



**VEOLIA** TRANSPORT **RATP** CHINA

# Chinese transportation issues viewed from an operator point of view

Experience of VTRA in China and the interest of intermodality



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# VTRC: A Joint venture between two world leaders

VTRC is a 50-50 joint venture between  
Veolia-Transdev and RATP

## Veolia-Transdev :

- biggest private operator of public transport in the world,
- expertise in operating multi-modal transport networks (metro, light rail, tram, BRT, bus, etc.)
- Long experience in adapting to local context worldwide



## RATP:

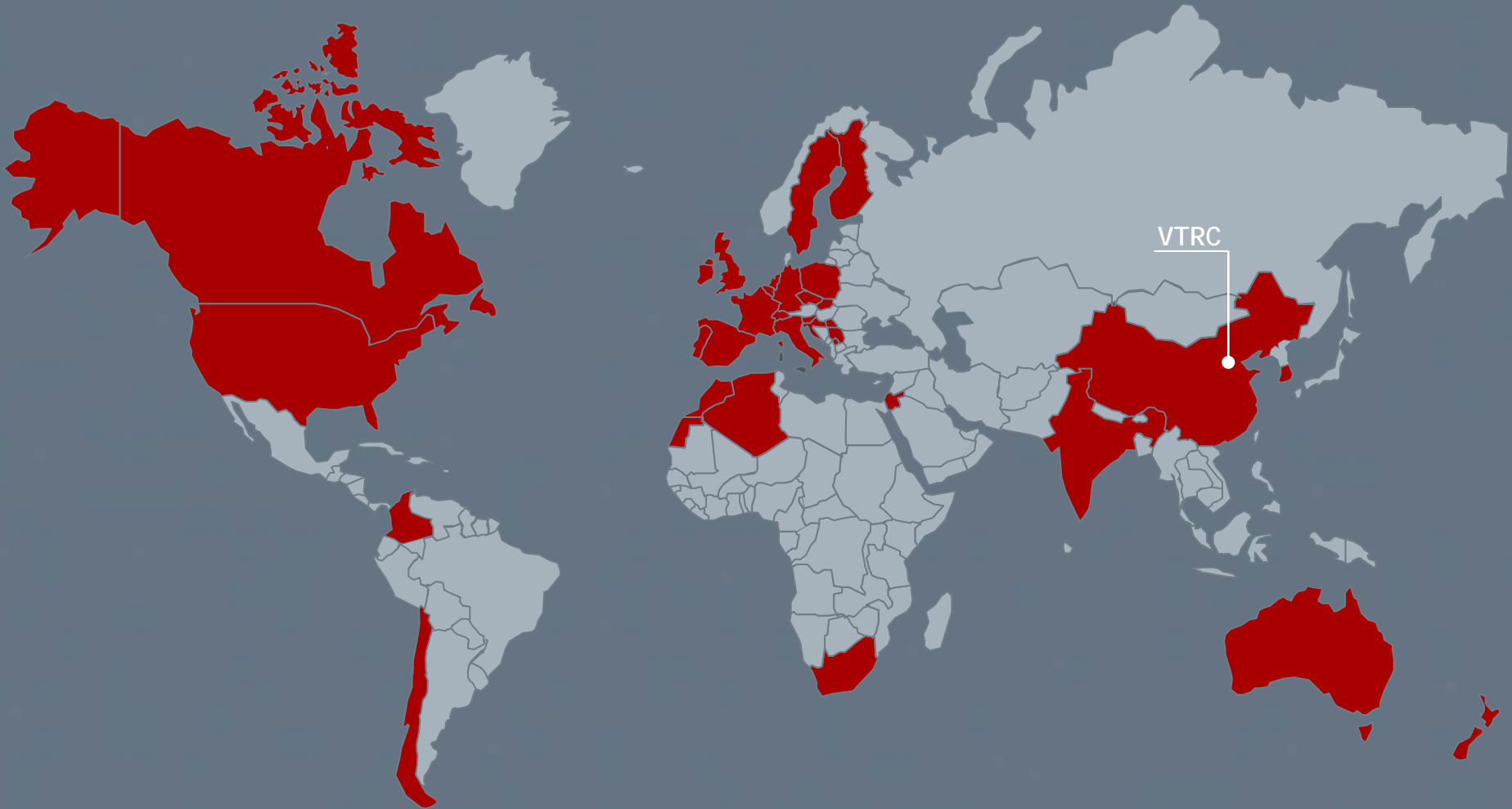
- state-owned urban transport operator,
- operating the whole Paris PT network : one of the world's largest multimodal network,
- Highly recognized expertise on how to organize, operate and build efficient networks.



