

UIRR Report

1997



IMPRESSUM

Publisher: UIRR, Brussels

Photos: UIRR, Brussels

Design: Tostaky, Brussels

Printed in Belgium

*This Report was printed
on recycled paper.*





FOREWORD

Transport on the move is the central theme of this Annual Report - transport structures are changing and transport policy has started to move. The UIRR has responded to the changing transport markets by opening its organisation to represent the interests of all independent combined transport operators. By providing a professional forum for the exchange of information the UIRR aims at contributing to the development of combined transport and to the European harmonisation on a wider scale.



WERNER KÜLPER

President of UIRR

In the coming years the development of efficient partnerships through strategic alliances will be of highest importance. Since its establishment 27 years ago, the promotion of horizontal alliances between operators has been the main task of the UIRR. The vertical co-operation between road hauliers, forwarders and the UIRR operators established by them, sets an example to other transport sectors in which the importance of strategic partnerships and the management of customer relations has only been discovered in the last few years. Especially the vertical relationships to the railways are on the move. As national monopolies for train traction are disappearing more and more giving rise to competition, the railways are faced with the question on which markets to provide the entire combined transport chain on their own account and to what extent to form reliable partnerships with forwarders, hauliers and combined transport operators. The development over the last few years has shown that the most impressive growth rates have been achieved through co-operation. International logistics companies not bound to any transport mode dominate the market. The volume that they handle «combined» depends largely on the efficiency of the railways and the organisational skills of the combined transport operators.

On certain routes the lack of rail's productivity is a problem causing us again some worry. Lengthy restructuring procedures paralyse the initiatives of many railway employees and social conflicts are sometimes unavoidable. However, it is important to recall that employment in the railway sector is related to the volume of transport

which the industry entrusts to the railways. Our clients have adapted organisationally to rail transport and are willing to transfer even more shipments to rail in future, provided the price and level of service are competitive with direct road haulage. The essential key to the development of combined transport in central Europe lies with an increase in traffic from existing users which cannot be substituted by new railway marketing campaigns or the emergence of new operators.

As far as combined transport is concerned current EU policies concentrate on three main areas: the internalisation of external costs, railway liberalisation and initiatives towards the promotion of intermodality. The European Commission has published policy papers on all three subjects.

The internalisation of external costs has so far not progressed beyond the stage of declarations of intent. By contrast, however, both the Commission and the Member States are implementing measures which go against this objective. The vehicle tax is being curbed at the top instead of deciding on compulsory bottom tax rates. Furthermore, a reduced tax on diesel fuel for commercial freight transport is being discussed. In the case of Switzerland, the EU is set to push ahead with a 40-tonne road corridor while trying to keep transit fees as low as possible. Without parallel measures to internalise external costs these policies will lead to a backward shift from combined transport to the road.

Meanwhile, railway liberalisation is making only slow progress as many Member States are failing to implement Directive 91/440. So far, there is not one EU country on whose national railway network different railway undertakings offer competing traction services on a significant scale. The former state railways have not yet taken any initiative to break free of national boundaries and to grow into internationally acting companies. On the contrary, out-dated forms of co-operation are being maintained where trains crossing national frontiers are still handed over from one railway company to another. These traditional alliances between monopolists are highly questionable in view of competition rules and their continuation would mean the bankruptcy declaration of rail liberalisation. The Commission's Freight Freeway concept represents a remarkable initiative to provide a new

impetus to this process. However, the first reactions to the Commission's proposal give rise to the fear that one's sights are to be set lower. There is a real danger that not the whole «way» will be «free», but that only excess capacities on a few corridors will be jointly marketed under the name of «Freeway».

Finally, as regards the promotion of intermodality, actions have been announced. The Commission has identified 22 actions to promote the development of intermodality. For the promotion of combined transport, however, these actions can only be transitional measures until fair framework conditions for all modes of transport give participants, notably the UIRR-companies, more space for initiatives.



THE UIRR ON THE MOVE



RUDY COLLE

Director General of UIRR, Brussels

In contributing to mobility, trade, industrial decentralisation and the integration of peripheral areas, the efficiency of a transport system -and its capacity- are decisive factors in economic and social development.

In recent decades, road transport has undoubtedly had the greatest impact on economic development due to its flexibility, innovation and competition within the sector. As a result of this dynamism, road haulage has now taken over the lion's share of inland freight transport in Europe.

Furthermore, it was the road haulage sector, which, anticipating increasing road congestion, capacity constraints and related environmental concerns, initiated the first private combined transport operators some thirty years ago. Being neutral, the combined transport operators enabled the road sector to transfer part of its traffic to a competing transport mode, the rail. This was the advent of the first companies of the UIRR, the International Union of Combined Road-Rail Transport Companies. In particular when one considers the initial indifference of the railways and the "wait and see" approach adopted by many hauliers and forwarders, the development of combined transport since that time has been remarkable: last year, the 17 operators associated in the UIRR were able to transfer nearly 4 million TEUs to rail which otherwise would have added pressure on the road network over an average distance of 700 km per TEU. The growth of international combined transport -about 15% per year over the last decade- is particularly impressive.

