

**Speech given by Mr Dusan Mes, Director-General of Slovenian Railways SZ**

*27th June 2014*

*Address to the UIC General Assembly*

Ladies and gentlemen,

Esteemed Mr Yakunin – UIC Chairman,  
Mr Lu – Vice-Minister of Ministry of Transport, Republic of China,  
Mr Loubinoux - UIC Director General,

Distinguished colleagues,

In the name of Slovenian Railways, allow me to welcome you in Portorož, the place which holds a very special meaning for UIC and therefore for all European and global railways. Many of you may not know that in 1921, it was here, in Portorož that the idea was born to found the international organisation UIC.

I am really pleased that numerous topics of crucial importance for the future development of railways and UIC - and its members as well - will be discussed at the General Assembly also here in Slovenia.

(Next, allow me to tell you about the current position of Slovenian Railways and also about the conditions of Slovenian railway infrastructure.)

On the European scale, Slovenian Railways are not a large company. Yet our position on the crossroads of important pan-European corridors (Baltic-Adriatic, Mediterranean corridor and the Tenth corridor towards Turkey and Greece) gives us a role of an important regional carrier.

Slovenian Railways are an integrated business system with freight and passenger transport and infrastructure management as principal activities, carried out by individual companies within the holding organisation. We are the second largest company in Slovenia and the largest logistic company in Slovenia. More than 90 per cent of the freight, of almost 18 million tons, is transported in international transport, for Austria, Hungary, Slovakia, Croatia, Germany and Italy.

In passenger transport, Slovenian Railways are the backbone of public transport in the state. It is encouraging that the number of passengers has been increasing and has exceeded 16 million passengers per year (Slovenia has 2 million citizens), especially in domestic transport, which represents 95 per cent of all our passengers. (This year we have noted a 3 per cent increase in passenger and a 4 per cent increase in freight transport, compared to the year before.)

As the infrastructure manager, Slovenian Railways provide the maintenance of the state-owned railway infrastructure and guarantee safe traffic on it.

In the past few years Slovenian Railways have been undergoing an intensive business and financial restructuring process, which has already yielded the first results in the current operations. Last year the turnover of Slovenian Railways Group exceeded 500 million Euros, with the net profit of nearly 20 million Euros. I have to stress that the key performance indicators can be compared to those of the most developed railways in Europe. We are trying to manage a successful company but for long-term successful operations, some of our subsidiaries, especially freight transport, will need a long-term strategic partner. (My opinion is that first we have to finish the business and financial restructuring, and only then it will be possible to find a quality strategic partner. We learned this by experience of some other countries.)

This year's trends indicate that those results will be improved. Our performance has proved to the state, the owner of Slovenian Railways, that we can be a successful company, that the Railways are trustworthy, and that all investments are economically and socially justifiable.

In the past, the state, which is the owner of the railway infrastructure, has made relatively small investments in the infrastructure. I am convinced we are facing a period of intensive investment cycle, because after years of neglect the state has finally realised that quality railway infrastructure is one of the basic conditions for a faster national economic development.

The planned new state investments in railway infrastructure will enable a faster development of the railway sector and of the Port of Koper as well. I believe the future of Slovenian railways is optimistic, and that we will be able to offer even better logistic and transport services to our domestic and foreign business partners.

In the past decade the European borders have been rapidly disappearing and I am certain that the same can be said for the limitations in the further development of the railway sector. Of course that is not possible without good cooperation between all the participants of the integral railway system. This is why Slovenian Railways envision our future development in close cooperation with our domestic and foreign business partners. We have also established the conditions for closer strategic cooperation in international sphere.

Today's UIC General Assembly meeting is an important step in that direction, because successful alliances cannot be formed without formal framework and common standards of railway operations.

The strategic challenges defined in the UIC document "Challenge 2050" are our challenges as well, the challenges of the present and the future. Without doubt an efficient railway system is of vital importance for growth and economic competitiveness, and for development of the society as such.

Dear participants of the General Assembly, I wish you a successful meeting and a pleasant stay in Portorož.