

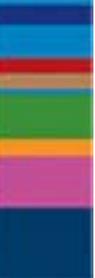


# Toll Road Financing in China's Highway Development

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**Research Institute of highway  
Ministry of Communications of China**

**Director General  
dc.dai@rioh.cn**



# Main Contents

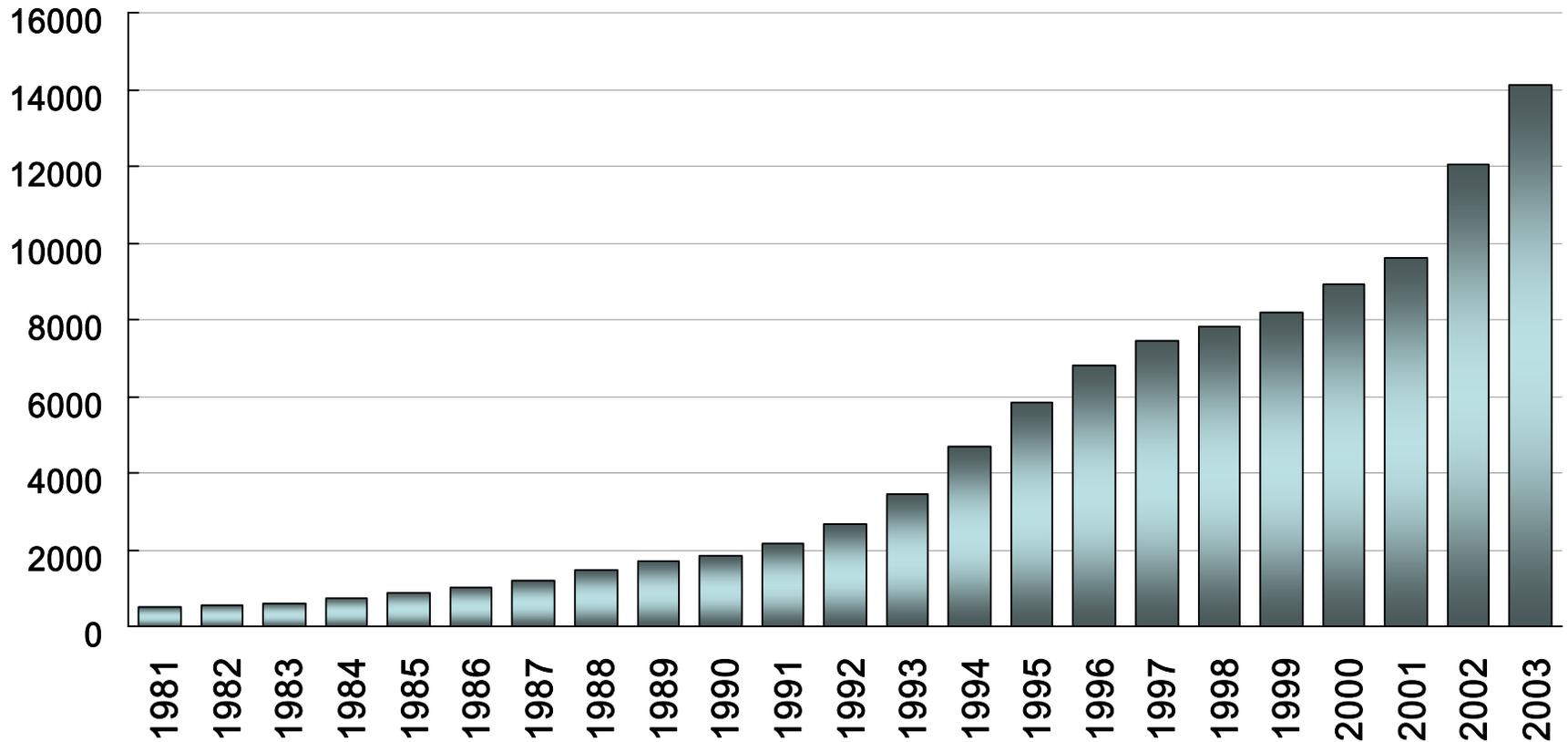
## 1. Facts and Figures

2. Toll Road Financing

3. Missions Ahead

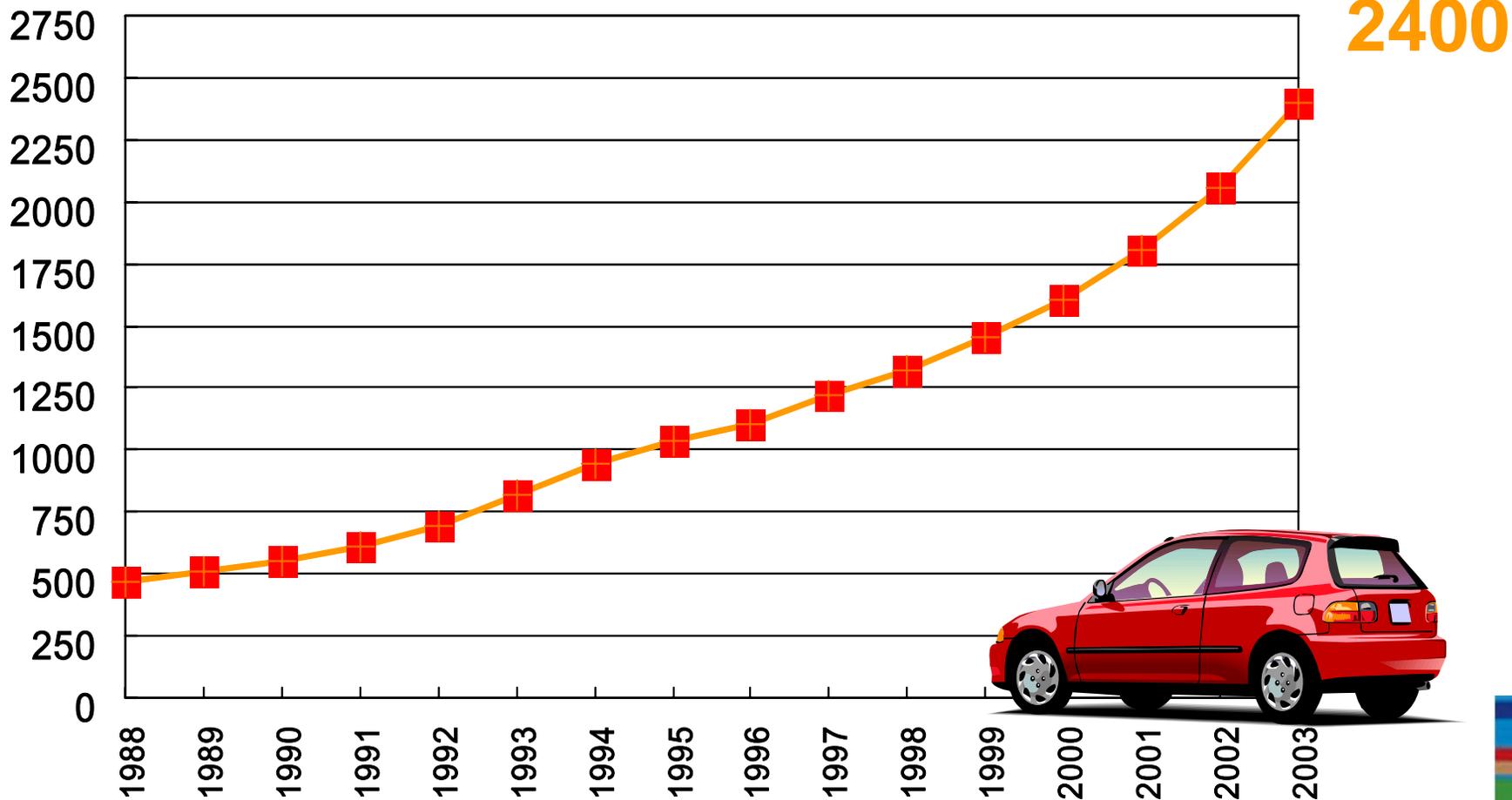
# China is undergoing a Rapid Economic Development

GDP (Unit: \$ 10000)

