



Slovenske železnice
SŽ-Tovorni promet



Regional rail Connectivity Conference

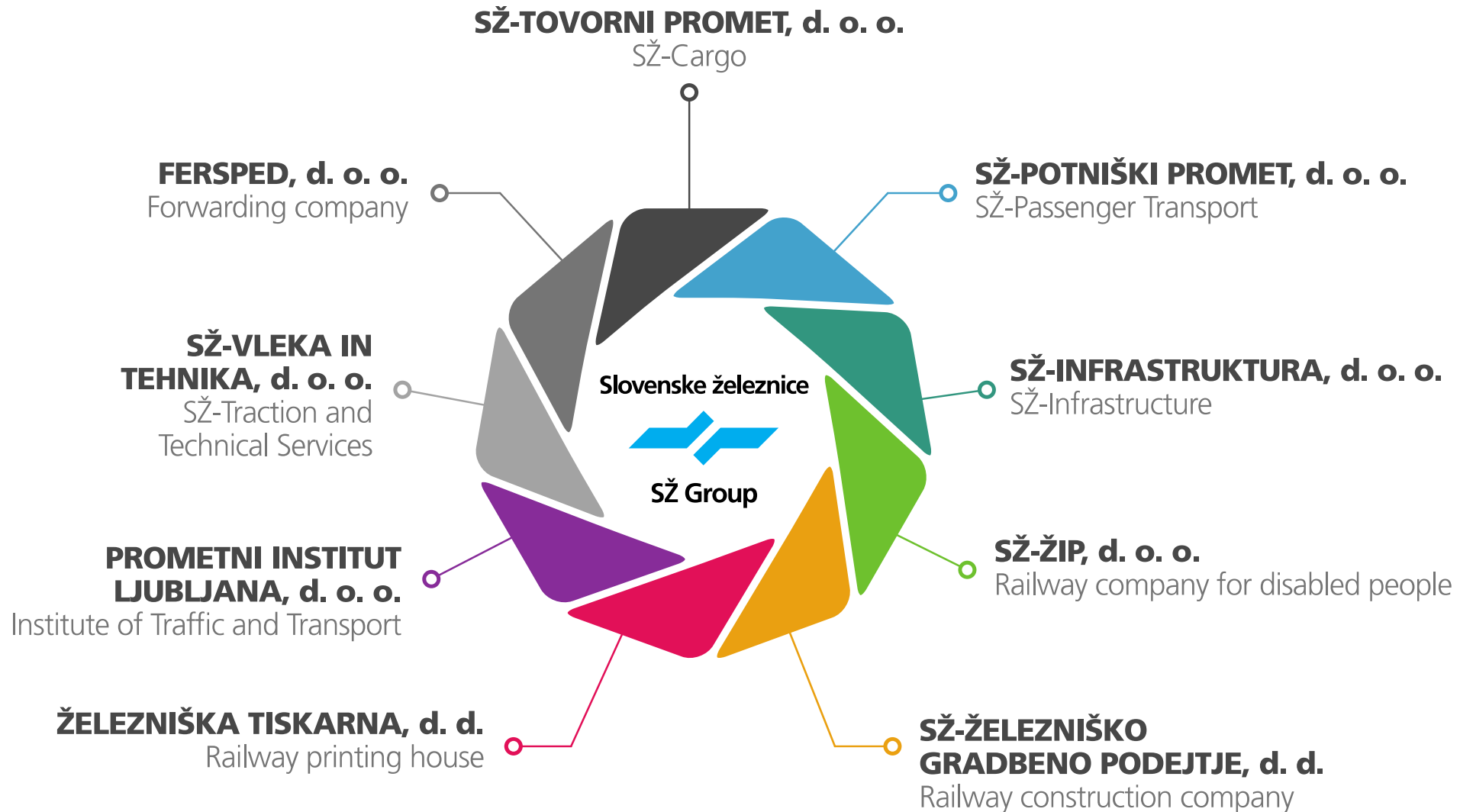
Beograd, 3. 10. 2019



Slovenian Railways

About the Company

Slovenian Railways Group Structure





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Our Services

Comprehensive Logistics Services for Stable Business Development



Wagonloads

single wagons, groups of wagons, direct trains, exceptional wagonloads, RID



Combined transports

transport of containers, RoLa, container terminal services



