

# Rail modernization landscape and stakeholder engagement in the Philippines and Thailand

Business Sweden, APAC  
August 2023



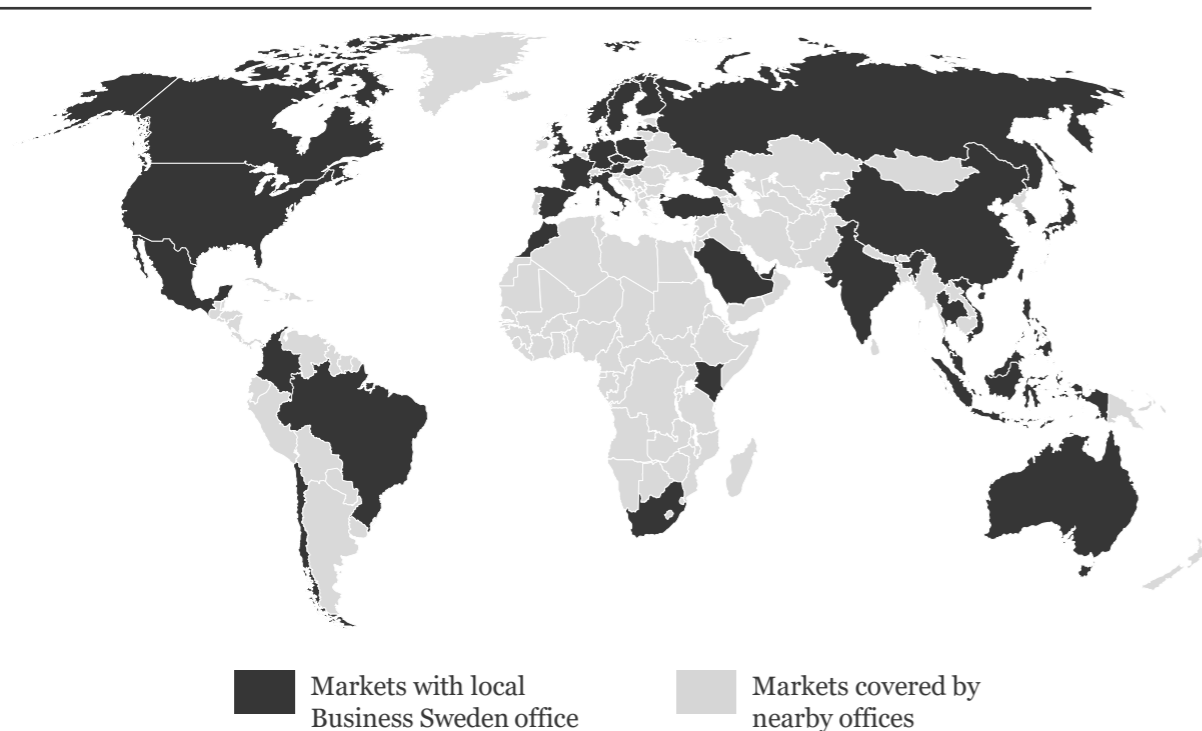
# Agenda

- **Business Sweden introduction**
- Rail sector snapshot in the Philippines and Thailand
- Proposed approach



# Business Sweden is an international organization with a global footprint – we stand ready to support you in 40 markets

## BUSINESS SWEDEN'S GLOBAL FOOTPRINT



## CONSULTING SERVICES

## GOVERNMENT ENABLED SERVICES

<b>MARKET EXPANSION</b>	<b>SALES ACCELERATION</b>	<b>INVEST PROMOTION &amp; ADVISORY</b>
<ul style="list-style-type: none"> <li>• Global Expansion Strategy</li> <li>• Market Entry</li> <li>• Product &amp; Customer Mix</li> <li>• Sales Channel Setup</li> <li>• Global Operations Footprint</li> <li>• Mergers &amp; Acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Acquisition</li> <li>• Partner search &amp; Selection</li> <li>• Sales &amp; Partner Performance management</li> <li>• Deal &amp; Tender Support</li> </ul>	
<b>BUSINESS TO GOVERNMENT</b>	<b>BUSINESS INCUBATION &amp; OPERATIONS</b>	<b>ECOSYSTEM GROWTH PROGRAMS</b>
<ul style="list-style-type: none"> <li>• Business to Government Strategy</li> <li>• Stakeholder Analysis</li> <li>• Strategic Messaging &amp; Communications</li> <li>• Stakeholder Engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Co-Working Space</li> <li>• Finance &amp; Controlling</li> <li>• Employment &amp; HR Services</li> <li>• Incorporations &amp; Registrations</li> </ul>	<b>SMALL BUSINESS PROGRAM</b>
		<b>BUSINESS DELEGATIONS &amp; EVENTS</b>
		<b>TRADE &amp; INVEST FACILITATION</b>

