

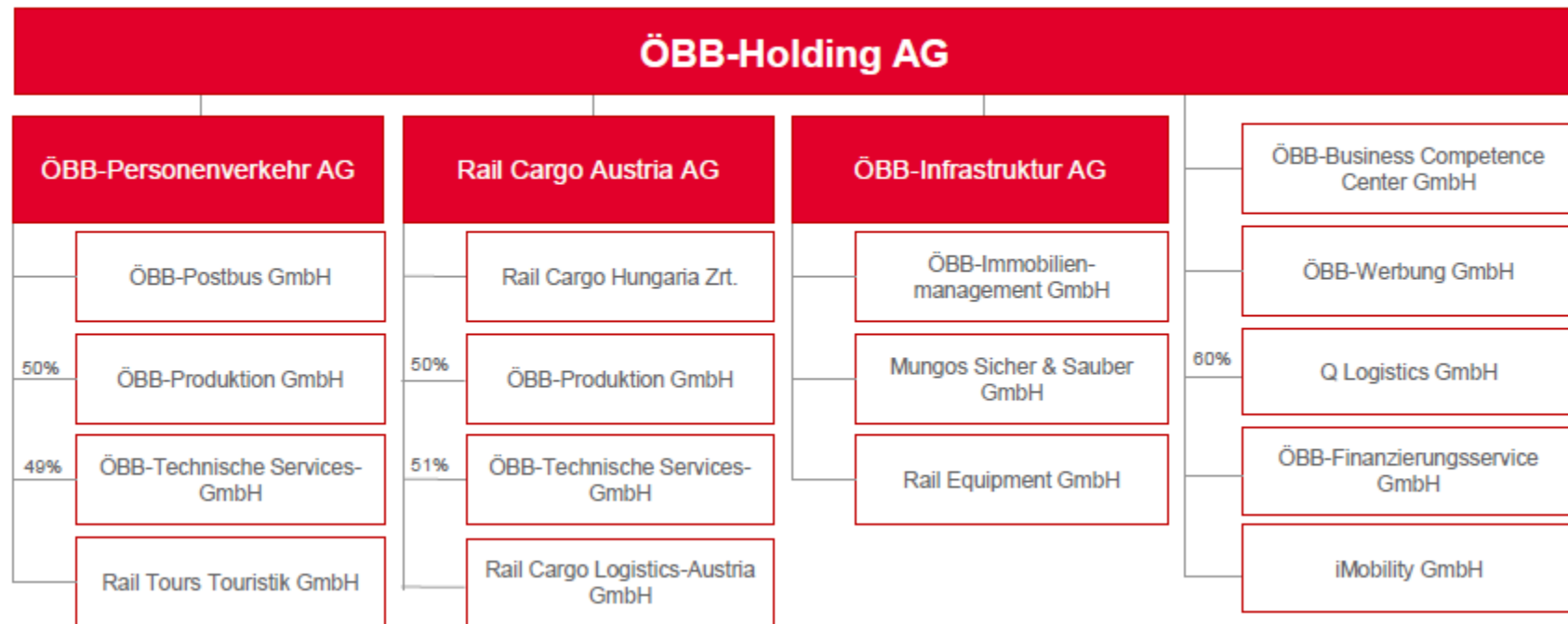
# Connecting Europe and Asia

## OeNB & RBWC Conference

**Rail Cargo Group**  
Osman Erol

Vienna | December 14, 2018

# The ÖBB Group | Organisation chart



# The ÖBB Group | in numbers

	Revenue in euro	5,522 million
	EBT in euro	176 million
	Train passengers per year	246 million
	Bus passengers per year	214 million
	Transported goods, net tonnes per year	115 million
	Employees in headcounts, excl. apprentices	41,107
	Stations and stops	1.070

