



The Voice of European Railways

Railway travel in Europe - faster and more frequent

EPF Conference
Saturday 20 March 2010

Jacques Dirand
Senior Policy Adviser - PASSENGER



Main areas of CER work



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CER stands for...

Representing
European rail
sector in EU

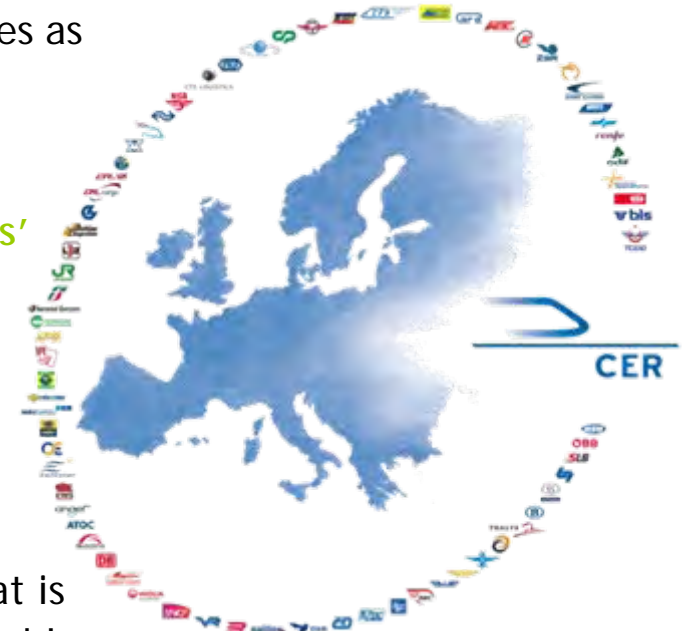
- ▶ **75 member companies**, rail transport operators and infrastructure managers from all countries within the EU, the accession countries as well as from the Western Balkan countries, Norway and Switzerland

Pro-active
shaping of EU
agenda

- ▶ **The representation of our members' interests in Brussels** towards the European Parliament, Commission and Council of Ministers as well as other policymakers and partners in transport

Own
initiatives

- ▶ **promoting a strong rail industry** that is essential to the creation of a sustainable transport system which is efficient, effective and environmentally sound.



CONTENTS

Passenger traffic in Europe: a MIXED picture

Rail financing is KEY to growth...

But financing is lacking!

Will rail passenger market liberalisation help?

What prospects for rail passengers, then?

What should we fight for?

Snapshot: SWEDEN, an example of best implementation of White Paper principles, leading to rail growth.

Rail growth 2002-2007

Passenger: rail **+16%** (EU15: +9%) All **+4%**
 Freight: rail **+21%** (EU15: +17%) All **+14%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **9%** (EU15: +7%) **↗ +11%**
 Freight: **36%** (EU15: +15%) **↗ +6%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **19%**
 Freight: **33%**

Source: RMMS 2007/09, European Commission

Market opening, started in 1995, developed in freight

FINANCING (1) 2002-2006

SE: **85k€/track-km/yr**
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

Intense investments in infrastructure in the 1990's

ACCESS CHARGES (2) 2007

Pass: **0,50€/tr-k** **→**
 EU15: 1.95train-km
 Freight: **0,48€/tr-k** **↗**
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Lowest access charges in Europe, going up in freight

SWEDEN: an example of RIGHT implementation of White Paper principles...

- low access charges & high investments in infrastructure, starting in 1990,
- attracting new entrants into the market since 1995

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: DENMARK, successful implementation of the White Paper principles (in passenger business).



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Rail growth 2002-2007

Passenger: rail + 8% (EU15: +9%) All +9%
 Freight: rail - 5% (EU15: +17%) All -7%

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: 9% (EU15: +7%) → -1%
 Freight: 8% (EU15: +15%) → +2%

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: 9%
 Freight: 0%

Source: RMMS 2007/09, European Commission

Market opening started in passenger services

FINANCING (1) 2002-2006

DK: 255k€/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

5th-highest intensity of rail financing in Europe

ACCESS CHARGES (2) 2007

Pass: 0,52€/tr-k ↓
 EU15: 1.95train-km
 Freight: 1,25€/tr-k ↓
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Low access charges for EU15 standard

DENMARK: High rail financing and low access charges allowed passenger services to increase and rail to keep up modal share. Due to the small size of the country, freight services are very much subject to international traffic variations.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: POLAND, implementing the First Railway Package will not be sufficient...

Rail growth 2002-2007

Passenger: Rail **-6%** (EU25: +8%) All: **+32%**
 Freight: Rail **+16%** (EU25: +18%) All: **+60%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **7%** (EU10: +7%) **↘ -28%**
 Freight: **26%** (EU10: +28%) **↘ -27%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **10%**
 Freight: **20%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

PL: **4k€**/track-km/yr
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **1,27€**/tr-k **↘**
 EU25: 2.09train-km
 Freight: **5,18€**/tr-k **↘**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

In Europe, one of the **highest penetrations** of new entrants

Railway financing is **extremely low** in Poland

Access charges for freight are **extremely high.**

POLAND: In spite of a good penetration of new entrants, rail performance becomes very fragile. **Rail modal share is collapsing.** Infrastructure charges for freight are too high compared to road. And rail financing is one of the lowest in Europe.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: ROMANIA, an example of lacking White Paper principles implementation, leading to rail decline.

Rail growth 2002-2007

Passenger: Rail **-12%** (EU25: +8%) All **+14%**
 Freight: Rail **+4%** (EU25: +18%) All **+89%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **9%** (EU10: +7%) **↘ -23%!**
 Freight: **19%** (EU10: +28%) **↘ -45%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **1%**
 Freight: **34%**

Source: RMMS 2007/09, European Commission

Market opening effectively started in **2004** in freight

FINANCING (1) 2002-2006

RO: **0.03k€/track-km/yr**
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

Lowest investment level in infrastructure in Europe

ACCESS CHARGES (2) 2007

Pass: **2,49€/tr-k** **↗**
 EU25: 2.09train-km
 Freight: **3,87€/tr-k** **↗**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Access charges **ABOVE** EU average AND **going up!!!**

ROMANIA: With high access charges and no financing for rail, market opening was counterproductive, driving block train prices down and undermining the already limited ability of the rail system to finance itself. **Rail modal shares collapsed!**

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

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What should we fight for?

Financing & Charging account for 55% of rail Passenger absolute growth. Competition for only 0.01%.

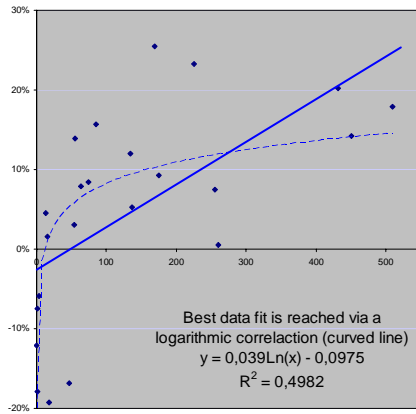
Rail FINANCING

Rail CHARGING

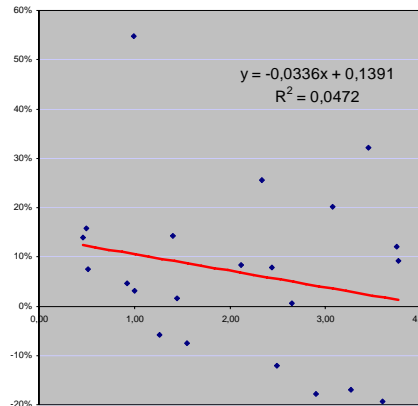
Market OPENING

OTHER Drivers ?

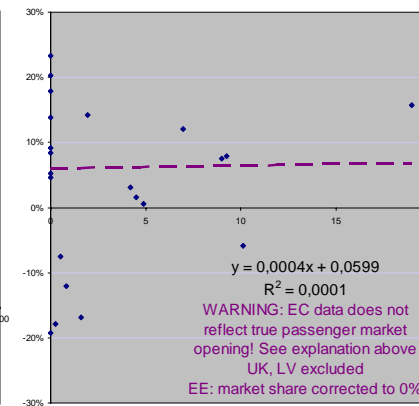
Traffic growth in p.km betw. 2002 and 2007 (in %)



Financing in 000€/Track.km/Yr (Year average 2002 - 2006)



TAC in €/Train.km in 2007 (weighted average)



% of t.km made by New Entrants in 2007

Other factors may also drive growth:

- Difference in charging between modes;
- Economic growth;
- Infrastructure investments in other modes;
- Quality-price-productivity
- Rail historic debt; etc...

$R^2 = 0,4982$ (logarithmic cor.)
Rail FINANCING explains 50% of rail passenger absolute growth variation !

$R^2 = 0.0472$
Rail CHARGING explains only 5% of rail passenger absolute growth variation (PSOs!).

$R^2 = 0.0001$
 Market OPENING explains only 0.01% of rail passenger absolute growth variation !

45% of variation remains to be explained by other drivers than financing, charging or market opening.

55% - Rail **FINANCING & CHARGING** is a **PRIMARY DRIVER** of rail passenger growth.

0% - Market opening very much LESS so.

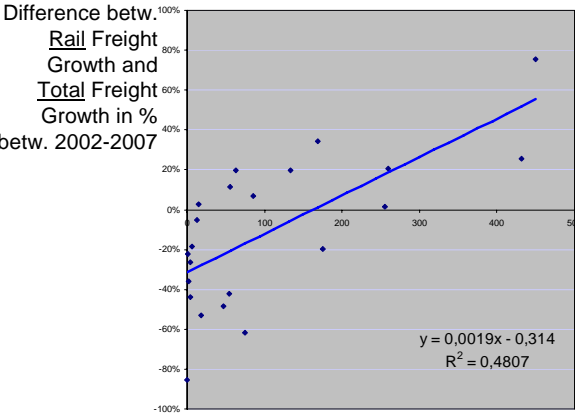
Which other driver?
No EC data !

Financing & Charging account for 58% of rail Freight relative growth. Competition for less than 0.001%.



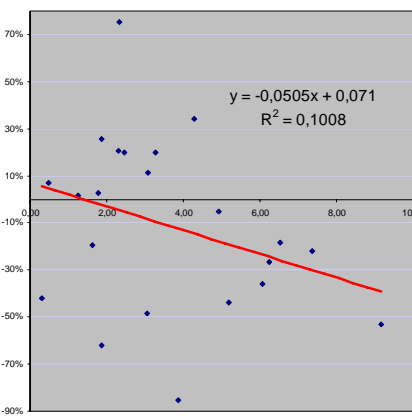
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Rail FINANCING



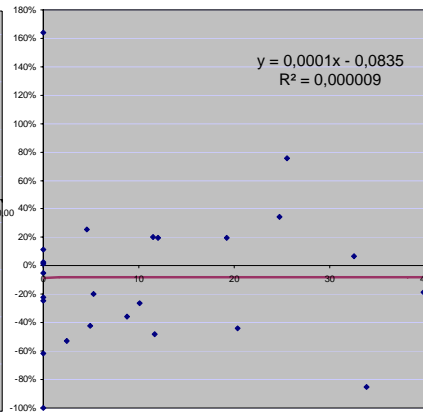
Financing in 000€/Track.km/Yr (Year average 2002 - 2006)

Rail CHARGING



TAC in €/Train.km in 2007 (weighted average)

Market OPENING



% of t.km made by New Entrants in 2007

OTHER Drivers ?

Other factors may also drive growth:

- Difference in charging between modes;
- Economic growth;
- Infrastructure investments in other modes;
- Quality-price-productivity
- Rail historic debt; etc...

$R^2 = 0,4807$
Rail FINANCING explains 48% of rail freight relative growth variation !

$R^2 = 0.1008$
Rail CHARGING explains 10% of rail freight relative growth variation.

$R^2 = 0.000009$
Market OPENING explains less than 0.001% of relative rail freight growth variation !

42% of variation remains to be explained by other drivers than financing, charging or market opening.

58% - Rail FINANCING & CHARGING is a PRIMARY DRIVER of rail freight dynamism.

0% - Market opening very much LESS so.

Which other driver? No EC data !

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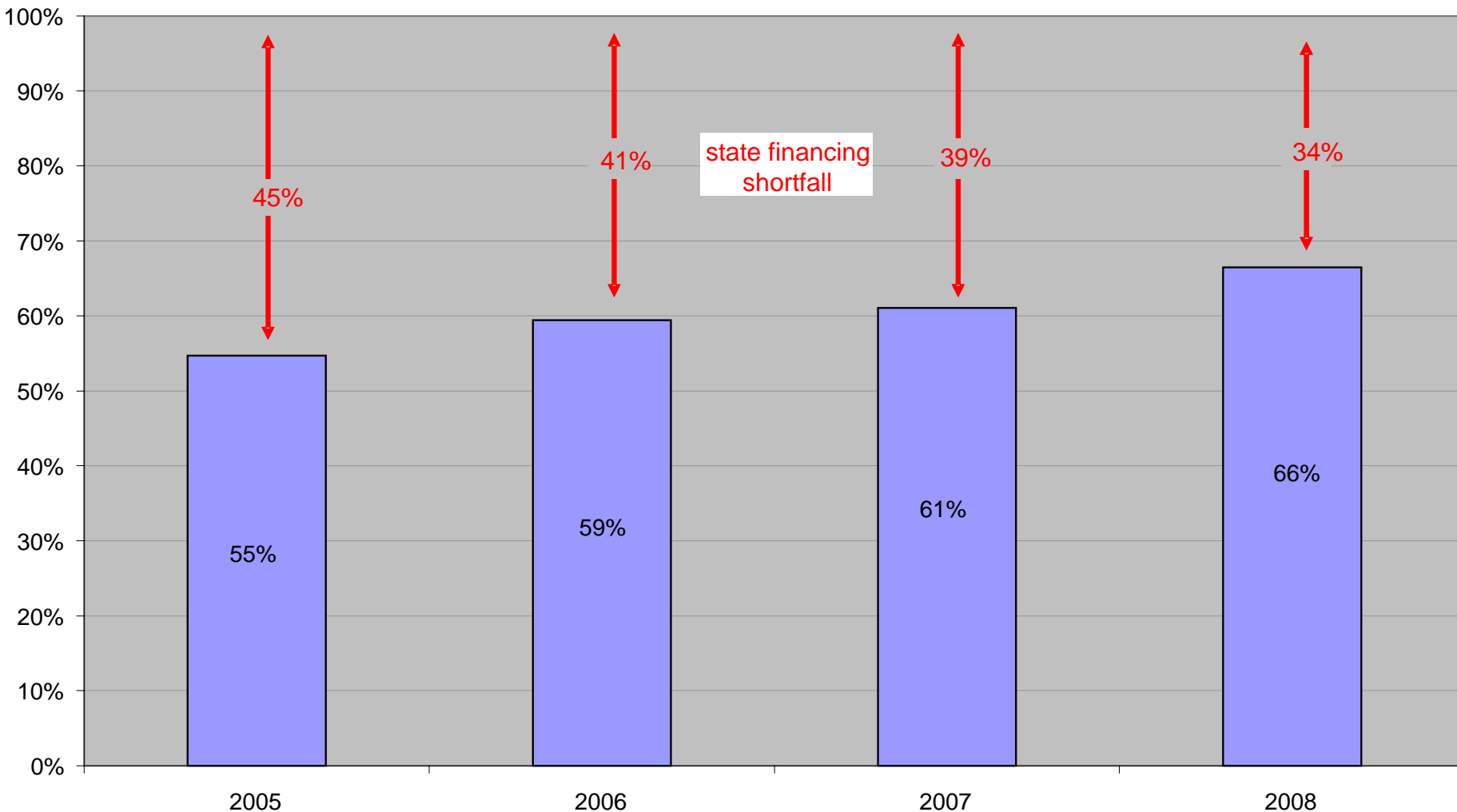
What should we fight for?

But rail financing is lacking: 35% of Public Service Obligations not compensated in EU 10



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Average EU10 State Compensation
(as % of difference between expenses and ticket revenue)



Rail financing is also lacking, due to poor level of investments in rail infrastructure, compared to road.

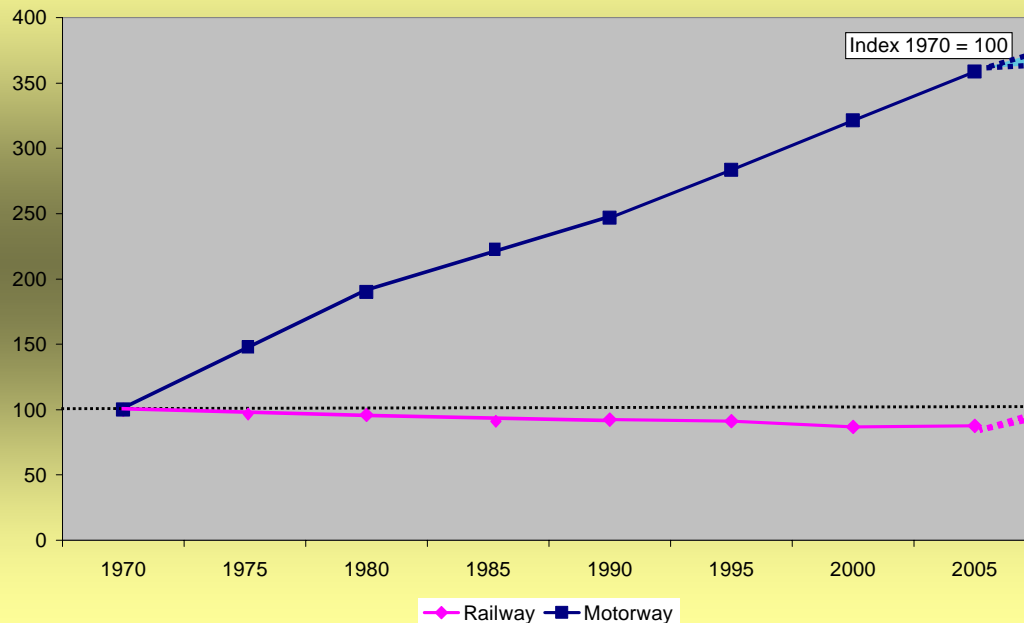


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In EU15, between 1970 and 2005

- road traffic more than tripled
- rail traffic also increased, but NOT as much. WHY?

