

## **Speech given by Guilherme Quintella**

CEO EDLP Brazil

Chairman of UIC Latin-America

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*The spoken word alone prevails*

Madam President,

Welcome to UIC.

Welcome to the House of the Railways.

We have here 200 of the largest rail operators in the world who together transport annually more than 30 billion passengers and 11 billion tonnes of freight, along nearly a million miles of track, corresponding to 95% of the total world rail network, and who employ directly more than 7 million people.

You have seen no trains here, you have heard no whistles, but here at UIC you are in the largest station in the world.

We trust you will feel at home here, Madam President.

Ladies and gentlemen of the railways,

Brazil is a country of railways.

This vast state in South America, spread over 8.5 million km<sup>2</sup>, is bordered to the west by the Andes and to the east by the mountains of the Serra do Mar and the Mantiqueira range, meaning the rivers flow mainly in a north-south direction. This in turn makes it necessary for us to have a highly energy-efficient system of crossing the country overland from east to west, linking the fertile lands of the Brazilian high plateaux, situated increasingly in the west, to the urban centres and ports.

From 1854 Brazil based its transport system on the railways, underpinned by a model imported from Europe, more especially from England.

In 1930, when the first road was paved in Brazil, the country already possessed 30 000 km of railway lines.

The railway provided us with the basic structure we needed for industrialisation. This was a time of prosperity, of development, of full employment and a better quality of life. A period of growth, during which the railways made it possible for our towns and cities to build up an efficient and complementary network. In the 60s, with a population of 60 million, Brazilian railways were transporting 100 million passengers every year.

With industrialisation, progress had come.

In the post-war period, Brazil changed its transport policy. We began to place greater emphasis on private transport. We were influenced then by the “American Way of Life”. We rightly focused on the development of road and air transport, with the result that today we have one of the biggest car fleets in the world, and, with the aerospace conglomerate Embraer, an aviation industry among the best worldwide and in which all Brazilians take great pride.

Even though we were successful in our promotion of the automobile industry, we should not have abandoned our rail fleet. It is easy to forget that an efficient transport system needs a balanced, harmonious, complementary, systematic, and non-exclusive approach. Over the decades, and up to the end of the 90s, the number of rail passengers our parents had known continued to fall. With the abandonment of rail, towns and cities could no longer operate as part of an efficient and complementary network.

The result was urban development lacking in order, leading to unacceptable levels of expansion in the great urban centres in Brazil, along with high freight carriage costs which make it difficult for Brazilian output to be competitive.

The imbalance in our transport grid results in Brazil wasting 100 billion dollars per annum on freight costs.

Today, ladies and gentlemen, 60 years after the post-war transport policy change, Brazil is beginning to build along new lines, focusing on competitiveness, complementarity and a systematic approach.

And it is along these lines that President Dilma is determined to forge ahead, creating a new era for transport in Brazil, with the carriage of both passengers and freight by rail.

These changes are going to revolutionise transport in Brazil.

As regards passenger trains, with a project of such magnitude and complexity, the government is developing a model which will enable Brazil to roll out a network of high-speed trains, in particular between Rio de Janeiro and Campinas via São Paulo, and then to link São Paulo to the States of Minas Gerais and Paraná.

In the Rio - São Paulo section, the need for a high-speed line is patently obvious. If we multiply the populations of the two cities, divide by the square of the distance between them, we obtain a ratio 10 times greater than the one arrived at when the first line was built in Japan, linking Tokyo to Osaka, and 20 times greater than that of the TGV Paris-Lyon high-speed connection.

With transport demand between the two biggest cities in Brazil destined to triple over the next ten years, no-one has any doubt that this high-speed service is an essential part of a new transport system that needs to be set up to complement air and road travel which are not far from reaching their saturation point. And, technically speaking, this new system to be put into operation, is the high-speed train service. Without it, in ten years' time we would have to adopt some sort of rotation system to carry passengers between Brazil's two foremost cities.

Still regarding passenger services, the country is beginning to show an interest in developing a network of regional intercity trains that would fit in perfectly with future high-speed systems.

As far as rail freight is concerned, the challenges are great, but not greater than the opportunities available.

As a consequence of the problems mentioned previously, Brazil has an inverted transport network, in which 58% of goods are transported by road while rail and water respectively account for 25% and 17% of goods carried. If we remove from this calculation the high-speed transport of iron ore, the imbalance is even more marked, with 71% of goods carried by truck, 10% by rail and 19% by water.

For this reason, last August the Brazilian government launched an integrated logistics plan which is intended to reduce logistics costs in Brazil by 30% by investing more than 125 billion dollars in infrastructure and integrating road, rail, air and water transport, ports and airports.

For rail freight infrastructure alone, 45 billion dollars will be earmarked for the construction of 10 000 km of new railway lines, crossing the country from north to south and from east to west.

This investment, linked to the current road, rail, port and airport networks, will allow Brazil to put an end to the 100 billion dollars it currently wastes annually, by developing a structured programme to make its production more competitive.

It should be pointed out that these projects are possible today thanks to Brazilian government efforts, in conjunction with those of Brazilian society as a whole, taking the long view of the project and keeping meticulous control of the finances associated with the structuring of a programme of public investment.

UIC Latin America is at your disposal to present all these projects to you in detail, as well as to provide the necessary interface with its promoters, the public companies that are developing, and who are promoting and creating the framework of rules for transport in Brazil.

Madam President,

The challenges facing you in the future in the management of the largest rail investment programme in the West, are not inconsiderable, and they are often misunderstood by those who continue to consider investments as expenditure, but you can be sure that here, at UIC, our doors are always open, to provide technical back-up for policies dedicated to the expansion of rail passenger and goods transport in Brazil.

Finally, I would like to remind you of the words of a former President of Brazil, Luiz Washington, who said that "to govern is to build roads".

To paraphrase Mr. Washington, to govern is to build new tracks, the tracks that Brazil needs and which it deserves.

As I said earlier, please make yourself at home here, Madam President.

Thank you to everyone.