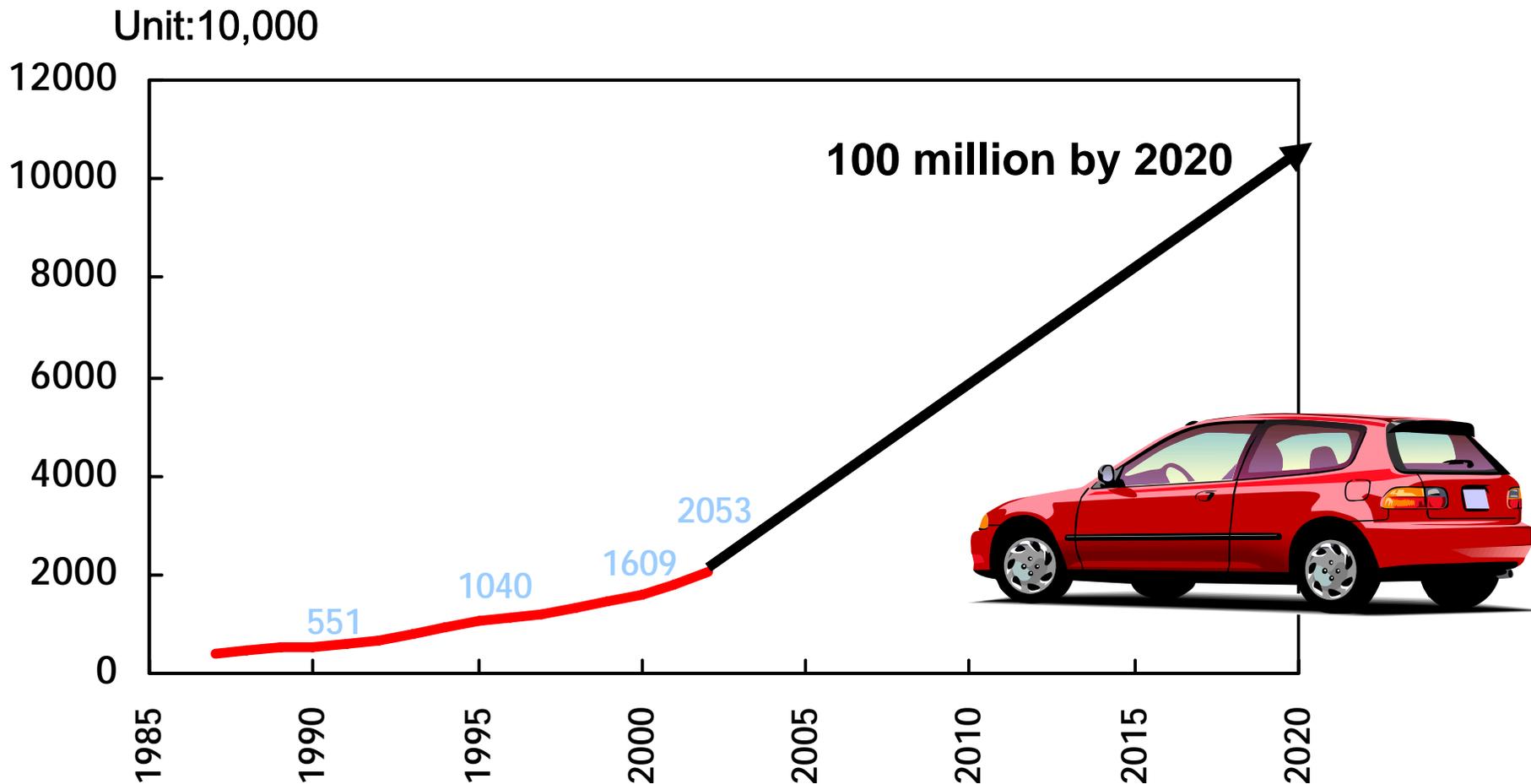


# Registered Vehicle Fleet

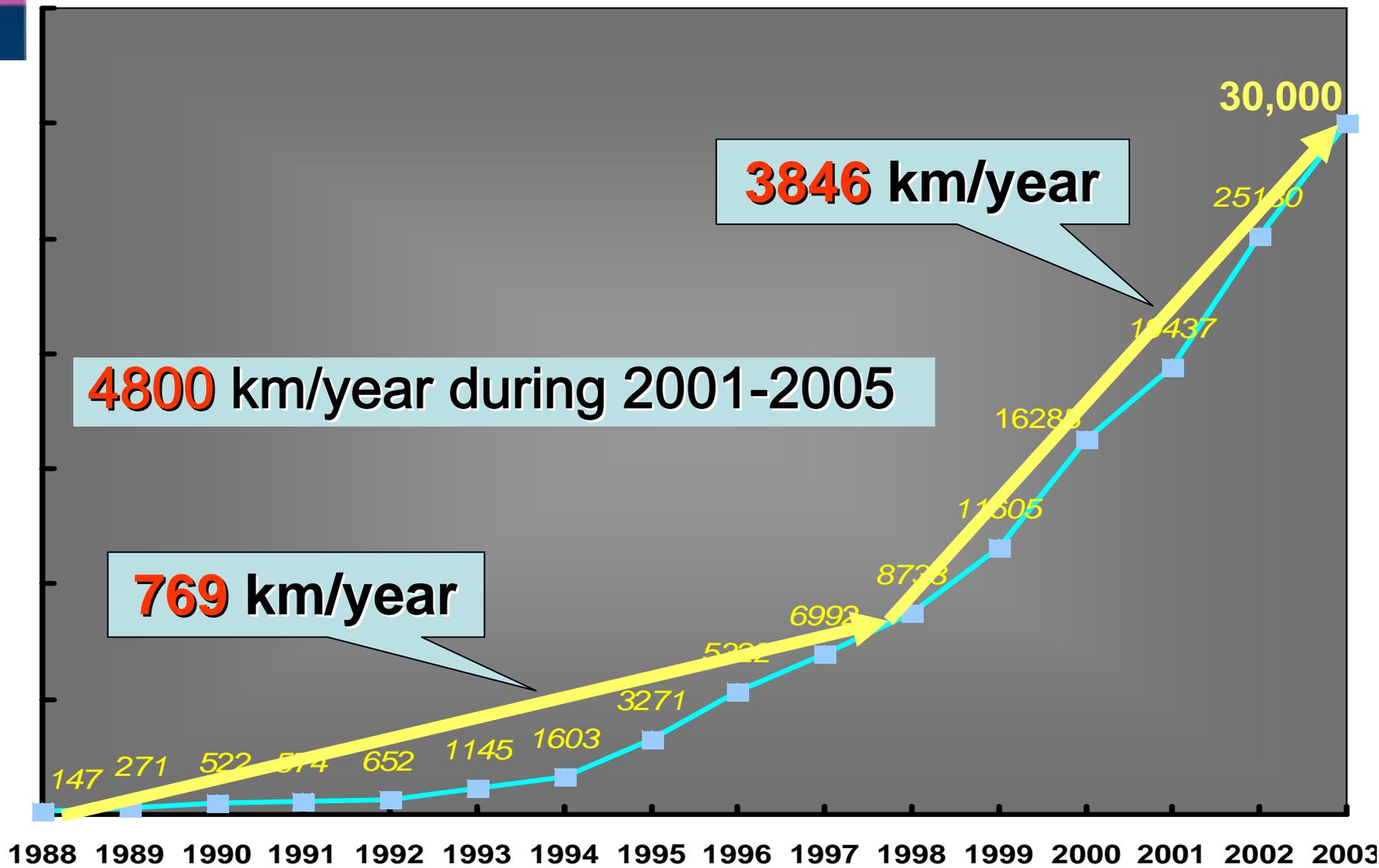
Unit: 10,000



# Vehicle Fleet Projection



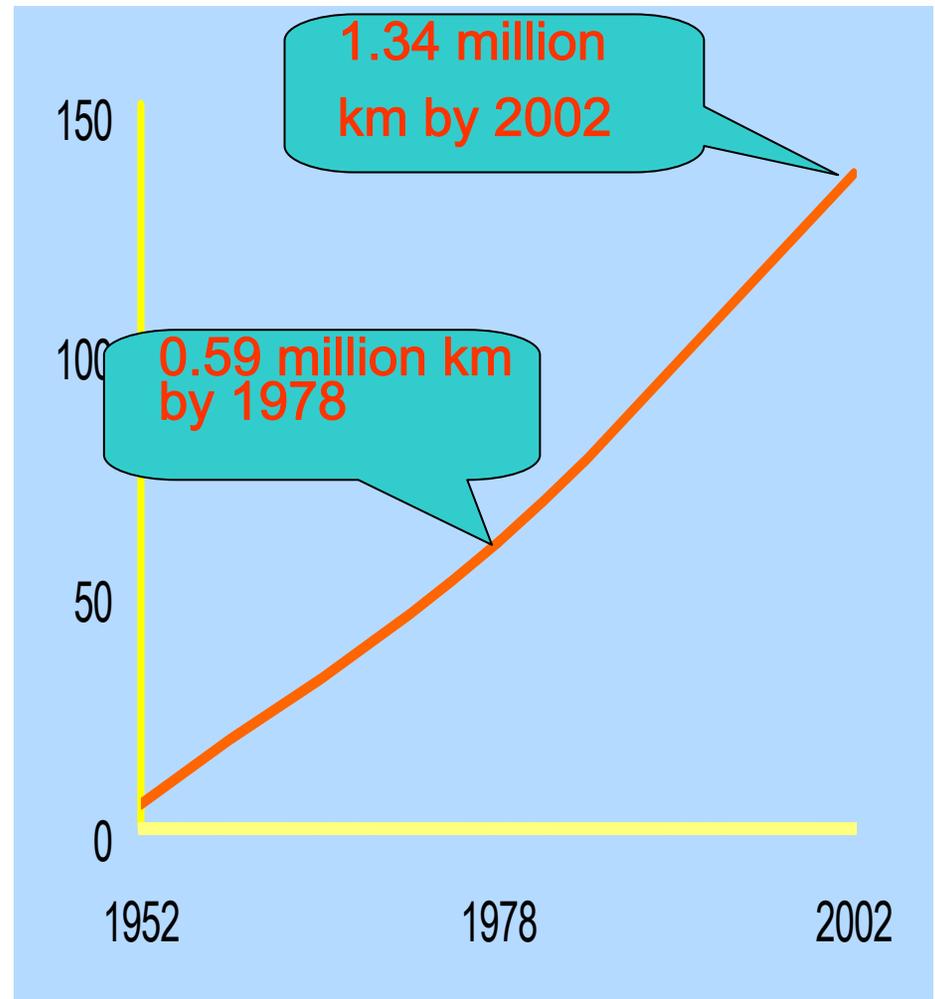
# Expressway Construction



# Rural Road Development

year	annual increase
1986-1990	10,000km
1991-1995	13,000km
1996-2002	22,000km

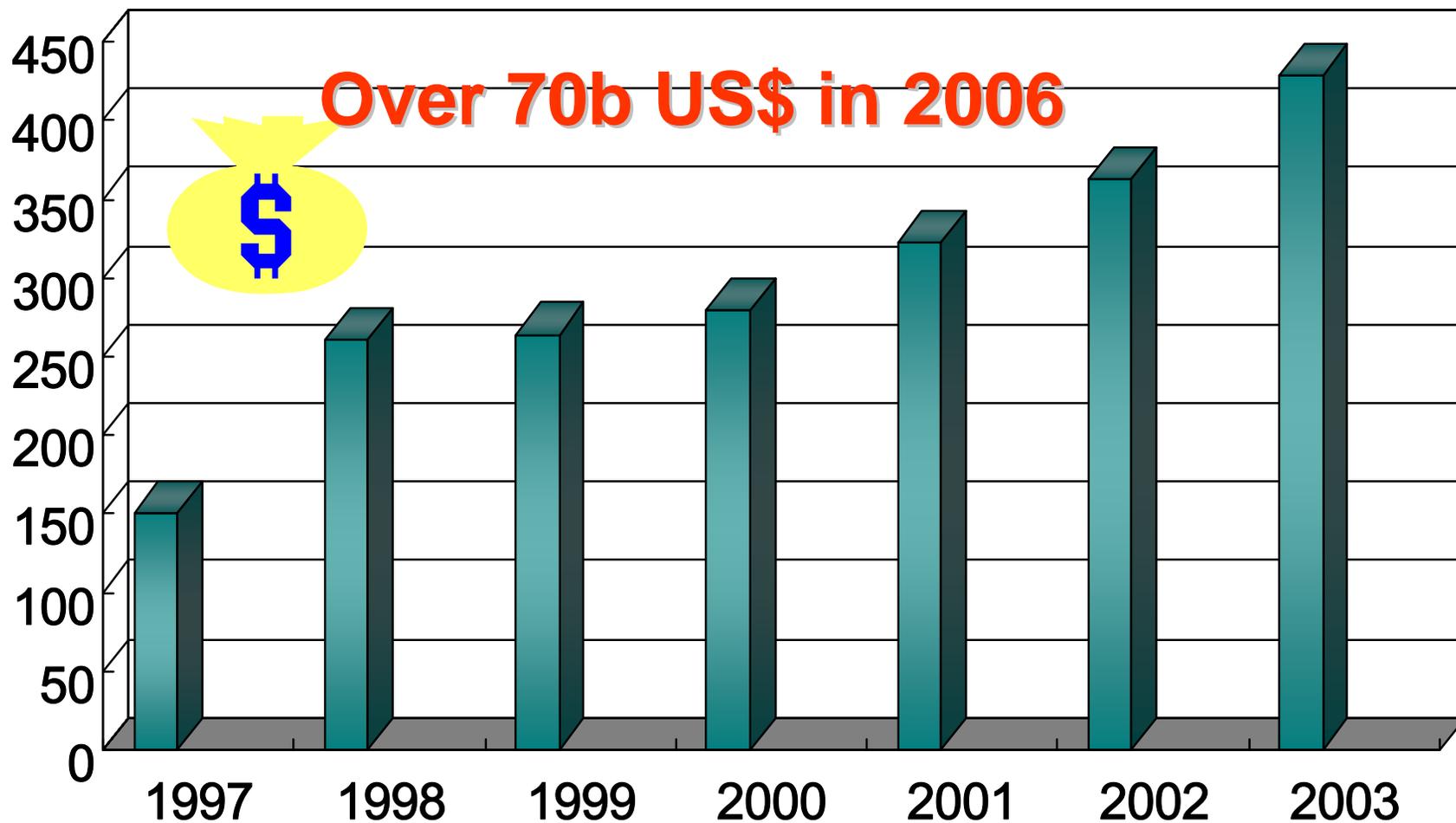
In 2003-04,  
