

## Operating quality of railway network slowing down growth

## Chiasso, 1.9.2015 During the first half of 2015 the Swiss combined transport operator Hupac experienced a 1.3% decrease in transports. Strikes, construction work, accidents, and technical failures impacted the operating quality of the railway network.

Hupac ended the first half of 2015 with a 1.3% decrease in transports. The Swiss combined transport operator carried a total of 335,295 road consignments in unaccompanied combined transports. The negative development was caused by a number of strikes in Germany, France, Belgium, and Italy, and traffic disruptions due to construction work and accidents. In the segment of transalpine transports through Switzerland Hupac suffered a loss in volume of 2.7% compared to the prior year period. A line in Austria had to be discontinued, which resulted in a 20.1% decrease in transports. Once again Hupac achieved a 5.4% growth rate in non-transalpine transports, thus strengthening its position in the emerging markets in eastern, south-eastern and south-western Europe. Transports within Europe, such as the new connection between Cologne and Malmö, also contributed to this encouraging result.

Hupac expects the moderate demand for transports to continue for the rest of this year. The elements of uncertainty include declining fuel prices, which is favouring road shipments. In addition, the Swiss providers of rail freight services are burdened by the continued strong Swiss currency compared to the euro.

Another area of concern is the unsatisfactory operating quality of the railway network, which has dropped to a new low this year as a result of various factors. "If the railway system fails to counteract this trend, we will cut ourselves off from the market", said Hupac's Managing Director Bernhard Kunz. While Hupac has successfully compensated the delays, at least in part, by taking organisational measures. The desired 95% punctuality rate requires structural changes, such as equal treatment of freight transports and passenger transports and the introduction of a compensation system with a noticeable steering effect. "Trains operating on time have a positive impact on the productivity of the resources that are used, such as personnel, engines, rail wagons, and terminals", explained Kunz. "On-time trains make happy clients. And they save money to the benefit of the entire railway system."

Traffic development in 1 <sup>st</sup> half of 2015 Number of road consignments	January-June 2015	January-June 2014	in %
Transit via CH	181,541	184,626	- 1.7
Import/export CH transalpine	1,395	2,087	- 33.2
Domestic CH transalpine	9,969	11,625	- 14.2
Total transalpine via CH	192,905	198,338	- 2.7
Transalpine via A	20,602	25,777	- 20.1
Transalpine via F	1,894	1,824	3.8
Total transalpine	215,401	225,939	- 4.7
Import/export CH non-transalpine	31,451	33,115	- 5.0
Domestic CH non-transalpine	1,671	1,628	2.7
Other traffic	86,772	79,043	9.8
Total non-transalpine	119,894	113,786	5.4
Total	335,295	339,725	- 1.3

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