Rail track VS Motorway length in EU15 since 1970

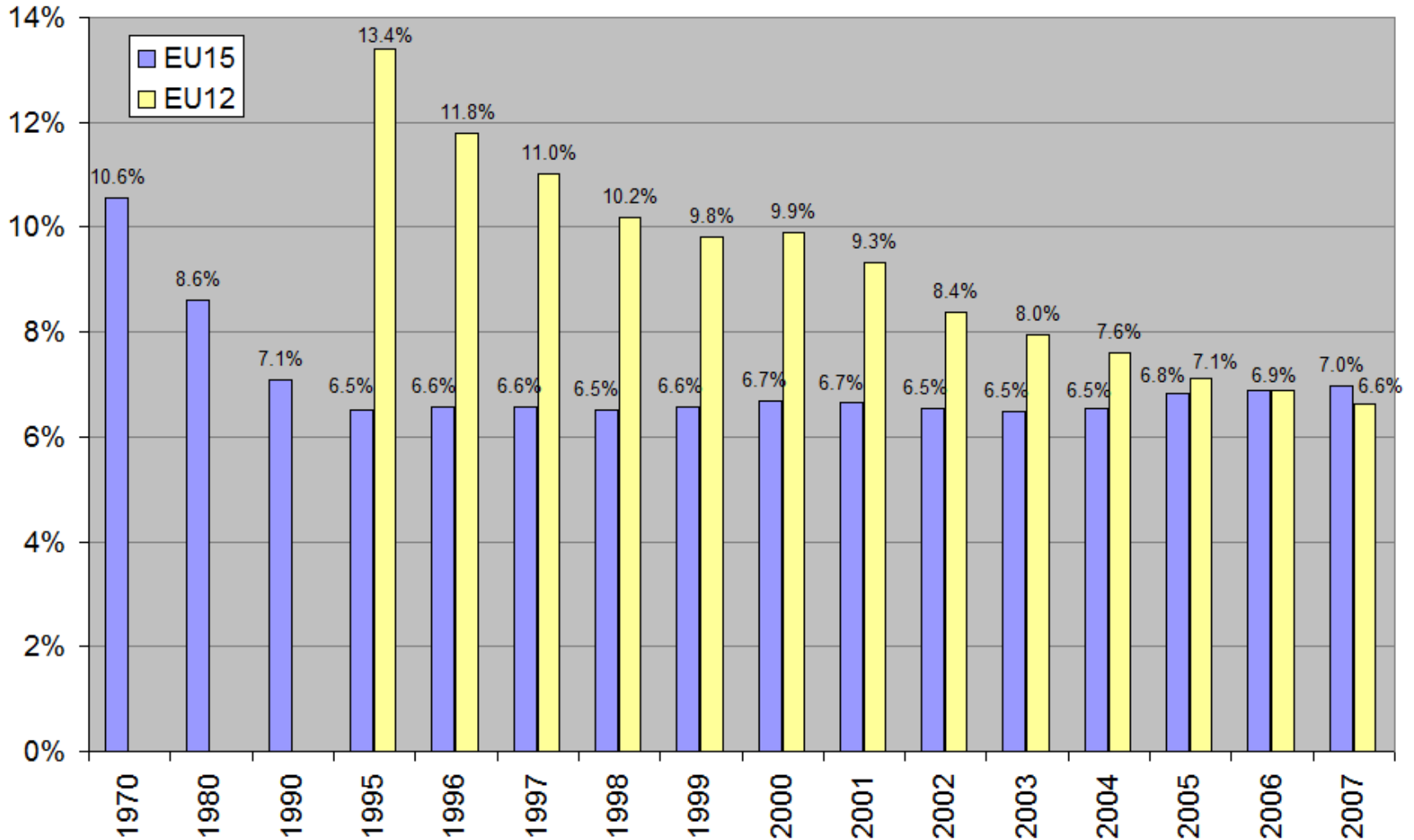


In 35 years
MOTORWAY length
INCREASED 3.5 times !

In 35 years,
RAILTRACK length
DECREASED by 14% !

Similar growth levels
can be reached by rail
with similar levels of
investments as road.

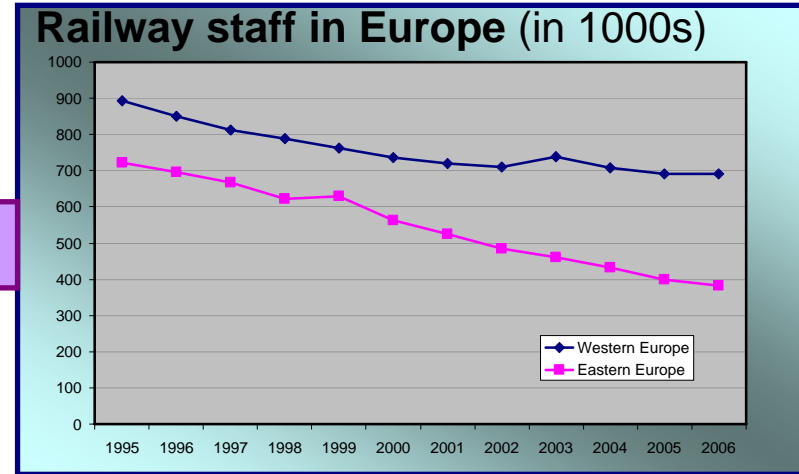
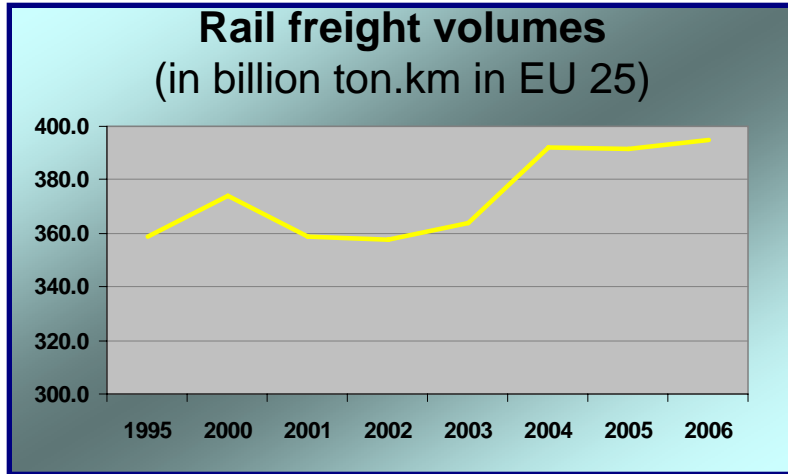
In this context, it is surprising that rail managed to keep up its modal share since 1995...



Why? In a context of poor financing, rail managed to maintain its modal share through productivity gains.

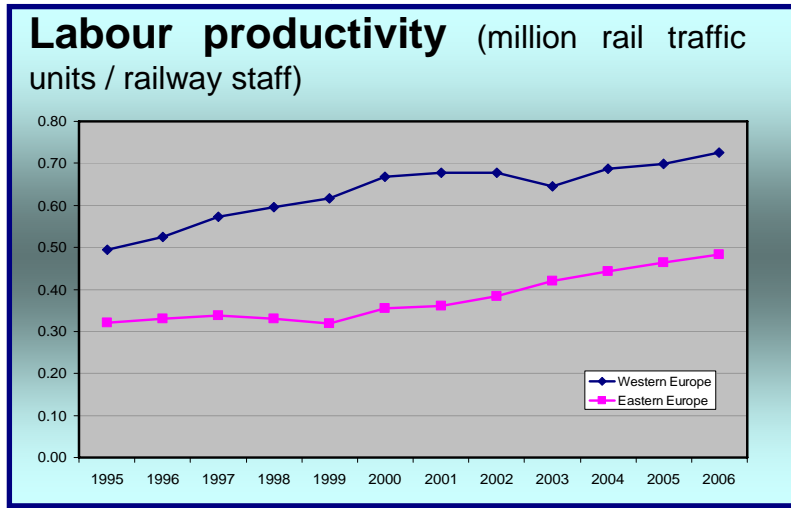


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Since 2001:

- ... freight volumes grew on average by 2.2%/year.
- ... Modal share of rail in land transport picked up from 16.8% to 17.6%.



EU15
In 10 years, labour productivity in EU15 increased by **+46%**

EU10
In 10 years, labour productivity in EU10 increased by **+53%**

Source: ETIF 2006 (Energy and Transport in Figures), Eurostat

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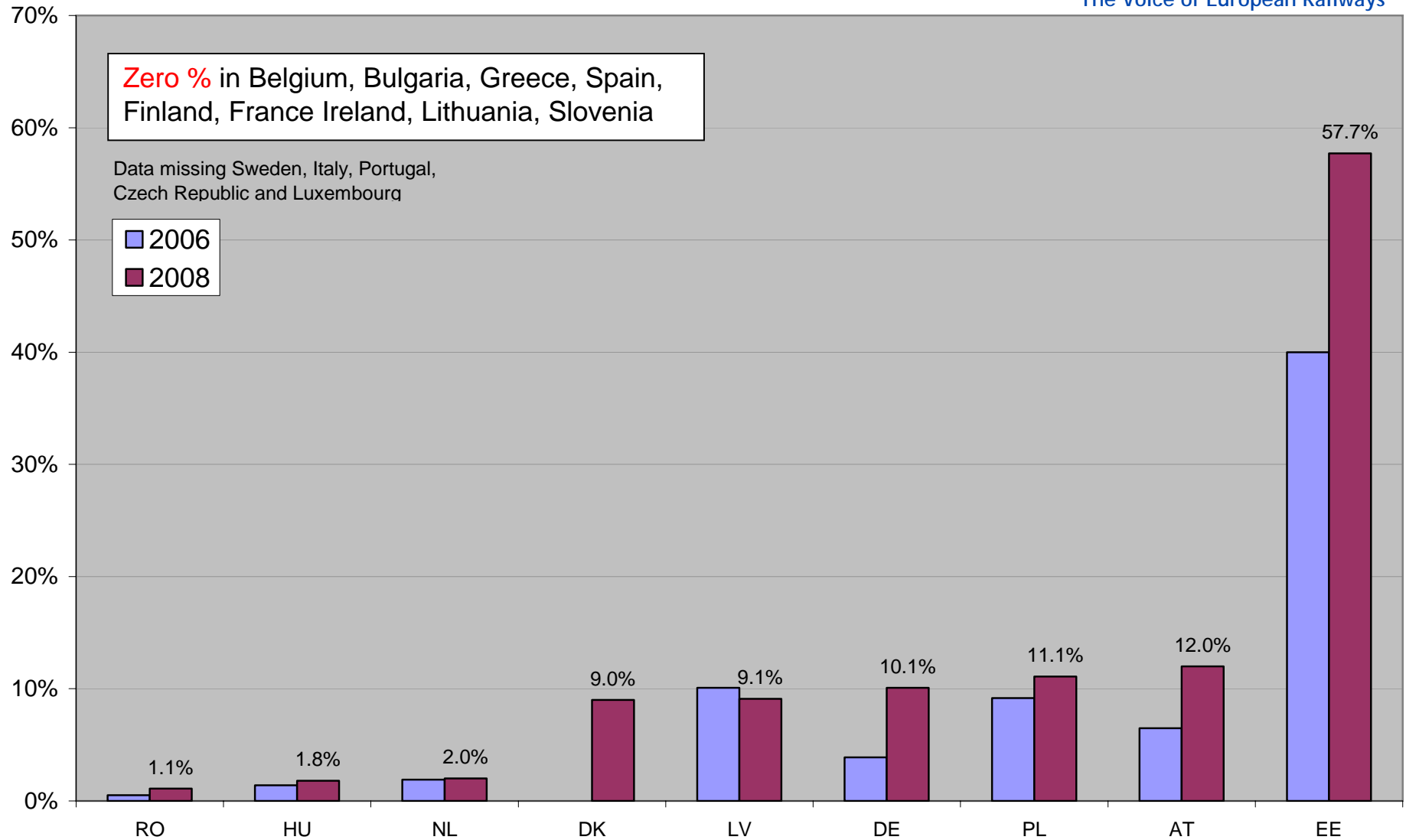
What prospects for rail passengers, then?

What should we fight for?

Market opening has started in some countries according to European Commission's data.



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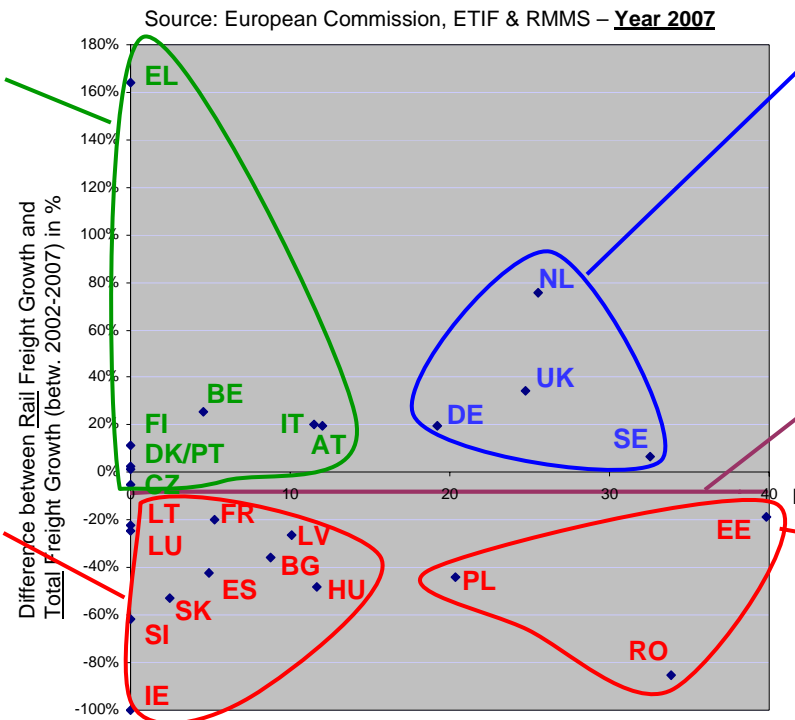
But EC claim that market opening creates growth is misleading (and contradicts EC own data) e.g. freight



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Commission claims: “The market for freight has already been opened, a process that has been associated with increased modal shares for rail”. But an analysis of market entry against relative rail freight growth (using Commission’s own data) shows no correlation (flat corr. line).

Growth is also observed in countries where competition is low. In most of them, growth may result from high rail financing and/or low access charges.



Commission’s claim relies on 4 countries. But, these countries also show highest level of rail financing and/or lowest access charges. **Are these not the true causes of growth?**

Flat correlation line

Most underperforming countries in freight are also underfinanced (esp. on infrastructure for freight).

Low rail financing and high access charges may provoke decline, which competition may accelerate!

Lack of correlation between market opening and rail freight growth shows that other factors have an overriding influence on growth, i.e.: “Access Charging” and “Rail Financing” (in terms of PSO payments and support to infrastructure operation, maintenance, upgrades, new construction...).

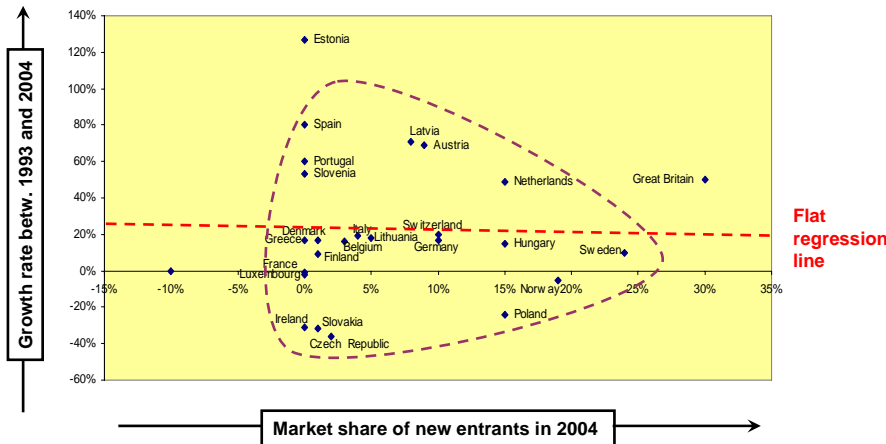
In freight, lack of correlation betw. market opening and volume growth has been apparent since 2006.



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In 2006, in its reaction to the Commission’s review of the 1st Railway Package, CER already reported on the lack of correlation between the market share of new entrants in freight and rail freight volume growth, based on Commission’s data.

In 2009, the study on « *Experiences from implementing the first EU railway package* » by the SIKa institute in Sweden pointed to the lack of correlation between the level of deregulation and the growth of rail freight volumes.



Note: source data taken from the European Commission’s review of the 1st Railway Package (Annex 11 – figures 11.3 and 11.4). Market share of New Entrants in Estonia corrected to correspond to reference period of market growth data

Figure 4.17 shows the correlation between ideal type and change in the number of tonne km. If ideal type 1 is included, no correlation is visible in the material. If this ideal type is excluded, the market with a higher extent of deregulation has a more positive development for rail freight transport than countries with a lower extent of deregulation.

