



A logistics showcase

As one of Europe's largest lessors of intermodal railcars, Touax Rail's growing reputation is second to none



Louis Pastré business development and marketing director, Touax Rail

Founded in 1855, Touax has a rich history that can be traced back to when the company began life as Compagnie de Touage de la Basse Seine et de l'Oise, operating as a river transport service on the Seine and Oise rivers. Today the company has grown into a truly global enterprise with a diversified portfolio trading in four areas comprised of shipping containers (600,000 TEUs), modular buildings (three assembly plants), river barges and rail cars. The business ordered its first hopper cars in France during 1954 and over the years Touax Rail has grown its fleet to over 9000 owned and managed rail freight vehicles, serving 70 main clients across five continents. Within Europe Touax Rail works in co-operation with workshops and mobile teams and represents clients in the US through its partnership with Chicago Freight Car Leasing. Furthermore the company is keen to expand its fleet to as many as 10,000 rail cars and to maintain its momentum through a programme of continued diversification of its wagon types.

The company manages its wagons under Vereinigung der Privatgüterwagen-Interessenten (VPI), the German association of parties interested in private freight wagons, which allows it to deliver maintenance such as reprofiling

and revisions closer to its clients' operational areas. This greatly reduces transportation costs and downtime. Furthermore Touax Rail gained ISO 9001 accreditation in 2010 and became one of the first companies to achieve Entity in Charge of Maintenance (ECM) certification during December 2011. As such the company's technical know-how in the field of technical management and maintenance of railcars has seen it contracted to manage the ECM services of a large intermodal fleet of over 1100 wagons over the course of three years. Additionally it has undertaken further projects to supply a large number of coal wagons for traffic between the Benelux and Germany, and gained new clients in existing and new countries, including Poland and Turkey. It has also recently opened a central warehouse to deliver the main spare parts to its clients, in addition to secondary stocks spread over Europe, based on main clients' routes.

Since it was last featured in *Railway Strategies* during July 2013, Touax Rail has continued to grow its fleet and won contracts that have enabled it to pursue its ambition of an expanded service portfolio. In October 2013 the company announced that it had won a prestigious contract from Volkswagen Logistics to deliver a fleet



of 300 high-capacity sliding-wall wagons. The twin-axle wagons were required to have minimum internal height of 3000 mm to enable the transport of mesh box pallets (CKD) and were constructed by Greenbrier Europe at its Świdnica plant in Poland. The manufacturer was able to prove its experience in sliding wall wagons and ensured a close and successful co-operation thanks to a strong commitment

from the top management, sales and R&D departments. The first prototype was received in March 2014 with a second following shortly thereafter. During InnoTrans 2014 Greenbrier symbolically presented a prototype Wagon to Touax Rail, where the company triumphantly showcased the prototypes.

Following successful trials of the prototypes, EBA certification and others, Touax has begun the process of delivering the new fleet to Volkswagen, with the first new cars set to arrive in November 2014. "The partnership with Volkswagen coincides with our marketing strategy to lease more wagons to industrial clients, who are interested in profitable and long term agreements," said Louis Pastré, business development & marketing director. "Touax is proud to be a partner for inbound logistics, as for many years we have been actively involved in the outbound logistics, transporting new cars on laaers wagons." Touax Rail was already renting four axle Ha wagons on the market, but was looking for additional optimised sliding wall wagons. The company plans to continue to invest in his segment, offering new wagons for light or heavy cargo.

During July 2013 Louis commented that rail would continue to grow as a vital link in Europe's supply chain: "Rail market share versus road will increase regularly in Europe. In addition, the European fleet is getting older and needs a strong replacement programme over the coming years. Whilst the market needs 10,000 to 20,000 new wagons per year, the last five has seen only 5000 to 7000 produced. Compared to a European fleet that numbers around 700,000 wagons this represents around only one per cent. This is a structural under-investment trend that should end soon. So far the market remains under full production capacity but is improving, helped by regular replacement of tank wagons as well."

Indeed the continued success of the company in winning tenders for such significant contracts such as its recent success with Volkswagen would seem to suggest that the future could present a significant opportunity for Touax Rail. Certainly the conditions are right for freight lessors to supply significant added value to clients,

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as Louis elaborates: “These combined parameters will position leasing companies as key partners to accompany this development. Leasing ensures flexibility and low capital expenditure for our clients who need to optimise their organisation, traffic management, and costs. This enables them to focus on their core business of customer service and transportation. In addition, industrial companies are also leasing wagons in order to stay independent from the RUs (railway undertaking) – in the case of lower quality service they keep control of the wagons and simply have to find another solution for the traction.”

Presently Touax Rail is enjoying regular growth throughout Europe despite a challenging market, the US, and is starting in India. “We believe in a continuous recovery of rail business,” said Louis. The group’s wagons are leased on long-term contracts to railways, logistics and industrial clients in intermodal transport and the transport of palletised general cargo. Additionally Touax is the owner of a fleet of wagons transporting mining coal, steel coils and finished vehicles.

Over the next 12 months, Touax intends to offer pocket wagons for the transport of mega trailers and other additional open or covered wagons. Louis added: “Touax Rail offers other solutions like sale & leaseback where clients can prioritise cash allocation while they continue to use the wagons, protecting their market shares/positions.”

Looking further ahead, Louis concluded with Touax’s longer term strategic vision: “Touax Rail expects to

increase its development further in Europe and develop on other continents with internal or external growth, and continue to improve its service level. As such it maintains a wide service base that will support the company for many years to come.” ■■

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