Co-financed by the European Union
Trans-European Transport Network (TEN-T)

RFC2 – Transport Market Study

Synthesis of tasks 3 and 4

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Fast track your rail freight

Update on the Transport Market Study

The Transport Market Study is nearly finished now.

Since end of August 2013, the Consultants and the Steering Committee have worked on different drafts of the final report.

The final version will be presented to the Executive Board on October 10, 2013

The main results and conclusions have already been inserted into the Implementation Plan.

Task 3: Market Projections

1. Compared to today, the project scenarios lead to an additional growth in the number of trains of around 9% for the low growth scenario and 25% for the high growth scenario by 2030.

2. Note that these % do not take into account possible shifts from Corridor 1 due to congestion and works on Corridor 1.

3. These shifts might be substantial but the consultant could not take into account capacity limitations on routes which are outside the corridor.

Task 3: Market Projections

- Forecast results in number of trains

Number of trains	Year	Short term	Mid term	Long term
	2010	2014	2020	2030
Low economic growth + reference	33853	33853	34986	36799
Low economic growth + Corridor Implementation		33882	35083	36981
High economic growth + reference	33853	33853	38237	41981
High economic growth + Corridor Implementation		33882	38343	42190
Low economic growth + reference (% growth vs 2010)	0,00%	0,00%	3,35%	8,70%
Low economic growth + Corridor Implementation (% growth vs 2010)		0,09%	3,63%	9,24%
High economic growth + reference (% growth vs 2010)	0,00%	0,00%	12,95%	24,01%
High economic growth + Corridor Implementation (% growth vs 2010)		0,09%	13,26%	24,63%

Task 3: Market Projections

- Forecast results in thousands of tons

International tons (x1000)	Year	Short term	Mid term	Long term
	2010	2014	2020	2030
Low economic growth + reference	21764	21764	22537	23631
Low economic growth + Corridor Implementation		21784	22600	23749
High economic growth + reference	21764	21764	24654	27015
High economic growth + Corridor Implementation		21784	24724	27151
Low economic growth + reference (% growth vs 2010)	0,00%	0,00%	3,55%	8,58%
Low economic growth + Corridor Implementation (% growth vs 2010)		0,09%	3,84%	9,12%
High economic growth + reference (% growth vs 2010)	0,00%	0,00%	13,28%	24,13%
High economic growth + Corridor Implementation (% growth vs 2010)		0,09%	13,60%	24,75%

Task 3: Market Projections

- **Strength:**
  - Handling large and regular volumes,
  - More access points than IWW (Inland Waterways),
  - Less hampered by driving bans on weekends and holidays,
  - Not influenced by high and low water levels,
  - Good connections with ports,
  - Avoiding road traffic congestion

- **Weakness:**
  - Lack of client oriented attitude,
  - Weak information services,
  - Lack of reliability,
  - Lack of flexibility,
  - Too much national legislations,
  - Handling small and irregular volumes,
  - Current price level is too high compared to road transport,
  - Technical bottlenecks.

