

## Sector briefing

# Rail sector in Russia

## Why Russia?

- Russia's railway system is undoubtedly fundamental to the Russian economy, with an impact on the growth rates of almost all other sectors.
- Russia operates the world's second largest rail network, with 85,500 km of track across the world's largest landmass. As such, it has very high figures for commercial tonnage carried, number and length of passenger journeys.
- The state recognises the importance of the rail network to the economy, seeing it as a strategic national asset.
- Co-operation with European companies in fields such as manufacturing of high speed electric trains, developing braking systems and implementing communication systems is key to developing Russia's transport system, improving quality and efficiency and managing infrastructure.
- The development of high speed rail is leading to positive changes in the manufacturing sector through the development of high-speed rail. Joint ventures Transmashholding/Alstom and Siemens/Sinara have been created in order to overcome the lag in technology of the Russian machine building sector.



- Russia is conducting feasibility studies into building high speed lines to link Moscow and other major cities of the country.

See the UKTI website for [general information about Russia](#). The 'Doing business' guide includes an overview of the economy, business culture, potential opportunities and other relevant issues.

## Opportunities

Despite its monopoly structure, Russia's railway sector offers a number of excellent opportunities for UK companies. In order to pursue these opportunities UK companies will have to be very active marketers and participate in Russian-language tenders. UKTI in Russia can help to facilitate this process and assist UK businesses entering the market.

### Intelligent transport systems

Integration of innovative satellite, communications and geo-information technologies, intelligent railway transportation control systems are the key opportunities for UK companies in Russia.

### Safety and security

The federal programme of the Russian government envisages spending of £1.2 billion on transport safety, including railways, by 2014.

### High speed rail programme

Russia's high speed rail programme includes the following objectives:

- Manufacturing a new generation of fast and high-speed rolling stock
- Choosing the routes for fast and high-speed trains (currently the priority routes include 16 destinations)
- Ensuring fast and high-speed travel on the key priority routes in Russia
- Creating technical equipment capable of running fast and high-speed trains
- Training staff to work with high-speed trains

### Locomotive manufacturing

By 2030 Russian Railways (RZD) will need 23,400 locomotives and 24,000 powered EMU cars built to international standards. In 2010-30 RZD expects to spend £12.4 billion on locomotives and rolling stock. Russian industry is working with foreign suppliers to transfer technology and production know-how by setting up joint ventures between locomotive and electronic/electrical component manufacturers.

### Railway stations upgrade

The Russian Railways (RZD) investment program envisages the modernisation of 332 stations by 2015. Total planned investment is £725 million.

With program development underway, 81 stations are undergoing the first stage of modernisation.

### Energy strategy revision

Russian Railways plans to use a €50 million loan from the EBRD to implement a pilot project to build railway stations using alternative energy sources. The company plans to build three such stations by 2020. Other projects include comprehensive innovative energy-saving projects (including introduction of LED technology and hydrogen power), nanotechnology in rolling stock repairs, creating new materials based on ultra high molecular weight polyethylene and introducing alternative energy sources.

### Satellite technologies

In the first half of 2010, Russian enterprises and their foreign partners started mass production of a new generation of receivers which work with all satellite systems - including GLONASS, GPS, GALILEO and COMPASS. The total cost of the project is estimated at a minimum of £8.7 million.

### Moscow Metro

Moscow City Government plans to build more than 50 kilometers of new metro lines by 2015. Moscow Mayor Sergei Sobyanin proposed attracting big international firms to participate in construction of new metro lines in the capital, which may be worth up to 1.5 trillion roubles (\$48 billion).

### 2018 FIFA World Cup

Russia's hosting of the FIFA 2018 World Cup will undoubtedly require huge investment in rail infrastructure development, including the construction of additional high speed rail links and station modernisation. Check the UKTI website for details of business opportunities connected with 2018 FIFA World Cup.

Business opportunities aimed at UK companies are added daily to the UKTI website, including opportunities in [Russia](#) and [transport opportunities around the world](#). These leads are sourced by our staff overseas in British Embassies, High Commissions and Consulates, across all sectors and in over 100 markets. You can be alerted to business opportunities on a regular basis by registering on the website.

## Major events and activities

### Exporail 2011

[www.exporailrussia.com](http://www.exporailrussia.com)

Contact: Anastasia Badina

Email: [Anastasia.Badina@fco.gov.uk](mailto:Anastasia.Badina@fco.gov.uk)

Date: 16 – 18 March 2011

Venue: Moscow, Expocenter

### TransRussia 2011

[www.transrussia.ru/eng/](http://www.transrussia.ru/eng/)

Contact: Anastasia Badina

Email: [Anastasia.Badina@fco.gov.uk](mailto:Anastasia.Badina@fco.gov.uk)

Date: 26 – 29 April 2011

Venue: Moscow, Expocenter

### Transport Infrastructure and Track Machinery - Annual Rolling Stock Technologies Exhibition

[www.remputmash.ru/vystavka2010](http://www.remputmash.ru/vystavka2010)

Contact: Anastasia Badina

Email: [Anastasia.Badina@fco.gov.uk](mailto:Anastasia.Badina@fco.gov.uk)

Date: September 2011

Venue: Kaluga

### ITS 2011 - III Russian International Congress on Intelligent Transport Systems

[www.pibd.ru/epibd](http://www.pibd.ru/epibd)

Contact: Anastasia Badina

Email: [Anastasia.Badina@fco.gov.uk](mailto:Anastasia.Badina@fco.gov.uk)

Date: 17-20 May 2011

Venue: St Petersburg

For details of events related to this country or sector, [use the events search on](#) the UKTI website or [register to receive regular updates](#). New export events are added daily.

UKTI's [Tradeshaw Access Programme \(TAP\)](#) provides grant support for eligible Small & Medium Sized Enterprises (SMEs) to attend trade shows overseas.

## Next steps - How UKTI can help

British companies wishing to develop their business in the Estonian market are advised to undertake as much market research and planning as possible in the UK. UKTI's team in Estonia, with its wide local knowledge and experience, can provide a range of services to British-based companies wishing to grow their business in global markets.

This can include:

- Provision of market information
- Validated lists of agents/distributors
- Key market players or potential customers in the Romanian market
- Establishment of interest of such contacts in working with you
- Arranging appointments
- Organise seminars or other events for you to meet contacts and promote your company in the Romanian market

This work is available via our [Overseas Market Introduction Service \(OMIS\)](#), a chargeable service which assists British-based companies wishing to enter or expand their business in overseas markets.

To find out more about commissioning this work, or accessing other UKTI services and specialist advice, [contact your local UKTI office](#).

## UKTI contacts

### Anastasia Badina

Trade & Investment Adviser

British Embassy Moscow

Tel: +7 (495) 956 73 89

Email: [Anastasia.Badina@fco.gov.uk](mailto:Anastasia.Badina@fco.gov.uk)

### Damion Potter

Head of Commercial Team

British Embassy Moscow

Tel: +7 (495) 956 74 53

Email: [Damion.Potter@fco.gov.uk](mailto:Damion.Potter@fco.gov.uk)

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