352,000km were  
newly built;  
192,000km were  
upgraded.



# Road Investment

Unit: \$ 100 million

429





# Main Contents

1. *Facts and Figures*

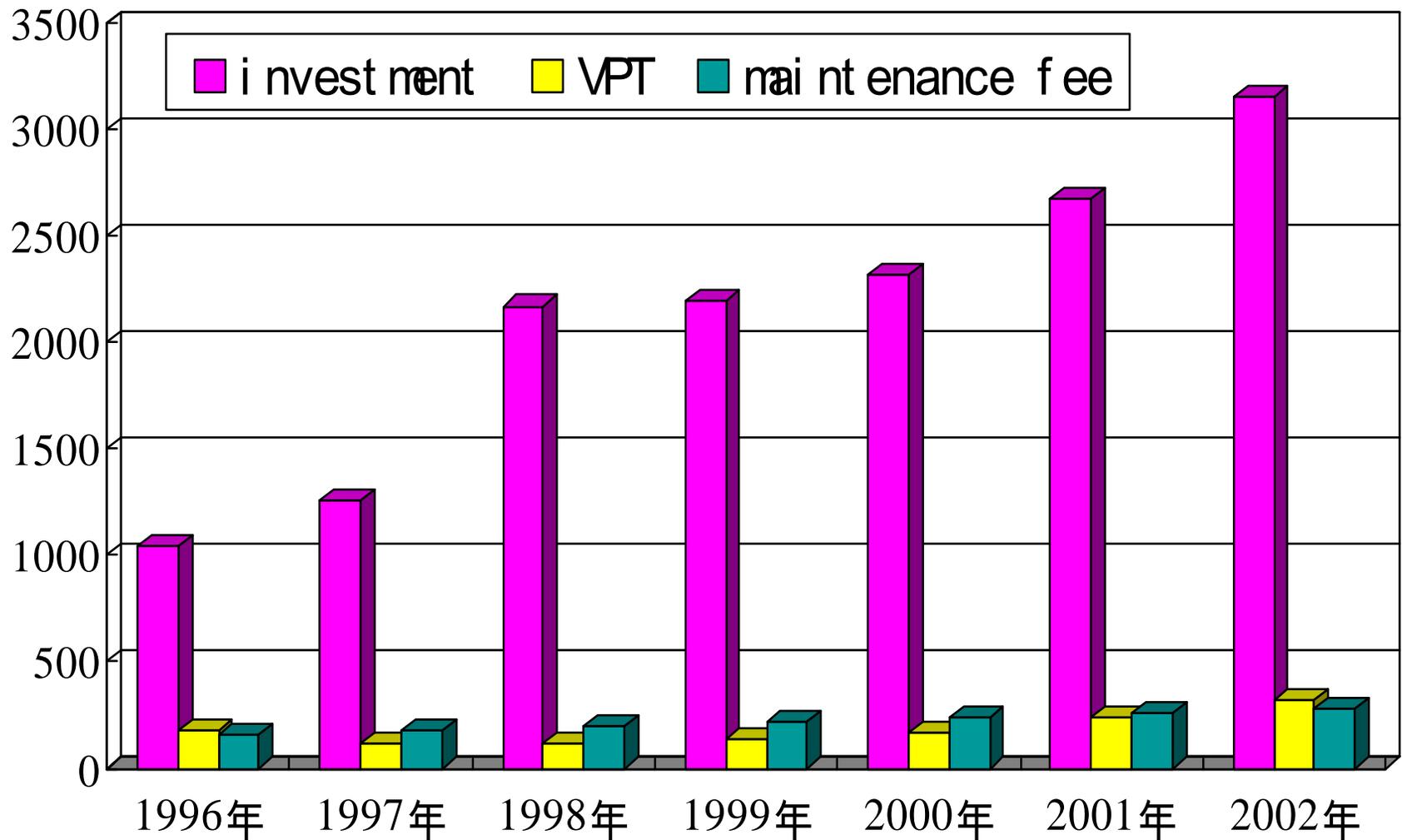
**2. Toll Road Financing**

3. *Missions Ahead*

### **Main Road Funding Resources**

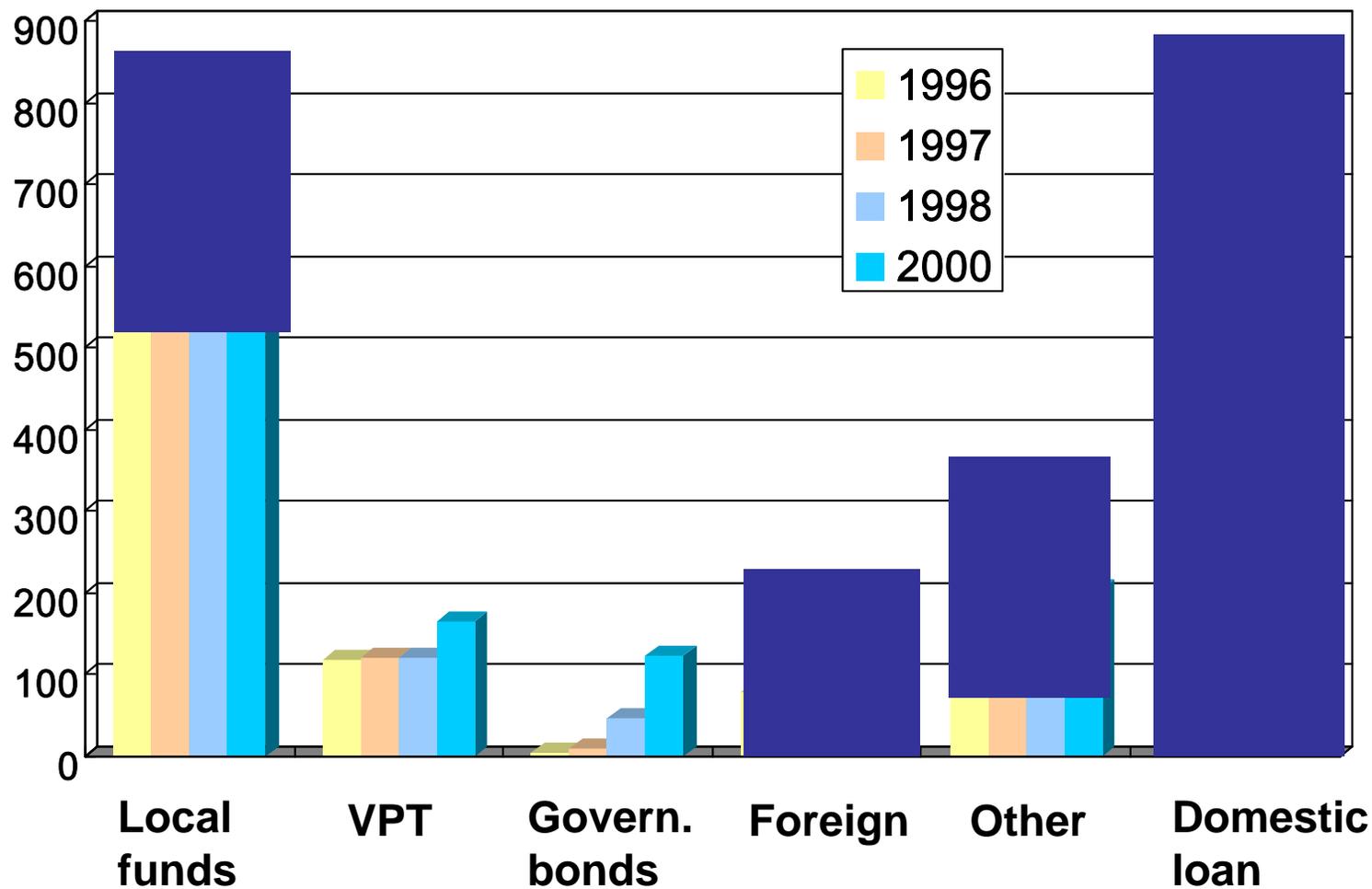
- **Highway Maintenance Fee**
- **Vehicle Purchase Tax (VPT)**
- **Toll Revenue**