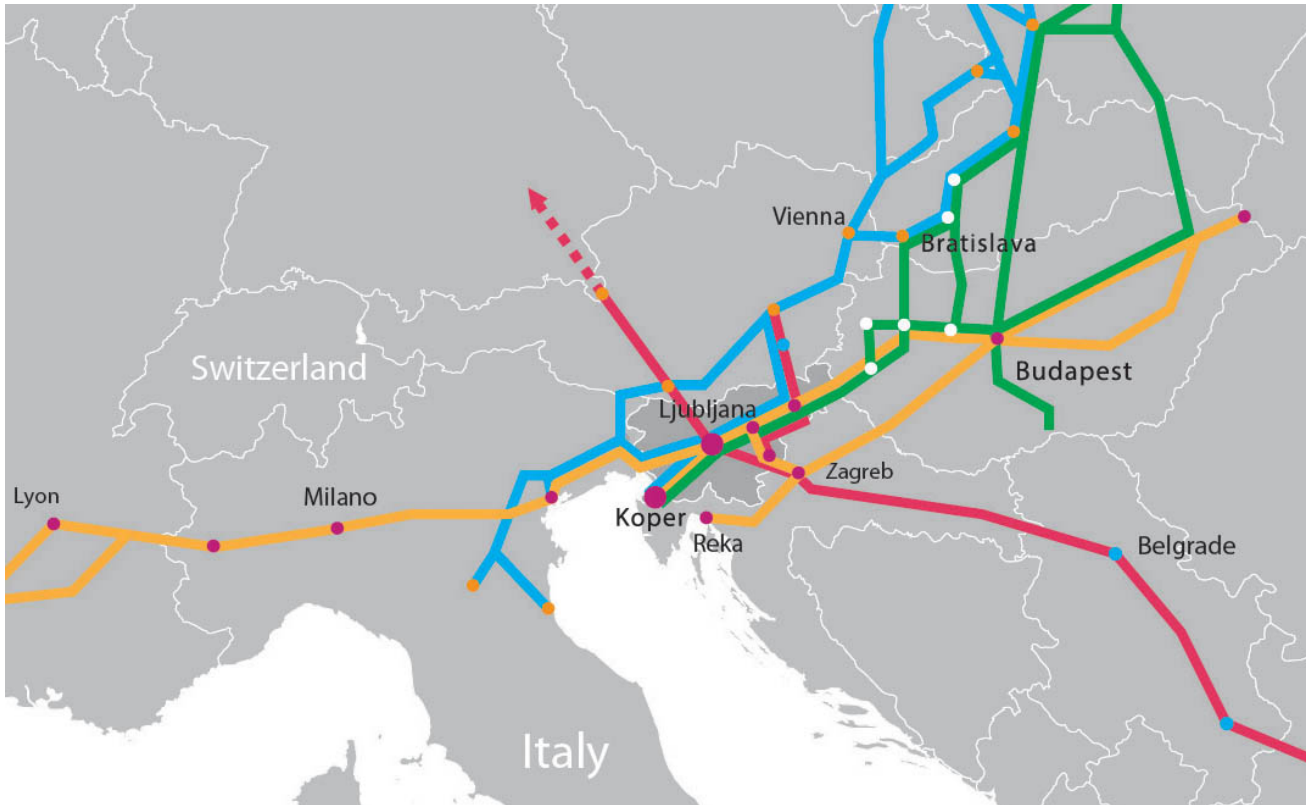
SŽ-Express

door-to-door delivery of small parcels warehousing and distribution

RESULTS 2018		
Goods carried	M. Tonnes	20.4
Work performed	M. NTKM	4,966
Operating revenues	M. EUR	187.4
EBIT	M. EUR	10.23

ASSETS		
Wagons	Number	3,362
Locomotives	Number	139
Diesel	Number	70
Electric	Number	69
Employees	Number	1,253

Increased Presence in Foreign Markets



- Baltic-Adriatic corridor RFC 5
- Mediterranean corridor RFC 6
- Alpine-Western Balkans corridor (RFC 10 – in establishment)
- Jade corridor (RFC 11 – in establishment)

