

MAKING RAIL FREIGHT MORE COMPETITIVE

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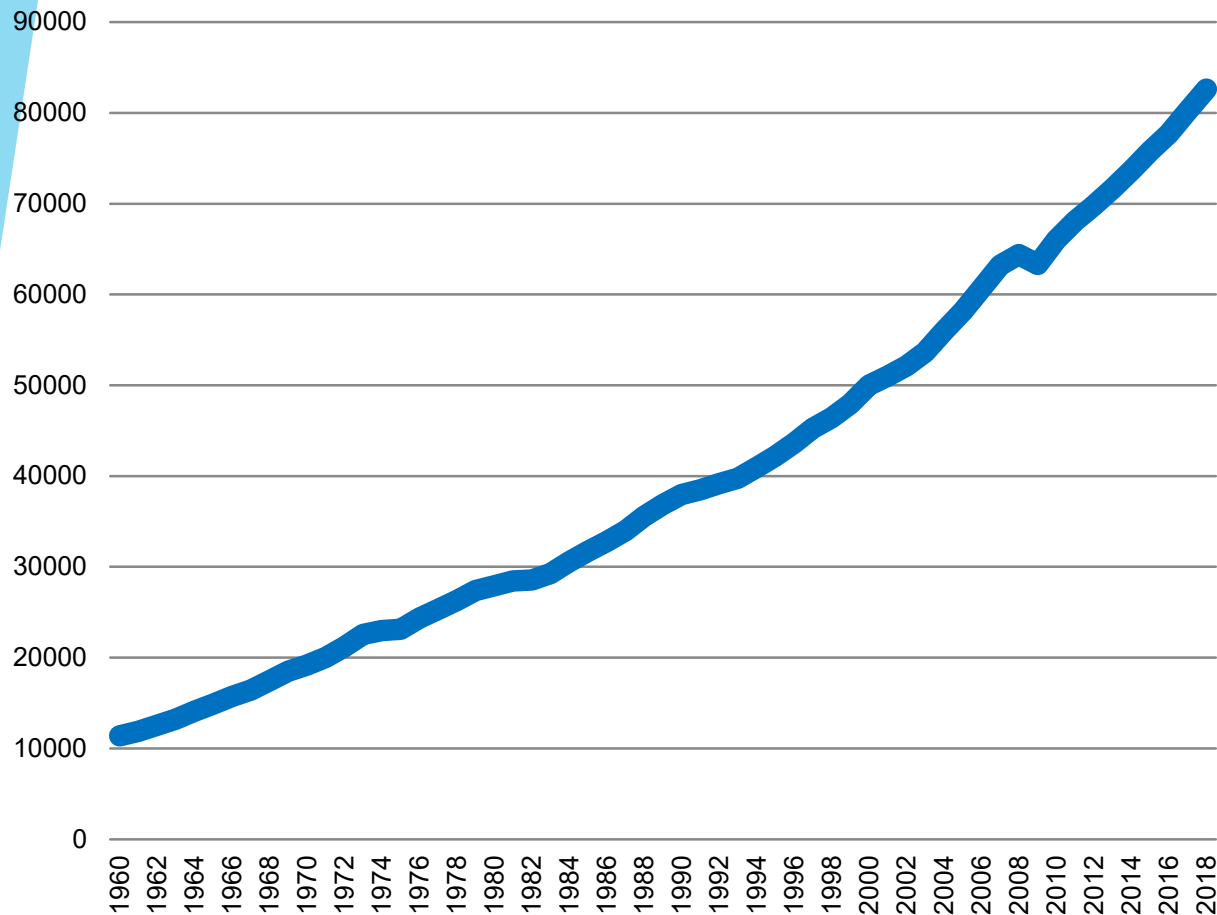
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Geneve, 25th of November 2019

ECONOMIC DEVELOPMENT

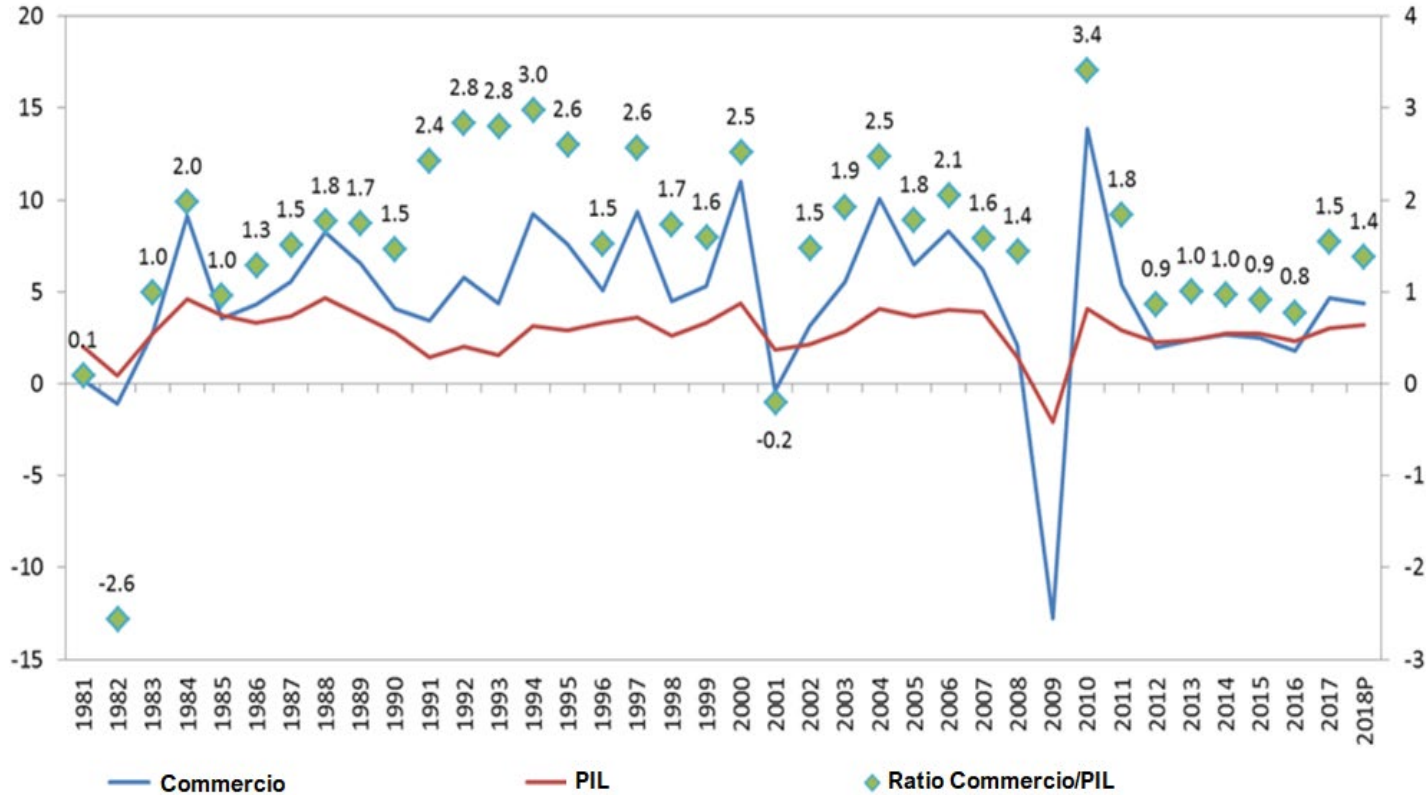
World Gross Domestic Product (BLN USD)