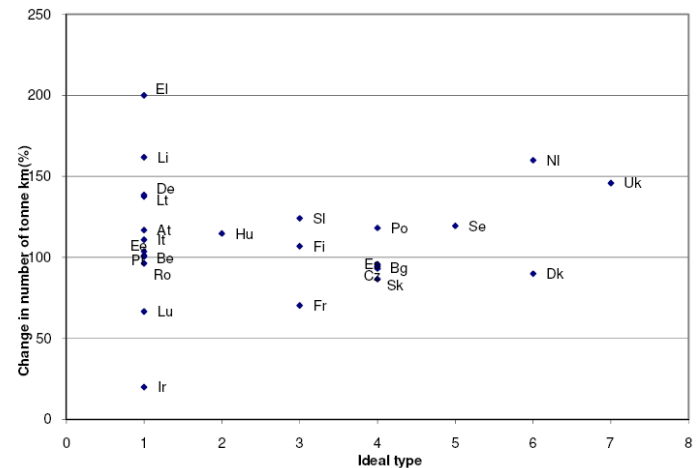


Figure 4.17: Ideal type and change in number of tonne km. 2000-2007
Source: SIKa 2009.

Big asymmetries in “rail financing” do NOT put all EU countries on an equal par with regard to liberalisation



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Level of Rail Financing(1) in 000€ per track.km per year (Yearly average over the period 2002 - 2006)

EU25		116
EU15		186
EU10		10
1	LUXEMBOURG (2)	509
2	NETHERLANDS	450
3	BELGIUM	432
4	ITALY	260
5	DENMARK	255
6	IRELAND	225
7	FRANCE	175
8	UNITED KINGDOM	169
9	GREECE (3)	137
10	GERMANY	134
11	SWEDEN	85
12	SLOVENIA (4)	75
13	AUSTRIA	63

EU25		116
EU15		186
EU10		10
14	FINLAND	55
15	SPAIN (5)	54
16	HUNGARY (4)	47
17	SLOVAKIA (4)	18
18	PORTUGAL	15
19	CZECH REP. (4)	13
20	ESTONIA (4)	6
21	LATVIA (4)	4
22	POLAND (4)	4
23	BULGARIA (4)	2
24	LITHUANIA (4)	1
25	ROMANIA (4)	0

- (1) DG TREN « rail financing » data includes:
 - money paid by public authorities in compensation of PSOs, as well as
 - state funding of infrastructure operations, maintenance, upgrades, renewals and new constructions
- (2) For Luxembourg, figure is blown up, notably by high investments in ERTMS.
- (3) For Greece, railway funding was mainly financed by debt, which remained within the railway system and is now likely to bear on its development.
- (4) For CEECs, European Commission's figures do not include contributions from Cohesion Funds.
- (5) For Spain, these figures do not include investments in the High Speed Network!

Source: European Commission, DG TREN 2009 statistics

Asymmetries in “Access Charging” do NOT put EU countries on an equal par with regard to liberalisation



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Level of Track Access Charging in €per train.km

Average for (intercity and regional/local) passenger trains in 2007 (1)

	EU25	2,09
	EU15	1,95
	EU10	2,26
1	FINLAND	0,46
2	SWEDEN	0,50
3	DENMARK	0,52
4	CZECH REPUBLIC	0,93
5	ESTONIA	0,99
6	SPAIN	1,00
7	POLAND	1,27
8	NETHERLANDS	1,40
9	PORTUGAL	1,45
10	BULGARIA	1,55
11	SLOVENIA	2,12
12	UNITED KINGDOM	2,33
13	AUSTRIA	2,44

	EU25	2,09
	EU15	1,95
	EU10	2,26
14	ROMANIA	2,49
15	ITALY	2,65
16	LITHUANIA	2,90
17	BELGIUM	3,08
18	HUNGARY	3,27
19	LATVIA	3,45
20	SLOVAKIA	3,60
21	GERMANY	3,75
22	FRANCE	3,77
(2)	LUXEMBOURG	n.a.
(2)	IRELAND	n.a.
(2)	GREECE	n.a.

- (1) Track access charges levels for 2007 have been derived from a linear progression between 2005 levels (based on OECD-ITF 2005 data) and 2008 levels (based on OECD-ITF 2008 data).

For 2008, average passenger access charges had to be recalculated based on a « weighted » average between charges for intercity trains and local trains. Assumption was 3/4 regional/local trains against 1/4 intercity trains.

- (2) Level of track access charges for Luxembourg, Ireland and Greece was not available in OECD-ITF data

Asymmetries in “Access Charging” on Intercity trains create unequal “Open Access” between countries.



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Level of Track Access Charging in €per train.km Average for INTERCITY passenger trains in 2008

		EU25	2,36
		EU15	2,24
		EU10	2,51
1	DENMARK		0,25
2	FINLAND		0,80
3	SWEDEN		0,80
4	POLAND		0,95
5	CZECH REPUBLIC		1,40
6	PORTUGAL		1,40
7	SPAIN		1,50
8	NETHERLANDS		1,65
9	ESTONIA		1,75
10	SLOVAKIA		1,80
11	FRANCE		2,20
12	SLOVENIA		2,20
13	UNITED KINGDOM		2,30

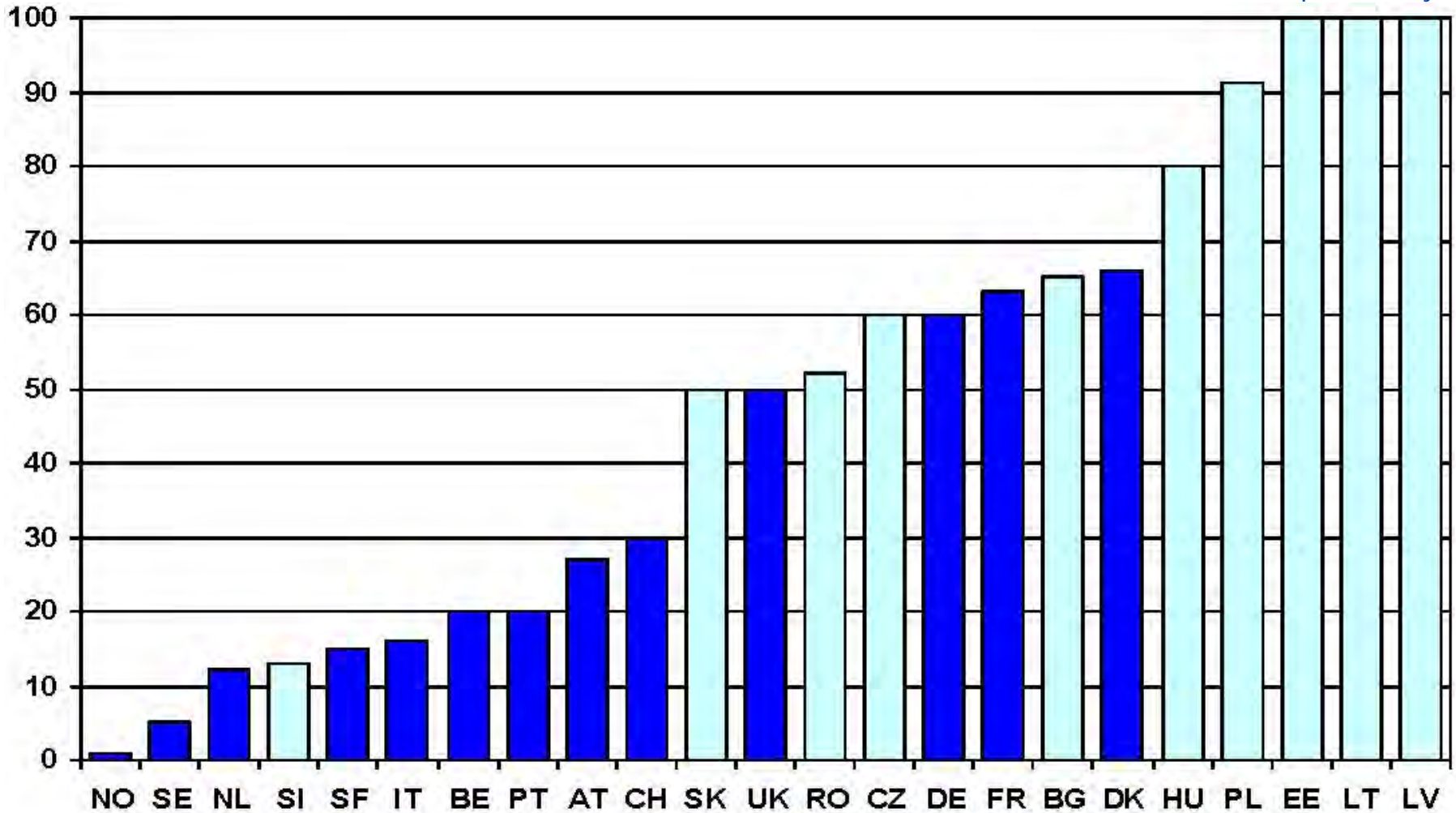
		EU25	2,36
		EU15	2,24
		EU10	2,51
14	AUSTRIA		2,35
15	HUNGARY		2,50
16	ROMANIA		2,50
17	ITALY		2,90
18	BULGARIA		3,50
19	LATVIA		3,90
20	GERMANY		4,00
21	LITHUANIA		4,60
22	BELGIUM		6,75
23	GREECE (1)		n.a.
24	IRELAND (1)		n.a.
25	LUXEMBOURG (1)		n.a.

- (1) Level of track access charges for Luxembourg, Ireland and Greece was not available in OECD-ITF reports

Cost Coverage: Target % of total cost covered by TACs (remainder covered by public support)



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Source: OECD/ITF 2005

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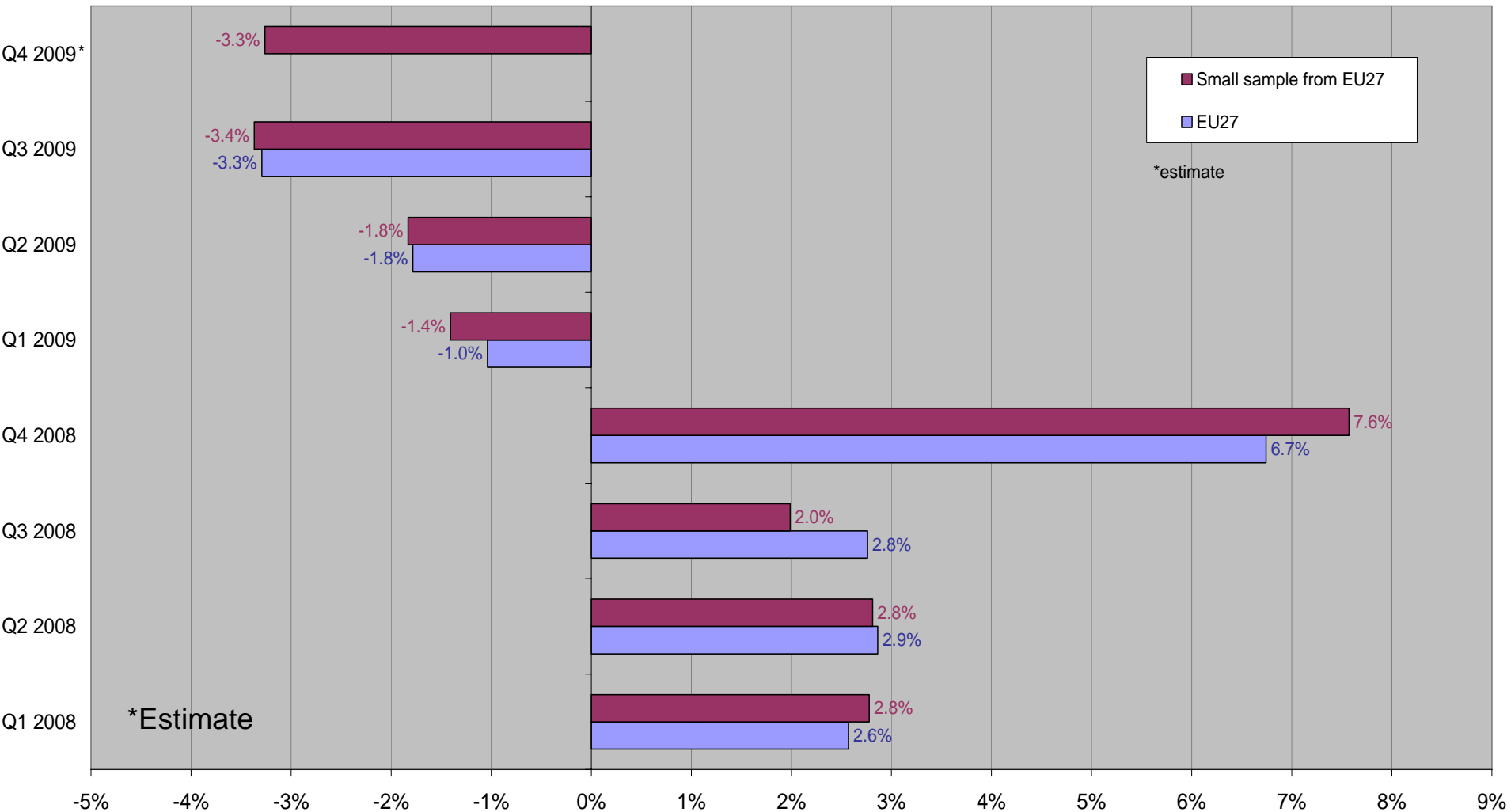
What should we fight for?

The Economic crisis has hit Rail Passenger growth in 2009! (passenger-km % growth compared to previous year)



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EU27



But rail operators are not too pessimistic...
... according to a survey of CER members.



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Question: *How is output performance in your company expected to develop in 2010 compared to 2009?*

Replies by CER Members*:

Rail Passenger Companies (pass-km)

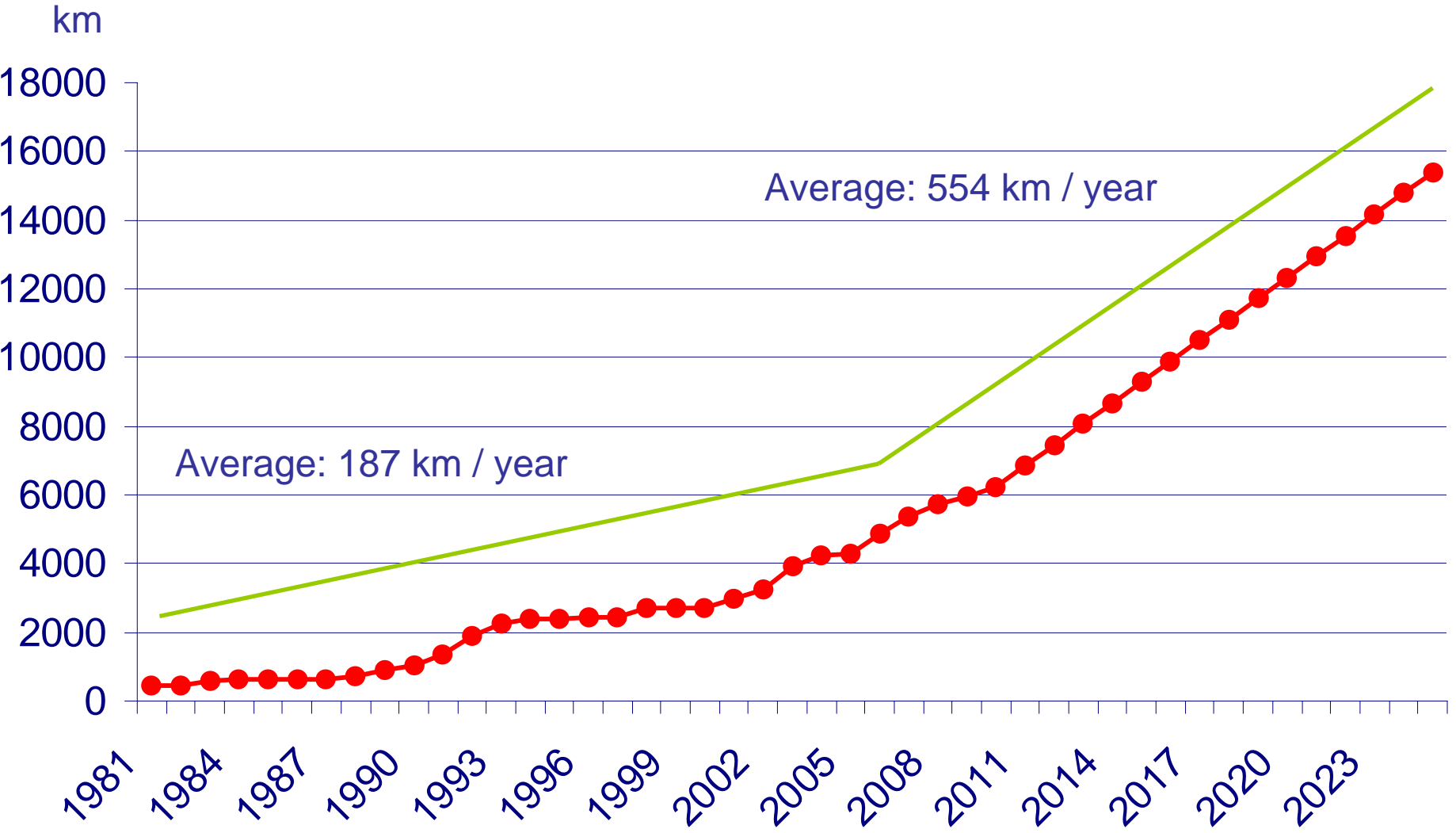
	EU10	EU15
better	25%	37%
same	63%	37%
worse	12%	26%

*none answered 'much better' or 'much worse'

High-Speed Rail is expected to carry on developing: Length of High-Speed Lines in Europe (in km)



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Source: UIC (Ignacio Barrón de Angoití, Director HS)

