International Union of Combined Road-Rail Transport Companies

UIRR Report 1995

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FOREWORD

Werner Külper,
Chairman of the UIRR

Combined transport experienced considerable growth in 1994 and one can only be thoroughly delighted with this state of affairs. During the past year, which was marred by a certain degree of stagnation, the combined transport companies prepared themselves for renewed growth at the commercial, operating and organizational levels. They were thus able to take advantage of the economic recovery in order to improve their performance levels. Development in combined transport is again most impressive in Italy, where the strategy of co-operation between the national railways and the combined transport company Cemat, which has been prevailing for several years, has seen remarkable progress, both nationally and internationally.

When set against political incumbents' very high expectations for transfer of transport to the railway network, these excellent results are not, however, entirely satisfactory. An urgent and sustained commitment is needed to ensure long-term growth. Combined transport relies on co-operation between the railways and the road network, on operators' services and on the national railways, as well as the transport policy's framework conditions which must ensure healthy competition between the various means of transport.

This co-operation has been very effective since the creation in 17 European countries of neutral combined transport companies, with which thousands of road haulage companies are directly associated, together with an even greater number involved via their federations. The International Union of Combined Road/Rail Transport Companies (UIRR) is currently helping in the creation of new companies in Bulgaria, Romania and the Czech Republic. These neutral operators ensure non-discriminatory access to combined transport by all road haulage companies.

This co-operation was further strengthened by the joint declaration signed in Brussels by the International Road Transport Union (IRU) and the International Union of Combined Road/Rail Transport Companies (IURR) on May 4, 1995. The two federations will from now on discuss matters concerning enhanced promotion of combined transport more closely. In order to reach higher levels of services, transport volumes will have to be considerably larger. Thanks to improved demand for combined transport, the two federations hope to be able to transfer more traffic in a profitable manner to the railway network also for average distances of between 250 and 500 kms. Combined transport trains have to be loaded and the costs reduced in such a way that traction prices are competitive with those for a truck while on the other hand allowing the national railways to cover their costs.

Co-operation with national railways which have embarked on privatization has entered a delicate phase. In several countries, direct sales of the railways has questioned the successful co-operation between the railways and road haulage companies. As long as rail operators work in a competition-free context among themselves, their dual role of exclusive supplier of traction and competitor with the UIRR companies will continue to pose a problem. The railways and the UIRR are concerned with the development of a code of conduct which would provide their partnership with a new basis. In conjunction with this, the railways are in the throes of defining their own rules of collaboration in the field of international combined transport and their relationship with the operators, by means of so-called 'fiches UIC'.

Where this could result in greater transparency, the initial projects however indicate the Networks' desire though to consolidate their long-standing national organisational structures.

Austrian membership of the European Union at the beginning of the year clearly showed the extent to which the development of combined transport is linked to transport policies. Transit taxes in that country were reduced to be in line with Community taxes, which resulted in road transport becoming considerably cheaper compared to combined transport. The number of inspections has been reduced, whether this relates to compliance with social prescriptions or vehicles' technical specifications. In addition, a number of combined transport consignments are now subject to V.A.T, although this does not apply to all-road transport. The results of Austrian membership : a return to road transport on certain routes ! It is hoped that the European Union, instead of attempting to impose its transport policy on Alpine countries, will draw the appropriate lessons from this situation and will endeavour, after liberalization, to make progress with the very difficult matter of European integration. Subsidies may be done away with as soon as the right conditions for healthy competition between different means of transport have been put into place.

Only a concerted effort by road hauliers, operators, railways and those in charge of transport policies will ensure the growth needed in the long term by combined transport to make a substantial contribution towards solving transport problems.

Werner Külper, Chairman of the UIRR

THE ROLE of the authorities

The same may be said of an industrial undertaking as for sports events. The attraction resides in the opportunities offered to those participating. If there is no element of individual or group interest, there is no real desire to be enterprising and even less to abide by certain rules and obligations.

Rudy Colle, Director general of the UIRR

This precept would all the more apply to the transport sector as its collective finality highlighted in a recent White Paper of the Commission and which is to contribute to general economic progress by ensuring sustained mobility of people and goods, would be coupled with an unequivocal prospect of material success and expansion for the actors involved.