Source: Tra consulting on the World Bank database

- The World Economy is 8 times bigger in 2018 than in 1960.
- The global economy was driven by Asian growth.
- Globalization was possible thanks to the good trade connection of world economies.
- Interconnectivity of the economy is possible thanks to a better value chain at global level.

GLOBAL TRADE

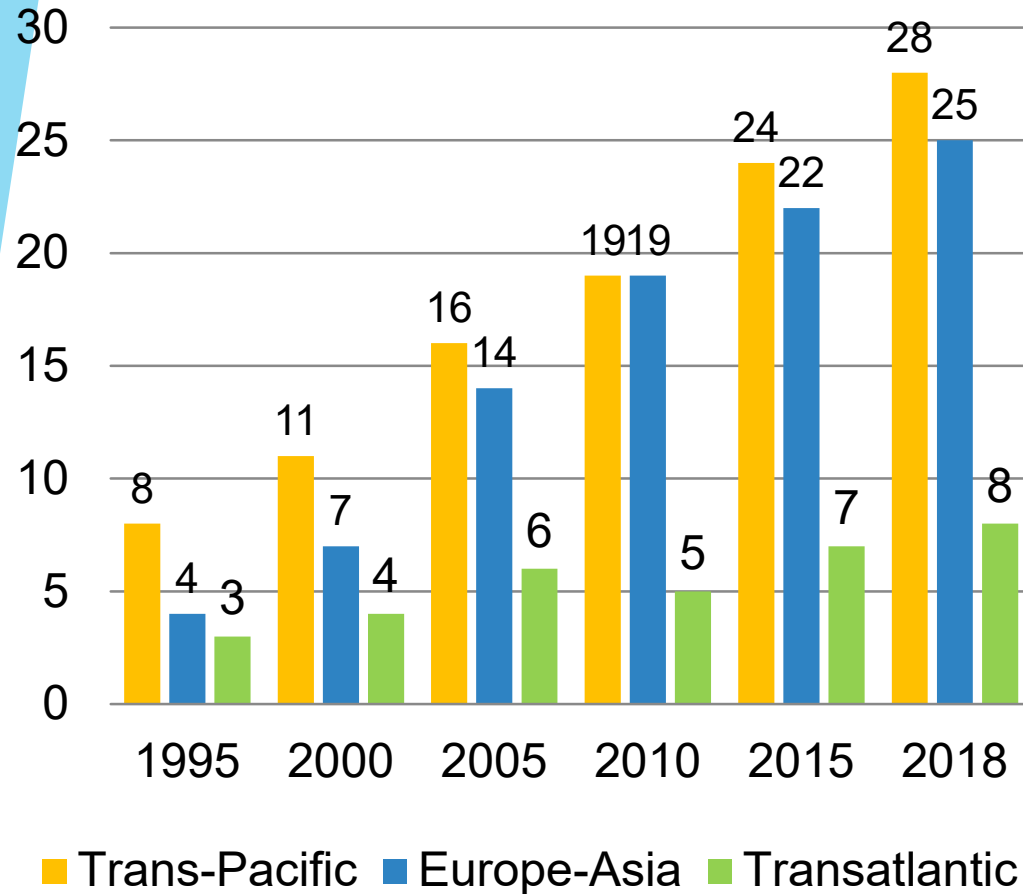


Source: the World Bank

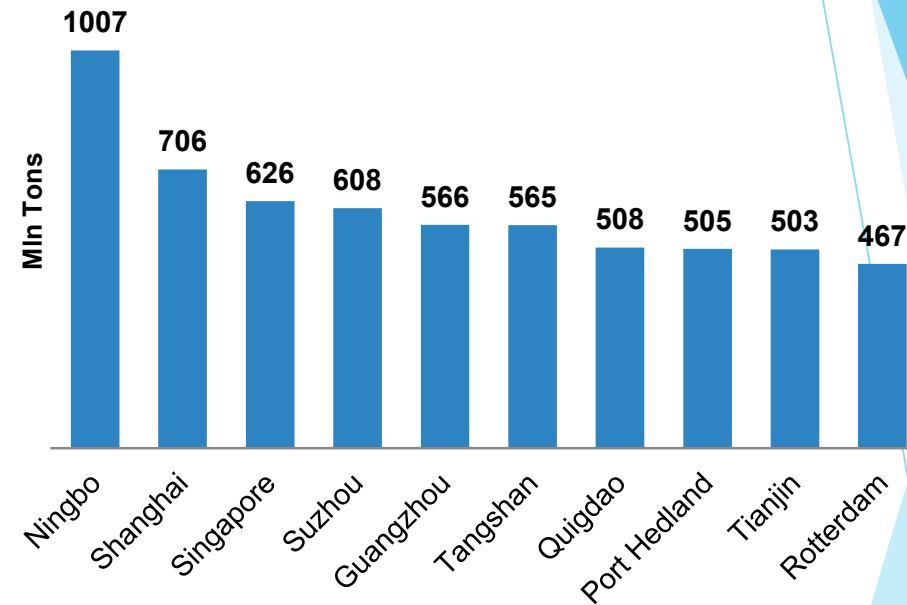
- There is a strong connection between economy and trade growth.
- Trade growth is a key element for understanding the development of economies.
