



UIC Conference „Growing Intermodal Traffic In CEE Countries“
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**Mega trends and growth potential for
intermodal traffic in CEE Countries**

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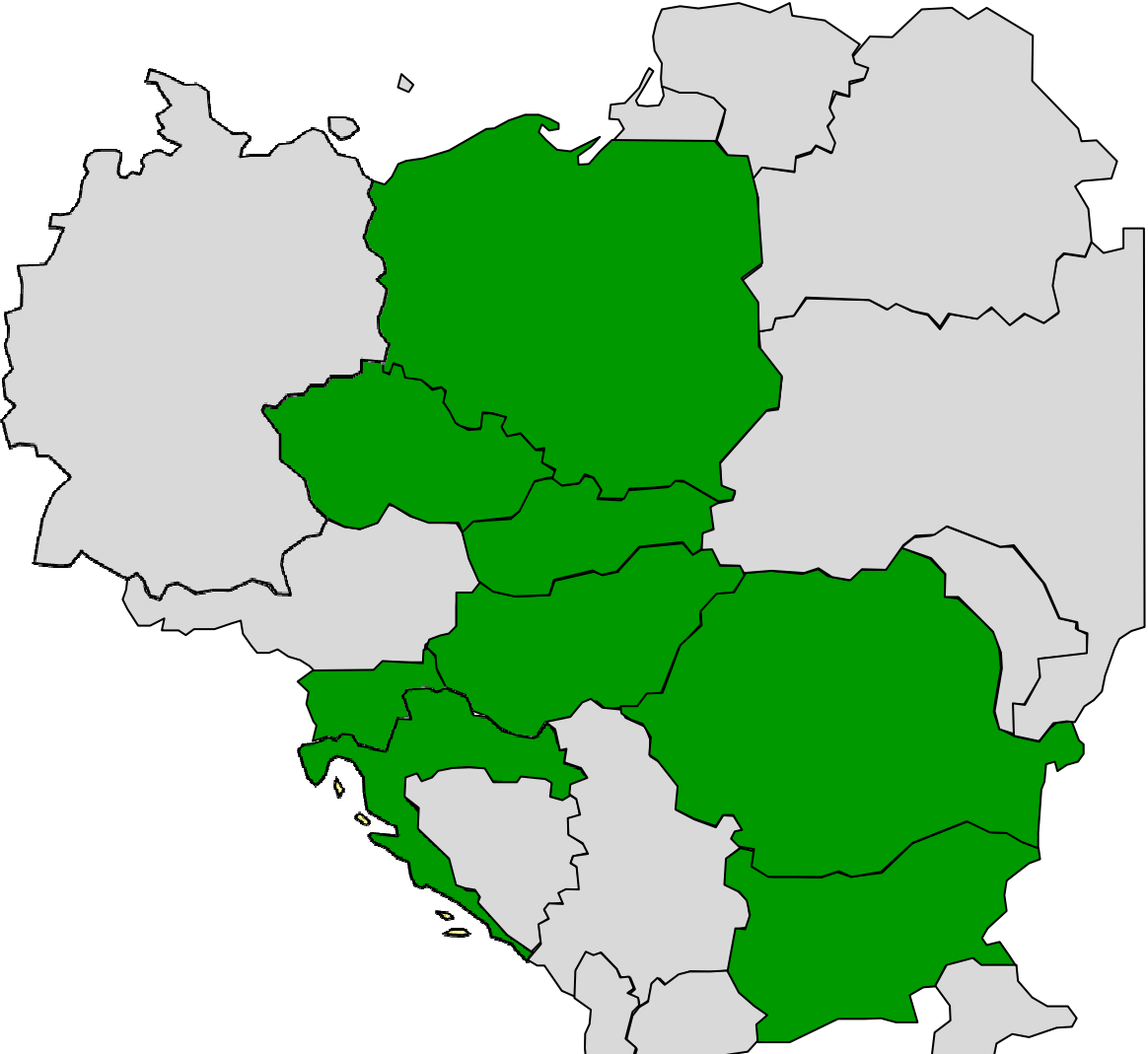
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Mega Trends For Intermodal Traffic In CEE Countries