Enthusiastic entrepreneurship and desire to achieve the best level of efficiency is at best achieved when a context of fair and equal opportunities prevails. It is the role of the public authorities to implement healthy conditions for competition and see to it that they are complied with. From a Community viewpoint, they have appropriate tools thereto, with the introduction of competition rules, outlined in the Treaty of Rome and in more recent ancillary texts, whose aim it is to liberalise the rail sector and ensure a balanced development of transport infrastructure.

Time is no longer opportune for repeated diagnoses, but for coherent and decisive action. General transport requirements will certainly not diminish, neither on established intra-Community routes where there is a threat of saturation, nor on those connecting new markets with the Community, where a five-fold increase hat been forecast from now until 2010. A balanced use of all transport modes should therefore be made possible. Without this, road transport - which is certainly highly efficient - will continue to over-expand, and will run into auto-suffocation. The prospects for combined transport are good, since, globally speaking, this form of transport is more environment-friendly and valorises the advantages of each of the modes involved through a remarkable co-operative system.

From the point of view of the infrastructure, the Authorities' most urgent concern in the future must be in the implementation of a trans-European network, which meets, as much as possible, joint political and social objectives, without privileging involvement in prestigious projects or concerning itself with purely regional aspirations.

From an «equal opportunities» viewpoint, a huge number of political declarations have called for fair allocations of costs for each mode of transport. This would privilege those modes and combinations thereof which generate the least amount of nuisance and accidents. However, among recent events, we can only point to the sorry sight of the introduction of a road tax in five Community countries, without the Authorities involved having even considered the obvious possibility of providing firm support to combined transport by exempting road legs.

On the level of the comparative competitivity of the modes of transport too, the Authorities are in a position to play a leading role. The Rail directive 91/440 is clearly in line with this. However, it has to be observed that almost three years after the deadline of its application, this important text for the future of existing rail companies is generally applied at two speeds - great haste when autonomous management is called for and accumulated losses are to be offset, and a great deal of resistance as far as the «infrastructure / operations» separation and free access to the rail network are concerned. In order to forge ahead towards enhanced network performance, the Authorities should be seen to be highly critical of all demands for exemption, which only really aim at re-enforcing existing monopolies. On the contrary, they should encourage by all and any possible means, rail operators who wish to set up services to do so, under their sole commercial authority outside their national territory, or those who wish to modify their technical systems in order to increase inter-operability. As an incentive to internationalization, could the Commission not temporarily relax the strict application of competition rules by authorizing rail companies to agree on reciprocal exclusivity of international services provided jointly between their countries ?

The initial statements by the new European Commissioner for Transport, Mr Neil Kinnock, show him to be a man of action, having an open mind. In this respect, he has our full and unconditional support. There is no doubt that the transport sector's performance will be all the better, since it will focus on healthy, balanced and correctly targeted free enterprise. This philosophy, which is shared by the UIRR companies, has again recently been borne out. It is of course not a coincidence that combined transport carried out by the private operators who have joined up under our banner has achieved last year's highest growth rates.

THE ROLE of the road sector

The role of the road haulage sector in combined transport is still widely perceived on the lines of traditional stereotypes. However, the classic confrontation - a truck on the one hand, and the railways on the other - has for a long time now yielded to a new duality: the conflict of interest between transporters offering a high-quality service, on the one hand, and on the other those who, for different reasons, have not yet embarked on the road to modernization.

Stefan Hofer, Director general of Ökombi

The road haulage sector also has a considerable role to play in the creation of national combined transport companies. Its desire to contribute in an active way to the dynamic development of a highly promising transport technique was not its sole motivation. Indeed, for a number of pioneers in the road haulage industry, the idea was above all to give priority to the very best solution, - at least from their point of view: a combined transport operator whom they could control via their participation, rather than a railway network acting on its own. It is symptomatic to note that certain associates from the road haulage sector hardly ever use combined transport.

This approach still marks the behaviour of the road haulage sector vis-à-vis combined transport. All too often, the interests of an individual or a group take precedence over the economic welfare of combined transport companies. Such behaviour adds to the obstacles encountered by these companies in the realization of their stated purpose. This resistance complicates the introduction of optimum framework conditions and the concretization of the expected results for combined transport.