- Ratio between trade and GDP growth is often higher than 1.5.

SHIFT TO THE EAST

Container Traffic (mln of TEU)



Global Top 10 ports by Cargo

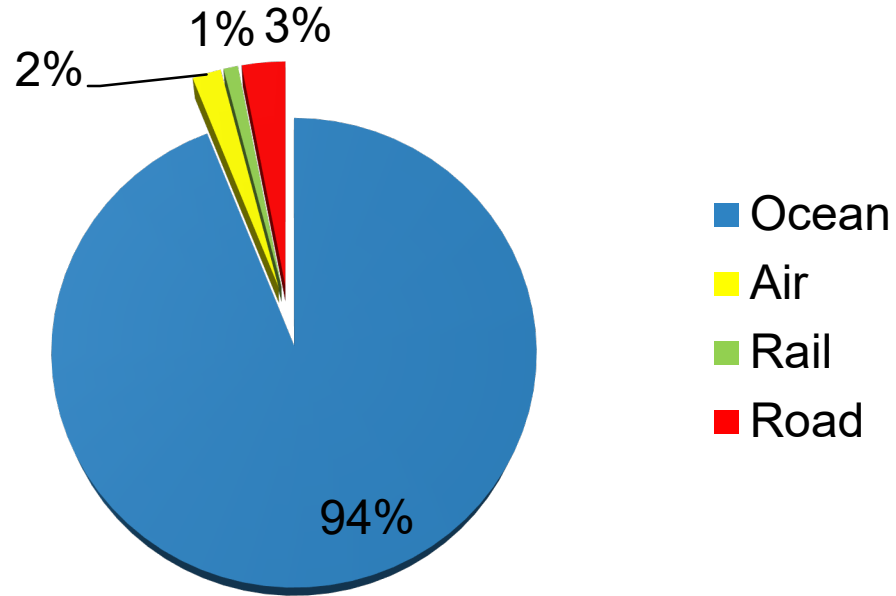


- The economic growth is linked to the Asian economies.
- Trade is going more and more to the East.
- Container traffic and ranking of ports is a clear example.

Source: TRA consulting on UNCTAD database

TRADE CHINA - EUROPE

Trade Volume China - Europe

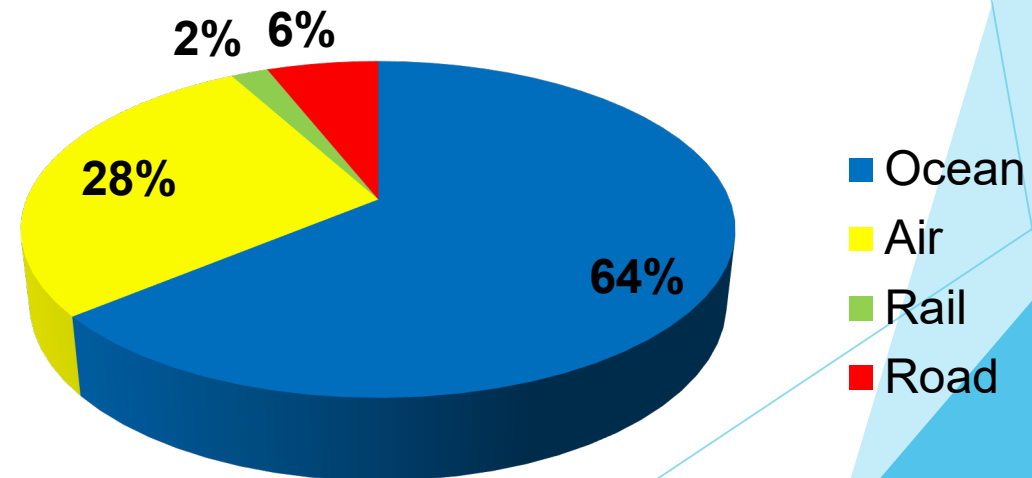


Source: CSIS, 2017

➤ The trade volume between China and Europe is predominant with sea transport modality

➤ In terms of value, the air transport has 28% of the traffic.

