



To be checked against delivery!

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GETO REPORT

Mr. Chairman,
Excellencies,
Ladies and Gentlemen

Finally, we are where the plenary session of CCTT should long have been already: in China! Although GETO, the Association of European Trans-Siberia Operators and Forwarders, was founded already in 1978 and has been doing excellent work together with CCTT since 1997 (GETO is, by the way, among the founding members of CCTT) to offer a sound basis to rail transports from Asia to Europe, we have to truthfully acknowledge that it was really the Belt and Road Initiative of the Chinese government under President Xi Jinping that led to a considerable increase in transport volumes.

I regard it as a big milestone for GETO as well as for CCTT that we can be here in Beijing today, as it demonstrates that the activities of our association are also recognized in China. So let me extend my heartfelt thanks to the organizing committee under the leadership of CRCT.

But, ladies and gentlemen, let us not sit back and rest on our laurels! Even if the former young sapling “Transit via the Trans-Sib” has become a small tree now, we all have to put in our



concerted efforts for the rail traffics between China and Europe to grow into a robust tree that can brave any influences from the competition and from politics, and continue growing.

Allow me to get straight to the point.

First of all, we have to ask to ourselves: Is Europe able at all to live up to the daily growing challenges in terms of quality and quantity? Let me quote the headline of a recent article in a European transport journal:

“The quality in European combined traffics has reached a new low-point”

We must not forget, it is true, that we do have some structural shortcomings in Europe. To mention just a few examples:

- We urgently need additional railway lines to handle the continuously increasing goods flows.
- We need better coordination and maintenance of railway lines as well as their construction sites.
- And we need more locomotives, locomotive drivers, and wagons in Europe.
- The fact that several train connections are routed via the same terminals in Europa can lead to local overload, which again equals a loss in quality.

I could continue with this list, there's more... but what is the conclusion I draw from these shortcomings?

We generally need better coordination between China and Europe, and this includes the coordination between the departure platforms in China so we can avoid further bundling of train connections headed for the same regions in Europe, but we also need better coordination between the operators, who mostly sit in Europe.

Another important point: We should not be blinded by the current Silk Road Fund subvention program.



Of course, we are more than grateful for the wide range of new train connections that has been made possible by the financial subsidies. But all of us know that this financial support will run out one day in the future, maybe even soon.

Which means that all companies involved in rail traffic, that is: really every enterprise here present, but most especially the state run railway companies, have to provide lower tariffs, shorter transit times, and increased quality transparency. Intensified coordination between platforms and operators is essential for better utilization of the trains, especially along the CIS railway network with its bigger train units, but also for a more balanced distribution of the trains across all of Europe. In my opinion, Yiwu has done unique pioneering work in this respect with destinations in Europe that have met with enormously positive acceptance in the market, like for instance Madrid, or more recently, London.

We also need progress in terms of digitalization – in my opinion, this field offers enormous potential, be it with marketing train connections or in the “electronic train” sector, a topic that has been on the agenda in all CCTT meetings.

And, ladies and gentlemen, please be assured that the product “rail freight China-Europe-China” has now got the attention of European customers. Former doubts concerning the safety of the goods, the speed of the trains and their punctuality have been eliminated, even with the Europeans, who are so conservative on principle.

In order to grow, and not least in order to win also E-commerce for our rail services, we have to be faster: transit times under nine days hub to hub have to be our goal!

As I was able to state already in my last report in Ulaanbaatar, eastbound business from Europe to China is developing almost inexorably. We must be aware though that in this field, once the subventions have stopped, there will be far bigger financial gaps to fill than in westbound traffics.

But for this, there is lots of potential still untapped in the transport of food stuffs and even all sorts of beverage. Good approaches have been made, for instance with the refrigerated containers that are already in the market but unfortunately not available at the desired points of departure in Europe; another good example are the first positive



test runs of beverage transports with expensive wines or other alcoholic and non-alcoholic beverages. The requirements for the safety of the products are enormous in this sector, as vibrations during transport or variations in temperature can easily spoil the goods.

And finally, what's new in GETO?

Although GETO members such as Far East Landbridge, Hupac or InterRail stand out with their pioneering performances as operators, it has become clear that the name of GETO with its reference to the Trans-Sib does not take into account all corridors in use today.

Thus, this summer, GETO changed its name; now the T stands for TransEurasia instead of Trans-Sib.

With this change, Board and members want to make a clear statement to acknowledge that the Belt and Road Initiative also reactivates old corridors and creates new ones.

It is gratifying for GETO to see that a large part of its members like DHL, Fiege or Gebrüder Weiss to name just a few, are very active and successful in marketing the rail connections. The fact that now also the logistics affiliate of CMA CGM, which we know to be one of the world's biggest shipping lines, actively markets the rail freight product clearly shows the importance our rail transport product has gained in the market.

Allow me, ladies and gentlemen, to emphasize again as a summary of my report:

For the success story of rail freight transports between China and Europe to continue, we urgently need better coordination between all parties involved. GETO and its members are available.

I wish you all good discussions in the course of this meeting, and enjoy the Chinese hospitality.