# Road Funding Resources



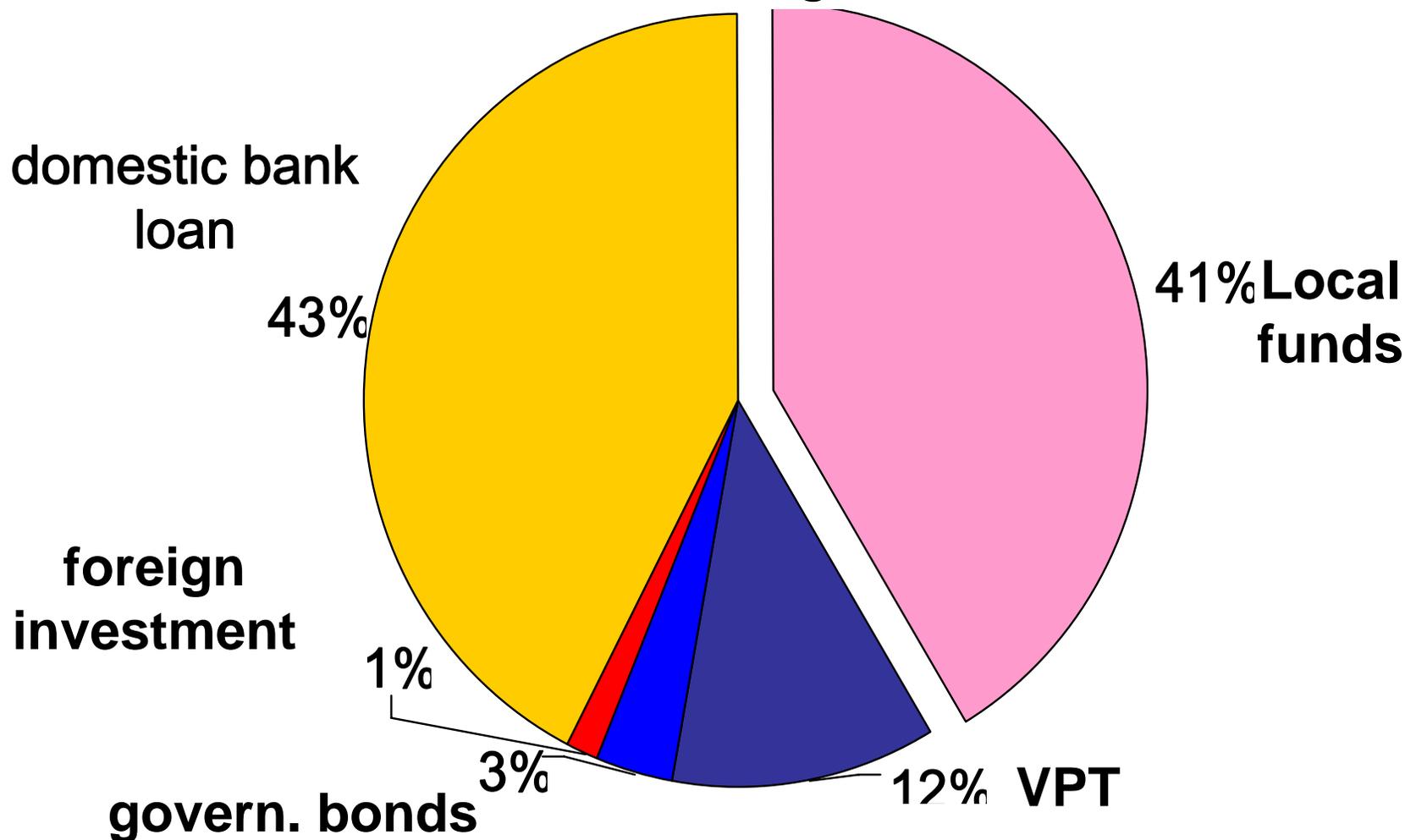
# Road Funding Resources

Unit: 100 million RMB

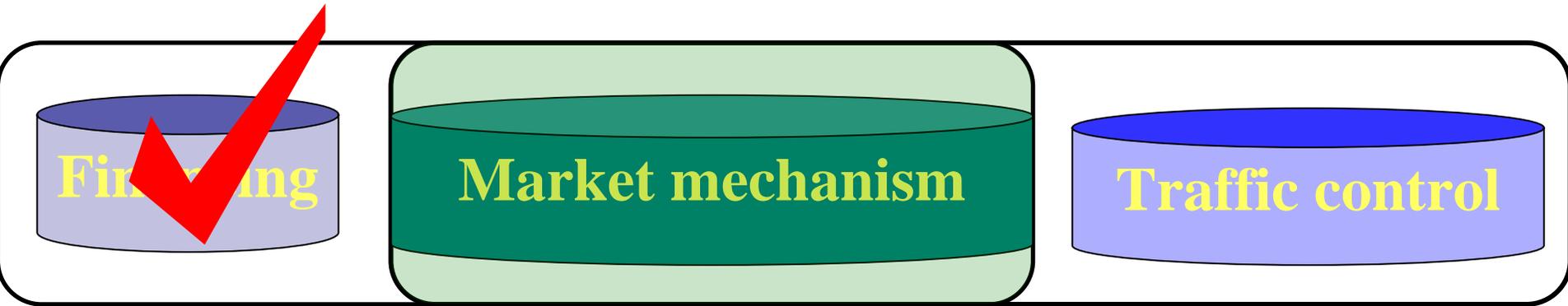


# Road Funding Resources

## Road Financing in 2004



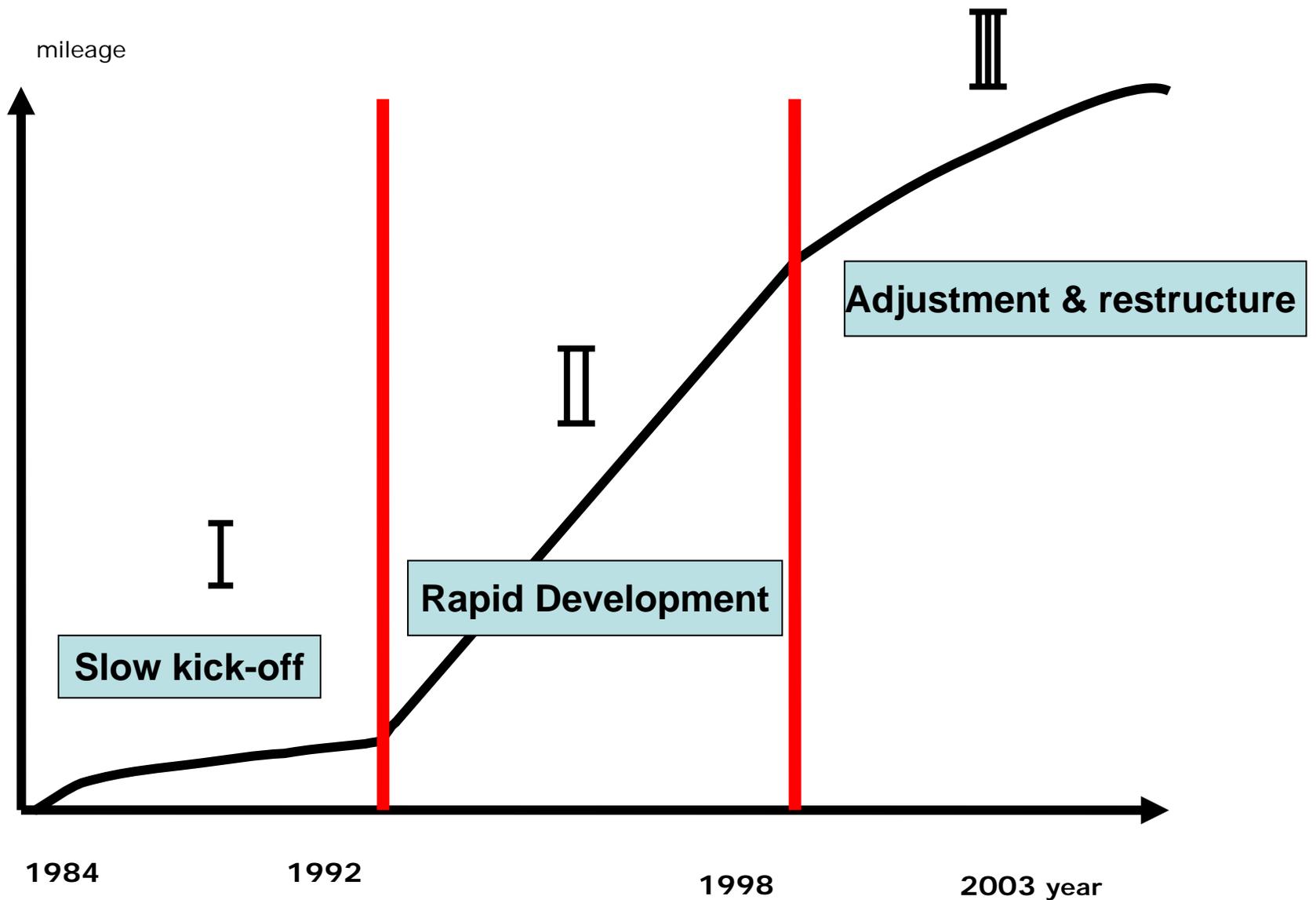
## Target of toll road policy



**Our main target**

Financing the huge road investment needs

# Phases of Toll Road Development





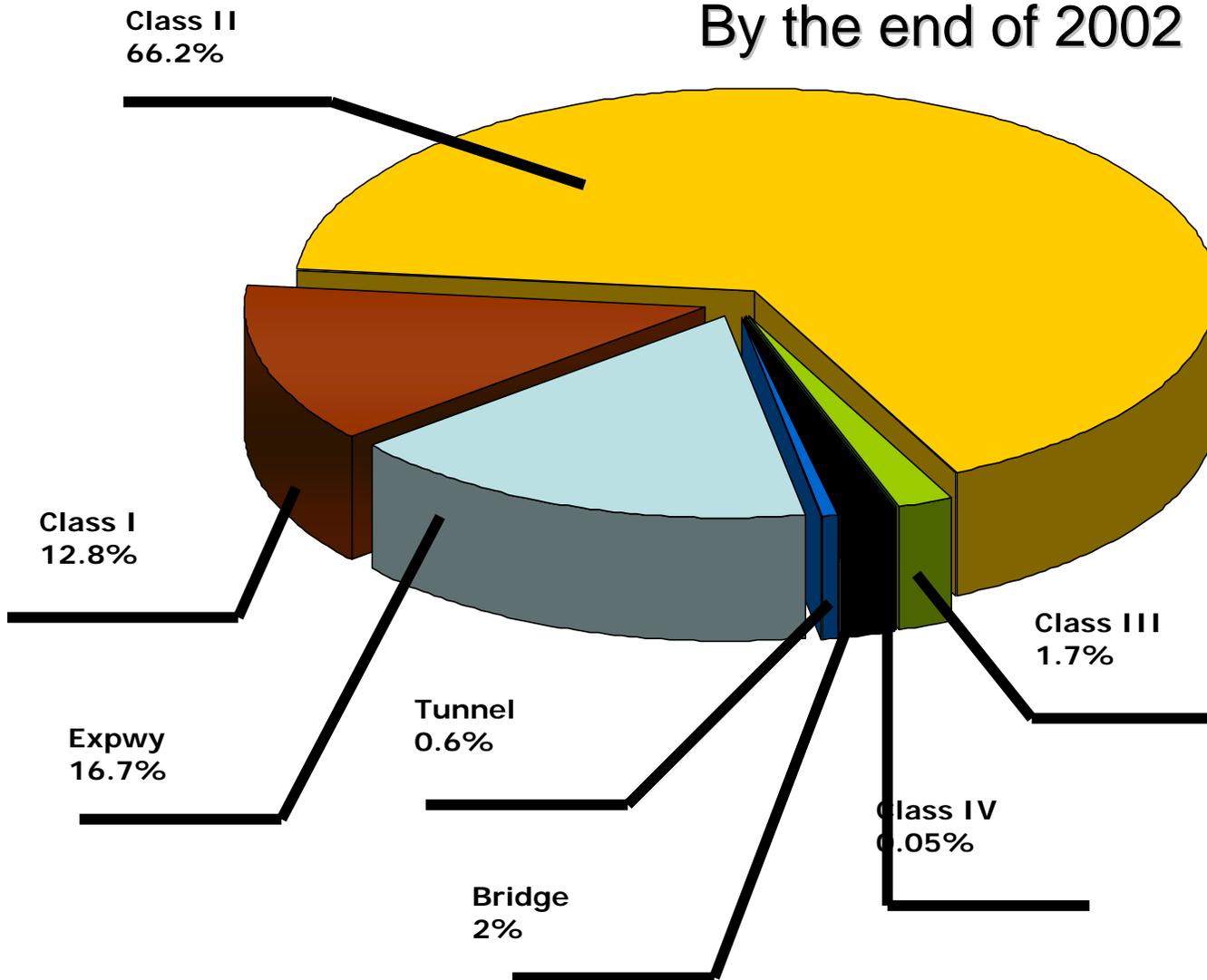
## Current Status of Toll Roads

### Toll roads consist of :

- almost **100%** of the expressways;
- about **70%** of the class-I highways;
- about **40%** of the class-II highways;

# Composition of Toll Facilities

By the end of 2002





## Legal framework

Regulations issued by local government

Regulations issued by the Ministries

Regulations issued by the State Council

Law issued by the Standing Committee of the National People's Congress

*Such as:*

《Highway Law of the People's Republic of China》

《Code of Toll Road Administration》

《Regulations on Toll Station》

## Classification of Toll Road

Toll Roads

```
graph LR; A[Toll Roads] --- B[Public Toll Road (PTR)]; A --- C[Commercial Toll Road (CTR)];
