Obsolete and poor quality of technology
- Lack of well-developed marketing orientation
- Lack of skilled personnel

Key Challenges–Summary

- Huge investment needs
- Reforms and restructuring
- Technology
- Skills and manpower

The Way Forward

Actions are needed in the areas of:

- Planning
- Financing and investments
- Enabling environment reforms and appropriate institutional structure
- Technology and methodology

Conclusion

- Railways and STI are synonymous
- Railway promotes regional development
- There are huge opportunities for railway development in Asia
- To help capture these opportunities, key challenges need to be addressed
- This session can provide us an opportunity to discuss some of these challenges and share our experiences



Thank you

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