Source: Financial Report 2017, Facts & Figures Folder published in 2018

## The Rail Cargo Group | in numbers

**8,720 staff**  
from 33 nations



**2,000 trains**  
per day

**115.2 mn**  
net tons per year

**51.9 mn**  
train kms per year

**32.9 bn**  
net ton kms per year

**643**  
locomotives

**21,185**  
wagons



**30.6% modal share**  
of rail as from total freight in Austria

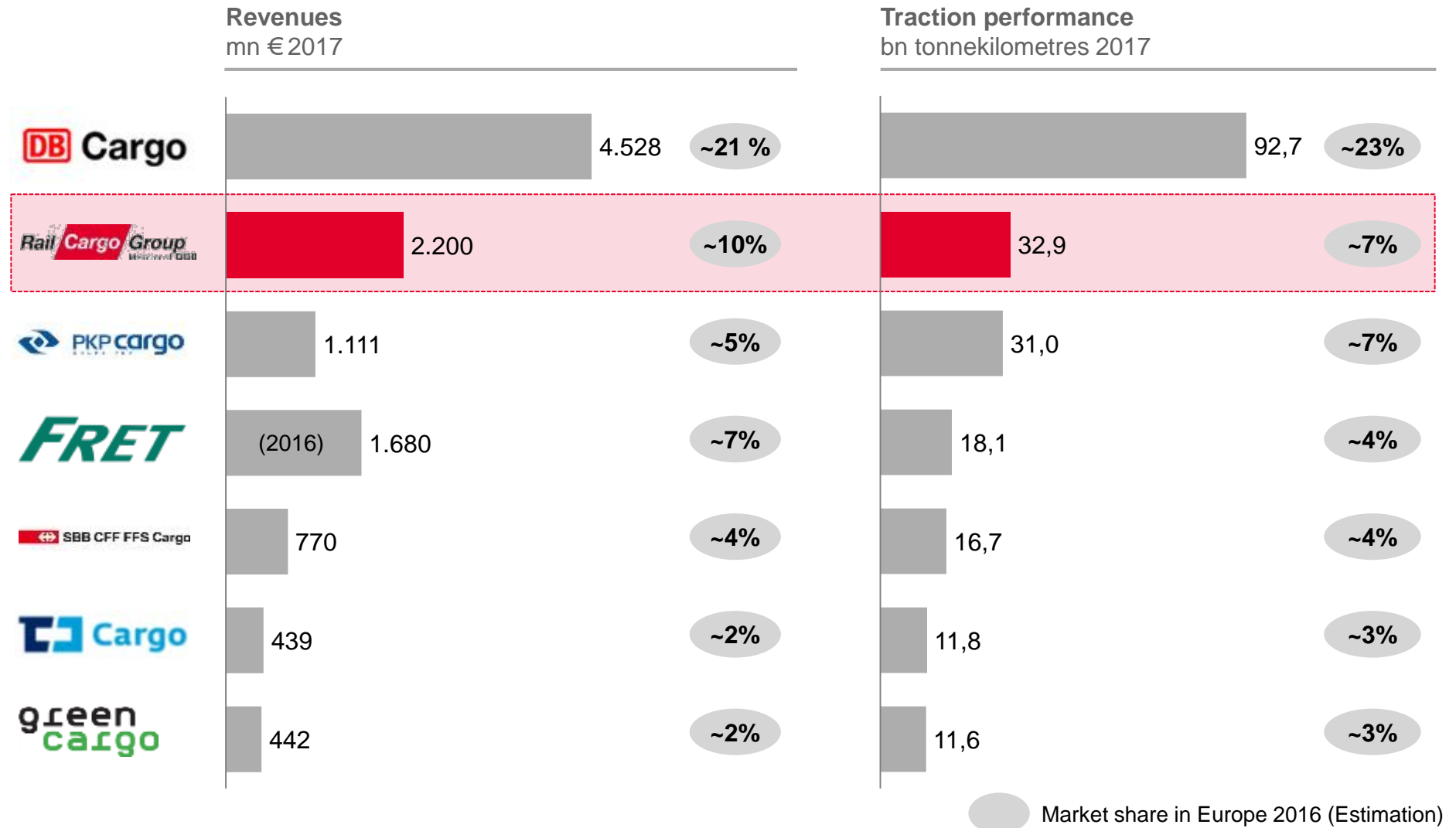
**Present in**  
**18 countries**

**2.2 bn €**  
sales revenues

**42.3 mn €**  
earnings before taxes

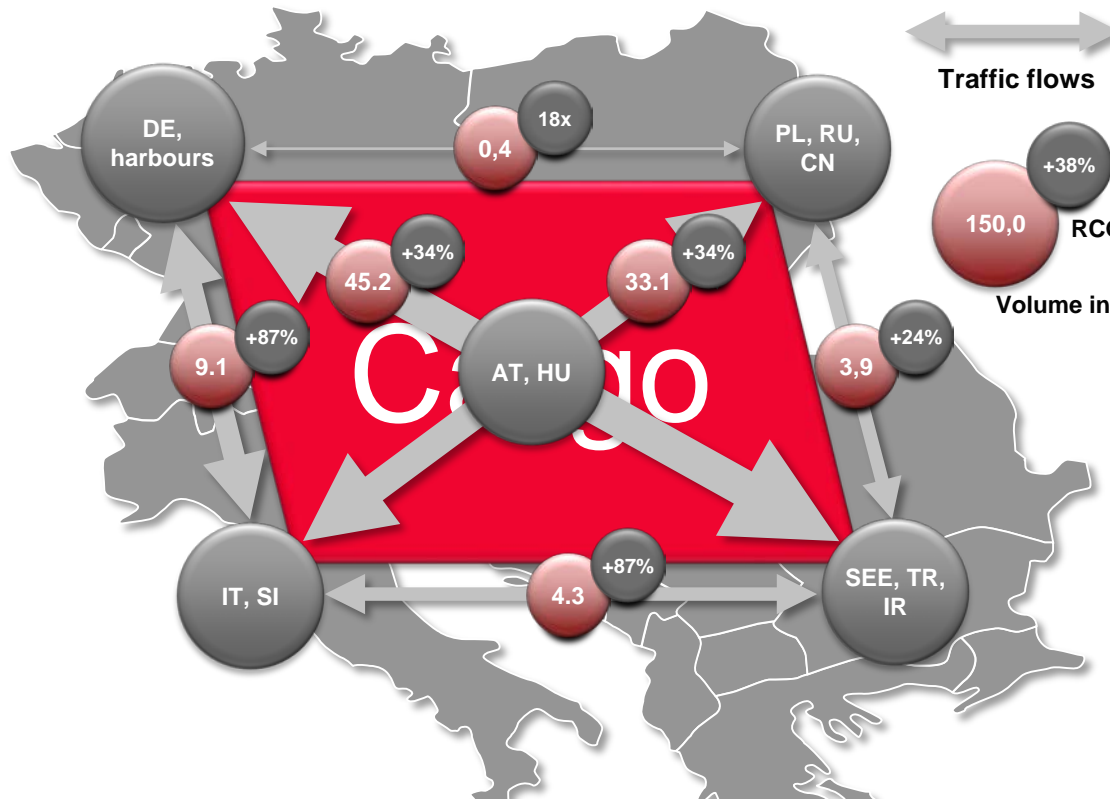