```

**Public Toll Road (PTR)**

**Commercial Toll Road (CTR)**

# Classification of Toll Road

**Toll Road**

**Investment entity**

**PTR**

**CTR**

**Government /  
Road authority**

**Domestic or overseas  
Private investors**

# Classification of Toll Road

**Toll Road**

**Operation entity**

**PTR**

**CTR**

**Public Institute**

**Private Institute**

## Classification of Toll Road

**Toll Road**

**Toll Revenue**

**PTR**

**CTR**

**Pay Back Loan**

**Pay Back Loan and get  
financial return**

# Classification of Toll Road

**Toll Road**

**Concession Period**

**PTR**

**CTR**

**Less Than 25 years**

**Less Than 30 years**

# Classification of Toll Road

**Toll Road**

**Taxation Policy**

**PTR**

**CTR**

**Business tax &  
income tax  
exempted**

**No tax exemption**

# Classification of Toll Road

## Three types of operation entities

road authority or its sub-units

road development corporation (group)

Private entities



# Main Contents

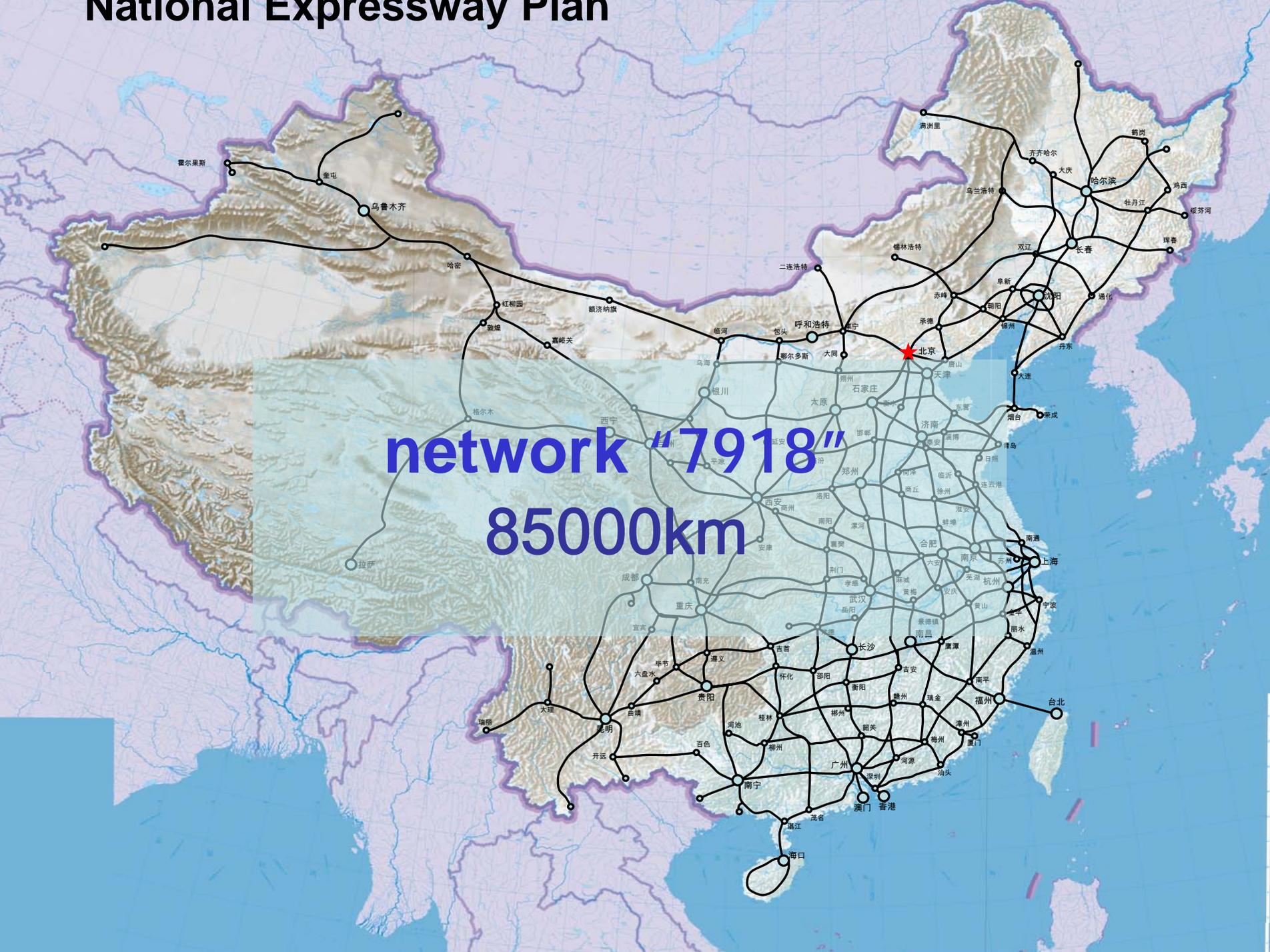
1. Facts and Figures
2. Toll Road Financing
- 3. Missions Ahead**



