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PRESS RELEASE

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The rail industry tells governments: “no turning back”

The Rail Working Group, which represents an extraordinary cross section of the global rail community, has just asked its members and supporters as to what they expect for the rail industry looking forward. The responses give a fascinating insight into the way the industry looks at the rail sector coming out of the COVID-19 crisis.”

77% of respondents thought that the railways’ role in the global supply chain would be more significant going forward but no one thought it would be less essential. 84% stated that the continued development of Eurasian rail freight corridors was now more of an imperative, and close to 98% of the respondents considered that cross border interoperability of freight and passenger rail services would be more important.

About 7% considered that passenger rail traffic would rise in the next two years compared to other forms of transport, just over 36% thought that it would increase on the freight side and 45.5% considered that both freight and passenger transport would increase post crisis in each case compared to the road and aviation sectors. Over three quarters thought that passengers would increasingly choose rail over flying once the dust settles but the verdict was unanimous that, post crisis, governments should reset their priorities in favour of the railways and other green transport modes in the coming years.

Over 95% said that with the availability of new technology and quieter, more efficient and “greener” rolling stock rail operators and financiers should increase their investment in rolling stock.

But against this hopeful background the problem is clearly financial. About 45% of respondents considered that the railways would be in a worse financial position post crisis as against 27% to considered that nothing would change. 50% thought that there would be less government financial support for the railways with another 30% expecting no real change. But interestingly, there is a strong view (over 88%) that government policymakers should liberalise the market to allow public and private operators to compete and over 95% thought that, with strong pressure

The Rail Working Group is a not-for-profit association constituted under Swiss law representing a broad cross section of the global railway community.

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on government finances, the need for private finance of rolling stock would be more important. Over 86% of respondents considered that international political cooperation and coordination of transport would become more important, using instruments such as the Luxembourg Rail Protocol.

“Clearly the industry feels strongly that, coming out of the current crisis, governments must re-evaluate their priorities in the transportation sector for good economic, social and environmental reasons” said RWG Chairman Howard Rosen. “The problem is” he continued “the lack of resources and the solution has to be private capital, through equity, debt or leasing, supported by governmental adoption of the Luxembourg Rail Protocol which will make such a solution easier and cheaper.”

The detailed results of the survey may be accessed [here](#)

NOTES FOR EDITORS

The Luxembourg Rail Protocol to the Cape Town Convention on International Interests in Mobile Equipment is a new global treaty under the auspices of UNIDROIT, the International Institute for the Unification of Private Law. The Protocol will make it much easier and cheaper for the private sector to finance railway rolling stock. It sets up a new system for recognition, priorities and enforcement of creditor and lessor rights, which will be registered in an international registry based in Luxembourg, accessible to everyone over the internet 24/7. The Protocol is expected to enter into force in contracting states in 2021. The European Union (in respect of its competences). Luxembourg, Sweden and Gabon have ratified the Protocol. France, Germany, Switzerland, Mozambique, Italy and UK have already signed the Protocol and are proceeding to ratification. Kenya, Malta, Spain, Finland, Ukraine, Mauritius and South Africa are working actively on adoption of the Protocol and other states such as China and Hungary have launched studies into its adoption.

The Rail Working Group www.railworkinggroup.org is a Swiss-based not-for-profit association focused on the adoption and implementation of the Luxembourg Rail Protocol. It has over 90 members worldwide comprising manufacturers, operators, financiers and advisers in the rail sector.

For more on the Luxembourg Rail Protocol and the Rail Working Group see www.railworkinggroup.org. For more on UNIDROIT see www.unidroit.org.

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