FY 2017

# The Rail Cargo Group | Main rail logistics providers in Europe



# The Rail Cargo Group | Internationalisation is our driver

## International corridors



Traffic flows

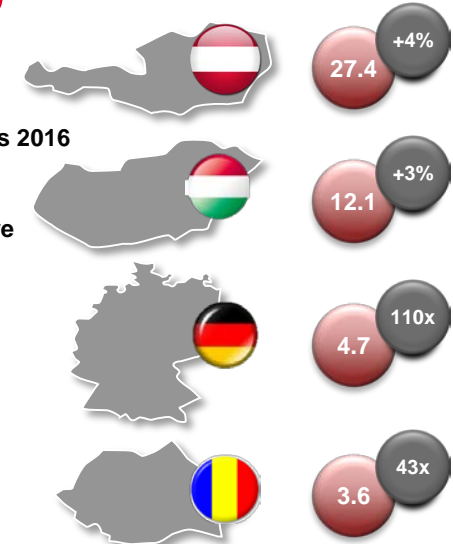
Growth rate RCG vs 2016

RCG midterm objective

Volume in mn tons per year



## Relevant national markets



## Other markets

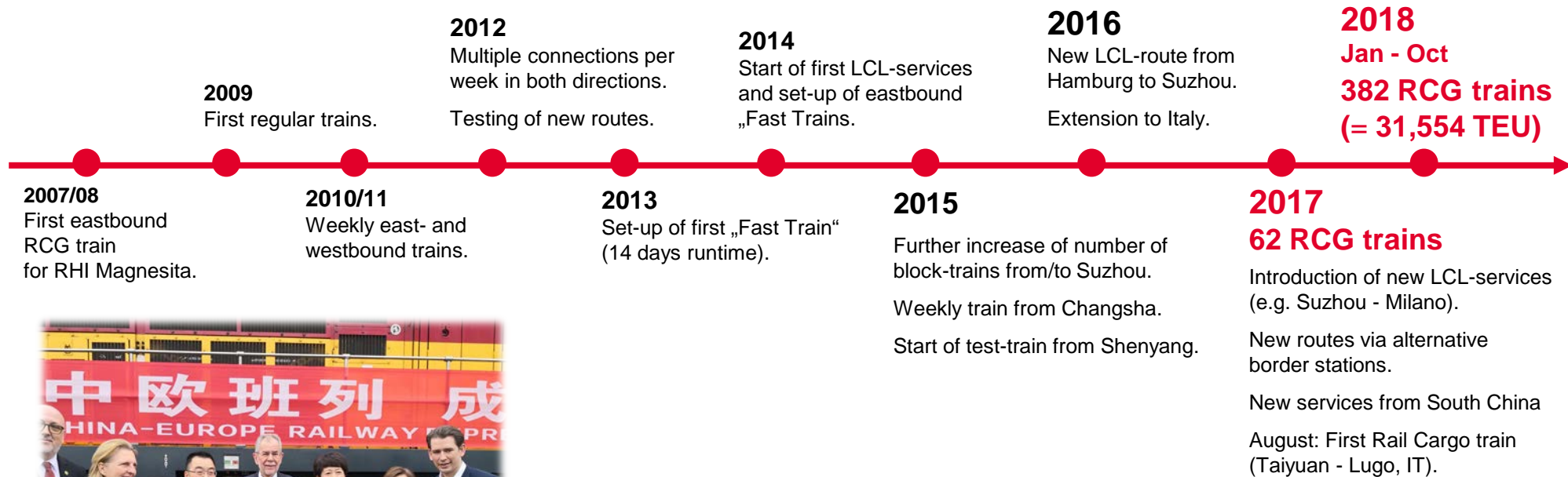


- 150 mn tons per year realistic potential identified
- Growth of ~30% on the main corridors transiting AT & HU
- Developing Brenner axis and IT-SEE, DE-TK und IT/SI-PL connections



