

# Railway Days Investment Summit

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ÎS "Calea Ferată din Moldova"



Bucharest, October 17-18th, 2023

# Railway sector in Moldova

- 1. Corporate concept & challenges*
- 2. Restructuring & assistance needed*
- 3. Investment agenda*
- 4. Reshaping logistics*
- 5. Future projects*

# Railway sector in Moldova

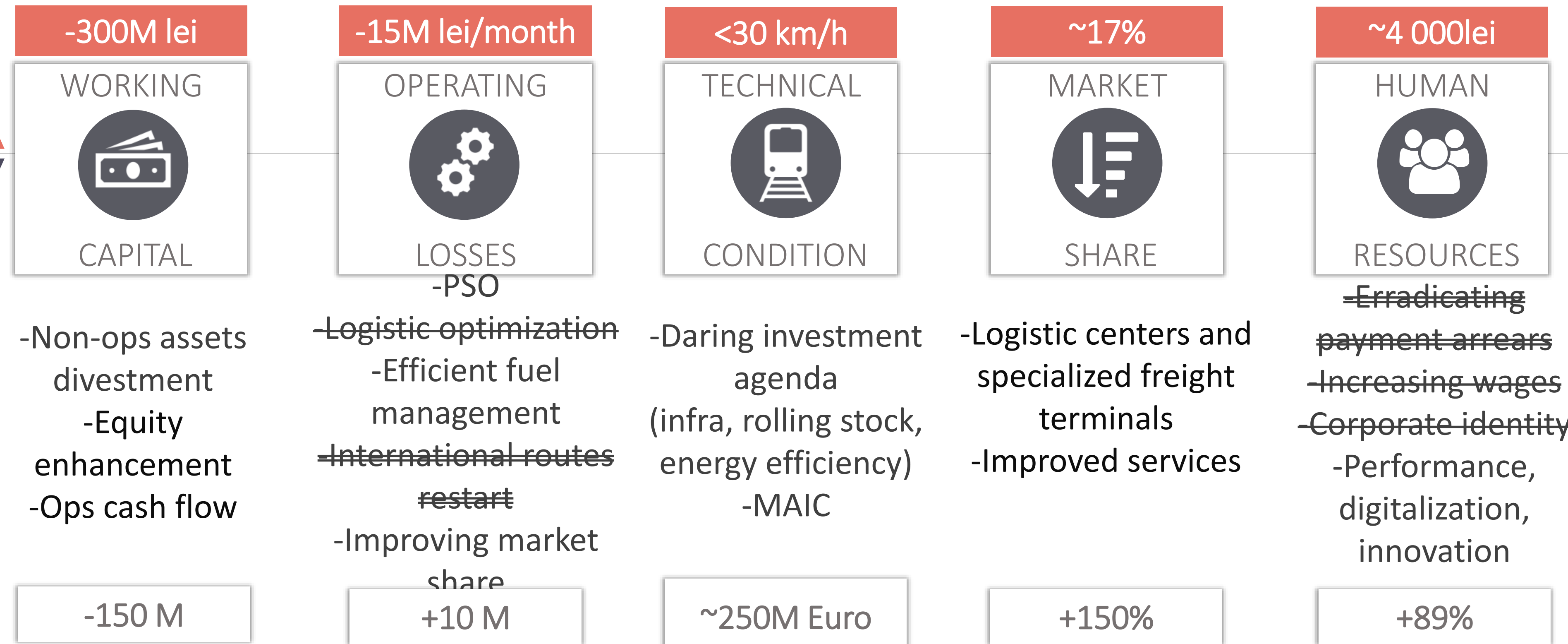
Corporate concept | Challenges



- Unpaid salaries
- Payment arrears
- Lack of suppliers
- Risk of strikes
- Lack of fuel
- Arrested accounts
- Continuous decrease of working capital
- Lack of funds for maintenance
- Technical restrictions
- Unsatisfied demand
- Exaggerated logistic costs
- Losing typical railway freight
- Low productivity
- Low salaries
- Losing qualified staff

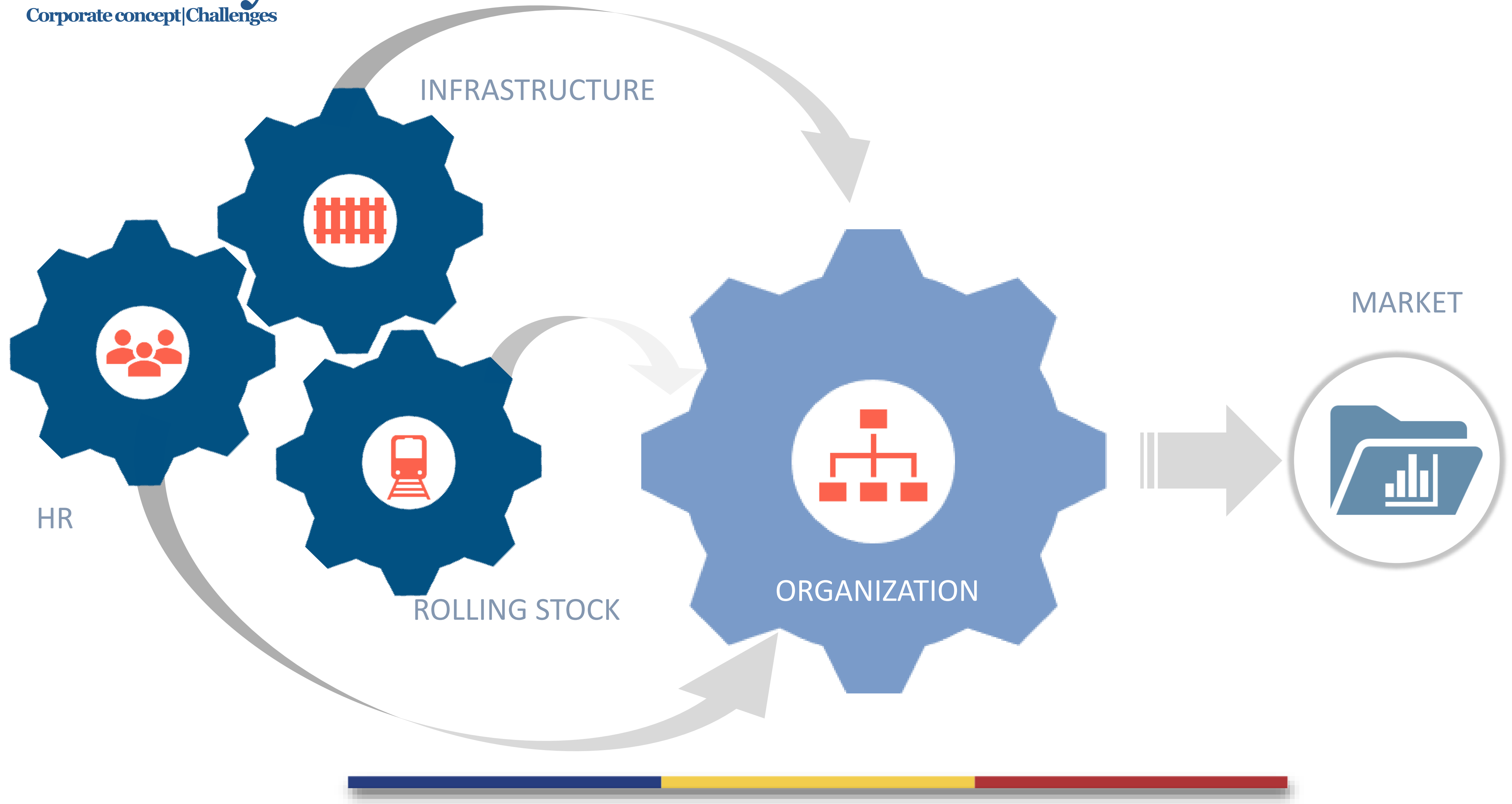
PROBLEMS-2021

SOLUTIONS-2022



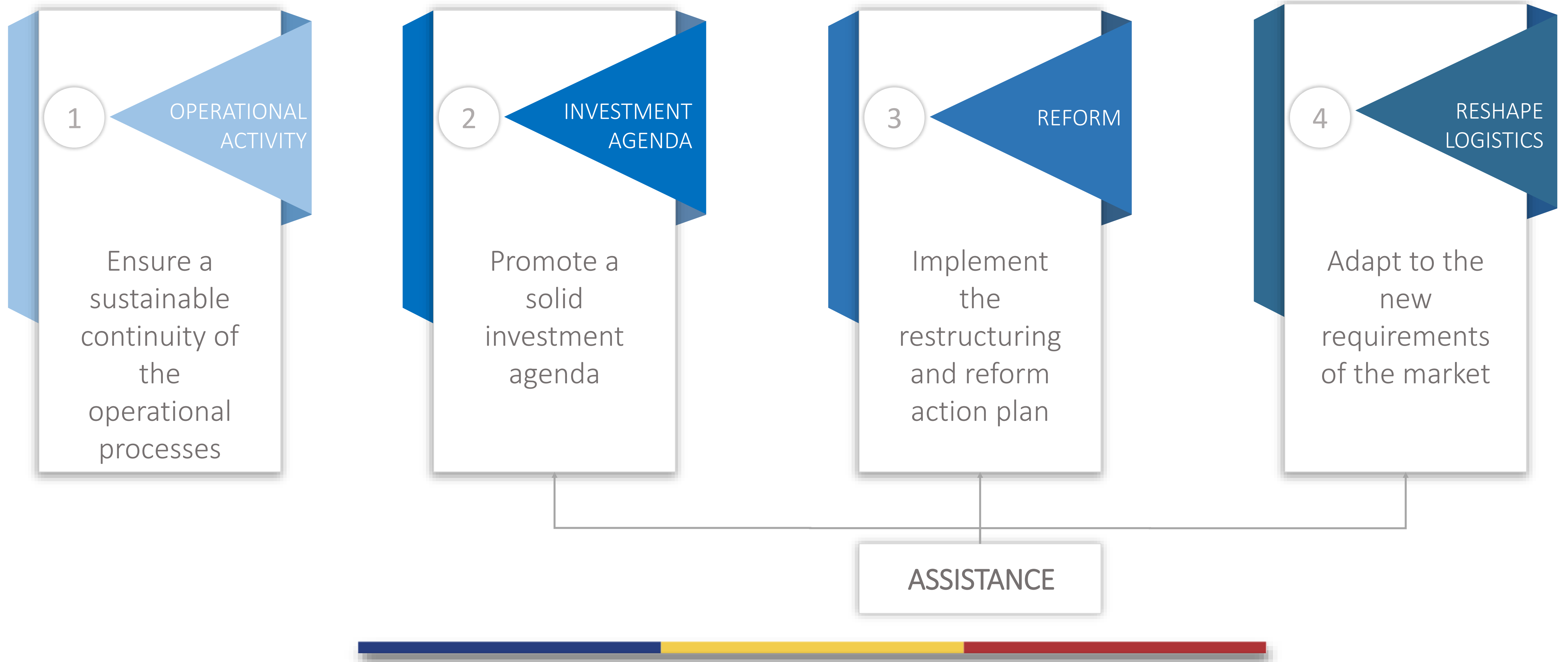
# Railway sector in Moldova

Corporate concept | Challenges



# Railway sector in Moldova

Corporate concept | Challenges



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# Railway sector in Moldova

Restructuring & assistance needed

## 1. TRANSPOSES

DIRECTIVE 2012/34/ EU

Independence of infrastructure managers and railway undertakings / acces to infra and services / licensing / **MAIC**

EU DIRECTIVE 2016/798

Railway safety principles / **SMS** / certification and authorisation

DIRECTIVE 2007/59/EC

Certification of train drivers / training, testing, monitorisation & control, evaluation & sanctions /

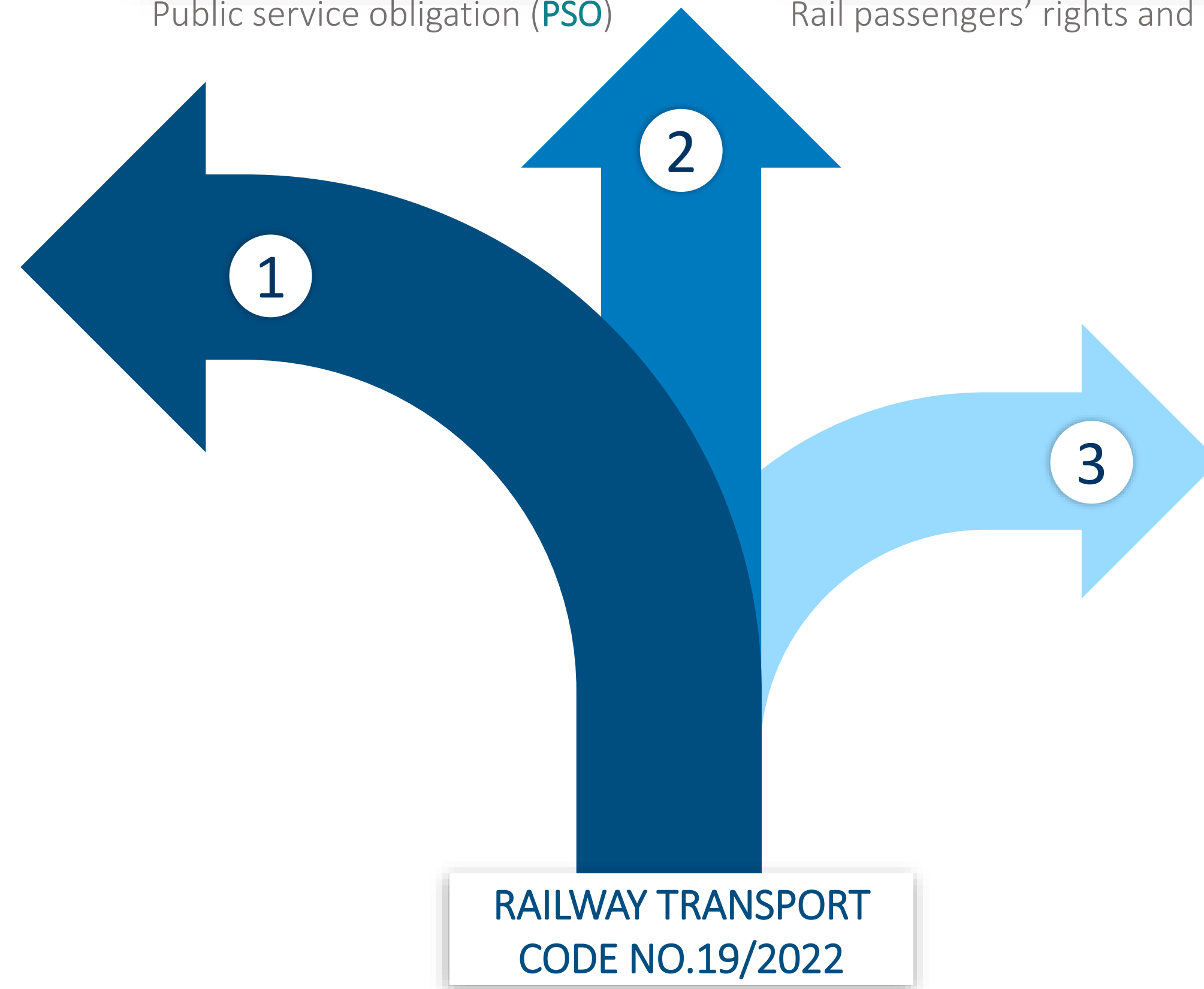
## 2. CREATES PREMISES

REGULATION 1370/2007

Public service obligation (PSO)

