

In general, there are 3 approaches for railway infrastructure financing depending on the sources of funds

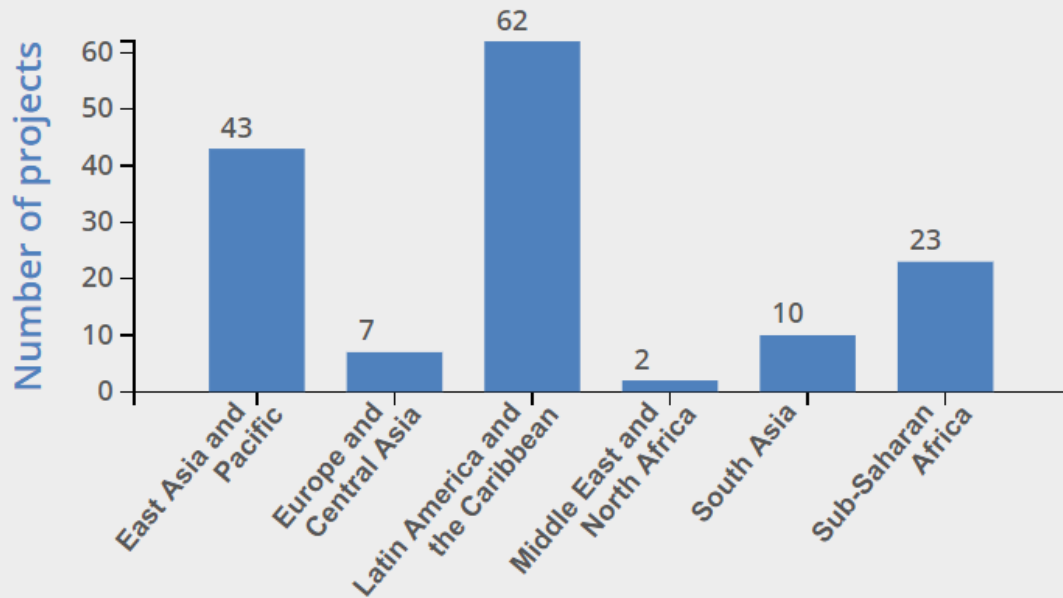
Considering railway freight perspective

| | <u>Regions</u> | <u>Key characteristics</u> |
|----------------------------------|--|---|
| Primary state financing | <ul style="list-style-type: none">▪ Europe▪ CIS region▪ Middle East | <ul style="list-style-type: none">▪ State (or SOE) are investing into rail sector▪ Some rolling stock is private |
| Budget + Private | <ul style="list-style-type: none">▪ China▪ India▪ South-East Asia | <ul style="list-style-type: none">▪ Natural resources and container rail lines are private |
| Primary private financing | <ul style="list-style-type: none">▪ North America▪ Latin America▪ Sub-Saharan Africa | <ul style="list-style-type: none">▪ All rail investment is private▪ Mostly concessions |