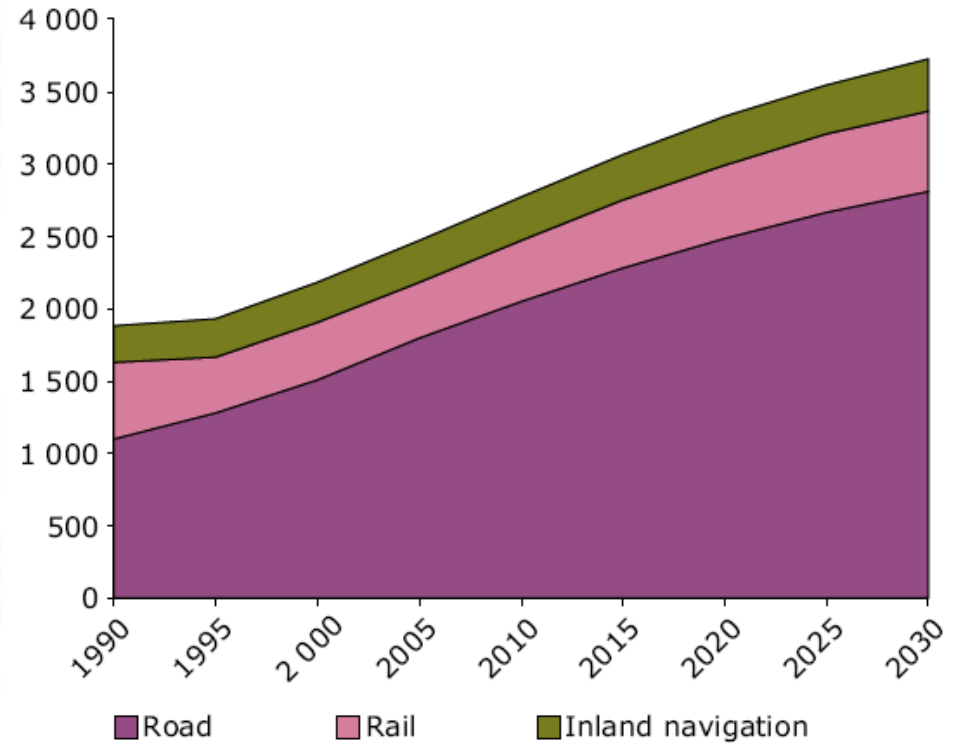
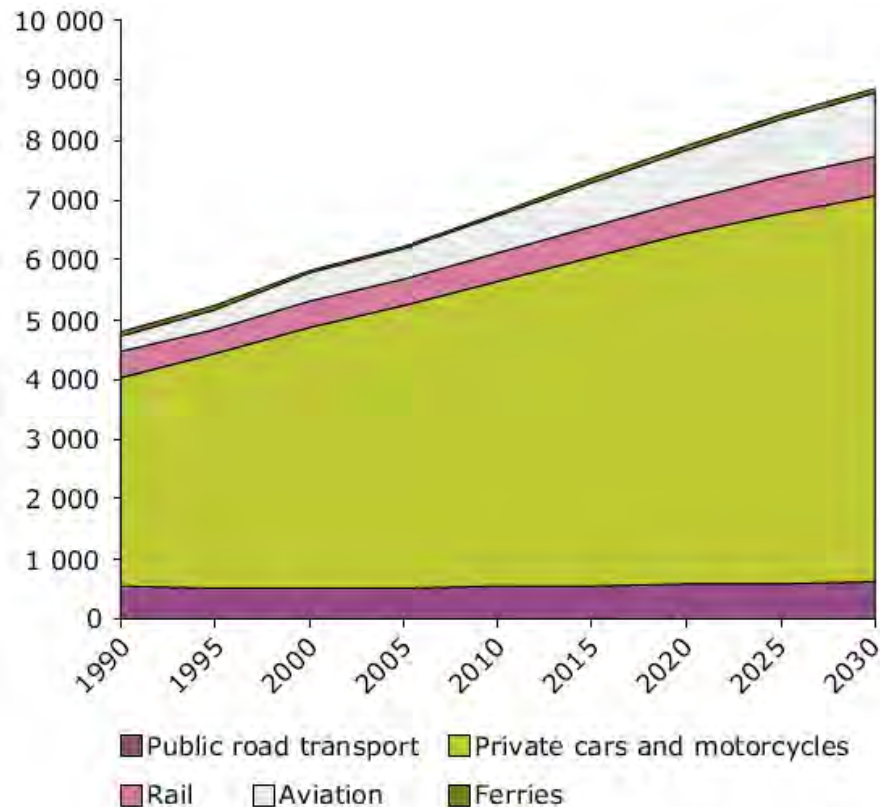
But, if nothing is done,
road is expected to grow even faster.



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Mio. Passenger kilometres – EU 27

Mio. Tonne kilometres – EU 27

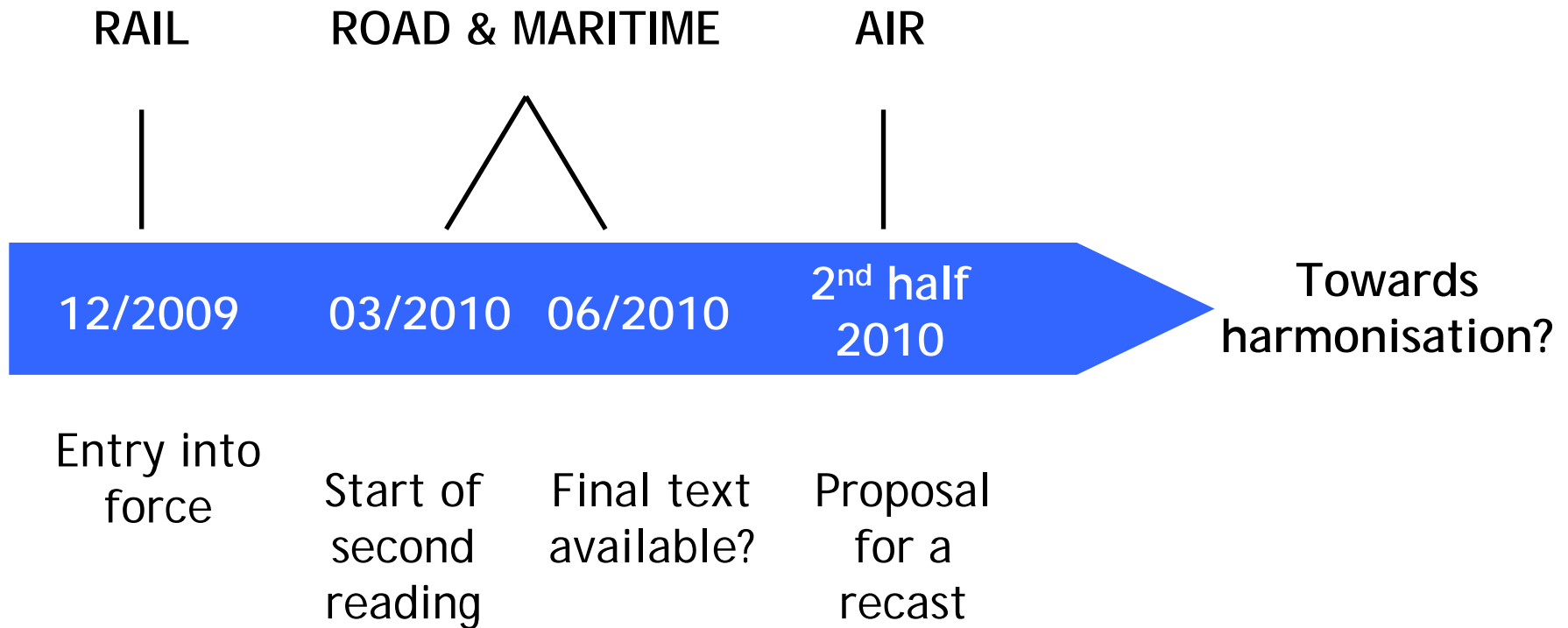


source: European Commission 2007 (Einschätzung Entwicklung Transportnachfrage nach PRIMES-Model, DG TREN)

However, passenger rights are expected to expand to all modes...



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But are passenger rights really going to be harmonised across modes?



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BUS AND COACHES

(European Council position)

- Limited set of fundamental rights
- Compensation for delay "at departure"
- Compensation only starting from 2 hours delay



AVIATION

- Compensation only starting from 5 hours delay

CER is in favour of a harmonisation of passenger rights across modes!

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CONCLUSION: how to make rail travel faster and more frequent?



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1. Let us not dream. **Liberalisation will NOT make it (on its own) !**

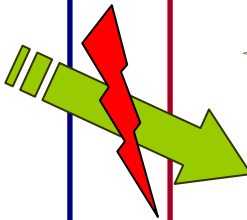
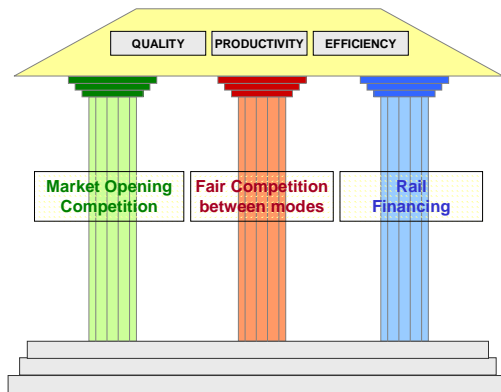
2. Like for road, **financing will be crucial:**
 - Financing infrastructure maintenance, upgrade, renewal, new constructions;
 - Financing public service obligations;
 - Having track access charges that do not handicap rail (against air and road);
 - Cancelling rail historic debt, wherever this has not yet been done.

3. In the absence of these **crucial conditions:**
 - Liberalisation may be counterproductive (or destructive): loss of traffics;
 - Passenger rights might not be optimally guaranteed.

CONCLUSION: To revitalise rail, efforts MUST now FOCUS on rail financing & charging for all modes.

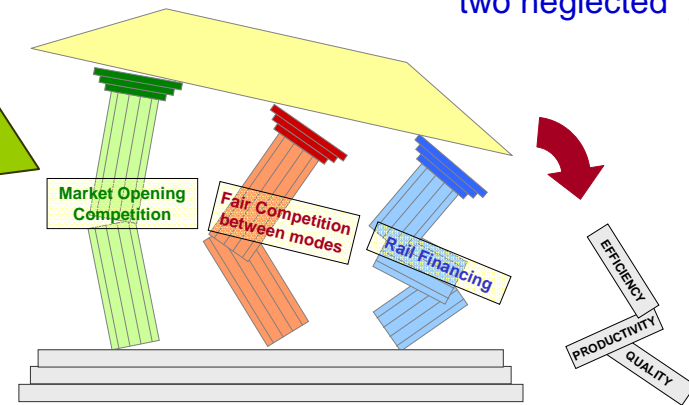
The original architecture of European transport and rail policy (as set out in the “2001 White Paper”)...

In the 2001 White Paper, the European railway policy rested on 3 ‘pillars’



Ten years on: the weak points of current European transport policy...

One “almost” straight “pillar” and two neglected “pillars”!



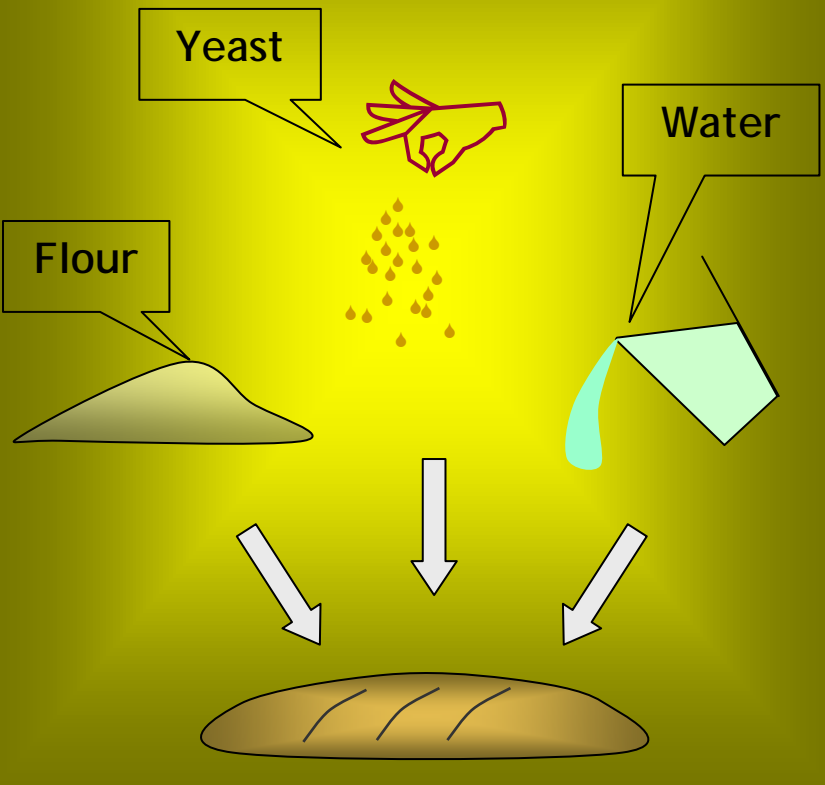
- Competition, on its own, is not sufficient to revitalise rail.
- Without fair competition between modes (fair charging) and sufficient rail financing (PSO compensations + infrastructure funding), the railways efforts in quality, productivity and efficiency are reduced to nil.

CONCLUSION: the best recipe for passenger transport relies on the right balance between 3 ingredients...

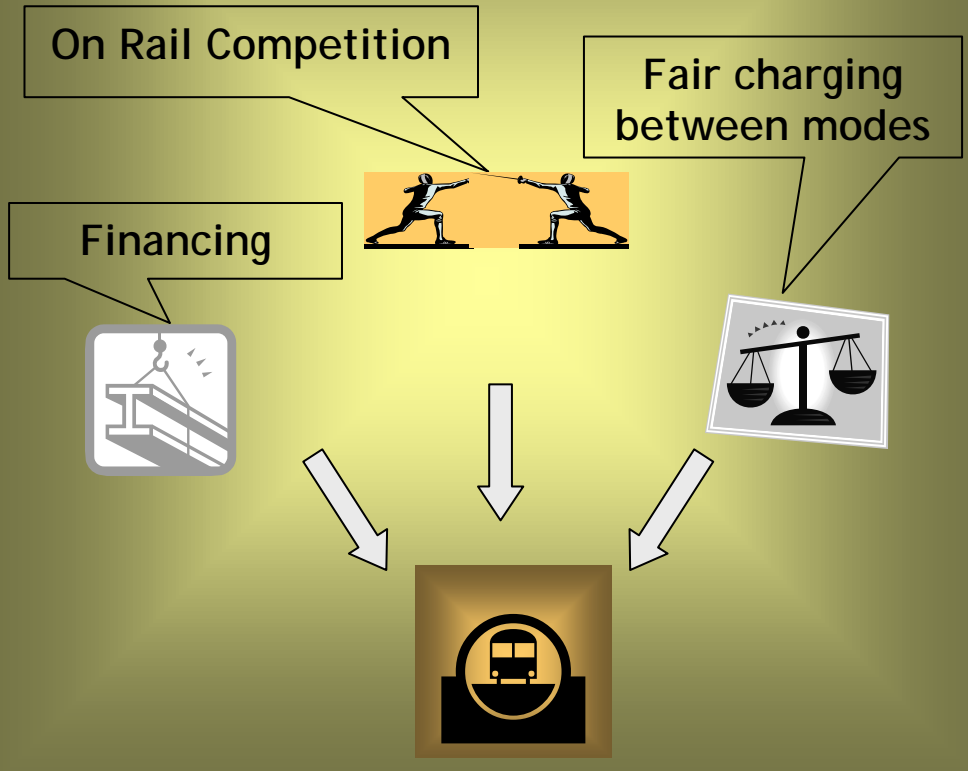


The Voice of European Railways

3 ingredients are needed to make good BREAD



3 ingredients are needed to make successful RAIL



Thank you for your attention!



The Voice of European Railways

→ Jacques DIRAND
Senior Policy Adviser - PASSENGER
Senior Policy Adviser - FREIGHT
Landline: +32 2 213 08 78
Mobile: +32.743.89.50.61
Email: jacques.dirand@cer.be

→ For further information,
visit our website: www.cer.be



ANNEX

CER study on
Market Opening, Financing, Charging
AND
Rail Performance

Market opening, financing, charging AND railway performance

Analysis of EC (RMMS/ETIF) and OECD (ITF) data

DRAFT

19 March 2010

Jacques Dirand

Senior Policy Adviser - PASSENGER

Senior Policy Adviser - FREIGHT



CONTENTS

- Introduction and EXECUTIVE SUMMARY**
- Methodological Remarks
- Overall European Analysis
- Individual Country Snapshots
- Final Conclusion

INTRODUCTION: Liberalisation must be looked at in the wider context of the «rail financial architecture».



The Voice of European Railways

1. CER SUPPORT market LIBERALISATION measures, as a principle.
2. Liberalisation is a complex issue and is not sufficient, on its own, to elicit market growth. **OTHER FACTORS** have to be taken into consideration:
 1. Financing (in terms of PSO compensation and infrastructure funding);
 2. Infrastructure access charging;
 3. Difference in charging between modes;
 4. Financing of other modes (esp. infrastructure financing);
 5. Quality, price and productivity;
 6. Economic growth;
 7. Rail historic debt... Etc...
3. This analysis focuses **ONLY** on the factors available in EC data: market opening, financing & charging. In this context, analysis shows that rail financing & charging is overriding market opening in eliciting growth.
4. Whenever rail financing and charging are neglected, market opening has unintended consequences (as seen in France, Romania, Poland...)

EXECUTIVE SUMMARY: To revitalise rail, efforts MUST now FOCUS on rail financing & track access charging.



The Voice of European Railways

Analysis of RMMS and ITF-OECD data shows that:

1. Rail traffic growth is very dependent on level of railway financing.
2. Growth is also somewhat affected by track access charges, esp. in freight.
3. There is no correlation between traffic growth and level of market opening.

A country by country analysis shows that:

1. All countries where both rail financing and access charging are correctly set perform very well, regardless of market opening: Belgium, Netherlands, Sweden, Greece (although, in Greece, infrastructure was financed by debt!)...
2. Countries where both rail financing and access charging are inadequate perform badly, regardless of market opening: Bulgaria, Poland, Romania, Slovakia...
3. Competition may have a stimulating effect in countries where rail financing and access charging are adequately set (Sweden, Netherlands...) and a counterproductive effect in countries where rail financing and access charging are inadequate (France, Hungary, Poland, Romania...)

