



Enhancing the role of rail freight in a changing transport sector




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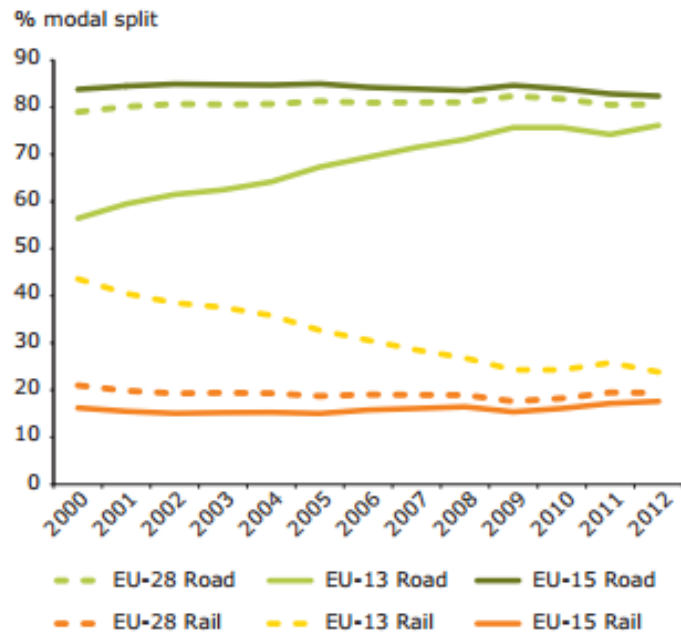


Great Political Expectations on Rail Freight

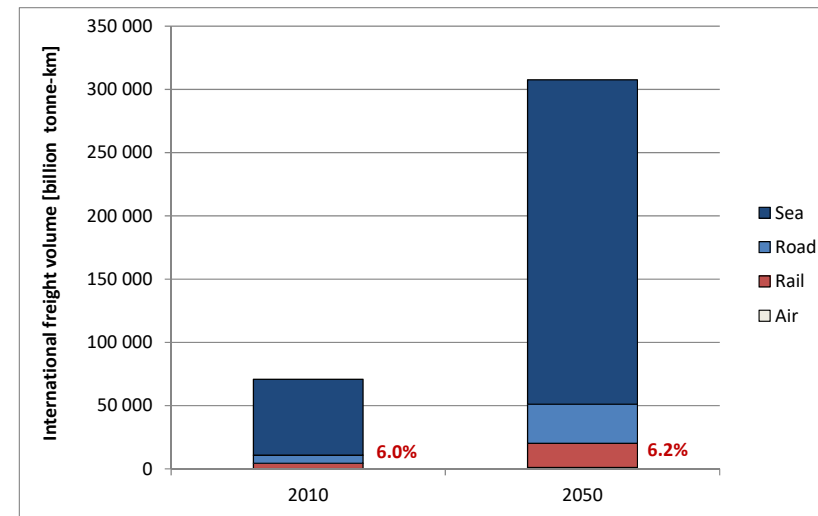
- **Climate Change / Decarbonising** 
 - Electrified rail freight plays big part in every Transport Minister's plans for Decarbonising Transport
- **Congestion** 
 - Major road axes suffering heavy congestion, trucks very visible
 - Higher costs for trucks (via distance-based charges) didn't lead to significant modal shift
- **Safety** 
 - Road safety levels generally improving, but still much worse than rail
- **But Rail still unable to gain market share !**
 - Due to wrong focus or to real competitive disadvantage for most clients' requirements?
 - And road freight is improving in all these fronts...

Rail freight: respond quickly to gain market share and contribute to decarbonisation

Flat modal share in the EU ... and missed growth opportunity internationally?






