CONTENT

The study has around 390 pages.

1 Rail freight market in Europe

1.1 Overview

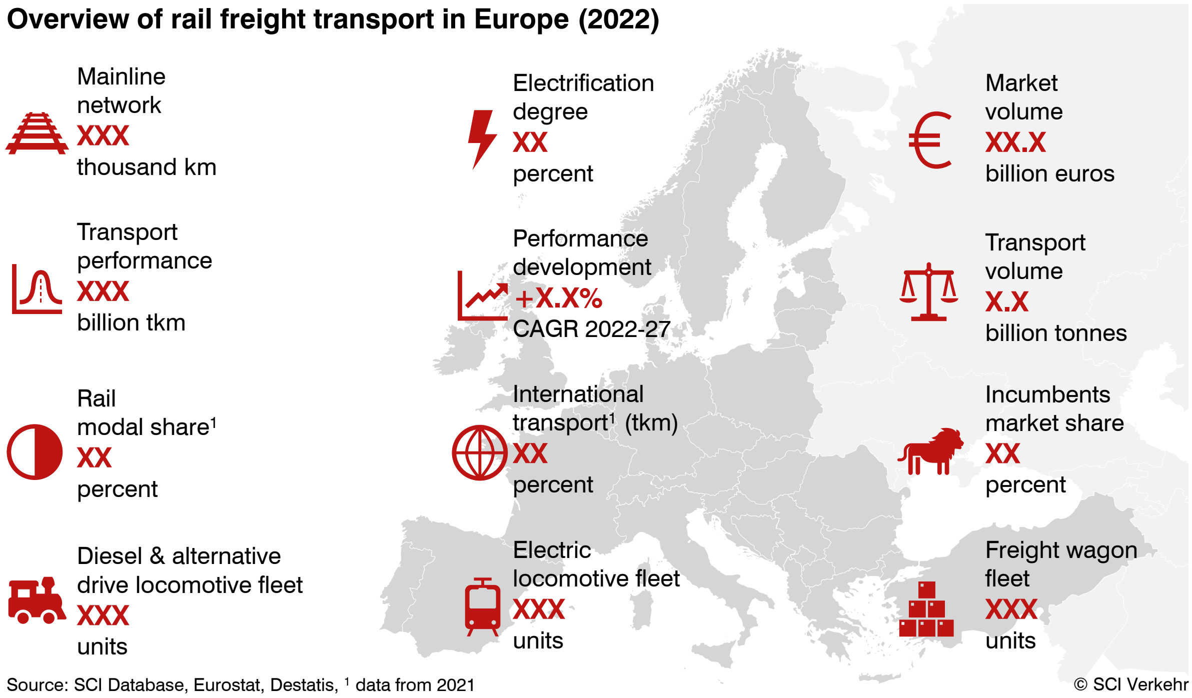


Figure 1: European rail freight - key data

The current conditions for European rail freight are **promising and at the same time challenging**: on the one hand, the sector has the opportunity to play an **important role in climate protection**. With its outstandingly low carbon footprint, rail freight transport provides a large potential for reducing emissions in the transport sector. The willingness for political support has increased significantly in the past years. In addition, the availability of **innovative technical solutions** (e.g., digital automatic coupling, digital control systems, vehicle sensors for tracking and tracing, transhipment technologies for non-craneable semi-trailers and modular wagons) can help the sector to increase efficiency and competitiveness. Moreover, the **changing transport** flows as a consequence of the war in Ukraine bear a **high potential**, especially in **Eastern and Southeastern European countries**.

