

INVESTMENT IN RAILWAY DEVELOPMENT

The ability of railway transport to work in the interests of national economy largely depends on the technical condition of the public railway infrastructure and rolling stock – compliance of rail track and rolling stock with the requirements of the railway technical operation instructions, continuous and stable operation of the automatic, signalling, communication, power supply and safety equipment, as well as the buildings and structures used for the maintenance of infrastructure facilities have always been and remain the main priorities for capital investments.

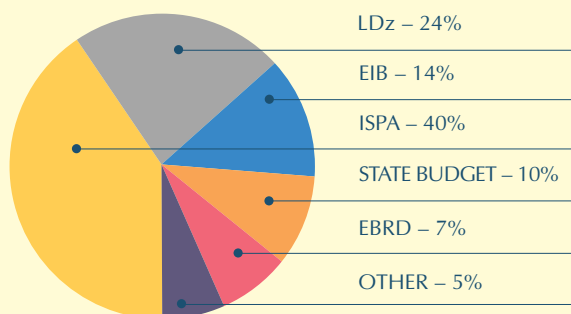
Investment

The *Latvian Railway* Investment programme for 2001 was executed in the amount of 27,947 th. lats which is 92.6% of the amount stated in the programme. The amount of credits and leasing disbursed under the Investment programme is 4,016.9 th. lats.

The following funds were used in 2001 for the execution of the Investment programme:

- *Latvian Railway* funds (depreciation, Railway Infrastructure Fund, repeated use of materials, reserve for long-term investment, selling assets and scrap iron) – 15,331.7 th. lats (including repayment of leasing and credits);
- Credits – 10,826.6 th. lats;
- PHARE funds – 1,501.2 th. lats;
- State budget resources – 200 th. lats;
- Raised funds – 87.3 th. lats.

Breakdown of resources for the modernisation of the East-West corridor in 1998 – 2006



Major capital investments in 2001:

- Track repair and renewal (9381 th. lats);
- Construction of Ventspils railway terminal *Jūras parks* and connection lines (2922.5 th. lats);
- Capital repairs of freight diesel locomotives and wagons (2454.5 th. lats);
- Capital repairs of passenger electric trains (1942.7 th. lats);
- Reconstruction of the technological line of the Rail Welding Centre (1575.3 th. lats);
- Purchase of equipment (1346.4 th. lats);
- Modernisation of the electric centralisation system of turnouts and signals at Riga passenger and Torņakalns stations (1278.3 th. lats);
- Reconstruction of the heat supply network and boiler houses (781.5 th. lats).

The most significant measures implemented in 2001:

Public railway infrastructure:

- Reconstruction of 64.7 km of rail track together with the replacement of the damaged turnouts, re-profiling of formation and renewal of technical structures;
- Complete renewal of 27.6 km of "B" category track;
- Installation of 35.4 km of continuous welded rails and replacement of 31 sets of turnouts;
- Completion of the construction of the microprocessor centralisation system at Riga passenger and Torņakalns stations (construction works commenced in 1999);



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- Completion of the design of the technical project for the construction of Ventspils railway terminal *Jūras parks* and connection lines and commencement of construction works;

- Preparation of tender documents for the *ISPA* projects *Replacement of Track Turnouts* and *Construction of the Station Rēzekne II Reception Yard*.

- At the end of 2001, completion of work on the *ISPA* project *Technical assistance in railway sector*, signing of Financial memoranda with the European Commission on the provision of the *ISPA* funding for the signalling and safety control system modernisation projects;

- Completion of the reconstruction of the technological line in the Rail Welding Centre (construction works commenced in 1999);

- Obtaining a state guaranteed loan for the implementation of projects *Data transmission network of the Latvian Railway* and *Infrastructure and financial-information system of the East-West corridor*, and selection of contractors by tender procedure;

- Commencement of the construction of Indra border station.

Capital repairs of freight diesel locomotives:

- Capital repairs of 6 freight locomotive sections;

Medium repairs of freight diesel locomotives:

- Medium repairs of 29 freight locomotive sections;

Capital repairs of freight wagons:

- Capital repairs of 417 freight wagons;

- Renewal of 80 freight wagon roofs;

- Capital repairs of 11 wagons extending their working life for 15 more years;

Medium and capital repairs of passenger diesel locomotives and carriages:

- Medium repairs of 6 locomotives (four TEP 70 and two TU-2);

- Capital repairs of 26 electric train sections – 3 sections by state budget resources and 23 sections by credit resources;

- Capital repairs of 1 passenger (service) carriage;

Improvement of the material-technical and maintenance base:

- Commencement of the construction of freight wagon uncoupling repair centre in Daugavpils;

- Completion of the reconstruction of heat supply to the wagon preparation centre at Šķīrotava station;

- Renewal of the building of Daugavpils operational unit;

- Construction of a boiler house at the Locomotive Repair Centre *Lokomotīvu serviss* in Daugavpils (put into operation on 30 January 2002);

- Commencement of the reconstruction of the boiler house in Rīga department of the Locomotive Repair Centre *Lokomotīvu serviss* from black oil to the combined fuel system *gas-black oil* and replacement of chimney (put into operation on 19 March 2002);

- Completion of the reconstruction of the boiler house in Rīga department Jelgava shop of the Locomotive Repair Centre *Lokomotīvu serviss* (put into operation on 28 December 2001);

- Purchase of technological equipment for the amount of 1346.4 th. lats;

- Reconstruction, modernisation and renewal of buildings and structures for the amount of 2021.4 th. lats.

Innovations and improvements introduced in 2001:

- Introduction of an up-to-date rail welding technology in the Rail Welding Centre which complies with the requirements of the European Union and enables production of high quality welded joints; and reconstruction of buildings in order to ensure reception of rails of up to 50 m length for the preparation of continuous welded rails (up to 800 m), thus reducing the number of welded joints by half;

- Construction of a computerised electric centralisation system of turnouts and signals to be controlled from one centre at Rīga passenger and Torņakalns stations and replacement of the worn electric centralisation relay systems of turnouts and signals;

- Performance of capital repairs of wagons extending their working life for 15 more years.

The *Latvian Railway* Project Management Unit, in collaboration with infrastructure specialists, have performed significant work in order to prepare tender documents in compliance with the *ISPA* procedure for such extensive projects as the replacement of turnouts in the East-West Corridor and the construction of Rēzekne reception yard. The PMU have also completed the preparation of tender documents for signalling and traffic safety control system modernisation projects which were granted *ISPA* funding at the end of 2001 together with co-financing from the state budget.

The East-West Corridor modernisation programme is being implemented by *Latvian Railway* own resources, loan from the European Bank for Reconstruction and Development, loan from the European Investment Bank, *ISPA* funding and other sources (see the chart).

Breakdown of resources for the modernisation of the East-West Corridor.