REGULATION 1371/2007

Rail passengers' rights and obligations



## 3. PROVIDES

REORGANISATION OF SOE CFM

SETTING UP MARKET REGULATORY BODY FUNCTIONS

CREATION OF THE NSA

SETTING UP ACCIDENT INVESTIGATION PRINCIPLES



# Railway sector in Moldova

Restructuring & assistance needed



**GD NO 1042/2017  
& THE ACTION PLAN**

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approved on  
April 20<sup>th</sup> 2022

- 0 START THE RESTRUCTURING OF SOE CFM
- 1 APPROVE THE NATIONAL RAILWAY INFRASTRUCTURE PROGRAM
- 2 DRAFT / SIGN MAIC & ALOCATE RESOURCES
- 3 DRAFT / SIGN PSC & ALOCATE RESOURCES
- 4 DRAFT & APPROVE REGULATION ON PAX RIGHT AND OBLIGATIONS

**STAKEHOLDERS**

MIRD | MF | APP | CFM

**ASSISTANCE**

EU | IFI's | USAID | AFD





# Railway sector in Moldova

Restructuring & assistance needed



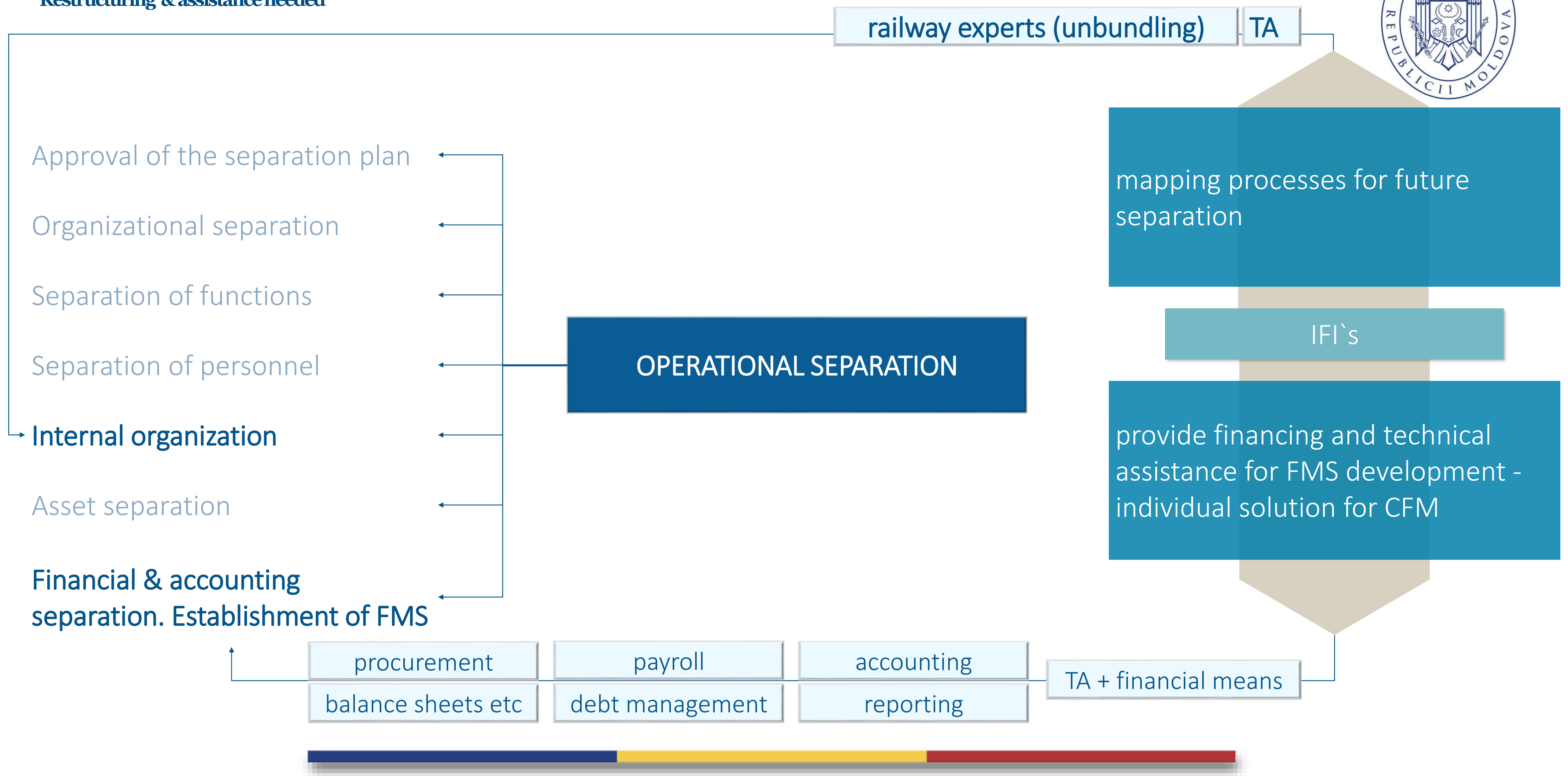
Areas where assistance for implementation is needed

LEGAL AMENDMENTS	ASSETS	CORPORATIZATION
MAIC	OPERATIONAL SEPARATION	NON-KEY ASSETS DECAPITALIZATION
PSO	LEGAL SEPARATION	TRANSITIVE MEASURES
BUSINESS PLANS	NEW RAILWAY BODIES	CERTIFICATION/AUTHORISATION OF THE NEW RAILWAY ENTITIES



# Railway sector in Moldova

Restructuring & assistance needed



# Railway sector in Moldova

Restructuring & assistance needed



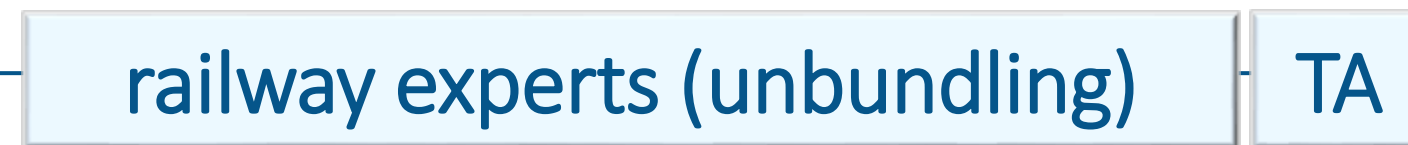
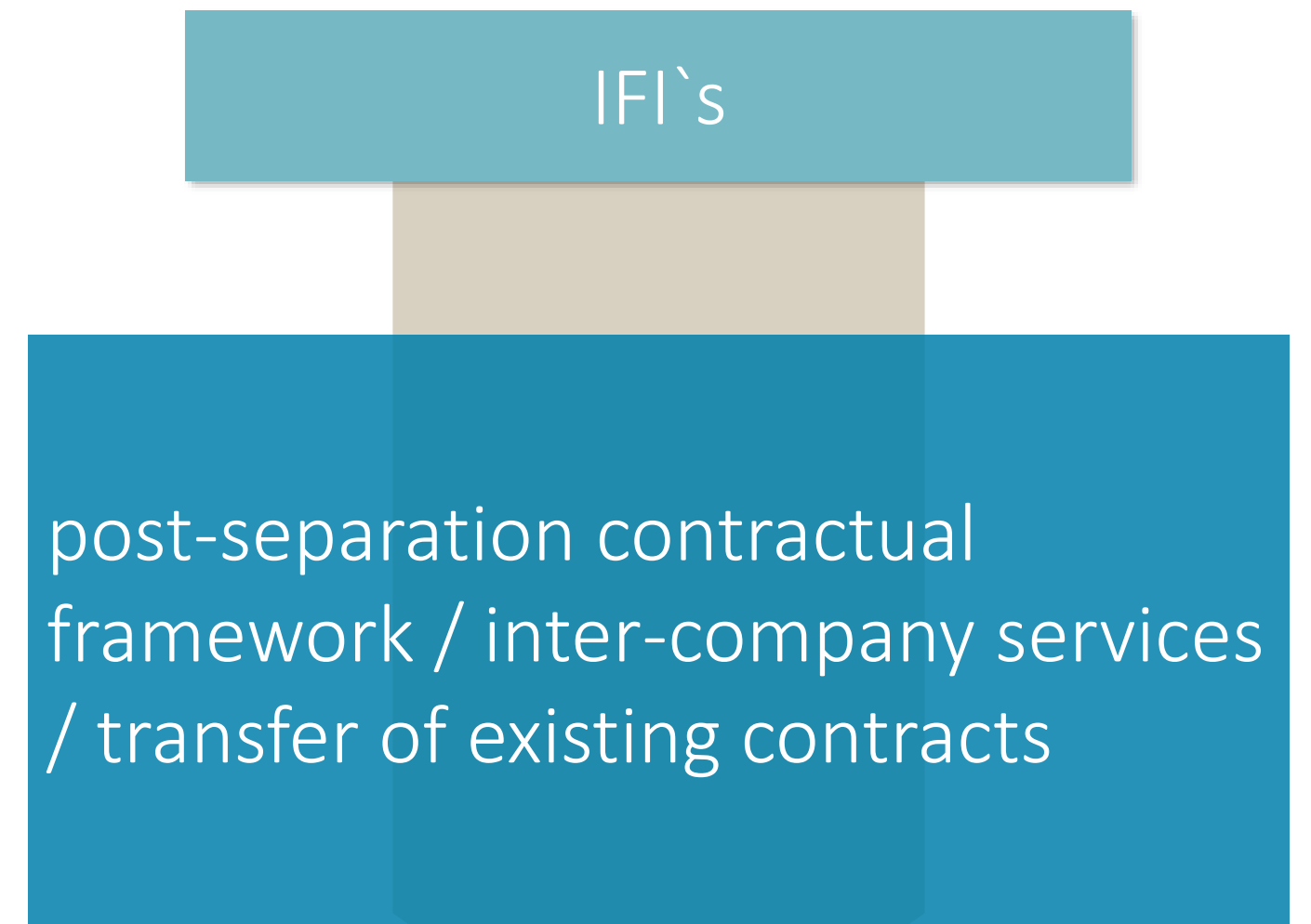
Stabilization of the financial situation of CFM

Ensuring the financial sustainability of the asset management company

Strengthen the institutional capacity of CFM CARGO, PAX, INFRA

Contract separation and transfer

Mapping future contractual relations/processes



# Railway sector in Moldova

Restructuring & assistance needed



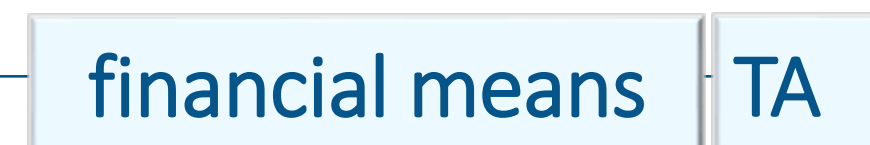
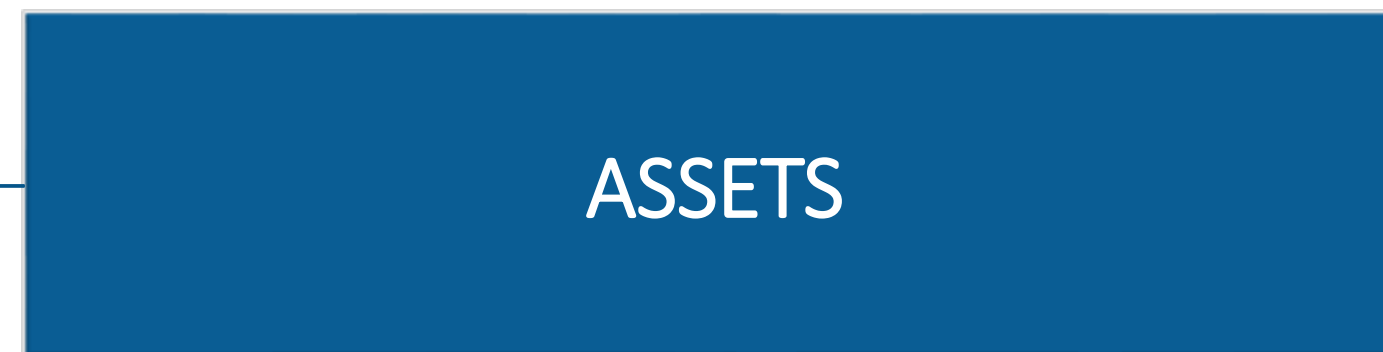
Property inventory