We are present in 32 countries

More than 5,000 communities trust and work with us

We employ more than 175,000 people over the world

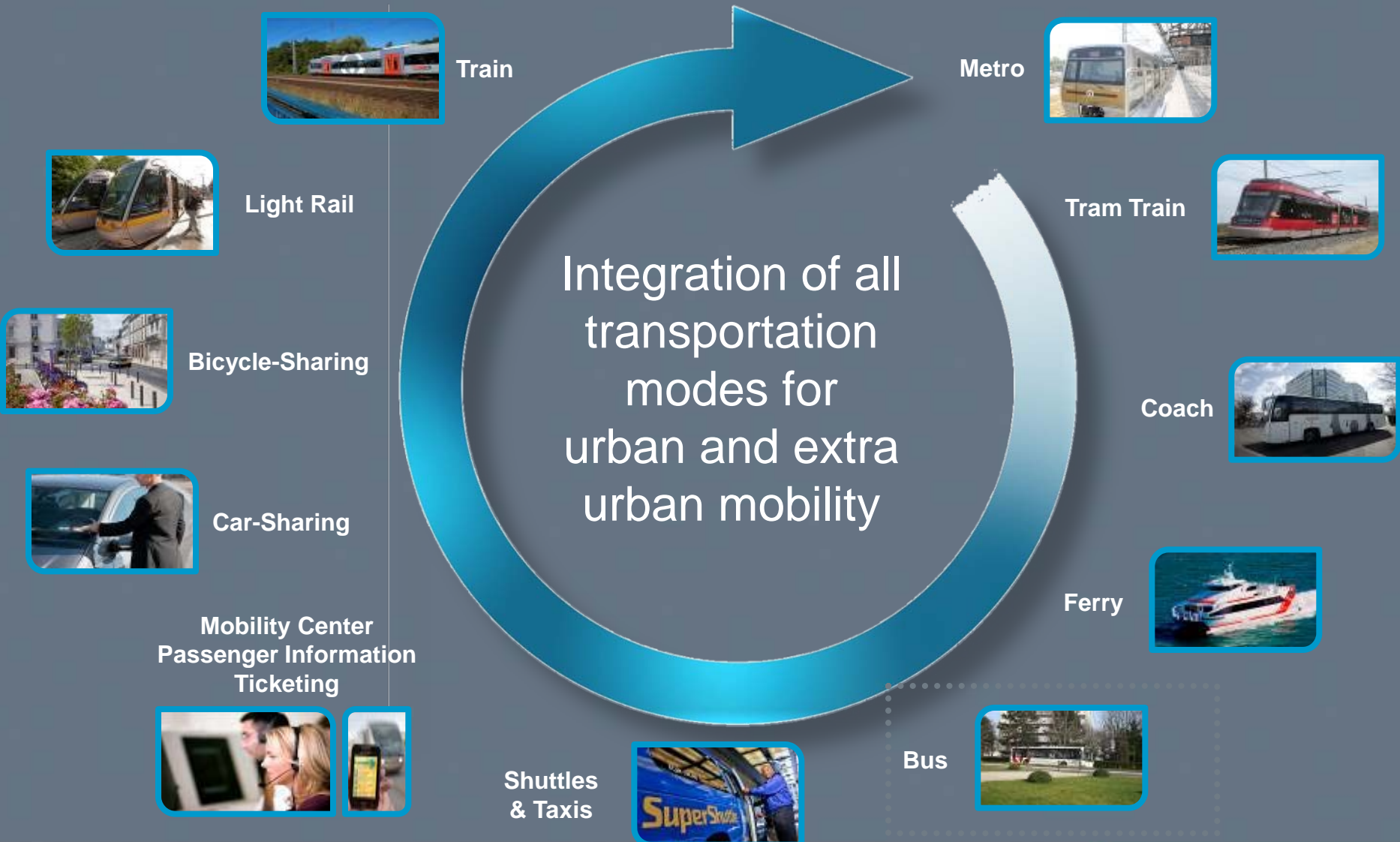


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# Veolia Transdev & RATP activities cover all ways of transportation



