Policy Options for Public Transport Development in Chinese Cities

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Speedy motorization cause serious challenges to Chinese urban transport.

City | Traffic congestion loss (CNY/month.person)
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Beijing | 375
Guangzhou | 274
Shanghai | 228
Xi’an | 69

Beijing
Fast urbanization: 45% in 2007.
12 million people move from countryside to city.

Build-up area increase of Beijing, 50 Km² per year

Travel demand increase
- Total travel volume, 7.0%
- Travel distance, 16.3%
The coming 15 years is a crucial stage for urban transport development in China.

We should take actions in advance, implement strategies of sustainable development, and avoid mistakes experienced by developed countries.

Which way to choose?

- Private cars uncontrolled
- Highway construction

Developed Countries
- Dense city,
- Public Transport
- Non-motor travel

Energy
- Consume
- Green house
- Gas
- Land Occupy
- High travel cost

- Convenient
- Environmental
- Equality
| The state council, MoC and NDRC, have issued many policy documents for public transport priority. | The conception of PT priority is well accepted in theory, but not fully implemented in practice! |
Problems of Public transport in China

- Public transport development lag behind
Problems of PT in China

Public transport development lag behind

Beijing:

- Travel distance by bus is 4.5 kms shorter than car, but
- Time using is 24.3 minutes longer

30% transfer distance of average trips in Beijing is over 500 meters
Problem analysis:

(1) Lack of stable institution and policy guarantee

The PT regulations at the national level are not issued yet

- From the National People's Congress——No law
- From the State council——No administrative regulations
- From the Ministry level——No departmental regulations

- Insufficient PT management regulations at local level

- No guarantee for priority of road rights, investment, subsidy and land use
- Irregular market operation and weak supervision
In 2006, total fixed assets investment in urban construction was 576 billion CNY, of which:

- urban public transport, 10.47%,
- roads and bridges, 52.03%.

(2) Insufficient input for public transport development

Problem analysis:
Problem analysis:

(3) Market operation is not standardized and lacks supervision

◆ Market operation

Monopoly operation: lack of innovation, heavy burden for the government.

Entire market operation: malignant competition and resource waste. Some city even auction and transfer the operating rights of public transport routes.

◆ Supervision

Lacking supervision, assessment mechanism and appraisal standards for service quality, resulting in non-guaranteed service quality.
(4) Incomplete institutional system and mechanism

PT planning, building and operation are managed by different departments, namely, departments of planning, transport, development and reform, land, and construction.

Lack of communication and coordination, results in PT facilities shortage (e.g. bus special lanes and stations) after the roads are built.
March, 2008, *the State Council’s Institutional Reform Plan.*

Integrate transport responsibilities, form new Ministry of Transport
- postal service
- civil aviation
- urban passenger transport management

**Local cities**
- deepen the institutional system reform
- integrate administration bodies
- Government attention to public transport development
1. Acceleration of regulation system

**National level:**
- Issue the *Regulation of Urban Public Transport*, to provide stable policy guarantee for PT

**Local Level**
- Work out and implement specific policies and measures of public transport priority
- Guarantee policies regarding fiscal budget, taxation, capital allocation, land use and facility construction.

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*Beijing Public Transport Regulations (2006)*

2 Positions: The important strategic position and social welfare position of public transport in urban development.

4 Priorities: Land use, Investment, Road right, Fiscal and taxation support.
2. Regulate market operating management

A supply system with dominant government supply, participated in by a certain number of entities: scale operation, orderly competition.

Responsibility orientation

- Government: service management and supervision
- Company: operation

Franchise public transport service to a few enterprises for comparison price, operation performance and operation cost

Shanghai -- “Public interest positioning and market operation”
Guangzhou – Introduce foreign capital and private capital, deepen the reform of state owned public transport enterprises: 5 joint ventures and cooperatives and 3 private enterprises.
Shenzhen – Carry out corporate regrouping and franchised operation of public transport, encourage the enterprises to run independently.
3. Reform public transport investment and financing policy

- Ensure **public financial sources** be allocated to the public transport.

- Set up **special fund for PT**: e.g., certain ratio of urban land use transfer income and municipal capital be used.

- **Social funds**: attract and encourage individuals, enterprises and foreign capital to participate in investing in and operating public transport in the form of joint ventures and cooperatives.
4. Establish service supervision system of public transport

- Carry out result oriented effective supervision for services
- Collect evaluation information from the public
- Establish an index system for service quality evaluation, and formulate supervisory rules.
- Include the public transport service level into the evaluation system for local officials.
5. Strengthen Travel Demand Management

--- Pull : Public transport

--- Push : Travel Demand Management

- Take measures in advance, through economic, technical, management, administrative means, to control car usage
  - Differentiated parking charge
  - Car using restriction based on plate number
  - Flexible work time etc.

- Induce the public to take public transport modes
Thank you!