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Data sources:

- Traffic volumes from 2002 to 2007: ETIF 2009, European Commission.
- Market share of new entrants in 2007: RMMS 2007/2009, European Commission.
- Rail financing (PSO + infrastructure funding): DG TREN Statistics 2009.
- Track access charges: ITF 2005 and ITF 2008, OECD.

Data processing:

- All data shown is calculated on the basis of the above original sources.
- For UK, market share of new entrants excludes DB Schenker & Freightliner Ltd.
- Track access charges for 2007 has been recalculated (see next page).

Rail performance (based on 2007 data) has been analysed against:

- Level of market share reached by new entrant companies in 2007.
- Average yearly rail financing per track.km of the previous 5 years (2002-2006).
- Average track access charges (based on 2007 projected values - see next page).

Remark concerning data on market share of new entrants:

- 2007 market shares of new entrants have been calculated as the average between 2006 market shares (RMMS 2007) and 2008 market shares (RMMS 2009).
- In the UK, 2007 market share of new entrants excludes EWS (now DB Schenker and ex-division of British Rail for conventional freight) and Freightliner Ltd (ex-division of British Rail for intermodal freight). However, it includes Freightliner Heavyhaul, which competes with EWS (DB Schenker) on conventional freight.

Remarks regarding track access charge estimates for 2007:

- Track access charges levels for 2007 have been derived from a linear progression between 2005 levels (based on ITF 2005) and 2008 levels (based on ITF 2008).
- As a result, track access charges levels for 2007 can also be considered as a « weighted » average of track access charging between 2005 and 2008.
- To do this, average FREIGHT access charge for 2008 had to be recalculated based on the average between charges for 960t trains and charges for 2000t trains.
- Similarly, average PASSENGER access charge for 2008 had to be recalculated based on a « weighted » average between charges for intercity trains and local trains. Assumption was 3/4 local trains against 1/4 intercity trains.

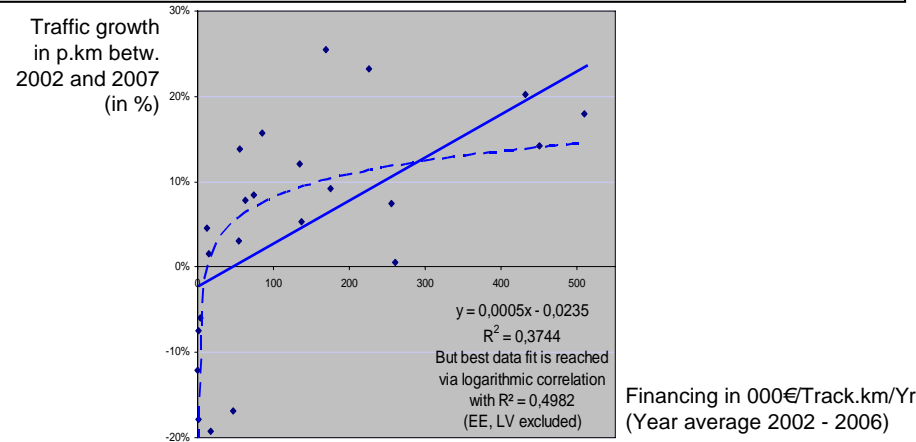
CONTENTS	Introduction and EXECUTIVE SUMMARY
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Railway financing is crucial to boost rail... ... both in passenger and in freight traffic.



The Voice of European Railways

Rail PASSENGER absolute GROWTH VS Rail FINANCING

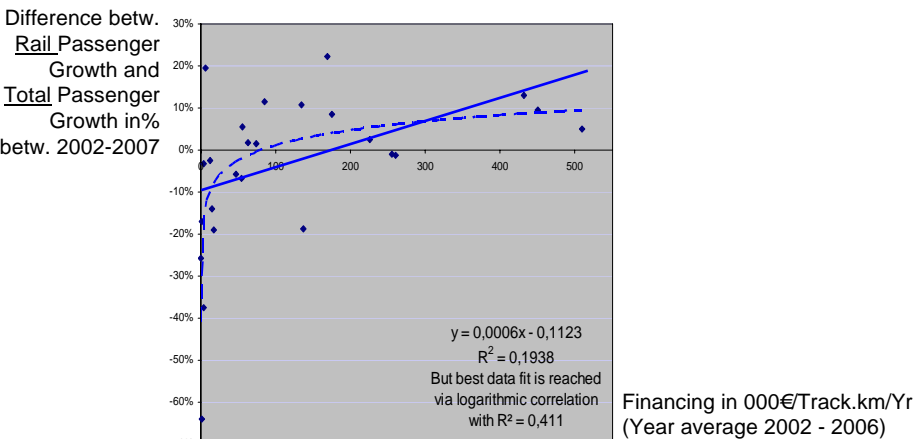


Each dot represents one EU country.

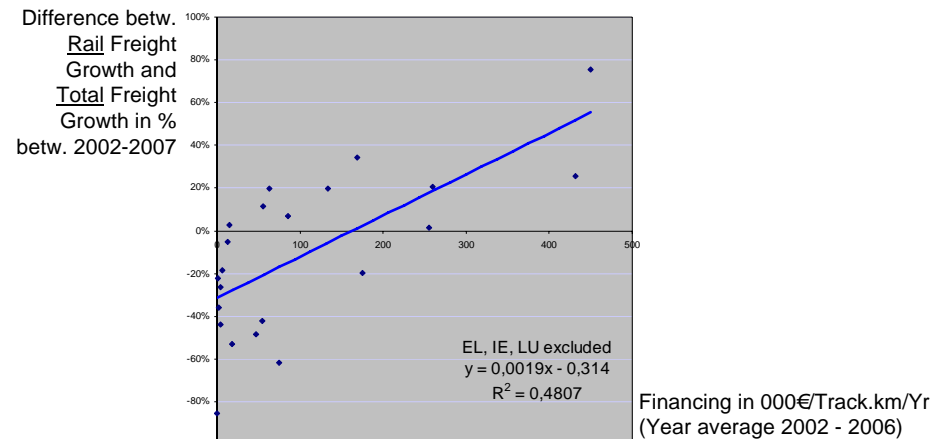
Left mappings: a correlation analysis of rail passenger traffic (both in absolute terms and in relative terms) AGAINST railway financing shows that rail passenger traffic greatly benefits from **higher rail financing**.

Bottom mapping: Rail freight traffic benefits even more from **higher rail financing**.

Rail PASSENGER relative GROWTH VS Rail FINANCING



Rail FREIGHT relative GROWTH VS Rail FINANCING



Sources: European Com., ETIF 2009 European Com., DG TREN statistics 2009; For CEEC countries, rail financing figures do not include cohesion funds.

Big asymmetries in “rail financing” do NOT put all EU countries on an equal par with regard to liberalisation



The Voice of European Railways

Level of Rail Financing(1) in 000€ per track.km per year (Yearly average over the period 2002 - 2006)

EU25		116
EU15		186
EU10		10
1	LUXEMBOURG (2)	509
2	NETHERLANDS	450
3	BELGIUM	432
4	ITALY	260
5	DENMARK	255
6	IRELAND	225
7	FRANCE	175
8	UNITED KINGDOM	169
9	GREECE (3)	137
10	GERMANY	134
11	SWEDEN	85
12	SLOVENIA (4)	75
13	AUSTRIA	63

EU25		116
EU15		186
EU10		10
14	FINLAND	55
15	SPAIN (5)	54
16	HUNGARY (4)	47
17	SLOVAKIA (4)	18
18	PORTUGAL	15
19	CZECH REP. (4)	13
20	ESTONIA (4)	6
21	LATVIA (4)	4
22	POLAND (4)	4
23	BULGARIA (4)	2
24	LITHUANIA (4)	1
25	ROMANIA (4)	0

- (1) DG TREN « rail financing » data includes:
 - money paid by public authorities in compensation of PSOs, as well as
 - state funding of infrastructure operations, maintenance, upgrades, renewals and new constructions
- (2) For Luxembourg, figure is blown up, notably by high investments in ERTMS.
- (3) For Greece, railway funding was mainly financed by debt, which remained within the railway system and is now likely to bear on its development.
- (4) For CEECs, European Commission's figures do not include contributions from Cohesion Funds.
- (5) For Spain, these figures do not include investments in the High Speed Network!

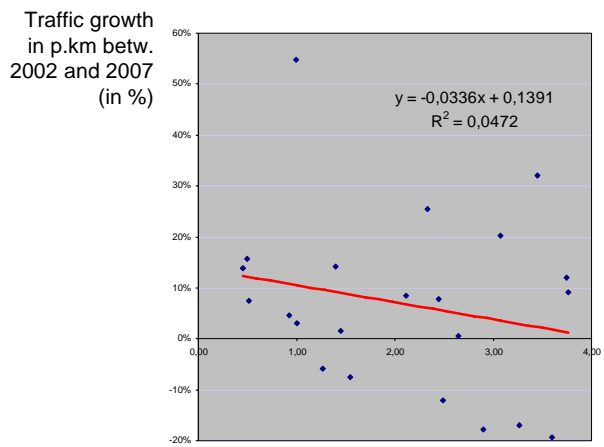
Source: European Commission, DG TREN 2009 statistics

Level of "Track Access Charges" (TAC) does affect rail traffic (especially freight)...



The Voice of European Railways

Rail PASSENGER absolute GROWTH VS Access CHARGES



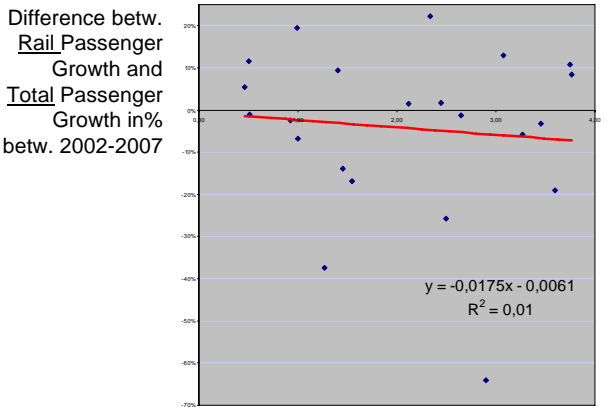
TAC in €/Train.km in 2007 (weighted average)

Each dot represents one EU country.

Bottom mapping: a correlation analysis of the rail freight relative growth AGAINST the level of track access charges shows that higher access charges negatively affect rail freight traffic.

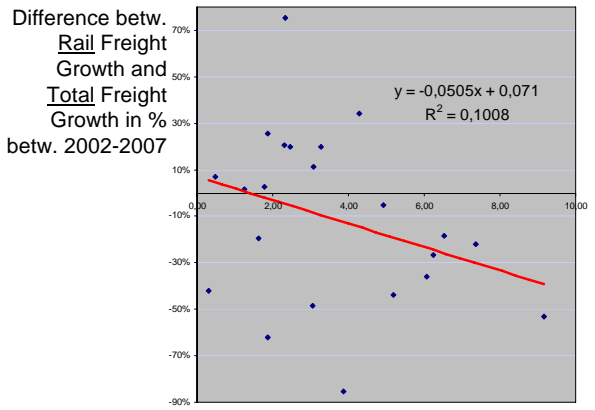
Left mappings: Track access charges affect rail passenger traffic far less. **Explanation:** most of passenger traffic is run under PSO contracts and falls under PSO compensations.

Rail PASSENGER relative GROWTH VS Access CHARGES



TAC in €/Train.km in 2007 (weighted average)

Rail FREIGHT relative GROWTH VS Access CHARGES



TAC in €/Train.km in 2007 (weighted average)

Sources: European Commission, ETIF 2009; OECD, ITF 2005 and ITF 2008 – NOTE: No data available for EL, IE and LU

Level of Track Access Charging in €per train.km

Average for (intercity and regional/local) passenger trains in 2007 (1)

	EU25	2,09
	EU15	1,95
	EU10	2,26
1	FINLAND	0,46
2	SWEDEN	0,50
3	DENMARK	0,52
4	CZECH REPUBLIC	0,93
5	ESTONIA	0,99
6	SPAIN	1,00
7	POLAND	1,27
8	NETHERLANDS	1,40
9	PORTUGAL	1,45
10	BULGARIA	1,55
11	SLOVENIA	2,12
12	UNITED KINGDOM	2,33
13	AUSTRIA	2,44

	EU25	2,09
	EU15	1,95
	EU10	2,26
14	ROMANIA	2,49
15	ITALY	2,65
16	LITHUANIA	2,90
17	BELGIUM	3,08
18	HUNGARY	3,27
19	LATVIA	3,45
20	SLOVAKIA	3,60
21	GERMANY	3,75
22	FRANCE	3,77
(2)	LUXEMBOURG	n.a.
(2)	IRELAND	n.a.
(2)	GREECE	n.a.

- (1) Track access charges levels for 2007 have been derived from a linear progression between 2005 levels (based on OECD-ITF 2005 data) and 2008 levels (based on OECD-ITF 2008 data).

For 2008, average passenger access charges had to be recalculated based on a « weighted » average between charges for intercity trains and local trains. Assumption was 3/4 regional/local trains against 1/4 intercity trains.

- (2) Level of track access charges for Luxembourg, Ireland and Greece was not available in OECD-ITF data

Asymmetries in “Access Charging” on Intercity trains create unequal “Open Access” between countries.



The Voice of European Railways

Level of Track Access Charging in €per train.km Average for INTERCITY passenger trains in 2008

		EU25	2,36
		EU15	2,24
		EU10	2,51
1	DENMARK		0,25
2	FINLAND		0,80
3	SWEDEN		0,80
4	POLAND		0,95
5	CZECH REPUBLIC		1,40
6	PORTUGAL		1,40
7	SPAIN		1,50
8	NETHERLANDS		1,65
9	ESTONIA		1,75
10	SLOVAKIA		1,80
11	FRANCE		2,20
12	SLOVENIA		2,20
13	UNITED KINGDOM		2,30

		EU25	2,36
		EU15	2,24
		EU10	2,51
14	AUSTRIA		2,35
15	HUNGARY		2,50
16	ROMANIA		2,50
17	ITALY		2,90
18	BULGARIA		3,50
19	LATVIA		3,90
20	GERMANY		4,00
21	LITHUANIA		4,60
22	BELGIUM		6,75
23	GREECE (1)		n.a.
24	IRELAND (1)		n.a.
25	LUXEMBOURG (1)		n.a.

- (1) Level of track access charges for Luxembourg, Ireland and Greece was not available in OECD-ITF reports

There seem to be no obvious correlation between market OPENING and rail GROWTH.



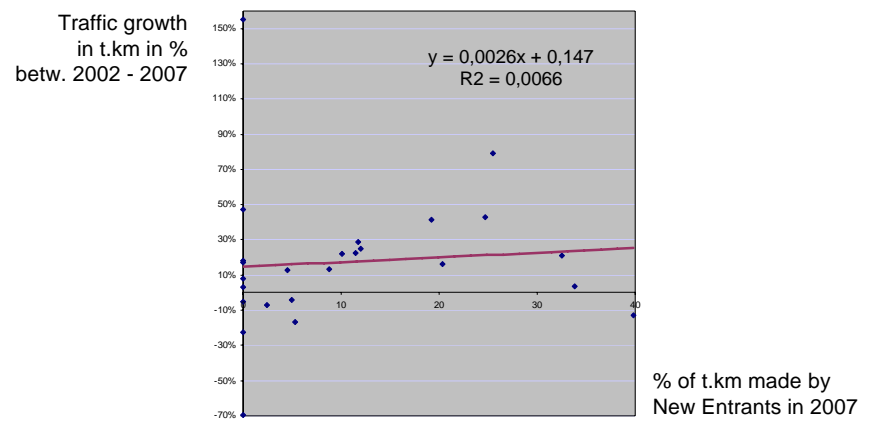
The Voice of European Railways

Each dot represents one EU country.

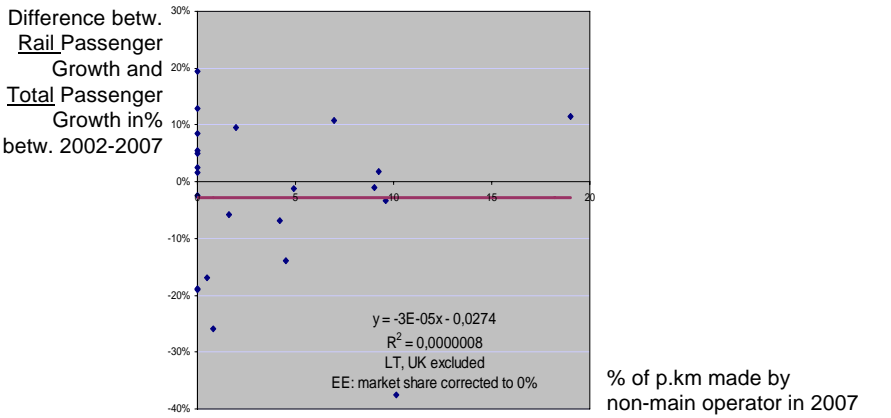
Right mappings: Spread clouds of points and flat correlation lines show that there is no apparent correlation between « market opening » and « traffic growth » in freight.

Bottom mapping: The same seems to apply to passenger traffic. **WARNING:** RMMS data measures share of secondary operators (even in non open markets).