We shorten time to market, find new revenue streams and minimise risks

### 40+ MARKETS

From Helsinki to Hong Kong, Moscow to Mexico City – our business developers offer strategic advice and hands-on support

### 400+ PEOPLE

Our multinational team collaborate across the globe with expertise rooted in local business cultures and network

### 45+ YEARS

With a vast experience we help Swedish companies grow global sales and international companies invest and expand in Sweden



# BUSINESS SWEDEN

## *Asia-Pacific office network*

- 1 Australia
- 2 China, Beijing
- 3 China, Shanghai
- 4 China, Shenzhen
- 5 Hong Kong
- 6 India, New Dehli
- 7 India, Bangalore
- 8 Indonesia
- 9 Japan
- 10 Malaysia
- 11 Singapore
- 12 South Korea
- 13 Taiwan
- 14 Thailand
- 15 Philippines
- 16 Vietnam, Hanoi
- 17 Vietnam, Ho Chi Minh City



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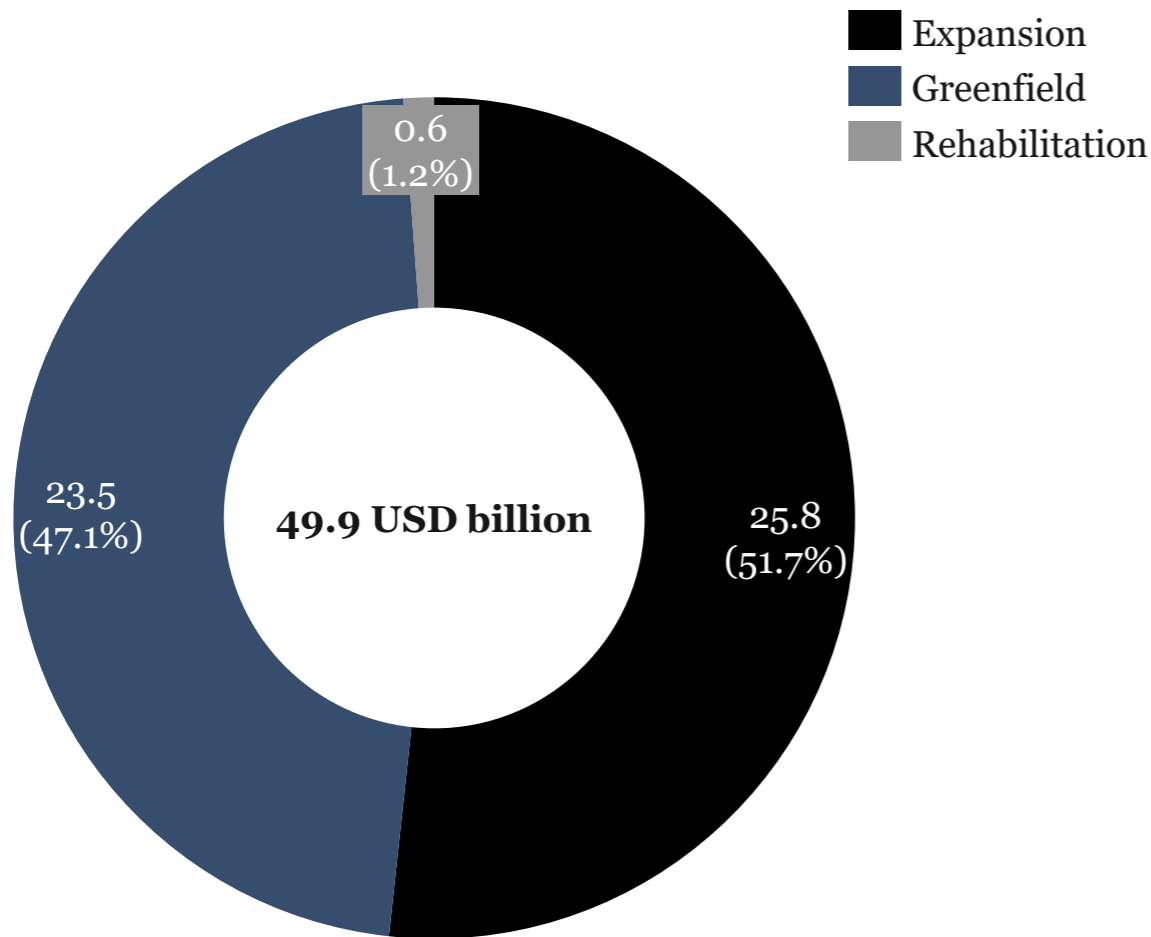
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# The Philippines embarks on an ambitious mission to modernize its rail infrastructure, with an estimated value of USD 50 billion

