



FEATURES: Railway Diversification
Railway Architecture and Design
Urban Railways in China and India

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JR Osaka Station surrounded by private railway terminals and railway-related department stores and hotels (AERO)

# **Editorial**

### **Diversifying railway businesses**

The freedom to run as many side businesses as possible was a dream of the deficitridden JNR, because its non-railway activities were strictly controlled by law. The railway and government agreed that the railway should diversify its activities to cover the loss-making transport business, but people, especially small retailers, were often hostile to this policy, and it took many years to reach a consensus.

Even at the final stage of JNR reform 10 years ago, the government had to declare to parliament that the interests of small businesses would be taken into full account when implementing rail privatization. The new JRs have tried their best to develop new businesses, but after 10 years, the proportion of non-railway business in terms of revenue is still very small compared to major private railways, which have a long tradition of diversification. The rapid economic growth of the 1960s and 70s is now an old story, and the result of railway diversification in Japan shall not be overestimated. In this sense, diversification has a better chance in a country like China, which just starts to enjoy a remarkable economic growth.

Given the declining trend in transport demand, the railways must continue their efforts to develop new businesses. But it is also clear that they cannot compensate for losses by such activities, nor can they justify inefficient rail management by such efforts.

T. SUGA

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