The situation is further aggravated by the fact that a major part of the activities of combined transport is not directly generated by the associate members themselves. This is why Ökombi had nearly 8,000 customers in 1994, compared with 400 active partners. Even if the associates account for approximately one third of the turnover, and this ratio is not as unbalanced as in other countries, it does illustrate a conflict of interest:

- on the one hand, a group of road haulage companies - active partners or other customers - who contribute with enthusiasm to combined transport and for whom it is important to have the best product and stable framework conditions - if only to enable it to recoup its investment in infrastructure;

- on the other hand, a more conventional group of road hauliers who have either not yet been able or have not yet wanted to move over to combined transport, due to fear of any changes which seem to conflict with their own interests.

Upholding this dogmatic duality is not only detrimental to the environment and to those living in close proximity of transit routes, but is also damaging to responsible, forward-looking road haulage companies and with them the entire structure, especially since unlimited development of road transportation is not possible. Thus, unremitting attempts at the European level, which aim to increase the weight and dimensions of authorized truck consignments, seriously threaten the economic existence of road haulage companies which have invested considerable amounts in vehicles suitable for combined transport. One must not forget that the life expectancy and thus the renewal cycle of rolling-stock is four times more than for a conventional truck.

Each great wave of liberalization in road transportation has resulted in a reduction in combined transport. This was the case in 1991 in the European Community and in 1995 in Austria. It will again happen if we cannot succeed in maintaining existing quotas for road transport to and from Eastern Europe. Indeed, it is the least well-equipped and least well-organized transport companies which benefit most from liberalization, as they make the most of new market opportunities because of rock-bottom prices. In doing so, they force forward-looking companies and those concerned with providing quality service to provide transport at any price. Whenever combined transport experiences a setback, this has been caused by a sharp fall in road transport prices: this should make us pause to consider.

The IUR/IURR joint declaration on the promotion of combined transport proves that attitudes have already changed at the international level. In this statement, the International Union of Road Transport and the Federation of combined transport companies emphasize that "combined transport can make a considerable contribution in the field of goods transportation" and that in future "the possibility must be afforded to a much greater number of road haulage companies to take part in combined transport". Once each and every road haulier has finally accepted this state of facts, a durable link will have been established between the roads and the railways.

THE ROLE of the networks

Intelligent and concrete collaboration must govern the relations between the "piggyback" companies and the rail network in order to offer an innovative, high quality product, since this is one of the most important keys for the development of combined road/rail transport - as borne out by the outstanding results achieved in 1994.

Eugenio Muzio, Director general of Cemat

The innovatory concept deserves highlighting, since in consideration of the technical progress and the operating mechanisms and thanks to the market shares acquired and the types of customers involved, it is possible to refer to combined transport as a real "transport system".

There is a leading role to be played by each of the actors within this system: the role of rail operators is to guarantee fast, punctual, reliable and competitive rail transport through strict management of the trains and, if applicable to them, of the infrastructure; that of the operators is to provide rail companies with organized and concentrated transport volumes which generate the least amount of costs by ensuring the very best, productive utilization of rail transport capacities, both on national and international levels.

Thus, combined transport development strategies should be all the more co-ordinated between the "piggyback" companies and the railway networks as the impact of this transport technique on global rail traffic increases.

In the past, this interaction also found a positive application at the commercial level, in as much as "piggyback" companies always adopted a transparent and neutral stance vis-à-vis supplies to their customers, and the rail networks recognised these companies as the very best market intermediary. They have, in turn, adopted an impartial commercial policy. It is vital that the Networks' transparency and neutrality are maintained.

In view of the fact that combined transport is a system which focuses more on transport intermediaries - i.e. transporters and forwarding agents - than on shippers, a customer supply policy is needed, based on neutrality and impartiality, so as to take account of the market's complexity.

As soon as a transporter or a shipping agent alters the company's organizational structure and agrees to make the necessary investments to adapt the company's activity in line with combined transport - once this has been recognized as being commercially viable, impartial and organized in accordance with market requirements - the transporter or shipping agent becomes the system's foremost ally. This operational and commercial alliance constitutes the founding block and promotes development best.

Rail companies must ensure that this «chain of trust» is not broken and must devote all their efforts to improving the quality of the services and optimizing the organizational structure.

Profound changes have modified the transport market over the past few years. These changes were triggered by two events, which increased both international exchanges and the demand for transport: successive forms of liberalization in a market which has since become unified; the Single Market; and the widening of the operational space, resulting from the opening up of Eastern European markets.

By bringing transport - which it would otherwise miss - to the rail network, combined transport also acts as a technological and operational medium to those companies involved by providing them with a basis on which they can organize their goods handling mechanisms.

