

# Tracks to India

Opportunities for the Australian  
Rail Industry in India

10<sup>th</sup> December 2018



Australian Government

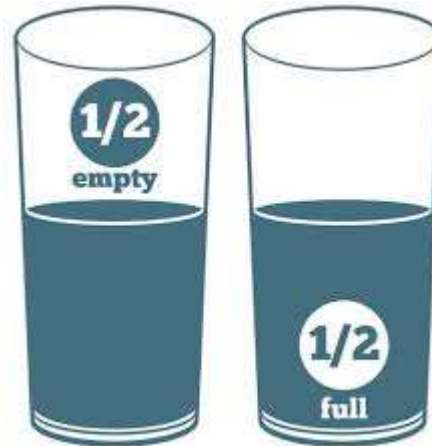
Australian Trade and Investment Commission



# INDIA ISN'T EASY!

## BIG OPPORTUNITIES BUT....PERCEPTIONS ARE

- It's too large, too complex and too diverse
- Difficult to navigate
- Not easy to do business
- Competition is intense



# DICHOTOMY OF INDIAN RAIL



# BIG OPPORTUNITIES ~~BUT~~ THAT ARE REAL AND ACCESSIBLE

## RAIL SECTOR IN INDIA IS AMONG THE LARGEST IN THE WORLD

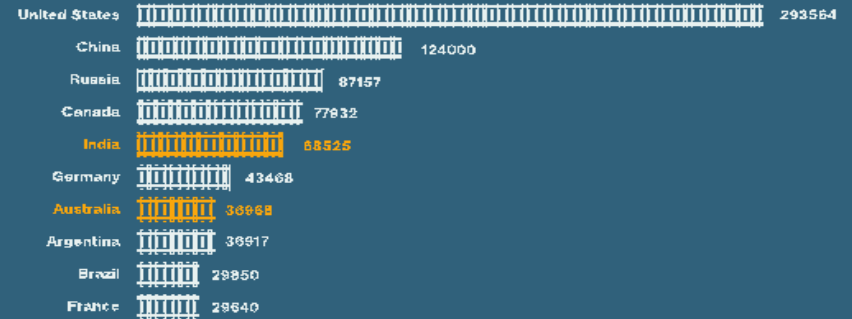
- Upgrading, Modernising and Expanding Rapidly
- The world is coming to India
- There is a significant export potential for Australia
- There are proven tracks to success

# COMPARISON TO OTHER RAIL NETWORKS

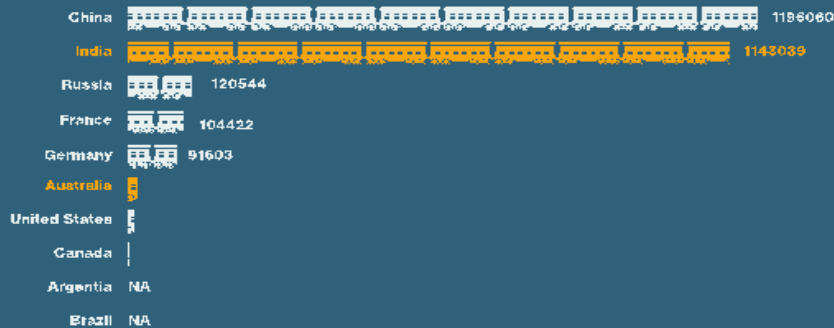
## INDIAN RAILWAYS COMPARISON WITH THE TOP 10 COUNTRIES' RAIL NETWORKS

Indian Railways is among the largest railways in the world. On the world map, it ranks fifth with a track length of 68,525 Km. It is the second largest when measured on Passenger Kilometres and the fourth in Freight Kilometres. In 2017-18, it carried 8.26 billion passengers, the highest in the world and transported 1.16 billion tonnes of freight. It is the eight-largest employer in the world with a workforce of 1.308 million employees.