Trade by Value China - Europe



CHINA EUROPE RAIL LINKS

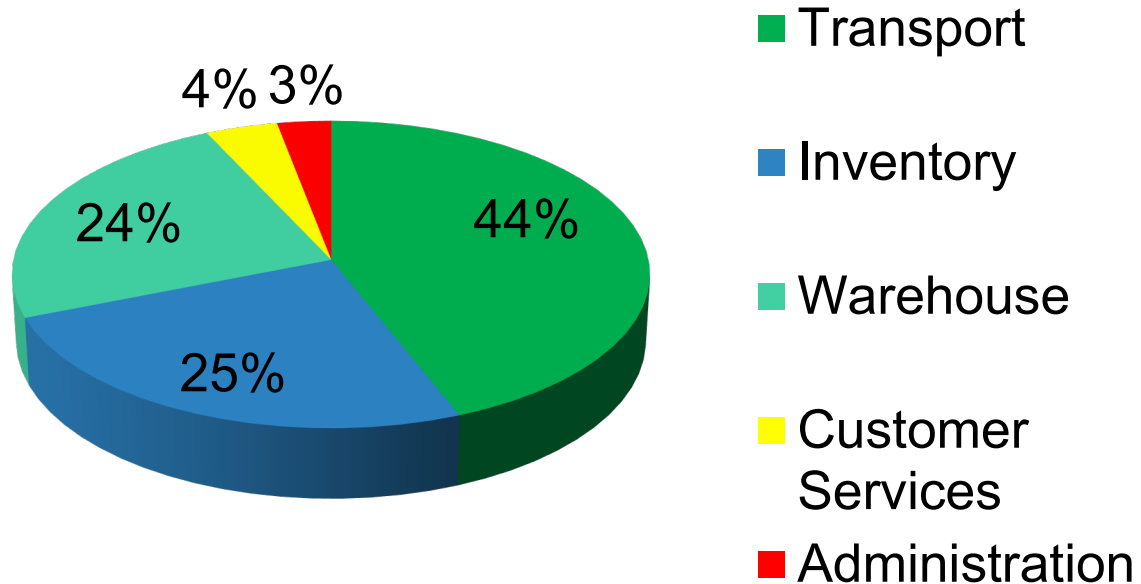


- 21 days faster than sea freight
- 90% less CO2 than air freight (AF)
- 6 times cheaper than AF

LOGISTIC EFFICIENCY: PROBLEMS OF RAIL FREIGHT IN EUROPE

LOGISTICS COSTS

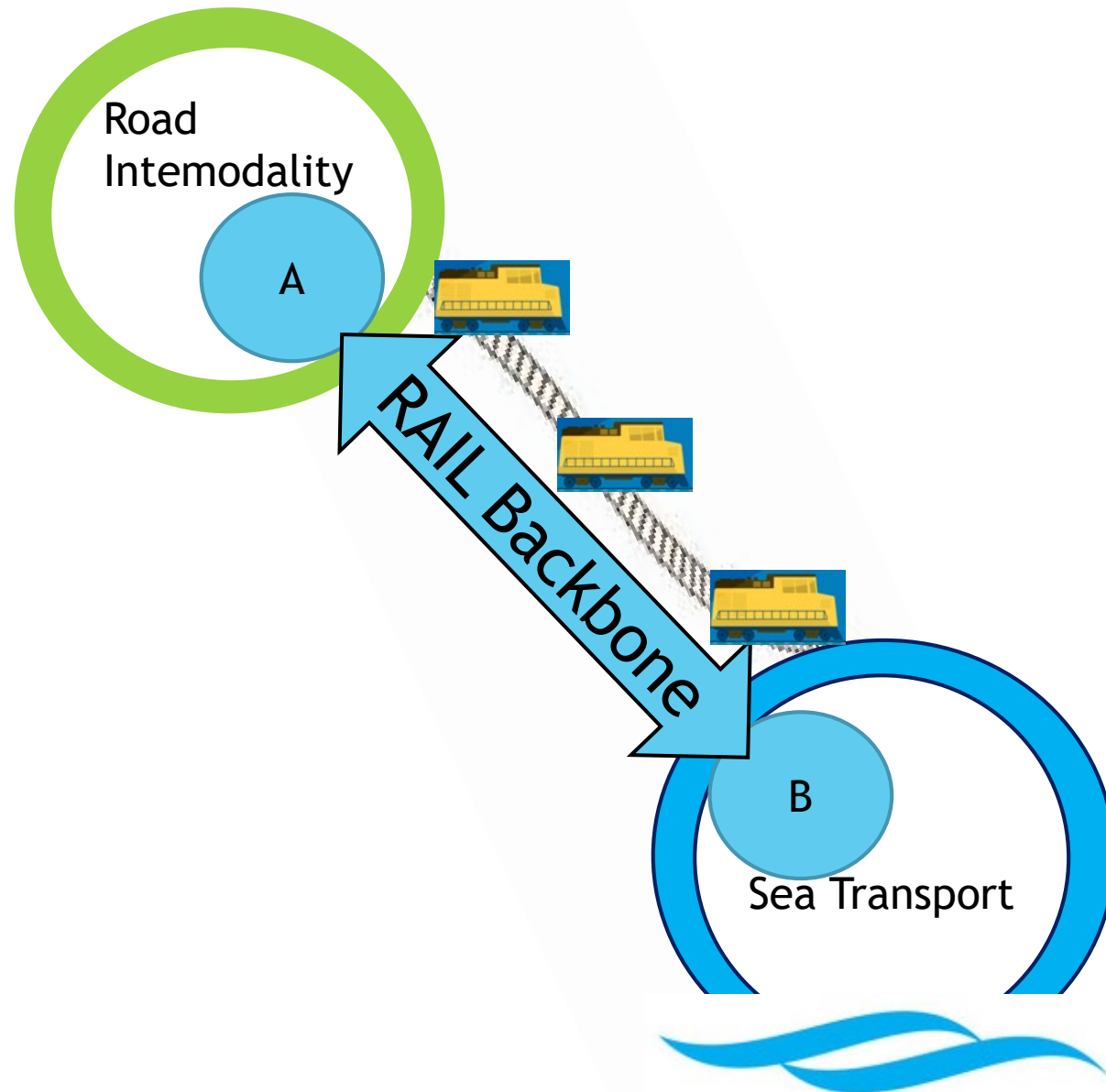
Logistic Cost



- Logistics costs are not only linked to the transport costs.
- Different international studies underline that transport costs are half of the total logistic costs.
- Important element to be taken in consideration are warehouse and inventory cost
- Administration and “red tape” cost could be an important cost depending of the Countries.

