

On the Right Track

JICA's training programs provide participants, like senior transportation development officer Grace Magbanua, with opportunities to learn from the Japanese experience. Now she can adapt that knowledge to her home country.

Trains are some of the most efficient means of transportation. They are fast, safe, and environment-friendly.

Running a railway company poses many management challenges. A railway business requires huge investments in infrastructure; these investments push up its break-even point. As a result, many railway companies find it hard to turn a profit.

Japan is one of the most advanced countries in the world when it comes to managing successful railway businesses. There are more than 200 railway companies in the country. In spite of the railways having to compete with other modes of transport, and Japan's shrinking population, many of the railways are profitable.

Clearly, when it comes to running railway businesses, the Philippines has much to learn from Japan. This is the reason why Grace Magbanua—senior transportation development officer at the railway transport planning division, Department of Transportation and Communications (DOTC)—attended the JICA training course on railway management from January 12 to February 5, 2010.

The course is designed for participants from railway companies of urban railways in developing countries. It aims to help participants formulate management improvement plans through the study of business models of Japanese railways. The course consists of lectures and observation tours focused on railway management.

Magbanua had clear goals in attending the course. "I aimed to widen my understanding and enhance my planning, management, and project implementation capability in the field of railway transport," she says. In her application form, she listed four areas of interest: the reform and privatization of railways; railway business and non-railway business; railway management; and formulation of improvement plans.

Magbanua was confident that the course would provide her with information to better carry out her duties. The division where she works is tasked with the planning and policy formulation of railway transportation in the Philippines. She takes part in the economic and financial evaluation of proposed railway projects, prepares transportation development programs, and assists in the review of railway development plans of the Light Rail Transit Authority, Metro Rail Transit, and Philippine National Railways.

Japan's safe, efficient, and punctual trains amazed Magbanua. "The first and foremost concern of the Japanese is railway safety," she says. "They keep raising their safety standards." She and her



During the JICA training course on railway management, Grace Magbanua (fourth from left) found three topics most interesting: the management of local railroads, railway safety, and the privatization of Japan Railways.

classmates visited the breathtaking Seto-Ohashi Bridges and fascinating railway museums.

"I found three topics most interesting: the management of local railroads, railway safety, and the privatization of Japan Railways (JR)," she says. "The case of JR is almost similar to the Philippine National Railway."

Participants to the course formulated an action plan describing what they would do after they go home to apply the knowledge they acquired in Japan. Magbanua has drawn up a proposal for a common ticketing system for the three railway lines in Metro Manila. "This is like the SUICA Card in Japan, a stored value card which can be used also to purchase anything from participating stores," she says.

At present, tickets with magnetic strips are used on the three railway lines that operate in metropolitan Manila. Each line has its own ticket, and there are compatibility issues among the three lines. As a result, the ticket lines are long at the stations. Despite the availability of automated ticket booths and stored value cards at some stations, many passengers still have to queue for tickets.

Magbanua's plan, when implemented, would make it easier for passengers to take any of the three railways without lining up to buy different tickets. The DOTC is updating the study on the common ticketing system. The publication of the bid documents is scheduled in April 2011, and the contract award is targeted for October 2011.