



Deliverable 5
Executive Summary

As is situation

1. Executive Summary

Purposes and contents of this report

The purpose of this report is to describe and assess the "AS IS SITUATION" including the status quo and the expected changes relating to market offer and demand both for passengers and freight describing the gaps between offer and demand. These Gaps identify weaknesses both within the rail systems itself and in relationship between the rail systems and the other modes.

These Gaps provide the explanation of the "existing modal split". The "As is situation" includes the transport market development, the today's situation, the relevant market segments and deciding factors associated to costs, quality, the users' requirements and the rail's role in "Door-to-Door-Transport". This report deals also with seamless transport chains, the urban dimensions, the need for integrating long and short distances as well as different transport modes. Finally it identifies the gaps between market offers and market demands for fulfilling the customers' expectations.

The contents are focused on rail transport and on co-modal nodes where feeding transport systems are interconnecting into each other. Competing modalities are also considered. This report's results and findings are an important input for WP6 and WP7 researching respectively the "drivers of change" and the "vision's components".

The past trends have been grouped in three families:

- Social-Political & Macro-economy
- Technology & Technical
- Globalization affecting Productivity/Competitiveness

The "developments" of these Trends, both for Passengers and Freight, have been studied for identifying the gaps leading to preliminary set of required actions.

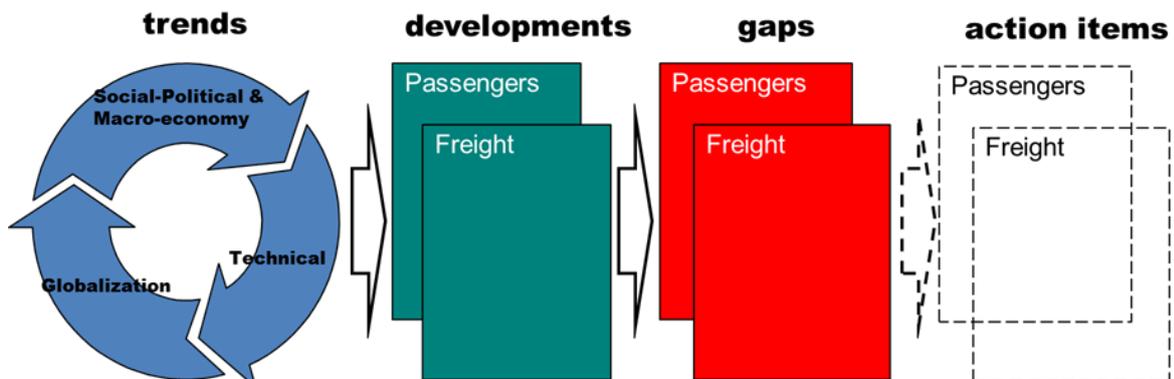


Figure 1: Methodological sequence – Source: SPIDER PLUS

The following figure summarizes the trends for Passengers and Freight:

Social-Political & Macro-economy:
<ul style="list-style-type: none"> • EU enlargement/implementation – East/West no barriers • EU centralized decision making • Progressive Urbanization • Environmental/Safety awareness – Environment not unlimited resource • Increased Wealth/Purchasing Power – No-War generation • Increased Mobility/Security needs • Distribution Channels – Proximity Shops restructuring
Technology & Technical
<ul style="list-style-type: none"> • ICT - Internet - Virtual/Social Networks • Zero emission-vehicles greening • From Oil to Energy multi-production/sourcing • Energy conservation – Energy storage • Modular transport means (CTS, Pallets, Swap Bodies, Procedures) • High Speed Rail • Gigantic Ships – Both Freight & Passengers
Globalization affecting Productivity/Competitiveness
<ul style="list-style-type: none"> • Industry Delocalization • Industry Clusters Restructuring • EU towards Post Industrial Service Society • Supply Chains Integration/Sophistication • Cargo Mobility Increased Demand Concentration

Figure 2: Trends of past decades impacting on European mobility – Source: SPIDER PLUS

Conclusions with the emerging Gaps summary & Action Fields

The people and cargo mobility requirements are continuously increasing as forecasted by a number of long term trends. The overall European mobility picture has been described, with focus on rail, by a number of elements and information provided in the European statistics. This mobility picture appears to be consistently evolving and the EU Authorities are making plans for avoiding being overtaken by events. A number of changes and works in progress, can be observed. While the overall mobility picture shows interesting results, Rail is performing “unsatisfactory”, but with marked differences between Passengers and Freight:

- Rail passengers transport shows good trends with reference to urban and high speed transportation. One has to say that High Speed rail represents a very small percentage market share when compared to the total European rail Passengers/Km. It accounts for about 1%. This in itself indicates the enormous growing market potential. The High Speed Rail has shown a different degree of success in Nations with a High Speed Rail Centric network where one or two major

hubs or cities constitute the gravitational traffic attraction zones generating economies of scale. Lesser success is showing in Nations where the High speed rail infrastructure is more dispersed through a number of cities without a gravitational centric hub. The situation is much less attractive on traditional segments still affected by inadequate service offerings.

- Rail freight transport shows, save for intermodality, disappointing results in all segments due to poor performances, lack of industrialization and high costs compared to the customers' expectations. The users' demands, whose increase largely exceeded the increase of capacity in the last 2 decades, have been satisfied despite some congestion impact in urban areas. In the accessing Countries rail lost dramatically market share in passengers and freight traffic. The conventional rail traffic represented by Groups of wagons still 50% of the total EU Ton/km, has not been restructured yet. Some incumbents have reduced the number of terminals/marshaling yards where the service is available trying to cut the losses, only to discover that traffic volumes were lost as a result hence force nullifying their efforts. A completely new industrialized business model on selected axes and on freight villages on national and international corridors based on selling capacity on scheduled trains, seems to be the answer.

Annex 1: GAPS IDENTIFICATION