Source: TRA consulting on Davis data

LOGISTIC AS A SYSTEM



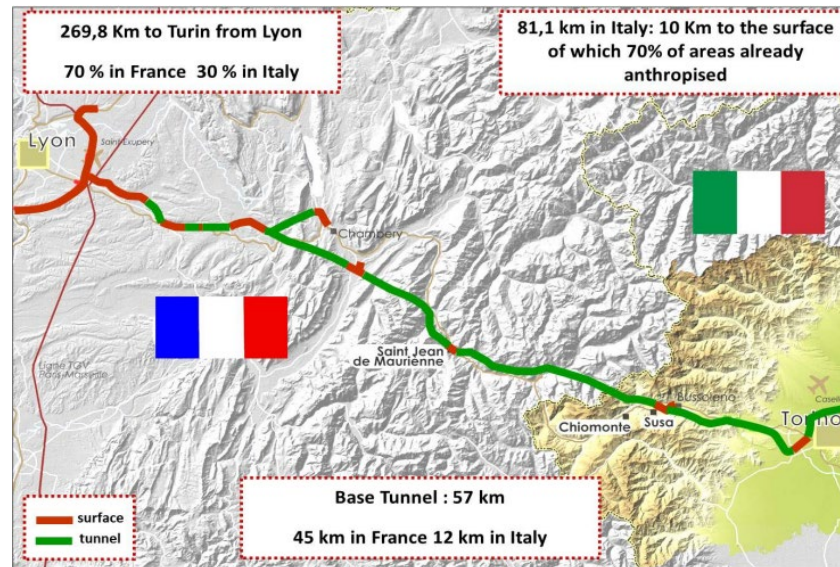
SELECTED KEY POINT

Not all freight could be transported with rail – cost drivers

Intermodality is a key element to make logistic system more efficient

Rail has to be the backbone of a logistic system

INFRASTRUCTURE – EUROPEAN VISION



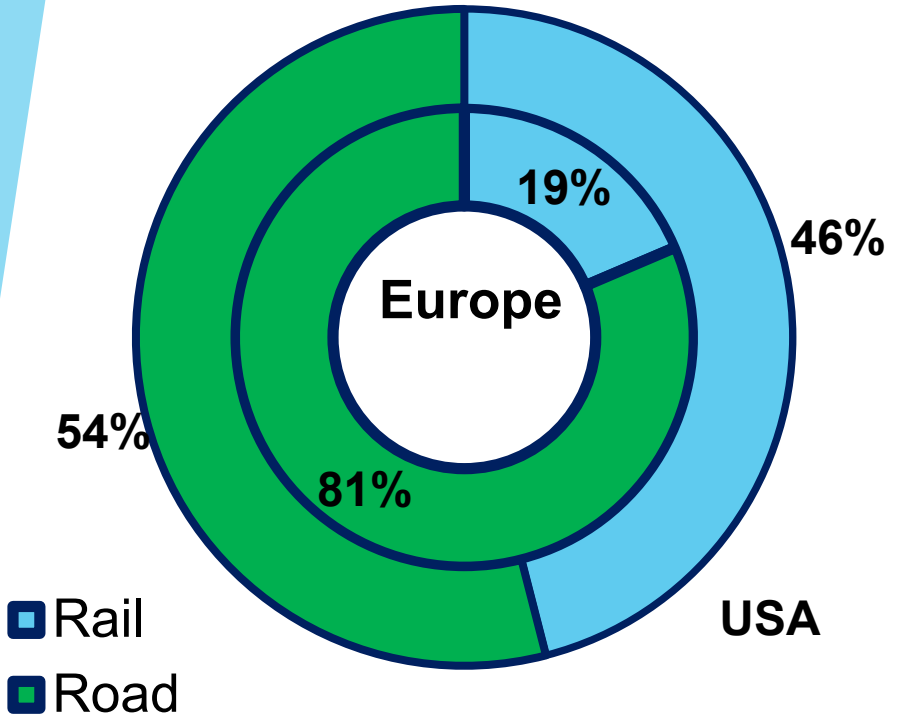
TAV: Turin – Lyon Costs for Italy	BLN Euro
Tunnel	2,7
Turin connection	1,6
Urban node of Turin	0,2
<i>Total direct cost</i>	4,5