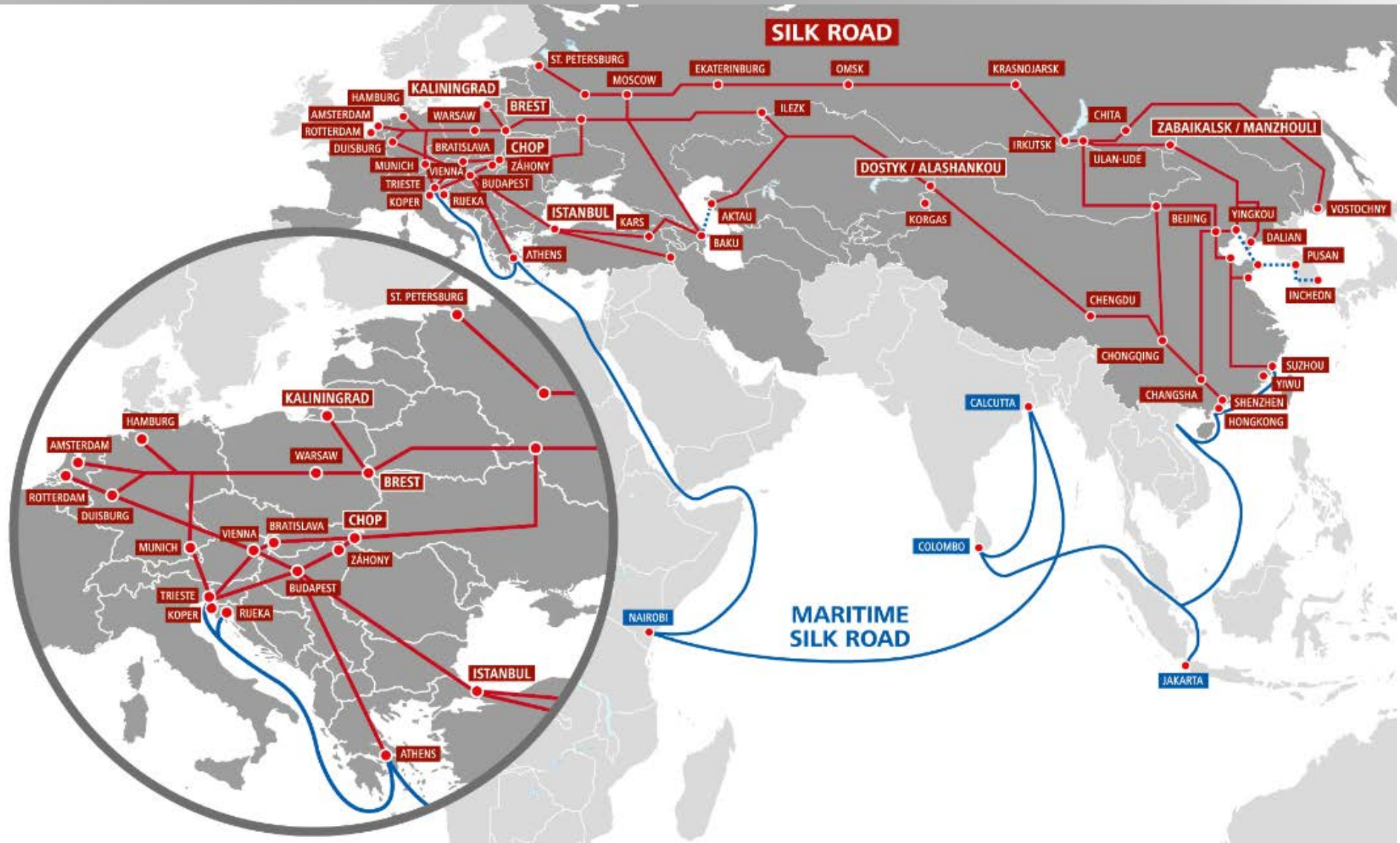


# The Rail Cargo Group | Strong growth on all Europe - China