



RAIL CARGO TRANSPORT INDUSTRY

2019 Report



POWERED BY  **MMRD**



Check the updates of MMRD Research Division's Syndicated Products at www.mmrd.com/syndicated-research/

Disclaimer

MMRD Research Division produces syndicated products to those needs. All rights reserved. No part of these data or documents may be reproduced or redistributed without the written permission of MMRD Research Division. MMRD Syndicated data/reports can be subscribed subject to the condition that it shall not be resold, lent, hired out or otherwise circulated without the prior written consent of MMRD Research Division.

About this publication

MMRD Research Division offers range of syndicated products with the aim to support the needs of our clients. We are a pioneer in researching logistics industry on a quarterly basis in Myanmar. Our goal is to provide up-to-date information of the logistics sector by producing quarterly reports and data. With that, our objectives are to identify the freight rates in various modes of transport, make quarterly comparison in the freight rates to highlight the trends and changes in the logistics sector, underline the issues experienced by the local transporters and traders in each logistics sector and make quarterly forecast over the potential trends in the Myanmar transport and logistics sector.

Table of Contents

Abbreviations	4
Units of Measurement.....	4
Exchange Rate.....	4
Overview of the Industry	6
Logistics Hubs	7
Types of Freight Wagons operating in Rail Cargo Transport Industry.....	11
Wagon Market Condition	12
Comparison of Transport Rates	16
Main Issues in Rail Cargo Transport Industry	19
Short Term Outlook	20

Figures

Figure 1: Main Rail Transport Routes	7
Figure 2: Map showing the location of two dry ports to be constructed in Yangon and Mandalay	9
Figure 3: Comparison of Freight Rates in Rate/kg by Main Routes.....	17
Figure 4: Comparison of Freight Rates in Rate/tonne/km by Main Routes.....	18

Tables

Table 1: Types of Wagons operating on Yangon Railway Routes.....	8
Table 2: Types of Wagons operating on Mandalay Railway Routes.....	8
Table 3: Government’s Freight Rates per Wagon of Parcel (2) from Yangon	12
Table 4: Government’s Freight Rates for Yangon to Other Cities Transport.....	13
Table 5: Consignments being transport by Main Routes.....	14
Table 6: Transport Rates per Kg by Main Routes.....	16
Table 7: Transport Rates/tonne per Km by Main Routes.....	18

Abbreviations

Rail Cargo Transport Industry

- DMU Diesel Multiple Unit
- JICA Japan International Cooperation Agency
- MR Myanma Railway
- ODA Official Development Assistance
- YBS Yangon Bus Service

Units of Measurement

- 1 gallon (US) = 4 litres
- 1 tonne= 1,000 kilograms
- 1 tonne = 600 viss
- 1 viss = 1.6 kilograms
- 1 mile = 1.6 kilometre

Exchange Rate

- 1 USD = 1,320 MMK (October, 2017)
- 1 USD = 1,320 MMK (Feb 2018)
- 1 USD = 1,347 MMK (May 2018)
- 1 USD = 1,473 MMK (August 2018)
- 1 USD = 1,570 MMK (November 2018)

Abstract

The sector report intends to provide the industrial-wide overview of the rail cargo transportation in Myanmar. The survey approached major stakeholders in the railway industry in the market across the hubs in the country to gain rich sources of information to conduct the study report. The study focuses on the quarterly comparison in the transport rates and changes in market demand to highlight the trends on the major freight transport routes in 2018-19. Moreover, the report underlines the issues experienced by the local railway operators in the rail cargo transport industry.

Keywords: rail cargo transport industry, dry ports, rail way, rail routes, rail line, wagons, operators.

Rail Cargo Transport Industry (2018-2019 Report)

Key Findings

- The flow of cargo by rail to the upper parts of Myanmar increased in the peak season.
- Rail freight required extra locomotives and wagons due to the increased flows.
- The rates levied by the agents were slightly higher than the rates set by the state owned Myanmar Railways. It was because the rates by the agents covered the expenses like loading/unloading labour charges.
- Transporting cargo on the Yangon-Mawlamyine route was suspended for twenty days during the rainy season in August 2018.
- There were new India's diesel – electric locomotives on Mandalay – Myitkyina rail route.
- KM Terminal & Logistics Ltd (KM) and Resource Group (RG) officially launched the Ywarthargyi Dry Port in November 2018.
- The construction of the two dry ports will make the rail cargo transport along Ywarthargyi (Yangon)-Myitnge (Mandalay) route more convenient and reduce traffic jam between Yangon and Mandalay.
- Government is developing a project to modernize its old railway system on the existing railway line between Yangon and Taungoo.
- The feasibility study plan for Muse-Mandalay railway project within two years. The railway is comprised of “Belt & Road Initiative”.
- Yangon-Mandalay Railway Upgrade Project is commenced in 2017 and to be accomplished in 2025
- Two of the worst rail lines of the Mandalay-Myitkyina railway will be upgraded by 2022
- The two Japanese companies will supply Myanmar Railways with 24 train cars as from 2020.
- The upgradations for Yangon Circular Railway project was intended to be completed by the end of 2019.