Resolution on the competitiveness of the European rail supply industry

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The European Parliament adopted a resolution tabled by the Committee on Industry, Research and Energy on the competitiveness of the European rail supply industry (RSI).

Members recalled that this industry **employs 400 000 employees**, invests 2.7 % of its annual turnover in R&D and accounts for **46 % of the world RSI market**. The railway sector overall, including operators and infrastructure, is responsible for more than 1 million direct and 1.2 million indirect jobs in the EU.

Recalling that by reason of its position as a world leader in technology and innovation, the rail supply industry has a key role to play in the Commission's 20 % reindustrialisation target, Parliament formulated the following recommendations:

Maintaining global leadership of the European rail supply industry: Parliament believed that achieving the objective of establishing a **single European railway area** will be crucial to maintaining the European RSI's global dominance. It stressed that third-country competitors, especially from China, are expanding rapidly and aggressively into Europe with strong political and financial support from their country of origin (e.g. generous export credits), and highlighted the **need for a fair and level playing field in global competition** and for reciprocal market access in order to avert the risk of job losses and to safeguard industrial know-how in Europe.

A renewed European rail industry innovation agenda: Parliament welcomed the decision to establish the 'Shift2Rail' Joint Undertaking and asked for swift and timely implementation of all S2R R&D activities as soon as possible. It also asked the Commission to:

- **fully mobilise the various EU funding instruments**, to explore additional sources of financing for S2R and to seek for synergies between different EU funds and with private investments;
- increase support for innovation projects developed by rail clusters and other initiatives that bring together RSI SMEs, larger companies and research institutes at local, regional, national and European level;
- consider the **setting up of a forum at European level** that would bring together established companies, start-ups and spin-offs which have innovative ideas for the rail sector, especially in the field of digitalisation, with a view to exchanging best practice and facilitating partnerships.

Members called for swift implementation of an **integrated e-ticketing system** coordinated with other transport modes and other potential services provided by single-ticket operators.

Getting the right skills for a future-proof rail supply industry: Parliament called for a **European training and education strategy** that brings together RSI companies, research institutes and social partners to jointly investigate which skills are needed for a sustainable and innovative RSI. A feasibility study towards a potential **European Sectoral Skills Council** on Rail should be launched in this context. The Commission was asked to encourage **social dialogue** in order to facilitate social innovation and foster quality long-term employment in order to contribute to the attractiveness of the sector for skilled personnel.

Supporting SMEs: given that access to finance is one of the main challenges for SMEs in the RSI, Parliament stressed the added value of COSME and the Structural Funds in helping SMEs gain access to funding, including in the form of guarantee and equity facilities.

It also asked the Commission to: (i) develop **Sector Groups on Rail** in the framework of the Enterprise Europe Network, which could advise and train RSI SMEs on different innovation funding schemes, grants, and internationalization; (ii) consider all options for **support to RSI SMEs,** including in the framework of a possible targeted review of the Small Business Act.

Improving the European market environment for suppliers and encouraging the demand for rail products: Parliament stressed the need for a full, effective and uniform implementation of the rail network for competitive freight regulation, benefiting both passengers and industry. It welcomed the adoption of the technical pillar of the fourth Railway Package and asked for its speedy implementation as a key enabler for a **real single market for rail products**.

Members stressed that **increased interoperability** and a stronger role for the European Railway Agency (ERA) will facilitate the harmonisation of the network and therefore have the potential to bring down costs for the development and authorisation of rolling stock and the European Railway Traffic Management System (ERTMS) trackside.

The resolution called for further European **standardisation** in the railway sector and for swift implementation of the **2014 EU public procurement directives**. Members called on the Commission to:

- evaluate whether the current set of EU competition rules should be updated to allow for strategic partnerships and alliances on the part of the European RSI;
- monitor non-European rail investment in EU Member States and to guarantee compliance with European public procurement legislation.

Boosting investment in rail projects: Parliament expected existing EU funding instruments (e.g. CEF, Structural Funds) to be used to the full so that demand is stimulated for rail projects (including EU funding instruments for investment outside the EU such as the Pre-accession Assistance and European Neighbourhood Instrument).

It highlighted the importance of a successful implementation of the European Fund for Strategic Investments (EFSI) as one tool to mobilise private capital for the rail sector. It also asked the Commission to work with the multilateral development banks to help public authorities and private agencies to invest in the most sustainable and energy-efficient railway equipment around the world.

Strengthening the global competitiveness of the rail supply industry: in this regard, Parliament asked the Commission to:

- ensure that **future trade agreements** (including the ongoing negotiations with Japan, China and the USA) and the revisions of existing trade agreements include specific provisions which significantly improve market access for the European RSI, especially with respect to public procurement;
- ensure that **EU trade policy is more consistent** with industrial policy, so that trade policy takes account of the needs of European industry and the new generation of trade agreements does not lead to fresh relocations and further deindustrialisation in the EU;
- strive to lift the **major non-tariff barriers** impeding access by the European rail industry to foreign markets, including barriers to investment;
- ensure a **coherent EU trade strategy** which ensures compliance with the principle of reciprocity, particularly in relation to Japan, China and the USA.

Parliament supported **further internationalisation of RSI**, through the promotion of European standards and technologies at international level, such as the ERTMS, and by looking into how to better protect the intellectual property rights (IPRs) of the European RSI.

Improving strategic political support for the sector: Parliament called on the Commission to organise a **high-level industrial dialogue on the RSI** with the participation of the relevant Commissioners, Members of the European Parliament, Council, Member States, rail industry, trade unions, research institutions, the European Railway Agency and European Standardisation Organisations. It also called on the Competitiveness Council to put the European RSI concretely on its agenda.