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Rail needs innovative risk-sharing structures

African railway owners and operators should consider linking freight and passenger rail services as a way of diversifying the risks and rewards that have become evident in these systems on the back of the Covid-19 crisis, says Development Bank of Southern Africa transport, logistics and bulk water infrastructure finance principal **Nangamso Maponya**.

Article written by Darren Parker

UN Establishes Group of Experts to create a global common standard on permanent identification of rolling stock

The United Nations Economic Commission for Europe (UN ECE) has, through its Inland Transport Committee's Working Party on Rail Transport, established a "Group of Experts on Permanent Identification of Railway Rolling Stock" to work out how a unique rail identifier should be affixed to rolling stock.

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The Rail Working Group has started a LinkedIn group for rail professionals intended to be something truly unique for the rail industry: an online network and discussion board for rail professionals that is truly global in character and interdisciplinary in its make-up.



Forthcoming events

19th - 20th October 2020, AfricaRail, Johannesburg*

10th November 2020, Scandinavian Rail Optimisation, Stockholm, Sweden*

*discount for RWG members

New rail treaty will save Africa \$billions

Independent economics consultancy Oxera has unveiled a study for the Rail Working Group that shows that the Luxembourg Rail Protocol to the Cape Town Convention will save African rail operators billions of US dollars in private finance costs in the coming years.

Annual new rolling stock procurement in Africa is expected to be close to \$2 billion in the coming years, but the Protocol will also enable cheaper refinancing of existing fleets. This is because, according to the study, which covers the whole of Africa, it will significantly reduce operators' weighted average cost of capital in many countries. In one state alone, South Africa, the two principal operators own rolling stock fleets valued at over \$5 billion. With the Protocol in place, the present value of the financial savings on refinancings are estimated to be about \$400 million.

UN Establishes Group of Experts to create a global common standard on permanent identification of rolling stock

The United Nations Economic Commission for Europe (UN ECE) has, through its Inland Transport Committee's Working Party on Rail Transport, established a "Group of Experts on Permanent Identification of Railway Rolling Stock" to work out how a unique rail identifier should be affixed to rolling stock. The unique rail vehicle identification system (URVIS), which is facilitated by the Luxembourg Rail Protocol, will produce a unique identification number for all rolling stock worldwide and the experts will make recommendations on a global common standard as to how the rolling stock should be permanently marked with the identifier and, to the extent that identification systems are electronic, what systems may be used and who has access to information on the status and location of the rolling stock. The RWG will be actively

The study does not measure the wider benefits of the Luxembourg Protocol, but notes that it should have a positive effect on the environment, as well as social and economic benefits for the community as a whole.

UN Economic Commission for Africa Executive Secretary, Dr Vera Songwe, commented that “by enabling and encouraging expanded private sector funding for railway rolling stock, the Luxembourg Rail Protocol will contribute towards the growth of a much larger and more dynamic rail sector in Africa. Better still, once the protocol is adopted, it will certainly play a significant role in promoting sustainable growth and combating global climate change in line with the UN’s Sustainable Development Goals (SDGs).”

Launching the study at the AfricaRail PPP webinar, Rail Working Group Chairman Howard Rosen said that “following the coronavirus crisis, almost all African states will be short of financial resources at a time when, more than ever, they need investment in the railways and support from the private sector will be critical.” Rail Working Group Director Africa, Mesela Nhlapo added “the Luxembourg Protocol, by underwriting private finance for railways, a key part of the sustainable economy, will play a vital role in African economic rehabilitation and development in the coming years.”

[Press release](#) [English]

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The rail industry tells governments: "no turning back"

The Rail Working Group, which represents an extraordinary cross section of the global rail community, has just asked its members and supporters as to what they expect for the rail industry looking forward. The responses give a fascinating insight into the way the industry looks at the rail sector coming out of the COVID-19 crisis.”

participating in the Group representing rail stakeholders. More information on the Group and its terms of reference may be found [here](#); its first meeting will take place in Geneva on 2nd – 4th September.

