

## IMPROVEMENT OF THE PRICING POLICY AND OPTIMISATION OF INTERNATIONAL RAIL SERVICES

In 2018, FPC continued its extensive cooperation with international partners in EU countries, railway authorities and carriers from the CIS states, Latvia, Lithuania, and Estonia to enhance the competitiveness of international rail passenger services and acquire new customers.

Therefore, the Company continued to pursue the pricing strategy introduced in 2017 and approved by international partners. Depending on the destination and the booking date the discounts ranged from 10% to 58%.

In improving the efficiency of international passenger services, the Company follows a flexible tariff policy and continues its cost-cutting efforts, including through optimisation of international train timetables.

In particular, FPC optimised the route of train No. 20/19 Moscow–Beijing travelling once every two weeks as a separate destination and once every two weeks as a group of direct Moscow–Beijing carriages of train No. 2/1 Moscow–Vladivostok.

The above initiatives helped improve train operation, optimise the use of rolling stock, and, consequently, cut the costs of Russia–China railway services.

## COOPERATION WITHIN INTERNATIONAL ORGANISATIONS

In 2017, in the context of intense competition from other transport modes, growing costs of infrastructure services, and the resulting declines in traffic, FPC suggested and has since vigorously promoted creating a competitive environment in the international market for rail passenger services, with the national government support for railway carriers. This project is based on the ideas outlined in Resolution No. 264 on international rail passenger service adopted by the Inland Transport Committee of the UN Economic Commission for Europe.

In 2017–2018, as part of OSJD initiatives, FPC launched the development of an international multilateral roadmap of joint actions to create a new competitive rail passenger service environment, which was supported by the Council of Ministers of the OSJD countries. The OSJD countries have been engaged in extensive discussions of the draft document and have been making their proposals.

The importance and relevance of this work was also noted at the third International Passenger Forum in Sochi held under the aegis of the Council for Rail Transport of the Commonwealth Member States. International industry speakers shared their observations and promising projects aimed at enhancing rail passenger services and boosting their competitiveness, including through introducing breakthrough solutions in passenger train control during state border crossing.

In 2018, to provide a legal framework for enhancing state border control under the aegis of the Inland Transport Committee of the UN Economic Commission for Europe, member states continued reviewing the draft convention on the facilitation of border crossing procedures for passengers, baggage, and unaccompanied baggage carried in international traffic by rail, which provides for the state border control option on a moving train for conventional rolling stock. FPC was the biggest contributor to the document drafting process.

In 2018, FPC achieved significant progress in resolving disagreements and aligning the draft with member states of the Inland Transport Committee of the UN Economic Commission for Europe.

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