corridors





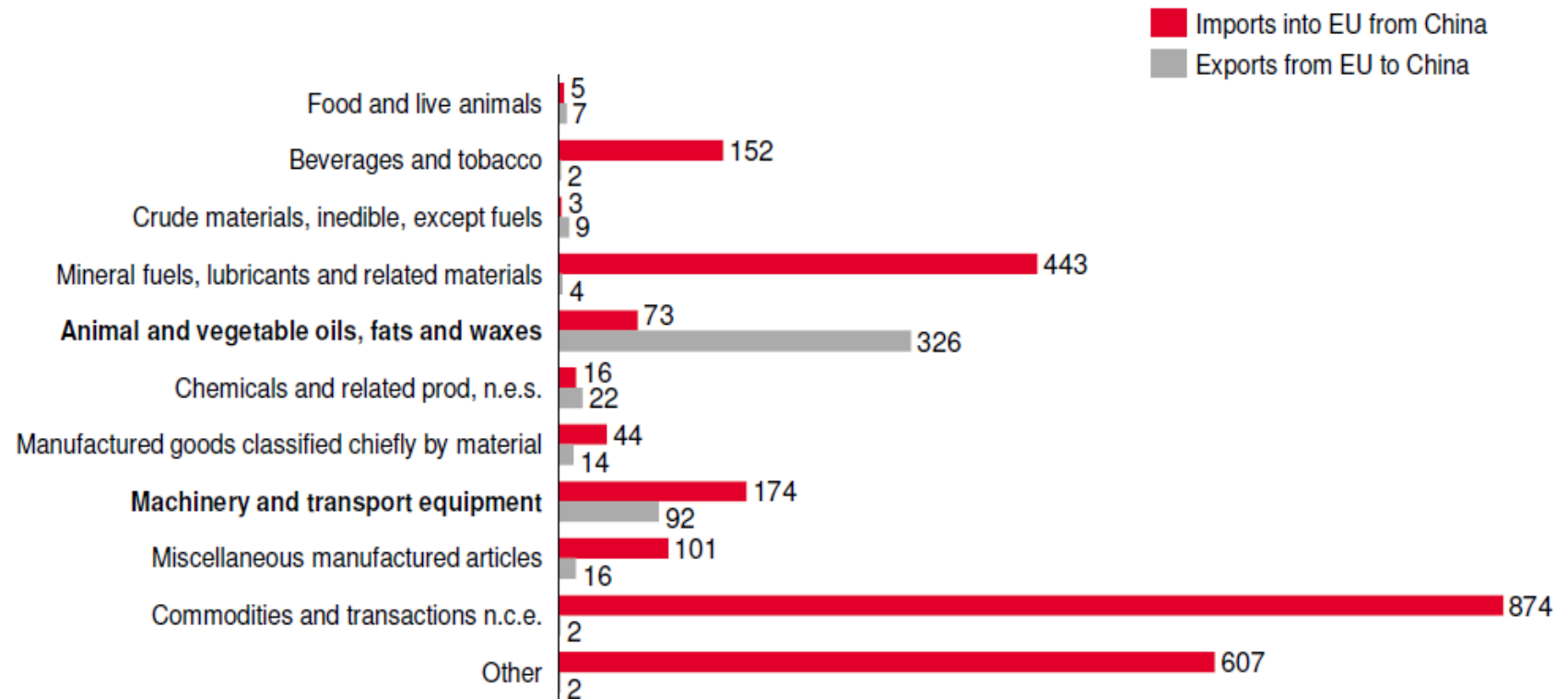
# Rail connection Europe - Asia | The Silk Road(s) of today