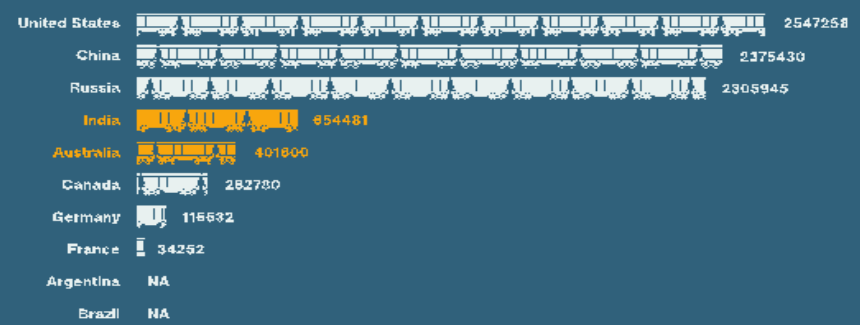
TRACK LENGTH (KM)



PASSENGER TRANSPORT RAIL, PASSENGER-KILOMETRES (MILLION, 2015)



FREIGHT TRANSPORT RAIL, TONNE-KILOMETRES (MILLION, 2015)



# UPGRADING, MODERNISING AND EXPANDING RAPIDLY

## CAPITAL EXPENDITURE OUTLAY AMOUNTING TO AUD 29.3 BILLION FOR 2018-19

- **Biggest** budgetary allocation for the railways till date
- **Threefold** increase in capital expenditure
- **24%** increase from the 2017-18 revised estimates

# UPGRADING, MODERNISING AND EXPANDING RAPIDLY

Strategic focus on up gradation of infrastructure and quality of services in the Indian Railways budget 2018-19



## PASSENGER

- State of the art, world class train sets
- Institute to be set up in Vadodara, Gujarat - to train manpower for high speed rail projects
- 600 major stations to be redeveloped
- CCTV cameras, Wifi on all trains and stations
- Focus on safety, track maintenance given importance. "Fog safe" and "Train protection and warning system" to be used
- Escalators on stations with footfalls more than 25000 passengers



## FREIGHT

- Increase in freight loading - 1165 MT to 1216 MT
- Augmenting goods movement, increase in wagon numbers from 7,120 in 2017 to 12,000 in 2018-19
- East and west freight corridors work-in-progress



## COMMUTER

- In Bengaluru, sub-urban train coverage will be increased by 160 kilometres at an estimated cost of AUD 3.3 billion
- In Mumbai, an additional 150 kilometres of sub-urban network has been planned, including elevated corridors at a cost of about AUD 7.8 billion. 90 kilometres of double track line at the cost of AUD 2.17 billion

# INDIAN RAIL SECTOR-A GLOBAL MARKETPLACE

## THERE ARE SIGNIFICANT CAPABILITY GAPS

- Require import of global technology and capabilities
- The rail market in India has emerged as one of the top global markets for rail suppliers from around the world.

We estimate that the total opportunity for the global rail industry in India is to the tune of **AUD 212.4 billion** between now and **2032**

**AUD 7.74 billion** is available in the current financial year

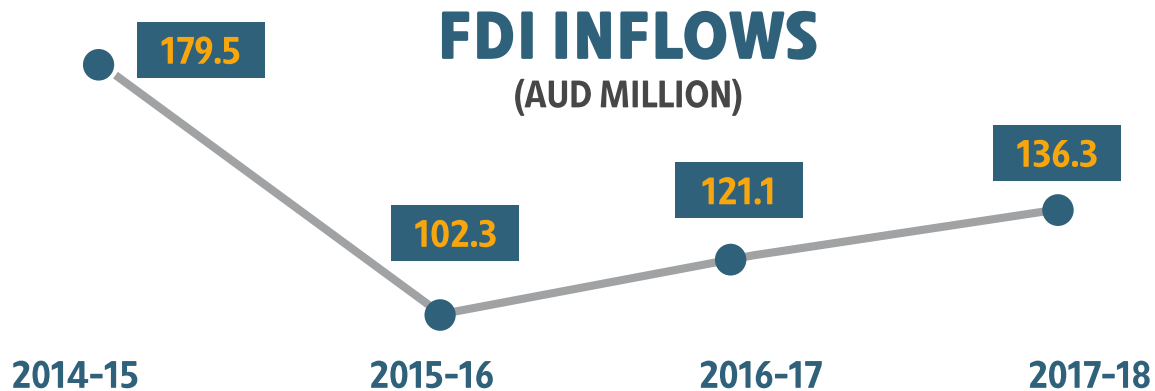


# INDIAN RAIL SECTOR-A GLOBAL MARKETPLACE

## INCREASING FDI INFLOWS

Since November 2014, the Government has offered 100% Foreign Direct Investment (FDI)