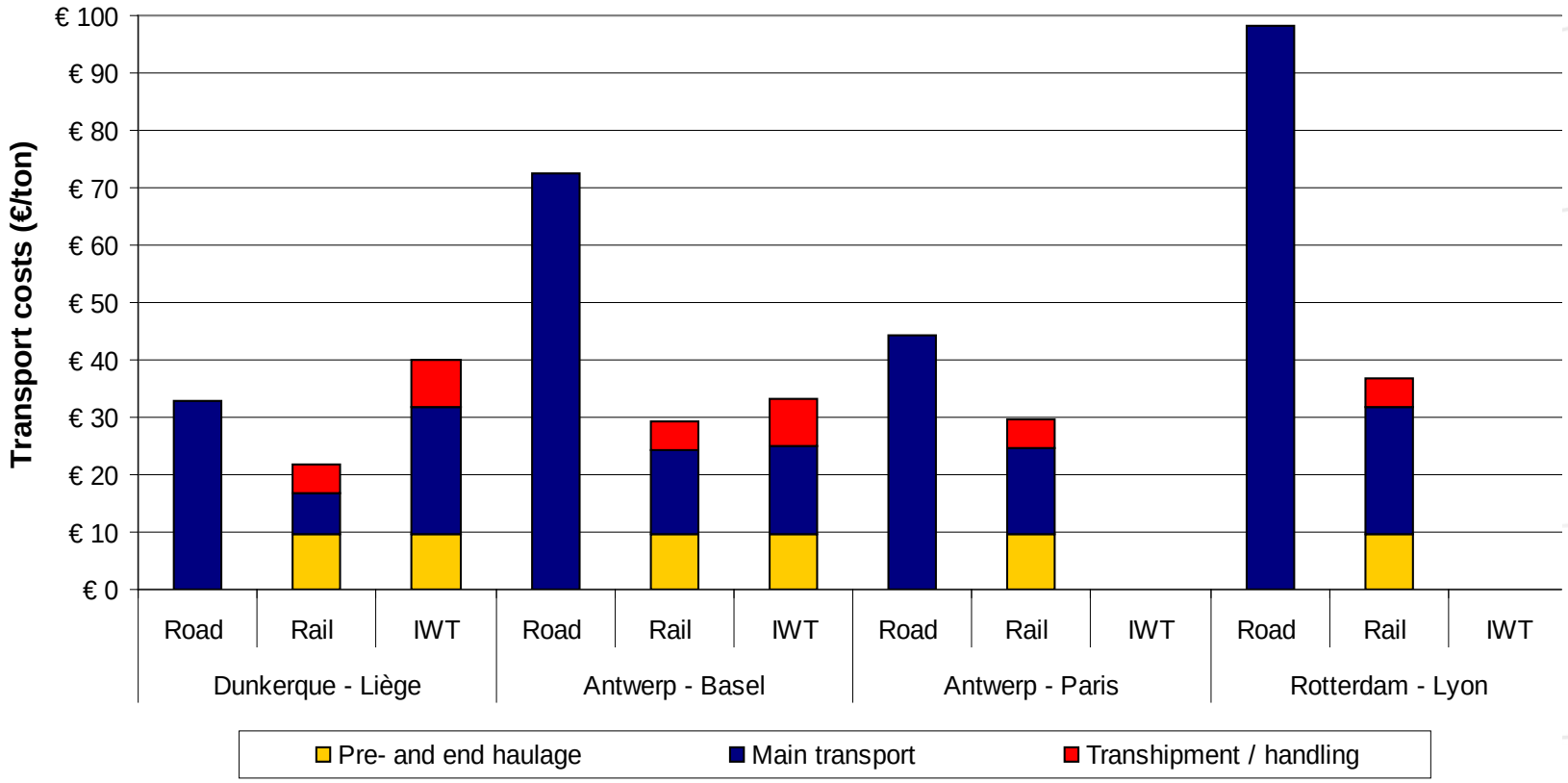
Task 3: Market Projections

- **Opportunities:**
  - Improved competitive position compared to road transport
  - Increasing environmental awareness
  - Congestion on roads
  - Increasing levels of road tolls
  - New markets
  - Expansion of client basis
  - RFC 2 is situated near large economic centres
  - Capacity issues on Corridor 1 may make RFC 2 an option
  - Technical improvements

- **Threats:**
  - Decreasing competitive position with road transports
  - Weight and dimensions of trucks increasing
  - Road cabotage allowed
  - Opening rail national markets takes too much time
  - Economic crisis
  - Changing maritime transport patterns
  - Last mile costs

Task 3: Market Projections

- A comparison was made between transport costs for three land transport modes, namely rail, road and inland water transport (IWT), on several routes



Task 3: Market Projections

- These cost calculations show clearly that rail is cheaper than road transport on some routes of the corridor.
  - around 50% on Antwerp - Basel
  - around 70% on Rotterdam - Lyon

- However when costs are compared to market prices, as described in the stakeholders' survey, the results show that rail seems to be more expensive than road.

