



Hamburg | June 23, 2021

UIRR Webinar

**Planet –
Eurasian corridors for Combined Transport**



Our Vision

CONNECTING WORLDS WITH MOBILE INFRASTRUCTURE

VTG at a Glance



VTG in Figures

Key Figures for 2020

9,000
TANK CONTAINERS



45
LOCOMOTIVES



94,000
RAIL CARS




2,100
EMPLOYEES



5
WORK-SHOPS



492
M EUR
EBITDA



1,218
M EUR
REVENUES



What's driving rail freight transport?

Insights into megatrends in logistics

Sustainability

European Green Deal sets framework for sustainable mobility

- Raise rail's share of freight transport to 25 % until 2030
→ doubling of today's rail freight transport volume (18 %)
- CO2 emissions and costs become more important

Modularization

- Intermodal assets can be assembled individually
- Separation of railcar and loading device leads to a faster availability and a better integration of other modes of transport
- Gains in payload



Digitalization

- Platform economy: New, digital business models
- High transparency enables forward-looking action
- Digital solutions based on near real time data

Internationalization

Rising number of cross-border freight transports

- Transports on the New Silk Road could double until 2025
- Half of the rail freight traffic in Germany today is cross-border

Internationalization

50 percent of the rail freight traffic in Germany today is cross-border, and the trend is rising.

The **11,000-kilometer-long** New Silk Road plays a major role here ...





Modularization

China's railways sent **920 million tons of cargo** in the first quarter of 2021, an increase of 12% year-on-year

To do this even more efficient, the multifunctional and modular flat wagon "m²" flexibly adapts to customer needs with a variable length of **35.4 to 74.3 feet**