# **The Plan of National Expressway Network**

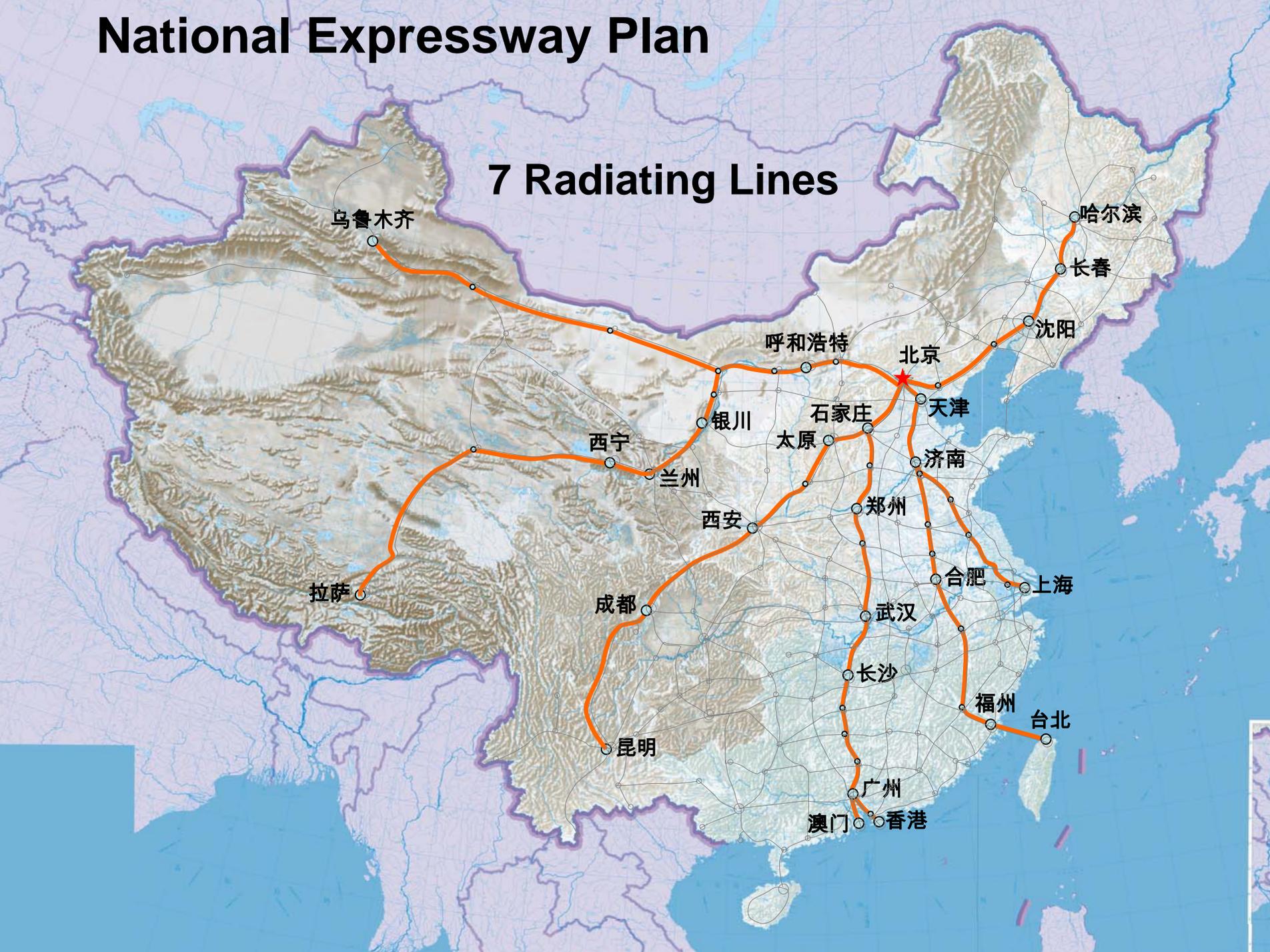


# National Expressway Plan



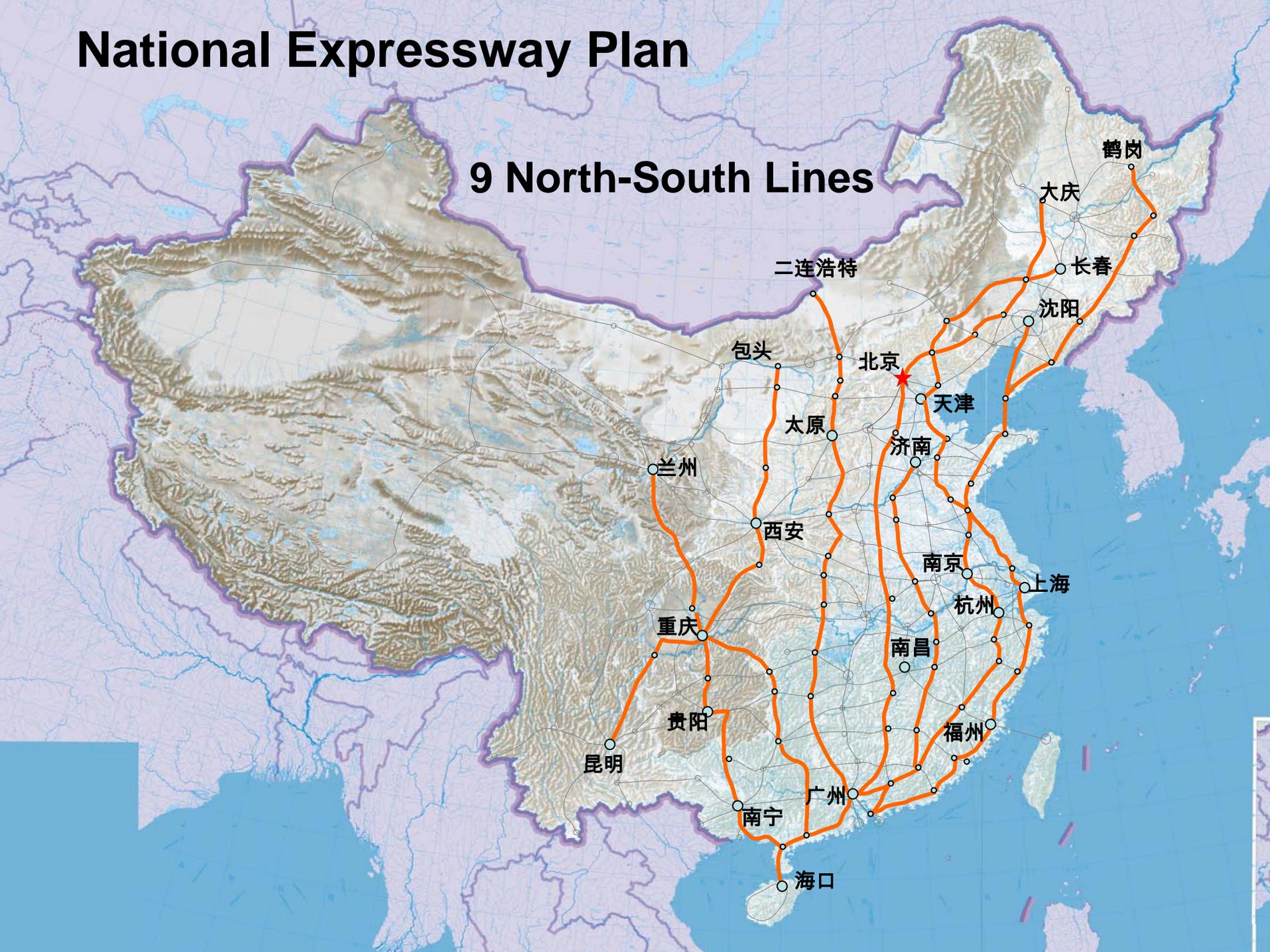
# National Expressway Plan

## 7 Radiating Lines



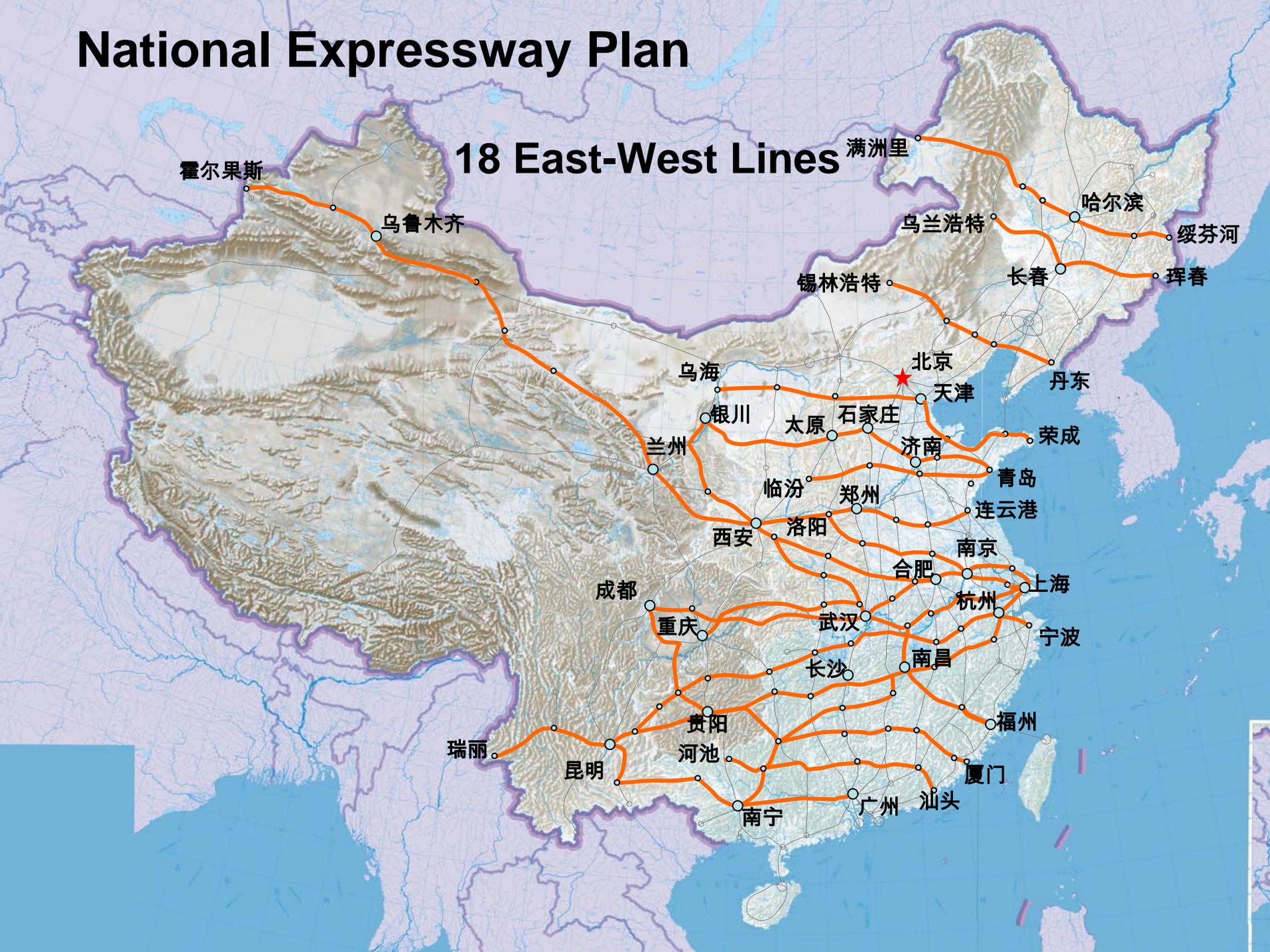
# National Expressway Plan

## 9 North-South Lines



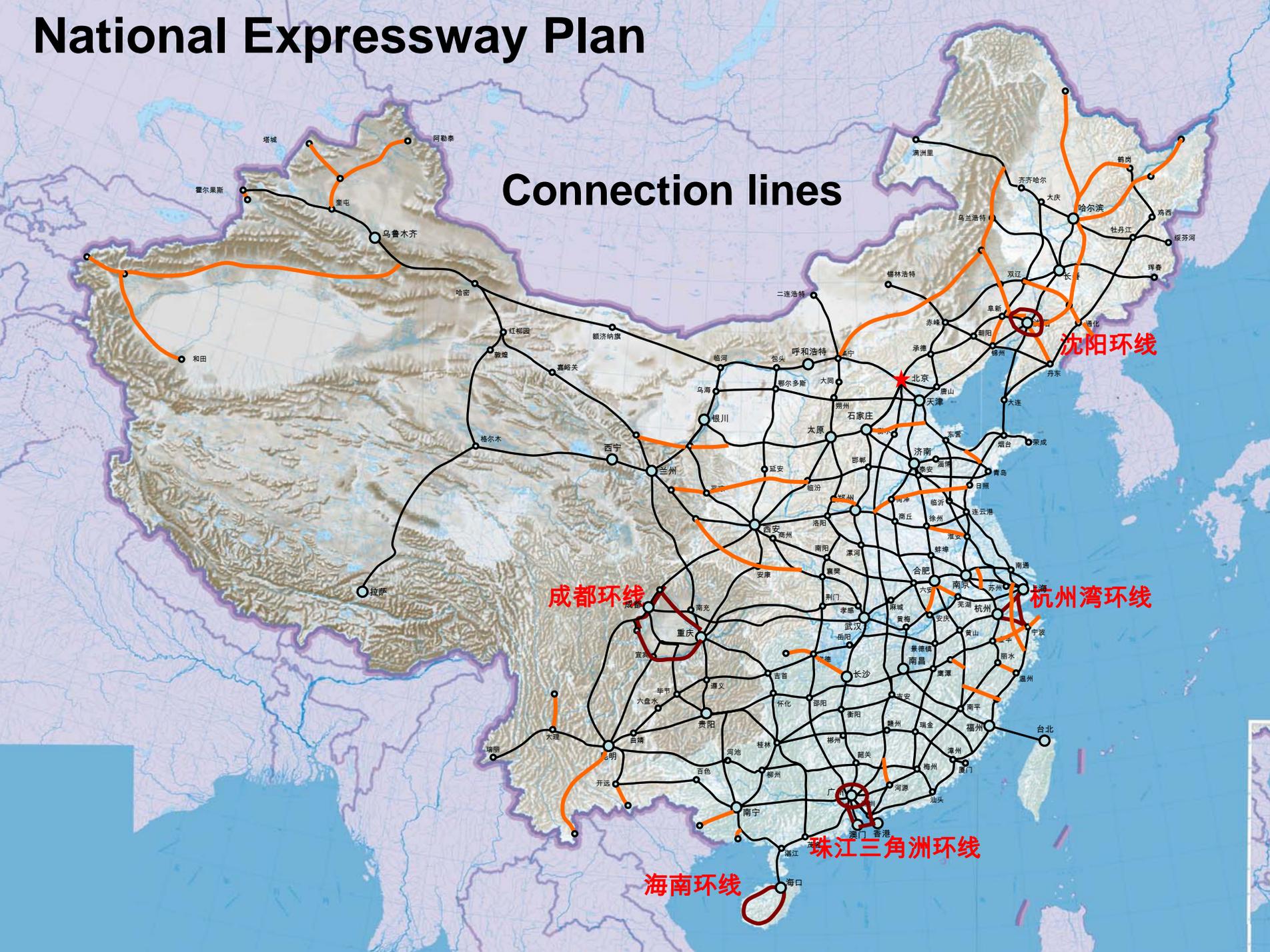