Clearly, the "rail renaissance" in the area of freight thanks to combined transport needs to be promoted further. The companies of the UIRR will contribute towards this goal by exerting their influence through a number of key assets:

- their direct touch with the transport market, -the road customers of the UIRR companies are also their largest shareholders,
- their tradition of dialoguing and co-operating with the railways,

- their experience of setting up block trains and shuttle services on routes with sufficient traffic volume and economic potential,
- their competence in areas of technology and information exchange.

However, an equally decisive factor in this respect will be the future efforts of railways, whose lack of flexibility and high service charges continue to be the main obstacle in the way to a further expansion of combined transport. The railways are in danger of missing a real opportunity if they fail to implement the measures provided by the latest European initiatives for a "revitalisation" of the railway sector. We remain convinced that liberalisation is the most important condition for the future vitality of the technically remarkable rail sector.

The world of transport is experiencing rapid change. New operators are emerging in our sector. At the same time, established businesses with a special relationship to rail transport are engaging in various new forms of co-operation with the UIRR companies. For example, a new co-operation between Cemat, Hupac, Intercontainer and Norfolk Southern aims to

provide customers with a "one stop shop" for intermodal services from origin to destination across the whole of the United States and Europe (Trans Atlantic Rail Express). Similar forms of co-operation will undoubtedly follow.

In the context of this changing transport sector, the UIRR is well placed to strengthen its position in the market and has taken two important decisions towards this aim.

The first is the revision of the UIRR's statutes which was adopted by the members at their General Assembly on 22 May 97 in Brussels. The second is the revision of the General Conditions, which are due to be adopted at the autumn Congress in Lugano.

The most important change of statutes aims to enable the admission of new members. As an actual fact membership was limited to one member per country and according to the old rules, companies were excluded whose capital is controlled by one or several rail companies. Clearly, these rules were no longer compatible with the market. It was therefore necessary to create the terms for further operators to join the UIRR's pan-European network without losing their commercial independence.

As essential conditions, candidate members must of course have an independent management and achieve expected quality standards. Some companies have already announced their willingness to join the UIRR so that an expansion can be expected in the very near future.



As regards the General Conditions, the revision takes into account certain problems which have occurred in the interpretation of the current version and aims to avoid any ambiguous provisions in the text. These changes will by strengthening the legal security of our clients, also improve the overall quality of our services and thus contribute to the future development of combined transport as a vital element of sustainable mobility.



CTL ON THE MOVE



FRANÇOIS LECLERCQ

Director General of CTL, London

The development of intermodal activities between the UK and the Continent through the Channel Tunnel increased significantly throughout 1996, a year which also bore witness to the main stages in the privatisation process of British Rail.

Today, the privatisation process for both passengers and freight is nearing completion. The remaining passenger train operator, Scotrail, was handed over to its new owners, the National Express Group, at the end of March 1997. The remaining freight operator in British Rail is Railfreight Distribution, an organisation responsible for developing intermodal services through the Channel Tunnel.

The battle for the acquisition of Railfreight Distribution has been intense, as all the bidders were aware of the advantages of operating such a division of British Rail. Although the British Railways Board exchanged contracts with EWS (English Welsh and Scottish Railways) in March 1997, completion of the sale will only take place shortly after receipt of EC clearance. Once the sale has been completed, it is believed that Railfreight Distribution will have the flexibility and incentive to build on the opportunities created by the Channel Tunnel in order to attract more international freight onto rail.

There are mixed feelings regarding the success of the Channel Tunnel so far. Operational results are in contrast with financial results and the privatisation process adds to the complexity of the situation.

A few years ago, in June 1994, Railfreight Distribution and the SNCF initiated the development of traffic through the Tunnel with through freight services. Several aggregators commercialised services, attracting new business throughout Europe; CTL has the lead with no less than 58 trains per week. Despite initial teething troubles, the Channel Tunnel can be viewed as an operational success. Movements through the Tunnel itself have worked well. However, ensuring that trains and their freight travel

reliably across mainland European and British Rail networks and terminals has proved more difficult. Problems as diverse as congestion at terminals, lack of operational coordination between the various railways involved and industrial disputes in France and Italy remain largely unresolved.

