



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



## 5th Railway Working Group Meeting

12–13 December 2019 | Bangkok, Thailand

## 5-е заседание Рабочей группы по железнодорожному транспорту

12–13 декабря 2019 г. | Бангкок, Таиланд

# Field Visit Observations

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# Contents

1. The time is ripe for rail development
2. Improve corridor connectivity through missing links in fill & multimodal
3. Manage corridors to improve competitiveness
4. Enhance rolling stock availability, condition, utilization and management
5. Smart sales and marketing is essential for rail commercialization.

# Time is ripe for rail development

- Infrastructure and rollingstock renewal reached critical point
- Economy of most MC poised to take off
- Growing trade & transport within CAREC
- Low interest environment
- High private investor risk appetite
- BRI provides strong tailwind

# Improve corridor connectivity

- Construct new tracks to fill in missing rail links
- Use multimodal to connect 2 disjointed rail networks (rail-truck-rail, rail-water-rail)
- Expand throughput capacity
- Enhance corridor reliability, safety, security
- Streamline border management procedures
- Reduce friction of movement (e.g. waiting time, non-value added activities)

# Manage corridors to compete effectively

- Effective corridor management is essential
  - Single decision making body
  - Coordinated schedule, pricing, terms
  - Smart sales and marketing
  - Harmonize standards, documents, forms, liability
  - Improve cargo visibility (e.g. use GPS device to provide near real time cargo position on one web site)
  - Integrate rolling stock, container and chassis management
  - Work with ADB CPMM to collect corridor management data
- TITR can be a wholesaler of middle corridor rail services
  - Owned by members based on equity contribution
  - Members have strong incentive to support organization
  - Profit will fund TITR activities & dividend payments

# Rollingstock management

- Regional cooperation - RUS/BEL/UKR leased wagons, TITR leased wagons?
- Availability – maximize up time
- Asset management – maximize turns (GOS/IoT)
- Financing – bank, leasing company, pension fund
- Usage charge – long term lease, daily rent
- Equipment condition standards, repair/maintenance standards – permit rejection
- Reimbursement for repair/maintenance
- Liability rules
- Benchmark TTX (jointly owned by N. American RR)

# Smart sales and marketing essential for commercialization

- Segment the market
  - Know your customers
  - Know your competitors
  - Discern key market drivers and trends
- Prioritize targeted segments
  - Profitability, size, growth, competition
  - Capital requirement, cash flow characteristics
- Craft marketing strategy
  - Service product design
  - Pricing
  - Sales channels
- Smart sales and marketing will generate cash for rejuvenation and growth

Thank you!

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