The future of transport investments – what MFF do we need?

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The Voice of European Railways

The rail sector has enormous investment needs

RAIL
FREIGHT
SERVICE

SECURITY

BUILDING NEW REDUCING RAIL FREIGHT NOISE
INFRASTRUCTURE:
MISSING LINKS, REMOVING BOTTLENECKS
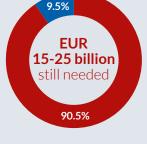
MODERNISING EXISTING ROLLING STOCK FLEET
RAIL INFRASTRUCTURE RENEWAL

RESEARCH DIGITALISATION:
ACCESSIBILITY DEVELOPING SMART TECHNOLOGIES,
FOR ALL SUCH AS ERTMS, ATO AND ATS
USERS

Current funding resources are insufficient

The CEF Calls in 2014 and 2015 were 2.3 times oversubscribed

1087
eligible proposals submitted requesting EUR 45.1 billion

452
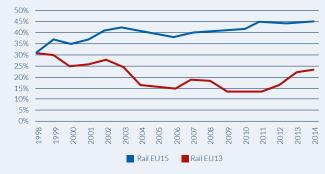grant agreements signed worth EUR 19.3 billion

Innovative financing tools have limited impact:

- **EFSI** has been used to finance a few railway rolling stock projects to date, and no rail infrastructure projects.

- **CEF blending** has enjoyed success among some rail infrastructure managers, but the scheme is not suitable for all, mainly for national reasons.

Funding needed to complete the **TEN-T** network for the period 2021-2030

EUR billion

- 1600
- 1400
- 1200
- 1000
- 800
- 600
- 400
- 200
- 0

1500
core network **500**

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- TEN-T comprehensive network
- CEF transport budget 2014-2020

Source: Delivering TEN-T, Facts & Figures, DG MOVE, September 2017

Significant financial resources are required for full **ERTMS** deployment

The TEN-T Regulation requires that the Core Network Corridors must be equipped with ERTMS by 2030 and the entire TEN-T network by 2050.

ERTMS deployment on Core Network Corridors today

9.5%
EUR 15-25 billion still needed
90.5%

- in operation
- still to be deployed

Source: Delivering TEN-T, Facts & Figures, DG MOVE, September 2017

National expenditure is falling

In 2015, the % of GDP spent on transport infrastructure dropped below 0.8% in Western Europe and fell to 1.2% in CEEC. Of this, **the majority is still spent on road**.

Rail share in total national expenditure on road-rail transport investment

50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%

1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

- Rail EU15
- Rail EU13

Source: ITF

The % of GDP spent on transport infrastructure in Western Europe is lower than that of India (1.4%) and Russia (0.9%). Only North America spends less (0.7%).
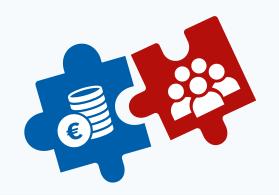
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Rail has a positive impact on the EU's economy...

Rail supports the EU's economic growth and offers long-term job stability for the majority of its **1.06 million employees**.

One job in the rail sector creates more than one other job in other related sectors.

Source: The Economic Footprint of Railway Transport in Europe, ECORYS 2014

... and contributes to EU policy objectives by being the greenest and safest mode of transport

Environment:
20% reduction in CO_2 emissions by 2030

Travelling by rail is less CO_2 intensive compared to road or air transport
Specific CO_2 emissions per transport mode

Passenger

Rail
(28.39 gCO_2/pkm)

Road
(101.61 gCO_2/pkm)

Air
(244.09 gCO_2/pkm)

Freight

Rail
(15.6 gCO_2/tkm)

Inland waterways
(50.62 gCO_2/tkm)

Road
(139.8 gCO_2/tkm)

Source: EEA 2017

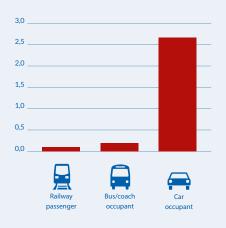### Improving transport safety and security

Rail is the safest mode of land transport
Fatalities per billion passenger-kilometres for different modes of transport (2011-2015)

	Railway passenger	Bus/coach occupant	Car occupant

Source: European Union Agency for Railways

Rail requires an increased share of the next MFF in order to:

- complete the TEN-T network by **modernising existing rail infrastructure, removing bottlenecks** and investing in **new rail infrastructure**, including the **construction of missing links**

- continue investing in **cross-border rail projects** with **high EU added value**

- support the development of **international rail freight transport** and logistics services by enhancing the efficiency of the supply chain, including innovative solutions for **last-mile operations**

- invest in **smart technologies**, thereby increasing **safety**, **capacity**, **reliability** and **flexibility**, so that rail can remain competitive in the new era of digitalisation and meet customer expectations

- meet the TEN-T policy objectives of **reducing transport noise** and promoting seamless mobility and **accessibility for all users**, including persons of reduced mobility

- establish a Shift2Rail2 as an evolution of the successful Shift2Rail Joint Undertaking

The CEF transport budget for rail should be increased in the next MFF in order to contribute to the huge financial needs of the transport sector.

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