Although CTL's traffic has grown significantly over the last three years to destinations such as Italy, France and Spain, it is fair to say that the transformation from road to rail could have been all the more spectacular if the railways had been able to guarantee the same quality of service as road transportation. Another key aspect in switching over from road to rail is the purchase price level generated by the Railways, which is of paramount importance in penetrating new market segments such as groupage or reefer transportation. Rail currently holds a 6% share in the UK freight market, but it is believed that, in the long term, rail transportation could increase its share to as much as 20% of the market, EWS, the new owner of most of the recently privatised rail freight divisions of British Rail is confident that with the right investment and determination to respond to manufacturers' and shippers' needs, rail could represent a significant share in the UK freight transport market in the medium term.

Contrary to the recent trend in the UK and Europe, EWS plans to reintroduce wagon load and part wagon load services, thus providing seamless logistics services including warehousing and just-in-time services. EWS will have access to international markets through the Channel Tunnel, once they acquire Railfreight Distribution. However, the task of developing intermodal traffic through the Tunnel will prove financially difficult in the sense that the potential high volume of short distance movements to Germany, France and Belgium to be captured, will be hindered as a result of the high access cost involved.

It can be said that, from a financial point of view, Channel Tunnel freight has not yet proved successful. This is partly due to the conditions of contract between British Rail, the SNCF and Eurotunnel which were fixed in 1987, long before today's cross-Channel price war came about. Even when the Tunnel fire of November 1996 led to the temporary cessation of Eurotunnel's HGV (Heavy Goods Vehicles) shuttle service, the ferry companies, including the French state-owned company Sea France, were still doing battle with each other for market share. Another reason for Channel Tunnel freight's lack of financial success has been the high overall cost which has resulted in the market endeavouring to maximise its own income at the expense of rail's overall share in the freight transport market.

The development of Channel Tunnel traffic, which has already proved considerable, will move even further forward once the various parties involved in the chain agree upon a solution to the various problems mentioned. Lobbying groups and providers of rail freight services have called upon the UK government to increase the number of train operators which are allowed to provide services through the Channel Tunnel in order to encourage a more competitive pricing regime. It is believed that open access for other operators, either based in the UK or continental Europe, is the key to traffic growth as a result of more competitive rail freight rates for the user. This debate illustrates the complexity of issues faced by an industry currently undergoing complete change.





TRW ON THE MOVE



LUC MIKOLAJCZAK

Chief Executive of TRW, Brussels

Business is returning in full swing on the traditional mainline corridors of international combined transport after a period of only modest growth in 1996. The upwards trend is strengthened by the expansion of trade links between the core regions of the EU and the Central and Eastern European Countries, as well as with other peripheral regions. TRW is committed to support these links by providing highly competitive products together with road hauliers dedicated to combined transport.

TRW regards Scandinavia and the Iberian Peninsula as key growth areas and is therefore developing high-quality services to connect these markets, not only with Belgium, but also with other EU member countries.

Furthermore, the development of further services will benefit from new applications of the "Gateway" concept (consolidation of freight flows). In order to maximise traffic flows, TRW is expanding its Brussels-based COR-TAX system (centre for the concentration and redistribution of flows on traffic axes) in close co-operation with transshipment centres in Cologne, Barcelona, Irun, Turin and Novara CIM.

Apart from its consolidation effect, the system has enabled the development of regular time-tables integrating a number of terminals which previously failed to generate sufficient traffic to support the assembly of block train services or, better still, shuttle services.

A daily fast connection between Belgium and the Netherlands opens up a range of new links in the Dutch market provided by Trailstar's reliable services.

A similar service developed by TRW in conjunction with Novatrans, Cemat and Combiberia is a triangular connection which links Belgium, Italy, Spain and Portugal through a hub in the Lyon area. The network position of the Vénissieux terminal is reinforced by the introduction of a direct service to Italy. This innovative

concept allows transport companies to achieve major logistic improvements in three major European industrial regions.

Recognising the benefits of this type of system, the railway companies SNCB (Belgium), SNCF (France) and CFL (Luxembourg) are developing their first promising Freeway project with a terminal junction at Sibelin in the Lyon area.

In parallel to the triangle concept, TRW is introducing a new A/B-type overnight service between Antwerp and Perpignan.

While connections to Spain along the Atlantic coast were maintained, special attention was given to develop the Mediterranean route to Barcelona, Granollers and Taragone with the introduction of new services in June 1997. In future, several other destinations in Spain will

be covered according to a bilateral agreement with Renfe (Spanish railways).

The remarkable economic upturn of the Iberian Peninsula has added to the urgency to find a solution to the problems of different track gauges and regular bottlenecks at Port Bou and Irun. The Spanish government and the EU need to give absolute priority to the solution of these problems. The traditional Spanish infrastructure constraints present a real barrier to further economic growth. The Spanish railway company has just begun with the extension of facilities in Irun. The terminal in Hendaye is to be modernised in the next few years.