Thanks to assistance from "piggyback" companies and the rail Networks, this is a task which combined transport can most certainly handle, as it has done so to date, by constantly improving the levels of performance, competitivity of the service and the creation of new transport products within the limits of its operational capacities.

THE ROLE
of the operators

For more than twenty-five years, the companies involved in organising and marketing combined transport services, which jointly form the International Union of combined Road-Rail transport companies, play a decisive role in the rise of this transport technique.

István Tomcsányi, Director general of Hungarokombi

The increasing number of affiliates of UIRR, now standing at 17, reflects the fact that the competing modes of transport they associate with a common purpose through combined transport recognize their neutrality, sound economic management and necessary professional commitment, and the fact as well that these competing modes of transport encourage the creation of such private entities, through financial involvement, wherever the political environment and market conditions allow so.

In addition to these particularities, an important key to the success encountered by UIRR members resides in the bi-and multilateral cooperation they have developed among themselves.

After the fall of the Iron curtain, it became possible to set up such combined transport operators in several Central and East-European countries, where they largely contribute to the propagation of this promising technology, with the result that one can increasingly speak of a unified Europe in intermodal transport, this going hand in hand with its increasing economic integration.

The Hungarian company Hungarokombi was the first operator, member of the UIRR, to be founded in an ex- Comecon country.

From the very start, Hungarokombi could benefit from all forms of facilitation already developed by longer-standing partners, such as the way to organise the operational interface with the national railway, a coherent tariff system, harmonized general conditions, a single-bundle CIM/UIRR consignment note, all provisions that would enable it to enter the market more resolutely.

The expertise gained by the West in market mechanisms and the relations between railways, operators and clients also have a strong impact whenever new routes to and from Hungary are developed.

The examples of unaccompanied combined transport services between Hungary and Northern Germany launched together with Kombiverkehr and the Rolling Motorway between Hungary and Austria developed in collaboration with Ökombi have shown the many advantages to be gained from the willingness of long-established UIRR-members to openly share their technology with newer partners so as to jointly provide the best possible service to the benefit of all parties involved.

The new member company also offers advantages to Western partners, namely its knowledge of a promising new market, its good relationship with the local Railway company and the Authorities. It is also in Western Europe's interest that increasing shares of freight traffic to and from Central / Eastern Europe be handled via a compatible logistic system.

The example of Hungarokombi and others that came afterwards should prompt to set up further new operators with the road accent and working rules proper to UIRR.

In the cooperation prevailing within UIRR, members' efforts are not a one-way street. New members must endeavour to reach as soon as possible the most advanced service and management standards, taking their specific needs and means into account.

This cannot but be an uninterrupted process if one is to achieve the goal of setting up a combined transport system which is increasingly competitive vis-à-vis road haulage. By way of example, Hungarokombi is currently developing a computerised data processing and information exchange system which will mesh with that of its UIRR partners. One of the system's tasks, namely the close monitoring and tracing of consignments, should help to promote unaccompanied transport which is reputedly the most economical form of combined transport in the long run.

It is rewarding to observe that internal cooperation at UIRR does not only benefit member companies and their customers. By providing a reliable and economical form of transport, this cooperation also offers a better future to areas of production of goods that are remote from consumer centres, thereby boosting the welfare of economically less fortunate regions.

In other respects, the success met by combined transport also benefits the infrastructure when it induces the managers concerned to improve capacity levels of their facilities, so as to guarantee continued expansion which is the best vehicle for their financing.

Multilateral cooperation helps to establish a remarkably solid and effective bridge between companies and countries of different sizes, levels of development or location, and to bring the four corners of Europe closer together in one and the same burst of progress.

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ADRIA KOMBI, Ljubljana, has recorded good progress thanks to tax incentives and an effective market policy among other things. Unaccompanied traffic between Slovenia and Germany has developed particularly well. This has enabled Adria Kombi to envisage organizing a complete combined transport train on this route, that would in a later stage be extended to the Scandinavian, Dutch, Belgian and British markets. Slovenia now has a dense network of terminals fully adapted to all types of goods transfer techniques.

CEMAT, Milan, owes 60 % of its entire volume, which has grown considerably, to the shuttle trains introduced in 1991. It set up 4 new terminals and presses on with gaining new markets (fresh produce, etc.). After its successful introduction in Busto, in conjunction with Hupac, the Gateway concept was also adopted in Turin. This concept is particularly well suited for the non-sorting operations of short shuttle-trains. Cemat has set up its own R & D division and has invested in swap bodies and special wagons.

