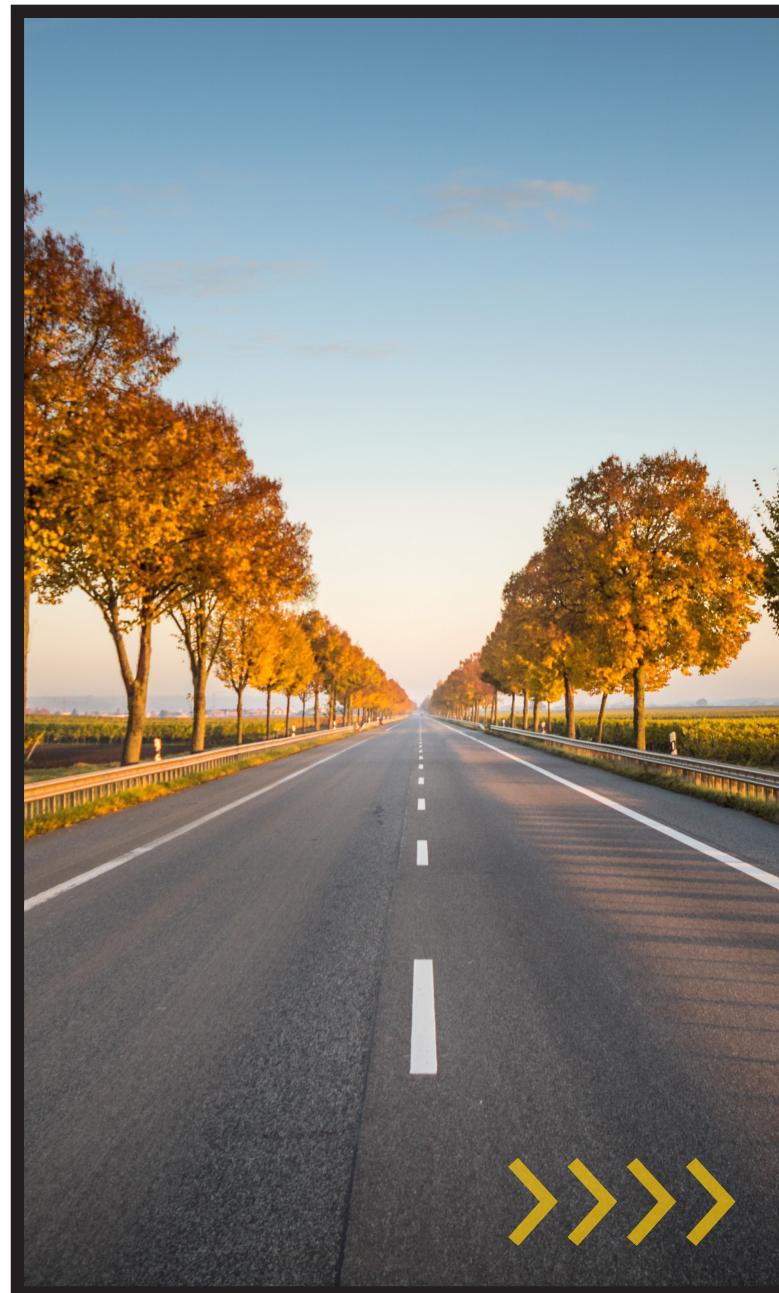


## WEBINAR BRIEF

# ML-1 Making or Breaking of Pakistan Railway (PR)?

## KEY MESSAGES

- Pakistan railway has been neglected both in terms of infrastructure, government, and the managerial side. The customer services and the service delivery all of that has suffered. The railway strategic investment framework and work has been done by Pakistan railway in collaboration with the support of the Asian government bank. Pakistan, the managerial side, how to bring in the private sectors the very important comment. Pakistan railway is a public good, and the government must provide it. The ordinary people still kind of think about railways as the transportation for the low-income group.
- Freight is key to transportation business and integrated logistics system into the region with huge trade business being dependent upon marginal profits logistics. The cost of logistics is a very big factor in accessing markets, how goods are transported, about connectivity with Afghanistan Central Asia and South Asia would be better to realize the full potential of the freight.
- The planning commission is very committed to getting the ML-1 done. It is a difficult project; there is a lot of diligence required on the technical side to give us the right direction. The project is approved now with the amount of work. The Chinese would be great support not only because they have shown some very rapid strides in radius. They are making huge progress on one of the fastest-growing railway networks globally, and their track record and security safety everything is excellent the technology is continuously improving.
- The strategic investment plan is a national freight and logistics policy plan. It is a very comprehensive document. It's quite a wide-ranging plan, and the crucial governments are also engaged there. Another point, unbridled transportation freight transportation on the roads and the expansion mindless expansion of the road network are horrendous. The freight on the roads and without exile road management has caused a lot of damage to the infrastructure the investments have been wasted. The private sector or the free transporters should use whichever network is more effective and efficient. The railway becomes



more efficient on the freight side through subsidizing the passenger transport because there are differentials available in the freight, which will lead to more profits. The government should do this as a matter of policy or a matter of economic efficiency.

- ML-1 runs from Karachi up to Peshawar, and we have other corridors as ML-2 and ML-3. So basically, the project profile of ML-1 practically will be completed in eight and a half years. We have divided an implementation scheme into three packages, and the total cost would be 6.806 billion. It will be an engineering procurement and construction project.
- The first JCC meeting in 2015 was taken as a priority project and framework agreement between China and Pakistan. It was completed in 2016. The second framework of the agreement was signed in Beijing in 2017. Pakistan Railways and China declared this project as strategic it was also completed in 2020.
- The prime objective of this project is as we have a huge line capacity from 34 to 135 trains each way per day. The freight volume, which is currently at 8 to 9 million, will be 35 million per annum. At the end of this project, passenger trains will increase from 20 to 40 per day. The freight share is from 4 % to 20 %. The construction schedule will be completing package one from April 2022 to March 2027. The package duration is five years, and the cost will be 2.7 billion. Similarly, package two will be Keamari to Hyderabad duration will be seven years, and it will be completed with a cost of 2.675 billion. Package three will be Lalamusa to Rawalpindi will be completed in four years.
- There is a need to build human resource capacity to handle ML-1, maintenance operation, and marketing challenges. Current human resources and strategy are

not able to develop the solution to get the real benefit of this huge investment in the shape of ML-1 work. So, we need to upgrade our accounting system, Ring-Fence income, and expenditures from the rest of the railways. We must make extraordinary coordination between PR and the private sector to get the maximum benefit from the proposed structures.

- We must develop a business development unit based on the market analysis. We will have ML-1 authority, which works independently to operate as a company holding the infrastructure and maintaining infrastructure. The best mode of business available to the ML-1 authority will be given, whether a public company or a private company. The training of software is concerned. We will introduce a new regime of training is like for pre-service in service and refreshers training. It is going to increase their skill and efficiency as modern era requirements.
- There's a huge demand for the freight and the percentage available in the market. The ML-1 is the lifeline for the freight transportation of this country. Freight business is the historical trend in 2014-15 historic jump with just exporting one export train. We have an increase of rate from 3 to 8.38 million by the year 2018-19. So, average increase per year in freight in four years. In the coming years, there is an increase in freight business 5% per year during construction, 20 % increase per year for three years of reconstruction, and 10% increase per the year 2030-2040.
- It's a great positive environmental effect due to reduced carbon footprint, especially by reducing the one freight train replaces 70 freight trucks on the road. So, it's a huge contribution towards the low carbon. The private sector engagement, employment opportunities, time savings, increased employment rate, and road safety are very generic in analysis.