Since the first trials to Portugal have been very encouraging a new service is planned three times a week. In addition, the joint initiatives of Skan Kombi, Kombiverkehr and TRW are expected to generate considerable traffic volume on the Scandinavian axis. These new services demonstrate the efficiency of the UIRR network in which the partner companies contribute to the establishment of international links with their experience and expertise in providing services in their respective national markets.

To support its expansion strategy, TRW has developed a new computer-based logistics system, IRIS (Intermodal Rail Information System), which greatly facilitates the co-operation with the company's clients, suppliers and its partners within the UIRR. The possibility to interact with the system from a Unix or Oracle environment opens the door to a multitude of applications reaching well into the 21st century.

The co-operation of all parties involved in the combined transport chain is of fundamental importance to the design of rolling stock as well to the development of efficient telematics systems. At the same time, efforts to increase productivity at transshipment terminals and the development of new forms of railway traction need to be maintained.

Fully committed to this co-operation, TRW, "The Right Winning team", continues its path to future expansion with the best strategies to meet the challenges of a changing market.





POLKOMBI ON THE MOVE



GRZEGORZ KACZANOWSKI

President of Polkombi, Warsaw

As with all former communist countries, Poland was hit hard by the collapse of the Comecon trading bloc, and the massive economic dislocation which ensued. When the first Solidarity government took over the reins it chose painful economic reform measures consisting chiefly of price liberalisation and privatisation, underpinned by a fixed exchange rate and tough tax-based incomes policy. The Polish people, who are well known for their strong entrepreneurial streak, grasped the nettle and the country started to get back on its feet in 1992, the year Polkombi was founded.

Poland's economy has grown at an impressive rate and is now among the healthiest in central Europe with its GDP rising beyond 5% every year. It was quickly realised that good national and transnational transport networks are fundamental to the successful transformation of the Polish economy and, by extension, to political and economic integration with the EU, the major goal of its pre-accession strategy. Although this complicated process is not yet finished the first results can be noticed. A number of international transport links are continuously opening up, new transport systems and techniques are being introduced, the scope of complementary services rendered is being systematically enlarged and laws, standards and practices are in the process of being harmonised with those in the EU.

Taking advantage of its favourable geographic location and infrastructural basis the Polish transport system has the chance of becoming an important logistic platform in Europe. The upgrading of the transport sector will definitely lead to a fast implementation of combined transport technologies. Although this kind of transport technique is still in a preliminary stage the first results look promising also thanks to the support and interest of the Polish authorities.

The reorganisation of the Polish State Railway (PKP) with its structural and infrastructural changes involves a lot of problems for combined transport operators that have to be solved in the very near future. In 1996 PKP, the third largest freight railway in Europe after Ukraine and Germany transported about 218 mio tons of cargo (source: UIC-statistics). Seventeen terminals are used for the handling of combined transports. Mainly containers are being carried but also swap-bodies (7-8%) and semi-trailers (3-4%).

The railways have to adjust to market requirements in order to be more competitive, offering among others express services, just-in-time transports, transports of dangerous goods and refrigerated food products, logistic services (storage, warehousing, transport to/and from terminal etc.) and block train connections.

International traffic such as West-East and North-South transit are predominant. Today the share of combined transport in domestic traffic is not significant but this situation is beginning to change gradually. Domestic connections from Gdynia to Poznan, Gliwice, Wrocław and Warsaw have been started. In 1996 high-cube container transports between Poland and Austria have been introduced. The Rolling-Motorway system is currently being tested in transports from Poland to other Eastern Europe countries. In the near future



Polkombi is going to develop a co-operation with Russia, Lithuania and Belarus by taking over road carriages from them. However such activities need the relevant infrastructure enabling the efficient handling of transport in this region, i.e. new terminals and modern warehouses.

The smooth operation of combined transport is mainly dependent on a high level of technical standards, an extensive network of well equipped terminals, a sufficient rail network infrastructure including the codification of lines and of course specialised wagons and transshipment equipment. Another problem that needs to be solved is the fair competition of transport modes. Transport pricing needs to be made more efficient since there is a significant mismatch between the prices paid by individual transport users and the cost of many journeys. Certain costs such as those associated with environmental pollution, accidents and excess traffic, are covered only partly, if at all, whilst others, such as infrastructure costs, are allocated in a great variety of ways. For the time being rail transport includes in its costs over 40% of expenses related to the used rail infrastructure, while road transport covers only 12-13% of its expenses.

For combined transport in Poland the creation of proper framework conditions is quite urgent. Some favourable measures have already been introduced for example licence-free terminal traction, special loans for the purchase of rolling stock backed by the government, reduced taxes and tolls, exemption of heavy road vehicles in combined transport from driving ban on weekends and holidays.

There are still some major challenges ahead for the further development of combined transport in Poland. This is being encouraged though by a number of transport companies, the transport industry as well as the Ministry of Transport. With economic success and the planned accession to the EU ever closer at hand, it looks like being in a position to resume its place in the centre of Europe.