Philippines: Distribution of Rail Infrastructure by Type\*



## Observations and trends

- Anticipating a significant injection of nearly **USD 50 billion**, the government has allocated resources to ignite a transformation in railway infrastructure across Luzon, Visayas, and Mindanao. This financial ecosystem encompasses a combination of national budget allocations and contributions from development partners, including:
  - Japan International Cooperation Agency (JICA)
  - Asian Development Bank (ADB)
  - The Chinese government through ODA loans
  - The innovative Public-Private-Partnership (PPP) paradigm
- **Urban transit:** The Philippine government is making substantial investments in mass transit infrastructure, with a special focus on Metro Manila. Over 50% of the railway investment is directed towards alleviating congestion in this densely populated urban center.
  - Expansion of the Manila Light Rail Transit (LRT) System
  - Upgrade of the Metro Rail Transit (MRT) System to improve the capacity and reliability of this vital transit network
  - Metro Manila Subway Line is underway, with completion expected by 2028.
- **Inter-regional rail:** In pursuit of economic growth and sustainable mass transit, the Department of Transportation (DOTr) and the Philippine National Railways (PNR) have collaboratively undertaken the ambitious North South Commuter Railway (NSCR) project. The objective is to connect the northern and southern regions of Metro Manila and is expected to serve a daily ridership of more than 1 million passengers.

Source: Philippine Private Partnership (PPP) Center, Department of Transportation (DOTr), University of the Philippines \*indicative only

# Conglomerate-led consortiums appear to wield significant influence in the development and management of the country's railway infrastructure


## Key Stakeholders

<b>Asset Owners</b>	
<b>Operators</b>	
<b>System Integrators and Rolling Stock</b>	
<b>Construction Companies</b>	
<b>Project and Engineering Consultancy</b>	

## Key Events

- **25<sup>th</sup> Oct (online event) - 1st Philippine Railway Conference** is Philippine Railways Institute's premier event on research and training for the railway workforce
- **15-16 Nov - 5<sup>th</sup> Philippine Railway Summit, Pasay City, Manila**

