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INLAND TRANSPORT COMMITTEE

Working Party on Rail Transport

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Item 8 of the provisional agenda

**STUDY OF THE SITUATION OF THE RAILWAYS IN
MEMBER COUNTRIES**

Addendum

Report by Ukrainian Railways

1. The programme of work of the Inland Transport Committee for 2006-2010 adopted at its sixty-eighth session (ECE/TRANS/166/Add.1, Item 2.5) requires the Working Party on Rail Transport to monitor harmonization of requirements concerning international rail transport, including rail safety, and facilitation of its operations. The present document is submitted for consideration by the Working Party in compliance with that mandate.

**A. Current situation and forecast regarding the development
of passenger and freight transport**

2. Rail transport plays a leading role in meeting the transport needs of Ukraine's production sector and population and is a key factor in achieving social and economic growth and developing foreign economic links. The length of track in use is 21,891.4 kilometres.

3. In 2006, the volume of freight traffic on Ukraine's railways was 478.7 million tonnes. The volume of transit freight traffic was 56.8 billion tonne-kilometres. The share of transit traffic in overall traffic volume was 23.6%.

4. Also in 2006, scheduled freight traffic totalled 240,809,570,000 tonne-kilometres, while passenger traffic totalled 53,229,820,000 passenger-kilometres. In the same year, 398,148,300 tonnes of goods were shipped, and 448,435,820 passengers carried.
5. Forecasts indicate that freight and passenger traffic volumes will continue to grow. Thus, freight traffic volume is predicted to increase by about 20%-25% by the end of 2015, and passenger traffic volume by approximately 7%.
6. Contracts have been concluded for the purchase of 4,900 freight wagons in 2007. As at 23 August 2007, 1,925 freight wagons had been delivered by wagon building and wagon repair plants, under capital lease arrangements.

B. Progress made in reorganizing the rail sector and establishment of new rail companies

7. The Agreement on the State programme for the reform of rail transport was approved by order No. 651-r of the Cabinet of Ministers of 27 December 2006. The Agreement defines the main principles and tasks in respect of the sector's reform, the priority being the delimitation of economic and State administrative functions in rail transport.
8. The reform will be carried out over the period 2007-2015. During this period, it is planned to implement a set of measures aimed at restructuring the sector along market lines; this will entail building a new organizational, legal and economic management system within the framework of the national economic reforms and European transport policy.
9. A State joint stock company, Ukrainian Railways, is being established.
10. Operating companies of various forms of ownership will function alongside the State joint stock company, with their number and market share increasing. In order to raise the level of competition in freight transport and increase the number of rolling stock operator-owners, the conditions necessary for non-discriminatory access by them to rail transport infrastructure services will be created.
11. In addition, private enterprises and carriers will operate on the freight transport market under licence, providing policy services.
12. With regard to passenger transport, the conditions will be created for the development of private passenger companies with their own fleets of passenger wagons.
13. As for suburban and regional passenger transport, it is planned to establish suburban passenger transport companies, including as joint stock companies with the participation of the State joint stock company Ukrainian Railways, local authorities and private companies owning suburban passenger transport rolling stock.