COMMUNICATION ON THE MOVE



MARTIN BURKHARDT

Deputy Director General of UIRR, Brussels

Progress in European integration is promoting international labour division and causing the gradual disappearance of domestic markets. Industry and trade increasingly demand total distribution solutions from a single service provider rather than buying separate transport services from different operators. Many transport businesses have followed this trend and today offer their clients comprehensive logistics packages. Not all services, however, can be supplied on an own-account basis. Labour division and decentralisation have equally had an impact on the transport sector. Total logistics solutions in the form of integrated door-to-door services are often a combination of specialised products provided by professional partners, such as the UIRR companies.

In parallel to the creation of integrated transport chains by forwarders, combined transport operators and railway companies, in which every partner company focuses on its core business, a reliable information chain has to be established. In the case of unimodal road haulage, distribution companies are able to organise the information flow on their own account. In the case of combined transport, however, logistics providers expect operators to establish a seamless terminal to terminal information chain from the entire rail leg. This implies an efficient, co-ordinated interface management of road, rail and terminal operators.

The development of communication services is organised on two levels: decentralised through the regional connection between the clients and «their» combined transport operator and centralised through the creation of an international network. In order to guarantee a smooth data flow between the member companies various new data sets and codes have been established during the last few years. Agreements have been reached on transmission times and formats. The UIRR's aim is to promote European harmonisation, which cov-

ers all aspects from technical standardisation to the agreement of quality standards.

The development of information systems plays a key role in the operators' pledge to provide competitive services: costs need to be reduced while the quality of service needs to be improved. One example is a faster handling at terminals through advanced booking in the agencies.

The efficiency of a system depends on its range of functions, accessibility and speed as well as on its compatibility with client systems. Electronic bookings, status reports and the telecommunication of invoices have to provide a higher quality of service than traditional methods, such as fax or personal messages over the telephone.

In order to consolidate and make available all communications between headquarters, agencies and partner operators, a company's entire activities have to be oriented towards the use

of information systems. This also requires a high level of discipline from all employees.

All UIRR companies have expanded their data systems over the last few years. Some companies are focusing their links to clients on the Internet. Easy to use and access, the Net is undoubtedly becoming the main global communication system. Current capacity constraints and transmission problems, as well as security questions, should in future be resolved through denser satellite and fibre-optic networks.

On its Web site <http://www.uirr.com> the UIRR liaison office in Brussels provides up-to-date information on combined transport with an emphasis on research and transport policy. The member companies provide information in a separate section. In the context of an EU-funded PACT programme, CTL and Novatrans have developed the necessary hardware to exchange traffic and client-specific data via their respective servers. The Internet has a particular advantage: it is relatively easy to design an interactive interface and to reach a large circle of potential partners.

The companies, Cemat, Hupac and Kombiverkehr have taken a different route with their CESAR-project (Co-operative European System for Advanced Information Redistribution), supported by the EU-Commission and the Swiss federal department for research and education. Since all three companies already have efficient and expanding links to primarily large clients, the aim is to demonstrate that decentral systems can be virtually interconnected to one central system. European standards for client interfaces in combined transport are being developed under the project-leadership of the UIRR in Brussels, and with support of the SGKV (Studiengesellschaft für Kombinierten Verkehr) in Frankfurt. The Internet is being examined as one of several options for data transmission. The aim is to establish an on-line data transfer which allows partners in the transport chain to achieve a high level of automatic data processing. Thus, information technology is used to increase the productivity of services to the benefit of combined transport users.

UIRR on the Internet

<http://www.uirr.com>

What's behind ?

- Focus on Combined Transport
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- Press Releases
- Current Issues
- Links to our Members

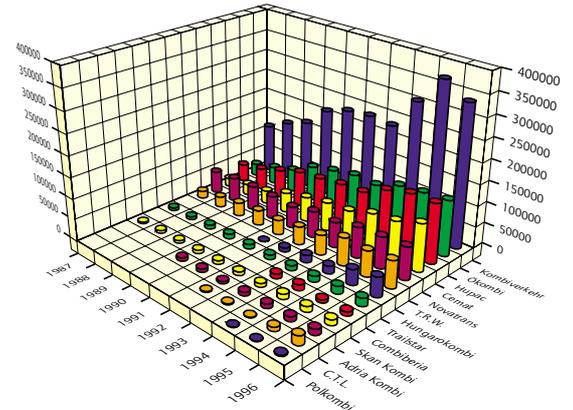


TRENDS

INTERNATIONAL TRAFFIC

In 1996, the UIRR companies shifted for the first time ever a record level of more than 1 million consignments from road to rail. Traffic volume increased by 8% to 1,05 million consignments (about 2,5 TEUs). Impressive results were once again achieved in traffic to and from Eastern Europe, handled by the companies Adria Kombi, Hungarokombi and the "new entrant" Polkombi. For the first time this year, Bohemiakombi appears as an independent company in the statistics. Cemate and Combiberia were especially successful in attracting new business. Also in the second year after the opening of the Channel Tunnel, CTL once again achieved rapid growth in traffic to and from the UK.

