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Press release

New rail treaty will save Europe over €19bn

Oxera today unveiled a study for the Rail Working Group that assesses the direct microeconomic benefits from the Luxembourg Rail Protocol, which will save €19.4bn for a group of 20 countries in Europe. The Luxembourg Rail Protocol is a new global treaty that will make it much easier and cheaper to finance railway rolling stock and is expected to enter into force in 2019.

The Protocol will make the repossession of collateral on default or insolvency of debtors in the rail sector easier, thus reducing risk for creditors. It will also improve and standardise legal and operational frameworks across borders and, for the first time, introduce a global system for uniquely identifying rolling stock. Oxera estimates the present value of the reduction in transaction and financing costs to be around €32 per person.

The study does not measure the wider benefits of the Protocol, but it should have a positive effect on the environment, as well as social and economic benefits for the community as a whole.

'The Protocol, by underwriting the use of operating leases, will be a catalyst both for standardisation of vehicle designs and economies of scale in manufacturing, as well as lowering the barriers to entry for new operators', said Rail Working Group Chairman Howard Rosen. 'Experience from the growth of operating leasing in the aviation sector suggests that these benefits could also be considerable', he added.

[Click here to read the full report](#)

Ends.

Notes to editor:

Oxera advises companies, policymakers, regulators and lawyers on any economic issue connected with competition, finance or regulation. We have been doing this for more than three decades, gathering deep and wide-ranging knowledge as we expand into new sectors.

The Rail Working Group www.railworkinggroup.org is a Swiss-based not-for-profit association focused on the adoption and implementation of the Luxembourg Rail Protocol. It has over 80 members worldwide comprising manufacturers, operators, financiers and advisers in the rail sector.

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