COMBIBERIA, Madrid, has continued to consolidate its market position on the Iberian Peninsula as a result of increased traffic, which is mainly due to the Tarragona-Granollers/Mannheim-Cologne train. Similarly, three-weekly runs between Zaragoza-Pamplona-Irun and Mannheim-Cologne have been launched. This represents the de facto opening of the Atlantic space in Iberian Peninsula-Germany connections. By contrast, however, the opening of the Channel Tunnel has increased competition to and from Great Britain and deflected some previously acquired traffic. The company continues to keep a close watch on reductions in expansion-related profit margins, necessary to offset latent deficiencies in rail services.

CTL, London, has in close collaboration with other UIRR companies concentrated its activities on combined transport via the Channel Tunnel, since this route is available. It already handles 32 trains a week on the England-Italy route, in collaboration with Novatrans-Italia and Cemat. This places the company at the forefront of the Italian goods transport market, due to its competitive prices and very rapid routes. The other main links from the 5 English terminals cover France and Austria. Moreover, C.T.L. continues to provide traditional ferry services via Le Havre, Zeebrugge, Antwerp and Rotterdam.

HUNGAROKOMBI, Budapest, has recorded only fairly modest growth. While the volume of unaccompanied goods has progressed well, the “Rolling Motorway” has fallen behind, as a result of the increasing number of transit licenses. By the end of the year, a second “Rolling Motorway” was opened on the Sopron-Wels connection, with services reaching 4 departures per day after just five months. Hungarokombi is now also present at the Budapest-Josefvaros terminal and has invested in the Raaberbahn terminal in Sopron. It is currently in the process of establishing links with Romania, Bulgaria and the Ukraine.

HUPAC, Chiasso, recorded a considerably higher growth rate in trans-alpine traffic than road transportation did. This spectacular development is due to the opening of the rail transit corridor at the beginning of this year and to the improved infrastructure and operating techniques on the Gotthard line. This allows for the use of longer and more economical trains with capacities of up to 1,600 tonnes. Newly constructed or enlarged terminals and a policy favouring full-length combined transport trains have also been instrumental in this success. Hupac has reacted to this upward trend by purchasing 60 “mega” wagons and 100 pocket wagons. A multilingual computer programme enables direct information exchange with customers.

KOMBIVERKEHR, Frankfurt, recorded its best results since its start-up some 25 years ago. The increased level of full-length combined transport trains to European economic centres has met with resounding success. The extension of high-quality rail links to Eastern European countries were an integral part of this policy. The major terminal Duisburg has recently made it possible to link to London and Birmingham via the

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Channel tunnel. In addition to trans-alpine transit traffic, the new "Rolling Motorway" between Dresden and Lovosice, in the Czech Republic, has turned out to be a high-growth point.

NOVATRANS,

Paris, owes its growth again to international traffic. However, subsidies provided by the French Public Authorities, which aim to improve and/or stimulate supply via technical and tariff improvements, has also led to recovery in national traffic. The bi-modal Kombirail technique was tested between Paris and Bordeaux and interesting developments are expected from the new services connecting Marseille, Avignon and Lyon to Belgium and Holland. Novatrans has purchased swap bodies and lifting equipment for potential customers wishing to become acquainted with this technique.

ÖKOMBI,

Vienna, has recorded good progress which provides the company with an excellent basis for future growth of its activities after Austrian membership of the European Union. The upward swing can be explained by economic recovery and the company's efforts in the field of rationalization and cost control. International transport is of vital importance. Despite the decline of the traditional "Rolling Motorways", such as Wels-Mainz, Ökombi has launched services on the Wels-Sopron Rolling Motorway in conjunction with Hungarokombi. The Austrian railways' lack of transparency has resulted in tense relations with Ökombi.

POLKOMBI,

Warsaw, has been able to consolidate its financial position after only two years of activity. The traffic to and from Italy has developed particularly well and the offer of services could be expanded to other routes. A complete combined transport train is planned for Germany, together with a new link to Austria and Hungary and other national routes from Polish ports to important business centres. Investments in new goods handling installations and pocket-wagons need to be made.