Assessment of the asset needs for future railway entities

Drafting inventory lists for asset distribution

**Asset demarcation and forming new immovable goods**

Evaluation and registration of the new assets



# Railway sector in Moldova

Restructuring & assistance needed



Drafting statutory documents

Adopting GD on CFM reorganization into JSC

Notifying PSA and creditors on reorganization

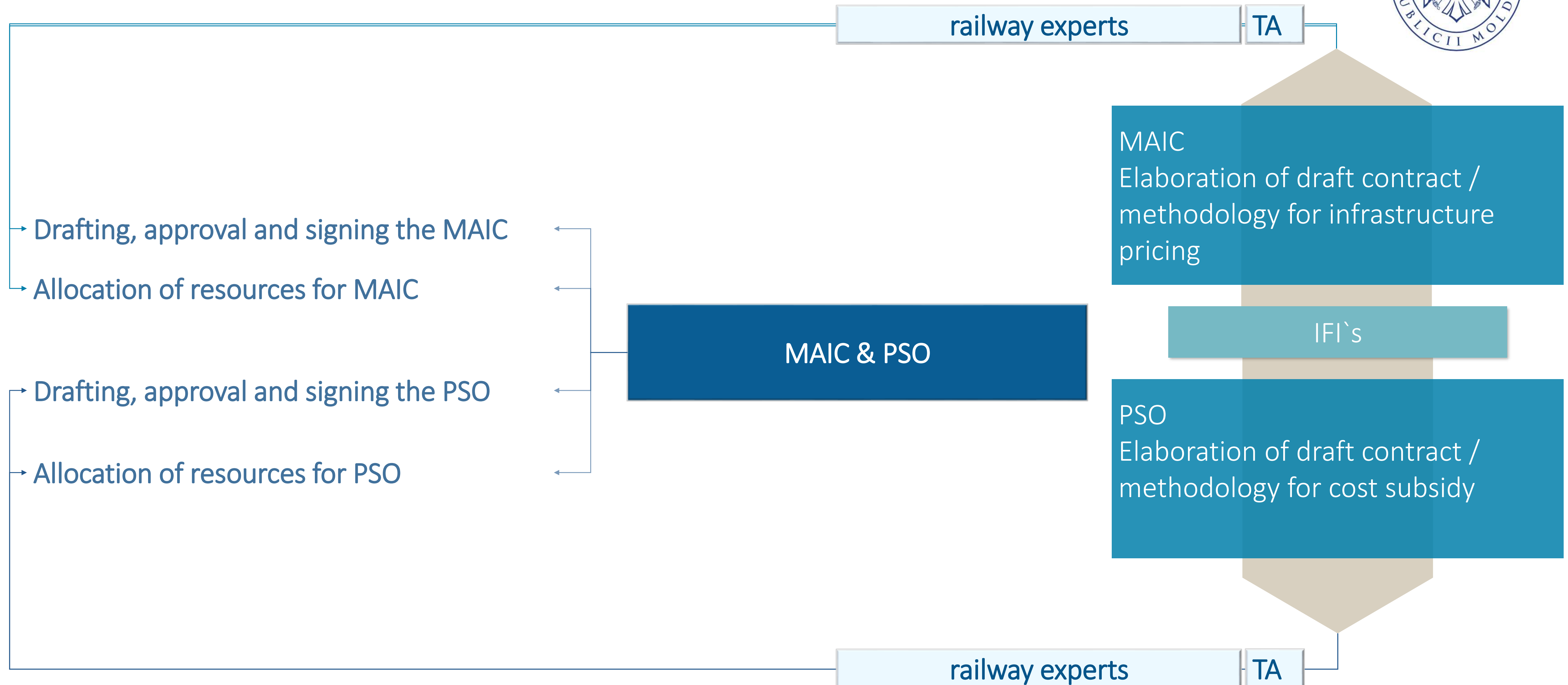
Registration of the JSC CFM at PSA

Registration of JSC CFM property rights and stock shares



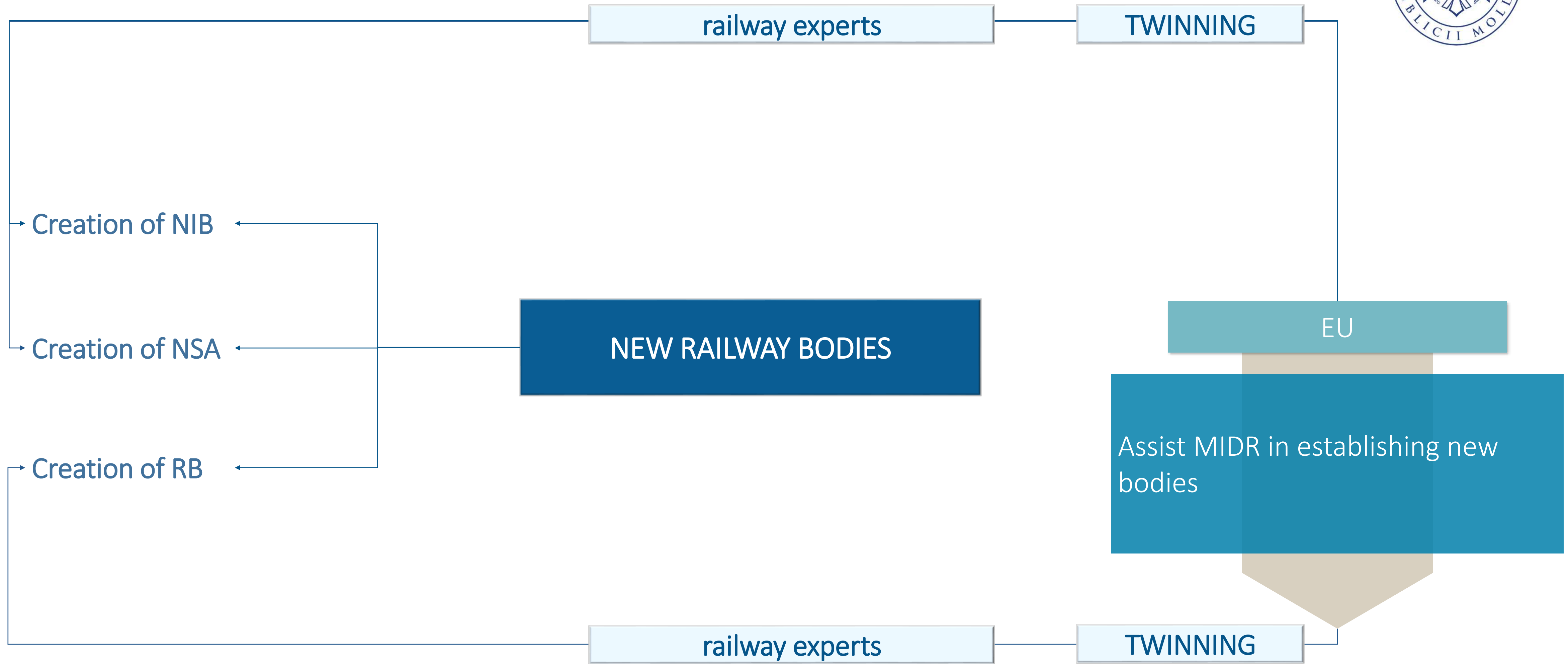
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Restructuring & assistance needed



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Restructuring & assistance needed



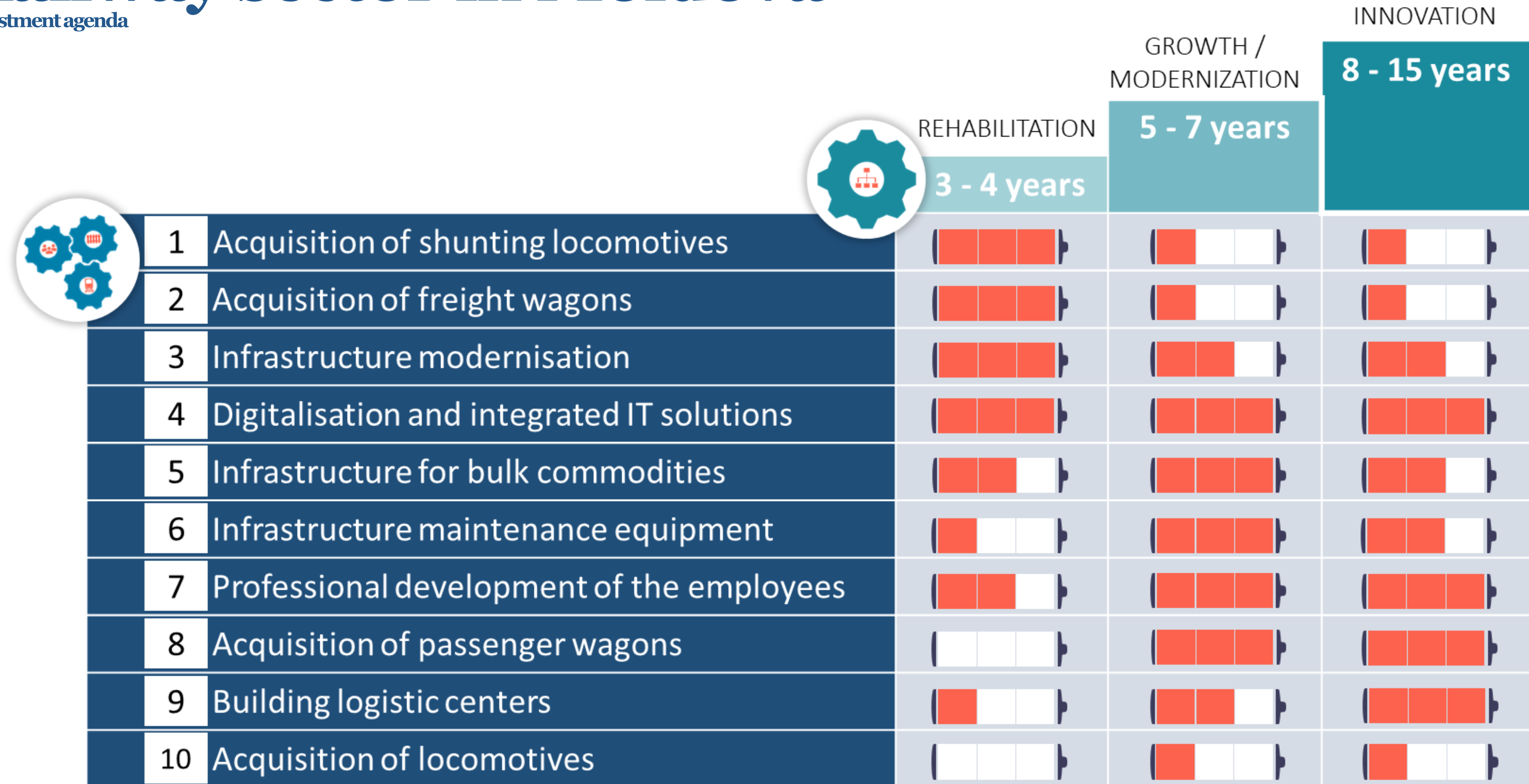
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# Railway sector in Moldova