# Rail connection Europe - Asia | Imbalance between imports and exports

## EU-exports to and imports from China

in bn € 2016

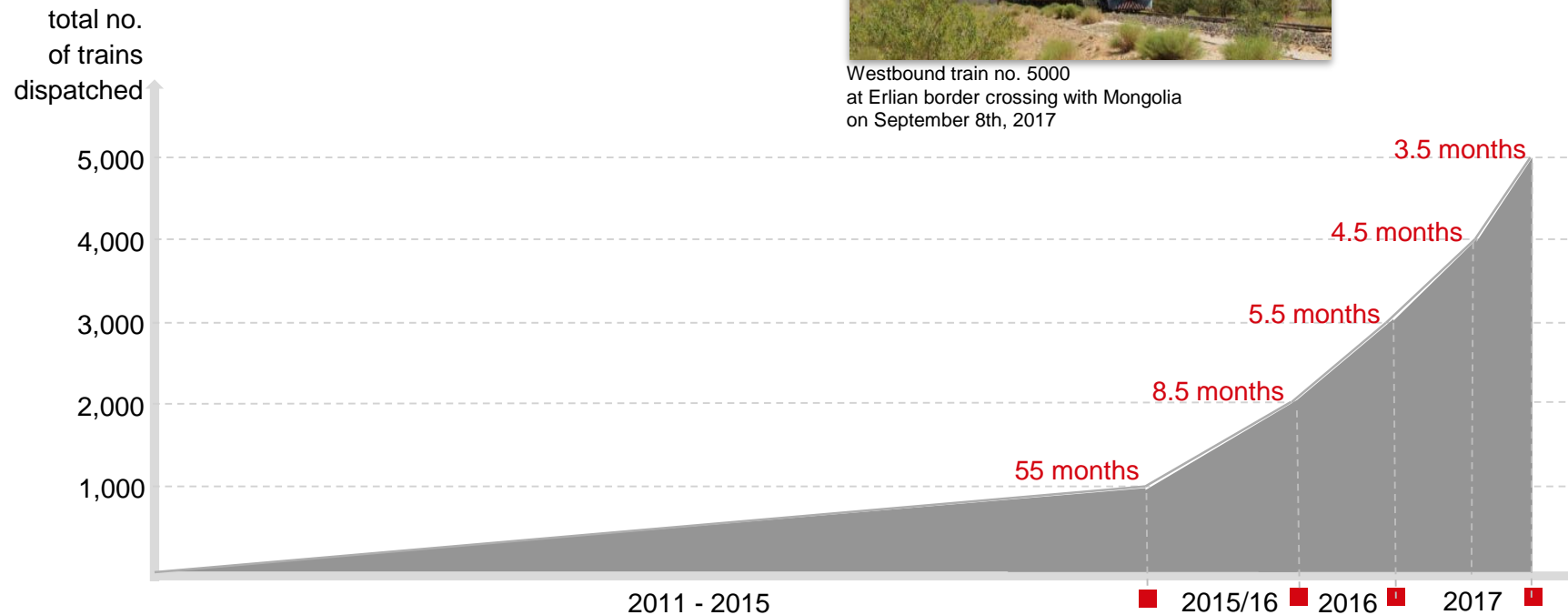


# Rail connection Europe - Asia | Dynamic growth

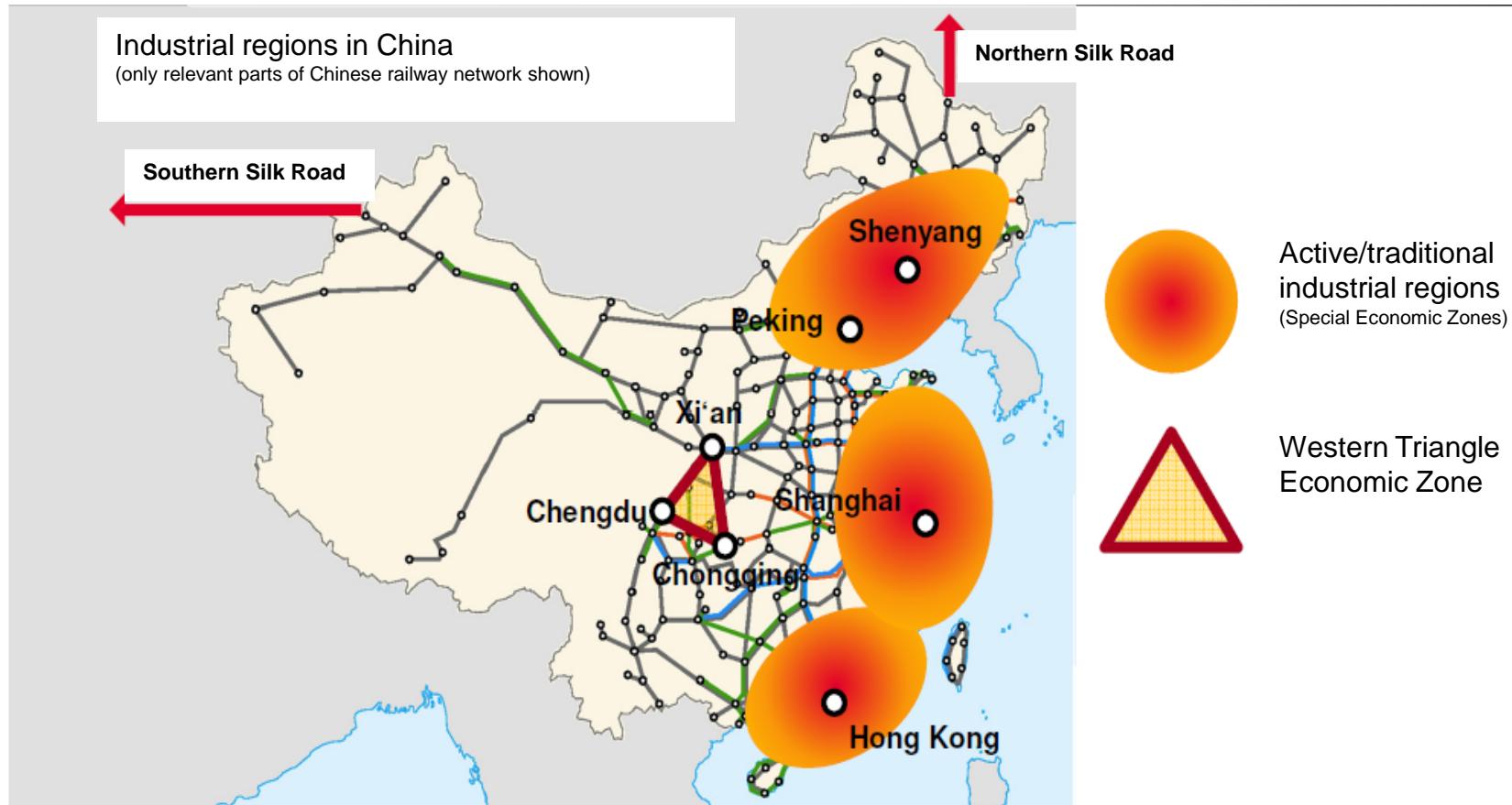
2007	< 10,000 TEU
2017	400,000 TEU
2022e	~ 1,000,000 TEU