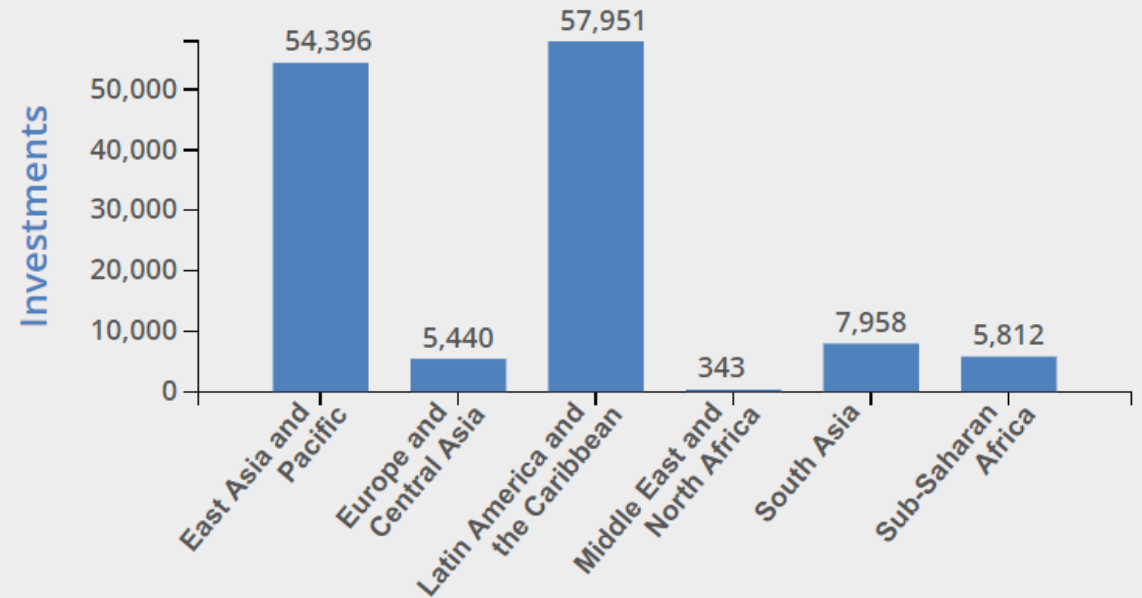
In 1990-2020 value of projects with private participation in developing countries in railway sector accounted for over 130 USD bn (147 projects in total)