Investment agenda



# Railway sector in Moldova

Investment agenda



1 Acquisition of shunting locomotives

2 Acquisition of freight wagons

SHUNTERS

25-30 UNITS

FREIGHT WAGONS

~4 000+ WAGONS

Price per wagon - ~ 80-100K euro

Total price - ~350-400 M euro

Estimated time for completion of the acquisition – 2024-26

Price per unit - ~ 2.5M euro

Total price - ~ 62.5-75M euro

Estimated time for completion of the acquisition – 2024-26



# Railway sector in Moldova

Investment agenda



3

## Infrastructure modernization 2022

### NORTHERN CORRIDOR (UNGHENI-BĂLȚI-OCNIȚA-RÂBNIȚA)

Lenght – ~392 km | Estimated cost – ~147M euro

Financing – **NONE**

### CENTRAL CORRIDOR (CHIȘINĂU – UNGHENI)

Lenght – ~108 km | Cost – ~70-75M euro

Financing – French Government

STATUS: LETTER OF INTENT SIGNED | MoU ALSTOM - CFM

### (TIGHINA-CHIȘINĂU-CĂINARI)

Lenght – ~95 km | Cost – ~45M euro

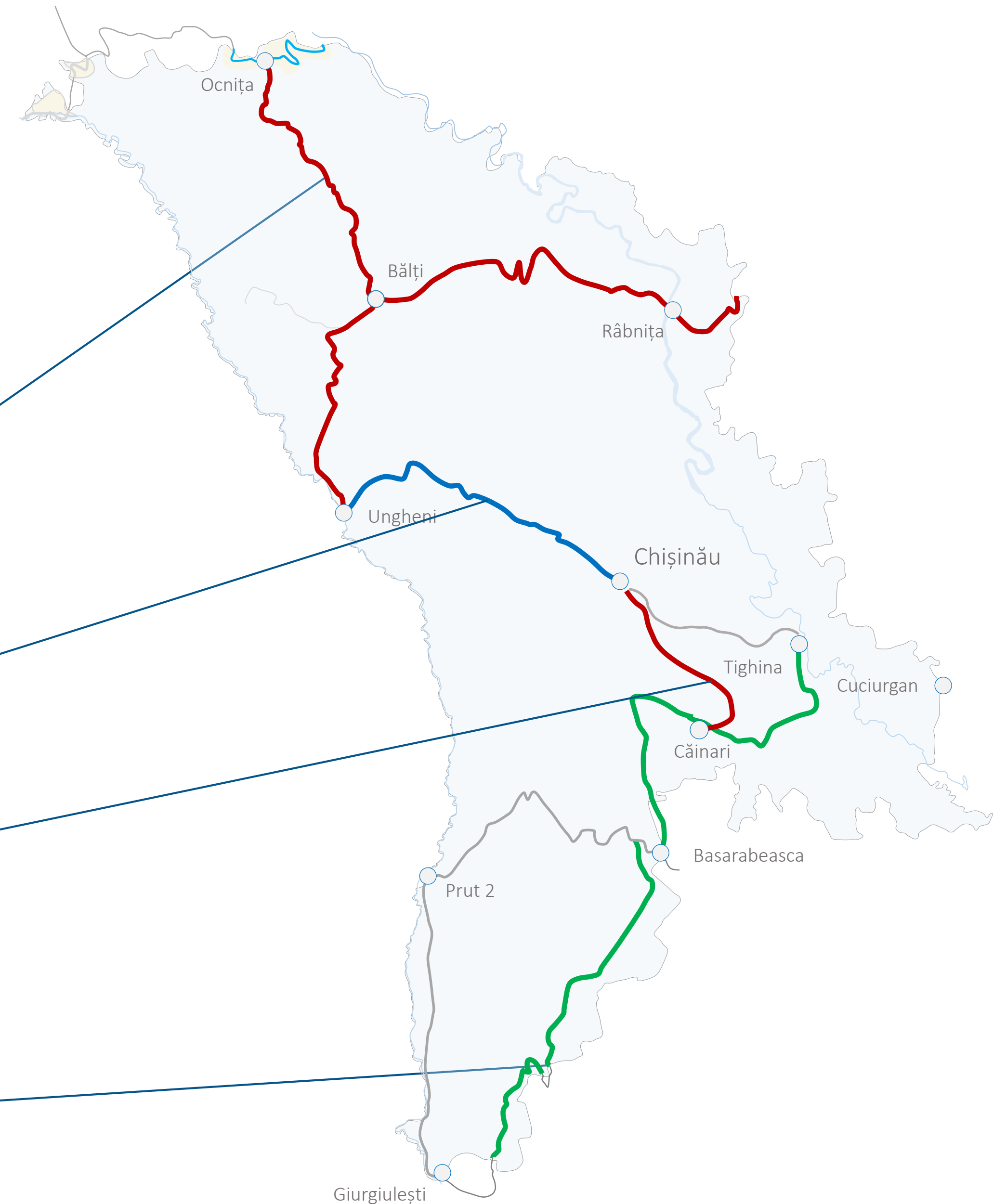
Financing – **NONE**

### SOUTHERN CORRIDOR (TIGHINA – GIURGIULEȘTI)

Lenght – ~297 km | Cost – 113=>160M euro

Financing – EBRD/EIB

STATUS: **ONGOING**



# Railway sector in Moldova

Investment agenda



## 4. Logistic terminals



Raise the  
market  
share



### **MODERN LOGISTICS HUB**

Location: Chisinau, 271 Muncești Street

Type: Free Economic Zone

Purpose: Attract the flow of goods destined for the Republic of Moldova, from the Port of Odesa.

Potential: ~ 3-4M tons / year

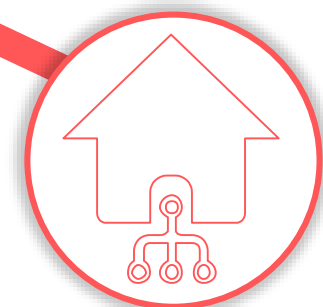


### **SPECIALIZED CONTAINER TERMINAL**

Location: Chisinau

Purpose: Attract the flow of containerized goods

Potential: ~ 1000-1200K containers x 20 tons / month, up to 300,000k tons / year



### **TRANSSHIPMENT TERMINAL 1520-1435**

Location: Beresti, Ungheni

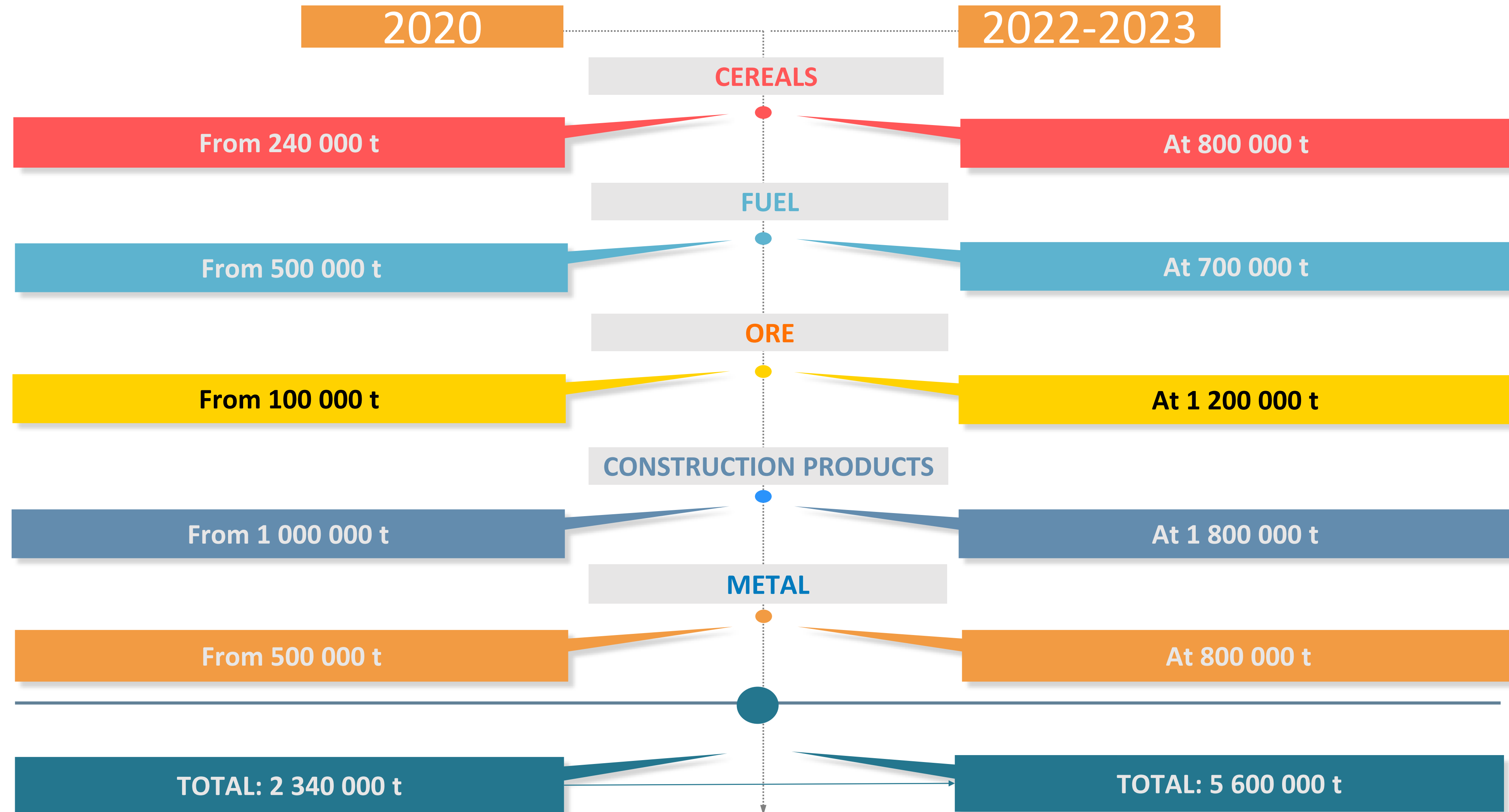
Purpose: Improve shipments between Ukraine, Moldova and Romania

Potential: ~ 1.5-2.5M tons / year

# Railway sector in Moldova

Investment agenda

The evolution of freight transport for the basic nomenclature



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# Railway sector

Reshaping logistics



## UKRAINE EXPORT NEEDS

### REPUBLIC OF MOLDOVA TRANSPORTATION CAPACITY (RAIL)

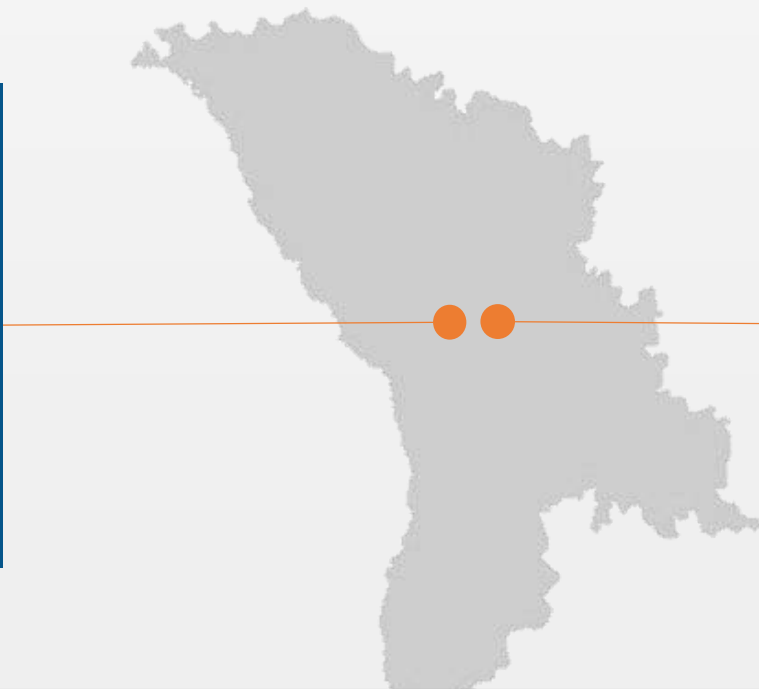
VIA BASARABEASCA AND MOHILYV-PODILSKYI TO DANUBE/BLACK SEA  
(RENI/GIURGIULESTI/GALATI/CONSTANTA)

## ACTUAL

3 TRAINS/DAY  
12,6k TONS/DAY  
4,6M TONS/YEAR

## PERSPECTIVE

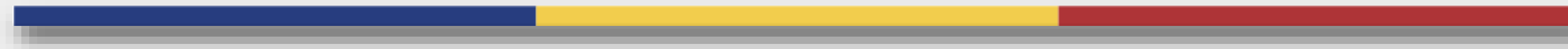
9 TRAINS/DAY  
37,9k TONS/DAY  
13,8M TONS/YEAR



16-24 MONTHS

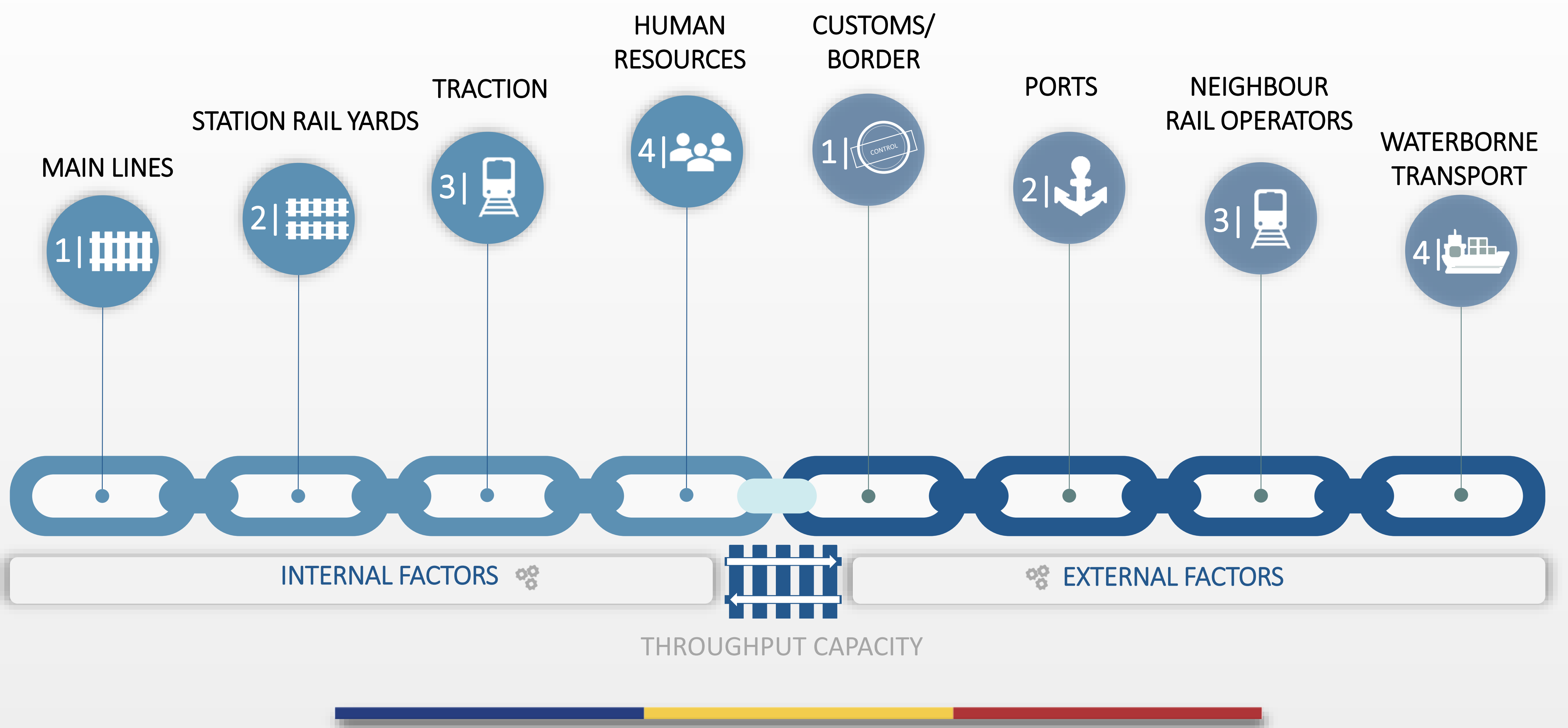
RESOURCES REQUIRED

150M EURO



# Railway sector in Moldova

Reshaping logistics





# Railway sector in Moldova

Reshaping logistics

EXISTING VS NEEDED

## TRACTION

21 MAIN LINE LOCOMOTIVES  
3TЭ10M-7 units | 2TЭ10Л-2 units  
| TЭ33AC-12 units



+10 MAIN LINE LOCOMOTIVES

27 SHUNTING LOCOMOTIVES  
ЧМЭ3



+12 SHUNTERS

280 BOGIES (1435 | 1520mm)



+200 BOGIES (1435 | 1520mm)