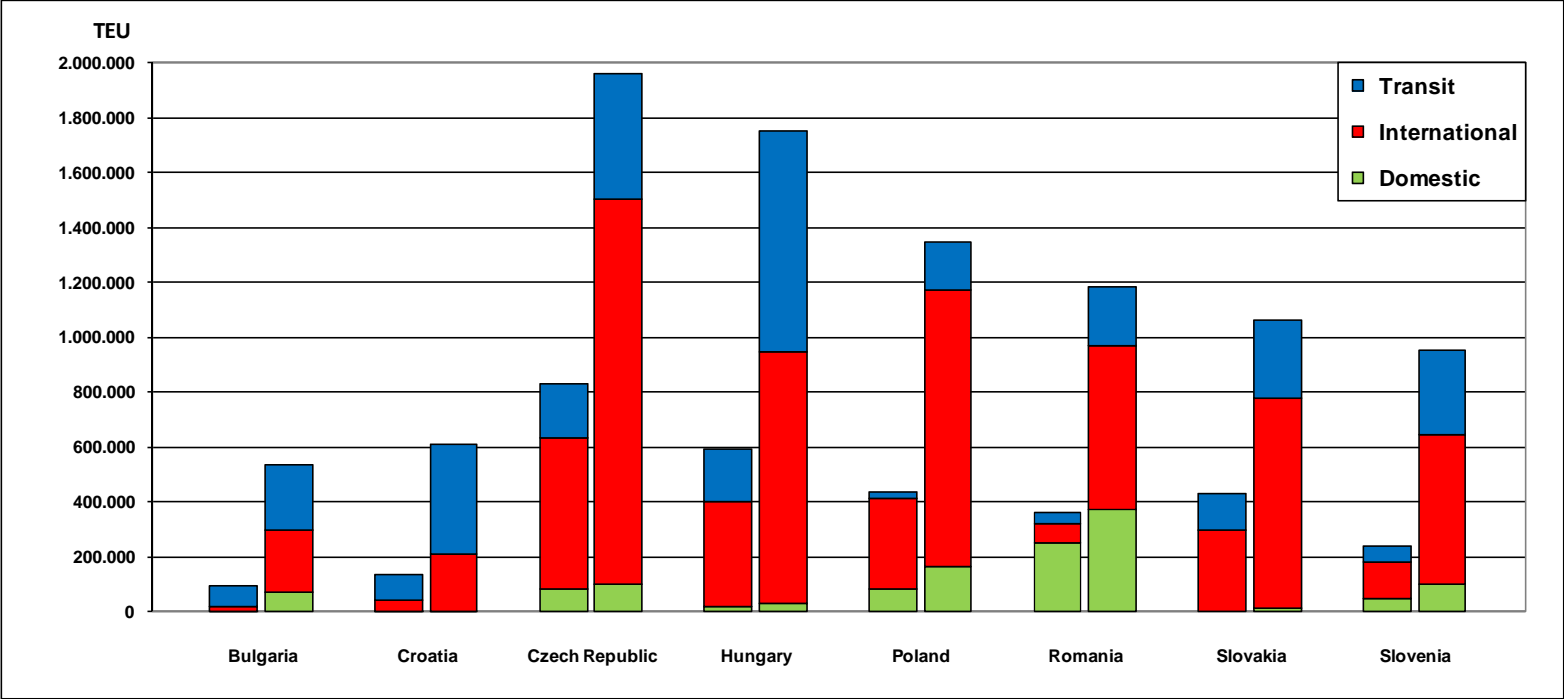


Countries involved in study



Mega Trends For Intermodal Traffic In CEE Countries

Unaccompanied rail/road traffic volume, 2007/2020 (TEU)





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**General expectations on
evolution of intermodal traffic
in new EU Member States**





General expectations

- In the medium term intermodal rail/road traffic in CEE countries will continue to be fed primarily by container hinterland traffic .
- In the long term (> 2013) continental transport will be key to growth of intermodal traffic and outpace increase of maritime traffic on most international trade lanes owing to booming transport of supplies, components, semi-finished and finished products between CEE countries and western European markets.