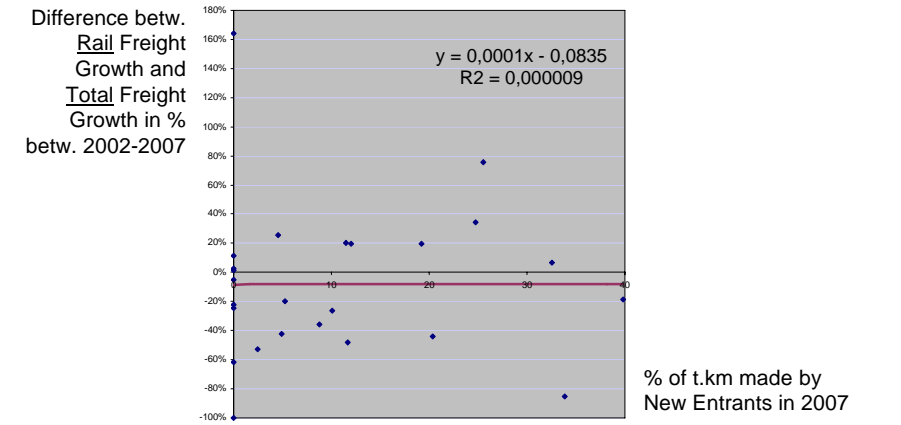
Rail FREIGHT absolute GROWTH VS Market OPENING



Rail PASSENGER relative GROWTH VS Market OPENING



Rail FREIGHT relative GROWTH VS Market OPENING



Sources: European Commission, ETIF 2009; European Commission, RMMS 2009

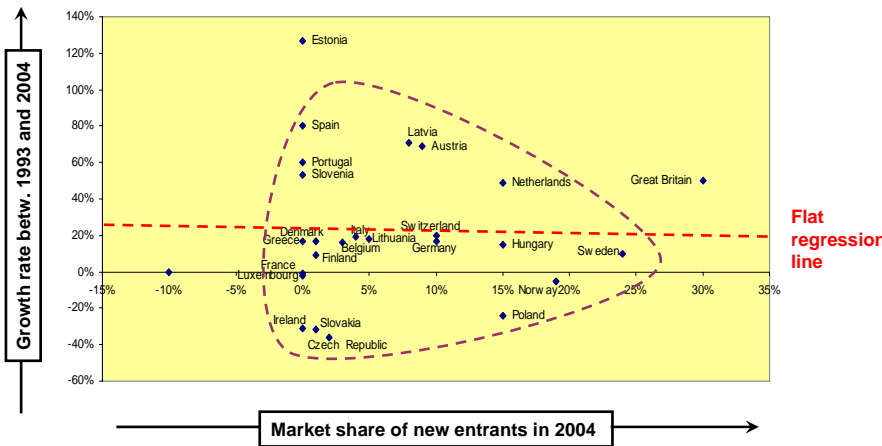
Lack of correlation between market opening and volume growth has been apparent since 2006.



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In 2006, in its reaction to the Commission’s review of the 1st Railway Package, CER already reported on the lack of correlation between the market share of new entrants in freight and rail freight volume growth, based on Commission’s data.

In 2009, the study on « *Experiences from implementing the first EU railway package* » by the SIKA institute in Sweden pointed to the lack of correlation between the level of deregulation and the growth of rail freight volumes.



Note: source data taken from the European Commission’s review of the 1st Railway Package (Annex 11 – figures 11.3 and 11.4). Market share of New Entrants in Estonia corrected to correspond to reference period of market growth data

Figure 4.17 shows the correlation between ideal type and change in the number of tonne km. If ideal type 1 is included, no correlation is visible in the material. If this ideal type is excluded, the market with a higher extent of deregulation has a more positive development for rail freight transport than countries with a lower extent of deregulation.

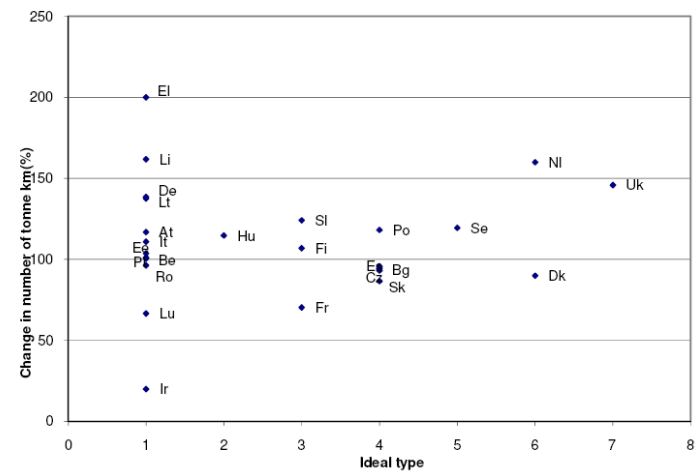


Figure 4.17: Ideal type and change in number of tonne km. 2000-2007
Source: SIKA 2009.

EC services' claim that market opening creates growth is inaccurate (and contradicts EC own data).



The Voice of European Railways

Commission claims: “The market for freight has already been opened, a process that has been associated with increased modal shares for rail”. But an analysis of market entry against relative rail freight growth (using Commission’s own data) shows no correlation (flat corr. line).

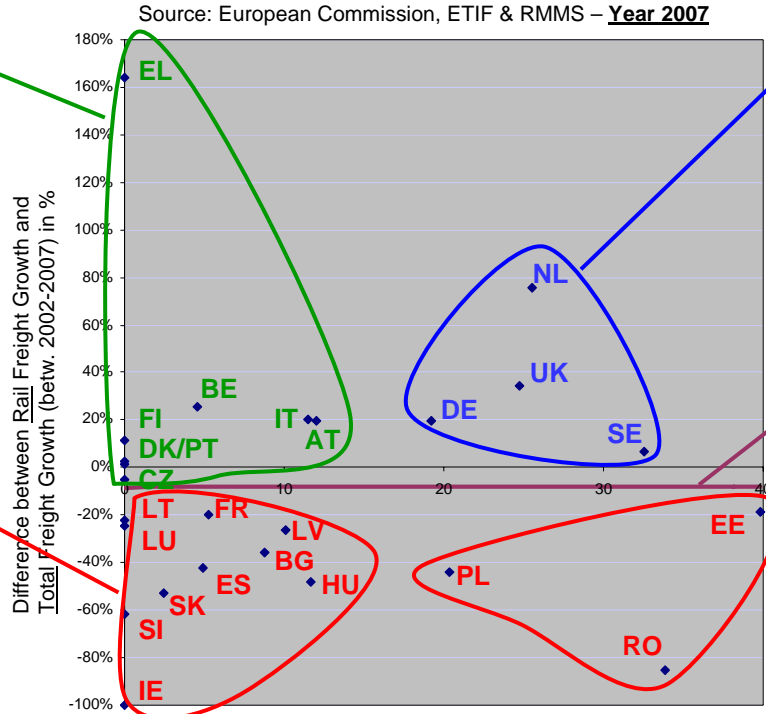
Growth is also observed in countries where competition is low. In most of them, growth may result from high rail financing and/or low access charges.

Commission’s claim relies on 4 countries. But, these countries also show highest level of rail financing and/or lowest access charges. **Are these not the true causes of growth?**

Flat correlation line

Most underperforming countries in freight are also underfinanced (esp. on infrastructure for freight).

Low rail financing and high access charges may provoke decline, which competition may accelerate!



Lack of correlation between market opening and rail freight growth shows that other factors have an overriding influence on growth, i.e.: “Access Charging” and “Rail Financing” (in terms of PSO payments and support to infrastructure operation, maintenance, upgrades, new construction...).

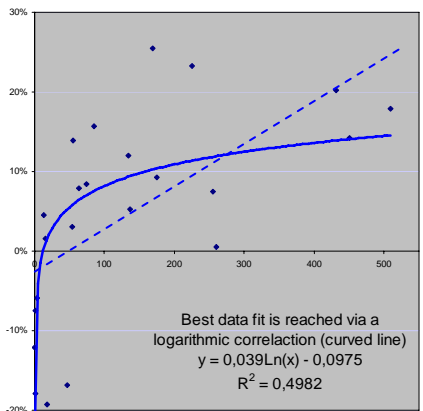
CONCLUSION: Financing & Charging account for 55% of rail Passenger absolute growth. Competition for only 0.01%.



The Voice of European Railways

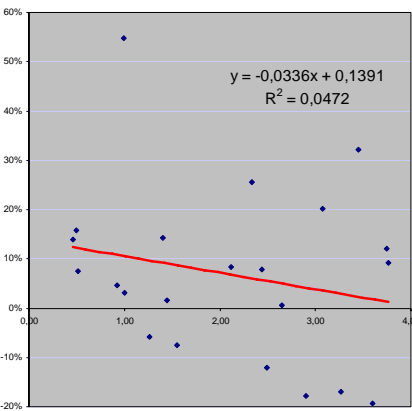
Traffic growth in p.km betw. 2002 and 2007 (in %)

Rail FINANCING



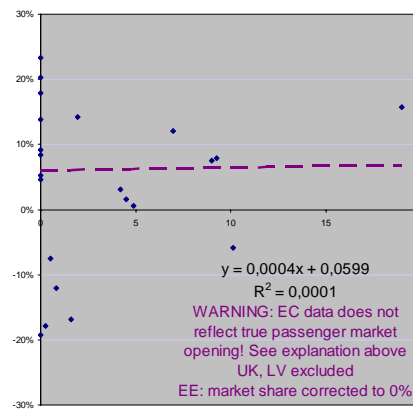
Financing in 000€/Track.km/Yr (Year average 2002 - 2006)

Rail CHARGING



TAC in €/Train.km in 2007 (weighted average)

Market OPENING



% of t.km made by New Entrants in 2007

OTHER Drivers ?

Other factors may also drive growth:

- Difference in charging between modes;
- Economic growth;
- Infrastructure investments in other modes;
- Quality-price-productivity
- Rail historic debt; etc...

$R^2 = 0,4982$ (logarithmic cor.)
Rail FINANCING explains 50% of rail passenger absolute growth variation !

$R^2 = 0.0472$
Rail CHARGING explains only 5% of rail passenger absolute growth variation (PSOs!).

$R^2 = 0.0001$
 Market OPENING explains only 0.01% of rail passenger absolute growth variation !

45% of variation remains to be explained by other drivers than financing, charging or market opening.

55% - Rail FINANCING & CHARGING is a PRIMARY DRIVER of rail passenger growth.

0% - Market opening very much LESS so.

Which other driver? No EC data !

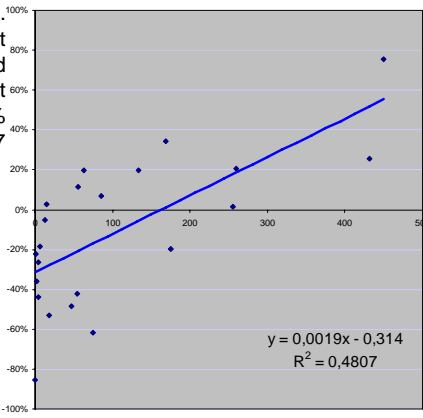
CONCLUSION: Financing & Charging account for 58% of rail Freight relative growth. Competition for less than 0.001%.



The Voice of European Railways

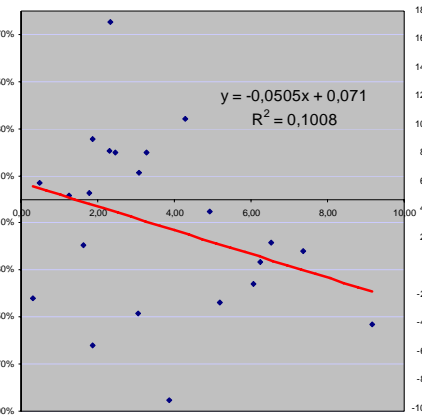
Rail FINANCING

Difference betw. Rail Freight Growth and Total Freight Growth in % betw. 2002-2007



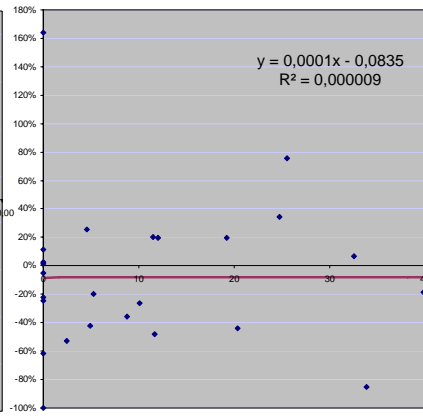
Financing in 000€/Track.km/Yr (Year average 2002 - 2006)

Rail CHARGING



TAC in €/Train.km in 2007 (weighted average)

Market OPENING



% of t.km made by New Entrants in 2007

OTHER Drivers ?

- Other factors may also drive growth:**
- Difference in charging between modes;
 - Economic growth;
 - Infrastructure investments in other modes;
 - Quality-price-productivity
 - Rail historic debt; etc...

$R^2 = 0,4807$
Rail FINANCING
 explains 48% of rail freight relative growth variation !

$R^2 = 0.1008$
Rail CHARGING
 explains 10% of rail freight relative growth variation.

$R^2 = 0.000009$
 Market OPENING
 explains less than 0.001% of relative rail freight growth variation !

42% of variation remains to be explained by other drivers than financing, charging or market opening.

58% - Rail FINANCING & CHARGING is a PRIMARY DRIVER of rail freight dynamism.

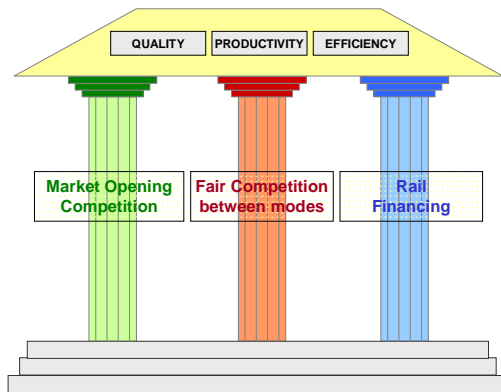
0% - Market opening very much LESS so.

Which other driver? No EC data !

CONCLUSION: To revitalise rail, efforts MUST now FOCUS on rail financing & charging for all modes.

The original architecture of European transport and rail policy (as set out in the “2001 White Paper”)...

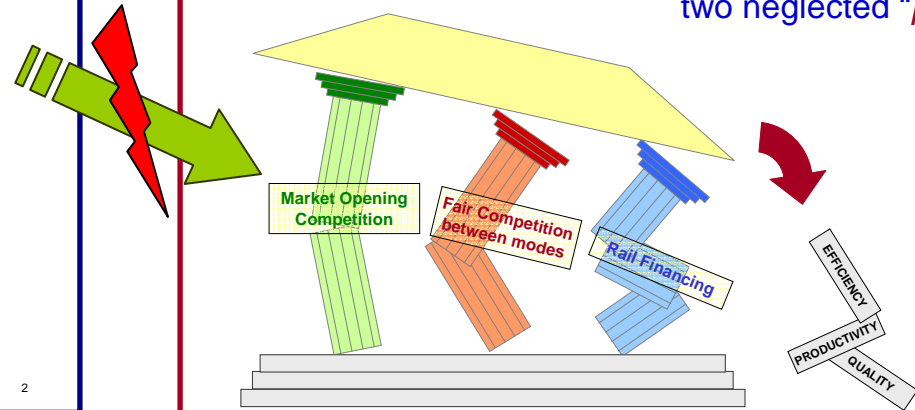
In the 2001 White Paper, the European railway policy rested on 3 ‘pillars’



2

Ten years on: the weak points of current European transport policy...

One “almost” straight “pillar” and two neglected “pillars”!



3

- Competition, on its own, is not sufficient to revitalise rail.
- Without fair competition between modes (fair charging) and sufficient rail financing (PSO compensations + infrastructure funding), the railways efforts in quality, productivity and efficiency are reduced to nil.

CONTENTS

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Overall European Analysis

Individual Country Snapshots

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Snapshot: AUSTRIA, good performance in the context of moderately favourable framework conditions.



The Voice of European Railways

Rail growth 2002-2007

Passenger: Rail **+8%** (EU15: +9%) All **+6%**
 Freight: Rail **+25%** (EU15: +17%) All **+5%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **10%** (EU15: +7%) **→ +2%**
 Freight: **35%!** (EU15: +15%) **↗ +19%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **9%**
 Freight: **12%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

AU: **63k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **2,44€**/tr-k **↗**
 EU15: 1.95train-km
 Freight: **3,28€**/tr-k **→**
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Market opening underway.

After the 90's, **rail financing** has become **more moderate**.

Access charges **above** EU15 average (esp. for freight).

AUSTRIA: Although rail financing has been more moderate (after the 90's) and infrastructure charges are relatively high, both freight and passenger performances have been good in a context of moderate (but increasing) competition.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: BELGIUM, good performance in the context of high rail financing (but also high pas. access charges).

Rail growth 2002-2007

Passenger: Rail **+20%** (EU15: +9%) All **+7%**
 Freight: Rail **+13%** (EU15: +17%) All **-13%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **7%** (EU15: +7%) **↗ +12%**
 Freight: **14%** (EU15: +15%) **↗ +29%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **0%**
 Freight: **5%**

Source: RMMS 2007/09, European Commission

Competition just starting in freight.

FINANCING (1) 2002-2006

BE: **432k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

3rd-highest intensity of rail financing in Europe

ACCESS CHARGES (2) 2007

Pass: **3,08€**/tr-k **↗**
 EU15: 1.95train-km
 Freight: **1,87€**/tr-k **↗**
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Access charges for passenger trains are **high**.

BELGIUM: In spite of low penetration of new entrants, moderate infrastructure charges in freight and high rail financing have allowed freight to grow. Passenger traffic grew as well in spite of high infrastructure charges and no competition.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: BULGARIA (1), a dramatic example of lacking implementation of White Paper principles.



The Voice of European Railways

Rail growth 2002-2007

Passenger: Rail **-7%** (EU25: +8%) All **+9%**
 Freight: Rail **+13%** (EU25: +18%) All **+49%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **5%** (EU10: +7%) **↘ -15%**
 Freight: **25%** (EU10: +28%) **↘ -24%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **1%**
 Freight: **9%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

BU: **2k€/track-km/yr**
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **1,55€/tr-k** **↗**
 EU25: 2.09train-km
 Freight: **6,07€/tr-k** **↗**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Market opening started in freight.

Among the **lowest levels of rail financing** in Europe

Very high freight access charges, still rising!!!

