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2030 UKRZALIZNYTSIA

global growth points

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The Key proposals of candidates applying for UZ's CEO position in 2016



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1. To complete corporatization of the Ukrzaliznytsia

The process has not completed, the Supervisory Board has not been established
Compliance office has not been established yet
No long term strategy

2. To implement the EU directives

The Law "On railways" has not been voted by the parliament yet, but it corresponds to the timeline of EU directives implementation

3. To increase railway speed

Average train speed 58,2 km / h (passenger), 40 km/h (cargo)
The standard is 120 km/h and 80 km /h respectively

4. To minimize difference in the classes of cargoes

5. To reduce significantly cross-subsidizing

6. To create transparent access to wagons and locomotives

The Key financial proposals of candidates applying for UZ's CEO position in 2016



1. Automate control

ERP system has not been implemented

The cost of SAP for Ukrzaliznytsia is \$ 10-50 million. The effect is \$ 10 million annually

2. Sell non-core assets

Not stipulated by the financial plan

3. Investments in rolling stock

Capital investments amount to 136.4 billion UAH

4. Stimulate salaries' growth

An increase in the average wage by 26%, to \$ 350

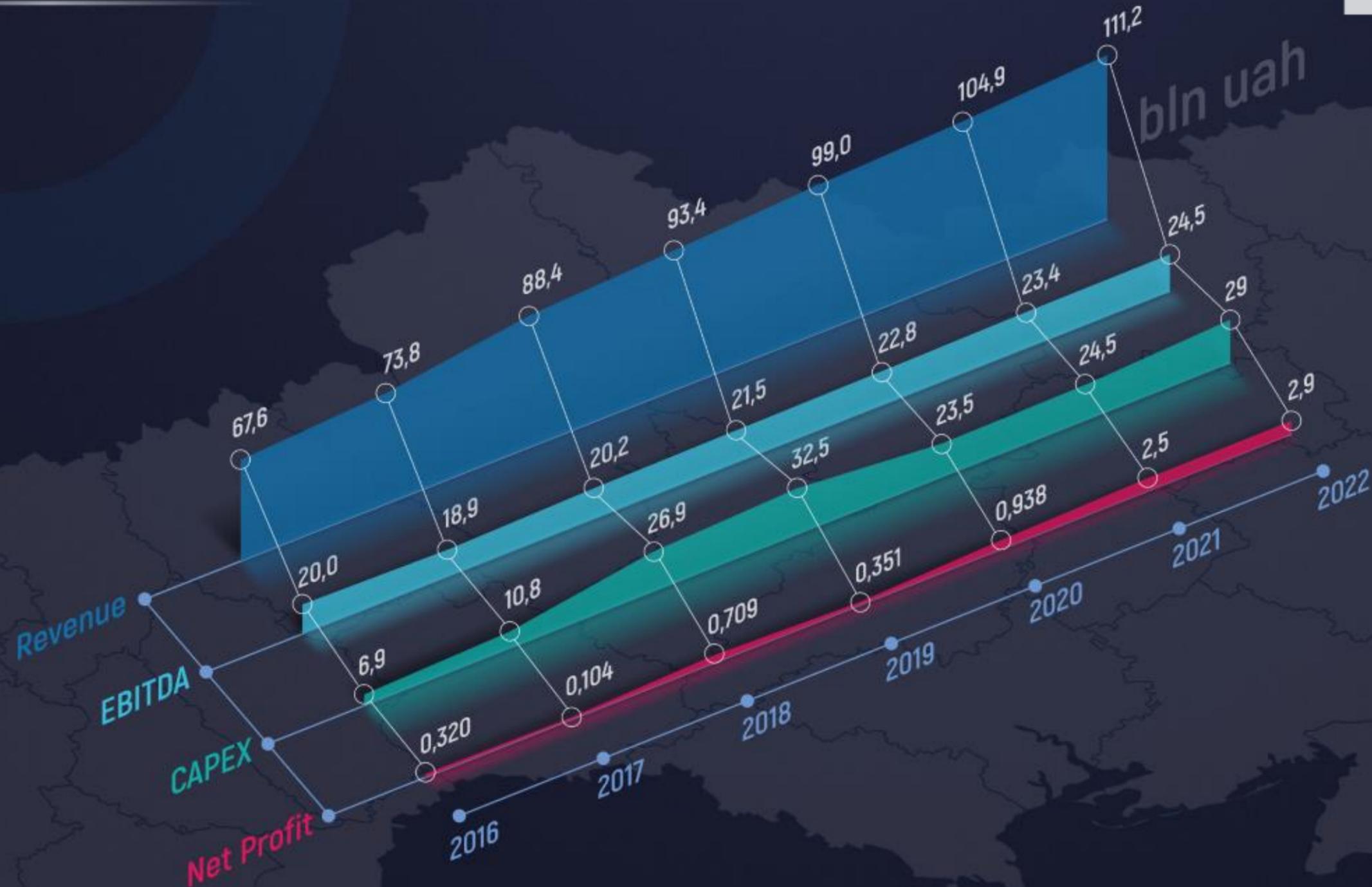
5. Optimize the UZ's financial model to inflow investment

The model has not been simplified, PPP projects are not implemented, additional internal financial resources are not created

UKRAINIAN RAILWAY FINANCIAL PLAN



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UKRAINIAN RAILWAY FINANCIAL PLAN

FINANCIAL COEFFICIENTS



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2016

Number of employees

283th

Average mon. wages

5683^{uah}

2017

Number of employees

278th

Average mon. wages

7625^{uah}

2018

Number of employees

264th

Average mon. wages

9626^{uah}

2030: MACROECONOMIC GROWTH POINTS



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High-speed rail 1000 km

\$25 bln

Invest in rolling stock (not import)

\$15 bln

Electrification 12 000 km

\$3 bln

Investment multiplier

>3

The effect is

\$120 bln GDP

Annual GDP growth

≈10%

