





THE 2001 CAPE TOWN CONVENTION
ON INTERNATIONAL INTERESTS IN MOBILE EQUIPMENT
 RAIL WORKING GROUP


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




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3

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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



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Introduction

- Global Market for rolling stock in 2013: \$48 bn p.a.
 - 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



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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: >\$ 4 billion since 1987



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6

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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



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7

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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



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8