## HR

ADDITIONAL HUMAN RESOURCES



60 train drivers | 30 train driver assistants  
| 30 train compilers

## CURRENT STATE

### MAIN LINES

Total length of the network 1071 KM

Defect wooden sleepers: 851 634

Defect concrete sleepers: 266 162

Defect/closed switches: 292/234

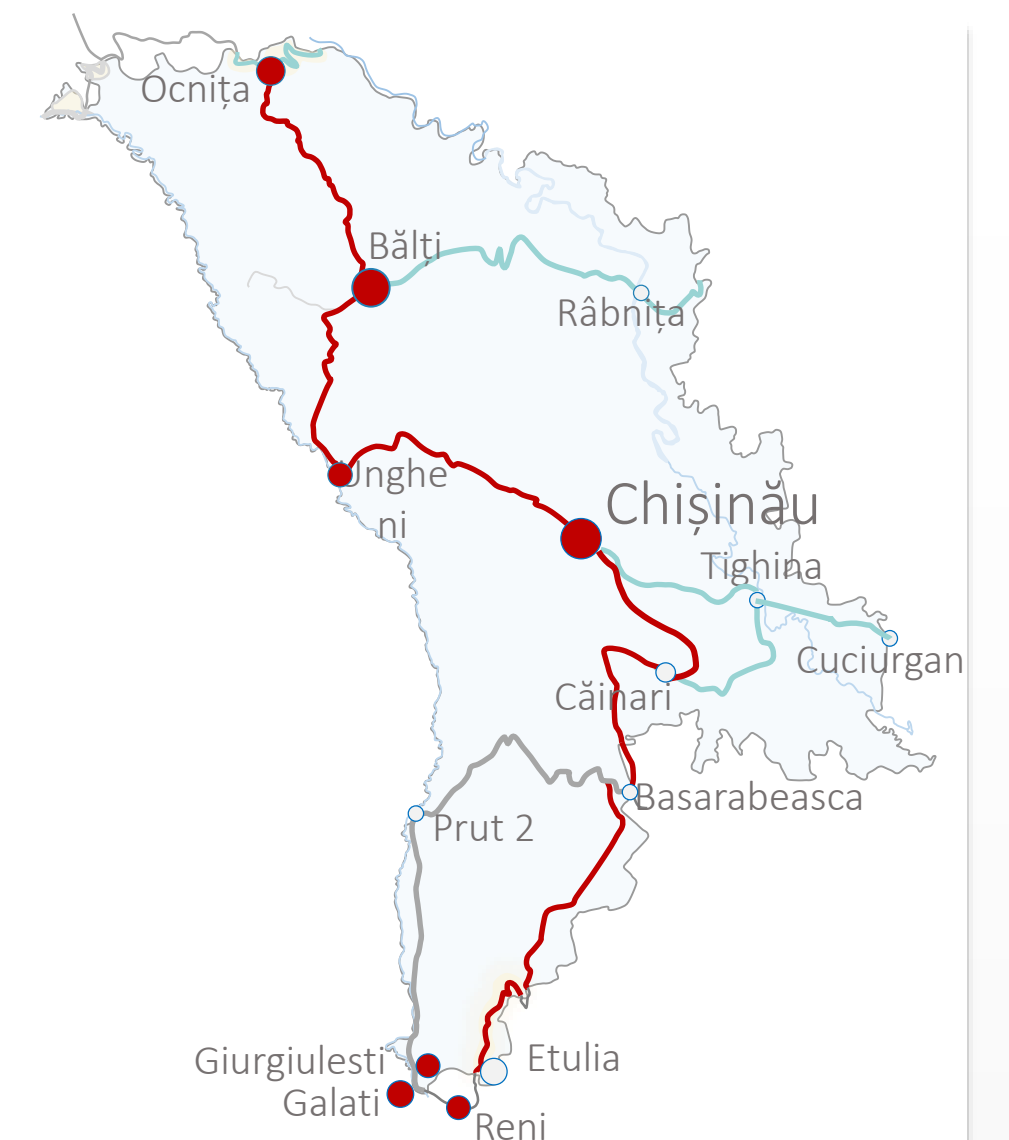
Defect rail tracks: 6 751

Closed lines: 388

Speed restrictions: 190 sections/411 km

Overdue repairs on 434 km

### RAIL YARDS



Station	Arrival/Departure lines				Shunting (sorting) lines			
	Total	Opened	Closed	To be repaired	Total	Opened	Closed	To be repaired
•Basarabasca	9	7	2	2	13	9	4	4
•Chisinau	6	5	1	1	12	-	12	12
•Ocnita	8	5	3	3	5	2	3	1
•Beresti	7	6	1	1	12	2	10	9
•Ungheni	4	3	1	1	-	-	-	-
•Balti	7	5	2	2	10	3	7	6

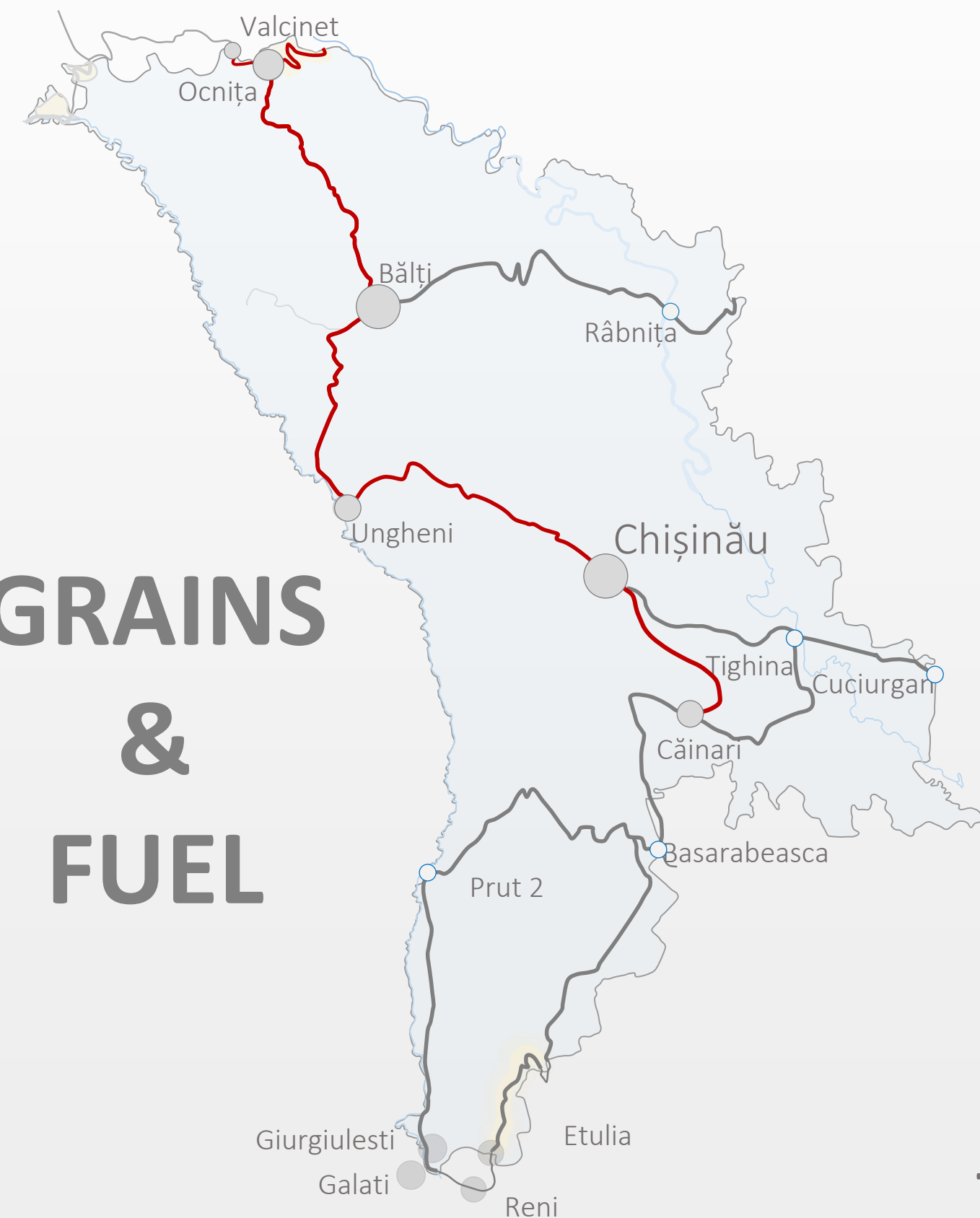
RESOURCES REQUIRED: 40 – 50 M EURO | 6-7 MONTHS

# Railway sector in Moldova

Reshaping logistics

## SECTOR

Valcinet – Ocnita – Balti  
– Ungheni – Chisinau – Cainari



GRAINS  
&  
FUEL

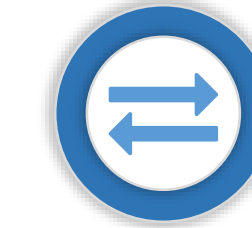
## PROJECT REQUIREMENTS

1

Perform railway rehabilitation works (overhaul & intermediary) on 127,8 km of main line tracks.

2

## PROJECT DELIVERABLES



Increase minimal train speed from 15 to 40 km/h on the corridor Valcinet – Giurgiulesti.  
+6 trains/day = 25,3 K tons/day = 9,2 M tons/year\*

## NECESSARY RESOURCES



Main lines (1520mm gauge)	Track length, km (overhaul + intermediary)	Rails, tons	Sleepers, units	Ballast, m <sup>3</sup>	Fastening
Valcinet – Ocnita	8,9	910	14 780	16 850	29 560
Ocnita – Balti	26,9	2 873	45 464	51 400	90 928
Balti – Beresti	25,6	3 328	47 104	51 200	94 208
Beresti – Chisinau	45,5	4 186	72 548	84 350	145 096
Chisinau – Revaca – Cainari	20,9	2 717	38 456	41 800	76 912
<b>Σ main lines</b>	<b>127,8</b>	<b>14 014</b>	<b>218 352</b>	<b>245 600</b>	<b>436 704</b>

## NECESSARY BUDGET

**~91 430 100**



Materials

67 726 000 €

Works

16 931 500 €

Logistics

6 772 600 €

time for completion

2024-25

financing considered

IFI's, own funds



# Railway sector in Moldova

Reshaping logistics

LIPCANI – OCNITA – MOHYLIV BORDER (1) | MD ENTRY  
1520mm gauge

EXIT TO BLACK SEA | FALCIU-PRUT(3)\*  
The rehabilitation of Prut sector is needed (2.5km)

EXIT TO BLACK SEA | CONSTANTA PORT (2)\*  
IASI-UNGHEN | Mixed gauge | boghie change facility

EXIT TO DANUBE | IZMAIL PORT (7)  
The rehabilitation of Basarabeasca-Berezyne-Artsyz sector (55km)

EXIT TO DANUBE | GIURGIULESTI, RENI & GALATI PORTS (4-6)  
mixed gauge (4-5) and 1520 gauge (6)