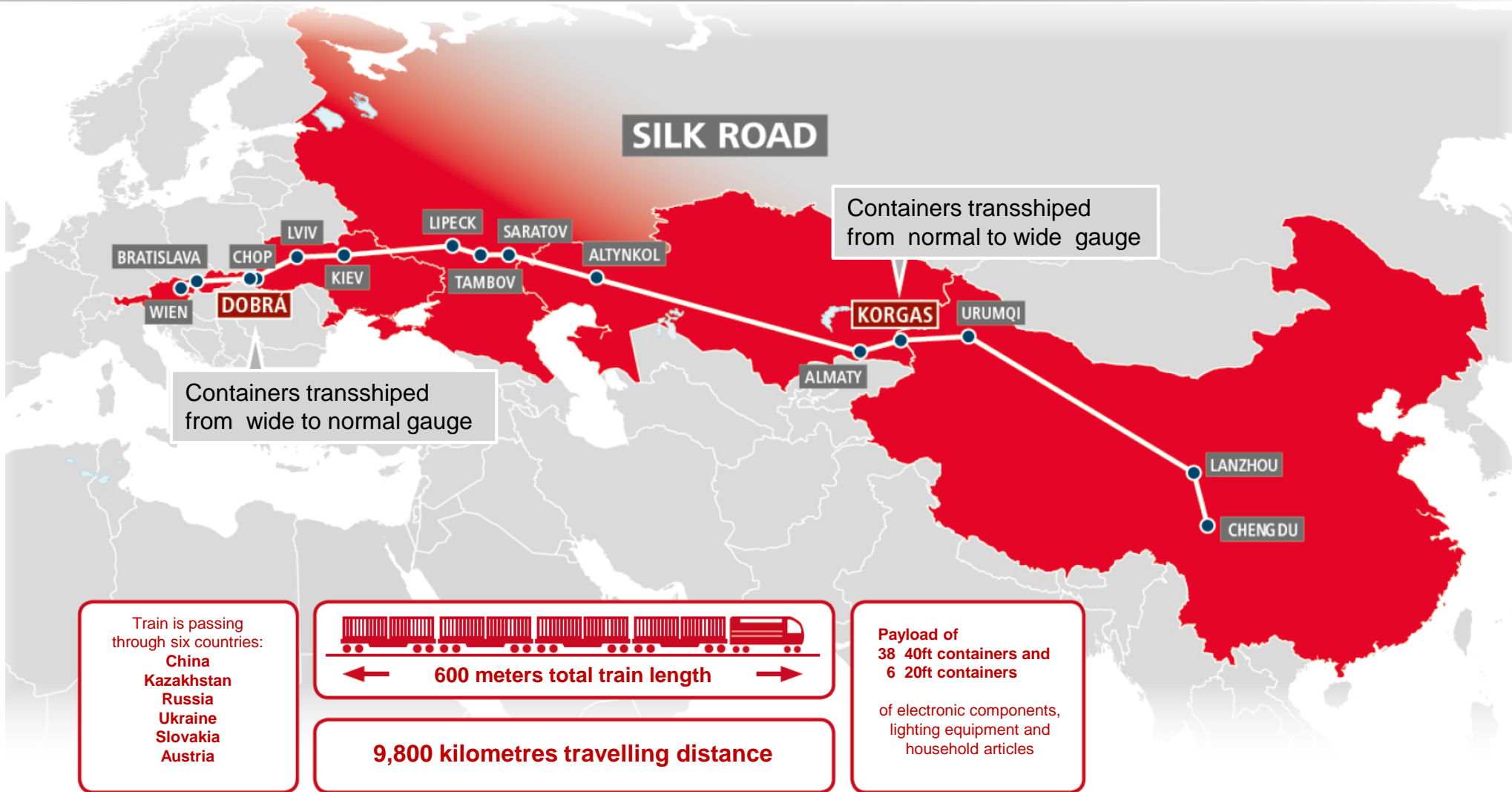
Westbound train no. 5000  
at Erlian border crossing with Mongolia  
on September 8th, 2017



