

Photo: Javier Lopez

International links are key to Spanish freight revival

Growing rail's role in the Spanish logistics sector was the focus of UIP's Wagon Keepers' Summit in València in late May. While the global trend for 'nearshoring' offers a huge opportunity, many speakers were frustrated at enduring problems in connecting Spain to the pan-European rail network. **Nick Kingsley** reports.

How can Spain catch up with the rest of Europe when it comes to rail freight's market share? Perhaps part of the answer lies not in Spain itself, but across the border in France and indeed across the Mediterranean Sea in north Africa.

Spain's role in a rapidly changing logistics landscape roiled by tariffs, trade wars and actual wars was much in focus at the International Union of Wagon Keepers' annual summit held in València on May 23. Rail has a modal share in the Spanish freight market of

around 4%, which puts it among the laggards in Europe, while the average share for the EU27 stands at around 17% (RG 5.25 p18).

As we reported in 2022 (RG 9.22 p54), Spanish policymakers are investing heavily to turn the situation around, aiming to grow rail freight to 10% of the market by 2030. The 100 or so freight sector stakeholders who gathered in València learnt more about how this might be achieved, notably through investment in the Mediterranean and Atlantic corridors, while there was also

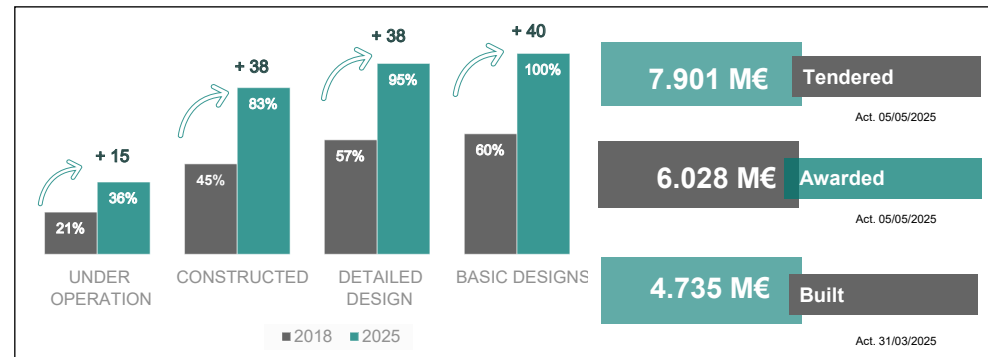
Future growth in Iberian rail freight is expected to be driven by the intermodal segment, where changes in global trade are pushing more containers through ports in southern Spain and in Portugal.

an acknowledgment that challenges still loom which could hinder progress significantly.

'Rail freight cannot be a problem'

Opening proceedings, UIP President Johann Feindert insisted that the freight sector could not rest on its laurels in such troubled times.

"The buzzwords that have been bandied about a lot lately are "resilience" and "competitiveness". Buzzwords which, in fact, are two close friends, as more competitive rail freight



automatically leads to more resilient rail freight. In the end, becoming more resilient and more competitive might prove to be good medication against uncertain times, he said.

As well as emphasising the importance of EU policies such as the Single European Railway Area, Digital Automatic Coupler and ERTMS, Feindert insisted that more effort was needed to bring rail freight operations 'into the 21st century'. In particular, the sector needed to assert itself 'as a go-to solution for the supply chain and for logistics', rather than sometimes being perceived as a complex problem to be managed.

Looking at Spain in particular, Feindert welcomed the government's €3bn-plus investment in rail freight corridors, rolling motorway services and gauge enhancement schemes, comparing it to the Italian rail freight strategy put in place in 2017 that is due to unlock no less than €100bn in investment by 2030.

Corridor hopes

Co-host Julián Gacimartín, President of Spanish wagon keepers' association FAPROVE, noted that the private sector had an important role to play in boosting rail use in Iberian logistics. He pointed out that new entrant operators had already surpassed the market share of incumbent RENFE in the Spanish market. 'We are keen to grow even more, as private companies have done elsewhere in Europe', he added.

Nevertheless, to do so means addressing some of the specificities of the local market — including the gauge question, which was little mentioned during the summit but remains an enduring issue that ADIF and others are fighting to overcome (RG 5.25 p26).