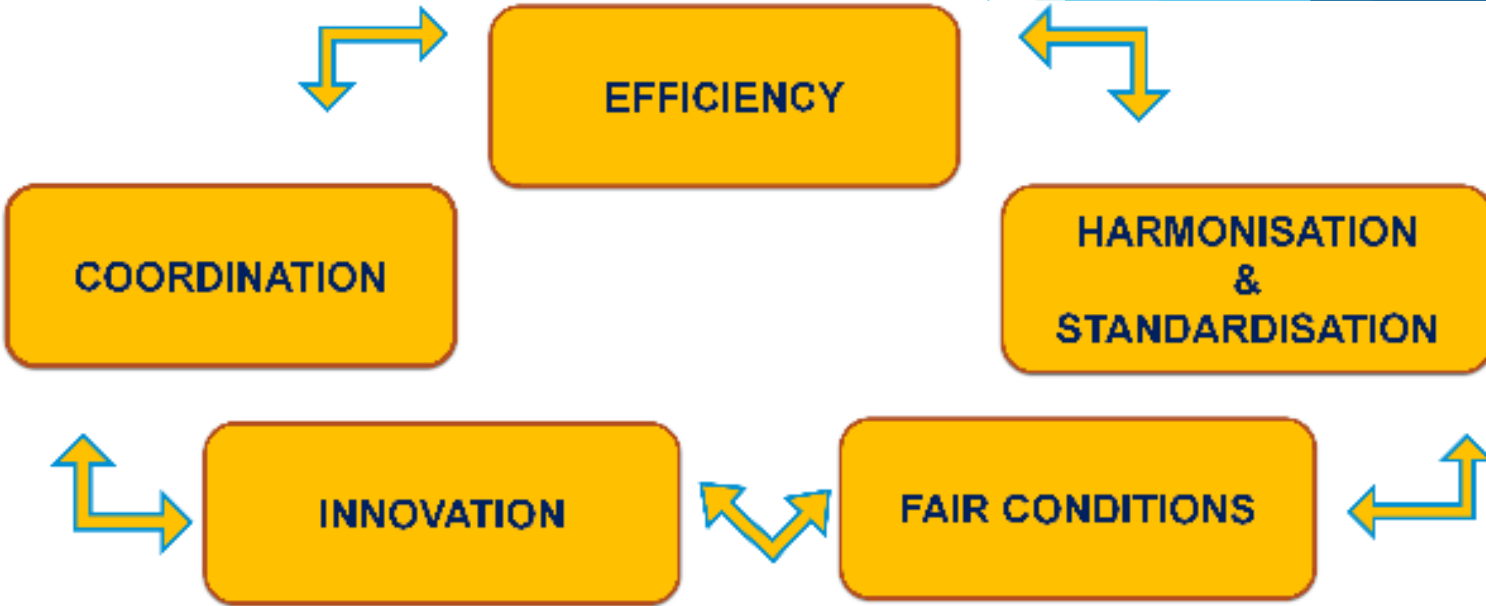
Important to Solve the bottlenecks of the railway system

RAIL FREIGHT COMPETITIVENESS

Freight Transport in USA and Europe

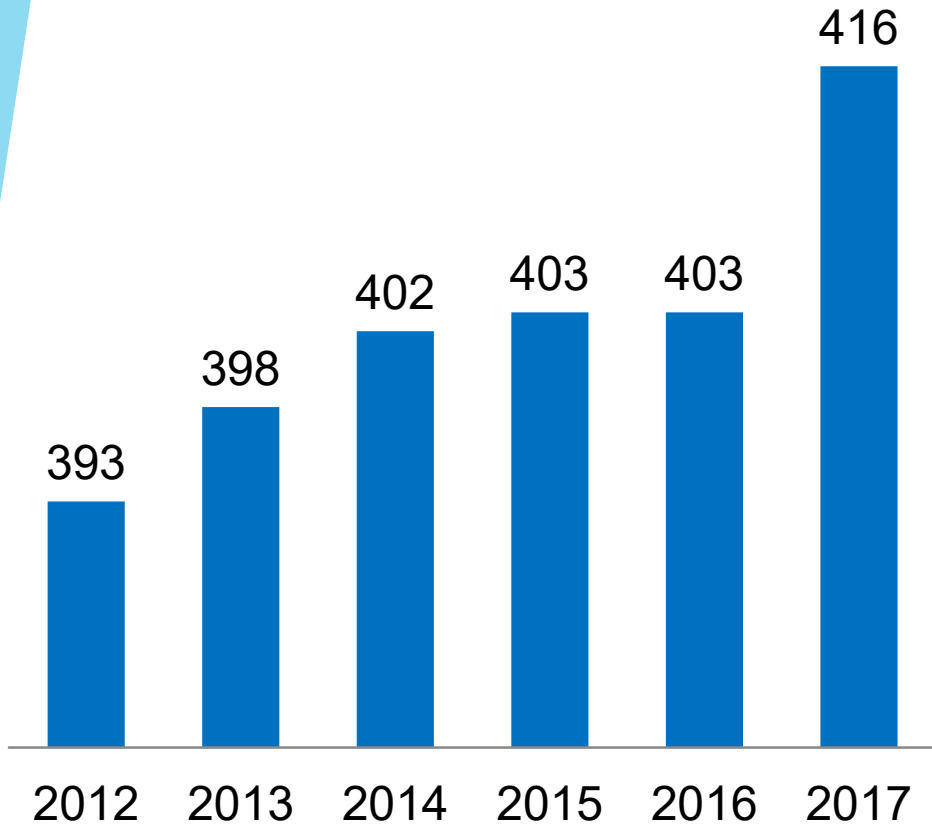


Source: TRA consulting on Eurostat Data

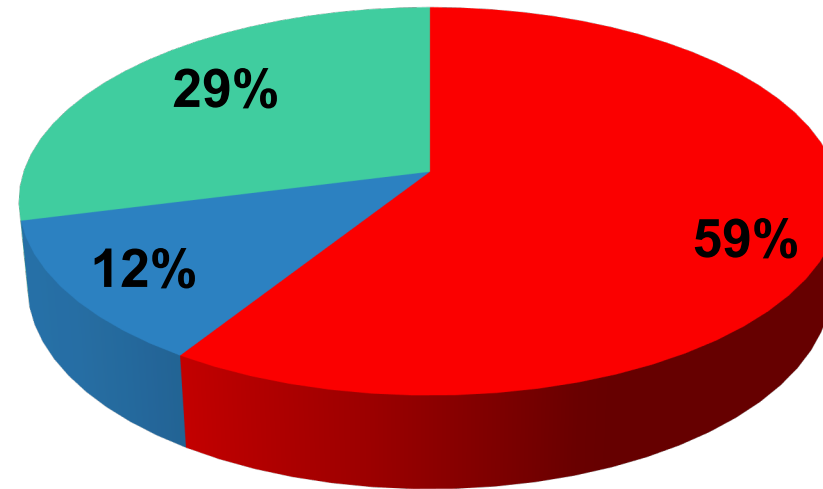


RAIL FREIGHT TRANSPORT IN EUROPE

Rail freight in Europe (BLN TKM)



Rail freight market in Europe (Tkm)