KEY MARKETS 2018

Cargo volumes and % of total SŽ-TP cargo

■ Austria	7.4 M. t (36.1 %)
■ Italy	3.0 M. t (14.7 %)
■ Hungary	2.8 M. t (13.5 %)
■ Slovakia	2.0 M. t (10.0 %)
■ Czech Rep.	1.2 M. t (6.0 %)
■ Germany	1.1 M. t (5.4 %)

INTERNATIONAL PRESENCE

Own traction:

- Slovenia
- Austria
- Croatia

Entering foreign markets in the region
Cooperation with strategic partners

Our Range of Products in Wagon Transports and Combined Transports

The network of trains CONVENTIONAL transports

- Comprehensive products for individual customers
- A wide network of partners
- Organisation of transports Europe-wide
- Own traction in Austria
- Own traction in Croatia

The network of trains COMBINED transports

- **Hungary** – Budapest
- **Germany** – Munich, Duisburg
- **Slovakia** – Bratislava, Žilina, Dunajska Streda
- **Austria** - Salzburg
- **Czech Rep.** – Dobra, Vratimov
- **Slovenia** – Ljubljana, Celje, Maribor

Tailor-made products for strategic customers and markets

- **Zahony** – Ukraine
- **Breza** – Czech Republic (with own traction)
- **Istria Railer** – Austria (with own traction), Germany
- **Sava Express** – Serbia





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Slovenian Railway Network

Slovenian Railways Network – Limited Line Capacity and Our Solutions for Better Services

