

INTERNATIONAL ACTIVITIES

In 2019, FPC provided direct and transit passenger services to 23 European and Asian countries, including Germany, France, Poland, Austria, the Czech Republic, Monaco, Italy, Finland, China, Mongolia, North Korea, Latvia, Lithuania, Estonia, Ukraine, Moldova, Belarus, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Azerbaijan and Abkhazia.

The traffic volumes were bolstered by the Company's balanced marketing policy, efficient passenger service arrangements and a sharper customer focus, as well as the extensive cooperation with other national operators within international industry associations (OSJD, UIC, CRT and CIT).

FPC's international activities were focused on retaining its leading position in rail passenger services and improving the cost efficiency of the transportation process.

INTERNATIONAL COOPERATION IN EQUIPMENT AND TECHNOLOGY

In 2019, international cooperation in equipment and technology focused on the improvement of traffic safety, rolling stock servicing, as well as the development of procedures for train haulage between Russia and EU countries.

From 14 to 16 May 2019, Vienna, Austria hosted a meeting on traffic safety, the technical condition of passenger carriages and the quality of passenger service in international rail traffic. In addition to FPC representatives, the meeting was attended by technical specialists and representatives of railway authorities and carriers of Central and Eastern Europe (Deutsche Bahn AG, ÖBB, SNCF, PKP Intercity, MÁV-START, Trenitalia, etc.).

The participants noted improvements in the quality of pre-trip train servicing and stability of rail passenger services to and from the Russian Federation. During the meeting, the delegations shared ideas on further improvement of traffic safety, as well as information about regulatory changes in technical aspects of passenger train operation within the European Union, which are addressed by the railway reform. In particular, Trenitalia representatives gave an update on the progress in equipping carriages with water suppression systems, the use of which on trains will be mandatory in Italy from 1 April 2021.

In 2019, FPC and SNCF for the first time implemented a new train haulage procedure whereby the same locomotive is used to pull train No. 23/24 Moscow–Paris across both Germany and France.

A corresponding contract was signed for SNCF Deutschland, an SNCF subsidiary, to provide train haulage services within the 2019/2020 schedule.

The contract with a single-source operator for services both in France and Germany has reduced the number of locomotive change operations during travel and kept the hauling charges in France at the 2019 level while lowering the costs of train haulage on the German leg of the route.

IMPROVEMENT OF THE PRICING POLICY AND OPTIMISATION OF INTERNATIONAL RAIL SERVICES

In 2019, FPC continued its extensive cooperation on pricing, discounts and surcharges with railway authorities and carriers from the CIS and Baltic states. The pricing strategy implemented in 2018 was continued into 2019.

More than 20 promotions with discounts of between 5% and 70% were run in non-FSU countries (Europe, Asia). These discounts specifically applied to early booking, families, groups (including small groups), children (50% discounts), round trips, senior passengers, etc.

In 2019, more than 20 promotions with discounts of between 10% and 70% were run in international services with the CIS and Baltic states. In particular, we offered discounts for booking of tickets, round-trip fares, booking an entire compartment in a first- or second-class sleeping carriage, side berths in third-class sleeping carriages, etc.

Special fares, discounts and marketing promotions in international services with non-FSU countries in 2019

SPECIAL FARES/DISCOUNTS FOR TICKETS TO WEST EUROPEAN COUNTRIES

Family fare
(compartment booked by two passengers)

Discount for children
under 12

Adult Senior and Junior fare
(for passengers aged over 60 and between 12 and 26)

Discount for a group
of six or more adults

Senior-Single and Junior-Single fare
(whole compartment booked by a passenger aged over 60 or between 12 and 26)

Children's Group discount
(double discount for children travelling in a group)

Family fare
(compartment booked by two passengers)

Discount for booking 60–45 days
before departure

Voyage fare
(small groups from two to five people)

Discount for 1st and 2nd classes

Festive fare
(seven days before or after birthday)

Wedding fare
(newly wedded couples, valid for one month from wedding date)

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

The stability of direct rail passenger traffic between Russia, Poland and the Czech Republic has been improved. FPC together with PKP Intercity (Poland) and the Czech Railways explored the option of launching daily direct rail services between Moscow and Warsaw and Moscow and Prague. It became possible due to reduced FPC's costs and the transition to the East–West tariff in settlements between the parties.

In particular, FPC optimised the route of train No. 20/19 Moscow–Beijing travelling once every two weeks as a separate train and once every two weeks as a group of direct Moscow–Beijing carriages in train No. 2/1 Moscow–Vladivostok. It has improved train operation, optimised the use of rolling stock and, consequently, cut the costs of Russia–China railway services.

DISCOUNTS FOR TICKETS TO AND FROM POLAND	DISCOUNTS FOR TICKETS TO AND FROM FINLAND	DISCOUNTS/LOWER FARES FOR TICKETS TO AND FROM ASIAN COUNTRIES (CHINA, NORTH KOREA, MONGOLIA)
Discount for children under 12	Discount for children aged 6 to 17	Discount for children aged 4 to 12
Discount for a group of six or more adults	Discount for a group of six or more adults	Round trip discount
	Plan Early! discount (from 4 October 2018 to 7 December 2019)	Lower fares for trains running between Russia and Mongolia
		Lower fares for trains running through Russia and North Korea, and FPC's third-class open sleeping carriages

- Discounts
- Special/lower fares

Special fares and discounts are valid throughout the year

System of discounts in international services with the CIS and Baltic states in 2019

1 10% to 58% depending on the sale date

15%–20% between Russia and Belarus
15%–20% between Russia and Moldova
10%–15% between Russia and Estonia
10%–25% between Russia and Lithuania
10%–15% between Russia and Latvia
25%–55% between Russia and Uzbekistan
46%–58% between Russia and Tajikistan
15%–55% between Russia and Kyrgyzstan, Kazakhstan

3 At the same time the redemption of the whole compartment 25% (coupe, sleeping carriage)

Between Russia and Latvia

2 Depending on the location of berths (reserved seat): Moldovan Railways (CFM) – 70%, Belarusian Railway – 10%

Between Russia and Moldova
 Between Russia and Belarus

4 At the same time registration of travel cards documents «there» and back» (coupe, sleeping carriage) in the «back» direction 20%

Between Russia and Belarus

In 2019

- Discounts and marketing promotions in traffic between countries that are signatories to the Agreement on the International Passenger Tariff were kept at the 2018 levels
- Discounts for tickets to and from Uzbekistan **were increased** (from 25%–45% in 2018 to 25%–55% in 2019)

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 and 2018, as part of the Organisation for Cooperation of Railways (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. Throughout 2019, the OSJD member countries were engaged in extensive discussions of the draft document, making their proposals.

The importance and relevance of this work were 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 the state border crossing.

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, the Convention on the Facilitation of Border Crossing Procedures for Passengers, Luggage and Load-luggage Carried in International Traffic by Rail was approved on 22 February 2019. As countries join the convention, a legal and regulatory framework will be created for further unification of the legal environment for international rail passenger traffic.

As a national carrier, FPC views the issue of optimising state border control procedures as particularly important. It is an opportunity to significantly reduce travel time for passengers on international trains. Ultimately, the border control procedure should either be minimised in duration or be carried out while the train is on the move.