THE RAILWAY MARKET IN FRANCE

The French railway industry ranks second in Europe and third in the world after China and Germany. It represents more than 300 companies from infrastructure equipment, rolling stock suppliers, engineering, rail equipment, tracks to signaling equipment. The French network has nearly 30,000 km of lines including 2,600 km of high-speed lines, with 3,000 stations. Train traffic is slowed on 5,000 km of lines due to poor track conditions. The government is currently evaluating a comprehensive strategy to overhaul the rail transport system with 3 main objectives: focusing on rail transport activities that have a competitive advantage and that generate profits; creating the conditions for a return to economic equilibrium; and preparing for the opening to competition by reducing the government’s stake in SNCF—the French national railroad company. Europe remains the main source of business for the French rail industry. Rail equipment and materials suppliers mainly export to Italy, Germany, the Netherlands, Belgium, Spain and U.K. as well as Morocco, Russia, Tunisia, Switzerland and China. Travel by rail represents approximately 9 percent of the total passenger transportation in France. Around 1.2 billion passengers take the train in France. However, passenger transportation has been decreasing for the past few years because of ride-sharing, bus rides and the increase in low-cost flights.

The French freight rail transportation has decreased over the past 30 years. Volume of freight transport has only slightly evolved in 35 years, which emphasizes a lack of ambition, and the fact that only a few operators use freight transports across borders. Up until 2003, the SNCF had a monopoly on rail freight transport. Now companies can provide services within French borders. Today FRET SNCF is the leading freight company in France and the third freight company Europe-wide. Despite the gloomy freight transport results in France, international freight transport is doing well. Geodis, the international subsidiary of SNCF Logistics, experienced a 3.1 percent market increase especially in the U.S. Major developments are taking place with the United States. The main French railway actor, SNCF, has business in the United States through its subsidiary KEOLIS. ALSTOM (French railway Tier 1 supplier), signed a partnership in the U.S. with Amtrak to build 28 high speed trains (between 2018 and 2020), which will run on the Northeast Corridor (NEC) between Boston and Washington DC. Amtrak and Alstom also signed a long-term contract under which Alstom will provide Amtrak with technical support and supply spare components and parts for the maintenance of new trains. These contracts, worth $2 billion, present opportunities for U.S. suppliers to partner with Alstom and other French railway companies operating in the United States. The French rail industry is a closed environment, which requires fostering relationships and much perseverance. There are opportunities for U.S. exporters to do business in France and in Europe through representation or a physical presence locally. U.S. companies looking to expand in the French railway market will find the most success using the following methods: finding partners, opening an office in Europe, acquiring a French SME. For more information, contact U.S. Embassy France:
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