



6th Railway Working Group Meeting

17-18 October 2022 • Almaty, Kazakhstan

6-е заседание Рабочей группы по железнодорожному транспорту

17-18 октября 2022 г. • Алматы, Казахстан

People's Republic of China
Poverty Reduction and
Regional Cooperation Fund

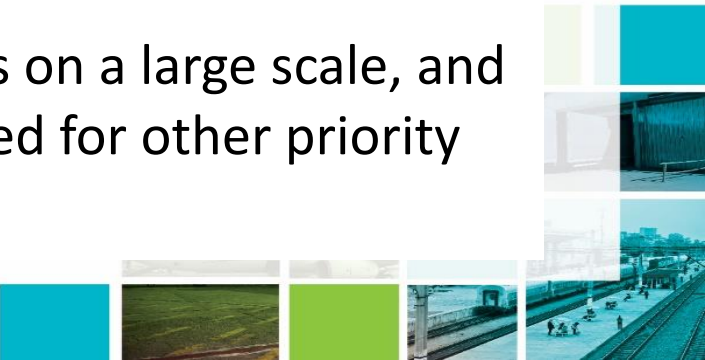


Consultation Session on Rolling Stock Needs and Financing Facility Study

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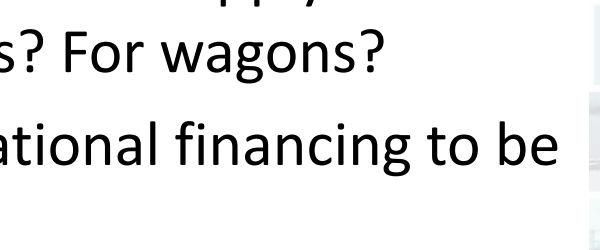


Brief overview of rolling stock issues

- Earnings of many CAREC railways have been too low to finance the level of investment needed to replace and expand their rolling stock fleets
 - Many items are obsolete—leading to low availability, frequent breakdowns, low utilization, high repair costs, high operating costs, service delays and unreliability
 - Mismatches between wagon fleet composition and customer needs lead to delays in customers obtaining the right wagon types
 - Some member countries have too few working locomotives for shunting and/or train services—causing delays in customers receiving wagons, formation of trains, operation of freight services etc
 - Railways may use each others' wagons (of same gauge), so shortage of wagons in one member country can lead to shortages in another
 - Kazakhstan shows private sector leasing can supply needed wagons on a large scale, and can be efficient and competitive. This freed KTZ resources to be used for other priority investment needs, notably purchase of new locos
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5 questions for the focus group discussions


1. Which types of locos and wagons does your railway most need to acquire?
 2. How does your railway currently finance rolling stock investments? For locos? For wagons?
 3. What is your experience of renting wagons owned by other railway administrations and leasing from domestic companies and companies from other countries—e.g. Cost? Condition? Convenience for the railway? Convenience for customers?
 4. Development partners could potentially help railways finance modest investments in locos and wagons. Or, using mechanisms such as credit guarantees, they could help finance a larger expansion of private supply on a leasing basis. Which approach makes more sense? For locos? For wagons?
 5. What obstacles might have to be overcome for such international financing to be possible/acceptable?
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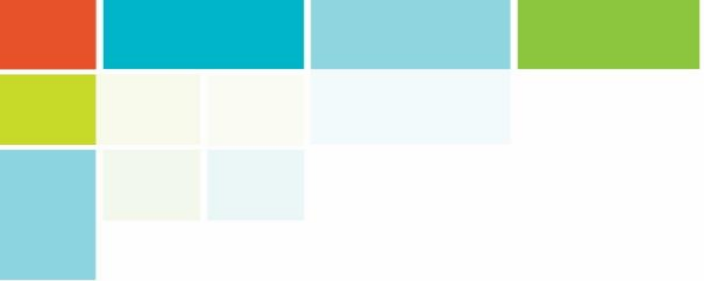


Arrangements for focus groups

1. Breakout into three focus groups (30 minutes)

No.	Member countries	Language
1	PRC, Kazakhstan, Uzbekistan, Kyrgyz Republic	Russian
2	Azerbaijan, Georgia, Mongolia, Turkmenistan, Tajikistan	Russian
3	Pakistan	English

2. Each group has a facilitator (with Russian/English interpreter as needed)
 3. Each group begins by appointing a rapporteur
 4. Each rapporteur reports back to plenary (5 minutes per group)
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Thank you!

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