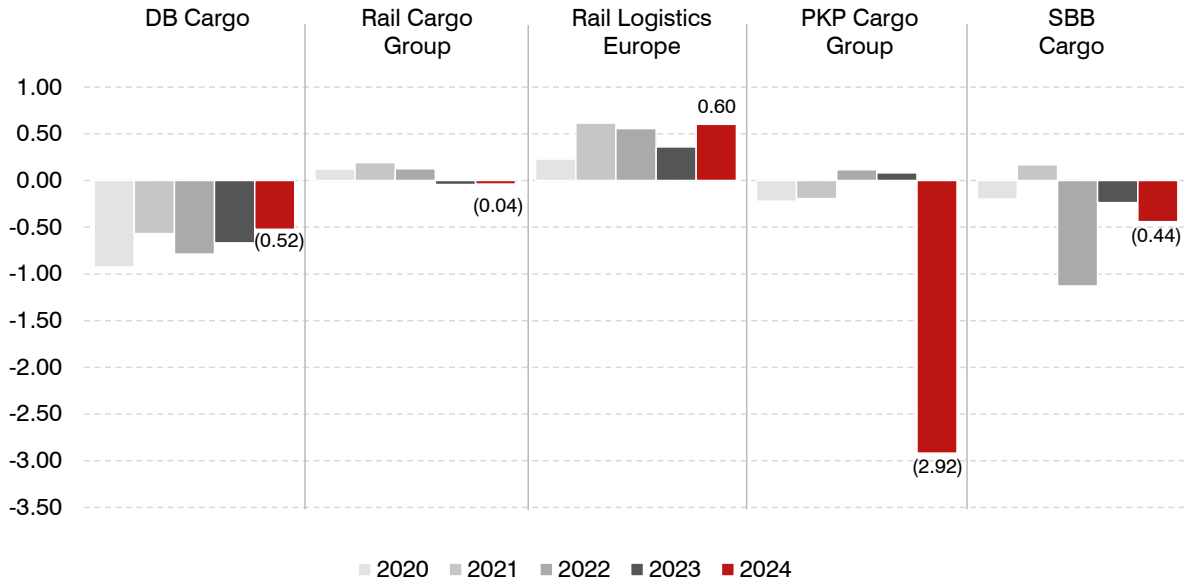
Crisis in rail freight transport: industry struggles for growth and market share – impulses from combined transport and digitalisation

European rail freight transport is amid a profound crisis. Disruptions in U.S. foreign policy and shifts in global trade are colliding with an industry already facing structural weaknesses. Key causes include declining demand for traditional goods (coal, steel, chemicals), insufficiently digitised infrastructure, and increasing transformation pressure from EU competition policy. Profitable companies remain the exception, and rail continues to lose market share to road transport.

Development of financial results[1] per tkm (EUR/tkm)



Source: Annual Report
[1] Financial results based on EBIT, EBITDA (Rail Logistics Europe) or net profit (PKP Cargo)

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The current MultiClient study “European Rail Freight Transport” by SCI Verkehr analyses how these factors affect market shares, types of goods, and corporate strategies – and where opportunities are still emerging.

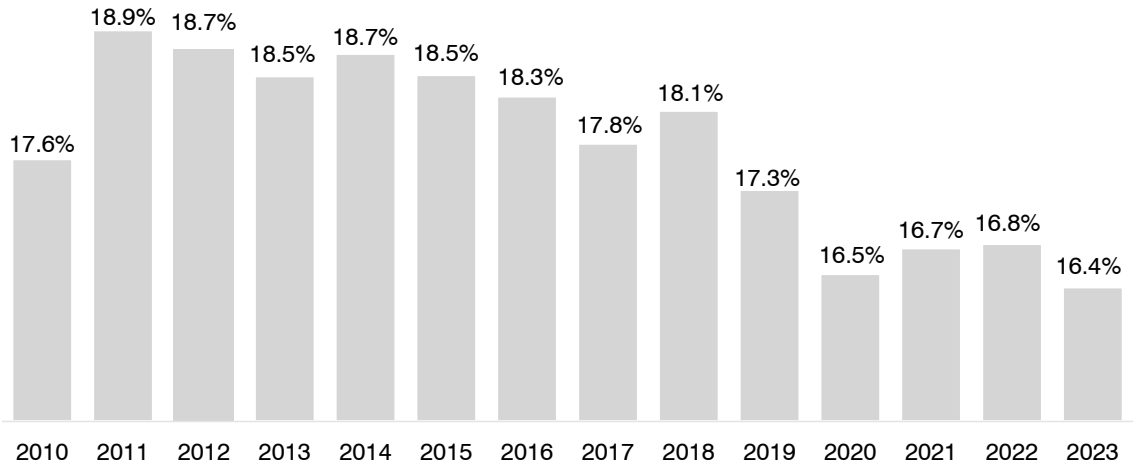
Loss of Market Share Despite Growing Overall Traffic

Despite increasing transport volumes, rail freight transport has lost nearly 2.5 percentage points of market share in recent years. The modal split in 2023 was just 16.4%. Even under favourable economic conditions – such as a successful stabilization of the global economy – SCI Verkehr forecasts only an average annual growth of 1.3% until 2030.

Freight divisions of former European state railways are also under pressure: they operate on chronically underfunded tracks while having to meet highly demanding EU competition requirements.

Additionally, the announced and necessary infrastructure expansion and renewal measures are initially burdening freight transport, especially in Germany. Construction sites and the resulting costly detours weaken rail’s competitiveness compared to the more flexible road transport.

Development of rail modal split in Europe (% of tkm)



Source: Eurostat, Modal Split for rail, road and inland waterways (IWW)

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Intermodal transport as a stabilizing factor
A more nuanced picture emerges in combined transport. For 2024, SCI Verkehr expects a recovery of 4.7% – after a decline of 7.3% the previous year. This development is mainly driven by container traffic from Eastern Europe and an increasing number of military transports. These impulses stabilize the overall market but do not reach the growth rates of around 2% per year that were common before 2023.

Changing demand and new players
Industries such as steel, chemicals, and automotive are under significant transformation and energy cost pressure. At the same time, the operator landscape is changing: with the recovery of intermodal transport, shipping companies and retail corporations are increasingly organizing rail transport independently to make their supply chains more resilient.

Digitalisation with short-term potential
While long-term mega-projects like the Digital Automatic Coupling (DAC) or ERTMS/ETCS currently require significant investment, short-term digital solutions – such as terminal automation or personnel scheduling – offer tangible efficiency gains. These technologies can increase capacity, conserve resources, and improve rail's competitiveness.

Market Data as basis for strategic positioning
Given volatile conditions and rapidly changing demand, access to current, differentiated market data is crucial. The MultiClient study by SCI Verkehr provides a solid foundation – with detailed analyses of types of goods, corporate strategies, market shares, political frameworks, and forecasts by segment and core markets.

The study **" THE EUROPEAN RAIL FREIGHT TRANSPORT MARKET 2025"** *will be available in English from SCI Verkehr from July (www.sci.de/shop/*

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