



With the addition of new routes, Eurostar is spreading its tentacles across Europe.

A story of two halves

Last year's terrorist attacks opened a window of opportunity for Europe's railways to take more market share from airlines. And with high-speed services criss-crossing the countries, train travel became a viable alternative to flying. The challenge for rail operators now is to maintain that market share.

By Christian Sylt

Europe has some of the finest and most streamlined railways in the world. And as more and more countries get high-speed services, it is becoming a truly integrated system. However there are still some gaps that need filling in for a pan-European network to become a reality.

But the incentive to complete the gaps is increasing as demand rises. Mike Platt, managing director of Hogg Robinson BTI, says: "There has been a significant increase in demand for rail travel in Europe as travellers become conscious of how fast the trains are."

In fact railways are the leaders of the transport pack in Europe. The sleek French state-controlled SNCF service is efficient, clean, safe and reasonably priced. France's high-speed network of Trains à Grande Vitesse (TGV) extends over 1,500 kilometres and focuses on high comfort levels at high speed. The trains regularly top 300kph – nearly twice the maximum speed of other country's trains.

The latest route to be added to the TGV network was the TGV Med, which links Paris and the Mediterranean port of Marseille and the resort of Nice. This has proved to be immensely popular, and passenger numbers on this network have increased 30 per cent since it was launched in June 2001. The journey lasts just three hours and costs only €95 for a return ticket. In comparison, a journey with a similar length between London and Dundee would take at least seven hours and cost more than €125.

But the price to pay for this high-tech TGV

system amounts to an annual cost of €7.9 billion, footed by the taxpayer. The TGV Med alone took 12 years to plan and build, and cost taxpayers €3.9 billion. It seems to keep travellers content, however – TGV passenger numbers increased by 19 per cent between 1996 and 2000.

Following the French model are the Germans, who introduced their high-speed trains, the ICE expresses, in 1991. Of the 350,000 people a day who travel on German trains, 65,000 take the high-speed services that cross the country at up to 290kph. Richard Lovell, a European vice-president for the Carlson Wagonlit Travel business agency, says "travel times by rail between German commercial cities such as Stuttgart, Frankfurt and Hanover are noticeably better than the equivalent airline times, and this has led to a substantial volume of business moving from air to rail." Unlike the UK, Germany has benefited from an upsurge in rail usage since 11th September. And in a recent survey, 78 per cent of Germans said they were happy about journey times and understood the economic reasons stations can sometimes look shabby and trains not be washed.

But safety has become the biggest focus for Deutsche Bahn (DB) since a Munich-Hamburg ICE crashed at Eschede in June 1998, with 101 lives lost and 88 people injured. A defective wheel was found to have caused the train to leap from the tracks, so maintenance programmes were overhauled, staffing levels of DB's Technical Research Unit increased and ultrasound scanner checks on wheels made mandatory.

There have been other accidents since then.

Nine people died and 100 were injured in March last year when an express travelling from Holland derailed near Cologne. In July 1999, 14 people were hurt when two trains collided on a mountain railway up the Zugspitze, Germany's highest peak. And in June 2000, 35 people were injured when two trains collided between Garmisch and Greinau in Bavaria.

DB insists it has made safety the number one priority for passengers, and spends over €1.5 billion annually on routine maintenance and signalling upgrades. Ninety per cent of the network is computerised, train drivers all have telephone connections in their cabs, and all trains are equipped with sensors that bring them to a halt if they overshoot a red signal.

DB is also throwing more than €800 million into a scheme that will see commuter and long-distance express trains fitted with fully stocked shops. Other innovations include railway stations selling combined rail and car-parking tickets, and DB is promising reduced rates on hire cars at passenger destinations.

But DB's biggest developments are at the cutting-edge of technology. The railway company plans to send travellers SMS messages on their mobile phones with updates on travel times and delays; and soon, passengers will be able to download videos to their laptops on-board the train so they can watch movies while they travel. Using air travel as the example, DB may even introduce airport-style waiting lounges where train departures, arrivals and delays are announced over loudspeakers.

Berlin will soon have a showcase station to demonstrate DB's new technologies – near to the Potsdamer Platz a new station is being built which promises to be Europe's busiest.

Even Italian railway company Trenitalia has shrugged off its reputation for being blighted by delays due to strikes. Trenitalia is a fusion of public and private enterprise with excellent connections between major cities. A comfortable fast train runs every 90 minutes from Rome to Naples and the journey lasts under two hours. Mainline express services even offer a rebate if your train is over one hour late, and ticket prices are about half the price of those in Britain.

But Italy's railways face the stiffest competition from the roads, as most people prefer to travel by car. During the 1960s Italy's economy boomed and a decision was taken to favour the development of motorways over rail, so that more Fiat cars and trucks could be sold. Italy is still suffering the consequences. Losses for 2000 were €634 million although annual losses sustained by the state railways in the mid-1990s have still been cut by more than half. The company's aim is to break even by 2005, and so the current construction of a new high-speed rail network linking Naples, Rome, Milan and Venice couldn't be better timed.