Among the keynote speakers were the Spanish Commissioners for the Atlantic and Mediterranean TEN-T Corridors, both of whom emphasised Spain's role as a transit country, both over land — linking France with Portugal — and

Fig 1. More than €18bn has now been committed to developing the rail links and terminals that make up Spain's share of the Mediterranean Corridor.

A key aim of the Mediterranean Corridor spending is to provide rail access to new factories and logistics hubs.

over sea, where its south coast ports are especially critical gateways.

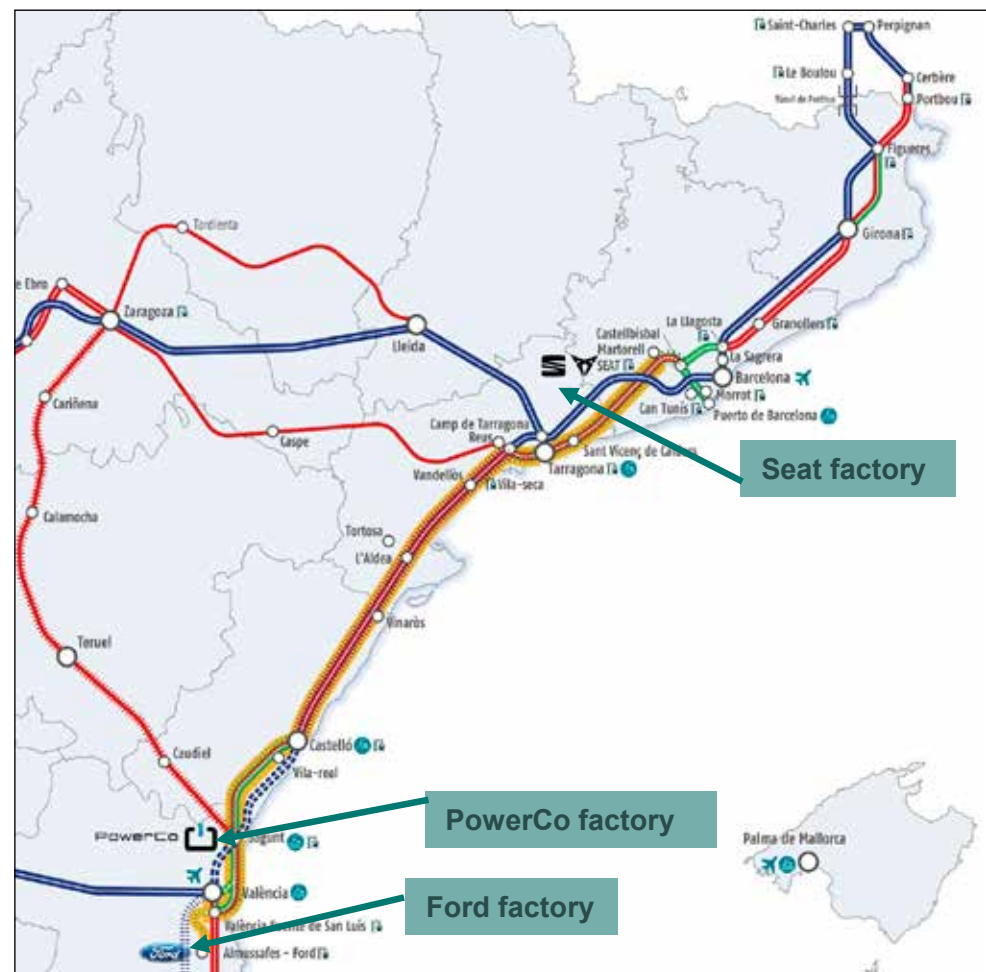
Atlantic Corridor Commissioner José Antonio Sebastián pointed out that the European Commission was itself putting more focus on Spain to increase its presence in the EU-wide transport mix. He reported that in early May, a summit in Madrid brought all the TEN-T commissioners together to discuss progress with their various corridors; 'this is the first time such a meeting has happened outside Brussels for 10 years', he emphasised.

