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INTERNATIONAL RAIL BUSINESS FORUM
STRATEGIC PARTNERSHIP 1520:
CENTRAL EUROPE



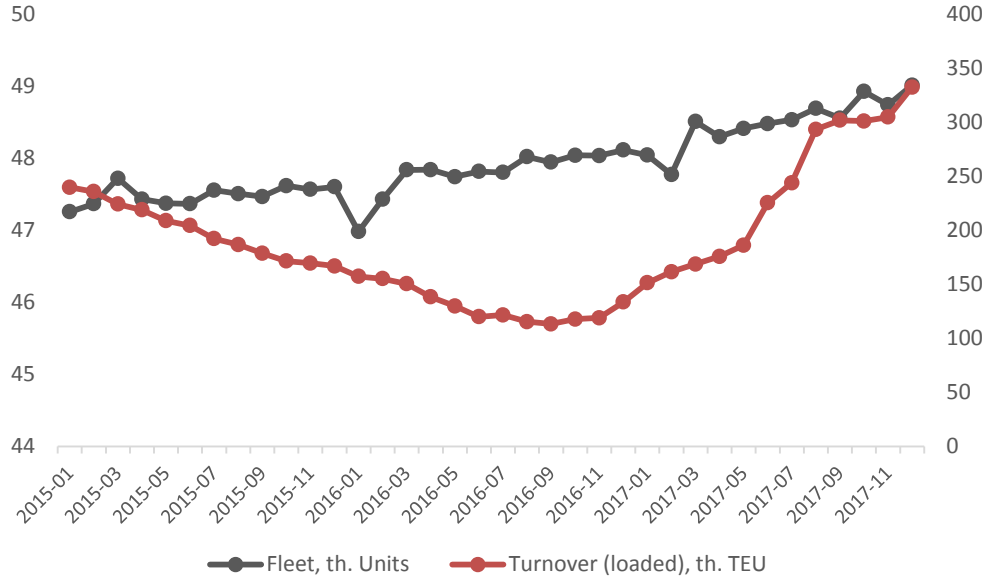
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Deficit of flatcars

Demand and supply of rolling stock in the container market



Source: FESCO analysis

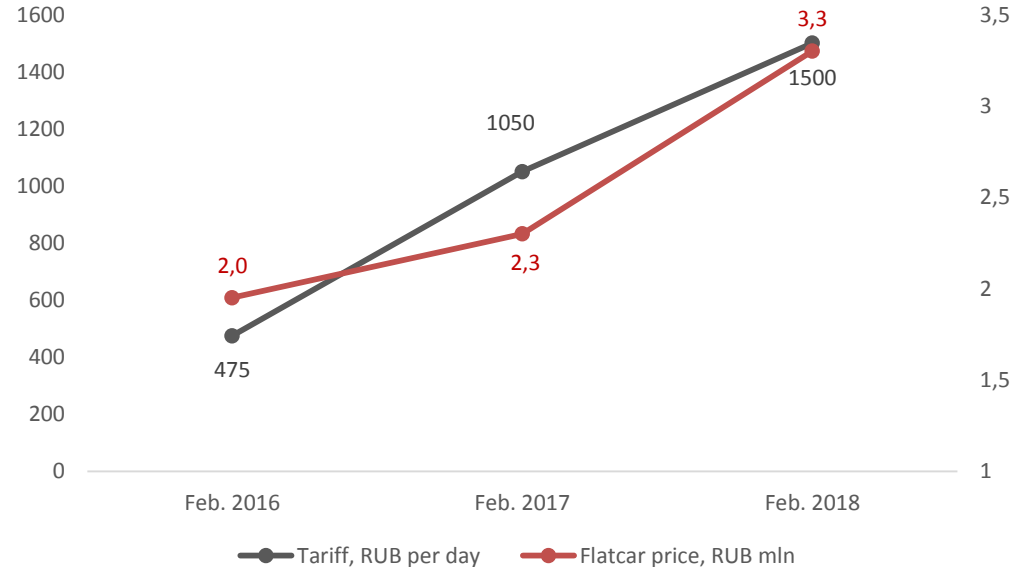
- Growth rates in demand outpace the growth rate in introduction of new platforms
- Since 2017 the container market has been operating in a shortage of rolling stock

The key is raising investments

...however, there are several **obstacles**:

- the continuing rise in prices for flatcars together with decrease in profitability;
- the uncertainty of long term regulation;
- the role of private and state-owned companies as players on the container transportation market

Dynamics of prices and tariffs for flatcars (80-ft) in the Russian container market



Source: FESCO analysis

All these issues can be tackled with some level of government support



Special program of subsidizing the **construction of flatcars in Russia**



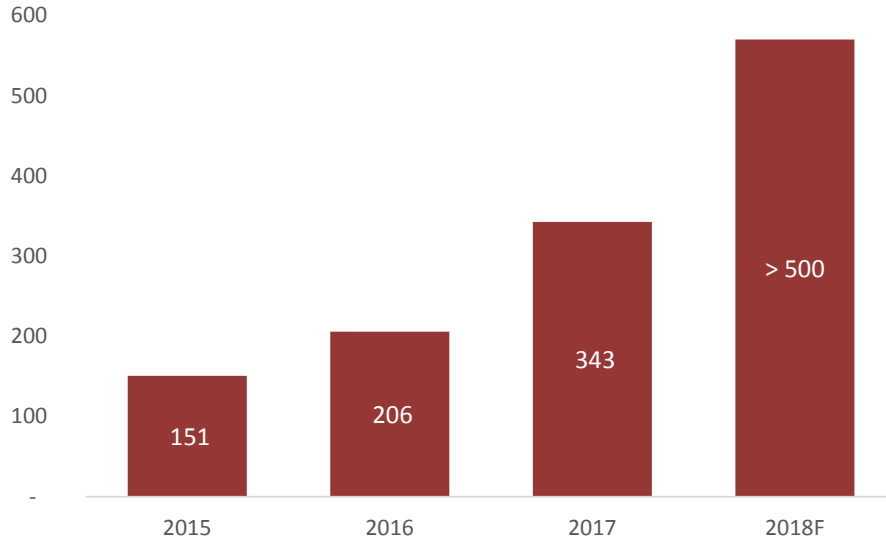
Certainty on major regulation fields, especially **tariffs**, for at least 7 years



New routes should be open for **all players**, regardless of the government stake in the company ownership structure

Expected outcomes

Turnover of transit loaded containers in 2015-2017, TEU mln



Source: FESCO analysis

- Growth of **investments**
- **Preservation** of transit market **growth rates**
- Increase in the volume of **international transportation**