

Some countries are facing problems with their high speed railways

There are those that suggest we should build more high speed rail in the UK to keep up with other countries. Let us look at some of them before returning to the UK.

Portugal

The Portuguese government decided to suspend construction of its 3.3bn€ Lisbon-Madrid high speed rail link. This was debated in their parliament on June 30th and July 1st 2011, following their 78bn€ bailout by the International Monetary Fund and European Union. Suspending this project is not a requirement of the bailout, but the idea is to guard against possible external and internal risks. Portugal previously announced two year delays to the building of the Lisbon-Porto and Porto-Vigo high speed rail lines.

Portugal's debt as a proportion of GDP was 93% at the end of 2010. In the UK the figure was 52% at the end of 2010, and is now believed to have risen to more than 60%.

<http://www.guardian.co.uk/world/2011/jul/05/portugal-spain-rail-plan-more!>

<http://www.dw.de/dw/article/0,,5333784,00.html>

http://www.ukpublicspending.co.uk/downchart_ukgs.php?year=1900_2011&chart=G0-total&units=p#copypaste

Spain

In July 2011, Spain axed the high speed train running between Toledo, Cuenca and Albacete. This high speed line, which cost 3.5bn€, was opened in December 2010; however only 9 passengers (on average) used this route per day. The failed route was costing 18,000€ per day to operate. This is one of several austerity measures intended to drastically shrink public spending and reduce Spain's borrowing costs.

<http://www.telegraph.co.uk/news/worldnews/europe/spain/8603392/Spain-cuts-high-speed-ghost-train.html>

http://en.lacerca.com/news/castilla_la_mancha/high_speed_madrid_albacete-73451-1.html

France

France's plans for TGV expansion are running into financing problems because of the recession and the country's high budget deficit. *We risk having longer and longer high-speed lines which are used less and less;* so said the president of the SNCF, Guillaume Pépy. He thinks that France is going too fast in its further construction of high speed lines. TGV fares have increased by 100% in the last decade compared to about 30% for car travel. Pépy went on to say: *The whole basis of the high-speed rail revolution – that the TGV should be the "normal" means of travel, not just something affordable by the business elite – is under threat.* The SNCF president also described the state railways as: *Decaying... facing a financial impasse... and heading for the wall.* He should know better than most.

<http://www.independent.co.uk/news/world/europe/life-on-the-fast-track-thirty-years-of-the-tgv-2265455.html>

In December 2011, the French minister of transport announced that, except for the 4 TGV projects already begun or under contract, all other projects TGV projects must be re-evaluated. Money must be employed for the renovation of the existing railways. Further information in French:

<http://www.developpement-durable.gouv.fr/Assises-du-ferroviaire-assemblee.html>

Poland

On 7 December 2011, Poland announced it was shelving plans to build a 480km Y shaped high speed rail line. Projected costs had already risen by 40%. The government will instead focus on upgrading existing lines.

<http://www.railwaygazette.com/nc/news/single-view/view/polish-high-speed-rail-project-cancelled.html>

Netherlands

The high speed line between Amsterdam, Rotterdam and Breda has been saved from bankruptcy with a £250m government bailout. It has been losing £320,000 per day due to disastrous levels of patronage. That is despite trains being slowed on the classic network in an apparent attempt to drive passengers onto the high speed line.

<http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/9000166/High-speed-rail-A-250m-lesson-for-Britains-rail-enthusiasts.html>

Plans for a high speed line from Amsterdam to Germany (HSL-Oost) have been suspended. The scope of the project has been reduced, and the Dutch have no plans to run high speed trains on this route in the near future.

http://en.wikipedia.org/wiki/High-speed_rail_in_the_Netherlands

Norway

Doubt has been cast on plans for a high speed rail network in Norway. A former boss of the Norwegian state railway NSB has suggested that funding will not be made available to build a high speed network, and that the public are being misled on the subject.

<http://www.newsinenglish.no/2011/12/05/high-speed-train-talk-just-that/>

Taiwan

In 2009 it became necessary for the Taiwanese government to take over the running of the Taiwan High Speed Rail Corporation as it was almost bankrupt, two years after it first started running its high speed trains. One of the contributing factors to the financial problems was that passenger numbers were approximately one third of those that had been forecast.

<http://ccsenet.org/journal/index.php/ijbm/article/view/6370/6325>

Taiwan's high speed rail system is suffering from subsidence on some of its lines, which is reckoned to be between 5 and 7cm per year. It is now planning to spend US\$18bn to seal off 1000 wells to reduce further subsidence.

