

***Declaration of the European Rail Supply Industry  
on the occasion of the 2020 UNIFE General Assembly***

We, Members of the Presiding Board of the European Rail Supply Industry Association, want to raise the awareness of EU and national decision-makers on the crucial importance of our industry for both achieving the European Green Deal objectives and contributing to our continent's economic recovery.

It is a fact: rail is the greenest and safest mode of mass transportation. With its high energy efficiency, its low emissions of CO<sub>2</sub> and its capacity to safely move millions of people and tonnes of goods all over the world, rail is definitely the solution to meet the challenges facing our planet: from globalisation to urbanisation and, of course, climate change.

And we are not only good for climate, we are also key for securing jobs and growth in Europe! We are a world-leading industry which provides more than 400 000 direct and indirect jobs throughout Europe; with supply chains made of thousands of innovative companies – from SMEs to major industrial players – all striving to deliver European industrial excellence all over the world.

Rail is the only area where structural investment can contribute by the same token to a series of essential targets, be it the achievement of the European Single Market (through cross-border connectivity), job creation, social cohesion (by building bridges between rural and urban areas as well as between city centres and deprived neighbourhoods) and of course a smart, digital and sustainable mobility system that reconciles performance and reduction of CO<sub>2</sub> emissions.

Nevertheless, our industry has directly been affected by the Covid-19 crisis and is looking at an uncertain future due to the financial losses sustained by our customers and the increased level of public debts of the European transport organising authorities. Indeed, while the end of lockdown and quarantine measures should help restore the production capacities in our factories, a potential market contraction in the coming months would have devastating effect on the industry, including on numerous SMEs who play an essential role in our supply chains. But this can still be avoided with a massive public investment plan for rail.

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In this regard, we believe that the Commission's recent MFF and *Next Generation EU* proposals are powerful recovery instruments that can help restore Europe's industrial strength and complete EU Green Deal objectives but they must be fully mobilised for boosting rail projects and thereby supporting both the decarbonisation of European transportation and the competitiveness of the European rail supply industry.

We therefore call on the European Commission to make rail the backbone of the European transport system and to set ambitious modal shift targets in the context of the new *Strategy on Sustainable and Smart Mobility* which will be adopted before the end of the year. This shall be translated into ambitious EU funds – notably through the Connecting Europe Facility (CEF) and the Structural Funds – earmarked for rail rolling stock, infrastructure and ERTMS deployment projects.

We call on Member States to include sustainable mobility in their national Recovery and Resilience plans, enabling the sector to absorb the loss of revenue due to the crisis and maintain their level of investments in the coming years.

We call on the European Commission to ensure that investments supported by the Recovery and Resilience Facility contribute the achievement of the Trans-European Network for Transport (TEN-T), its resilience and complement with pan-European programmes on the decarbonisation of rail and the digitalisation of its operations.

Furthermore, it will be crucial to ensure that EU money dedicated to rail brings maximal benefits. In this sense, the rail sector will guarantee best value for money if EU-funded projects are systematically awarded on the basis of the Most Economically Advantageous Tender (MEAT) principle (with an approach based on the best price-quality ratio over the lifetime of the products) and if they promote EU localisation requirements.

For the benefits of its customers and the sake of public finances, the European rail supply industry is constantly innovating to always improve the quality of its products and decrease the overall life-cycle cost of the railway transport system. Today, we call once again on the European Commission to help us stay at the forefront of innovation by proposing the continuation of the Shift2Rail Joint Undertaking with a programme of activities of €3.3bn, supported by an EU Contribution of €1.5bn under Horizon Europe.

Moreover, ensuring international market access and global level-playing field during the recovery phase and beyond will be more essential than ever for an export-oriented industry that fears increasing protectionism and similarly faces a fierce competition from Chinese State-owned manufacturers all over the world and increasingly in the EU. Besides the much-needed adoption of the International Procurement Instrument (IPI) by Member States and Parliament, we also place great hope in the *White Paper on levelling the playing field as regards foreign subsidies* that the Commission published on 17 June. It is crucial for us that the EU puts in place an instrument that tackles the issue of access of foreign State-owned companies to European procurement markets and EU funding.

Our industrial ecosystem has great assets and is ready more than ever to best serve customers while protecting the environment. In the context of the upcoming German EU Presidency, let's work together with the EU and all Member States to make the Green Deal a reality, to help secure a worldwide level-playing field and reaffirm the European leadership in the world rail market.

Signed on the 25 June 2020 by the Members of the Presiding Board of UNIFE  
– the European Rail Supply Industry Association



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