

INTELLIGENCE Analysis

needs of rail users' and encourage 'better commercial arrangements between train companies and Network Rail'.

The government has also called for NR to devolve more power to its eight route management teams, which ORR feels would 'maximise the benefits of comparative regulation' while focusing on the local challenges in each area. It suggests a clearly-defined national 'system operator' should deal with network-wide planning and capacity issues. ■

INTERNATIONAL

East meets west

At its 2015 General Assembly in Bucuresti (p56), Europe's railway supply industry association UNIFE highlighted its concerns about access for its members to Chinese and Japanese markets. An opportunity to meet potential Japanese customers face-to-face came shortly afterwards, during the 9th UIC High Speed congress in Tokyo (p3).

At a UNIFE-hosted reception on July 9, to which JR Group railways and many independent operators were invited, the Ambassador of the EU to Japan Viorel Isticioia-Budura noted 'the willingness from both the European and the Japanese side to indeed engage in deepening our co-operation, in fostering business opportunities and thereby enhancing our common prosperity'.

UNIFE Director General Philippe Citroen stressed that securing better access to the Japanese market was 'absolutely essential' for UNIFE and its members. While the question was being addressed in the EU-Japan Free Trade Agreement negotiations, he believed the discussions 'should strive to create a level playing field in terms of access to both of our respective rail markets'. Japan was one of the world's 'top railway markets', he continued, but penetration by Europe's suppliers was 'less than 1%'. 'We would like to see significant contracts', for example in the commuter and inter-city markets, he said, adding that he expected 'major market access improvement' within the timeframe of the Free Trade Agreement negotiations.

Yuri Furusawa, Assistant Vice-Minister for International Affairs at the Ministry of Land, Infrastructure, Transport & Tourism, assured guests that Japanese and European leaders were keen to conclude the negotiations by the end of the year and that the parties were 'trying to understand their differences to find a way forward together'. European Railway Agency Executive Director Dr Josef Doppelbauer said

both parties had a lot to offer and reported that there had been 'a very good discussion' with the Vice-Minister that morning. He was 'ready to offer the support of ERA in order to achieve mutual understanding, both in terms of technical requirements and standards, but also in terms of processes related to safety'.

JR East Executive Director & Chief Financial Officer Yuri Morimoto hoped that 'communication between the two sides would become more active, leading in [the] near future to bear fruits in the form of concrete transaction as well as joint projects'. Observers view JR East as being relatively open to the awarding of contracts to European companies — its E5, E6 and E7 high speed trainsets are fitted with Knorr-Bremse brake components, for example — and in May it announced an international tender for DMU cars. Time will tell whether this indicates a change in policy.

On the other hand, JR East has made no secret of its ambition to win operat-

Yuri Furusawa, Assistant Vice-Minister for International Affairs at the Ministry of Land, Infrastructure, Transport & Tourism, addresses the European-Japanese reception in Tokyo on July 9.



ing or support contracts outside Japan — it is already involved in providing maintenance support services to Bangkok Metro and last year won a contract to advise on the HS2 project in the UK. The company has offices in New York, Paris, Brussels, London and Singapore, and Germany is understood to be a potential market target. The JR East group includes rolling stock supplier J-TREC, which is anxious to find markets for its Sustina stainless steel car design.

Railway suppliers in both Japan and continental Europe are looking at significantly slimmer pickings amid relative economic stagnation in their home markets. However far Japanese players reach into Europe and UNIFE members make gains in Japan, it is hard to resist concluding that even brighter opportunities for both sides may exist in emerging markets elsewhere in the world. ■

5.8
€bn

UNIFE'S ESTIMATE
OF THE SIZE BY
VOLUME OF THE
JAPANESE RAILWAY
SUPPLY MARKET IN
2011-13