The work begins on the 3rd edition of the Official Commentary on the Luxembourg Rail Protocol

The work is now beginning on producing the next (third) edition of the official commentary on the Luxembourg Rail Protocol by Professor Sir Roy Goode. The Rail Working Group will be submitting detailed notes for Professor Goode. If you have specific comments on the Protocol which you think should be reflected in the official commentary or if you have comments on the current edition or if you would like to be part of the small coordinating group within the RWG, please contact

howard.rosen@railworkinggroup.org

RWG is on LinkedIn

The Rail Working Group has started a LinkedIn group for rail professionals intended to be something truly unique for the rail industry: an online network and discussion board for rail professionals that is truly global in character and interdisciplinary in its make-up. The RWG LinkedIn Group will be the only LinkedIn platform where a diverse group of people passionate about the railways – manufacturers, operators, lessors, bankers, regulators, policy makers, economists, academics, engineers, lawyers, consultants and other advisers – who care about the future of sustainable transport can both share their experiences and stay up to date with developments. We are only just beginning so please join us – and spread the word.



Save the date - AfricaRail, Johannesburg, 19th - 20th October 2020

Africa’s largest rail exhibition & conference will be taking place at the Sandton Convention Centre in Johannesburg, South Africa on 25th August –

77% of respondents thought that the railways' role in the global supply chain would be more significant going forward but no one thought it would be less essential. 84% stated that the continued development of Eurasian rail freight corridors was now more of an imperative, and close to 98% of the respondents considered that cross border interoperability of freight and passenger rail services would be more important.

About 7% considered that passenger rail traffic would rise in the next two years compared to other forms of transport, just over 36% thought that it would increase on the freight side and 45.5% considered that both freight and passenger transport would increase post crisis in each case compared to the road and aviation sectors. Over three quarters thought that passengers would increasingly choose rail over flying once the dust settles but the verdict was unanimous that, post crisis, governments should reset their priorities in favour of the railways and other green transport modes in the coming years.

Over 95% said that with the availability of new technology and quieter, more efficient and "greener" rolling stock rail operators and financiers should increase their investment in rolling stock.

But against this hopeful background the problem is clearly financial. About 45% of respondents considered that the railways would be in a worse financial position post crisis as against 27% to considered that nothing would change. 50% thought that there would be less government financial support for the railways with another 30% expecting no real change. But interestingly, there is a strong view (over 88%) that government policymakers should liberalise the market to allow public and private operators to compete and over 95% thought that, with strong pressure on government finances, the need for private finance of rolling stock would be more important. Over 86% of respondents considered that international political cooperation and

26th August 2020. The RWG has negotiated a 15% discount for its members and RWG members should mention their membership when applying for tickets. For more information click [here](#)



Save the date - Scandinavian Rail Optimisation, Stockholm 10th November 2020

Rotaia Media is organising a high-level business event, Scandinavian Rail Optimisation, on 10th November 2020 in Stockholm at the Brewery Conference Centre. RWG members receive a 15% discount on the registration fee. To register please contact ben.holliday@rotaiamedia.com

Subscription discount for RWG members for "Railways Africa"

Rail Working Group members are entitled to purchase the South African online publication "[Railways Africa](#)" at 25% discount of R6500 - place promo code RailWorkingGroup2020 when checking out. The code expires at the end of 2020.

"The Railway market in Africa and the Middle East" - special offer for members

SCI Verkehr has published a study on the market for railway technology products and services in Africa and the Middle East. Rail Working Group members are entitled to purchase the study at a 10% discount if you state your membership during the order process. To place an order click [here](#)

Fourth Edition of the Official Commentary of the Cape Town Convention and the Aircraft Protocol

The 4th Edition of Professor Sir Roy Goode's commentary on the Cape Town Convention and the Aircraft Protocol has now been published. Of course, many of the comments there apply equally to the Luxembourg Rail Protocol. RWG members are entitled to a 15% discount and you will see the application form [here](#).

coordination of transport would become more important, using instruments such as the Luxembourg Rail Protocol.

“Clearly the industry feels strongly that, coming out of the current crisis, governments must reevaluate their priorities in the transportation sector for good economic, social and environmental reasons” said RWG Chairman Howard Rosen. “The problem is” he continued “the lack of resources and the solution has to be private capital, through equity, debt or leasing, supported by governmental adoption of the Luxembourg Rail Protocol which will make such a solution easier and cheaper.”

The detailed results of the survey may be accessed [here](#)

Official Commentary on the Luxembourg Rail Protocol - special deal for RWG members

Rail Working Group members are entitled to purchase Professor Goode's official commentary on the Luxembourg Rail Protocol at a 15% discount. If you wish to use this facility, please use the official form which you can find [here](#).

For copies of the newsletters click [here](#)

For information about membership of the RWG click [here](#)

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