BULGARIA: With very high access charges on freight and one of the lowest level of rail financing (PSO and infrastructure investments) in Europe, modal shares go down dramatically since 2002, and this, in spite of starting market opening.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: **BULGARIA (2)**, the situation got worse since 2003, where freight traffic started to fall in absolute terms.

Rail growth 2003-2007

Passenger: Rail **-4%** (EU25: +8%) All +14%
 Freight: Rail **-1%** (EU25: +18%) All +36%!

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **5%** (EU10: +7%) **↘ -16%**
 Freight: **25%** (EU10: +28%) **↘ -27%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **1%**
 Freight: **9%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

BU: **2k€/track-km/yr**
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **1,55€/tr-k** **↗**
 EU25: 2.09train-km
 Freight: **6,07€/tr-k** **↗**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Market opening started in freight.

Among the **lowest levels of rail financing** in Europe

Very high freight access charges, still rising!!!

BULGARIA: With very high access charges on freight and one of the lowest level of rail financing (PSO and infrastructure investments) in Europe, modal shares and **absolute volumes** go down dramatically, in spite of starting market opening.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: CZECH REPUBLIC, low financing and high freight access charges may jeopardize freight growth.



The Voice of European Railways

Rail growth 2002-2007

Passenger: rail **+5%** (EU25: +8%) All **+7%**
 Freight: rail **+3%** (EU25: +18%) All **+8%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **7%** (EU10: +7%) → **-2%**
 Freight: **25%** (EU10: +28%) ↘ **-5%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **0%**
 Freight: **0%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

CZ: **13k€**/track-km/yr
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **0,93€**/tr-k ↗
 EU25: 2.09train-km
 Freight: **4,92€**/tr-k ↗
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

No new entrant in Slovenia.

Rail financing is **extremely low**.

Access charges are **low** for passenger, **high** for freight.

CZECH REP.: In spite of high infrastructure charges for freight, low rail financing and no new entrants, the Czech Republic managed to keep its traffic volumes (but lost shares). Freight may suffer from high access charges and too low rail financing.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: DENMARK, successful implementation of the White Paper principles (in passenger business).



The Voice of European Railways

Rail growth 2002-2007

Passenger: rail + 8% (EU15: +9%) All +9%
 Freight: rail - 5% (EU15: +17%) All -7%

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: 9% (EU15: +7%) → -1%
 Freight: 8% (EU15: +15%) → +2%

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: 9%
 Freight: 0%

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

DK: 255k€/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: 0,52€/tr-k ↓
 EU15: 1.95train-km
 Freight: 1,25€/tr-k ↓
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Market opening started in passenger services

5th-highest intensity of rail financing in Europe

Low access charges for EU15 standard

DENMARK: High rail financing and low access charges allowed passenger services to increase and rail to keep up modal share. Due to the small size of the country, freight services are very much subject to international traffic variations.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: ESTONIA, mixed performance against the background of mixed framework conditions.



The Voice of European Railways

Rail growth 2002-2007

Passenger: rail **+55%** (EU25: +8%) All **+35%**
 Freight: rail **-13%** (EU25: +18%) All **+5%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **2%** (EU10: +7%) **↗ +14%**
 Freight: **57%** (EU10: +28%) **↘ -18%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **49%**
 Freight: **40%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

ES: **6k€/track-km/yr**
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **0,99€/tr-k** **↗**
 EU25: 2.09train-km
 Freight: **6,52€/tr-k** **↗**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Highest market share of **new entrants** in Europe

One of the **lowest levels** of rail financing in Europe

Very high access charges in freight, **still rising!!!**

ESTONIA: In spite of competition, rail freight decreased in the context of low rail financing and high charges. However, passenger traffic managed to grow in spite of very low rail financing, but thanks to low access charges (and competition?).

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: FINLAND, a positive counter-example of implementation of the 1st railway package...

Rail growth 2002-2007

Passenger: rail **+14%** (EU15: +9%) All **+8%**
 Freight: rail **+8%** (EU15: +17%) All **-3%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **5%** (EU15: +7%) → **+5%**
 Freight: **26%** (EU15: +15%) ↗ **+12%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **0%**
 Freight: **0%**

Source: RMMS 2007/09, European Commission

There was no known new entrant in Finland in 2007

FINANCING (1) 2002-2006

FI: **55k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

Rail financing is **modest** for EU15 standards

ACCESS CHARGES (2) 2007

Pass: **0,46€**/tr-k →
 EU15: 1.95train-km
 Freight: **3,07€**/tr-k ↗
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Access charges for freight trains have **increased a lot!**

FINLAND: In spite of modest (but not negligible) railway financing, increasing infrastructure charges for freight trains and no new entrant, the National Operator, VR, managed to increase volumes, with the highest punctuality levels in Europe!

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: FRANCE, a mixed picture between freight and passenger (and even within the passenger business).

Rail growth 2002-2007

Passenger: rail **+9%** (EU15: +9%) All **+1%**
 Freight: rail **-17%** (EU15: +17%) All **+3%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **9%** (EU15: +7%) **↗ +8%**
 Freight: **16%** (EU15: +15%) **↘ -19%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **0%**
 Freight: **5%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

FR: **175k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **3,77€**/tr-k **↘**
 EU15: 1.95train-km
 Freight: **1,63€**/tr-k **↗**
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

New operators started to enter the freight market in 2006.

Funds look good, but **focussed** on **2 new High Speed Lines!**

Access charges are **high** (pass) or **soaring** (freight).

FRANCE: In spite of high access charges, funding focussed on 2 new High Speed lines and no competition, the National operator managed to increase passenger traffic and modal share. Unlike freight, victim of very low infrastructure funding!

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: GERMANY, an example of successful White Paper implementation, BUT watch road vs rail charging!

Rail growth 2002-2007

Passenger: rail **+12%** (EU15: +9%) All **+1%**
 Freight: rail **+41%** (EU15: +17%) All **+21%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **8%** (EU15: +7%) **↗ +11%**
 Freight: **22%** (EU15: +15%) **↗ +16%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **7%**
 Freight: **19%**

Source: RMMS 2007/09, European Commission

Market opening, started in 1995, developed most in freight

FINANCING (1) 2002-2006

DE: **134k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

Rail financing is **good** for EU15 standards

ACCESS CHARGES (2) 2007

Pass: **3,75€**/tr-k **↘**
 EU15: 1.95train-km
 Freight: **2,47€**/tr-k **↗**
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Access charges for passengers are **high** for EU15 standards

GERMANY: market opening has been combined with a sustained level of rail financing (including cancellation of historic debt). But passenger access charges are high (compared to road). LKW Maut may reestablish level playing field in freight?

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: GREECE, a positive (counter)example of implementing the first railway package ?

Rail growth 2002-2007

Passenger: rail **+5%** (EU15: +9%) All **+24%**
 Freight: rail **+155%** (EU15: +17%) All **-9%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **2%** (EU15: +7%) **↓ -15%**
 Freight: **3%** (EU15: +15%) **↑ +179%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **0%**
 Freight: **0%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

EL: **137k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **?€**/tr-k
 EU15: 1.95train-km
 Freight: **?€**/tr-k
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

There was no known new entrant in Greece in 2007

Rail financing is **high**, but covered by high **indebttness!**

No information on access charges.

GREECE: In spite of no new entrant on the Greek rail market, the operator, OSE, managed to increase freight volumes and shares significantly, supported by high but unsecure infrastructure funding (i.e. mostly financed by own debts!).

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: HUNGARY, a mixed picture.



The Voice of European Railways

Rail growth 2002-2007

Passenger: rail **-17%** (EU25: +8%) All **-11%**
 Freight: rail **+29%** (EU25: +18%) All **+77%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **13%** (EU10: +7%) **↘ -7%**
 Freight: **21%** (EU10: +28%) **↘ -27%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **2%**
 Freight: **12%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

HU: **47k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU10: 10k€/Track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **3,27€**/tr-k **↗**
 EU25: 2.09train-km
 Freight: **3,05€**/tr-k **↘**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Market opening is on its way in freight

Rail financing is **moderate**, 2nd best of EU10 (but below EU25)

Access charges are **high** for EU25, but **moderate** for EU10.

HUNGARY: With moderate investments and access charges, plus growing market opening, Hungary is not doing too badly in freight (but losing shares!). Increasing infrastructure charges for passenger trains may worsen performance in passenger.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: IRELAND, good rail financing benefitted passenger traffic, not freight.



The Voice of European Railways

Rail growth 2002-2007

Passenger: rail **+23%** (EU15: +9%) All **+21%**
 Freight: rail **-70%** (EU15: +17%) All **+30%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **4%** (EU15: +7%) → **+2%**
 Freight: **1%** (EU15: +15%) ↘ **-77%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **0%**
 Freight: **0%**

Source: RMMS 2007/09, European Commission

No new entrant in Ireland in 2007

FINANCING (1) 2002-2006

IE: **225k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

One of the highest levels of rail financing in Europe

ACCESS CHARGES (2) 2007

Pass: **?€**/tr-k
 EU15: 1.95train-km
 Freight: **?€**/tr-k
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

No information on access charges

IRELAND: With a good level of rail financing, rail passenger traffic significantly grew, maintaining rail modal share. Explanation for fall in freight traffic difficult to explain; may have to be sought outside usual framework conditions.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: ITALY, good framework conditions for freight, therefore good freight performance.

Rail growth 2002-2007

Passenger: rail **+1%** (EU15: +9%) All **+2%**
 Freight: rail **+22%** (EU15: +17%) All **+2%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **6%** (EU15: +7%) **→ -1%**
 Freight: **12%** (EU15: +15%) **↗ +20%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **5%**
 Freight: **12%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

IT: **260k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **2,65€**/tr-k **↘**
 EU15: 1.95train-km
 Freight: **2,32€**/tr-k **↗**
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Market opening is on its way.

4th-highest intensity of rail financing in Europe

Access charges are around **EU15 average**.

ITALY: With the 4th highest intensity of rail financing in Europe, moderate infrastructure charges for freight and a moderate level of new entrant penetration, Italy performs well in freight: an example of good White Paper implementation.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: LATVIA (1), mixed performance against the background of unfavorable framework conditions.

Rail growth 2002-2007

Passenger: Rail **+32%** (EU25: +8%) All: **+35%**
 Freight: Rail **+22%** (EU25: +18%) All: **+49%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **5%** (EU10: +7%) → **-2%**
 Freight: **58%** (EU10: +28%) ↘ **-18%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **10%**
 Freight: **10%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

LA: **4k€**/track-km/yr
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **3,45€**/tr-k ↗
 EU25: 2.09train-km
 Freight: **6,23€**/tr-k ↗
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Market opening is on its way.

One of the **lowest levels** of rail financing in Europe

Very high access charges (esp. in freight), **still rising!!!**

LATVIA: Freight volumes vary erratically year on year mainly due to big variations in Russian exports. However, rail maintained its modal share in passenger traffic, in spite of very low rail financing, high access charges and moderate competition.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: LATVIA (2), the situation got worse since 2004, where freight traffic started to fall in absolute terms.

Rail growth 2004-2007

Passenger: Rail **+21%** (EU25: +8%) All: +25%
 Freight: Rail **-2%** (EU25: +18%) All: +21%!

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **5%** (EU10: +7%) → **-3%**
 Freight: **58%** (EU10: +28%) ↘ **-19%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **10%**
 Freight: **10%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

LA: **4k€**/track-km/yr
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **3,45€**/tr-k ↗
 EU25: 2.09train-km
 Freight: **6,23€**/tr-k ↗
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Market opening is on its way.

One of the **lowest levels** of rail financing in Europe

Very high access charges (esp. in freight), **still rising!!!**

LATVIA: Freight volumes vary erratically year on year mainly due to big variations in Russian exports. But freight volumes situation worsen a lot since 2004 (with absolute volumes starting to fall).

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: LITHUANIA, an illustration of the Baltic paradox.



The Voice of European Railways

Rail growth 2002-2007

Passenger: rail -18% (EU25: +8%) All +46%
 Freight: rail +47% (EU25: +18%) All +69%

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: 1% (EU10: +7%) **↘ -44%**
 Freight: 41% (EU10: +28%) **↘ -13%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: 0%
 Freight: 0%

Source: RMMS 2007/09, European Commission

No new entrants in Lithuania in 2007.

FINANCING (1) 2002-2006

LT: 1k€/track-km/yr
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

One of the **lowest levels** of rail financing in Europe

ACCESS CHARGES (2) 2007

Pass: 2,90€/tr-k **↗**
 EU25: 2.09train-km
 Freight: 7,37€/tr-k **↗**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Very high access charges (esp. in freight), **still rising!!!**

LITHUANIA: In spite of very poor rail financing and high infrastructure charges, freight grew because of Russian exports. However, passenger traffic did not resist these adverse conditions and rail modal shares (freight & passenger) dropped.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: LUXEMBOURG, good passenger evolution but dependent on its neighbours for freight performance.



The Voice of European Railways

Rail growth 2002-2007

Passenger: rail + 18% (EU15: +9%) All +13%
 Freight: rail - 22% (EU15: +17%) All +2%

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: 4% (EU15: +7%) → +4%
 Freight: 4% (EU15: +15%) ↘ -24%

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: 0%
 Freight: 0%

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

LU: 509k€/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: ?€/tr-k
 EU15: 1.95train-km
 Freight: ?€/tr-k
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

No new entrant in Luxembourg in 2007

Highest intensity of rail financing in Europe

No information on access charges

LUXEMBOURG: With the highest level of rail financing in Europe (mainly linked to ERTMS investments), passenger traffic grew significantly. However, for freight, this small country is dependent on its neighbours' performance.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: NETHERLANDS, successful implementation of White Paper principles. BUT watch access charges!!!



The Voice of European Railways

Rail growth 2002-2007

Passenger: rail **+14%** (EU15: +9%) All **+5%**
 Freight: rail **+79%!** (EU15: +17%) All **+4%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **9%** (EU15: +7%) **↗ +9%**
 Freight: **6%** (EU15: +15%) **↗ +73%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **2%**
 Freight: **26%**

Source: RMMS 2007/09, European Commission

Market opening is high in freight

FINANCING (1) 2002-2006

NL: **450k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

Highest intensity of rail financing in Europe (after Lux)

ACCESS CHARGES (2) 2007

Pass: **1,40€**/tr-k **↗**
 EU15: 1.95train-km
 Freight: **2,33€**/tr-k **↗**
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Low access charges are increasing rapidly!!!

THE NETHERLANDS: With the highest intensity of public financing in Europe and low infrastructure charges, traffic has been boosted (and new entrants have been attracted). **DANGER:** infrastructure charges have been increasing drastically lately!

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: POLAND, implementing the First Railway Package will not be sufficient...

Rail growth 2002-2007

Passenger: Rail **-6%** (EU25: +8%) All: **+32%**
 Freight: Rail **+16%** (EU25: +18%) All: **+60%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **7%** (EU10: +7%) **↘ -28%**
 Freight: **26%** (EU10: +28%) **↘ -27%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **10%**
 Freight: **20%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

PL: **4k€**/track-km/yr
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **1,27€**/tr-k **↘**
 EU25: 2.09train-km
 Freight: **5,18€**/tr-k **↘**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

In Europe, one of the **highest penetrations** of new entrants

Railway financing is **extremely low** in Poland

Access charges for freight are **extremely high.**

POLAND: In spite of a good penetration of new entrants, rail performance becomes very fragile. **Rail modal share is collapsing.** Infrastructure charges for freight are too high compared to road. And rail financing is one of the lowest in Europe.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: PORTUGAL, mixed performance in the context of mixed framework conditions.

Rail growth 2002-2007

Passenger: rail **+2%** (EU15: +9%) All **+15%!**
 Freight: rail **+18%** (EU15: +17%) All **+15%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **4%** (EU15: +7%) **↘ -12%**
 Freight: **5%** (EU15: +15%) **→ +2%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **5%**
 Freight: **0%**

Source: RMMS 2007/09, European Commission

No new entrants in freight.

FINANCING (1) 2002-2006

PT: **15k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

Lowest level of rail financing in EU15

ACCESS CHARGES (2) 2007

Pass: **1,45€**/tr-k **↘**
 EU15: 1.95train-km
 Freight: **1,78€**/tr-k **↘**
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Access charges are below but **close to EU15 average.**

PORTUGAL: Almost negligible rail financing did not allow rail to keep up its modal share... except in freight where relatively low infrastructure charges may have helped rail to take its share of overall freight demand growth.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: ROMANIA (1), an example of lacking White Paper principles implementation, leading to rail decline.

Rail growth 2002-2007

Passenger: Rail **-12%** (EU25: +8%) All **+14%**
 Freight: Rail **+4%** (EU25: +18%) All **+89%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **9%** (EU10: +7%) **↘ -23%!**
 Freight: **19%** (EU10: +28%) **↘ -45%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **1%**
 Freight: **34%**

Source: RMMS 2007/09, European Commission

Market opening effectively started in **2004** in freight

FINANCING (1) 2002-2006

RO: **0.03k€/track-km/yr**
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

Lowest investment level in infrastructure in Europe

ACCESS CHARGES (2) 2007

Pass: **2,49€/tr-k** **↗**
 EU25: 2.09train-km
 Freight: **3,87€/tr-k** **↗**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Access charges **ABOVE** EU average AND **going up!!!**

ROMANIA: With high access charges and no financing for rail, market opening was counterproductive, driving block train prices down and undermining the already limited ability of the rail system to finance itself. **Rail modal shares collapsed!**

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: ROMANIA (2), the situation got worse since 2004, with decrease in absolute rail freight volumes.

Rail growth 2004-2007

Passenger: Rail **-13%** (EU25: +8%) All +7%
 Freight: Rail **-7%** (EU25: +18%) All +36%!