<http://www.freemalaysiatoday.com/2011/07/26/taiwan-to-seal-1000-wells-to-save-high-speed-rail/>
<http://www.taiwantoday.tw/ct.asp?xItem=172854&ctNode=445>

China

China has incurred a vast amount of debt during the building of its high speed rail network. The debt was estimated to have reached 2 trillion yuan (US\$304 billion) by the end of 2010. The Chinese Railways Ministry is required to pay interest of up to 120 billion yuan (US\$ 18.26 billion) each year. Apparently the railway system is currently only able to pay interest on the debt, and is unable to repay any of debt itself.

One comment reported by Reuters may strike a chord: *Professor Zhao cited the line from eastern Henan province's capital Zhengzhou to the Shaanxi city of Xi'an as the perfect example of a white elephant rail project. "It is basically empty," he said. In the first six months after its launch in February 2010, the railway reported 1.98 million passengers. It was designed for 37 million a year.*

Out of 23 current railway projects, 70% have been suspended, partly suspended or delayed. Only 9 new railways are likely to be commissioned in 2012, compared to 70 in 2011.

Following some safety concerns, the speed of the trains has been reduced from 380 kph to 300 kph.

<http://www.wantchinatimes.com/news-subclass-cnt.aspx?cid=1502&MainCatID=15&id=20110301000115>

<http://www.reuters.com/article/2011/06/23/uk-chinas-railway-boom-hurtles-into-the-idUSLNE75M04520110623>

<http://www.telegraph.co.uk/news/9095729/Chinas-high-speed-rail-project-runs-out-of-steam.html>

<http://www.ft.com/cms/s/0/3d859f1e-a1a1-11e0-b9f9-00144feabdc0.html#axzz1Qe9CBrd8>

On 23rd July 2011 one high speed train came to a halt after a lightning strike disrupted its power supply. The following train crashed into it as its electronic safety system apparently failed to operate. More than 30 people were killed.

<http://www.bbc.co.uk/news/world-asia-pacific-14289033>

This Washington Post article brings together many of the issues faced by the high speed railways in China. Its title is somewhat misleading.

<http://chinawatch.washingtonpost.com/2012/01/high-speed-trains-head-back-on-track.php>

USA

In February 2011, Florida's governor Rick Scott turned down a \$2bn government incentive to develop a high speed rail link from Tampa to Orlando. He believed passenger numbers to be overestimated, and that the state would have to pick up the bill for subsidies because the line would be unable to pay for itself. His decision follows very similar decisions made in Ohio and Wisconsin.

<http://www.nytimes.com/2011/02/17/us/17rail.html>

<http://www.reuters.com/article/2010/12/09/us-usa-infrastructure-highspeedrail-idUSTRE6B860B20101209>

The House of Representatives has recently voted to rescind more than \$1bn of funding previously earmarked for high speed rail to allow greater financial aid for flood relief efforts in the Midwest.

<http://www.buffalonews.com/city/politics/article490818.ece>

In California, there is growing anxiety about the planned high speed rail system. Projected costs have more than doubled to \$98bn and the completion date has slipped by 13 years to 2033. More than half of those polled are now against this high speed line.

http://www.paloaltoonline.com/news/story_print.php?story_id=23483

Brazil

Brazil wants to build a high speed rail line between Rio de Janeiro, Sao Paulo and Campinas; this includes two of its major cities. It has made three attempts to auction the rights to build and operate the proposed line, but has so far received no responses from potential bidders. Any private company taking on the work would have been expected to recoup its costs in 35 years.

<http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=201107111526dowjonesdjonline000282&title=brazil-receives-no-proposals-for-high-speed-train-auction>

<http://www.nce.co.uk/news/transport/brazil-high-speed-rail-project-to-be-split-in-two-after-no-bids-received/8617262.article>

United Kingdom

We only have the experience of HS1 to draw on. Some may remember that 18 Javelin carriages were taken out of service four months after the line was completed in 2009 due to low passenger usage.

In April 2011 a Telegraph reporter noted there were more than 200 empty seats on a peak time train leaving St Pancras at 6:10pm. Off peak usage was described as 90% empty.

<http://www.metro.co.uk/news/824624-140mph-train-service-is-reduced-after-complaints>

<http://www.telegraph.co.uk/journalists/andrew-gilligan/8423638/High-speed-rail-Britains-first-link-hasnt-worked-as-planned-say-critics.html>

Conclusion

What can we learn from this? There is a tendency to overestimate demand for high speed rail lines. Aalborg University found that nine out of ten rail projects overestimated passenger demand, the average overestimation being 106%.

<http://seekerblog.com/2010/08/31/high-speed-rail-inaccuracy-in-traffic-forecasts/>

Serious financial difficulties have been experienced on some of the more recently constructed high speed lines. Several studies have indicated that the vast majority of high speed lines across the World require an ongoing subsidy, which runs into billions of pounds per year per country.

<http://www.cc-hsr.org/assets/pdf/bnote-6.pdf>

A government with a high level of debt finds it prudent to suspend further investment in a high speed rail project.