# Rail connection Europe - Asia | Well connected industrial regions in China



# Rail connection Europe - Asia | Chengdu - Vienna train operation



# Rail connection Europe - Asia | Why does it matter? (1/2)

## Belt & Road Initiative

A strong facilitator to enhance economic and cultural convergence between Asia, Africa and Europe

## Additional development



4.4 bn population



18,000 bn output



50 countries

**Multidimensional infrastructure network**

Over **2,500 bn €** annual trade volume

**120 bn €** Chinese investments

**10,000** scholarships per year

Cooperation with **40+** countries & organizations



## Rail connection Europe - Asia | Why does it matter? (2/2)

### Estimation for 2020



**5,000 cargo trains per year**  
from China to Europe v.v.



**43 transport hubs**  
with at least one connection to Europe per hub



**6 hours at border crossing**  
for customs & inspection procedure on Chinese side



**10 days travelling time**  
between terminals in China and Central Europe v.v.

# Rail connection Europe - Asia | Why is rail a realistic alternative?



Transit time  
around 14 days



Stable cost structure  
and departure schedule



Less working capital,  
cheaper than airfreight



Same customs  
procedures as  
sea freight



Rail Cargo Austria AG



1 T-Shirt ..... 200 grams  
1 40ft High Cube Container ... 7 tons

## Guangzhou - Central Europe

costs per piece  
door-to-door travelling time



0,05 €  
~45 days



0,20 €  
~14 days

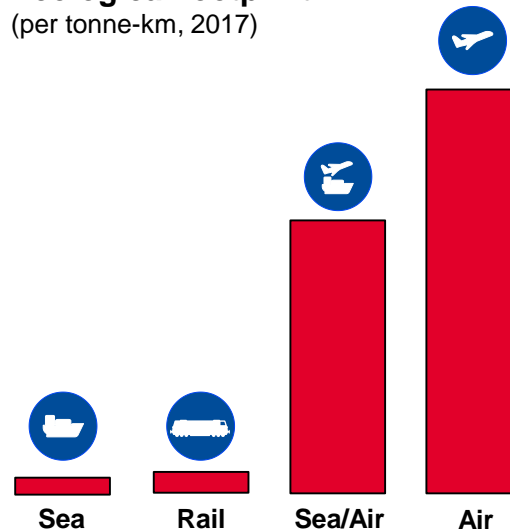


0,22 €  
~25 days

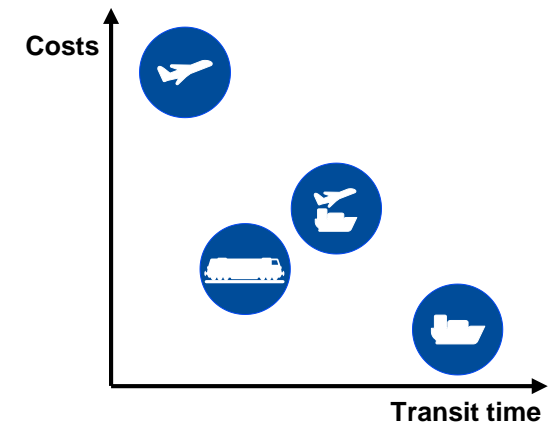


0,55 €  
~10 days

## Ecological footprint (per tonne-km, 2017)



## Time is money



# Rail connection Europe - Asia | Opportunities and tasks

1

## **Belt and Road Initiative strongly supports traffic flows**

- Chinese government's motivation to increase rail transport from China to Europe
- Big potential for European logistics industry through revival of „Silk Road“
- Increasing competition from Chinese logistic companies through strategic positioning in Europe

2

## **Alternative Routes can improve performance significantly**

- Development of Southern Route to include Middle East and Black Sea region
- Reduction of dependency from RU, UA, BY, PL transit (liberalization of railway industry)
- Avoidance of bottlenecks at borders (reduce bureaucracy ...)

3

## **Full service for European and Asian clients increases market attractivity**

- Strategic alliances between international and local players along the routes to improve quality and secure positive developments
- Development of infrastructure to reduce transit time, digitization to increase efficiency

4

## **Holistic approach allows co-existence of all modalities**

- Maritime silk road to be considered in all infrastructure strategies in Europe
- Airfreight is reaching its limits (travelling times increase significantly)
- Wide gauge connection into Austria to support CEE industry

## The Rail Cargo Group | Unmistakably unique

We connect industrial regions  
in Europe and from/to Asia.

We are at your service - wherever you are.

**24** hours per day  
**365** days per year

