Rail transport in South East Europe

Brussels, 23 May 2019 – TC Rail Working Group

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CER membership

70+ members and partners

- 71%
- 76%
- 92%
Geographical scope of CER membership

<table>
<thead>
<tr>
<th>Year</th>
<th>EU Member States</th>
<th>CER Members</th>
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<tbody>
<tr>
<td>1988</td>
<td>12</td>
<td>14</td>
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<td>1998</td>
<td>15</td>
<td>32</td>
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<td>2008</td>
<td>27</td>
<td>68</td>
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<td>2018</td>
<td>28</td>
<td>74</td>
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[Map showing the geographical scope of CER membership]

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Strategic position for Eurasian traffic

- €1.5 trillion in annual trade between Europe and Asia
- Europe and Asia account for over 60% of the world's GDP
- Connection to China-Europe rail/multimodal land bridge
- Link with European Rail Freight Corridors (via the Alpine-Western Balkan corridor)
- EU-WB connectivity agenda as a key support factor
Untapped rail traffic in the WB

- Demand for East-West freight transport/logistics
- Sufficient infrastructure capacity
- Currently low passenger and freight volumes

ACROSSEE data 2014
- Negative Rail Freight development
Negative Rail Passenger development

- ITF/OECD data 2018
CER supports the EU/WB6 shared goals

- 2018 joint EU-WB6 declaration for a new regional rail strategy, aimed at boosting international rail transport services (both freight and passengers), within and across the Western Balkans

- Expected actions on:
  - Market opening
  - Implementation of EU Rail Freight Corridors in the WBs
  - Implementation of Digital solutions (ERTMS, registers, etc.)
  - Development and maintenance of the TEN-T Infrastructure
  - Improving rail border-crossing operations
Three priorities to increase rail competitiveness

- More investment in infrastructure quality:
  - urgent need for rail rehabilitation and proper maintenance: multi-annual contracts and proper financing (regular and backlog)

- A truly “common” regional approach for authorities and railways
  - Enhancing and speeding up train handling (and customs) procedures in border stations
  - Keeping harmonized technical and operational rules ensuring interoperability on cross-border sections
  - Harmonised quality and performance monitoring and traffic management across corridors

- Intelligent approach to implementation of the EU rail acquis
Available data (ITF/OECD) seem to be scares and patchy for most of the countries in the region.
Stop the re-shrinking investments in rail

- Since 1995, CEECs shift money into roads
- Trend reversal following the financial crisis 2008-2014
- From 2014, distribution shifts back to pre-crisis trend of more spending on roads and less on railways

ITF/OECD data 2018
CEEC 15 includes aggregate numbers from Albania, North Macedonia, Montenegro and Serbia
Regional cooperation and coordination are needed

✓ Rail is vital for ensuring proper regional integration and **trigger the potential for regional traffic**. This is true for both passenger and freight

✓ Most of the SEE area is a potentially **single job market**: commuter traffic can and will grow

✓ Coordination of national economies and the interplay of the comparative advantages should and eventually will **restructure subregional economies along a coherent value chain**

✓ **Administrative cooperation from different governmental branches is also needed** (i.e. to speed up Border Crossing Procedures!)
The EU rail acquis covers a complex rail system which must be customer centric.
Lesson learned:
Market opening necessary but not sufficient!

- Market liberalisation has to be implemented in a context where:
  - Infrastructure & Public Service Contracts are adequately financed
  - All types of services (freight, PSO, open access) are properly accommodated
  - Intermodal level playing field is guaranteed
How will CER support the process

- Full support from the European railway community to the permanent secretariat of the Community Treaty
- Readiness to mobilise and involve South-East European railway stakeholders
- Facilitating contacts and exchanges with (and within) CER membership, with experiences in implementing the EU rail technical acquis
- Continuing advocacy activities to support financial instruments that can impact investments in the region (CEF, TEN-T/RFCs, etc.)
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