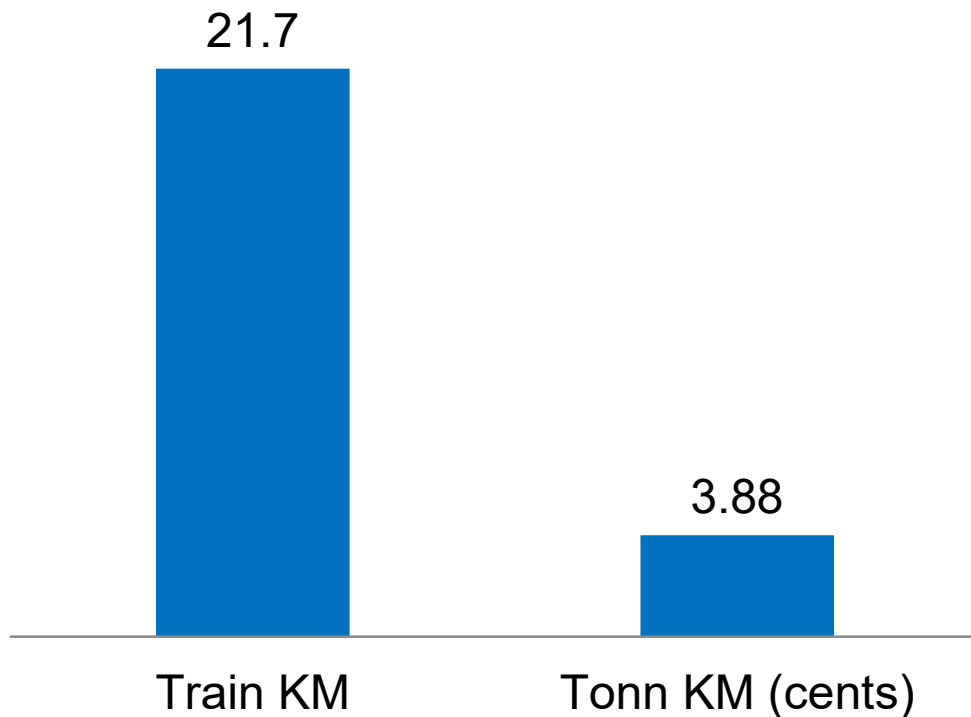


- Domestic Incumbent
- Foreign Incumbents
- New Entrants

Fonte: TRA consulting on Eurostat Data

RAIL FREIGHT TRANSPORT IN EUROPE

Revenue Rail Freight Operators

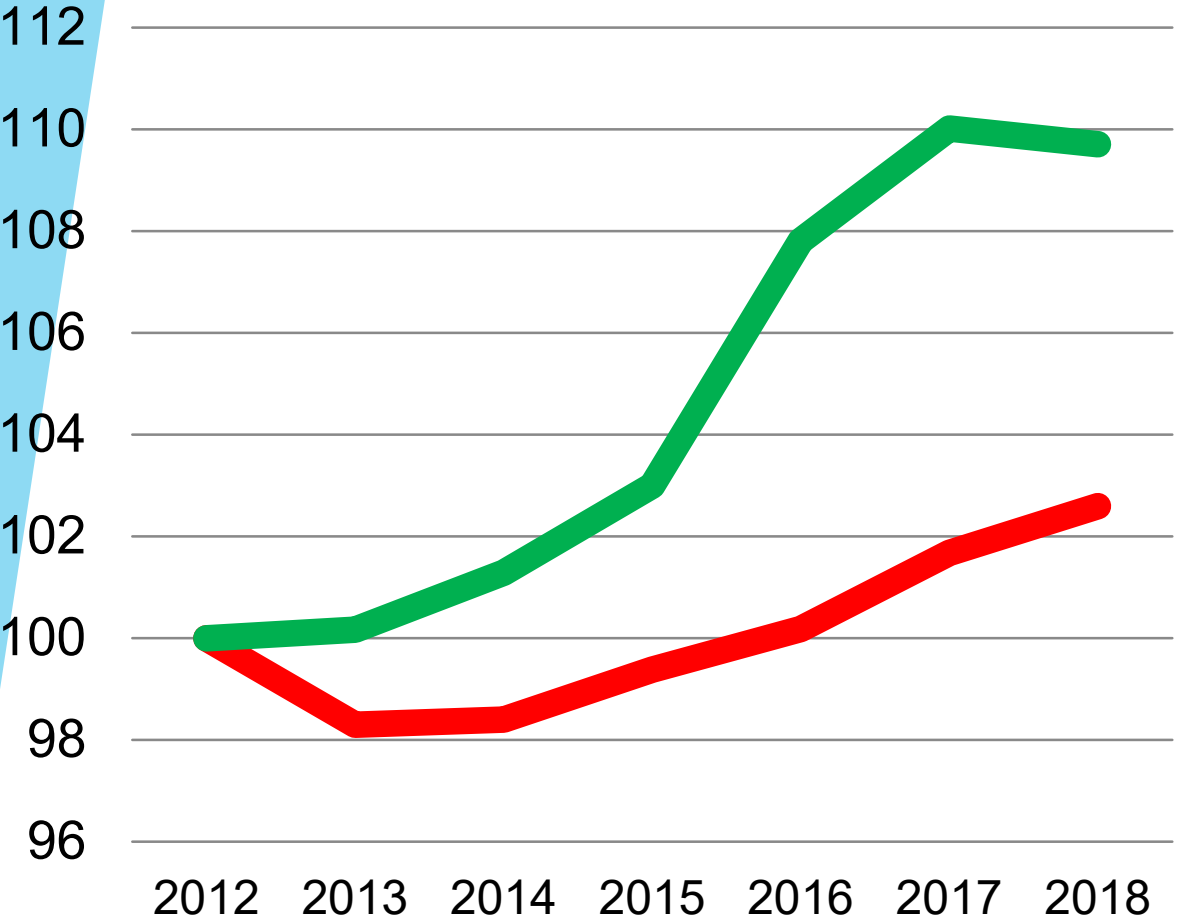


- Rail freight operators in Europe have a quite high revenue per train kilometers.
- To have a more competitive rail industry is important to solve the problem of cost.
- Competition is one of the key drivers to reduce the cost.
- A real single european railway area will give to the rail industry a better competitiveness.

