# Media Release



Development of transports in the first six months of 2017

# Hupac develops solutions for the construction site problem

Chiasso, 27.7.2017 During the first half of 2017 Hupac increased its transport volume by 8.3% compared to 2016. Transports have been hampered by substantial construction works since June leading to a decline in the quality of services and restricting the development of modal shift. Hupac welcomes the rail freight master plan of the German Ministry of Transportation, but suggests that action is required in international integration.

#### Satisfying growth in the first months of the year

The Swiss combined transport operator Hupac ended the first six months of 2017 with an 8.3% increase in transports. In total, road shipments rose by approximately 30,000 over those transported during the same period a year ago. However, since June transportation has been challenged by numerous construction sites. "Inadequate international coordination of construction works combined with insufficient resources of the railways present a risk for combined transport", according to Hupac CEO Beni Kunz.

## Uncoordinated construction works are obstructing transportation

In mid-June the Luino line was closed down for a period of six months to upgrade this important access route to the Gotthard base tunnel. The detours via Domodossola and Chiasso are vulnerable because of a high number of construction sites on the entire north-south corridor. A situation that puts pressure on all partners in the logistics chain: transportation companies, combined transport operators, terminals and railways suffering from inefficiencies, while making every effort to sustain the intermodal transport system.

To normalise traffic conditions, Hupac is elaborating a number of steps together with the railway partners and infrastructure managers. In the short term, the focus is to provide additional locomotives and drivers with the aim of reducing delays and to reschedule some maintenance activities. In the long term, the corridorwide planning process of construction sites must be revised and optimised, e.g. by modifying the relevant EU regulation (annex VII of Directive 2012/34). Other quality-enhancing measures include the increased use of interoperable locomotives and the improvement of planning at all levels.

Finally, the political question of who in future will pay the additional costs caused by construction works remains open. Rerouting, capacity reductions and longer travel times are a burden on the efficiency of transports. In some European countries, such as the UK, viable solutions have been created to keep services marketable while carrying out the necessary works.

#### Sustainable solutions for quality and market growth

"Once again, the current difficult situation demonstrates the immediate response of the market to a loss in quality", Kunz emphasises. "Our discussions with the railways and the infrastructure managers are intended to strengthen the understanding of the requirements of our common market and to improve the situation in the long term." This includes the increase of railway resources, such as locomotives and drivers, as a provision that assures quality. It involves investments, but it mitigates the consequential costs caused by the lack of quality and counteracts the risk of shifting transports back to the road.



The necessary resources for the currently growing economy also have to be provided promptly. If the railway system expects to gain from the rising demand for freight transports, investments in additional resources such as locomotives and drivers are essential. Hupac is ready with a sufficiently sized wagon fleet. "We want to benefit from the growth in transportation", says Kunz.

## Hupac welcomes the rail freight master plan and demands an international viewpoint

Strengthening the rail freight services and making them economically more attractive – this is the goal of the rail freight master plan of the Federal Republic of Germany. The plan, which was presented in late June, contains many positive elements, such as cutting track prices in half to boost demand, the speedy completion of an extensive 740-meter network, the expansion of large rail hubs and a development plan to retrofit locomotives with ETCS. "We welcome the direction of the master plan. It gives high priority to rail freight and encourages related investments", according to Kunz. The execution is scheduled to begin this autumn, following the federal elections in Germany. However, the requirements of cross-border transportation are under-represented in the current version of the master plan. "Ninety percent of our transports involve Germany", Kunz said. "We are missing key words in the master plan such as international cooperation, integrated planning, interoperability and harmonisation across Europe."

The Italian market is also showing positive developments. Expansions of the infrastructure and a rail-friendly transport policy have resulted in an increase in rail freight. The closeness to the market of the Italian infrastructure manager RFI is a positive element for our sector", says Kunz. Once the access routes via Chiasso and Luino have been upgraded and the terminals in Milan, Piacenza and Brescia are completed, Hupac will have optimal production conditions in Italy. "

Traffic development in the 1 <sup>st</sup> half of 2017 Number of road shipments	January-June 2017	January-June 2016	in %
Transalpine via CH	254,229	231,793	9.7
Transalpine via A	18,798	18,458	1.8
Transalpine via F	1,912	1,628	17.4
Non-transalpine	132,986	124,640	6.7
Total	407,925	376,519	8.3

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