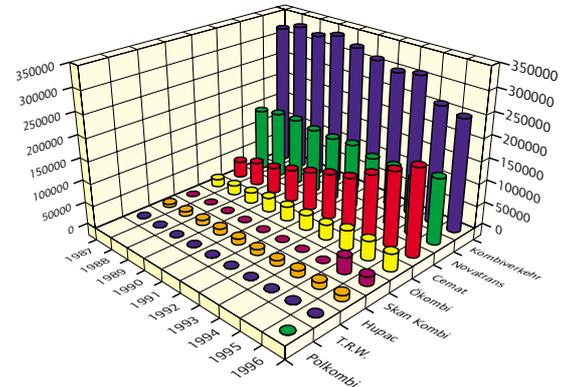
Company *	Consignments 1996 **	+/- in %
Kombiverkehr ****	335.568	5 %
Hupac	142.198	0,2 %
Ökombi ****	132.561	7 %
Cemat ****	113.202	20 %
Novatrans	77.898	3 %
T.R.W. ****	65.524	6 %
Bohemiakombi	53.224	-2 %
Hungarokombi ****	47.099	27 %
C.T.L.	22.094	132 %
Trailstar	19.265	5 %
Adria Kombi	13.774	24 %
Skani Kombi	13.066	-1 %
Combiberia	9.551	30 %
Polkombi	2.842	112 %
Total	1.047.866	8 %



NATIONAL TRAFFIC

The increase in national traffic is a welcome change to the decline experienced in the previous year. However, the development over the last 10 years has shown that only long-distance services, for example in Italy, have significant growth potential. In several smaller countries, UIRR-companies have decided not to offer national services due to the short distances. In Scandinavia, the backward shift from rail to road is a direct consequence of new railway policies.

Company *	Consignments 1996 **	+/- in %
Kombiverkehr	250.300	-4 %
Cemat	193.798	16 %
Novatrans	146.602	18 %
Ökombi	38.608	-10 %
Skani Kombi	19.928	-45 %
Hupac	13.015	-7 %
T.R.W.	955	41 %
Polkombi	184	- %
Total	663.390	3 %



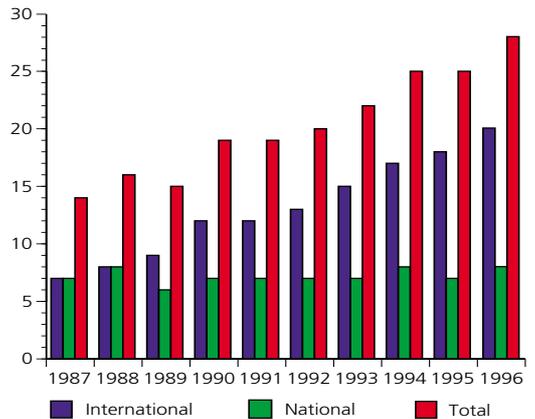
* In order to avoid double counting, these statistics only include the export consignments of the UIRR companies.
 ** In the UIRR statistics, a consignment is the equivalent of an average road transport (= +/- 2,3 TEU).
 *** Since the beginning of 1994, only Channel Tunnel traffic has been taken into account.
 **** For 1996 without traffic to/from Bohemiakombi

TOTAL TRAFFIC

The realisation of the European internal market has clearly had an impact upon UIRR services in which international transport dominates with a share of 60% of total traffic. The average distances have converged to a large extent: 660 km in national traffic and 760 km in international traffic. This trend is the result of two specific developments: on the one hand, long-distance domestic traffic that has increased in Italy and, on the other hand, the growth of international Rolling Motorway services over short and medium distances to cater for road vehicles which are not adapted to transport by rail.

NATIONAL (NAT.) AND INTERNATIONAL (INT.) TRAFFIC IN BILLION TKM.

