

Anniversary celebration in Lucerne

Hupac celebrates 50 years and sets off into the digital future

Lucerne, 20.6.2017. "Shaping the future of intermodal transport" – under this motto, on the occasion of its 50th anniversary, the Swiss intermodal operator Hupac has organised a conference with speakers from all across Europe. The focal point is digital transformation, which will radically change logistics in the coming years.

On the occasion of its fiftieth anniversary Hupac, based in Chiasso, Ticino, ventures a look far into the future. How will logistics develop? Which innovations will make Hupac successful? How can we ensure the competitiveness of rail freight transport?

President of Hupac Hans-Jörg Bertschi underlines the central role of digital transformation as a real game changer for the industry. Data is the raw material of the future – that is also and particularly pertinent to logistics. But with regard to digitalisation, road is a tough competitor for rail: road transport will save up to 25-30% of its costs over the next 10 years with platooning, automated driving and Uber-like platforms. In contrast, in many places, rail is not yet capable of exploiting its enormous wealth of data in order to increase productivity and to improve marketability.

These themes were also reflected upon by the futurist Patrick Dixon as well as by the illustrious panel at the Hupac anniversary conference on 20th June 2017. On the stage at the Swiss Museum of Transport in Lucerne were Matthew Baldwin, Deputy Director-General for Mobility and Transport of the EU Commission, Peter Marshall, Director Supply Chain of Dow Chemicals, Jürgen Wilders, CEO of DB Cargo, as well as Zvi Schreiber, CEO of the digital start-up Freightos, which is shaking up traditional market structures with an online freight marketplace.

Digitalisation as a central element of the supply chain

Hupac is readying itself for the digital era and strives to overcome existing hurdles. "Where is the train and when will it arrive?" In contrast to all other modes of transport, rail freight traffic is still not able to give a satisfactory answer to this simple question. Hupac targets an open data approach for all partners of a train's run, from the infrastructure managers through the railway undertakings up to the terminals and the intermodal operators as the contractor of the trains. All partners in the logistics chain can optimise their resources through fluid and permeable information and give the end customer the answer required. "Transport data are just as important as the transport itself," points out Hupac CEO Bernhard Kunz at the Hupac general assembly meeting. But not all railways are prepared to exchange data. As Kunz points out: "A functional, open exchange of data is a fundamental requirement for us for the collaboration with the traction partners."

Jointly exploit productivity potential

For the first time in 20 years, less than 1 million trucks crossed the Swiss Alps in 2016. Hupac contributed significantly to this positive result with a growth of 19.4%. In addition to digitisation, the sector must continue to invest in the expansion of the infrastructure – the conference participants were in agreement. The operation of trains through the Gotthard base tunnel, which started in December 2016, is proceeding smoothly. Sadly, it has not yet been possible to achieve shorter travelling times in international traffic. "90% of the potential savings in time is offset by waiting", emphasises Bertschi in his final statement.

For years, Hupac has been preparing itself for the abolition of the Swiss subsidies for combined traffic at the end of 2023. Today, a worrying delay in the removal of productivity bottlenecks along the Rotterdam-Genoa freight corridor can be observed. "The parameters of 2000 t train weight with one engine, 740-metre train length and 4-metre profile are the basic prerequisites for a cost-effective operation of combined traffic", emphasises Bertschi. In fact, there still are still restrictions in Germany and Belgium with regard to train length and in Italy with regard to train weight.

Hupac suggests internationally coordinated train path planning processes for Swiss transit as a means to achieving the aspired shifting effect of the NEAT system, with the aim of optimally planning and setting the frequencies of available route capacities. "If the trains run instead of waiting at the border, everybody wins: the tracks are free, locomotives and drivers can be more productively deployed, the rotation of the wagons improves, terminal slots are used better, and the customers are happy."

The removal of bottlenecks in the infrastructure must also be a top priority for transport ministries and infrastructure managers. Only if an upgrade to 740 metres is implemented in Germany, trains can benefit from the full productivity gains of an efficient freight corridor. Another measure for supporting the modal shift is halving the track access charges for freight traffic, as currently under discussion in Germany. Also Switzerland, with its comparably high train path prices, should take this transparent and discrimination-free modal shift tool into consideration.

Investments in the future

Fifty years ago, four Swiss transport operators have founded Hupac together with the Swiss railways. The newborn intermodal operator - one of the firsts in Europe - went into operation with five wagons that crossed the Alps from Melide in Ticino to Basel. Today Hupac counts 5.500 wagons of its own, operates an intermodal network that covers Europe reaching as far as Russia and China, and still shows the same innovative energy that has its roots in the needs of our customers.

Hupac is implementing its investment strategy adopted in 2015 according to plan. In 2016, orders were placed for 260 rail platforms which will increase to a further 450 in 2017. At the end of May 2017, Hupac has signed purchase agreements for eight multi-system locomotives ("D-A-CH-I-NL"). The first deliveries are planned for May 2018. The locomotives will travel under the management of the railway partners and will be exclusively used for Hupac trains.

Substantial resources are also flowing into the digital transformation of the company. The journey goes from process optimisation to the setup of platforms, from automated communication through to the development of new business models. It is planned to install OCR portals at the Hupac terminals for the collection of train and load unit data. The SPEAK capacity management tool will increase the planning capability of the logistic chains. Sensor technology will increase the safety standards for rolling stock and facilitate predictive maintenance. Integrated booking-to-billing platforms and an improved flow of information are of paramount importance for customers.

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