FDI inflows 2014-18



SOURCE: PRESS INFORMATION BUREAU, 2018

# INDIAN RAIL SECTOR-A GLOBAL MARKETPLACE

## AREAS OPEN FOR FDI

Areas opened for Foreign Direct Investment in the Indian Railways



**Suburban Corridor projects  
and Mass Rapid Transport  
Systems through PPP**



**High Speed  
Train Projects**



**Dedicated  
freight lines**



**Railway Electrification and  
signalling Systems**



**Freight and  
Passenger  
terminals, station  
redevelopment**



**Rolling Stock**

SOURCE: MAKE IN INDIA ACHIEVEMENTS REPORT 2017, FIRST POST

# INDIAN RAIL SECTOR-A GLOBAL MARKETPLACE

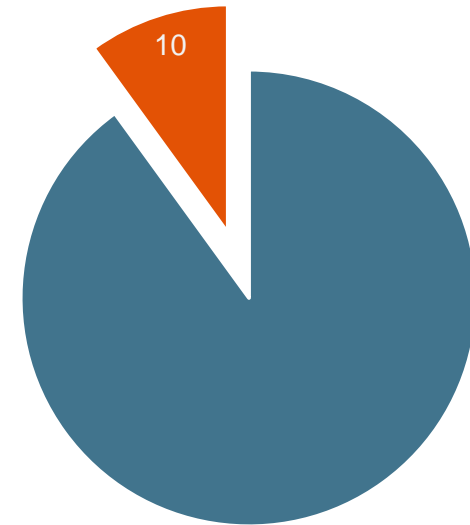
## LEADING COUNTRIES PARTICIPATING IN INDIAN RAIL PROJECTS



# LET'S DRAW THE TRACK TO AUSTRALIA!

## THERE IS A SIGNIFICANT EXPORT POTENTIAL

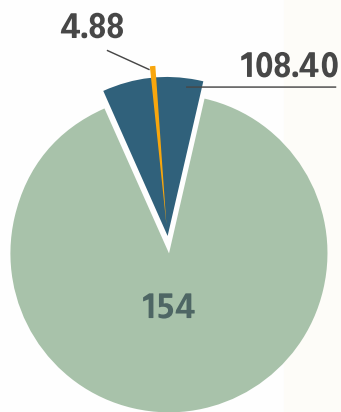
- Areas of strength for the Australian rail industry
  - › Consulting
  - › Operations and Maintenance
  - › Training and skill development
  - › IT and Research



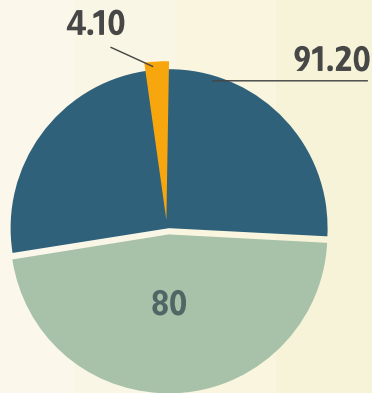
This makes approximately **10%** of the total budget outlay in any rail project and within any plan period accessible to Australian rail suppliers.

# LET'S DRAW THE TRACK TO AUSTRALIA!

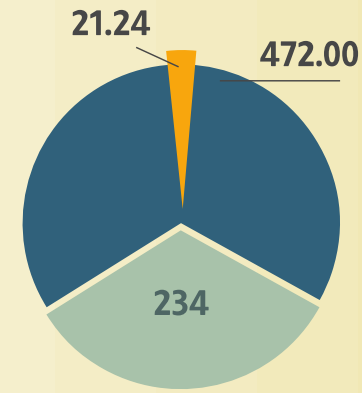
## THERE IS A SIGNIFICANT EXPORT POTENTIAL THAT'S ACCESSIBLE