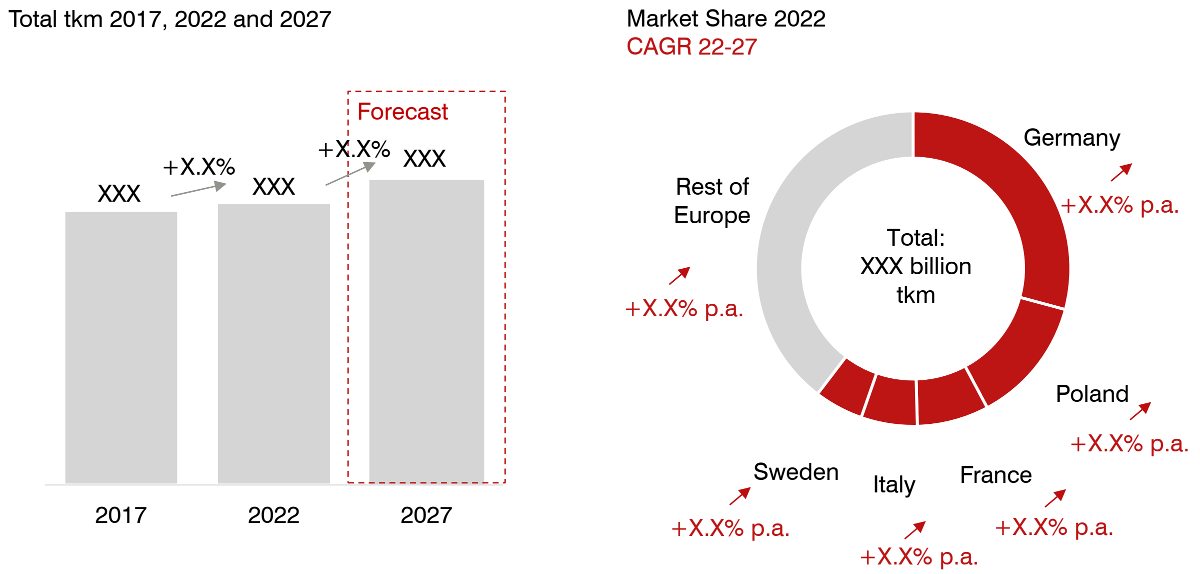
On the other hand, road is often still the first choice for the transport of goods although rail freight is more environmentally friendly and causes less externalities. The **higher competitiveness of road** has several reasons. Besides **flexibility and capillarity** of the road system (structural characteristics), the lack of competitiveness of rail against road transport has important economic and political reasons: **higher cost for energy**, higher cost for usage of infrastructure (track access charges vs. tolls), **higher investments in road** infrastructure than in rail.

The **market volume for rail freight transport amounted to EUR XX billion in 2022.** Germany accounts for approximately XX% of the market volume, followed by Poland (X%), France (X%), Austria (X%), the UK (X%) and Italy (X%). The six largest countries held a combined share of XX% in 2022. The other countries each held a share of less than X% in market volume.

Additionally, rail freight in Europe faces many **structural challenges**, including:

[…]

Development of rail freight performance in Europe (bn tkm)



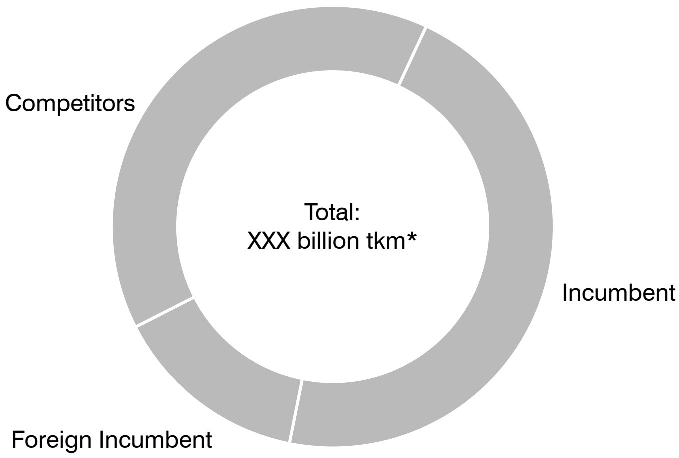
Source: Eurostat, UTK, BNA, ORR, SCI Verkehr forecast

Figure 2: Rail freight transport performance development in Europe

The transport performance in **Germany** grew between 2017 and 2022 (X.X% p.a.) which includes a strong recovery of XX% in 2021 from Covid-19 setbacks. The German rail freight transport market is characterized by a large number of rail operators and intense competition, especially on very profitable routes. The year 2022 did not go well for German incumbent DB Cargo. Despite higher sales, the division continues to generate losses. In addition, the European Commission has been investigating DB Cargo for potentially illegal state aid since 2022. Governmental support measures such as the ones foreseen in the Rail Freight Transport Masterplan are expected to drive rail freight growth in Germany in the future: the programme foresees a network for 740 m long trains and the electrification of 70% of the German railways by 2025.

[…]

Rail freight competition in Europe as of 2022 (%, bn tkm)



Sources: Annual reports, SCI Verkehr estimations based on company data, IRG, UIC
* excludes LU, IE, AL, EL, RS, XK, BA, ME, MK due to methodology

Figure 3: Rail freight competition in Europe as of 2022

Market shares of competitors have increased by XX% in the last five years. The six largest rail freight operators face strong competition in their home markets from small and non-incumbent competitors but remain strong in Europe through their expansion in foreign markets.