# National Expressway Plan

## 18 East-West Lines



# National Expressway Plan

## Connection lines





# National Expressway Plan





# National Expressway Plan

- Half day  
半日
- One day  
一日
- Two days  
二日





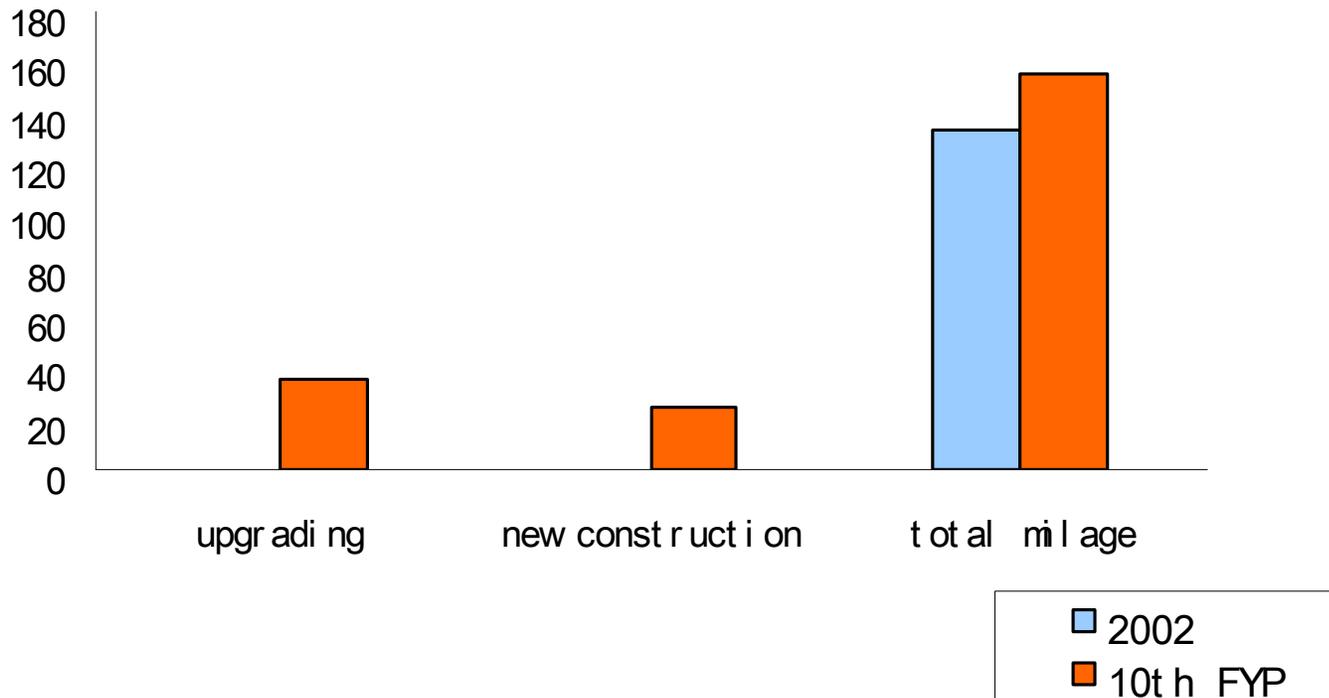
# **The National Plan of Rural Road Development**



