

Editorial **Dangerous overconfidence**

Feature **Transition to Market Economy**

Railway Developments in Transition Economies

Louis S. Thompson Railway Advisor, World Bank

Since the transition to market economies starting in 1989, both passenger and freight traffic on railways declined sharply in Central and Eastern Europe, and the Baltic and CIS countries. Leading railways in these regions are restructuring their management and 'rightsizing' their networks. Some basic points about their future are examined with comparison to their counterparts in Western Europe and in view of rail reforms in North and Latin America, Japan, New Zealand, etc.

Transition of Hungarian Railway Transport

Katalin Tánczos Head of Transport Economics, Technical University of Budapest

Although Hungary's macroeconomic indicators are now showing overall recovery, the transport sector has seen massive changes in the last 10 years with a sharp decline in the railway's market share of both freight and passenger traffic. Massive restructuring is underway and a new relationship between the government and the railway has been agreed, taking EU railway policy into account. A long-term development and rehabilitation programme has been established, but the railway still suffers from past insufficient investment and maintenance.

Latest Developments at Czech Railways

Jiří Havlíček Director, International Department, Czech Railways

Founded in 1993 as a state organization following the division of Czechoslovakia, Czech Railways (CD) is one of the world's densest rail networks and its maintenance and upgrading present a substantial burden. Although CD is going through a difficult stage, adaptation to EU regulations and modernization of its infrastructure and rolling stock are urgent tasks, because CD is an important part of the Pan-European rail network.

Polish Railways—Towards Privatization

Marcin Lipiński Chief Specialist, Bureau of Investment and Development

As a result of financial pressures caused by a sharp decline in rail transport, the first proposals to privatize Polish State Railways (PKP) were voiced as early as 1991, in view of the requirements of EU legislation. The first stage of restructuring saw massive staff reductions and disposal of surplus assets. Since 1997, PKP has been in the second stage of restructuring to create a profitable business core in each of the separated freight, passenger and infrastructure sectors. Recently approved restructuring guidelines include further staff reductions, division of PKP, and almost complete privatization.

Bulgarian State Railways from Planned to Market Economy

Vladimir Inkov Expert in Investment Policy and European Integration, BDZ
Stefan Pauntchev Former Expert in Project Implementation, BDZ

Bulgaria is located in a strategic position between Europe and Asia, and a medium-term programme has been established by the government to develop transport infrastructure, including some railway trunk lines forming international corridors. The World Bank, EBRD and EU have helped set the investment priorities and funding. The new Railway Transportation Law will establish autonomy in railway management, securing better financial performance.

Restructuring and Privatization of Estonian Railways

Parbo Juchnewitsch Chairman, Estonian Railways Ltd.

After Estonia's independence from the former USSR in 1991, Estonian Railways (EVR) started operations in 1992. Following the 1997 Reorganization and Privatization Plan, EVR has set up joint ventures for international passenger traffic and Tallinn suburban services. Future plans include a rolling stock management company and a freight transport company. EVR's business performance is actually improving.

Russian Rail Reforms

Igor Yurievich Avdakov Senior Research Fellow, Institute of Oriental Studies, Moscow

After the breakup of the USSR, rail traffic declined dramatically and government assistance for rail investment has almost disappeared. Consequently, Russian Railways suffers from decreased productivity, outdated infrastructure and rolling stock, etc. But unlike many state-owned enterprises that declined under a market economy, the railway still plays an important role as a basic means of transport. Urgent tasks are modernization of trunk lines such as the Trans-Siberian Railway, funding for modernization projects and organizational reform to match more market-oriented operations.

Railway Trends in China

Guo Lin Former Deputy Minister of Railways, People's Republic of China
Guo Jianhua Northern Jiaotong University, Beijing

Despite the rapid expansion of the rail network, Chinese Railways (CR) saw a substantial decrease in its market share in recent years, due to increasing competition with other modes. The next 10 years will see further network expansion and modernization, but CR is also facing fundamental management reform including separation of rail business from government, staff cuts, etc. Project classification and evaluation and investment management, as well as fares and tariffs, are to be reformed to make CR a world leader in terms of traffic volume, technology, and business performance early in the next century.

Vietnam Railways—Moving Forward to Market Economy

Nguyen Huu Bang Deputy General Manager, Vietnam Railways

Vietnam's Doi Moi policy starting in 1986 led the country to a market economy, and renovation of Vietnam Railways started in 1989. Recent developments include separation of infrastructure from operations, and establishment of three separate unions within the operation unit. A new business model including separate costing systems for each line, slim and autonomous organizations, etc., is now proposed.

**Another Perspective
Tokyo Two-Wheeler**

Robert Hancock English-Japanese Technical Translator

An English-Japanese translator finds some significant differences between bicycles in Japan and Europe. A unique review of Japanese transport culture by an English bicycle lover.

**Railway Technology Today 8
Signalling Systems for Safe Railway Transport**

Tetsuo Takashige Chief Engineer for Signalling Railway Technical Research Institute

The eighth of a 12-part series presenting today's railway technologies. This RTRI expert describes how the safety of train operations is secured by advanced signalling systems.

Topics March to May 1999

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