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# VTRC's Bus activities in China

## 1. Nanjing

- Joint venture with Nanjing Zhongbei Co. Ltd (49% VTRC)
- Contract duration: 30 years from 2008
- Serve 2 Nanjing suburbs and 4 Anhui cities

## 2. Hong Kong

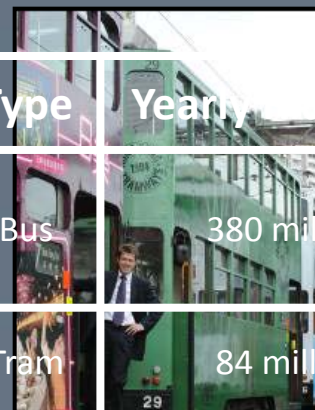
- HK Tramways, Ltd. (100% VTRC)
- A century old tram : apart of HK history
- Over 6,000,000 Km traveled per year

## 3. Macao

- Reolian Public Transport Company LTD (65% VTRC)
- Opened tender won in 2010 for a 7- year contract
- 16,000,000 km/year to be realized (by estimation)

## 4. Bus Development : discussing other potential activities all around mainland China

| Location               | Type | Yearly Turnover    | Ownership | Vehicles   |
|------------------------|------|--------------------|-----------|------------|
| Nanjing<br>(and Anhui) | Bus  | 380 million        |           | 2300 buses |
| Hong Kong              | Tram | 84 million         |           | 160 trams  |
| Macao                  | Bus  | Opened in Aug 2011 |           | 245 buses  |



# VTRC's Tram & Metro development in China

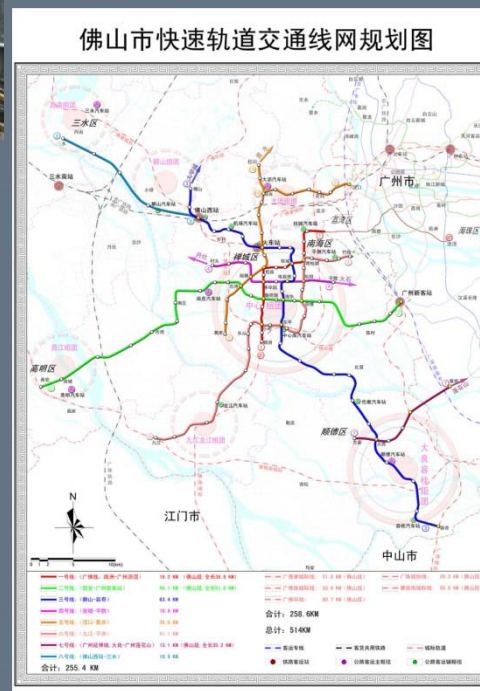
## 1. Wuhan – Metro

- Consultancy service in 3 main fields of O&M activity:
  - Maintenance organization and management,
  - IT tools for O&M Monitoring
  - Maintenance and spare parts cost



## 2. Foshan – Metro

- Consultancy service for M1, MOU signed for Network extension
- M2&M3 Open by the end of 2015



## 3. Hefei – Metro

- MOU signed for M1
- Open by the end of 2014
- 24.65km, 23 stations





# PT situation in China – *from an operator's point of view*

## 1. Private car VS public transportation : the “battle” is on

- Clear and strong government position
- But... a lot has still to be done on PT promotion for improving its image

## 2. “Post-construction” area in PT : Focus on operation

- For PT promotion : High quality transport service is mandatory
  - overcrowded transport infrastructures
  - Safety issues
- PT operation is more and more expensive & less and less profitable

## 3. Bus (...or tram) : the next step for of PT

- Metro network will never be dense enough : most people have to transfer to bus
- Buses are still carrying the vast majority of passengers



# (Bus) Operators situation in China

## 1. The constant quest for economical equilibrium

- Fixed fare for decades + more & more IC Card and social fare (with fare discounts)
- Price and salary inflation
  - ➡ The financial balance relies completely on subsidies (w/o clear policy)  
& Subsidies are increasing sharply