## BLACK SEA

\*RISCS

1. SCARCITY OF 1435 GRAIN HOPPERS
2. OVERCROWDED CONSTANTA PORT

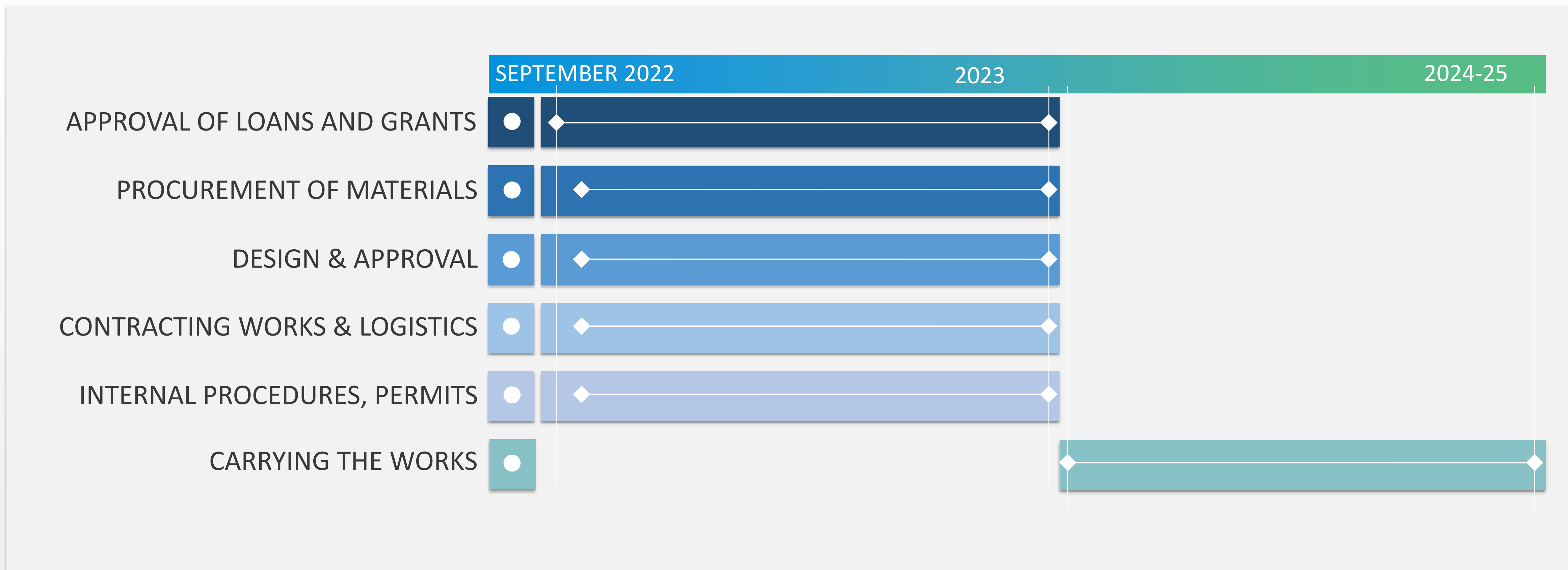
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Reshaping logistics