[…]

2 Country markets

The individual markets are shown in detail in the following country/regions chapters:

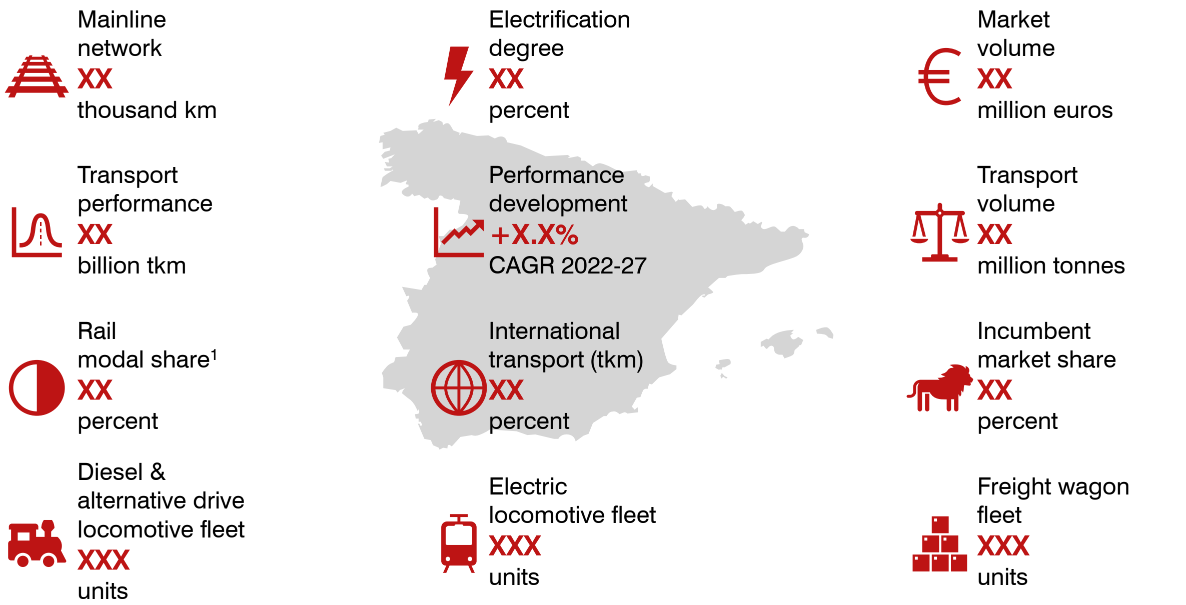
- Germany
- Poland
- France
- Italy
- United Kingdom
- Sweden
- Austria
- Czechia/Czech Republic
- Switzerland
- Romania
- Spain
- Slovakia
- Slovenia
- Bulgaria
- Finland
- Norway
- The Netherlands
- Belgium
- Portugal
- Turkey
- Hungary
- Croatia
- Baltic states
- Denmark

[…]

2.1 Spain

2.1.1 Overview

Overview of rail freight transport in Spain (2022)



Source: SCI database, Eurostat, [1] data from 2021 © SCI Verkehr

Figure 4: Overview of rail freight transport in Spain

Despite the country's size, Spain is a relatively small rail freight transport market in Europe. Its rail transport performance accounts for only X% of the European market.

Transport performance decreased by X.X% p.a. between 2017 and 2022. This was despite an initial increasing trend up to 2020, when it was interrupted by a large drop due to the Covid-19 crisis. This was followed by a quick but not yet complete recovery in 2021 and only minor growth in 2022. The incumbent Renfe Mercancías had already been struggling with a decline in transport performance prior to the pandemic while smaller competitors were able to grow and increase their market share.