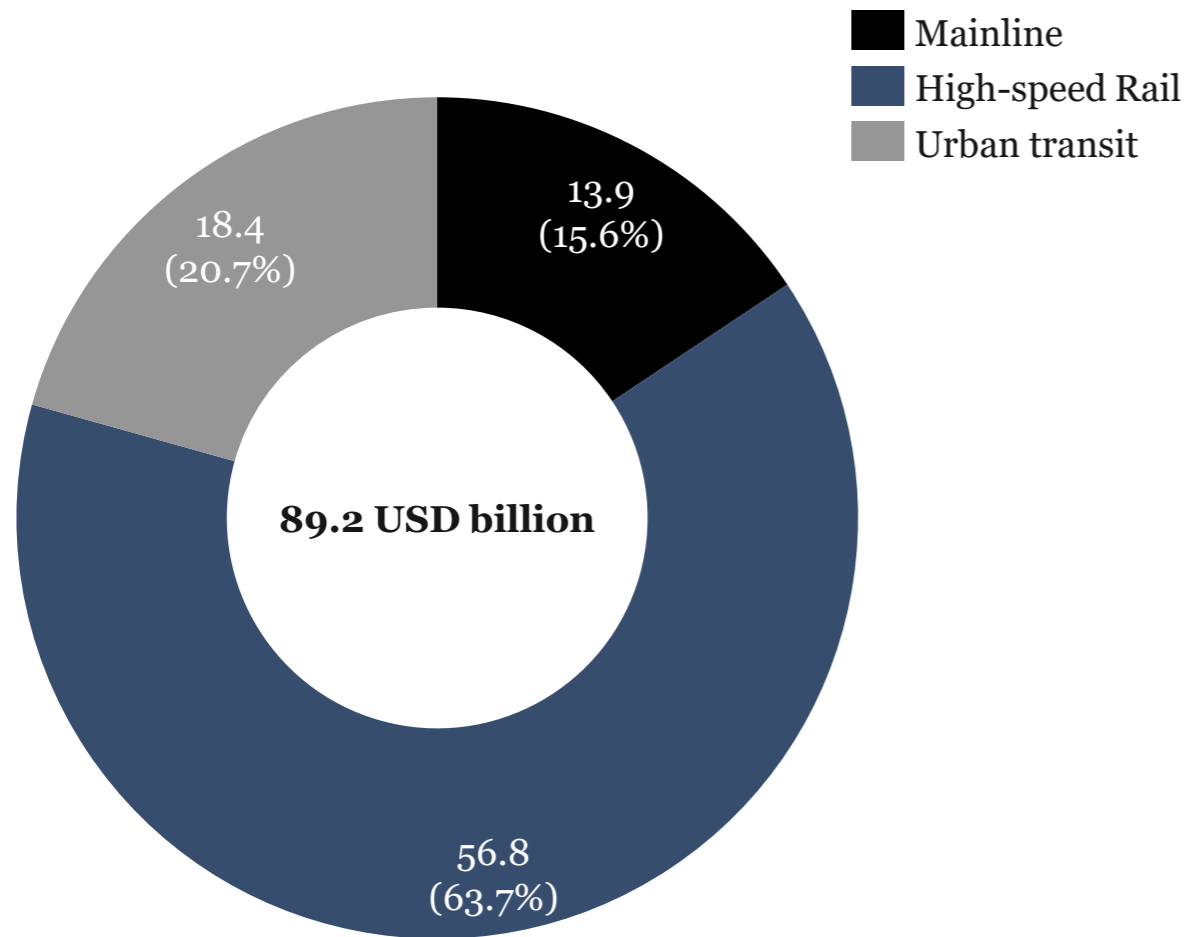
## Key Associations

-  **Philippine Railways Institute** an institution established by the Philippine government in 2015 to provide training, education, and capacity-building programs related to the railway industry
- **Undersecretary Anneli Lontoc** is in charge of the PRI. Business Sweden has worked with her on other matters.
- **Undersecretary Cesar Chavez** responsible for rail



# Thailand's transformation into a regional railway hub will be a key driver of growth, with an estimated total value of nearly USD 90 billion

## Thailand's Rail Market Size as of 2023



## Observations and trends

- Thailand will be undergoing a significant rail transformation in the coming years, in all three key segments: mainline, high-speed rail, and metro lines. These developments aim to modernize the country's transportation infrastructure, enhance connectivity, and provide efficient and sustainable transportation options for both domestic and international travelers.
- **Mainline:** Thailand's mainline rail transformation includes the implementation of double track rail and the adoption of the European Train Control System (ETCS) Level 1 Automatic Train Protection system. The dual track rail aims to increase capacity, reduces congestion, and improves service reliability. From 2023, the SRT plans to upgrade 1,483 km of rail to dual track.
- **High-speed rail (HSR):** Thailand's high-speed rail transformation aims to improve regional connectivity and promote economic development. Key projects include the Northeastern HSR and Eastern HSR, connecting major cities and tourist destinations. These HSR initiatives aim to reduce travel times, boost tourism, and facilitate the movement of goods.
- **Urban transit:** In addition to further expanding Bangkok's metro network through projects such as MRT Orange line, Grey Line and other line extension projects, Thailand is also exploring the implementation of potential light rail (LRT) projects in key provinces. These include the Phuket, Khon Kaen, Chiang Mai, and Pattaya LRT projects. These LRT systems aim to improve intra-city transportation, enhance regional connectivity, and provide convenient mobility options for residents and tourists.