# Rural Roads

2003-2005

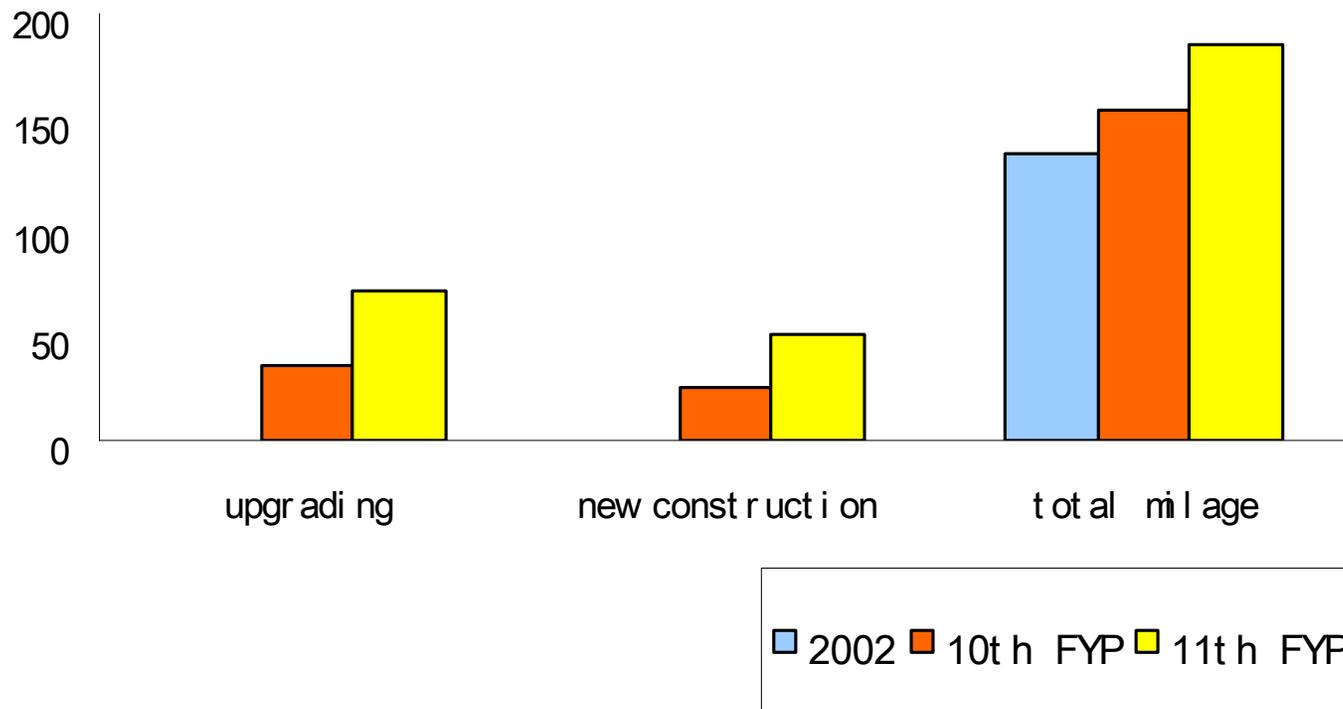
250,000km were newly constructed and 350,000km were upgraded with new pavement



# Rural Roads

2006-2010

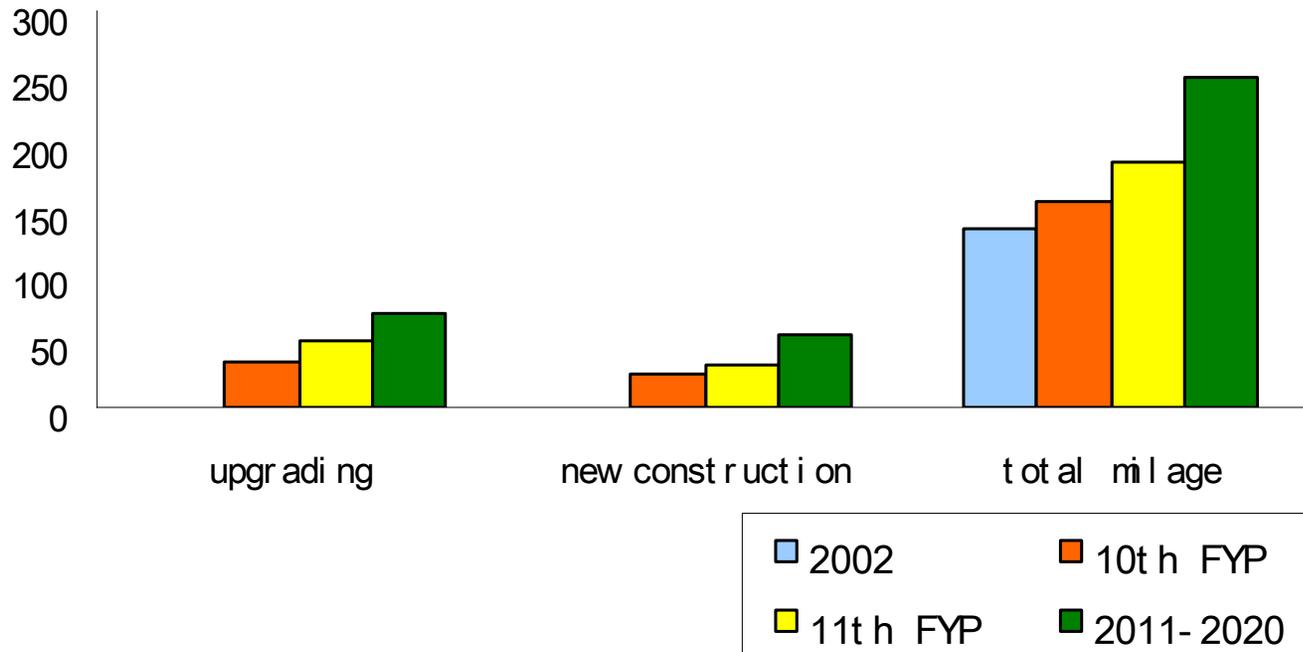
1.2 million km of rural roads will be newly constructed or upgraded with new pavement



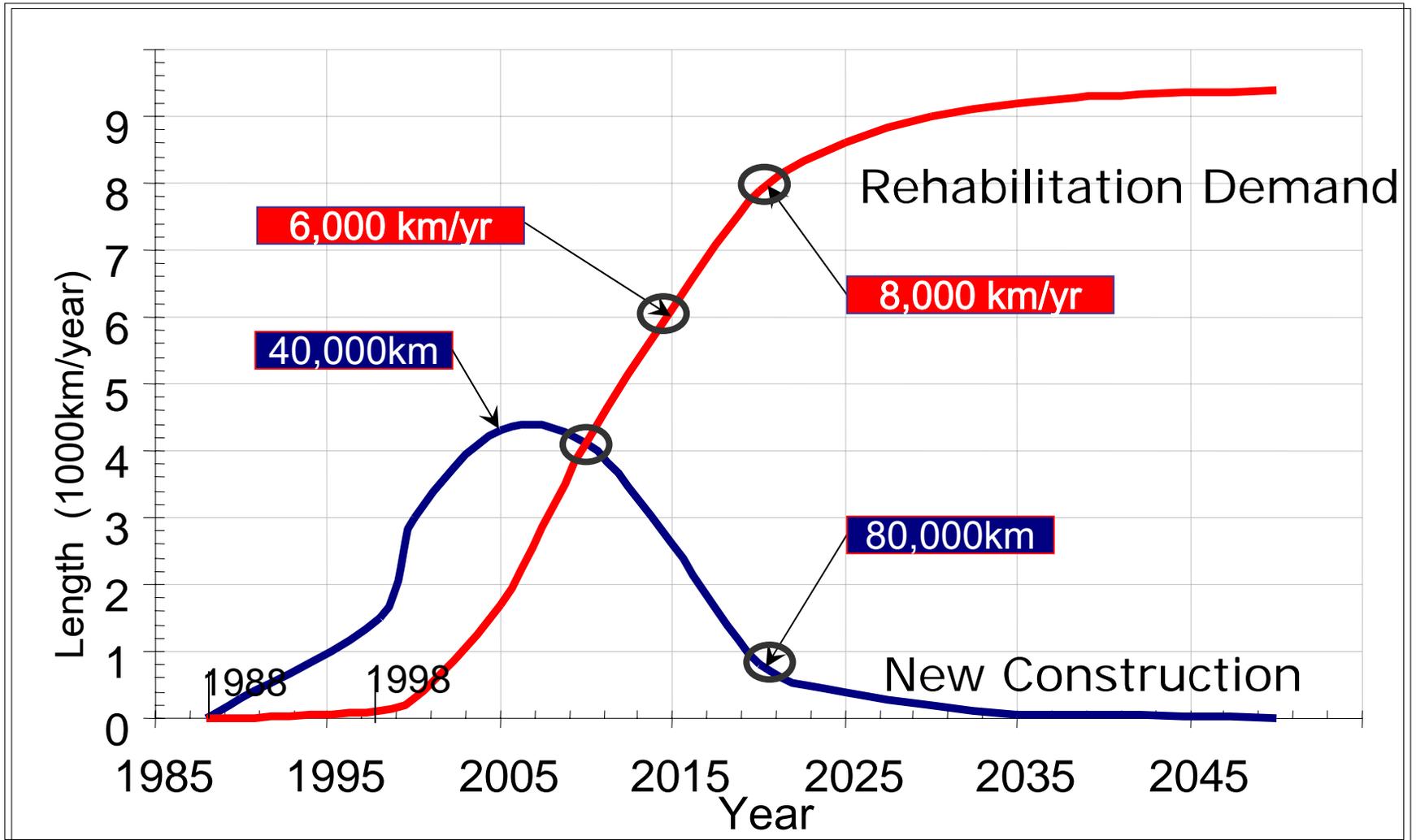
# Rural Roads

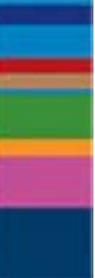
2011-2020

550,000km will be newly constructed and 700,000km will be upgraded with new pavement



# Rehabilitation Demand





## Missions Ahead

**Great Challenge**

**Great opportunity**

**China is facing a key & crucial stage  
of road development**

# Closing Remarks

- *To be rich, build road first* (farmers in China said)

**Road makes the difference!**

- Toll road – the “**secret**” of road development in China

**Toll road makes the difference!**

- **No road, no development**



THANK  
YOU !