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2.1.2 Infrastructure

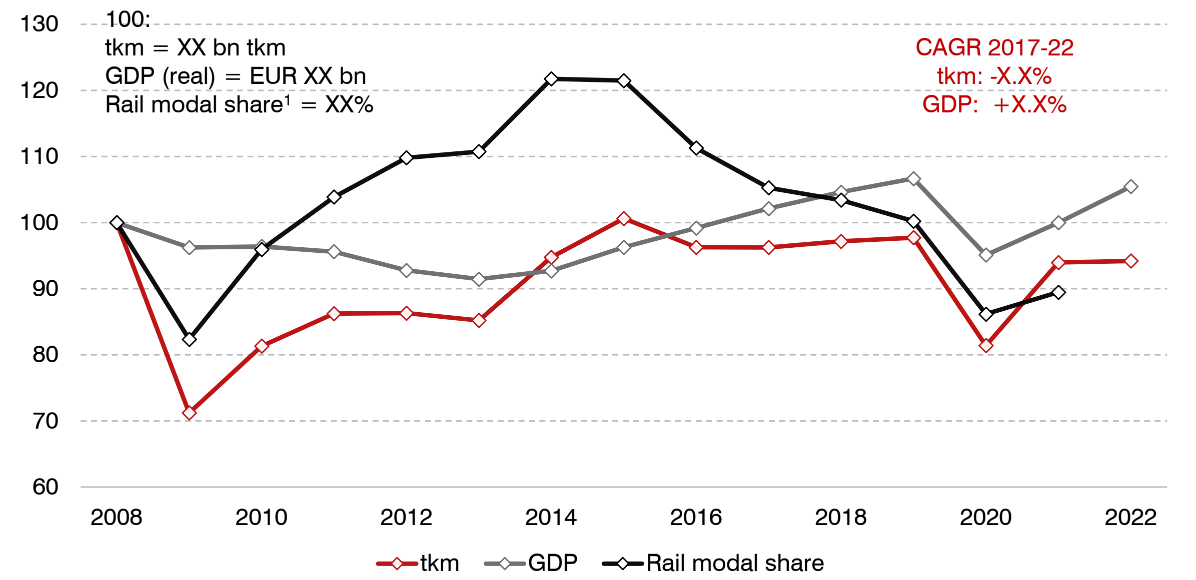
[…]

2.1.3 Type of destination

[…]

2.1.4 Transport development

Development of rail freight transport performance and GDP in Spain (Index 2008 = 100)



Sources: Eurostat, SCI Verkehr Forecast, [1] data only available until 2021

Figure 5: Development of rail freight transport performance and GDP in Spain 2008-2022

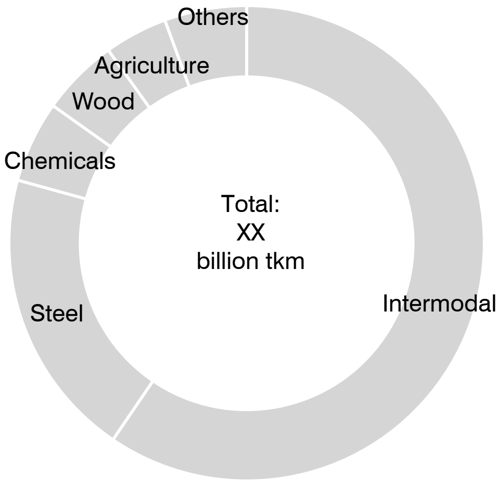
[…]

Up until the Covid-19 crisis, a slight positive trend could be observed in the Spanish rail freight market. However, the pandemic caused tkm to fall sharply from XX.X billion in 2018 to XX.X billion in 2020, a XX% decrease. The slump experienced in 2009 was even worse when tkm dropped by XX%. The decline in 2020 was one of the worst across European countries. The market has since returned to growth.

2019 levels are expected to be reached again by XXXX. The CAGR is estimated at X.X%. The positive development will, for the most part, be driven by Spanish ports and the resulting growth of container transport by rail. Valencia, Spain's largest container port, has firm plans to double railway tracks. A new container terminal will also be built in the northern expansion. Intermodal transport is expected to increase by X.X% between 2022 and 2027.

2.1.5 Goods structure

Goods structure of rail freight transport in Spain (2022)



Segment	Transport performance 2022 (million tkm)	CAGR 2017-2022 (%)
Intermodal		
Steel		
Chemicals		
Wood		
Agriculture		
Automotive		
Petroleum		
Construction		
Ores		
Coal		
Others		

Source: Eurostat

Figure 6: Goods structure and CAGR 2017-2022 in Spanish rail freight

Spain is among the countries in Europe where intermodal transport accounts for a very high proportion of the rail freight market. Combined with the second largest segment, steel, almost XX% of the total market is covered. Other segments are significantly smaller. In contrast to the overall market, intermodal and steel transport registered a positive growth rate during the last five years.

