

WEBINAR BRIEF

Vision for Pakistan Railway

In previous webinars on this topic, we considered looking at the history of the institutions, the financing, and the rise of the China railways, the growth, and the amazing rise of China railways. We begin to realize that institutionally we need to redo the entire railway sector set up. Therefore, we must revisit the Pakistan railway act with an ax, cut down this tree that was planted back in the 1800s, and come up with a new railway act with the Pakistan railway regulatory authority at the center of the creation of the federal level. We need to split and start thinking of railway as multiple institutions, multiple railways running at the level of the federation at the level of the province and for urban and cities. We need to start concentrating on the role of the federation primarily as a regulator only.

Mr. Habib-Ur-Rehman Gilani

- The role of bureaucracy is extremely important for railways. Bureaucracy is manipulating from the outside, which means the ministry has secretaries. These people manage the ministry's affairs and form a link between the government and the railway department.
- The first problem was that the objective was to restore Pakistan railways and to make them viable. The railway is a unique organization that is a public sector organization, and it works for the private sector. When Planning Commission and the CDWP did not approve the ML-1 project, it was hanging in the balance for the last five to six years.
- The function of the Pakistan railway is to provide support to the private sector and play its role for national development as a contributor towards the national economy. The government needs to align its Objectives to support the private sector.
- To reduce the freight rates by five to ten percent with an increase in demand. The railway placed orders for 230 passenger coaches and 820 freight cargos. Along with this introduced a Precure Lease and Transfer Model (PLT) for securing freight wagons.
- Rolling stock is extremely important. Most of our rolling stock is more than 40 years of age, which means beyond economic repair. The plan is to remove all the condemned vehicles and replace them with new vehicles to make the railway more efficient through a public-private partnership or joint venture (JV). We have hired an international consultant. They made a consortium led by KPMG. They are preparing a joint venture proposal. The government will only give a pay-back guarantee. It will provide its infrastructure in the form of workshops, railways manufacturing facilities, our engineers, sheds, trained staff, the investment in machinery, and the capital investment will be done by the JV partners.
- To enhance capacity building of the Pakistan Railways, one component is to grow specialized units of business development, human



resource management, information technology, and legal range. PR is hiring people for these departments like CEO of healthcare from the private sector, CEO of trade transportation company from the private sector, and CEO of the tax, which is Pakistan railways advisory and consultancy services.

- Ownership is Like a big gap in Pakistan; theoretically, it should be the Pakistan railway board that should take the ownership, and a cabinet committee on railways should drive Pakistan's initiative and master plan.
- PR has initiated a reform process for pension payments. After some initiatives, the financial burden of PR in the last year was reduced directly by three billion rupees by an increase in PR's income about one billion rupees, and expenditure was reduced by almost two billion rupees.
- During Covid-19, Pakistan railway was the best performing department about devising a foolproof SOP and then foolproof implementation of those SOPs. It established quarantine centers at the Torkham and Chaman border to quarantine the people who had to travel to Pakistan from these border areas.
- Some software is already installed for human resource management information systems. There is a planning portal on which all present and future projects are designed. The software has been launched and is for free booking. There are two mega IT initiatives; one is the implementation of ERP. CTWP has devised the project. The second is a CRM customer relationship management software with the name of railway automated booking and travel assistance through which artificial intelligence-based booking will be introduced.
- The rationale for all these reforms is that there are three pillars.1) one is to engage the private sector, 2) the second is to build human capital, and 3) third is automation and digitalization, so all our efforts are surrounding these three main areas of course in keeping track of the improvement and the development planning.
- Within the last year, the railway has completed the connectivity with the SAPT, and that will give a huge potential so the advanced cargo going from SAPT will be directly loaded to the trains, and it will go to Azakhel to Chaman.
- Five hundred acres of PR retrieved from encroachments worth millions of rupees. We have initiated mega projects for Karachi like Karachi circular railways, a shuttle service for containers from KPT to PEPRI, which is 55 kilometers outside Karachi so that 5000 truckloads from Karachi city will be reduced daily.
- We have hired a consultant to establish a separate pension fund and introduce a contributory provident fund in place of defined benefits.

- Three consultants are reporting on the railway. one is for establishing the regulator, the second is for pension reform, and the third is for preparing the business model for ML-1. Considering the ML-1 project coming up and the two of these consultants' design and implement consultants. They will implement those reforms themselves.

Dr. Amer Zafar Durrani

- The railway is a hundred-billion-rupee organization that has 65000 employees; what does that translate to. It translates to the productivity of about nine thousand six hundred dollars per employee an average US I.T company. We should consider measuring productivity.
- The gains from the Pakistan railway over the past time add up to about 9 million US dollars of gains until the present year. The railway is contributing to about four to six percent of GDP losses. The railway is causing an economic weight or retardant of about 10.8 billion US dollars, that's 1.7 trillion Pakistani rupees which is pretty much.
- It's nice that we are all going to get I.T enabled but What our targets should be is when will the Pakistan railway genuinely carry 50 percent of all ton's kilometers in Pakistan? Which is way below its potential, and it can be because of the nature of our mainline. When will the Pakistan railway carry 25 of all passenger-kilometers generated in Pakistan by land?
- KPIs have put forth revenue timeliness and accidents. KPIs is a railway company, one of many running the tracks. A company that was a virgin. KPIs need to take the share of the market from another railway operator, but it's going to come from the freight and passengers at the road level.