Latin America – 44% and East Asia and Pacific – 41%

Projects reaching financial closure by region



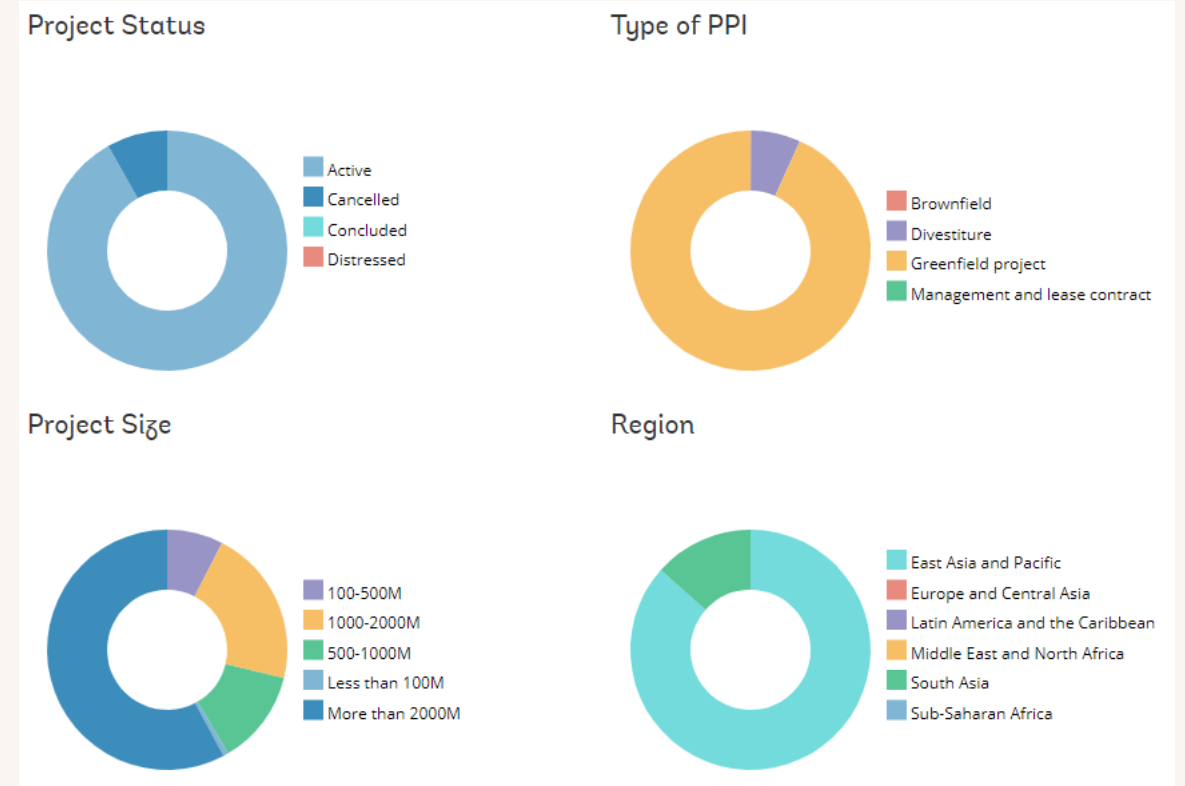
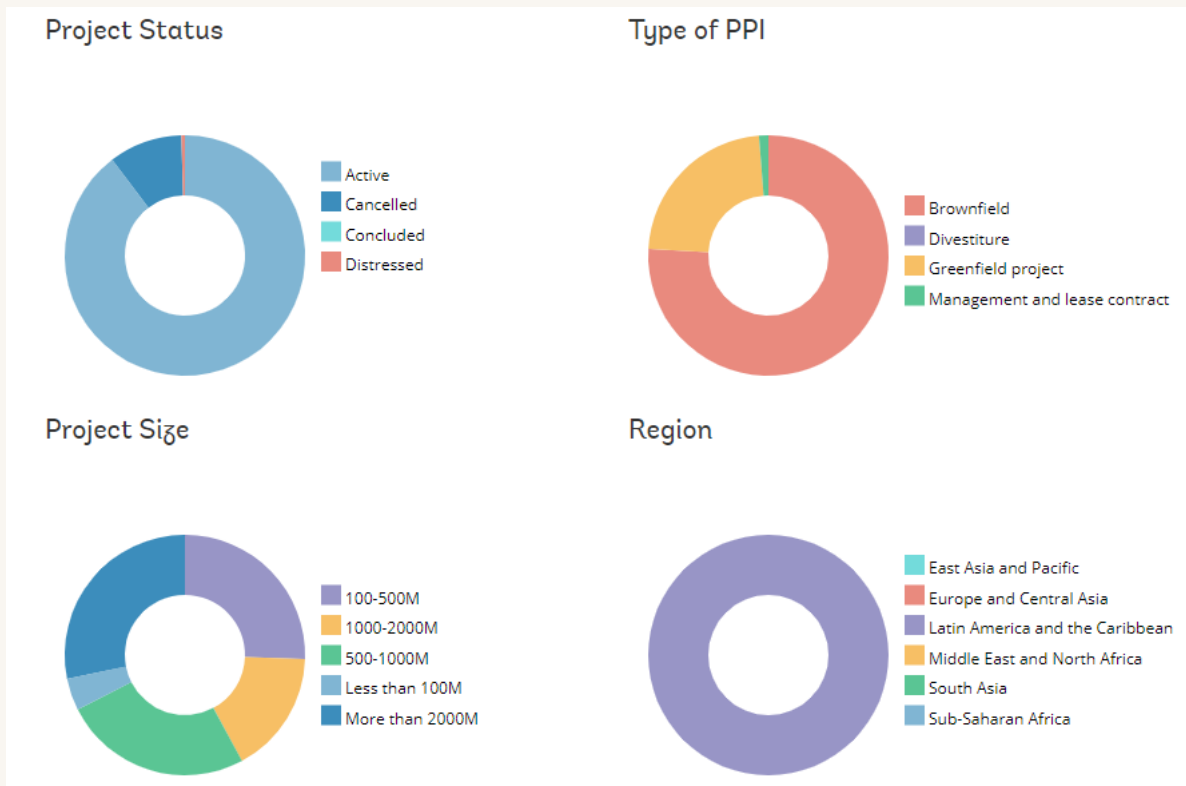
Investment in projects by region (US\$ million)



75% of projects of private investment in Latin America are brownfield, while 95% of projects in Asia are greenfield

Percentage of PPI projects – Latin America

Percentage of PPI projects – Asia



Ukraine should rather learn from South America in approaches for effective railway financing to boost transport volumes

Goods transported by railway, ton-km, indexed, 2006 = 100