SKAN KOMBI,

Padborg. After the Danish company Kombi Dan and the Swedish firm Swe-Kombi, it is now Norway's Kombi Nor's turn to start up activities despite difficult geographic and topographic conditions. It is to be hoped that the 3 Scandinavian railway companies can achieve a level of cooperation which is comparable to that of the three UIRR companies. Skan Kombi's most important route are the connections to Italy. Awaiting the fixed link between Sweden and the Continent, in which Skan Kombi lays great hopes, considerable improvement is already foreseen as a result of the first fixed Grand Belt connection, planned for 1996.

TRAILSTAR,

Rotterdam, was able to increase its traffic volume by converting to shuttle trains and complete combined transport trains. A shuttle service between Rotterdam and Busto Arizio was set up in conjunction with Hupac and one with Cemat between Rotterdam and Verona. The quality of the service has further been improved by transferring its business activities from the Rotterdam North terminal to Rotterdam RSC and Maasvlakte. Traffic flow has been developed to Spain, in collaboration with TRW, Novatrans and Combiberia. As for the Eastern-bloc countries, Trailstar is trying to organize traffic via the Munich turntable.

TRW,

Brussels, recorded very good results throughout the year, due to structural developments which more than offset customers lost via Zeebrugge and the impact of tariff increases imposed by the Railways. Its main areas of activity are Italy, Switzerland, then Spain and France. Transport to new destinations - Scandinavia and Central Europe - has continued to develop favourably. TRW has opened a new terminal in Genk. Due to the saturation of the "Hub-and-spoke" system, by which seven terminals routed their goods to the Schaarbeek junction, TRW intends to embark on a new development phase based on shuttle-trains and has thus recently acquired 98 additional freight cars.

NEWS

JOINT DECLARATION IRU/UIRR

The International Road Transport Union (IRU) and the UIRR signed a Joint Declaration on the promotion of combined Rail/Road transport in Europe on 4th May 1995. This Declaration includes a firm commitment to cooperate more closely. This was announced at a press conference attended by several personalities, among whom were influential politicians from the European Union and the CEMT, together with leading people of the international Rail and Road sectors. The common objective is to ensure the establishment of the requisites for viable combined transport services. To this end, the two Unions expect to discuss strategies on a regular basis and to create a joint working group.

BOHEMIAKOMBI'S START-UP

From the beginning of this year, the Czech Republic also has in «BOHEMIAKOMBI» an independent national combined Rail-Road Services company. This developed from the KOMBIVERKEHR CS, which was up to then a local branch of KOMBIVERKEHR. The general management of this undertaking lies with Jiri Chroust and Erhard Herrstrom. In addition to KOMBIVERKEHR, which initiated the establishment of this company, associates include the Czech Railways, Road Transport organizations and ÖKOMBI. The most important service is the rail link for sea container traffic operating between Melnik (Prague) and German ports. Other links are to Austria and Italy. The UIRR wishes BOHEMIAKOMBI great success, and hopes to count this organisation as one of its members soon.

PEOPLE ON THE MOVE

Mag Ireneusz Skwarek is the new Chairman of POLKOMBI. Mr. Skwarek acquired extensive experience in transport issues through his former business activities with the Polish Network and «Polnische Spedition», where his position was Director of Marketing.

STRATEGIES FOR THE COMBINED TRANSPORT SERVICES WITH SOUTH-EASTERN EUROPE

A strategic concept was developed this year by ADRIAKOMBI, CEMAT, HUNGAROKOMBI, KOMBIVERKEHR, KOMBIVERKEHR CS (now known as BOHEMIAKOMBI) and ÖKOMBI. This involved the publication of a brochure providing the most appropriate response to the growing demands resulting from the opening up of Eastern Europe. This has benefited road traffic first and foremost, because of totally inadequate regulatory provisions and local techniques. To give combined transport the place it so rightly deserves in this context, UIRR companies are developing new or complementary services to and from the south and the east of Europe linked to the existing network in the north and west of Europe and are setting up operators in these countries based on their own proved concept. As a consequence, traffic to the Czech Republic, Slovakia and Hungary has been increased and other links have been opened up recently to Greece. Rumania and Bulgaria are still at the planning stage.

Signing of the Joint Declaration IRU/UIRR

SHARES

Bulgaria: the Bulgarian combined Rail-Road company, BULKOMBI, started up business again after a two-year interruption resulting from the UN embargo on the former Yugoslavia and internal problems. Besides the initial founders CEMAT and Bulgarian companies, two other members of the UIRR have bought shares in BULKOMBI, with ÖKOMBI having 7% and HUNGAROKOMBI 4%. The main objective of the company is the installation of a national terminal with full-time access and the setting up of a «Rolling Motorway» service on the Bulgaria-Rumania-Hungary-Austria link.