The UK is one of the last countries to jump on the bandwagon with high-speed services, despite being the birthplace of railways. UK rail operators frequently complain that the mountainous geography of the country has impeded the construction of a high-speed network, but this has not stopped Switzerland and Ger- ➤

many streamlining their services. The reality is that the UK's rail network is in tatters and largely hasn't been overhauled since it was first laid down over 100 years ago.

Whereas the UK's railways are in tatters after several serious accidents and a consequent decline in passenger numbers, the network in Europe is becoming even more streamlined. The challenge for network operators across Europe now is how to bring it all in line.

The chaos caused in air travel after 11th September should have handed on a plate a permanent chunk of the market to Britain's railways. But although the rail operators were persuading businessmen that trains were the way to travel, in reality the railways had not yet recovered from a crash in Hertfordshire in

Eurostar has more than doubled the total number of passengers travelling (by air or rail) between London and Paris or Brussels.

Eurostar's business fares aren't cheap, at £298 (£473) for a London to Paris return in standard class and £405 (£642) in first-class. But the higher end of the spectrum features fully-flexible fares with a full-service meal and free drinks served at your table. From September, first-class ticket-holders also have access to Eurostar's business lounges, with faxes, newspapers and a bar serving snacks and hot and cold drinks. But perhaps the biggest benefit of Eurostar is that there is no need for lengthy transfer times to the city centre from outlying airports as the train takes you straight to the heart of London or Paris in just three hours.

continues to thrive and seizing on the success of the French TGV Med route, Eurostar launched its latest route in July with the addition of a weekly service direct from London to Avignon. Eurostar says that out of all the destinations Eurostar connects to via the TGV network, Avignon was the most popular and even ranked higher than the business city of Lyon and the coastal resort of Nice.

The next five years could be Eurostar's window of opportunity to make history by bringing the UK, where railways were founded, into line with the rest of Europe. The company is already underway with a three-year £35 million (£55 million) refurbishment programme spearheaded by famous French designer Philippe Starck, which will see the introduction of new staff uniforms and interiors to the rolling stock, terminals, ticket offices and lounges.

But the most significant developments will be down to the current construction work for the company. The opening of the first section of a new railway, the Channel Tunnel Rail Link (CTRL), slated for October 2003, will cut journey times from London to Paris by 25 minutes and from London to Brussels by 35 minutes.

Perhaps most importantly, Eurostar is expected to break the British train speed record when the first section of the CTRL opens. Its trains will have capacity to travel up to 300kph. At present, they can only travel at this speed on high-speed lines in France and Belgium because in the UK they still use the existing railway lines which limit average speed to 100kph. And Eurostar won't be stopping there.

On completion of the second section of the CTRL in 2007, when a new international station will be opened at London St Pancras station, north of the Thames, the journey time will be further reduced, with Paris taking just two hours 15 minutes and Brussels two hours.

So as Eurostar spreads its tentacles across Europe and speeds up the UK side of its operations, this may spur the spread and development of the high-speed lines that the UK so badly needs. Only then will Europe have a truly integrated rail network.

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October 2000 caused by broken and cracked rails. This left four people dead and nearly closed down the network.

There was a brief blip when extra tickets for rail travel were sold in the few days following the terrorist attacks, but this soon dried up as it became clear that the trains were nowhere near as reliable as they should be. And as the threat of repeat terrorist attacks diminished, people took to the skies again.

Business travel is still down on the UK's railways. The Association of Train Operating Companies (ATOC) reported that in early October 2001, full-fare inter-city travel (open return tickets normally favoured by businessmen in first or second class) had fallen by eight per cent on the same period the previous year.

The biggest obstacle to trains becoming a viable form of business transport in the UK is their punctuality. A recent survey by Company Barclaycard showed that three quarters of the executives polled would travel more by train if services improved.

What's more, Britain was bumped to the bottom of a European transport league table published late last year by the UK Government's top independent advisers, the Commission for Integrated Transport (CFIT). The report found that there are fewer rail passenger coaches per 1,000 people in the UK than anywhere else in Europe. Greece and the Netherlands were the only countries with fewer train coaches per head than Britain. CFIT chairman Professor David Begg said that Britain has 'fallen a generation behind the best in Europe in transport planning and investment'. We have a 'mountain to climb', he added. But Britons can already get a taster of what life is like on continental European trains by travelling on Eurostar.

Businessmen travelling into Europe from the UK have been wooed by executive lounges at its terminals and the airline-style 'Frequent Traveller' scheme, and many agents on the high street were appointed official resellers of its tickets. Since starting operations in 1994,

Business travellers make up the second-largest group of Eurostar's users after those travelling for leisure purposes, and 28 per cent of Eurostar's 7.2 million passengers last year were on business. But although Eurostar has commanded a 64.6 per cent share of the London to Paris air and rail market and 46.3 per cent of the London to Brussels market, approximately 50 per cent of its passengers are UK nationals, 25 per cent are French and only five per cent are Belgian or Dutch.

To try and redress this imbalance the company launched its biggest ever advertising campaign in France earlier this year. Eurostar's marketing director Bertrand Guillon said the campaign would 'significantly raise the profile of Eurostar and of London as an attractive destination to the French market', after inward tourism to the UK was 'badly affected' last year by the foot-and-mouth epidemic and then the events of 11th September.

But the UK to France side of the business

The UK is the weak link in Europe's plans for an integrated rail network.

