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PORTS AND RAIL FREIGHT IN  
NORTH WEST EUROPE TODAY

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## PUBLIC POLICY CONTEXT

- E.U. & Government promotion of competitive international markets in surface transport and logistics –encouraging private ownership
- Public agencies recognise wider economic benefits of efficient transport and logistics activities and competitive international gateways

## SOME CONSEQUENCES...

- Competition *between* ports as international hubs and national gateways
- Business and public policy recognition of rail freight's contribution to port efficiency, capacity and growth.
- Competition between rail freight companies –mix of ownership and business models (public & private ownership; logistics vs. 'hook and haul')
- Ports, rail network managers and rail freight companies bid for funding in international capital markets: business plans subject to closer scrutiny



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## CLEAR SUCCESSES AFTER AN ADJUSTMENT PROCESS...

- Market-driven alignment of private & public investment in ports, local and national rail infrastructure, rolling stock & inland terminals to handle higher freight volumes:
  - 70% growth in GB coal imports 2000/1-2005/6: rail freight retains 85-90% market share
  - 50% growth in containers (TEUs) through GB ports 1996 - 2005/6: rail market share *increased* 17% - 25%

## BUT CONSTRAINTS STILL TO RESOLVE!

- Capacity and capability of national and international (rail) infrastructure networks limited: prioritisation of freight services not always consistent
- Responsibility for funding of enhancements to national infrastructure networks not yet resolved satisfactorily
- Timescale, risks, transaction costs of planning and project delivery regime in some E.U.MS (e.g. UK) may dissuade globally-mobile investment funds
- Continuing skills shortages in project design & development; construction; operation; logistics and transport: may delay innovation and productivity gains.

