

## **Third Party Evaluator's Opinion on Shenmu-Shuoxian Railway Construction Project (1)-(4)**

Rong Jian  
Vice Director, Professor  
Transportation Research Center, Beijing University of Technology

### **Relevance**

In 2004, it happened seriously lack of power in several Provinces and coastal cities. The main reason was the policy that forbidden over-weighted truck to travel in the road network, while the unreasonable transportation price lead transportation capacity to be reduced rapidly in the road network. From this point, Shenmu-Shuoxian Railway construction is important for the national economic development.

As mentioned in the post-evaluate report, in the Outline of the National Long and Medium Term Science and Technology Plan, Energy and Transportation are also mentioned as the important issues, where Railway Plan is specially illustrated.

This project is socially and economically advantageous to the capacity improvement of transporting coal through the construction of north-south, east-west coal transportation system with the support of national policy. Furthermore, it is beneficial to the optimization of industry chain related to the coal production and transportation and enhancement of inner-cooperation within the framework of coal industry. In a word, Railway Construction was an important role for the national economic development in the past years and the following years.

### **Effectiveness**

Although project completion was later than planned by 30 months, volume of coal transportation exceeds the planned volume in 2000. Volume of coal transportation in 2003 was greater than the planned volume in 2004. From the operation result, it was reasonable that reducing one passenger train instead of two additional coal trains. Seeing from the fact that the coal transportation volume steadily increased, and FIRR is rather high as well as EIRR, a conclusion can be obtained that the initial objective of the project has been achieved.

### **Impact**

From the figures in the report, the impact of the project was rather positive in supporting regional economic development. Coal Production from the Shenfu Dongsheng Coalfield has been increasing on a steady basis since the completion of the project in December 2000. It can be seen Coal Consumption and Coal Supply to Northern China and Coastal Cities presented similar trend. As another contribution of the project, the construction of the Shuohuang Line and rapid increase in coal production, together with the temporary rise in coal prices promoted the development of regional economy. It was worthy to be emphasized that reduction of land acquisition should be encouraged in wilder region in China because of reasonable site utility of the Shenhe Local Railway, no adverse environmental problems and appropriate residents allocation.

### **Sustainability**

From the buildup of technical staff, it can be concluded that technical staff were excellent both in quality and quantity. By my teaching and researchable experience, I deemed that the construction project has a strong technical capacity. Most of the technical staff can gain training opportunities to take part in classes at nearby universities or outside the company, such as transportation, traction, power supply, communication and signaling, track construction, railway cars, and locomotive crew. This is great helpful to successful completion of the project and it would further accelerate national economic development. The affirmative achievements brought by the project were not only the railway construction but also the establishment of technical group. The technical group will contribute themselves in to the Northwest regional economic development because they can make up the current lack of senior technical staff.