

Bulletin:

# Corporatization Of Taiwan Railway Won't Affect Government Support

January 2, 2024

Taiwan Ratings Corp. sees no change in the credit quality or degree of government support for **Taiwan Railway Corp. Ltd.** following its recent corporatization.

We believe the Taiwan government remains almost certain to provide timely and sufficient extraordinary financial support to Taiwan Railway (twAAA/Stable/twA-1+), given the operator's critical role and integral link with the government. We also believe the public's daily reliance on rail services will continue to support the operator's leading market share in public transportation. The government is therefore almost certain to maintain a very tight degree of control to ensure the implementation of related infrastructure policies through Taiwan Railway. Furthermore, we anticipate the government will continue to subsidize Taiwan Railway's losses on unprofitable routes and stations, as well as provide funding for the operator's major capital spending plans.

In accordance with the 'Act for Establishment of State-owned Taiwan Railway Co., Ltd.', the Ministry of Transportation and Communication completed the corporatization of Taiwan Railway from a government agency to become a wholly state-owned company from Jan. 1, 2024.

This report does not constitute a rating action.

**PRIMARY CREDIT ANALYST**

**Beatrice Chen**  
Taipei  
+886-2-2175-6829  
beatrice.chen  
@spglobal.com  
beatrice.chen  
@taiwanratings.com.tw

**SECONDARY CONTACT**

**Irene Lai**  
Taipei  
+886-2-2175-6825  
irene.lai  
@spglobal.com  
irene.lai  
@taiwanratings.com.tw

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