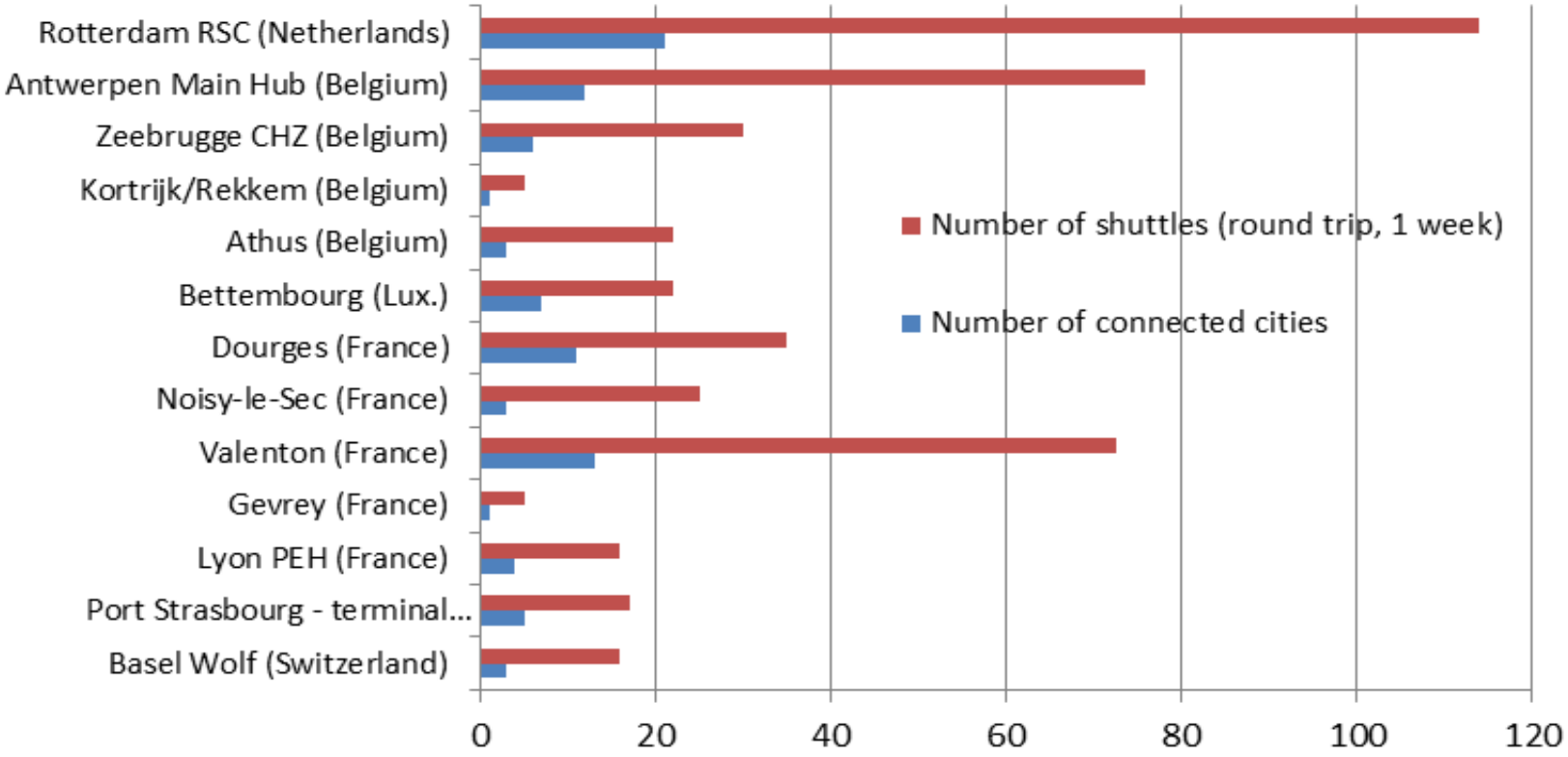
Task 3: Market Projections

- In order to compare terminals, ratios were used to measure productivity on 13 major combined transport terminals, selected to cover perimeter and extensions, and diversity of situations (port, etc.). They represent 411 return services (56% of return services generated on the corridor).

- For example the following chart presents the weekly number of shuttles (round trips) and number of connected cities.

Task 3: Market Projections

- Weekly number of shuttles (round trips) and number of connected cities



Task 3: Market Projections

- No particular operating model comes to light, in reality there are as many operating models as there are terminals.

