

# VTG AG POLICY BRIEF

## CORONA CRISIS – RAIL FREIGHT TRANSPORTATION IS PROVING TO BE THE BACKBONE OF THE EUROPEAN SUPPLY CHAIN

Dear Sir or Madam,

These are troubling times. COVID-19 has the world tightly in its grip and the measures being taken to slow the spread of the pandemic have more or less shut down our public and economic lives. One of today's most significant challenges is maintaining the flow of goods that cross our borders. Indeed, the more stringent border checks, traffic jams causing bottlenecks stretching back for miles and stricter quarantine regulations mean that this cannot be guaranteed with transportation by truck alone. Quite the opposite – without rail freight transportation, providing the economy, industry and the general public with food, hygiene products and other essential goods would be nigh on impossible. In this way, rail freight transportation's public and private stakeholders are making substantial contributions to crisis management each and every day. Our employees are going above and beyond – some are working from home, but most are on the front line in our workshops, in the control centers or, of course, on our locomotives. I am hugely grateful for their commitment.



Digitalization has prepared the groundwork in recent years and is now crucial for maintaining our high levels of performance.

**I urge you not to forget the significant role rail freight transportation and the private rail logistics companies are playing in safeguarding the supply of goods in our country, even after the crisis. We can survive this crisis and rise from it even stronger, but we can only do so if we work together.**

I wish you all the very best. Take care, keep safe and stay healthy!

*Heiko Fischer*  
Dr Heiko Fischer, CEO

**47 %**

of **RAIL FREIGHT TRANSPORTATION SERVICES** in Germany are provided by **PRIVATE COMPANIES** of varying sizes. We need diversity... there is no way we can succeed without the private sector.

Source: Destatis

## GUARANTEEING SUPPLY BY RAIL

As the current Corona crisis unfolds, being able to transport medication, food and other essential goods quickly and easily across borders has become more important than ever, and rail is playing a pivotal role in this. A great deal of merchandise is transported by rail anyway and, as it stands, supplementary consignments, normally transported by truck, are also being added.



Pulp from Scandinavian trees is transported from Northern Europe to Italy to manufacture paper-based products such as **TOILET PAPER AND CARDBOARD**.



Supplies of raw materials to the chemical industry ensure that the production chains in the manufacture of **DISINFECTANTS** remain uninterrupted.




This cardboard is also used to make **FOOD PACKAGING**, meaning products such as pasta can be carried to a number of European countries by rail.




All freight that can be transported **IN CONTAINERS OR SEMI-TRAILERS** can reach its destination quickly and safely by rail.

## THE CORONA CRISIS UNDERLINES THE BENEFITS OF RAIL FREIGHT TRANSPORTATION


Rail freight transportation continues to play to its strengths, even in times of crisis – especially when more and more alternative means of transport are coming to a standstill.

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One train has a much higher load capacity than one truck. **ONE FREIGHT TRAIN**, therefore, can replace up to **52 TRUCKS**. Efficiency at its best.




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When a train reaches a border, in most cases, the wagons are coupled to a completely different locomotive with a new driver. This means the **RISK OF CORONAVIRUS TRANSMISSION** is kept as **LOW** as possible.




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**The RAILWAY IS NOT AFFECTED BY TRAFFIC JAMS.** Mile-long traffic jams have become commonplace at the now more heavily controlled borders, ultimately leading to massive delays in delivery.




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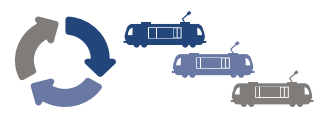
The railway is the **SAFEST MODE OF FREIGHT TRANSPORTATION** (especially for hazardous materials), plus it's **CLIMATE AND ENVIRONMENTALLY FRIENDLY**. A fully-loaded freight train emits up to five times less CO<sub>2</sub> than a truck.



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The numerous stakeholders in rail freight transportation – both in the private and public sectors – are working hand in hand to guarantee **SEAMLESS TRANSPORT CHAINS**.



## SUPPORTING THE RAILWAY AFTER THE CRISIS

Rail freight transportation is a fundamental building block for the modern, “greener” and more efficient logistics of the future. Once the Corona crisis is behind us, this is something we must not forget. The railway must, therefore, receive more political and regulatory support. Our inspiration for this is:

<p><b>EXPANDING THE INFRASTRUCTURE, PRICING APPROPRIATELY &amp; PROMOTING INNOVATION:</b></p>  <p>Comprehensively expanding the network, the European freight corridors and hubs is absolutely vital. We also need permanently low route prices and, if possible, single wagons should be completely exempt. Only by doing this can more freight be transported by rail in the future, making a transport turnaround possible.</p>	<p><b>CREATING EQUAL COMPETITIVE OPPORTUNITIES FOR EVERYONE:</b></p>  <p>All stakeholders in rail freight logistics should be treated the same. Regardless of whether they are in the private or public sector, bailouts and subsidies must be made available to everyone on a non-discriminatory basis. We need fair competitive conditions, not only between modes of transport, but also within them.</p>	<p><b>RECOGNIZING KEY ROLES IN THE RAILWAY:</b></p>  <p>The entire rail transportation network should be considered relevant to the system. In addition to tracks, trains and train drivers, these include wagon and infrastructure maintenance workshops, regardless of the size of the company. Plus, clear supply priorities and emergency concepts should be defined, which should also include giving priority to freight trains in the event of a crisis.</p>
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## CONTACTING VTG

We would like to engage in active dialog with you! Please feel free to contact us with all of your rail freight transport-related questions and queries. We would be delighted to assist you and provide you with any facts, figures and estimates you may require.

**YOUR CONTACT**

Jessica Raguž  
Head of External Communications

+49 40 2354-1345  
publicaffairs@vtg.com

VTG Aktiengesellschaft  
Nagelsweg 34  
20097 Hamburg  
Germany  
www.vtg.com/policy