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **9%** (EU10: +7%) **↘ -19%!**
 Freight: **19%** (EU10: +28%) **↘ -32%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **1%**
 Freight: **34%**

Source: RMMS 2007/09, European Commission

Market opening effectively started in **2004** in freight

FINANCING (1) 2002-2006

RO: **0.03k€/track-km/yr**
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

Lowest investment level in infrastructure in Europe

ACCESS CHARGES (2) 2007

Pass: **2,49€/tr-k** **↗**
 EU25: 2.09train-km
 Freight: **3,87€/tr-k** **↗**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Access charges **ABOVE** EU average AND **going up!!!**

ROMANIA: Before 2004, very high overall freight demand helped maintain rail freight volumes. In 2004 in spite of starting competition, low rail financing, high access charges and decreasing prices of block trains precipitated rail freight decline.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: SLOVAKIA, a dramatic example of lacking implementation of White Paper principles.



The Voice of European Railways

Rail growth 2002-2007

Passenger: rail **-19%** (EU25: +8%) All **0%**
 Freight: rail **-7%** (EU25: +18%) All **+46%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **6%** (EU10: +7%) **↓ -19%!**
 Freight: **26%** (EU10: +28%) **↓ -36%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **0%**
 Freight: **3%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

SK: **18k€/track-km/yr**
 EU25: 116k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **3,60€/tr-k** **↗**
 EU25: 2.09train-km
 Freight: **9,17€/tr-k** **↗**
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Market opening is at its very beginning in Slovakia.

Among the **lowest levels** of rail financing in Europe

Highest freight access charges in Europe, **still raising!!!**

SLOVAKIA: With the highest access charges in Europe for freight (+ very high charges for passenger trains) and one of the lowest level of financing (PSO and infrastructure investments) volumes go down dramatically. **Modal share drops!**

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008



Rail growth 2002-2007

Passenger: rail **+8%** (EU25: +8%) All **+7%**
 Freight: rail **+17%** (EU25: +18%) All **+79%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **3%** (EU10: +7%) → **+1%**
 Freight: **21%** (EU10: +28%) ↘ **-35%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **0%**
 Freight: **0%**

Source: RMMS 2007/09, European Commission

No new entrant in Slovenia.

FINANCING (1) 2002-2006

Sl: **75k€/track-km/yr**
 EU25: 116k€/track-km/yr
 EU10: 10k€/Track-km/yr

Source: DG TREN 2009, European Commission

Rail financing is **best of EU10**
 (but still below EU25 average)

ACCESS CHARGES (2) 2007

Pass: **2,12€/tr-k** ↗
 EU25: 2.09train-km
 Freight: **1,87€/tr-k** ↘
 EU25: 3,60€/train-km

Source: ITF 2005-2008, OECD

Access charges are **around EU25 average.**

SLOVENIA: Contrary to the other CEE Countries, Slovenia enjoys a comparatively good level of rail financing and access charging. In this context, traffic managed to increase in spite of the absence of new entrant, but freight modal share dropped.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Rail growth 2002-2007

Passenger: rail **+3%** (EU15: +9%) All **+10%**
 Freight: rail **-4%** (EU15: +17%) All **+38%!**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **5%** (EU15: +7%) **↘ -6%**
 Freight: **4%** (EU15: +15%) **↘ -31%!**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **4%**
 Freight: **5%**

Source: RMMS 2007/09, European Commission

FINANCING (1) 2002-2006

ES: **54k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

ACCESS CHARGES (2) 2007

Pass: **1,00€**/tr-k **↗**
 EU15: 1.95train-km
 Freight: **0,30€**/tr-k **↗**
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

New operators started to enter the market in 2006.

Rail financing is **moderate**, but figure excludes new lines!

Access charges are **increasing** but remain modest.

SPAIN: Infrastructure charges are low for EU15 standards but rail financing other than new line constructions (although not negligible) remains moderate. Penetration of new entrants is low. In this context, results are mixed.

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: SWEDEN, an example of best implementation of White Paper principles, leading to rail growth.

Rail growth 2002-2007

Passenger: rail **+16%** (EU15: +9%) All **+4%**
 Freight: rail **+21%** (EU15: +17%) All **+14%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **9%** (EU15: +7%) **↗ +11%**
 Freight: **36%** (EU15: +15%) **↗ +6%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **19%**
 Freight: **33%**

Source: RMMS 2007/09, European Commission

Market opening, started in 1995, developed in freight

FINANCING (1) 2002-2006

SE: **85k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

Intense investments in infrastructure in the 1990's

ACCESS CHARGES (2) 2007

Pass: **0,50€**/tr-k **→**
 EU15: 1.95train-km

 Freight: **0,48€**/tr-k **↗**
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Lowest access charges in Europe, going up in freight

SWEDEN: an example of RIGHT implementation of White Paper principles...

- low access charges & high investments in infrastructure, starting in 1990,
- attracting new entrants into the market since 1995

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

Snapshot: UK, good frame conditions, therefore good performance.

Rail growth 2002-2007

Passenger: rail + **26%** (EU15: +9%) All +**3%**
 Freight: rail + **43%** (EU15: +17%) All +**8%**

Source: ETIF 2009, European Commission

Rail Modal Share 2007

Passenger: **6%** (EU15: +7%) ↗ +**22%**
 Freight: **13%** (EU15: +15%) ↗ +**32%**

Source: ETIF 2009, European Commission

% NEW ENTRANTS 2007

Passenger: **100%**
 Freight: **25%**

Source: RMMS 2007/09, European Commission

Highest level of market opening in Europe.

FINANCING (1) 2002-2006

UK: **169k€**/track-km/yr
 EU25: 116k€/track-km/yr
 EU15: 186k€/track-km/yr

Source: DG TREN 2009, European Commission

Among the countries with the **highest rail financing** intensity

ACCESS CHARGES (2) 2007

Pass: **2,33€**/tr-km ↘
 EU15: 1.95train-km
 Freight: **4,28€**/tr-k ↗
 EU15: 2,09€/train-km

Source: ITF 2005-2008, OECD

Access charges have **increased drastically lately!**

UK: With a high intensity of rail financing, moderate infrastructure charges and a high level of market opening, the United Kingdom performs well, an example of good White Paper implementation. Watch access charge increases in freight!

(1) Public financing = Infrastructure financing + PSO compensation (annual average per track-km); (2) Access charges: estimate based on progression between 2005 and 2008

FULL DATA OVERVIEW



The Voice of European Railways

	Rail Passenger Growth	Overall Passenger Growth	Differential Passenger Growth (Rail / All)	Rail Freight Growth	Overall Freight Growth	Differential Freight Growth (Rail / All)	Passenger Modal Share	Passenger Modal Share Variation	Freight Modal Share	Freight Modal Share Variation	Non main operator - Passenger	New Entrants Freight	Access Charges Passenger	Access Charges Variation Passenger	Intercity - (in 2008)	Access Charges Freight	Access Charges Variation Freight	Rail Financing 2002-2006	
Reference	2002-2007	2002-2007	2002-2007	2002-2007	2002-2007	2002-2007	2007	2002-2007	2007	2002-2007	2007	2007	2007	2005-2008	2008	2007	2005-2008	2002-2006	
EU25	8%	5%	3%	18%	19%	-1%	7%	3%	18%	-1%	9,3	10,7	2,09	16%	2,36	3,60	46%	116	EU25
EU15	9%	4%	5%	17%	18%	-1%	7%	7%	15%	8%	10,7	9,3	1,95	5%	2,24	2,09	63%	186	EU15
EU10	4%	17%	-13%	22%	22%	1%	7%	-21%	28%	-26%	7,2	12,7	2,26	29%	2,51	5,42	25%	10	EU10
AT	8%	6%	2%	25%	5%	20%	10%	2%	35%	19%	9,3	12,0	2,44	38%	2,35	3,28	4%	63	AT
BE	20%	7%	13%	13%	-13%	26%	7%	12%	14%	29%	0,0	4,6	3,08	87%	6,75	1,87	25%	432	BE
BG	-7%	9%	-17%	13%	49%	-36%	5%	-15%	25%	-24%	0,5	8,8	1,55	16%	3,50	6,07	59%	2	BG
CZ	5%	7%	-2%	3%	8%	-5%	7%	-2%	25%	-5%	0,0	0,0	0,93	23%	1,40	4,92	58%	13	CZ
DE	12%	1%	11%	41%	21%	20%	8%	11%	22%	16%	7,0	19,2	3,75	-9%	4,00	2,47	4%	134	DE
DK	8%	9%	-1%	-5%	-7%	2%	9%	-1%	8%	2%	9,0	0,0	0,52	-76%	0,25	1,25	-90%	255	DK
EE	55%	35%	19%	-13%	5%	-18%	2%	14%	57%	-18%	48,9	39,8	0,99	15%	1,75	6,52	138%	6	EE
EL	5%	24%	-19%	155%	-9%	164%	2%	-15%	3%	179%	0,0	0,0	n.a.	n.a.	n.a.	n.a.	n.a.	137	EL
ES	3%	10%	-7%	-4%	38%	-42%	5%	-6%	4%	-31%	4,2	5,0	1,00	100%	1,50	0,30	300%	54	ES
FI	14%	8%	6%	8%	-3%	11%	5%	5%	26%	12%	0,0	0,0	0,46	3%	0,80	3,07	30%	55	FI
FR	9%	1%	8%	-17%	3%	-20%	9%	8%	16%	-19%	0,0	5,3	3,77	-15%	2,20	1,63	122%	175	FR
HU	-17%	-11%	-6%	29%	77%	-48%	13%	-7%	21%	-27%	1,6	11,7	3,27	42%	2,50	3,05	-61%	47	HU
IE	23%	21%	2%	-70%	30%	-100%	4%	2%	1%	-77%	0,0	0,0	n.a.	n.a.	n.a.	n.a.	n.a.	225	IE
IT	1%	2%	-1%	22%	2%	20%	6%	-1%	12%	20%	4,9	11,5	2,65	-5%	2,90	2,32	20%	260	IT
LT	-18%	46%	-64%	47%	69%	-22%	1%	-44%	41%	-13%	0,3	0,0	2,90	48%	4,60	7,37	58%	1	LT
LU	18%	13%	5%	-22%	2%	-25%	4%	4%	4%	-24%	0,0	0,0	n.a.	n.a.	n.a.	n.a.	n.a.	509	LU
LV	32%	35%	-3%	22%	49%	-27%	5%	-2%	58%	-18%	9,6	10,1	3,45	66%	3,90	6,23	20%	4	LV
NL	14%	5%	9%	79%	4%	75%	9%	9%	6%	73%	2,0	25,5	1,40	25%	1,65	2,33	262%	450	NL
PL	-6%	32%	-37%	16%	60%	-44%	7%	-28%	26%	-27%	10,1	20,4	1,27	-64%	0,95	5,18	-20%	4	PL
PT	2%	15%	-14%	18%	15%	3%	4%	-12%	5%	2%	4,5	0,0	1,45	-10%	1,40	1,78	-16%	15	PT
RO	-12%	14%	-26%	4%	89%	-85%	9%	-23%	19%	-45%	0,8	33,8	2,49	6%	2,50	3,87	11%	0	RO
SE	16%	4%	12%	21%	14%	7%	9%	11%	36%	6%	19,0	32,5	0,50	0%	0,80	0,48	57%	85	SE
SI	8%	7%	2%	17%	79%	-62%	3%	1%	21%	-35%	0,0	0,0	2,12	26%	2,20	1,87	-23%	75	SI
SK	-19%	0%	-19%	-7%	46%	-53%	6%	-19%	26%	-36%	0,0	2,5	3,60	107%	1,80	9,17	12%	18	SK
UK	26%	3%	22%	43%	8%	34%	6%	22%	13%	32%	100,0	24,7	2,33	-72%	2,30	4,28	34%	169	UK
Source	ETIF 2009	ETIF 2009	ETIF 2009	ETIF 2009	ETIF 2009	ETIF 2009	ETIF 2009	ETIF 2009	ETIF 2009	ETIF 2009	RMMS	RMMS	ITF - OECD	ITF - OECD	ITF - OECD	ITF - OECD	ITF - OECD	DG TREN	
Data processing	None (raw data)	None (raw data)	Difference calculation	None (raw data)	None (raw data)	Difference calculation	Percentage Calculation	Weighted differential %	Percentage Calculation	Weighted differential %	Average (2006-2008)	Average (2006-2008)	Linear prog. (2005-2008)	Linear prog. (2005-2008)	None (raw data)	Linear prog. (2005-2008)	Linear prog. (2005-2008)	None (raw data)	

CONTENTS

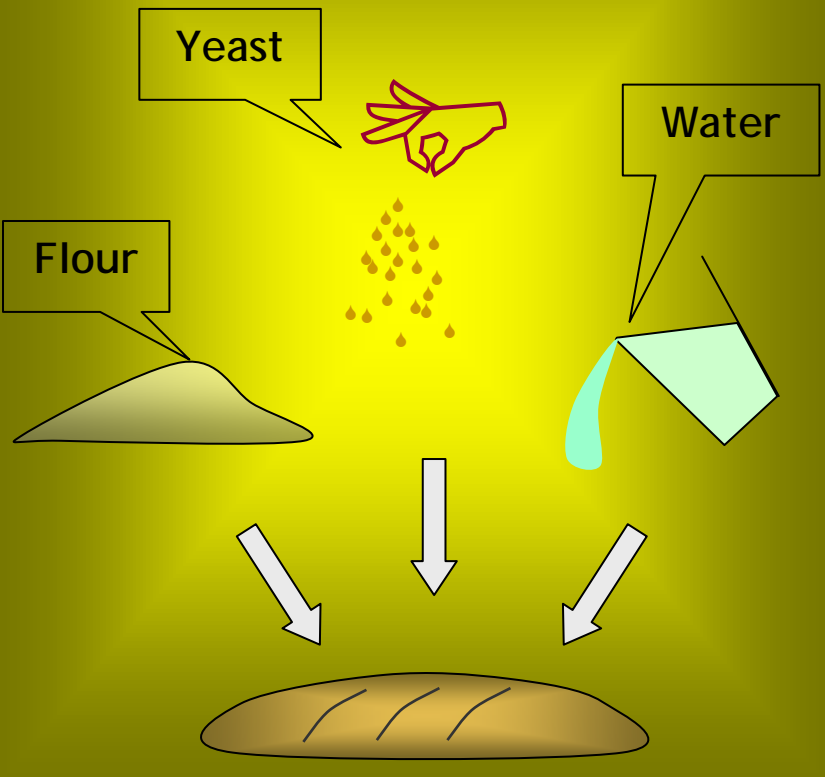
- Introduction and EXECUTIVE SUMMARY
- Methodological Remarks
- Overall European Analysis
- Individual Country Snapshots
- Final Conclusion**

Final CONCLUSION: the best recipe for rail relies on the right balance between 3 ingredients...

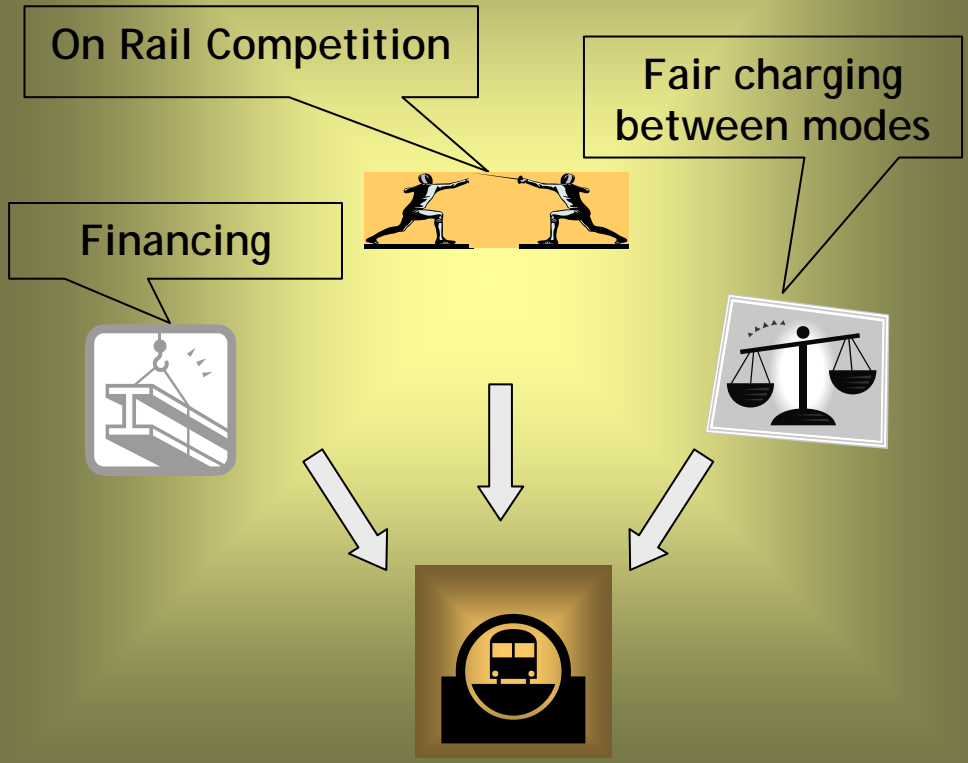


The Voice of European Railways

3 ingredients are needed to make good BREAD



3 ingredients are needed to make successful RAIL





The Voice of European Railways

CER stands for...

- **75 member companies**, rail transport operators and infrastructure managers from all countries within the EU, the accession countries as well as from the Western Balkan countries, Norway and Switzerland
- **The representation of our members' interests in Brussels** towards the European Parliament, Commission and Council of Ministers as well as other policymakers and partners in transport
- **promoting a strong rail industry** that is essential to the creation of a sustainable transport system which is efficient, effective and environmentally sound.



Thank you for your attention!



The Voice of European Railways

→ Jacques DIRAND
Senior Policy Adviser - PASSENGER
Senior Policy Adviser - FREIGHT
Landline: +32 2 213 08 78
Mobile: +32.743.89.50.61
Email: jacques.dirand@cer.be

→ For further information,
visit our website: www.cer.be