Budget Outlay: 171.20  
2015 - 2019



Budget Outlay: 171.20  
2019 - 2023



Budget Outlay: 706.00  
2018 - 2032

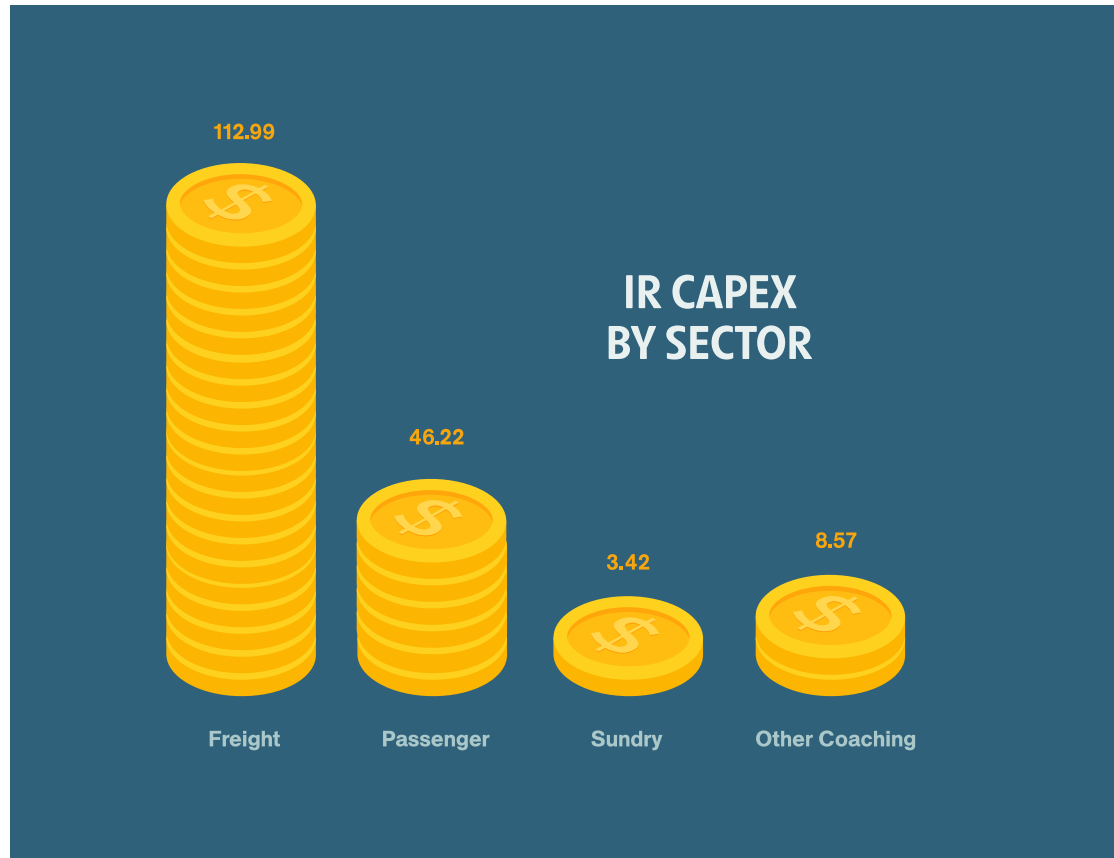
■ Already Invested    ■ Balance    ■ Accessible to Australian Rail Suppliers (4.5%)

(All figures are in AUD Billion)

SOURCE: VNACS ANALYSIS. 45% OF TOTAL BUDGETS AVAILABLE FOR INTERNATIONAL BIDDERS. ESTIMATED 10% OF THIS IS ACCESSIBLE TO AUSTRALIAN RAIL SUPPLIERS. (EXCHANGE RATE 1 AUD = 50 INR)

# FREIGHT IS THE FOCUS

Indian Railways capital expenditure allocation by sector for 2015 – 19 (AUD billion)



SOURCE: VNACS ANALYSIS  
(EXCHANGE RATE: 1 AUD = 50 INR)