Intermodal

[…]

Steel

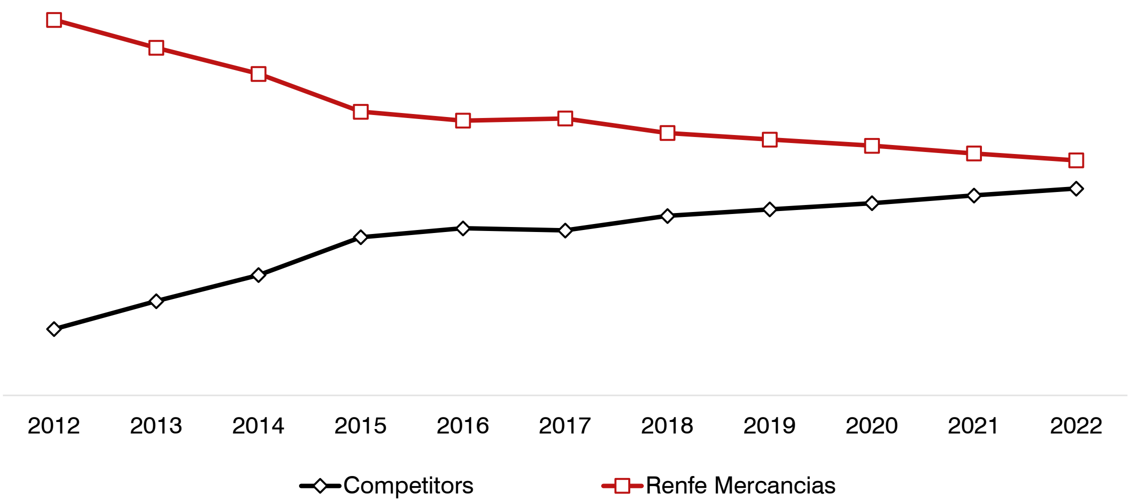
[…]

Automotive

[…]

2.1.6 Competition

Market share: incumbent and competitors in Spain (% of tkm)



Sources: Ministerio de Fomento, company websites, SCI Verkehr Estimation

Figure 7: Development of competitors and incumbent market shares in Spain

The Spanish rail freight market is still determined by the incumbent Renfe Mercancias, which holds XX% of the market. It is, however, experiencing increasing pressure from competitors and as a result market share has shown a consistent decrease since 2012.

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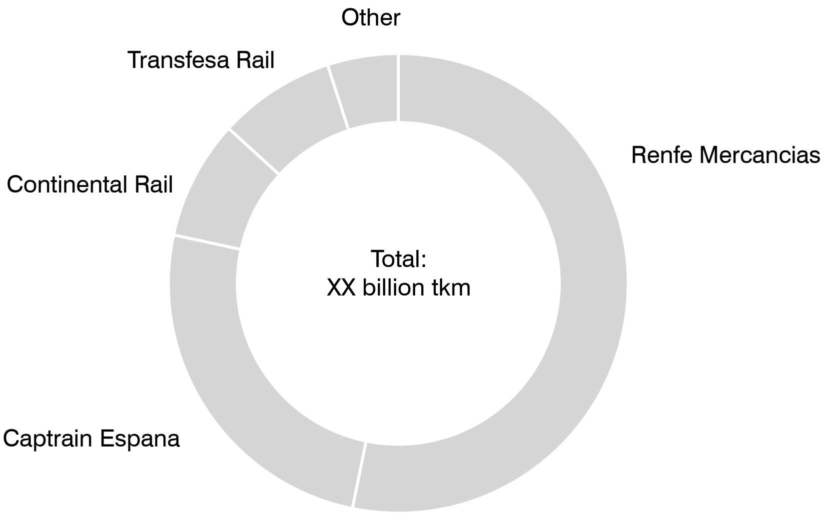
Market share by operator 2022 in Spain



Sources: Company websites

Figure 8: Market share of rail freight operators in Spain 2022

Operator (Year)	Revenue (EUR million)	Transport (million tkm)	Inter-modal	Steel	Ores	Coal
Renfe Mercancías (2022)						
Captrain Espana (COMSA Rail Transport) (2022)						
Transfesa Logistics (2022)						
Continental Rail (2022)						
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2.1.7 Rolling stock

Type	No.	Renfe Mercancías		Competitors/leasing	
		Owner share (%)	Ø Age (years)	Owner share (%)	Ø Age (years)
Electric locomotives					
Diesel and alternative drive locomotives					
Shunter					
					© SCI Verkehr GmbH

[…]

Type	No.	Ø Age (years)	Renfe Mercancías	Competitors/leasing
			Owner share (%)	Owner share (%)
Freight wagons				
				© SCI Verkehr GmbH

[…].

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