Length of lines: 1,207 km

Double-track 330 km

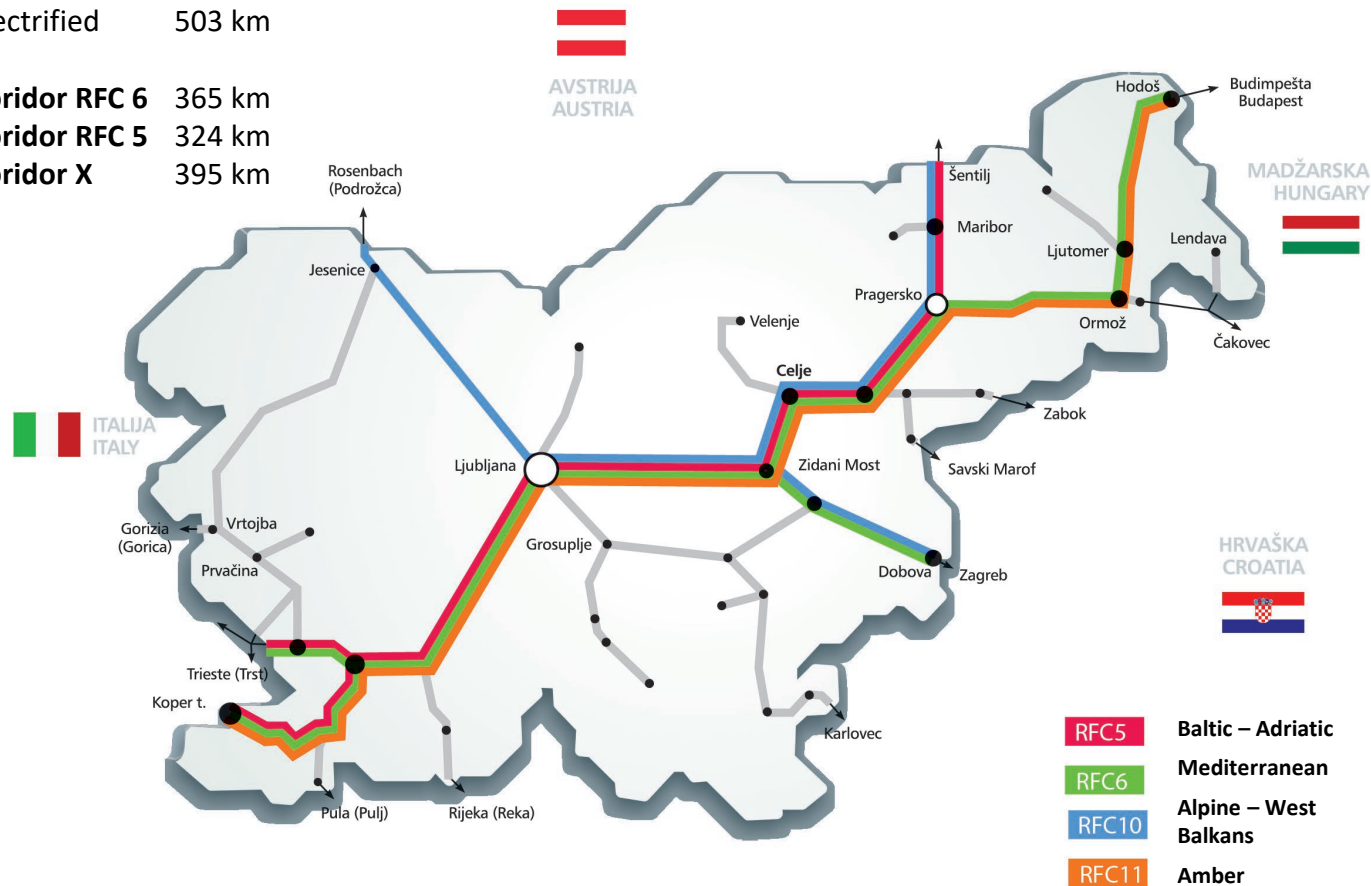
Single-track 877 km

Electrified 503 km

Koridor RFC 6 365 km

Koridor RFC 5 324 km

Koridor X 395 km



Bottlenecks on certain sections:

- Single-track key lines (Divača-Koper)
- Ongoing disruptions and obstacles due to various reasons – maintenance and construction works, ...
- The newly electrified Pragersko – Hodoš line still does not enable the full throughput for electric trains
- Sections of lines with low axle pressure < D3 (Zidani most-Celje; Maribor-Šentilj; Pragersko-Murska Sobota)
- Length of trains < 550m

Bad condition of the public railway infrastructure:

- Low maximal speeds, longer transit times
- Problems in implementing the timetable - delays
- Up to 30% higher costs of the carriers due to the infrastructure limitations

Our solutions for better services:

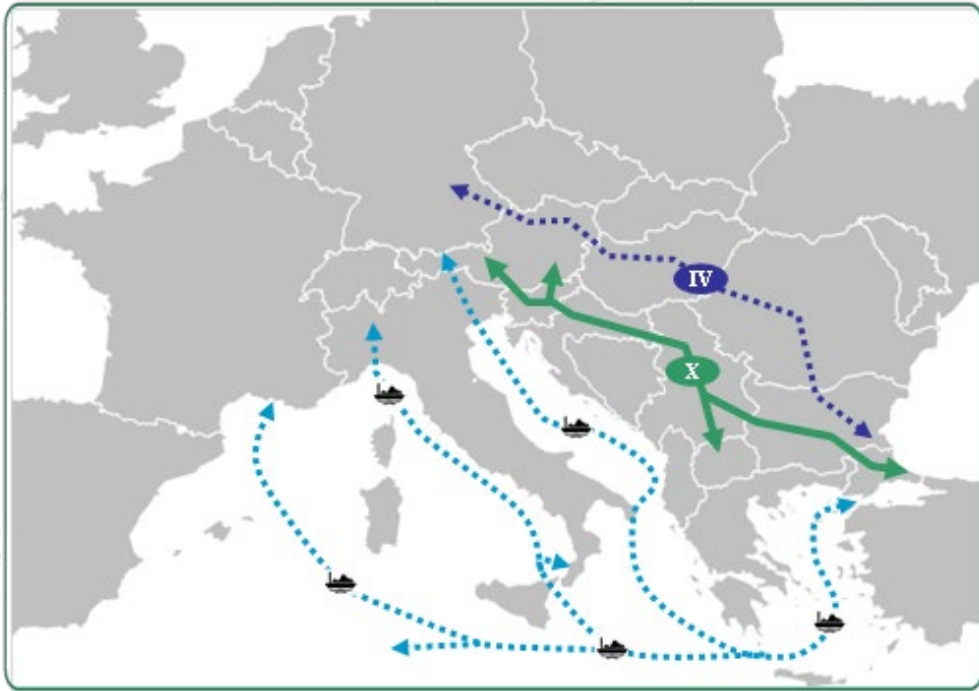
- Longer trains by setting up hubs
- Heavy trains via Dobova and Hodoš border crossings
- Transport optimisation
- Up-to-date information to our customers 24 h a day
- Constant coordination with partner rail carriers



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Overview of Railway Transport in the Region