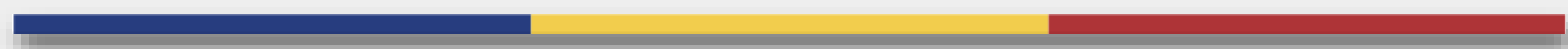
## PROJECT IMPLEMENTATION

To do list

KEY ELEMENTS: **NOVATION, SYNCHRONICITY, COHESION, URGENCY**

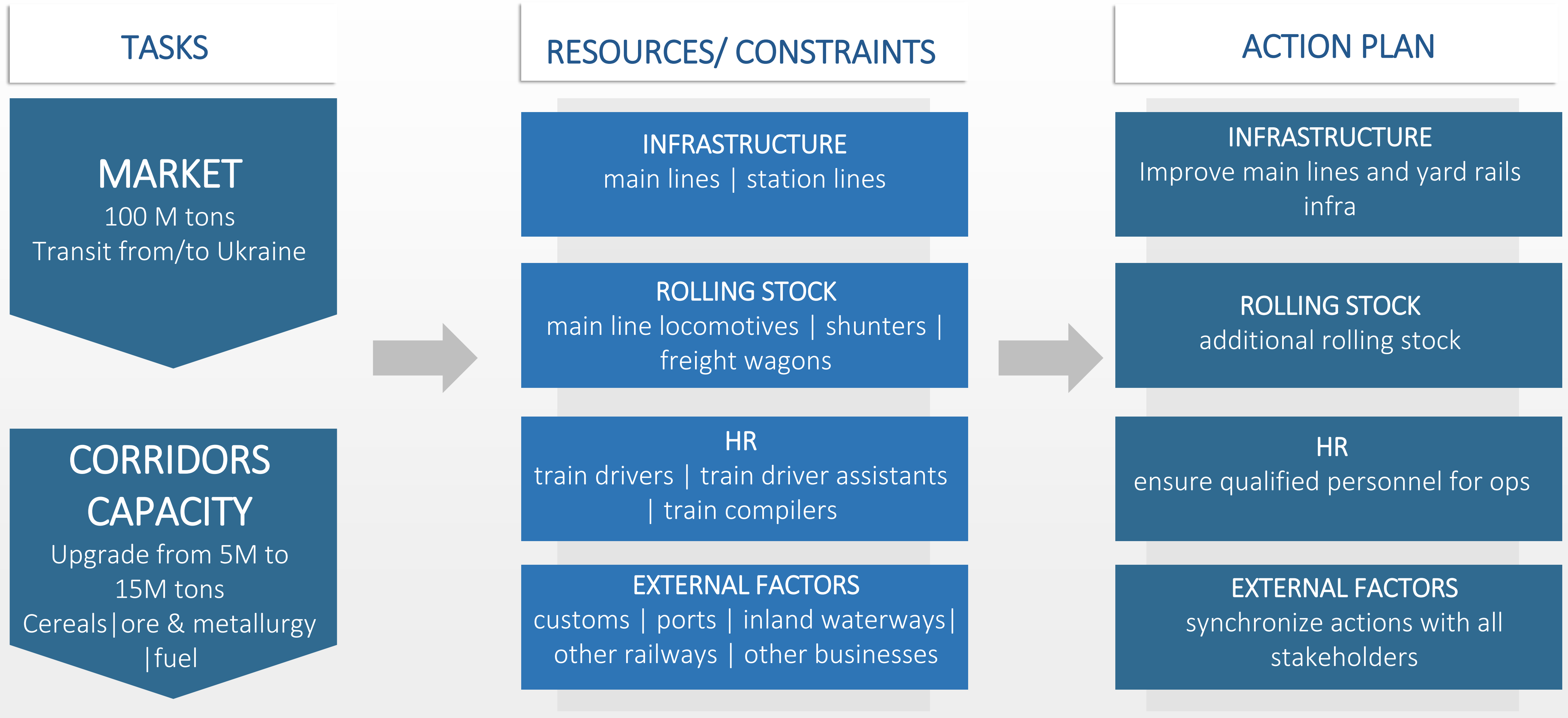


Key actors: IFI`s, DG MOVE, MIRD, MF, MFA, APP, CFM, UZ



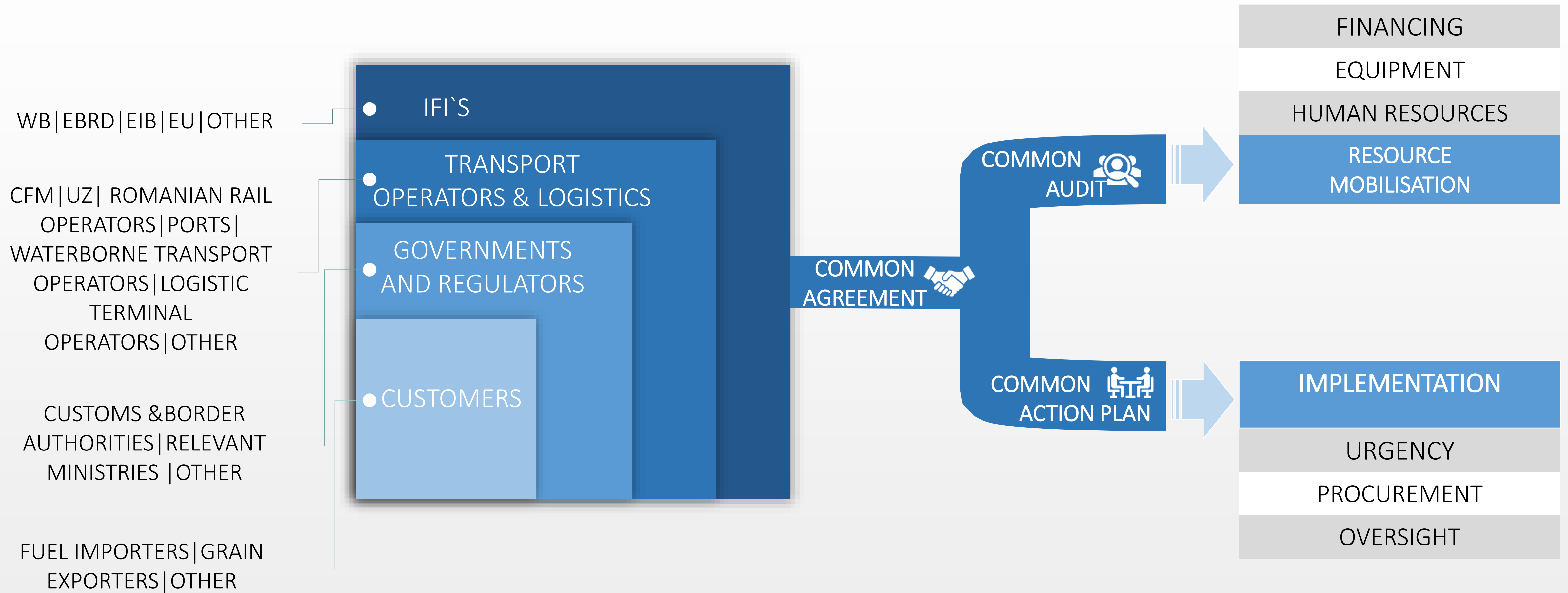
# Railway sector in Moldova

Reshaping logistics



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Reshaping logistics

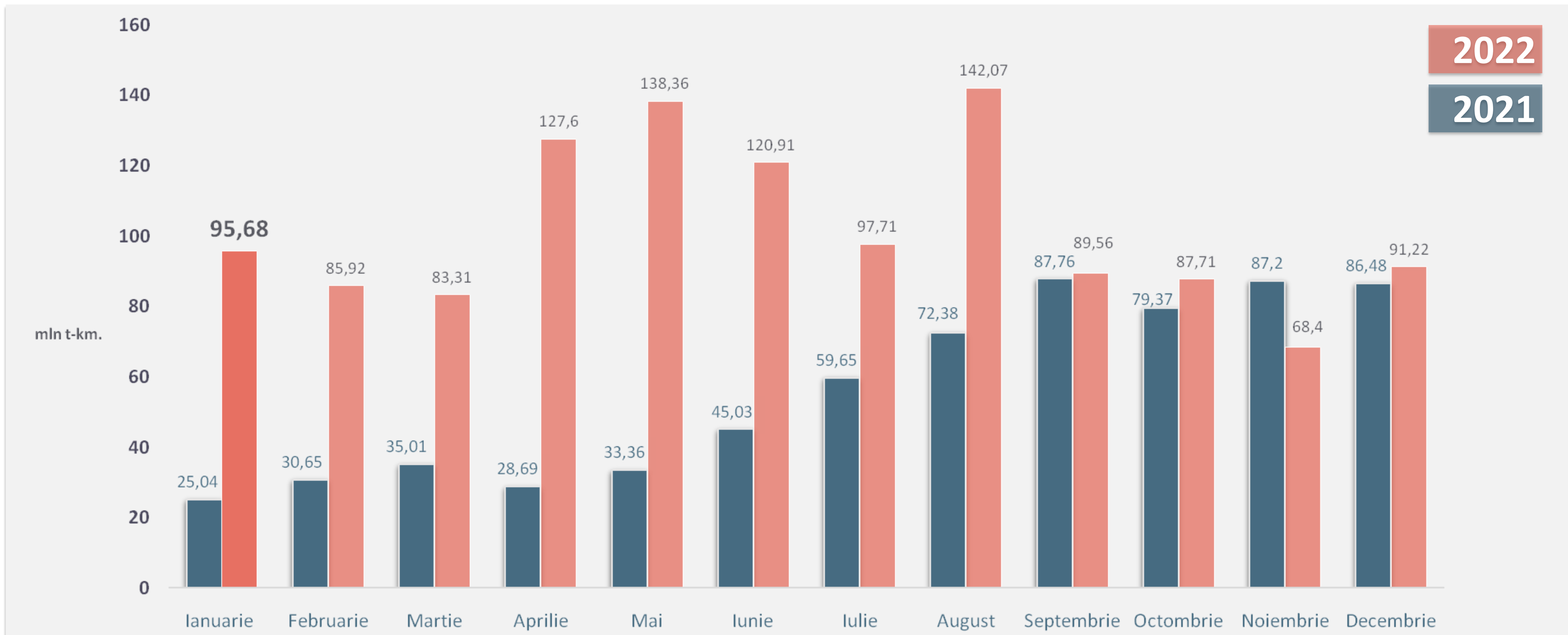


# Railway sector in Moldova

Reshaping logistics



Freight ton-km 2021 vs 2022

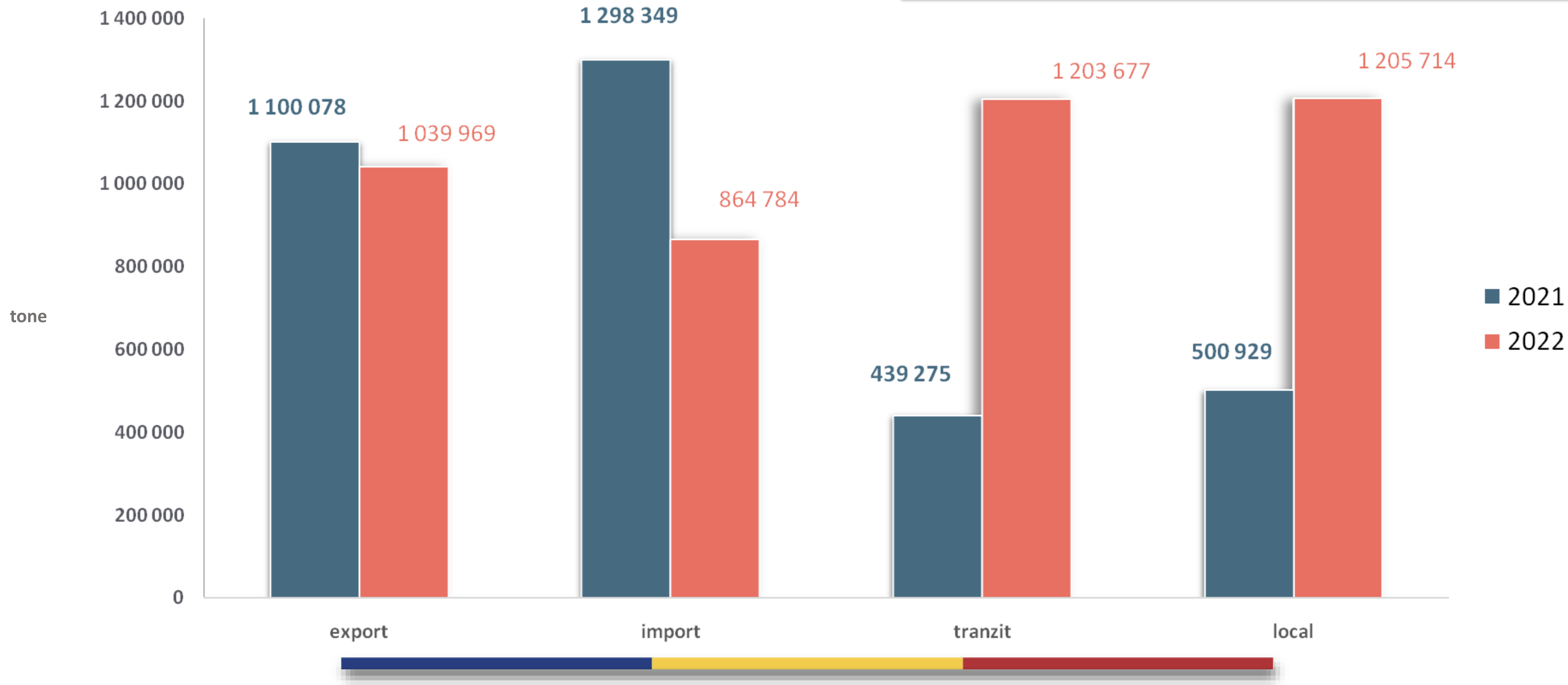


# Railway sector in Moldova

Reshaping logistics



Freight tons 2021 vs 2022





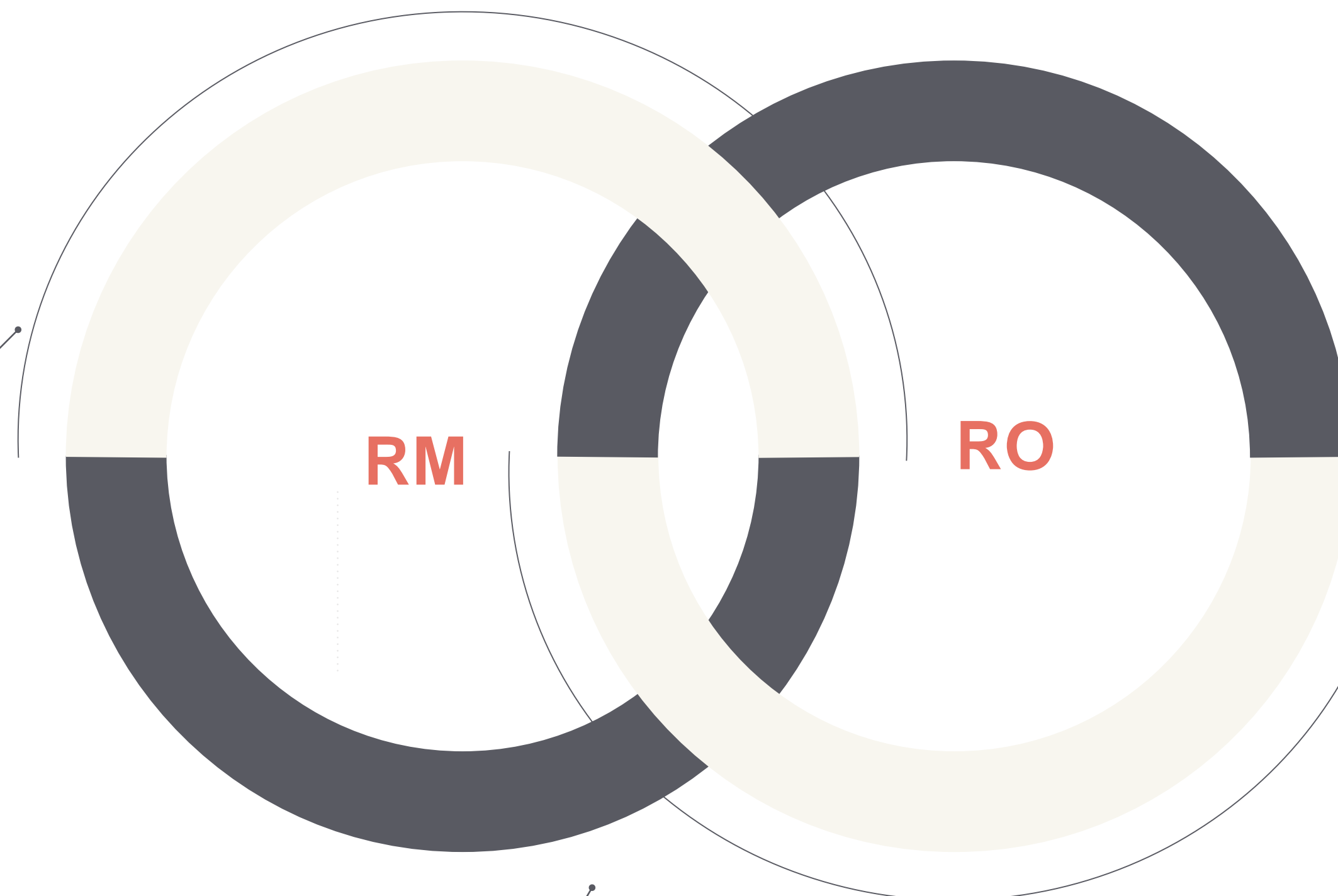
# Railway sector in Moldova

Reshaping logistics



International cooperation  
MD-RO

Enhancing BCP capacity at  
Ungheni and Giurgiulesti



+3 border exchange  
agreements with Romanian  
railway undertakings



Total: 6

Near future: combined exchange  
trains, volume-related fares,  
reviewing wagon charges



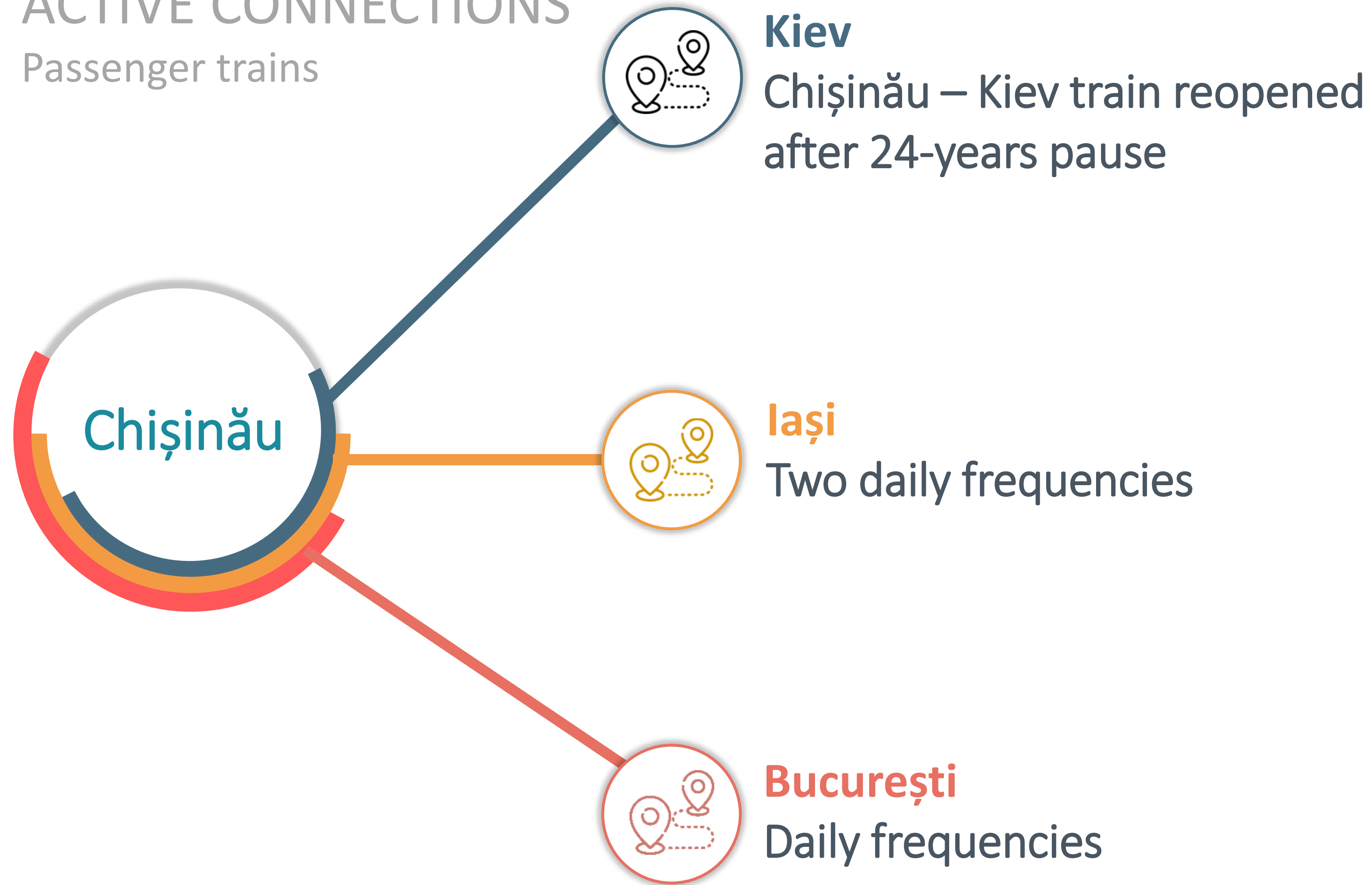
# Railway sector in Moldova

Reshaping logistics



## ACTIVE CONNECTIONS

Passenger trains

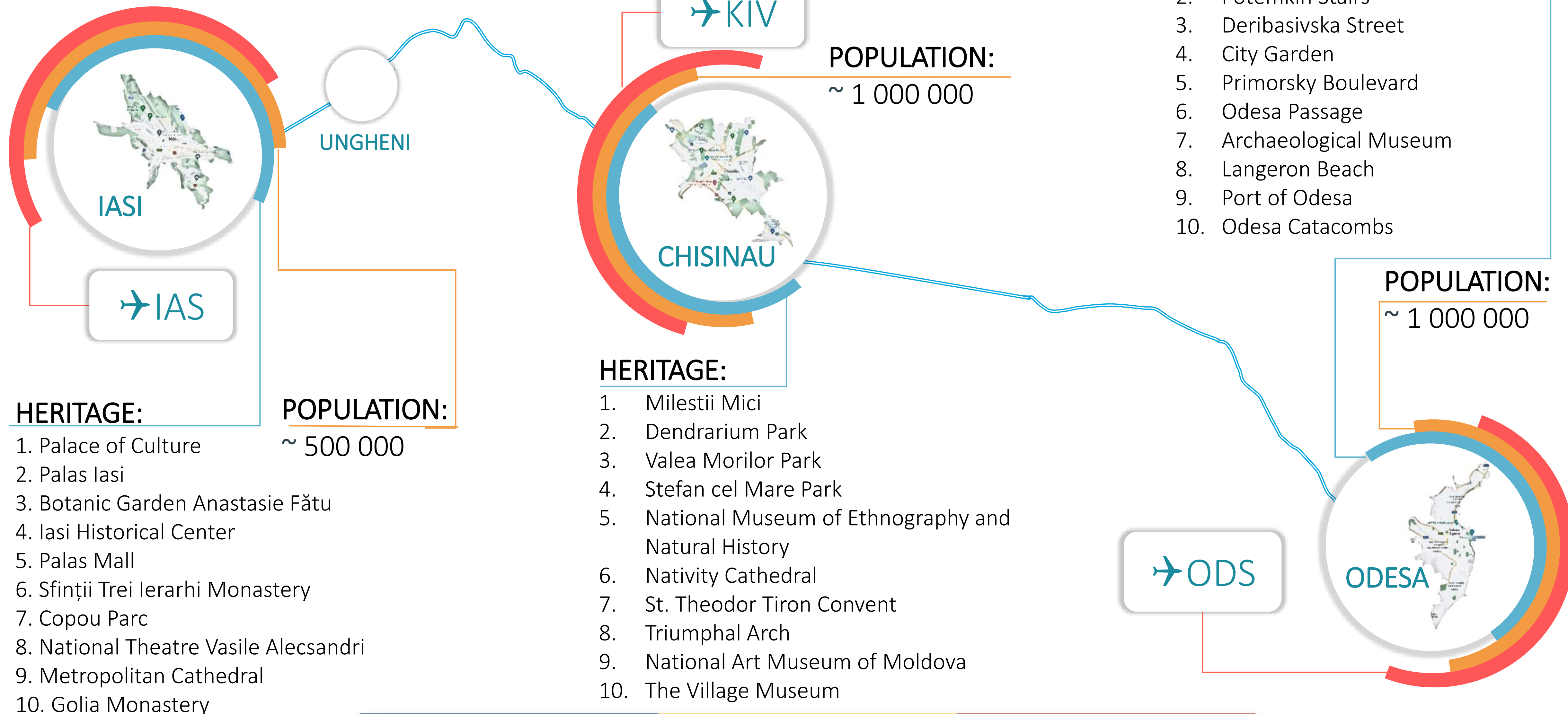


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# Railway sector in Moldova

Future projects



# Railway sector in Moldova

Future projects

✓ MODERN, SAFE & SUSTAINABLE

TRANSPORT

✓ HIGH FREQUENCY

✓ HIGH COMFORT LEVEL

✓ ENVIRONMENTALLY FRIENDLY

✓ COMPETITIVE PRICE

## ODESA-CHISINAU-IASI ROUTE MATRIX

		Odesa-Chisinau	Chisinau-Iasi	Iasi-Chisinau	Chisinau-Odesa
MORNING ROUTES	06 A.M 11 A.M	✓	✓	✓	✓
AFTERNOON ROUTES	11 A.M 16 P.M	✓	✓	✓	✓
EVENING ROUTES	16 P.M 23 P.M	✓	✓	✓	✓
NIGHT ROUTES	23 P.M 06 A.M	✓	✓	✓	✓

