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# Railways for the World

around thirty trillion yen (about 268 billion USD) for infrastructure systems in 2020. With domestic market demand being expected to decline due to depopulation, the aging population and the declining birthrate, Japanese companies can gain benefits from seizing on global demand for infrastructure in terms of their own growth and maintaining and passing down technological prowess.

## **What measures is the Japanese government implementing to support exports of railway infrastructure?**

Nowadays, it has been common for foreign governments to call for the Japanese government to provide financial support because railway projects often require a massive amount of funds. Considering the current condition, the Japanese government makes proposals for capital procurement schemes suitable for rail projects initiated by foreign governments helping with ODA loans provided by the Japan International Cooperation Agency (JICA) and/or the Japan Bank for International Cooperation (JBIC) and funding provided by the Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN). Also, the Prime Minister and Minister of Land, Infrastructure, Transport and Tourism [MLIT Minister] take the lead in approaching the foreign government leaders.

For example, with regard to the Mumbai-Ahmedabad High-Speed Railway Project in India, we emphasized the advantages of the Shinkansen to the VIPs of the Indian government from

**A**n interview with Tetsuya Okuda, director-general of the Railway Bureau of the Ministry of Land, Infrastructure, Transport and Tourism

## **Why has Japan focused on exports of railway infrastructure in recent years?**

According to an estimation made by the Organisation for Economic Co-operation and Development (OECD), global demand for traffic and transportation infrastructure from 2009 to 2015 stood at an annual average of 388 billion dollars. That demand is estimated to increase to an annual average of 585 billion dollars from 2015 to 2030. Even in the railway sector alone, global demand is estimated to increase from an annual average of 130 billion dollars to 270 billion dollars.

The Japanese government has focused on exports of infrastructure systems in cooperation with private companies to revitalize the Japanese economy. The Infrastructure System Export Strategy formulated by the government in May 2016 set the goal of Japanese companies receiving orders of

the beginning of the project, and also conducted a feasibility study for the project. In terms of financing, the Japanese government proposed a yen loan program with preferential conditions. As a result of these efforts, the Japanese and Indian governments agreed to build the Shinkansen system in December 2015, and preparatory work is currently progressing toward the start of the construction in 2018.

### **What project is the Japanese government particularly keen on at present?**

First of all, we can mention the Malaysia-Singapore High-Speed Railway Project that the Malaysian and Singaporean governments agreed to aim to launch in 2026. An international bid is expected to be launched within this year regarding who is responsible for the rolling stock and the systems. Japan aims to win the bid through a collaboration between the public and private sectors.

In the United States, a great deal of attention is being paid to a project for connecting Washington D.C. and New York by Superconducting Maglev, the Texas High-Speed Railway Project and California High-Speed Railway Project. For the Superconducting Maglev between Washington D.C. and New York, the Japanese government and the U.S. government started a joint study from FY2016. For the Texas project, Shinkansen technology will be applied. Central Japan Railway Company (JR Central) is providing technical support with the operator, and JOIN has provided funding to back up the realization of the project in 2015. For the California High-Speed Railway Project, the Japan consortium is working to receive orders for rolling stock and systems.

In addition, for Thailand, in August 2016, MLIT Minister Keiichi Ishii and Arkhom Termpittayapaisith, Minister of Transport in Thailand, signed a Memorandum of Cooperation on the railway sector including advanced bilateral cooperation concerning the construction of the

Bangkok-Chiang Mai High-Speed Railway using the Shinkansen system. The Japanese government is currently conducting a feasibility study in cooperation with JICA.

### **What are the advantages of Japanese railway infrastructure?**

First, I would like to emphasize "Safety and reliability." The Shinkansen has experienced no passenger fatalities for fifty-two years since its opening. Also, the Shinkansen is extremely accurate, with an average delay of less than one minute, and it is also superior in terms of measures for earthquakes and environmental performance. In addition, the Shinkansen has achieved a low total life-cycle cost, not only in terms of initial construction cost. For example, the Shinkansen has reduced construction, maintenance and operation costs by making the weight of rolling stock lighter and achieving smaller-scale civil engineering structures, such as tunnels and high viaducts. Transport-related businesses such as development of areas along railway lines and the *ekinaka* (shopping area inside train stations; see pp. 16-17) business also play a major role in stimulating demand for using trains and increasing the value of trains.

In major urban areas in developing countries, environmental problems and traffic congestion are becoming increasingly serious due to the rapid acceleration of motorization based on their economic growth. Japanese railway infrastructure can contribute to solving these problems. Japan's expertise in railway-related business such as the development of areas along railway lines can also be used to vitalize many other economies.

We will continue to contribute to many countries using Japan's experience, technologies and know-how in the railway sector and work toward solving problems such as those connected with urbanization and the environment. ■

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Interview by OSAMU SAWAJI

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