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## China plan to build extensive railway network

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China plans to build extensive railway networks measuring 4,623 kilometres overall in eight railway construction projects among the nation's 18 vital projects due to start anew in 2009 for its enormous development of the west.

China National Development & Reform Commission recently announced the 18 vital projects it worked out toward a positive expansion of domestic demand and stable and rapid development of the western area.

The 18 vital projects call for a total investment of CNY 468.9 billion with the first CNY 358.2 billion in the eight railway construction projects to build 4,623 kilometres of railway networks in overall length. Rails necessary to the eight construction projects are estimated total nearly 550,000 tonnes. Of the eight construction projects, the largest one is intended to build a railway of 1,758 kilometres between Lanzhou and Urumqi with an investment of CNY 120 billion. Also, five of the eight projects require construction of a high speed railway system each that will operate at 200 kilometres per hour or beyond.

It is understood that not all the eight railway construction projects are set to start at once, given that the approval of a feasibility study is pending for some projects. It is a matter of attention what quantity of necessary rails will be sourced from abroad. China has virtually held back on rail imports for the past 10 years in its struggle to raise self-sufficiency in rails with domestic production.

As far as Japan's integrated steelmakers are concerned, it is uncertain whether they will find an opportunity to negotiate their rail exports to China in relation to its railway construction projects. Of late, most of the overseas inquiries for imports of Japanese rails have required a long rail measuring 100 meters. But the Japanese steelmakers make it a rule to cut long rails into four parts of 25m each in export sales, a practice that is convenient both for transit out of a steelworks and for shiploading.

China's rail exports totalled 545,000 tonnes in 2008 in which destinations ranged widely from South Korea, Malaysia and Vietnam in Asia to North America, Latin America and Africa. In January to September 2009, Chinese rail exports totalled 413,000 tonnes for shipments to various destinations such as Singapore, Vietnam and Indonesia in Southeast Asia besides the Middle East, North America and Latin America.

(Sourced from The TEX Report)

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