General expectations

- Intermodal traffic on international lanes between CEE countries and west Europe will grow faster than total European intermodal industry.
- Intra-CEE intermodal traffic will grow strongly but market share remain comparatively small except for container traffic with intra-regional sea ports.
- Domestic intermodal traffic may achieve significant levels in CEE countries with container ports, in other countries widely limited to distribution/collection of international shipments on national services via hubs.





Key drivers of intermodal growth

- Further division of labour in manufacturing industries combined with intensified foreign investments in most CEE countries boosts east-west freight traffic:
 - EU Single Market (freedom of trade and services)
 - more stable legal and economic framework improves efficiency of investments (lower economic risk of failure, lower risk prime on interest rate)
 - skilled and well-trained work force
 - comparatively low labour costs and high quality-cost ratio
 - enhancement of infrastructures in CEE countries improves position of European production in global competition
 - continuous enlargement of Euro zone.



Key drivers of intermodal growth

- Increased integration of intra-CEE exchange of finished and semi-finished products into European supply chains
- Particularly export-oriented CEE countries will benefit from further globalization of production.
- Growth of private consumption once global and domestic economic crises are over (> 2011):
 - “accumulated needs” of populations compared to western European standard of living
 - comparatively young populations
 - increased household purchasing power (increased available income) and improved social security





Key drivers of intermodal growth

- Partly relocation of production chains from the Far East in particular to CEE countries; isolated moves in medium-term but trend is due to gain momentum in period 2015-2020 :
 - Skilled workforce: high product quality
 - Levelling out of labour and social security cost
 - Advantages in total cost (working capital) for labour, transport/ logistics and stocks
 - More reliable supply chains
 - Increased flexibility: change of fashion; changed routing of goods if local demand deviates significantly from planned sales



Key drivers of intermodal growth

- Shippers' concern to secure durable supply chain capacities (cost; transport capacity; environment) :
 - Intermodal solutions preferred over conventional wagonload (flexibility; consolidation of volumes; lack of sidings on both sides; expected down-sizing of single-wagon network)
- Increasing costs of resources will affect road-based logistics more than rail-based:
 - fuel
 - transport infrastructure access charging
 - personnel, particularly truck drivers.



Key drivers of intermodal growth

- Climate policy may become a main leverage for shifting shipments from road to intermodal transport once European economy is stabilized after crisis:
 - Major drivers of sustainable logistics are economics - allocation of environmental costs - and changed consumer values.
 - Green logistics in the first place sparked by chemical industry and wholesalers and retailers of consumer goods.
 - Impacts are expected to be heavier and earlier on sections in western Europe though effective also for services with CEE countries.



Key drivers of intermodal growth

- Improvement of sea port and hinterland rail infrastructure
- Improved rail infrastructure on many trunk lines
- Extension and upgrade of terminal network
- Implementation of point-to-point intermodal block train services facilitated by:
 - emergence and strengthening of regional growth poles in CEE countries
 - more balanced east-west traffic flows



Key drivers of intermodal growth

- Extension of hub/platform production systems to serve less-than-trainload trade lanes designed to start up new services and strengthening network
- Proper competition in intermodal industry especially on operator level continues to enhancing competitiveness of services compared to road:
 - service quality
 - cost control
 - new markets/trade lanes





Critical factors

- Upgrade of rail infrastructure, enlargement of terminal capacities and enhancement of terminal operation performance in CEE countries
- Capacity enlargement of western European rail network and “connectors” (border crossing); elimination of Achilles’ heels
- Securing sufficient network capacities for freight traffic
- Rail track access fees
- Budget restrictions in CEE countries
- Authorization of gigaliner road vehicles





Critical factors

- Change of attitudes of railways in CEE countries:
 - Extending portfolio of services; not only focusing on “bread and butter” bulk cargo (comparable to situation of western European railways in 1980s/1990s)
 - Facilitating transit traffic: take on responsibilities in co-operation with O/D railways
 - Develop “own” products for regional collection/distribution