Transports on the Alpine-Western Balkans Corridor



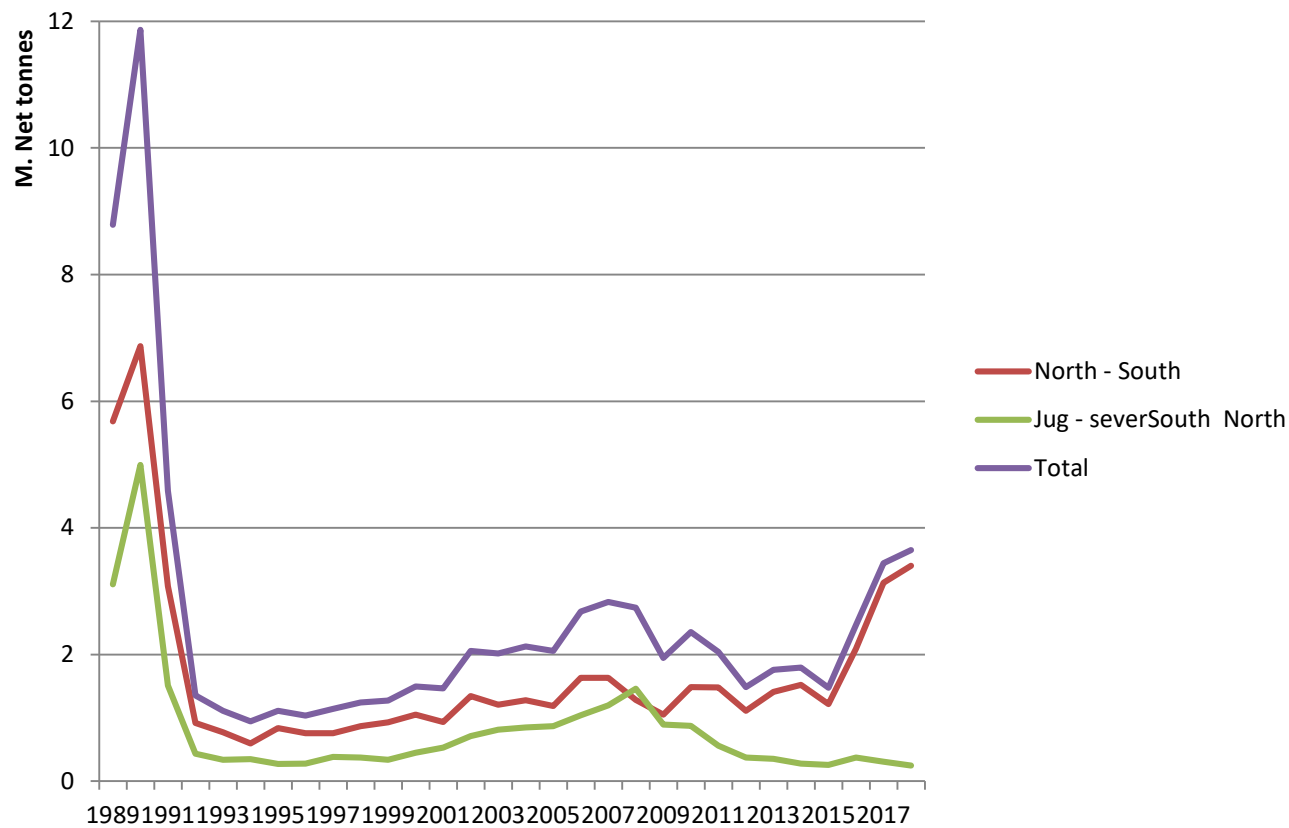
Former Corridor IV (RFC 7) as the competition to the former corridor X (Alpine-Western Balkans corridor)

Potentials and market share on the planned corridor RFC X

- In 2018, the total goods exchange of Germany, Austria, Slovenia and Croatia with the planned corridor X countries was 34 million tons.
- Compared to 2015, the total goods exchange increased by 16%.
- Railway's market share in the region is between 15% and 20%.
- Railway's market share in the wider region is lower (Turkey / Greece <-> Germany): 2% - 6%.



Transports on the Alpine-Western Balkans Corridor



- In 2018 we transported 3.65 M. t of cargo through the Dobova border crossing.
- More goods are transported in the north-south direction than in the opposite direction.
- Between 1990 and 1994 the amount of goods transported fell from 11.8 M. t to only 942,000 tons.
- After a gradual increase, due to the economic recession in 2008, the volume of transports decreased again.
- Since 2012, the cargo volumes have been gradually growing again.

