

Press Release – Challengers Account for Majority of Rail Freight Market for First Time

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As of 2021, challengers to national incumbents now account for a majority of the European rail freight market, with a market share of 51%. In 2010, the market share of challengers was still at 25% and incumbents were dominating the market. This achievement reflects the success of opening national rail freight markets to competition and highlights the need to ensure European legislation is adapted to meet the needs of new entrants.

The recently published [IRG-Rail market monitoring report](#)'s figures show that opening rail freight markets has been a success. In most cases, challengers and new market entrants have not replaced existing trade flows, but have created new markets for rail freight, notably in the intermodal and logistic sector. This has resulted in rail freight being able to offset reductions in traditional traffic, such as fossil fuel transportation, with new services, whilst also giving choice to customers and better meeting customers' requirements.

The trajectory for rail freight becoming increasingly international – the majority of rail traffic in EU traffic is border crossing– must also be noted. There will therefore be an increasing pressure to ensure that legislation surrounding rail freight, both at European and national level, reflects this market reality.

Despite these positives, it must be acknowledged the European Union is not on course to meet its modal shift objectives. As highlighted in the recently published [European Court of Auditors report on Intermodal Freight Transport](#), there are still legislative hurdles which prevent rail freight's further growth. It is essential that, amongst other policy measures, the European Institutions address infrastructure not meeting user needs, outdated legislation on combined transport as well as obstacles such as poor international coordination of capacity and strict language requirements impacting the competitiveness of rail freight. It also needs to be highlighted that any new regulation imposing investments on market players must be preceded by a detailed and reliable cost–benefit assessment and developing a realistic implementation and financing plan.

ERFA President, Dirk Stahl, stated, "It is inspiring to see that the development of the market share of challengers and new market entrants, which are directly or indirectly represented by ERFA and its members, have such positive developments in the rail freight market. It is important that infrastructure managers, politicians and regulators are aware of this majority position and carefully listen to the needs of this important part of the rail freight market".

For more information, you can Contact:

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ERFA Secretary General, Conor Feighan, concluded, *“Whilst on the one hand it is encouraging to see that competition continues to flourish in the rail freight market, we must acknowledge that more needs to be done if we are to grow overall rail freight. A strong push is needed to deliver a legal framework which reflects the reality that the rail freight market of today is predominantly diverse and international as opposed to centralized and national.”*