Concessionaire takes on a tough assignment

Ferrocarri del Pacifico is restoring freight services on the run-down narrow-gauge link from the Pacific Ocean port of Buenaventura to the Colombian interior. Murray Hughes reports.

The route from the Pacific port of Buenaventura to the provinces of Valle, Cundinamarca and Antioquia in the western half of Colombia is an important freight corridor handling about one third of all the country’s exports. Extending a further 400 km, the line climbs from sea level to around 1800 m in the northern Andes, the 914-mm gauge railway from the port to the city of Cali and part of the route to Medellin was put out to concession in 1998. Three successive concessionaires took on the job of running the line, but each in turn was obliged to withdraw.

The concession was initially awarded to Corporación Real Ferrea del Pacifico, which was replaced by Tren de Occidente in 2005. Seven years later, the responsibility passed to Ferrocarri del Oeste, but since 2012 the concession has been in the hands of Ferrocarri del Pacifico. In October 2013, Trafifersa subsidiary Impala Trenes Group, through its Fieswick Colombia subsidiary, became the majority shareholder in FDP, bringing in Belgian-registered Vectris as operator to provide technical management services for the railway.

Although the route from Buenaventura to Cali is a key freight route, Ferrocarri del Pacifico was not able to initiate much activity as no financial support was available from the Colombian government. On the other hand, the contractor was not required to put up a fee when taking on the concession. Nor was there any form of tax relief available, while aspects such as stations and warehouses were not the property of the concessionaire.

The current concession covers 458 route-km, but for the moment only the 155 km from Buenaventura to Yumbo in Zareal and the 43 km between there and Cartagena. The 111 km Cartagena - La Felisa section also forms part of the concession, but the truck here is in need of rehabilitation; this is currently being reviewed by national infrastructure organisation ANI, which oversees the FDP and other railway concessions. ANI also acts as a regulator, checking and controlling the quality of any rehabilitation work.

When Vectris took over the task, there were only four operational locomotives and 70 usable wagons. The 131 staff were not able to initiate much activity as no financial support was available.

The company’s first step was to put in place a US$32m investment programme with the objective of restoring the railways to normal operations during 2014. A follow-up programme envisaged for 2015-16 could see a further US$45m or more invested in the railway. These funds will go partly towards track upgrading and partly towards the acquisition of new rolling stock so that 10 locomotives and 200 wagons are available by 2016.

Two General Electric U18B locomotives were transferred from the Fenoco concession by ANI, along with 60 containers, flat wagons, and FDP has taken delivery of four engaged RS2CC locomotives of 2000 hp from Gridridd in South Africa. A tamper machine and a ballast regulator have also been acquired.

The investment plan goes hand in hand with a company restructuring programme that sets out contractual arrangements with ANI, cleans up debts and puts in place a range of organisational procedures. An essential part of this is a staff recruitment and training programme that should add 150 employees to the payroll this year. A driver training simulator is being obtained from Transnet Technical of Belgium.

Traffic growth

Some progress has already been made. Whereas the line was handling just 10,000 tonnes of freight a month last October, by June 2014 the tonnage had doubled. FDP has a target of 80,000 tonnes a month for 2015, which it plans to attain partly by attracting new business.

At the moment, the railway carries household goods and electronic equipment in containers, as well as cement, raw materials, imported steel bars and coils, imported cereals and export sugar. By 2015, FDP hopes to introduce a container service from Buenaventura to Medellin and Bogota, which would see containers switched to road at a terminal in Zareal. In the longer term, it is hoping to add fertilisers, export coal and petroleum products to its cargo list, but this will depend on achieving profitability to support further investment and obtaining the necessary licences.

Among the problems that managers have to deal with is an unusual form of competition. This takes the form of private individuals driving many multipurpose rail trolleys fitted with rail wheels. As it has so far proved impossible to tackle this illegal traffic, FDP is endeavouring to take some of the risk out of this exceptionally dangerous practice by fitting a radio-based warning system to the trolleys. This activates a flashing light to alert the trolley driver to an approaching train. As the line has numerous 70 m radius curves, trolley operators would otherwise have little or no warning at all.