Year	Int.	Nat.	Total
1987	7	7	14
1988	8	8	16
1989	9	6	15
1990	12	7	19
1991	12	7	19
1992	13	7	20
1993	15	7	22
1994	17	8	25
1995	18	7	25
1996	20	8	28

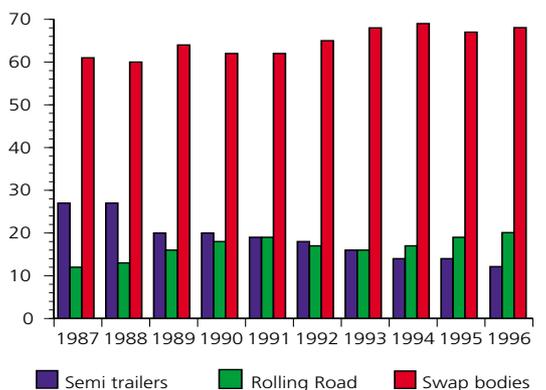


TECHNIQUES

The share of swapbodies and containers grew faster than transport by semi-trailers and now accounts for 68% of all UIRR traffic. While the long-term trend towards swapbodies remains unbroken, some major shifts in traffic to Rolling Motorway shuttles, explain the rise in the relative share of this technique. Combined transport by semi-trailers decreased accordingly. In terms of tonne-kilometres, this effect is less marked because semi-trailers are used mainly for long distances in international traffic.

PROPORTION OF PIGGYBACK SYSTEMS AS A PERCENTAGE OF TOTAL TRAFFIC

Year	Semi trailers	Rolling Road	Swap bodies
1987	27%	12%	61%
1988	27%	13%	60%
1989	20%	16%	64%
1990	20%	18%	62%
1991	19%	19%	62%
1992	18%	17%	65%
1993	16%	16%	68%
1994	14%	17%	69%
1995	14%	19%	67%
1996	12%	20%	68%





COMPANY REPORTS

ADRIA KOMBI, Ljubljana, has competed successfully for maritime traffic in the only Slovenian port of Koper and is as well founding member of the company "Logistic Service Koper". Furthermore, the company offers increasingly popular hinterland container services which complement the shortest transport route between Central Europe and the Far East. Since the opening of the new terminal at Sežana, the Rolling Motorway from Szeged, Hungary, now reaches the Italian border and is experiencing a steady increase in traffic. Following the successful outcome of a tariff conference with the Serbian, Croatian and Slovenian railways, the way to the Balkan will hopefully be opened later this year.

BOHEMIAKOMBI, Prague. Imports have been the main source of traffic growth. Transit traffic between Poland and Italy handled by the Czech UIRR-member grew steadily, while the other unaccompanied services between Germany, Austria and Hungary remained unchanged. As an alternative to road transport, the Rolling Motorway between Dresden and Lovosice offers 10 trains per day in each direction until the new motorway Dresden-Prague is completed. Former delays of 50-70 minutes at the German-Polish border have been reduced to a mere 5 minutes. The RoMo has now been granted second priority immediately after the Euro-city trains. The national railways have been flexible enough to allow additional trains on short notice due to demand.

CEMAT, Milan, continued to develop combined transport nationally as well as internationally, while the Italian economy remained static and the other transport modes reported a drop. The main growth areas are the north-south routes across the Brenner and Gotthard

passes and via Fréjus. Cemat intends to develop new markets with the following projects:

- A fleet of 100 satellite-guided refer swapbodies, partly purchased by clients and partly by Cemat;
- A participation together with Novatrans in the founding of the Romanian combined transport operator Rocombi for the development of traffic in both this country and South-Eastern Europe;
- A development of more personalized customer-oriented services for the industry, to better integrate combined transport into the logistic chain of products.

COMBIBERIA, Madrid, was able to recover the traffic it lost in 1995. Traffic on the core axis Germany-Benelux-Spain expanded considerably in spite of major disruptions due to strikes. The service between London and Barcelona, jointly operated with UIRR-Partner CTL, could maintain its position in the market and therewith pave the way for further increases in the next few years.

CTL, London. The leading operator in combined transport between Britain and the Continent once again enjoyed impressive growth. During the summer of 1997, business had already increased to 60 Channel Tunnel trains per week. Next to France and Spain, Italy remains the most important market with 4 trains each day to Milan, Novara, Melzo and Turin, from where further connections to southern Italy are provided. CTL's business is expected to increase by 50% in 1997, due in part to the introduction of new services to Spain and Austria. CTL has acquired a large fleet of 60-foot tank wagons while further investments were made in Multifret wagons specialised for UK Channel Tunnel traffic.

HUNGAROKOMBI, Budapest. The most promising new services are Hungary-Italy and Hungary-Slovenia/Croatia, which represent key transit routes through Hungary. In addition, a special RoMo is being planned and adapted for wide gage routes in parts of Hungary and Ukraine with the aim of providing services as far as Kiev. As part of its strategy for a long-term expansion of unaccompanied traffic, Hungarokombi is actively encouraging combined transport links in the development of new freight centres. A new joint EDI-project, involving the railways, other operators and the customs authorities is intended to result in a more rapid data exchange. Through data transfer prior to the arrival of consignments, waiting times at borders and terminals can hopefully be cut substantially.