Railway Freight Services on the Alpine-Western Balkans Corridor

- Low quality of services
- Low share of rail transports as compared to the goods exchange volume
- Locomotives have to be changed at border crossings
- Poor condition of railway infrastructure impairs competitiveness of rail cargo carriers
- Competitiveness of alternative corridors is increasing – the former corridor IV as an alternative transport route to the former corridor X
- The rolling stock does not meet our customers' needs
- No electronic data exchange between carriers
- Insufficient infrastructure capacity at border crossings
- Lengthy procedures at border stations
- Slow reactions of some railway carriers when forming prices

Constructive Cooperation of Rail Freight Carriers in the Region

- In February of 2018, the directors of national rail freight carriers from Slovenia, Croatia, Bosnia and Hercegovina, Serbia, Montenegro and Macedonia met to discuss their further cooperation.
- The directors signed a memorandum on mutual cooperation, committing themselves to joint measures for development in the areas of marketing and production.
- The carriers decided to address to their authorities a proposal of providing various state incentives for the development of environment-friendly, effective and competitive railway freight transports, especially of combined transports, the transport of single wagons and the transport of dangerous goods.
- A new product – Sava Express – was officially confirmed



Sava Express – Example of Good Cooperation in the Region

- Quality transports of wagonloads and cargo in combined transports in regular direct trains between Slovenia and Serbia and in the other direction
- Through Ljubljana Zalog, Beograd Ranžirna and Sremska Mitrovica the product is connecting cargo flows from the countries of the western and central Europe to transit transports through Serbia
- Comprehensive logistics solution
- Includes transport services, all needed manipulations, flexibility of transports and regular dispatch of cargo
- Improved reliability
- Shorter transit times
- Regular connections
- Tracking and tracking, comprehensive informing about the status of the shipment
- Advice on the best logistics solution
- Improved providing of wagons





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Needed Measures for Rail Freight Transports Development

Measures of Railways for Better Services

- We must be able to offer our customers high-quality services at competitive prices
- Shorter transit times and wagon turnaround
- Removing of all kinds of bottlenecks: administrative, technical, technological and infrastructure
- Improving efficiency and profitability
- Development of common business strategies in certain segments
- Cooperation of railway infrastructure managers in coordinating the maintenance schedules to enable the maximal throughput
- International business and regional operations based on cooperation and partnership – improving international cooperation
- One-stop-shop services, tailor-made according to the needs of our customers
- Increasing our influences to transport policy measures to support railway freight transports – subsidies and other measures
- Common activities to enable reliable transports and the needed resources
 - Faster flow of information
 - Shorter times the trains need to stop at borders
 - Faster reacting to the needs of customers and timely providing of bids
 - Coordination of carriers on whole transport routes
 - Harmonised and coordinated reactions of carriers to unpredictable events

Needed Measures by the States to Enable Rail Transports Development

- Urgently needed coordinated investment in the railway infrastructure on the TEN-T core corridors and on the whole TEN-T network
- Removing of bottlenecks on the railway lines between EU member states and non EU member states
- Integration of the planned corridor X in the future map of Rail freight corridors (Alpine-West Balkans corridor)
- Better integration of national networks to achieve regional cooperation and integration
- Introduction of subsidies and other measures in single wagonload transports and combined transports to ensure a level playing field for railway carriers in the region as compared to the carriers in other European countries, as well as compared to other modes of transport:
 - financial measures
 - tax measures
 - regulatory measures

Conclusion

- The former corridor X is a competitive transport route which brings cargo and people together and is vital for the development of the region.
- The former corridor X has great potential for further transport growth.
- The railway carriers must constantly listen to the market, adapt to our customers and offer them one-stop comprehensive services.
- The coordination of our production processes, especially at border crossing, is mandatory.
- The railway infrastructure in the region is far from optimal. An adequate volume of investment in the state-owned infrastructure is vital.
- Infrastructure managers must cooperate, coordinate investments and find solution that will, in spite of obstacles, enable the best possible flow of cargo.
- The states on the corridor should support cargo transport development by introducing appropriate financial, tax and regulatory measures.

Thank you for your attention!

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