Source: Eurostat



Source: ITF Global Freight Model, baseline trade scenario



Freight transport services are changing:

- **Innovation** 
 - Automation on the rise in the road, maritime and aviation sectors, and in warehouses
 - Tracking services improve security and reliability of shipments
 - **Flexibility** 
 - Intermodal connectivity of logistics chains
 - More real-time decisions, less scheduled shipments
 - **Efficiency** 
 - Vehicle: longer and heavier trucks reduce road haulage costs
 - Automation on the road will not only reduce costs (labour) but extend operating hours by a factor of almost 3
 - Emissions: cleaner (liquid and gas) fuels and road electrification on the way
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Promoting innovation in Rail



- **Automation technologies**

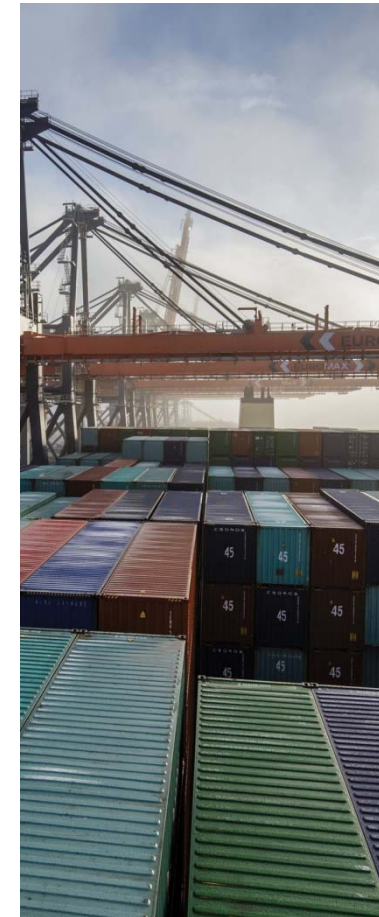
- Australia: preparing for the world's first fully autonomous, long-distance railway network for mineral products
- Automatic coupling and train marshalling for much higher efficiency of wagonload trains (large part of market by value and even by weight)

- **Customer service**

- US/Canada: full online tracking of shipments on international hauls

- **New entrants from different sectors**

- Portugal: MSC acquires CP Carga
- Sweden: EQT acquires Hector Rail
- Bulgaria: PIMK enters the rail market



Enhancing flexibility in Rail



- **Wagonloads market**

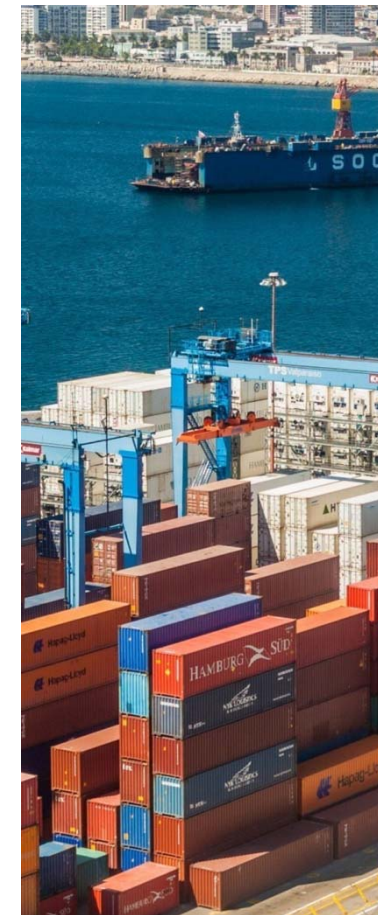
- The business is only viable if it gains market share in international corridors and if costs are reduced

- **Intermodal facilities: ports and yards**

- Spain: share of inland transport from Port of Barcelona growing from 4% to 12% between 2008 and 2012

- **Capacity allocation processes**

- EU: Directive 2012/34 introduces cooperation requirements between IMs for cross-border services.



Improving efficiency in Rail

- **Longer trains and double-stacking to reduce unit costs**
 - US: growth of double-stacked containers in response to industrial diversification
- **Fuel and engine efficiency in addition to electrification to reduce CO2 emissions**
 - Diesel intensity of freight operations not falling in line with rest of freight sector
- **Performance benchmarking**
 - Definition of common KPIs in EU and Asia-Pacific (following North American model) to compare efficiency and enhance productivity





Thank You

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