



## **MIXING RAIL AND ROAD FREIGHT EUROPE (UK) LTD SET TO GO MULTI-MODAL AS IT BUILDS ON LAST YEAR'S EXPANSION**

Freight Europe (UK) Ltd is poised to become the first of SNCF's international freight activities to go multi-modal.

The company, part of the French state rail operator's Fret International division, has reached due diligence stage in negotiations about the acquisition of a road distributor to serve its UK customers. It expects to close the deal within a month.

The purchase will add flexibility to operations and develop Freight Europe's ability to offer complete supply chain solutions, according to its UK general manager, Duncan Gray.

"Rail is good at core volumes but is perceived, sometimes incorrectly, to be poor at responding quickly," he said.

"Round trips are not always possible for us and we believe this will help to balance our traffic.

"We could use rail for base volumes and road to help manage peaks in demand."

SNCF plans to double rail freight in 10 years and increase its international freight revenue from 50% to 70%.

Last year the group set up international businesses in Italy, Germany and Belgium.

Freight Europe, currently the smallest of these businesses, recorded double-digit growth in 2000. This year it expects to increase its wagon fleet from 350 to 600.

The company has also recently broadened its contract with retailer Marks & Spencer to move wine from Beziers in France to the UK. It now also transports wine from Spain and south-west France for the company.

Freight Europe imports Evian and Volvic water to the UK for the Danone group, with distribution beyond the railhead sub-contracted to a UK logistics operator. It is this type of work that an integrated operation could bring in-house.

Procter & Gamble has also just confirmed its first UK rail contract. Freight Europe is moving paper tissues daily from its factory in Crailsheim, Germany, to its Skelmersdale distribution centre in the UK.