- This diversity is reflected only partly in transhipment costs, which are estimated at around 25-35 Euro / ITU in case of inland terminals, and are above 50 euros / ITU in case of seaport terminals.

Task 3: Market Projections

- Terminal traffic in 2012 (in TEUs)

Category	Country	City	TEUs (2012)
1	NL	Rotterdam	666.000
1	FR	Valenton	297.000
1	BE	Antwerp	270.000
2	FR	Dourges	148.100
2	LUX	Bettembourg	126.000
2	FR	Noisy le Sec	120.000
2	BE	Zeebrugge	119.000
2	BE	Athus	105.000
2	FR	Strasbourg	83.600
3	CH	Basel	45.700
3	FR	Lyon	37.300
3	BE	Rekkem	34.000
3	FR	Dijon	10.800

Task 3: Market Projections

- Many malfunctions persist regarding both rolling stock (locomotive accreditation, train operations) and international paths. These malfunctions hinder the rail mode's competitiveness on international journeys compared to its main competitor, road transport.

- Implementation of competitive freight corridors, in particular RFC 2, is a real opportunity to facilitate international rail flows by smoothing out all of those journeys' obstacles.

Task 4: Multi Criteria Analysis

- The Consultants were asked to perform a Multi Criteria Analysis to estimate the impact of the soft measures on the performance of the corridor:
  - Coordination of works,
  - Capacity allocation / Corridor One Stop Shop,
  - Traffic Management,
  - Traffic Management in the event of a disturbance,
  - Train Performance Management
  - Authorised applicants.

Task 4: Multi Criteria Analysis

- It shows that:
  - These measures have the strongest impact on “Reliability of service” and “Client oriented attitude”. This indicates that the measures are fully in line with the results of the market study that identified reliability of service and client oriented attitude as very important areas for overall improvement of the performance of the corridor.
  - **Capacity allocation/C-OSS** seems to be the measure with the highest impact as it is immediately compulsory and it is a radical change compared to the reference situation.
  - **Coordination of works** is second as this topic has been partly ignored so far. Therefore this new measure will have a strong impact. Coordination of works seems to be the easiest measure to implement.
  - The impact of the **traffic management** measures is expected to be overall positive, but is considered less obvious as it is a complex topic and changes are hard to implement in this matter.

Task 4: Multi Criteria Analysis

- Based on the results of the market survey, the SWOT analysis, the analysis of the market conditions and the infrastructure analysis, **consultants** proposed an Action Plan, focusing on enabling growth of rail freight volumes on the RFC 2. This Action Plan from the consultants is for all stakeholders (not only IMs) and it breaks down into 6 categories:

  - Corridor management
  - Client oriented attitude
  - Information services and standardised / harmonised procedures
  - Pricing
  - Legislation
  - Technical barriers

Management board conclusion on TMS

- The management board reviewed the Transport Market Study and took note of stakeholders' comments. It has already taken into consideration or will take into consideration many of these comments. Indeed, the implementation of RFC 2 in itself as well as actions which will be taken by the corridor following studies which are currently being carried out constitute, at this stage, the management board's answer to reduce barriers on RFC 2.

  - the amount of pre-arranged paths provides more flexibility for applicants;
  - allocated pre-arranged paths benefit from a legal protection and therefore are more reliable
  - the corridor - one-stop shop enables applicants to have a single contact point;
  - the coordination of works at corridor level secures capacity;
  - the coordination of traffic management provides more reliability;
  - the management board provides more information to customers: CID incl Implementation Plan, Publication of works, etc. ;
  - the creation of the railway advisory group enables the management board to be closer to the market's needs and therefore more customer oriented;
  - the train performance management contributes to the improvement of rail performance.

Management board conclusion on TMS

- Following meetings held up to now with the RAG, the management board will work with railway undertakings on the following four subjects, with the ultimate aim to implement new measures and keep on improving the railway services:
  - infrastructure charges and railway undertakings costs;
  - infrastructure upgrade (loading gauge in a first step);
  - cross border acceptance (border stations) ;
  - coordination of works.

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