HUPAC, Chiasso. More than 80% of this company's traffic is now carried by shuttle trains. A new terminal in Singen (Germany) was inaugurated in November 1996. Together with Cemat and Trailstar, a service between Rotterdam and Novara was started in March 1997. This «sensational offer» with a transit time of only 30 hours is complemented by a daily shuttle service between Novara CIM and Verona. In order to carry high-volume containers, swaps and semi-trailers, the company has ordered 75 double-wagons of the type «MEGA II» which have recently been put into service. By invitation of Hupac, which is celebrating its 30th anniversary, the autumn Assemblies of the UIRR and INTERUNIT are taking place in Lugano on September 18th. This is followed by a UIRR/Hupac Congress on the topical subject «Intermodality, Freeways and Alpine Transit».





COMPANY REPORTS

KOMBIVERKEHR, Frankfurt. In spite of increasing competition an overall increase in traffic volume was achieved. High growth rates were reached in unaccompanied traffic to and from Eastern Europe, particularly in block train services connecting the northern German ports and in new services to the Czech Republic, which increased by nearly 30%. A real innovation was introduced with a block train service to Romania, which proved successful in the untested market. Kombiverkehr has progressively connected the northern German terminals of Rostock, Hamburg, Bremen and Hannover to the shuttle network in order to develop further market potentials for high-quality trans-Alpine trains together with its UIRR partners. The company introduced its first own container wagons and a newly designed fleet of pocket wagons capable of carrying high-volume semi-trailers on the Cologne-Verona route since summer 1997.

NOVATRANS, Paris, boast with impressive growth rates in national traffic amounting to some 270 trains per week. The main national traffic volume is concentrated on the North-South axis and in the Rhone valley. The French government's policy since 1995 to increase the competitiveness of combined transport has contributed significantly to the results of 1996. Together with Cemat and CTL, Novatrans has recently invested in a fleet of 40 articulated coaches. In addition, the company has adopted an investment plan of FF 70 Million, of which one half is designated to wagons and the other half to terminal-related investments. Railway policy in France is undergoing important changes. For example, railway infrastructure is now in the hands of the newly established RFF (Reseau Ferré de France) whose board of directors includes the president of Novatrans.

ÖKOMBI, Vienna. Despite difficult market conditions, the company achieved its goal of increasing traffic volume and establishing its position in the market. More than other UIRR-companies, the Austrian UIRR-member, with its 360 limited partners, has the character of a co-operative of combined transport users. Substantial investment was recently made in the upgrading of the company's information system. This modern data system now connects Ökombi through the Internet and by ISDN with all Austrian terminals and customs agencies, the other UIRR partners and with the national and foreign railways. The company's headquarters were moved to a new building in the Vienna Nordbahnhof in 1996.

POLKOMBI, Warsaw. 1996 was a fortunate year in all respects. A major public relations initiative in conjunction with the UIRR General Assembly in Warsaw and the support of the Polish transport ministry were instrumental in the launching of a new service to Germany which experienced rapid traffic growth. The company's links to Italy operated together with Cemat also developed successfully. Due to increasing demand and its commitment to service, Polkombi will open its own customs agency in Gliwice at the end of 1997. On the operational side, more investments in better terminal equipment, in particular mobile cranes are planned.

SKANKOMBI, Padborg, is afraid that combined transport users will have to face a reduction of transport links as a result of a change in railway policy. Traffic is increasingly being consolidated in block trains and shuttle services on major corridors. In future, the co-ordination of freight flows among Scandinavian operators will become even more important than in previous years. The

turbulent developments of 1996 caused a 10% decline in traffic to and from Denmark. The Great Belt crossing, which was opened for rail traffic on June 1, represents the first important step towards a fixed link between Scandinavia and the Continent. The next step will be the Öresund link, which will connect Denmark and Sweden from the beginning of the year 2000.

TRAILSTAR, Rotterdam. While traffic in 1996 increased by 5%, further rapid growth occurred at the beginning of 1997 as a result of a new shuttle connection between Born (southern Netherlands) and Italy. The costs of rail traction have increased further, yet the service of the railways has deteriorated, in particular due to strikes and capacity constraints. The Dutch transport association has selected Trailstar as combined transport partner in the development of four new European shuttle train projects. In co-operation with C.S. Eurotrans, Trailstar introduced at the beginning of June 1997 a new direct shuttle service between Rotterdam and Bratislava.

TRW, Brussels, achieved positive results in 1996. Services to Italy, which represent the company's by far most important business sector, were complemented by a new shuttle connection between Genk and Novara. In addition, a new service to Portugal was established between Antwerp and the Portuguese ports. Unfortunately, too frequent railway strikes affected the credibility of combined transport. The new information programme (Intermodal Rail Information System) IRIS, which was introduced in January 1997, has contributed to considerable improvements in the exchange of data with customers, in the efficient use of capacities, as well as in booking and accounting.





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