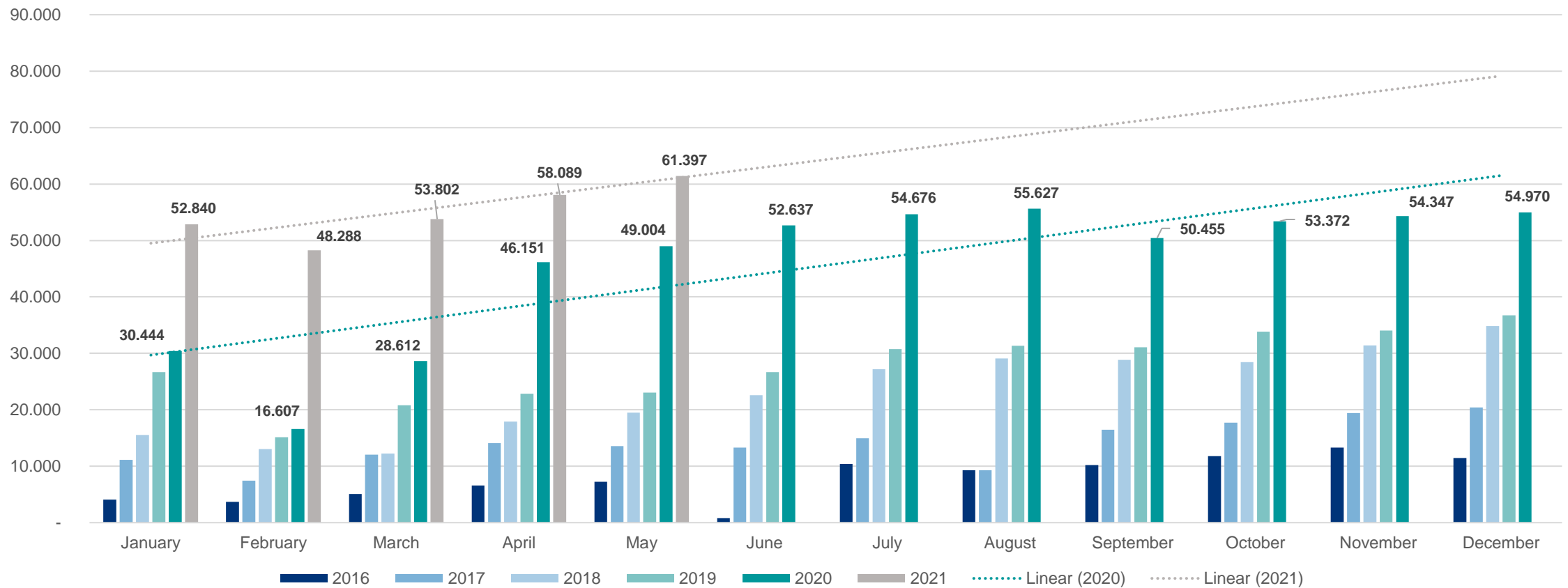
China-Europe Rail Traffic

- The **average daily load of China's railways** was **168,900 cars**, an **increase of 210.54 million cars** or 14.2 percent year-on-year
- In the first quarter of this year, the **China-Europe freight trains** made **3,345 trips** and delivered **317,000 TEU-containers**, up **70% and 79%** year-on-year, respectively
- About **950 million tons** of annual medium- and long-term contracts were signed with coal suppliers and demanders
- China-Europe freight train (**Xi'an**) - The train's departure brought the total number of containers transported via the **freight train** to **30,049 in 2021**, a year-on-year increase of 24.36%
- MSC has launched a sea-rail Asia-Europe service via Russia, while 2M partner Maersk has again upgraded its services along the route
- **UTLC** saw big gains last year, to **546,000 TEU**, up 64%, in 2019. **Russia Railways** transported just over **500,000 TEU** by comparison, and **China Railway** reported volumes of **1.14m TEU** across the entire network, **an increase of 56%**.

