

# Clean Industry needs clean rail-driven logistics

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One year ago, the European Commission presented its long-awaited **Clean Industrial Deal**, a plan to align climate neutrality with industrial competitiveness.

Twelve months later, much of the debate has focused on clean manufacturing, electrification, hydrogen and circularity. Far less attention has been given to the system that physically enables industrial transformation: transport.

Without competitive, scalable and low-carbon logistics, the Clean Industrial Deal risks remaining a strategy on paper.

## **Rail freight is already delivering, but remains underused**

European industry depends on the constant movement of enormous volumes of raw materials and finished products. Steel coils, construction materials, chemicals, automotive components and pharmaceuticals move daily between ports, factories and markets.

Rail freight is uniquely suited to carry these flows, producing up to 80 percent fewer greenhouse gas emissions than road transport. A single freight train can replace up to 50 heavy goods vehicles. On top of this, rail freight in Europe is largely electrified, reducing exposure to oil price volatility. It is particularly efficient for heavy and high-volume goods over long distances.

Yet rail remains dramatically underused. In 2023, rail accounted for only 17 percent of total EU inland freight transport. At a time when Europe seeks growth, resilience, and decarbonisation, this reflects a serious strategic weakness.

## **Industry is investing. Policy must match that effort.**

Wagon keepers and rail freight operators are not waiting for perfect conditions.

Across Europe, the sector has invested heavily in modern and interoperable wagons, with investments of up to €2 billion annually by private wagon keepers, acting as an economic catalyst. It has accelerated predictive maintenance. It has adopted coordinated safety improvements under ERA's Joint Network Secretariat. It has reduced noise emissions through the deployment of composite brake blocks. It is supporting digital tools to improve capacity management and operational reliability.

Today, UIP members represent roughly half of Europe's freight wagon fleet. These wagons circulate daily across borders and form a crucial part of European industrial supply chains. The sector is modernising, but this modernisation is threatened by an environment of regulatory fragmentation.

The broader European rail supply industry — worth €45.8 billion and sustaining 650,000 jobs — is equally engaged. UNIFE, representing European rail manufacturers, has recognised the Clean Industrial Deal as a key opportunity, calling for rail to be treated as a strategic sector in public procurement reform and given simpler access to EU funding instruments.

### **Fragmentation is the real competitiveness risk**

The Clean Industrial Deal speaks of resilience and competitiveness, but cross-border rail freight still operates in a landscape marked by national divergence. The Single European Railway Area exists in legislation, but not yet fully in practice.

The recent unilateral measures taken by the Swiss Federal Office of Transport on broken wheels illustrates the broader risk. While the European Union Agency for Railways (ERA), together with national safety authorities including Switzerland's, developed coordinated recommendations under the Joint Network Secretariat (JNS), the Swiss authority chose to pursue its own national approach on certain elements.

This is not a purely technical debate. When national authorities diverge from European coordination, uncertainty increases, compliance costs rise, and interoperability suffers.

Freight flows linking Rotterdam to Milan, Antwerp to Austria, or German steel plants to Italian automotive factories depend on seamless international circulation. Fragmentation translates directly into delays, higher costs and reduced attractiveness compared to road transport.

Europe cannot advocate green industrial competitiveness while allowing regulatory divergence in its core logistics system.

### **The framework exists. Coherence must follow.**

Fortunately, the tools to achieve regulatory harmonisation in European rail already exist.

The European Union Agency for Railways provides the framework for harmonised safety and interoperability. Its Joint Network Secretariat offers a transparent and evidence-based mechanism to address safety challenges collectively rather than nationally. What is required now is consistent implementation of adopted measures, avoiding unilateral action that undermines cross-border flows.

The EU Institutions have promised the Clean Industrial Deal's Sustainable Transport Investment Plan and simplified State Aid rules. They must now deliver concrete support for rail, not just declarations of intent.

## One year on, delivery must replace declarations

The Clean Industrial Deal recognised that decarbonisation and competitiveness are inseparable. Rail freight embodies that logic. It combines lower emissions, lower energy intensity and scalable capacity for heavy industry.

But Europe cannot ask industry to decarbonise while allowing fragmentation to weaken its most efficient transport mode. If the Clean Industrial Deal is truly Europe's business plan for climate and competitiveness, rail freight must be treated as strategic infrastructure.

Europe's industrial future depends on moving goods cleanly and efficiently. Rail freight is ready. The question is whether Europe's policymakers are.

### About UIP

Founded in 1950, **UIP – International Union of Wagon Keepers**, with its seat in Brussels, is the umbrella association of national associations from 14 European countries, thus representing more than 250 freight wagon keepers and Entities in Charge of Maintenance (ECMs). As the voice for more than 255'000 rail freight wagons which perform 50 % of the rail freight tons-kilometers throughout Europe, the UIP represents half of the whole European wagon fleet and one of the most important resources for rail freight transportation in Europe.