Belgium: NOVATRANS and CEMAT have each increased their shares in TRW, now reaching 10%, by buying back shares held by the Belgian group Mondia. This step can only consolidate these companies vis-à-vis the Belgian-French-Italian connections.

TERMINALS AND LINKS

Norway: The first uninterrupted link from Norway to Italy via Kristiansund/Hirtshals commenced at the beginning of June 1995.

The Netherlands/Italy: TRAILSTAR and CEMAT have created a European precedent by reserving a part of their new Rotterdam-Verona shuttle train for sea containers, thus combining in one service the two principal intermodal «families».

Great Britain: CTL is preparing to increase its services by connections via the tunnel to Germany and Spain; one train to Barcelona-Valencia is already foreseen for before the end of 1995.

TECHNIQUES

Emphasizing their interest in technical progress:

- HUNGAROKOMBI has given full support to the recent presentation in Budapest of a «basket-module» which allows the transfer of non-cranable semi-trailers onto wagons.
- TRW recently presented the bi-modal «Modalor» concept - a specially adapted wagon, into which an articulated trailer is fitted horizontally - at their stand at the commercial vehicles exhibition in Brussels.

QUALITY

In line with UIRR's desire for constant quality improvement, two of its member companies, HUPAC and KOMBIVERKEHR, have already been rewarded in their efforts by being granted the ISO 9002 certification. Similar procedures are underway for several other member companies.

TRENDS IN 1995

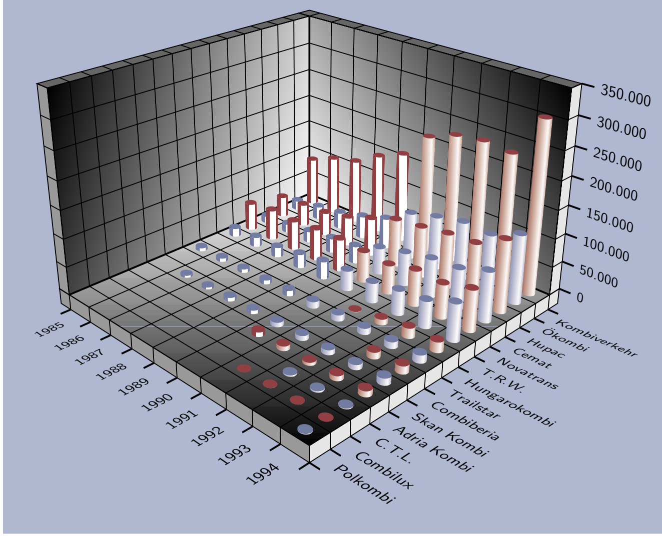
The upward trend recorded in 1994 has continued into the first six months of 1995, even if at a slightly lower rate. A profitable trading year as far as consignments are concerned can thus be expected again.

TRENDS

International traffic

It is once again international traffic which can claim the greatest progress, reaching a remarkable level of 26% compared to 1993. The UIRR's growing emphasis on complete and shuttle trains, together with the ongoing search for quality, has brought forth these record figures for the combined transport industry. This policy is the most reassuring to clients and the most profitable for the Railways. From 1985 to 1994, the average annual rate of increase in international traffic was over 17%.

Company *	Consignments 1994 **	+/- in %
Kombiverkehr	302.571	31,8 %
Ökombi	122.093	19,7 %
Hupac	127.462	26,3 %
Cemat	88.434	23,4 %
Novatrans	73.374	21,1 %
T.R.W.	66.223	38,8 %
Hungarokombi	18.377	2,0 %
Trailstar	13.998	19,4 %
Combiberia	13.818	19,9 %
Skan Kombi	12.114	37,5 %
Adria Kombi	10.130	19,1 %
C.T.L.***	1.624	-
Combilux	39	- 85,6 %
Polkombi	1.379	-
Total	**851.636**	**26,3 %**