## 2. A technologically “poor” business

- On western standards, an “interurban” organization
- No/Few IT tools for scheduling, dispatching, maintenance...
  - ➡ Immediate improvement focus more on management and procedures

## 3. Safety issues

- Congestion, driving conditions, old buses, poor safety procedures...
  - ➡ Increasing number of accidents





# PT Challenges for the coming years – *at the operator level*

## 1. Toward a client-oriented service

- More information for passengers : schedule, maps, on-line information...
- Training and Management oriented towards passengers

## 2. Towards a complete change of organization ???

- Efficient IT tools implementation lead to important changes of organization in every department (operation, maintenance, HR, purchase, top management...)
- Lots of change resistance in a very stable & old-fashioned business
- Daily operation & financial issues usually outdo long-term organization improvement



# PT Challenges for the coming years – *at the operator level*

## 3. New technologies : For what ?

- Any new technology must be for a specific functionality and prove its interest:
  - Higher level of service for passengers : punctuality, information, speed, comfort
  - Better knowledge of passengers' habits and wishes
- Currently most (bus) operators usually don't see the interest and don't have the finance for new IT tools

➔ **Motivated Municipalities and operators must work together  
to implement new technologies dedicated to better service quality**

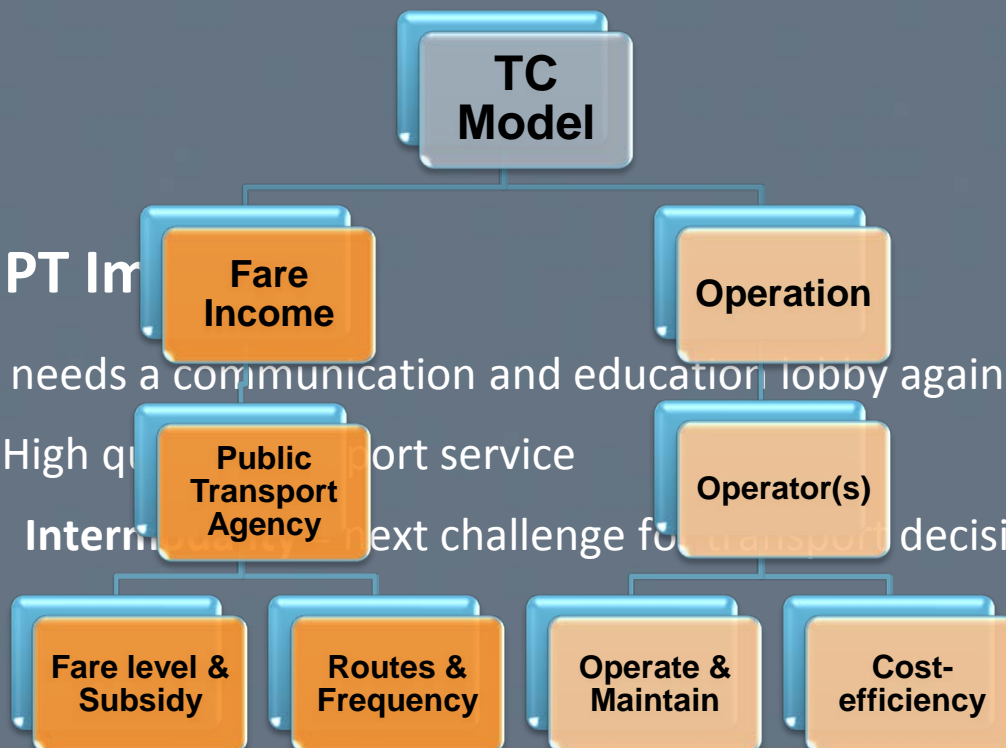


# PT Challenges for the coming years – *at the government level*

## 1. Improve the PT governance

- A clearer organization & stronger incentives for operators to focus on... operation !!!
- A stabilized regulation context : clearer view on subsidy and finance equilibrium

➡ Example of **TC Model** in Foshan, Guangdong



## 2. Promote PT Image

- PT Image needs a communication and education lobby against private car worship
- Promote High quality transport service



Internal next challenge for transport decision makers