# Railway sector in Moldova

Future projects

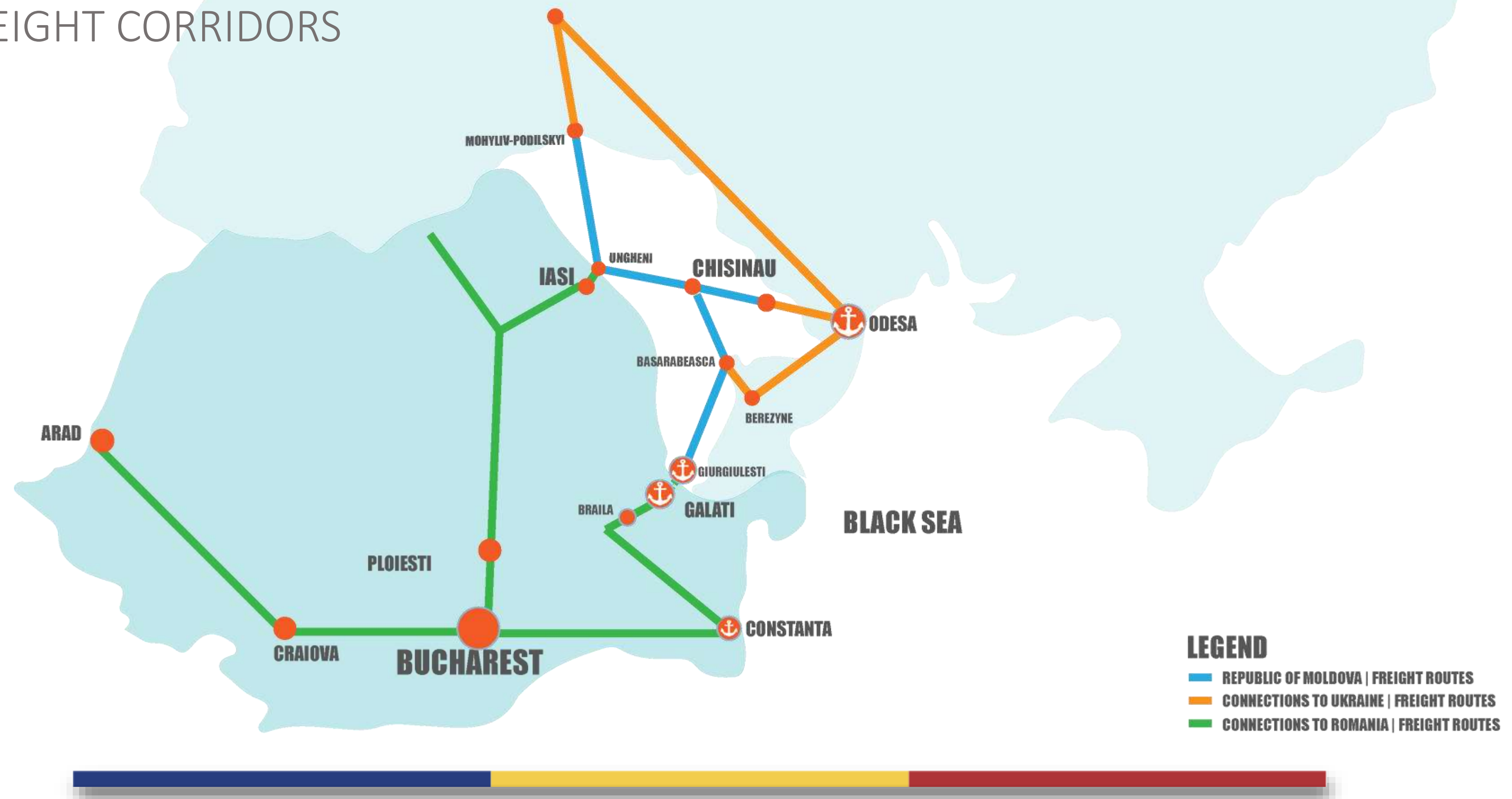


# Railway sector in Moldova

Future projects

## RFC

CONNECTING REPUBLIC OF MOLDOVA TO RAIL FREIGHT CORRIDORS



# Railway sector in Moldova

Future projects

# HSL

CONNECTING REPUBLIC OF  
MOLDOVA TO HIGH SPEED LINES

BUDAPESTA

SZEPED

SIBIU

TIMISOARA

BRASOV

SIBIU

PLOIESTI

BUGURESTI

SOFIA

ISTANBUL

IASI

BALTI

VINITSA

UNGHENI

CHISINAU

TIGHINA

BLACK SEA

ODESA

KIEV

## LEGEND

- HSL UNDER STUDY
  - POTENTIAL EXTENSION TO REPUBLIC OF MOLDOVA
  - POTENTIAL EXTENSION TO UKRAINE
  - OTHER POTENTIAL CONNECTIONS
- ### HIGH SPEED LINES





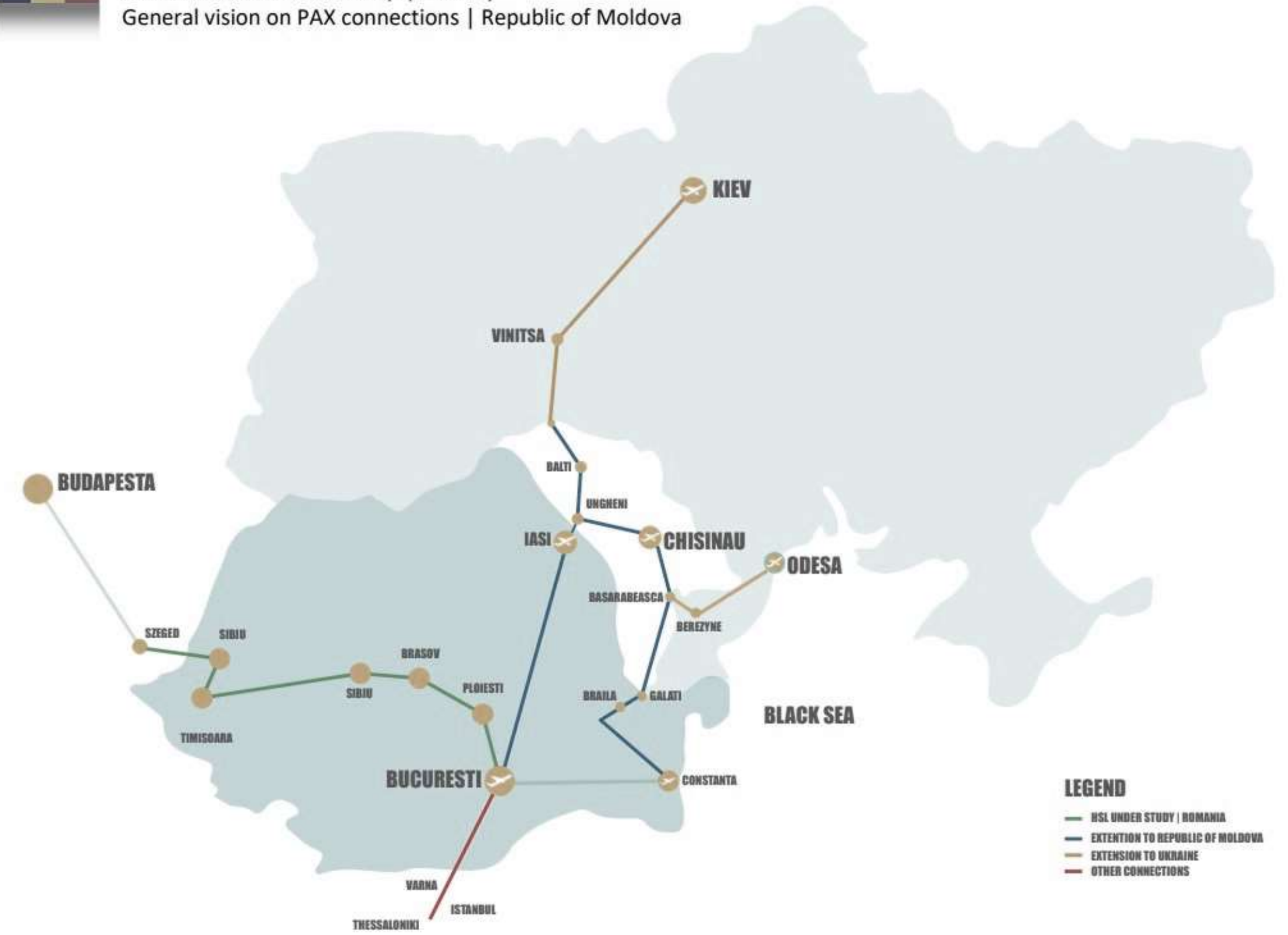
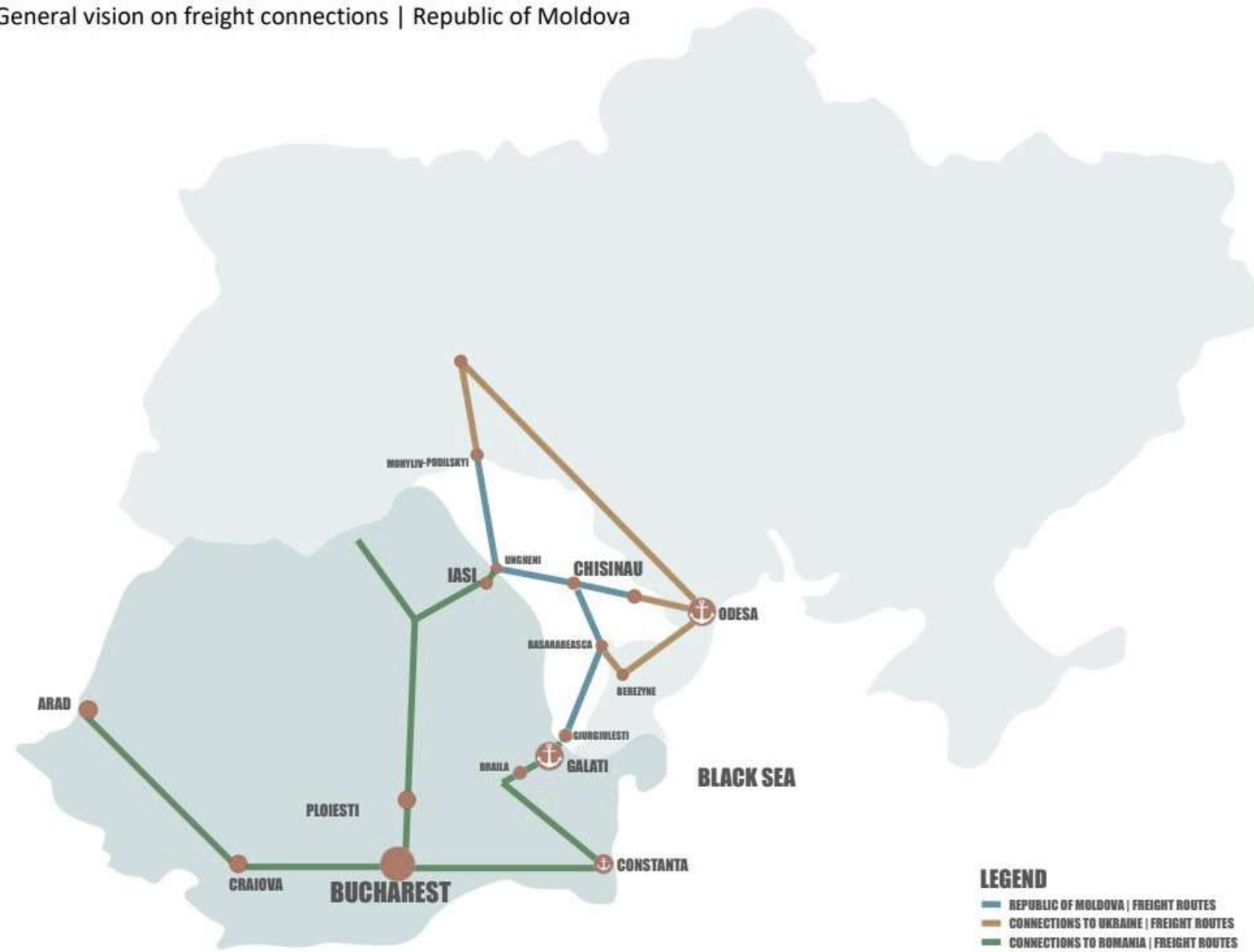
# Railway sector in Moldova

Future projects

## TEN-T connections overview

Conventional indicative map | Railway  
General vision on freight connections | Republic of Moldova

Conventional indicative map | Railway  
General vision on PAX connections | Republic of Moldova



**Thank you.**

