



ORGANIZATION OF
TRANSPORT USERS
IN EUROPE



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EUROPEAN SHIPPERS' COUNCIL

Attractive rail freight services: political support is needed

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MISSION STATEMENT AND FUNCTION

ESC represents the freight transport interests (import, export and intra-continental; by all modes of transport) of business in Europe: 100.000 manufacturers, wholesalers, retailers and others.

The prime objective of ESC is to promote efficient and competitive freight transport services to enhance the competitiveness of companies conducting business in Europe.

ESC acts as the “eyes and ears” for its member organizations - the national shippers’ councils - in respect of EU legislative activity. Equally it functions as the mouth-piece for shippers in Brussels.



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MARKET CONSIDERATIONS

- > International trade flows have surpassed global GDP growth for decades. Increasing trade across borders is supported by transportation improvements and increasing ICT, lowering costs and providing transparency.*
- > For Europe, growing markets are moving East and/or South, potentially increasing distances and number of countries to cross.*
- > The share of rail freight transports in Europe has been decreasing in recent years. The number of shunting yards as well as the number of Rail Undertakings (RU) equally seem to be decreasing by mergers & acquisitions, reducing available service offering and flexibility.



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SHIPPERS' CRITERIA FOR CHOOSING RAIL

- > The interests of the shippers' customers prevail, driving Supply Chains choices with regards to rail modality.
- > Automotive, Chemicals and Fuels are top-3 export products for countries in North-West Europe.* Due to weight or dangerous goods restrictions, these products are preferably transported by rail.
- > The desire to “Green” transports favors rail for medium distances.
- > Combined trains make up the majority of rail transports in Europe, however require specific, complex and costly rail services.
- > Block trains are less complicated however only feasible for few companies with large enough shipments.



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HURDLES FOR USING RAIL

- > For combined trains, shippers are dependent on Rail Undertakings or collaboration between shippers themselves.
- > Rail Undertakings however do not seem interested or capable in offering reliable, frequent and cost effective single wagon or combined transport services.
- > Due to increasing legislative related costs and declining rail transports, non-public shunting yards are being abandoned; the remaining rail transports are likely to stop or change modality.
- > Lack of competition between Rail Undertakings impedes crucial developments in cost reductions and information transparency with regards to combined trains.



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CHALLENGES FOR EU RAILWAY POLICY

- > European Commission (White Paper) advocates a modal shift from road to rail and inland waterways. However, rail transported freight volumes are decreasing and rail freight services are poor.
- > Rail services still lack the competition that is achieved in other markets to the benefit of consumers and business.
- > Better services are required to support the competitiveness and continuity of European business and thus the European economy.
- > Small companies need political support to improve poor rail services, however they cannot play the power game. Large companies can influence politics, yet do not need it. This calls for visionary politicians to secure the long-term strategic objectives!



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OPPORTUNITIES

- > A single European rail market is conditional to increase competition, reduce costs and improve transparency with regards to rail shipments. Full unbundling and interoperability are required to create the necessary level-playing field.
- > Rail goods transport should have equal access to infrastructure compared to passenger transports. Take-over of privately owned into public infrastructure should be considered.
- > Shippers can and will collaborate to obtain critical mass for transports when facilitated with adequate rail transport information. To safeguard public interests, a policy is needed to encourage or enforce publication of this type of information.



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CONCLUSION

- > Shippers need fit-for-purpose rail transport services; small shipments are dominating and facing complicated, expensive processes.
- > European rail freight business will decline to the detriment of companies, unless political efforts help to achieve the desired modal shift and co-modality.
- > Shippers, Logistic Service Providers and Rail Undertakings do not have the possibility nor the means to change this context. To safeguard public interest and to enable achievement of the ambitious transport goals in Europe, we need the European Commission to further develop the railway policy in Europe...



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