National traffic

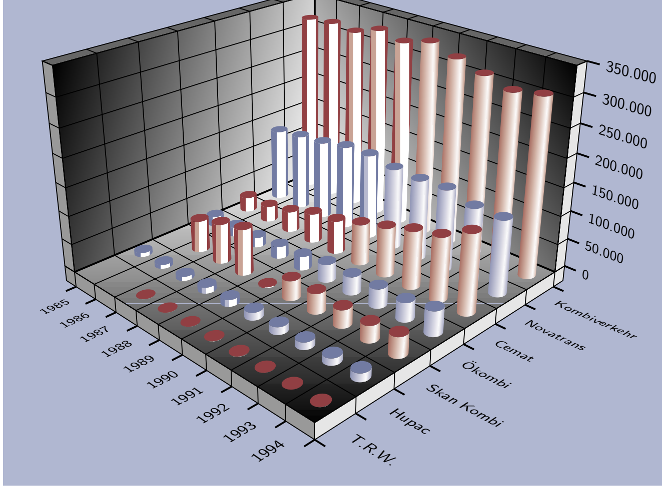
After three years marked by setbacks, 1994 has shown an increase of almost 9% in national traffic. This was mainly due to an increase of almost 30,000 domestic consignments in Italy. Germany's and France's recovery from negative – mostly road transport-related – factors affecting their national output since 1990 was slower.

Company *	Consignments 1994 **	+/- in %
Kombiverkehr	309.650	2,8 %
Novatrans	132.888	-0,2 %
Cemat	140.000	24,0 %
Ökombi	43.752	29,1 %
Skan Kombi	36.378	21,8 %
Hupac	14.481	17,7 %
T.R.W.	311	486,8 %
Total	**677.460**	**8,7 %**

* 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.

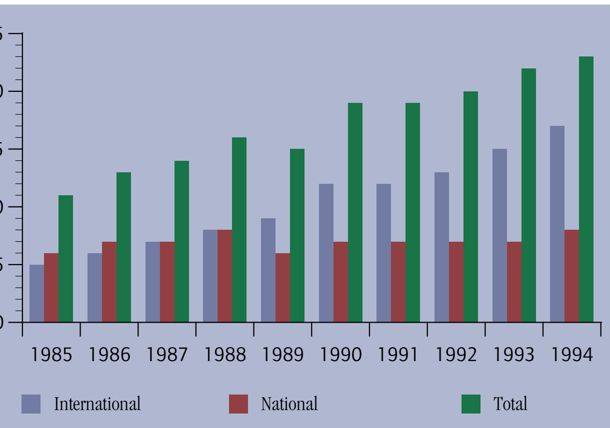


Total traffic

The average distance covered has fallen from 829 to previous year's 802 kilometres in international traffic, but has increased from 639 to 669 kilometres in national traffic due to the upsurge of Italy's domestic traffic. The average load by consignment has remained relatively stable, in the order of 26 tonnes for international traffic and 17 tonnes for national traffic. These statistical data, combined with the growth in the number of consignments, have resulted in an increase in the number of the ton-kilometres performed of 11% from 1993 to 1994 for national traffic, 17.9% for international traffic and 16% in total figures.

National (Nat.) and International (Int.) Traffic in Mrd. tkm.

Year	Int.	Nat.	Total
1985	5	6	11
1986	6	7	13
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	23

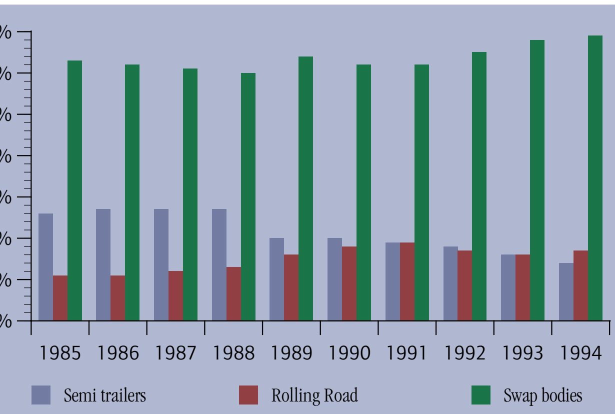


Techniques

In absolute terms, consignments by swap bodies (plus containers) and by the «Rolling Road» concept both rose by 20% from 1993 to 1994. This increased the share of these two techniques by one point each, to 69% and 17% respectively. At the same time, the number of semi trailers handled increased at a more modest rate (9%), resulting in a two points loss for this technique's share.

Proportion of Piggyback systems as a percentage of total traffic.

Year	Semi trailers	Rolling Road	Swap bodies
1985	26%	11%	63%
1986	27%	11%	62%
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%



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