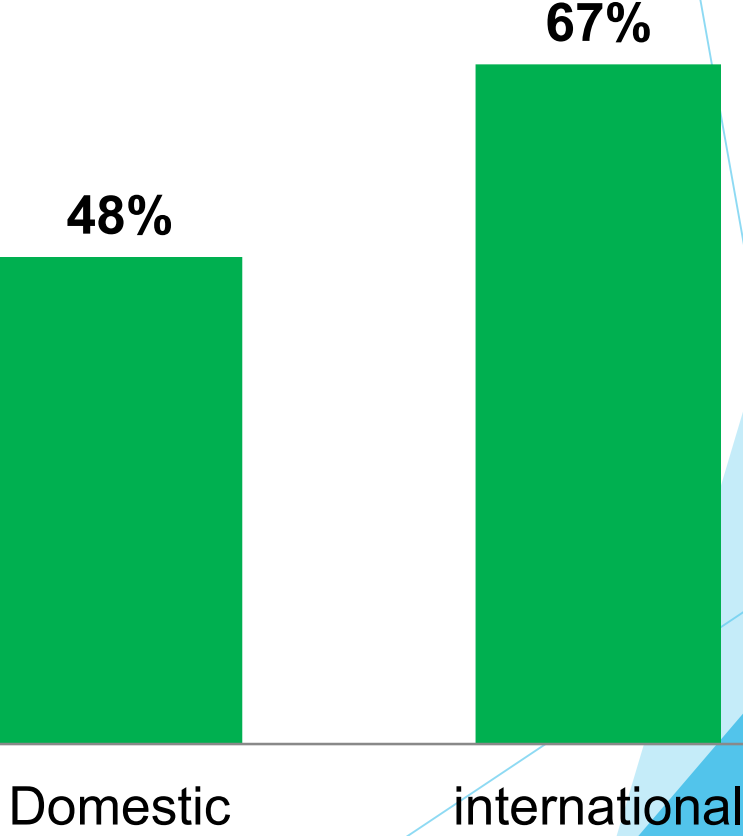
Source: TRA consulting on IRG data

RAIL FREIGHT TRANSPORT IN ITALY

GDP and rail freight in Italy (year base 2012=100)



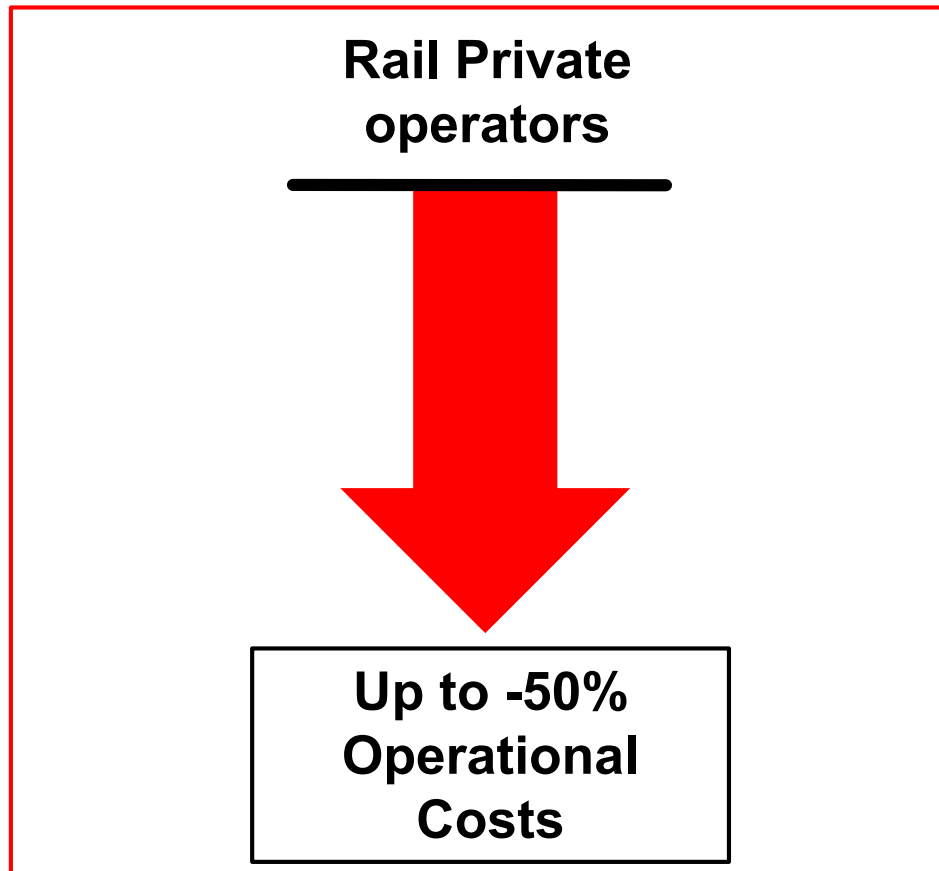
New Entrants in the rail freight market



Source: TRA consulting on Fercargo data

RAIL FREIGH COMPETITIVENESS

Competition



- Competition is an important driver of reduction of cost
- A Single European Railway Area will help to reduce costs
- A common language
- Effectiveness of the European Railway Corridors
- Solve the infrastructure bottleneck
- Access charge
- Regulation

Fonte: TRA consulting on data Railway

THANK YOU FOR YOUR ATTENTION

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