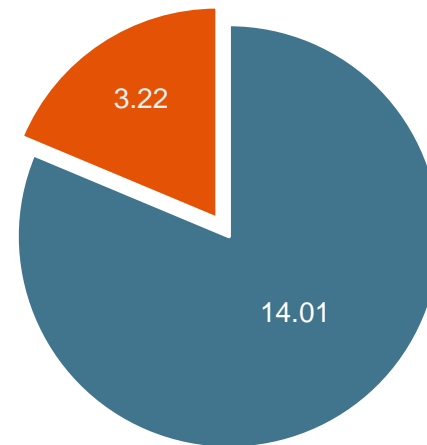
# FREIGHT CORRIDOR DEVELOPMENT

Indicative alignments of the Eastern and Western Dedicated Freight Corridors



# FREIGHT OPPORTUNITY

- Estimate AUD 14.01 billion is the opportunity accessible by the Australian rail industry in the freight segment in India between now and 2032
- AUD 3.22 billion is accessible in the 10 year plan period till 2023





# SEVERAL AREAS OF OPPORTUNITY



# TRACKS TO SUCCESS IN INDIA

## THE EXPORT IMPERATIVE

While there is a lucrative market opportunity for Australian rail suppliers in India, success will depend on”

- › Ambition
- › Sales and marketing bandwidth
- › A Strategic understanding of the Indian market

# DOING BUSINESS STRATEGICALLY



Long Haul



Network of  
Relationships



Think Local



Risk Management  
Strategy

# INTEGRATE NEW APPROACHES INTO PLANNING

- Tap into sub-contracting opportunities
- Access Global Value Chain
- Target Indian Rail subsidiaries
- Use India as strategic hub

# INTEGRATE NEW APPROACHES INTO PLANNING



**BOMBARDIER**

**ALSTOM**

**SIEMENS**

# INDIA ISN'T EASY ?

- It's too large, too complex and too diverse
- Difficult to navigate
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# RETHINK-REWORK-RESOLVE-REALISM



**A stable political  
and economic  
environment**



**A long and  
sustainable pipeline  
of opportunities**



**Global standards of  
procurement and  
contracting**



**Very active global  
supplier community  
working in the sector**

# TRACKS TO INDIA

**Q&A**

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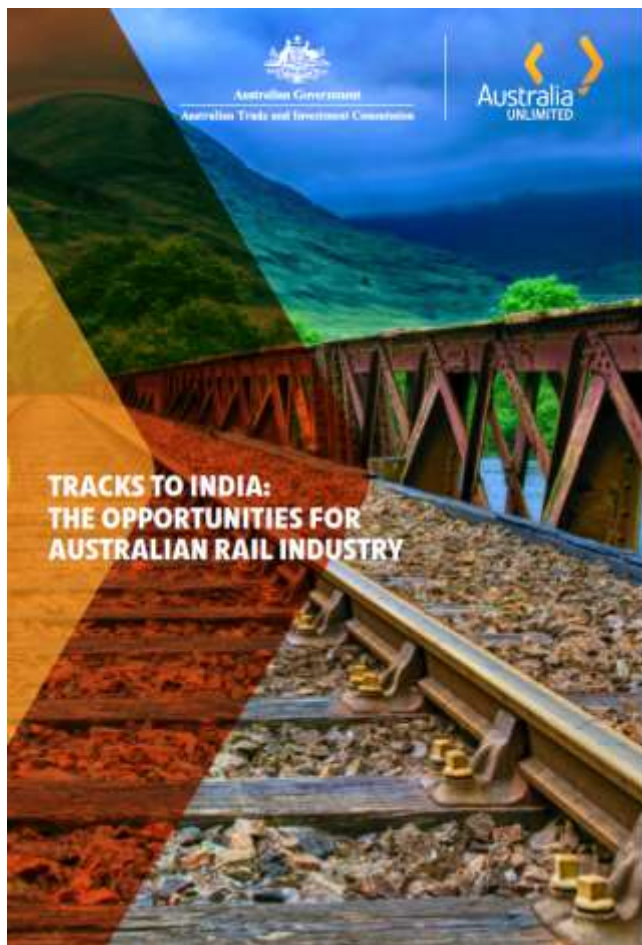


# AUSTRADE RAIL INITIATIVE-INDIA

## KEY ACTIVITIES FOR 2018-19

- Release of Rail Research report – Dec 2018
- Outward mission to India-Mar/Apr 2019 \*
- IREE – Oct 2019

# AUSTRADE: INDIA RAIL REPORT



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