



Image: © Association of European Vehicle Logistics (ECG).

**Freight trains would appear to be particularly suited to the shipment of automobiles, considering their high volume capability and economic viability over long distances while emitting a good deal less CO2 than trucks. However, road remains by far the most dominant transport mode in this key industrial vertical.**

Railfreight.com talked to European automotive logistics players about where rail currently stands in the transport and logistics ecosystem for cars and light commercial vehicles and its scope for development.

## **Perspectives from Europe's leading vehicle logistics hub**

Europe's leading port for finished vehicle logistics is Zeebrugge, in Belgium. Last year, its railhead handled 578,793 cars compared to 311,498 in 2022 and 397,775 in 2021. Road-borne shipments of new vehicles totalled close to 2.1 million units in 2023, compared to 2.4 million in 2022 and 2.1 million in 2021.

Based on these figures, one might conclude that a steady modal shift from road to rail is underway at Zeebrugge. However, the accurate picture is far more complex. The global automobile market remains in a recovery phase post-COVID, and export and import volumes are prone to fluctuation.

"In general, full block trains, ordered by car manufacturers themselves, arrive in Zeebrugge (for export) from certain European manufacturing plants run by the likes of BMW, Mercedes, Toyota, LandRover, for example,"

explained Johan Abel, business development advisor, Connectivity and Customer Relations at the Antwerp-Zeebrugge port authority. One full block train carries around 220 vehicles on average per journey.

“The challenge is to reload the empty wagon sets from Zeebrugge, even when we have so many cars here in the port. The problem is that from Zeebrugge, cars are transported to the European hinterland directly to dealerships, which means rail is not really the best solution. But given the shortage of truck drivers and specialised trucks, the rail or barge option will surely become more important in the future.”

## Volume uptick and the modal question

Abel revealed that Zeebrugge is seeing an increasing number of new vehicle imports from Tesla and Chinese manufacturers. The uptick in volumes could lead the port’s auto terminal operators to consider shipping cars by rail to inland hubs closer to the final destination in a certain country or region.

“If the increase comes from intermodal traffic, all well and good, but it can also come from the automotive sector. We are promoting the modal shift – all our car terminals are rail-connected – and recognise its importance for a sustainable future and also to keep our two platforms ‘open for business’, meaning avoiding congestion on the roads. Zeebrugge is not having an issue in this respect at the moment. However, Antwerp has more challenges now, and this will likely continue in the coming years.”



Cars loaded onto a train. Image: © Association of European Vehicle Logistics (ECG).

## What do OEMs need?

Frank Schnelle, the executive director designate of the Association of European Vehicle Logistics (ECG), estimates that probably around 80 per cent of rail-borne shipments from car plants in Europe are heading to

the ports for export. At the same time, there are a small number of 'inland' rail routes – from plants in Eastern Europe, to Germany and France, for example.

“Some plants may ship as much as 30 per cent of their cars by rail, maybe more. It really depends on the modal infrastructure they have on site.” He noted that on the import side, it's quite rare for cars to be shipped by rail from port hubs such as Zeebrugge, as trucks offer the flexibility of transporting new vehicles directly to dealerships.

“On top of that, volumes per OEM and destination are relatively low while demand is prone to fluctuation. Put all this together, the difficulties of building a full block train regularly become apparent.” However, with trucking capacity limitations, OEMs are keen to consider the possibility of transporting more cars by rail.

## **Scope for road capacity takeover**

Schnelle sees scope, albeit in the longer term, to utilise the capacity on the empty return legs of car-carrying trains from the ports for import traffic, given that re-development and maintenance work in Europe, especially in Germany, a key corridor, is currently underway and set to lead to significant rail infrastructure improvements.

He points to two driving forces which explain why OEMs are looking to give a more prominent place to rail in their transport and logistics provision. The first is making their supply chains more resilient by reducing dependence on road haulage; the second is decarbonisation; the easiest and most efficient way to decarbonise transport is a higher utilisation of rail. However, the downside is that currently, there are also capacity limitations on rail networks.

“What we don't want to see is road and rail competing against each other. It's not a question, going forward, of either/or. The best strategy is a combination of both. Road is by far the dominant mode for new vehicles as it is for the vast majority of commodities shipped, but there will always be a requirement for the train as part of a transport mix.”





Automotive freight train. Image: © Association of European Vehicle Logistics (ECG).

## Maintain market share, focus on the basics

Schnelle argued that the short-term priority should be to maintain rail's share of the market given the threat of supply chain disruption from road freight issues, such as a driver shortage—he also noted a lack of locomotive drivers—and gradually increase it where possible.

“These rail routes do not necessarily need to be long distance. For example, many years ago, Daimler shifted shipments from truck to train from its Bremen plant to the Bremerhaven port, less than 70 kilometres away. Rail has certain advantages if you can guarantee a stable volume and regular traction.”

While cost-effectiveness in relation to road can often be an issue, other examples of current rail services over short distances to transport vehicles come from the UK, where Minis are shipped on train shuttles from a plant in Oxford to the ports of Southampton and Purfleet.

## What do rail operators think?

As for the point of view of a rail freight operator, Alexandre Gallo, president and CEO of DB Cargo France and president of the Association Française du Rail (AFRA), highlighted that it had been a difficult period post-COVID for the automobile sector. “The semiconductor crisis, the rise in energy costs, the increase in the price of new vehicles and the difficulties encountered by manufacturers in achieving mass production have had a definite impact, over and above the conflict in Ukraine,” he said.

DB Cargo ran major auto traffic flows from Italy to France before these were halted following the landslide in the Maurienne Valley in the French Alps (the line has been closed since August last year). The vertical now accounts for only 10 per cent of its business in France, compared with over 20 per cent before COVID.

“Nevertheless, car manufacturers are very aware of the need to decarbonise their transport chain, so there’s no need to convince them (of the rail option). Indeed, they’ve often been pioneers,” he concluded.

**Author: Stuart Todd**

Stuart Todd is a correspondent and frequent contributor for RailFreight.com

**Related posts****PREMIUM**

29-05-2024 | Comment

**PKP Cargo eyes “untapped” semi-trailer market for business revival**

29-05-2024 | Comment

**Freight gets the message to British TV**

29-05-2024 | Comment

**TX Logistik launches new Göteborg – Umeå intermodal connection**