

# Future CAREC Railway Network

What is our future vision of the railways?  
Realistically, what can we achieve?

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# “Pathway to the Future”

- CAREC railways still in transition from the era of “command economy” to a market based structure
- Road transport is becoming more competitive
- Shift in trading partners and routes
- Price and service flexibility needed to remain competitive
- Need to agree on the vision of a near-term strategy for CAREC railways and steps to achieve this vision
- New railway country of Afghanistan offers new route potential

# “Pathway to the Future”

CAREC railways: change needed in four primary areas:

Political/Institutional

Infrastructure

Integration/Interoperability

Technical

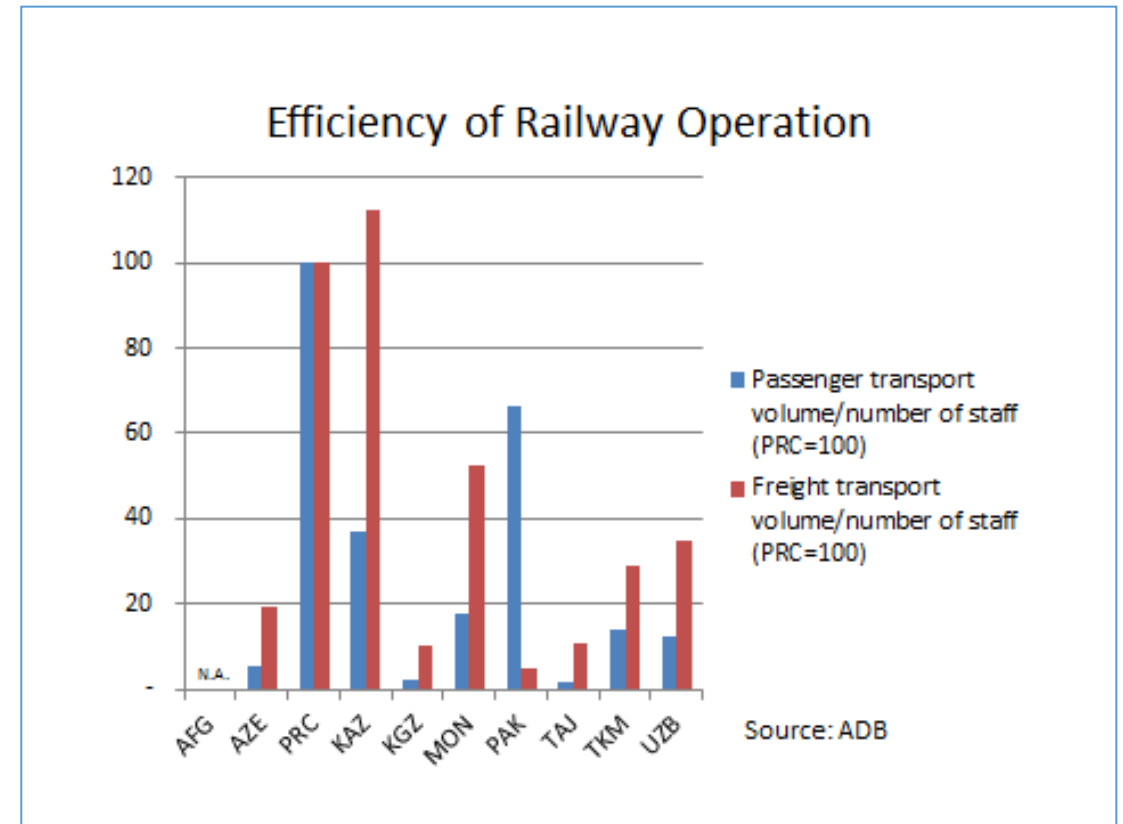
Most critical element needed is:  
***Railway management needs to understand the costs of its own services***

Essential for pricing policies, business agreements and track access charging

# “Pathway to the Future”

## Institutional

- Railway organizations to function according to business principles
- Uneconomic services should be reimbursed by government entities (national, regional or local)
- Eliminate cross-subsidies
- Shed “non core” assets and businesses
- Benchmark effective reforms within CAREC countries – Kazakhstan leads the way with Commercialization, Competition and Partial Privatization



# “Pathway to the Future”

## Infrastructure

- Reduce unneeded infrastructure
- Focus on “core” business
- Closure/implement loss-reducing measures on light-density branch lines
- Increase private sector role in rolling stock ownership

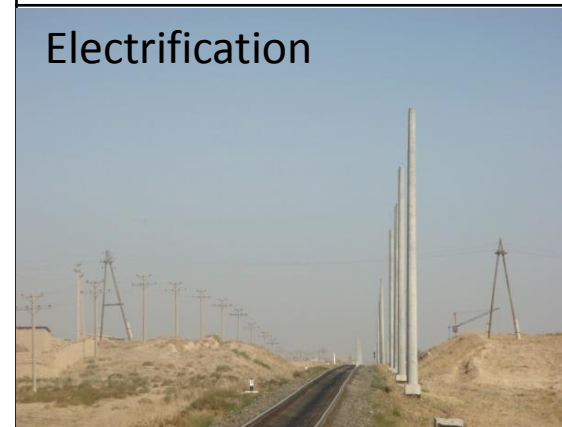
## Integration/Interoperability

- Recent success of long distance block trains between China and Europe
- “Designated Rail Corridors” concept actively supported with demonstration projects

# “Pathway to the Future”

## Technical Advances

- Latest/appropriate technology for locomotives, rolling stock, track, signaling and communications
- Efficient loading/unloading
- Wagon tracking systems to expedite cross border flows
- New technology can transform the railways’ image



# “Pathway to the Future”

## **Growing Economic Influence of PRC**

- Increasing appetite for raw materials and energy
- Significant infrastructure investor
- Economic center of gravity moving westward
- PRC needs secure and diversified trade routes
- Fast-growing overland container flows between PRC and EU

# Next Steps

- Identify pilot project for “designated rail corridor”
- Market potential should be strong and supported by governments
- ADB willing to provide support
- Discuss organizational guidelines shown in the Issues Paper for potential implementation



# Next Steps

*Now we should discuss these issues collectively and highlight future strategies that will form an integral part of the future planning of our CAREC railway system*