Source: Newsilkroaddiscovery.com

Transit Volumes 1520 Stretch – UTLC

2016-2021 in TEU¹⁾

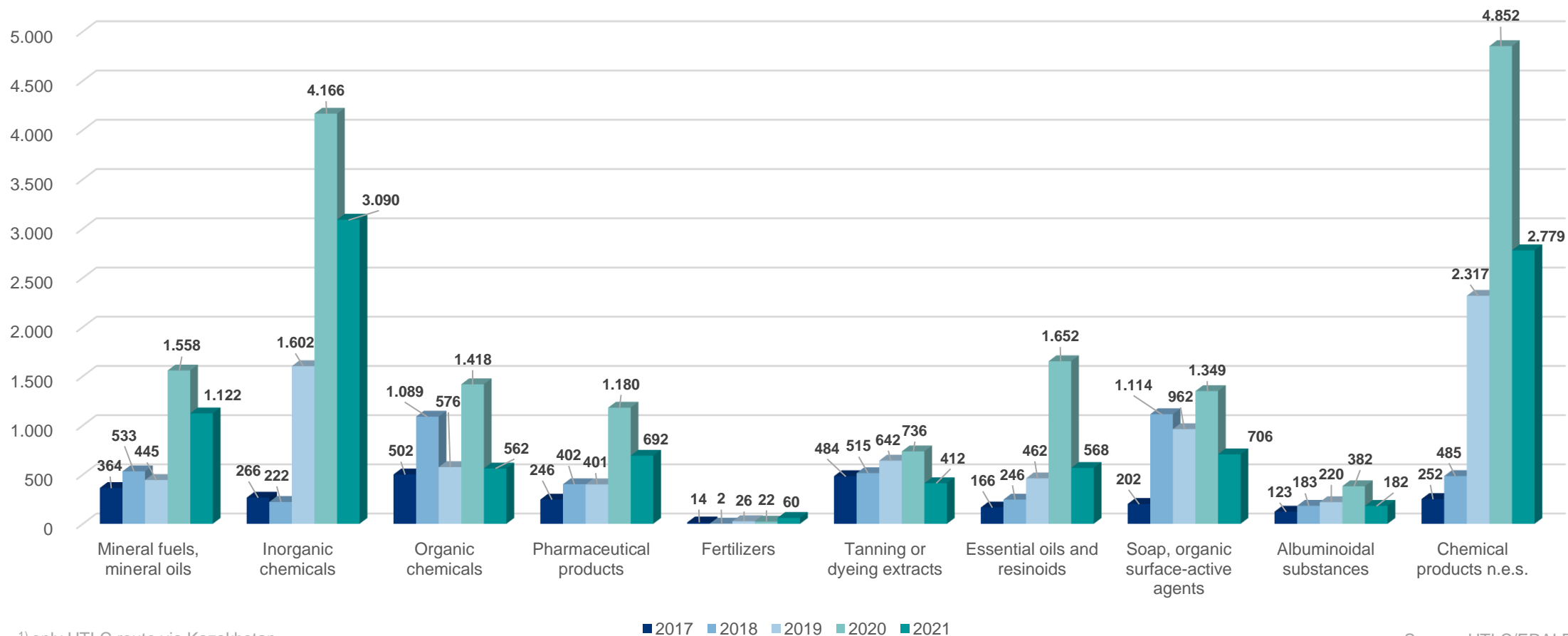


¹⁾ only UTLC route via Kazakhstan

Source: UTLC/ERA Data

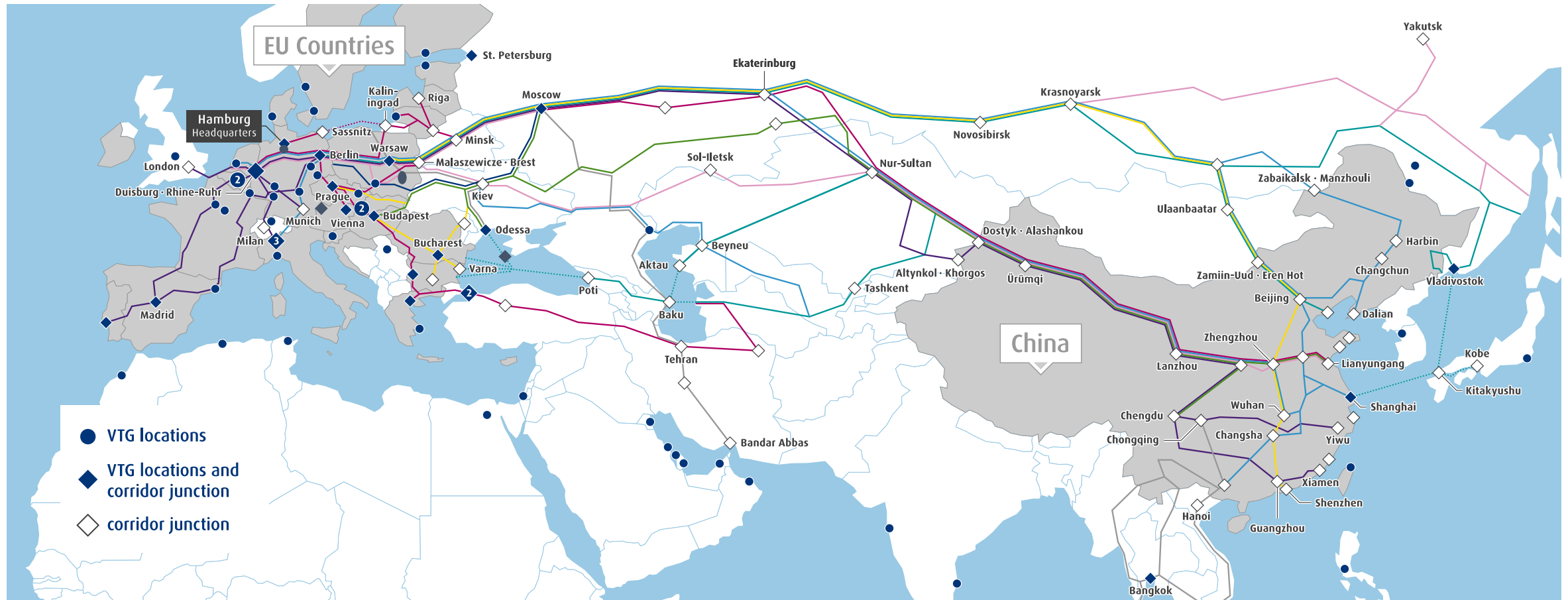
Liquids on Silk Road according to HS Codes (27-38)

2016-2021* in TEU (* only Jan – May 2021)



Source: UTLC/ERA Data

Belt & Road Links – VTG Offices



Eurasian corridors for Combined Transport

.....and Belt & Road Development



STRENGTHS

- Established rail corridor by permanent expansion
- Alternative to sea and air freight – Transit Time & Availability
- Connecting China with central Asia, CIS & GUS with Europe
- Different routing possibilities and ad hoc booking
- Shifting volumes from Road to Rail – Green Footprint

WEAKNESSES



- Inflexibility – Subject to subsidies & unanimous policies
- Lack of harmonization and market conditions
- Different understanding of intermodal solutions
- Missing sustainability
- Too many bottlenecks (Border & Inland) and political influences

SWOT

- Implementation and usage of more intermodal solutions – mixed train
- TEN-T development in combination with 1520 & China
- Market Harmonization - regulations and standards
- Permission for all goods – Liquids, Dangerous Goods, Food
- Modularization

- EU decision time
- Geopolitical influences
- Loss of cost-benefit advantage after subsidies removal
- Too high barriers between 1435mm & 1520mm stretch
- Decrease of the corridor due to less or slow development



OPPORTUNITIES

THREATS





Hendrik Wehlen

VTG Aktiengesellschaft
Business Development Manager
Eurasia & Far East

Phone: +49 40 2354 1325
Mobile: +49 151 27762401
E-Mail: hendrik.wehlen@vtg.com

Thank you!