Source: BMI, SRT, BEM, BTS and Business Sweden Analysis. Note: Calculated based on projects at the planning stage, construction stage or temporarily suspended stage with estimated monetary value. Project timeline and size may change, pending the formation of the new government.



# Three large conferences with relevant rail stakeholders are hosted each year in Thailand

## Key Stakeholders

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<b>Construction Companies</b>	     
<b>Project and Engineering Consultancy</b>	     

## Key Events

- **Thailand Railway Industry Symposium and Expo (RISE)** is annually held and recognized as an academia-research-industry platform for sharing knowledge, know-how and experiences among experts, professors, researchers, engineers, technicians and students. <http://railasiaexpo.com/>
- **RAIL Asia Expo** is an event where over 3,000 key stakeholders from throughout Asia's rail industry to include operators, government, contractors, institutes, consultants, suppliers, investors and other rail and metro professionals are expected to attend. <http://railasiaexpo.com/>
- **Asia Pacific Rail** is an annual conference where Thai and international companies, governmental agencies, and suppliers within the industry gather and discuss challenges and solutions within the industry. <https://www.terrapinn.com/exhibition/asia-pacific-rail/index.stm>

## Key Associations



- **Thailand Railway Engineering Association (TRESA)** was established in with the primary objective to serve as a central hub for professionals and knowledge in the field of rail engineering systems in Thailand. TRESA organizes the RISE Symposium to share knowledge between various stakeholder. This event is often co-organized with RAIL Asia event.
- **The German-Thai Railway Association** was established to realize the motivation of the Joint Declaration of Intent (JDI) signed by the Thai Ministry of Transport and the German Ministry of Transport and Digital Infrastructure in 2016 to strengthen the collaboration on railway development.

