The future for railway finance
How the Luxembourg Rail Protocol will transform the rail sector

Industry Workshop
Singapore,
13th January 2016

Introduction and Overview
Introduction

Welcome from the Rail Working Group
• Formed in 1996 at the request of UNIDROIT
• Not for Profit global industry group based in Switzerland
• Linking up the various stakeholders in the industry
• Dedicated to the adoption of the Luxembourg Protocol

Howard Rosen Solicitors

Introduction

Railways are a key element in a sustainable development programme with key economic, environmental and social benefits to the community, but
• OECD estimates annual infrastructure gap of $1 trillion
• Asia Development Bank expects that developing Asian economies need to invest $8 trillion in the decade through 2020 or some 80 times the planned $100 billion capital of the New Asian Infrastructure Investment Bank which has been launched recently by China

Howard Rosen Solicitors
Introduction

  – Berger report 2014
• Asia Pacific in 2013
  – $3.8 bn total annual sales
  – Second largest market after Western Europe
  – More than 50% of coaches in operation – 115,000
• CAGR worldwide 2017 – 19: 2.2% p.a.
  and forecast at 5% for Asia Pacific

Introduction

• WEF Competitiveness report: Singapore railroad infrastructure 8th out of 140
• Close to 3 million people take the MRT every day, up from 1.3 million since 2005.
• Singapore third largest UTO (unattended train operations) metro system in the world
• MRT rolling stock cost so far: >S$ 4 billion since 1987
Overview

- So rail is a strategic sector
- Growing demand for freight and passenger (inter-urban and metro) rail – but who pays?
- Still procurement mainly state funded
- Growing government budgetary constraints
- Can the private sector carry the burdens going forward?
- A key element looking forward will be the Luxembourg Protocol

Overview

- ASEAN railways and their current public and private finance model
- Rail finance today
- What does the Luxembourg Protocol do?
- What are the benefits?
- Looking at the Protocol in more detail and how the new international registry will work
- Creditor repossession on default or insolvency
- The road to ratification
- Practical issues
The future for railway finance
How the Luxembourg Rail Protocol will transform the rail sector

Industry Workshop
Singapore,
13th January 2016