



Diversification activities of passenger railway companies

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Abstract

This paper is about diversification activities, and, more accurately, activities of capitalization of the land and commercial rent generated by railway infrastructures, of passenger railway companies. The global situation of these activities in the different parts of the world in 2003-2004 is first described. Then, the evolution of these activities during the period 1990-2004 is studied. A convergence towards a common diversification strategy and towards activities in stations is observed. Some consequences of the existence of this convergence in terms of transport policies are discussed.

Keywords: Diversification; Passenger railway companies; Station; Rent; Land rent; Railway infrastructure.

1. Introduction, definition, categorization of diversification activities of passenger railway companies and data

a) Introduction

«In Japan, from the early 60s, and the emergence of the car-oriented society, it was understood that, in order to enhance the competitiveness of railways, there were only two ways: high speed trains, and the diversification activities.»

These are words of Mr. Yamanouchi¹, former president of the JR EAST company, the railway company that carries every day the largest number of passengers, in Japan, and in the world. These words show well the fundamental difference that has existed at least from the last 30 years between the passenger railway companies in the different parts of the world regarding their business strategy: While some countries in Europe have developed high speed trains, it seems that it is only in Japan that this second way of supporting railways, that is, the development of the strategy of diversification activities

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¹ Interview, Japan, April 2005.