While much attention was on calls to link Spain's highly developed high

speed passenger network into the rest of the European railway grid, Sebastián insisted that freight would benefit from this investment, too. He cited pressure to complete a 1435 mm gauge link between Madrid and Lisboa, which would not just offer a journey time of around 3 h for passenger trains but also much improved access to key Portuguese freight hubs, including the port of Sines.

However, political instability in both France and Portugal is an issue. Sebastián reported that an agreement was close to being signed to formalise electrification of the Madrid – Lisboa route by the end of 2028, following elections in Portugal. However, he bemoaned the fact that 'France has had three transport ministers in three years'. All the while, he emphasised the surging volumes of trucks passing through ports in southern Spain on their way from north Africa to destinations in Europe.

He backed urgent investment to create a through route for intermodal trains from the ports in València and Algeciras towards Portugal that does not pass through Madrid, but looking west he remained concerned by delays



“We need intermodal operators, not just rail operators. There is a lack of educational information: we need to show that all goods can go by train”

Nuria Lacaci, Secretary General, Association of Spanish Shippers



to new line construction in France. 'We would like the Portuguese to work with us to put pressure on France to complete its major projects', he told delegates during a subsequent panel discussion.

Within the Atlantic Corridor, the French government has committed to the so-called Grand Projet du Sud-Ouest, which would create a new high speed line to carry passenger traffic from Bordeaux to Dax and ultimately towards the Spanish border at Hendaye. There, it would meet the strategically vital 'Basque Y' railway, which would offer a 1435 mm gauge corridor extending as far as Vitoria-Gasteiz and the port of Bilbao. This forms part of the three branches of the Atlantic Corridor that criss-cross Spain.

Mediterranean Corridor Commissioner Josep Vicent Boira shared many of his counterpart's frustrations about access to France, despite his rail axis being a more linear

coastal route. Boira explained that the Mediterranean Corridor would tap into three major traffic generators now being developed: the Seat car factory at Martorell near Tarragona, the Ford plant at Almassara and a PowerCo battery factory at Sagunt, the latter two both being near València. Rail connections to these sites would be augmented by four new intermodal terminals being built along the railway, Boira added. Together, these facilities should be ready by 2030, as part of an €8bn procurement process now under way in the corridor.

He lauded the decision to cut track access charges for the Perpignan – Figueras line by 90%, a permanent move which took effect last December, but he agreed that 'delays to work on a new line to Perpignan remain a frustration for everyone'. This connection to remove a bottleneck on the legacy main line between Perpignan

Panelists discussed the potential for lorry-carrying services to take trucks from Spanish ports to industrial hubs like Zaragoza.

Private operators now have a greater share of the Spanish rail market than does incumbent RENFE.

and Montpellier seems unlikely to be completed until at least 2040 under current plans, Boira suggested.

Changing supply chains

The urgency of the need for enhanced infrastructure was a recurring theme of the summit, not least because of the rapid reshaping of global trade patterns.

'Nearshoring is a reality now', commented Nuria Lacaci, Secretary General of ACE, the Spanish shippers' trade body. 'We are seeing such growth in shipping between Morocco and Spain, but we need those exit routes to the rest of Europe.'

Commissioner Sebastián picked up this point, suggesting that if a rail motorway between Algeciras and Zaragoza carried all of the 650,000 trucks expected to arrive at the port from Morocco in 2025, this would support eight trains per day. That volume alone would add 0.25% to rail's share of the Spanish freight market, he estimated.

Yet some scepticism remains about how far Spain's freight growth goals can be realised, not least among business representatives. The country's fragmented economy is still heavily dependent on SMEs, and this has fostered a close relationship between local businesses and small independent road haulage companies. Xavier Jaso of manufacturers' trade association AECOC said much more could be done to educate small and medium-sized businesses about how to access and use rail freight.

'Small businesses do not understand the complexity of rail freight', he said, and he urged rail stakeholders to do more to educate potential rail users. While Spanish companies accept that 'sustainability is a non-negotiable in the modern economy', rail use was not seen as a major factor in this discussion. Unless that changes, he remained 'unconvinced that we will get from a 4% share to 10%'.