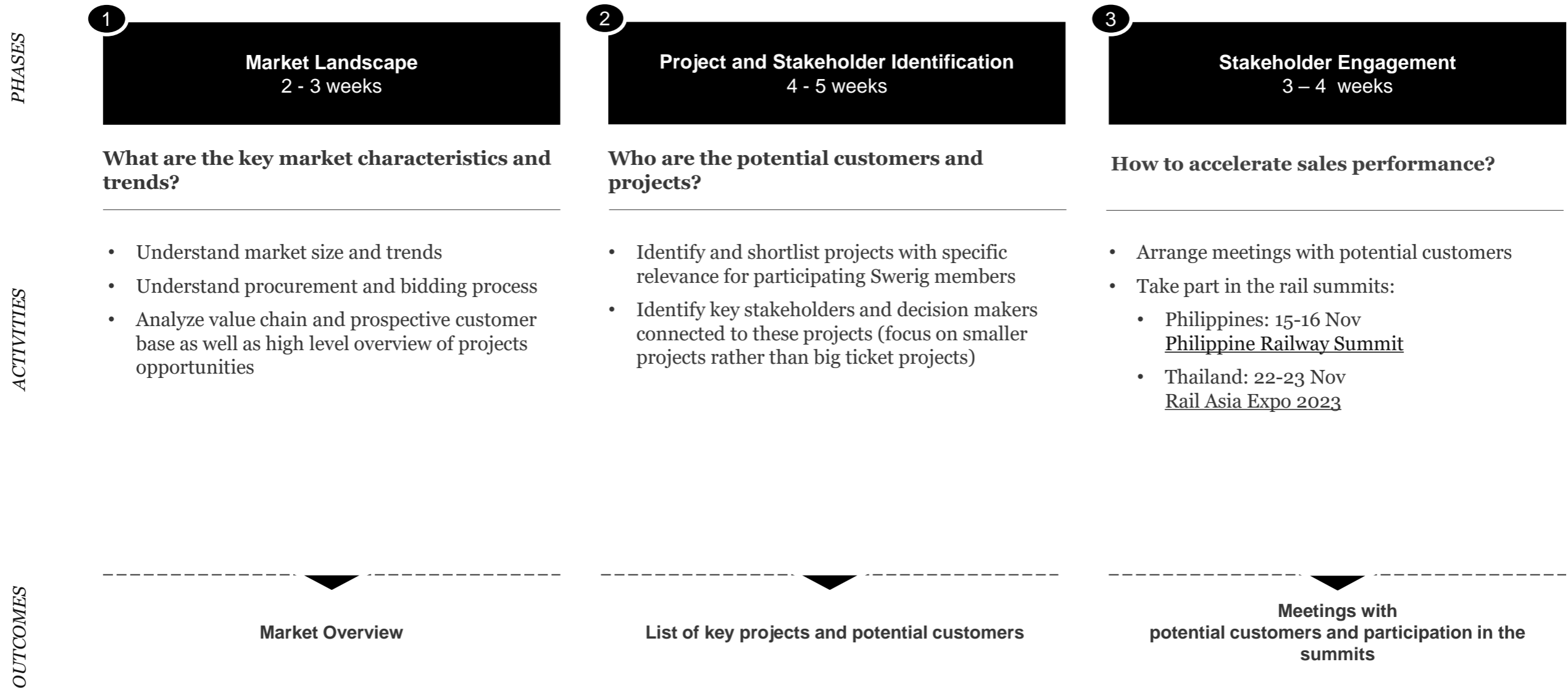


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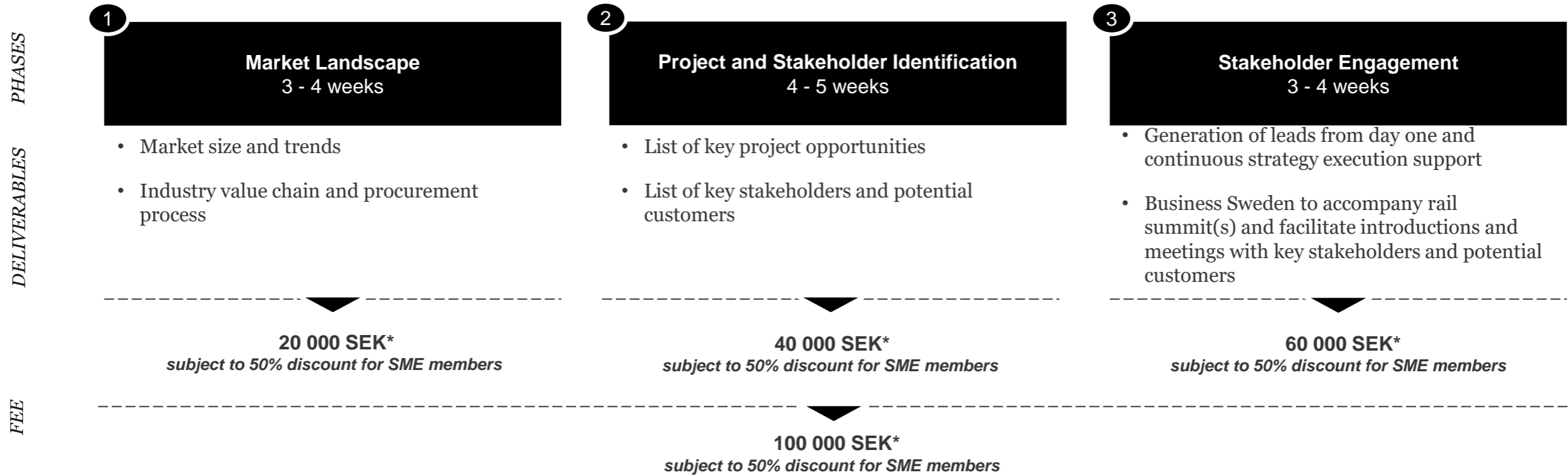
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# Business Sweden can help Swerig members to develop a strategic approach for local market entry and stakeholder engagement in the Philippines and Thailand



# Commercial Terms



## General Terms & Conditions

- 50% of the professional fee (for phases in execution) will be invoiced upon acceptance and the remaining 50% upon completion of project phase
- Min. 5 companies must sign up for the costing structure to be valid
- Invoicing will be done in SEK, based on the official exchange rate applied on the invoice date. Terms are 30 days after the date of invoicing. VAT will be added when applicable.
- Business Sweden standard Terms & Conditions apply

## Key Assumptions

- Swerig shall allocate resources to steering group and support to project management
- Swerig will play an active role in the project and is responsible for providing access to all applicable information which is required for Business Sweden to fulfil the objective of this project



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