

# OBB debts risk the company's privatisation

*OBB's losses in 2009 amounted to EUR 970 Million. The situation shows no signs of improvement this year either, which made the Opposition in Austria demand the group's privatisation to avoid collapse. The company has also changed the leader. The new CEO Christian Kern has already drawn the attention of sceptics given his background in the energy area, his lack of experience in railways and his close relationship with the governing party, the SPO. However, OBB continues his expansion programme on the European market by launching an innovative service in intermodal cargo transport, ISU Express.*

[ by Alin Lupulescu ]

**O**BB's turnover in 2009 amounted to EUR 5.75 Billion, 83.4 Million less than in 2008. This year, the company lost around EUR 300 Million from a contract with Deutsche Bahn (DB), the agreement which includes financial speculations being concluded earlier than scheduled to avoid even greater losses. The group's new CEO, Christian Kern, declared that during his mandate the group would not engage in any activity based on financial speculations.

OBB's new CEO was appointed at the end of June 2010 and replaced Peter Klugar. The central press says his appointment was of political nature and he was a favourite of the Social Democrat Party (SPO).

Apart from financial problems, OBB also faces a scandal being in the spotlight of the public opinion after it has been discovered that the average retirement age for the company's employees is 52, a lot earlier than the average retirement age of other state-owned companies in Austria. In protest to this, but also to criticise the extremely high level of the group's wage costs, the People's Party (ÖVP) has withdrawn its members from OBB's Surveillance Council. The Austrian Transport Minister Doris Bures has taken a stand on the matter and proposed to raise the retirement age starting 2011. The Austrian official also said that urgent measures needed to be taken to reduce losses since major rail infrastructure investments are under question. She gave the example of the Koralm Tunnel project which was supposed to connect the provinces of Styria

and Carinthia or that of the Brennerbasis Tunnel in Tyrol. All these problems have forced some parliamentarians to demand OBB's privatisation hoping that this would help the company reduce losses. Josef Bucher, leader of the Austrian opposition, has expressed his position of reforming OBB quite clear. He repeatedly declared that the only thing that could avoid the company's financial collapse was privatisation, talking about OBB's real debts that might exceed EUR 15 Billion. Josef Bucher says that the most affected sectors should be listed on the stock exchange and nominates freight transport among the top of indebted subsidies.

## Despite difficulties, OBB-RCA launches innovating freight transport service

Despite these accusations and financial problems which mainly affect the freight transport sector, OBB's freight division, Rail Cargo Austria (OBB-RCA), carries on the expansion programme of the current Central European market. In mid-June 2010, the company launched an innovating service called Innovative Semi-Trailer Lifts Envelope (ISU Express).

The service was launched on June 19 and implies the transport of truck trailers in specially designed wagons. These trailers could not be loaded in trains before the launch of the ISU Express. The service is implemented on a route from Wels (Austria) crossing Hungary, Romania and Bulgaria to reach

the Turkish border, near Stara Zagora (Bulgaria). RCA was the first company to develop the system which carries trailers and trucks and will commercialise the system through its OKOMBI subsidiary.

Up to 30 trailers can be carried in 15 special wagons through the ISU Express. For the beginning, the system will imply two monthly journeys. The number of special trains is expected to double by the end of the year. The system has been developed with the European research and development programme for freight transport, CREAM.

The new head of Intermodal Transport Division Franz Dirnbauer declared that trailer transport holds an important share in European transport and 85% of these trailers didn't have the necessary equipments to enable their transport by means of transport other than road, until the ISU Express. ■

## Задолженность «ОБВ» рискует привести к приватизации компании

Потери «ОБВ» в 2009 году составили 970 миллионов евро. Не похоже, что в этом году ситуация имеет шансы на восстановление. Это привело к тому, что оппозиция Австрии начала требовать приватизации группы, чтобы спасти её от коллапса. Во главе компании новое руководство. Нового директора, Кристиана Керна, общественное мнение приняло немного сдержанно, поскольку он до этого работал в энергетической сфере и у него нет опыта в железнодорожном секторе. Несмотря на это, в «ОБВ» продолжается процесс расширения на европейский рынок. Компания запустила инновационную услугу в области грузоперевозок, «ISU Express», которая предусматривает, что железнодорожный транспорт принимает на себя существенный объём перевозок дорожного транспорта. Лидер австрийской оппозиции, Йозеф Бухер, выступил наиболее жестко по поводу реформирования «ОБВ», повторно заявляя, что только приватизация может спасти компанию от финансового краха. Бухер считает, что на бирже должны присутствовать отрасли с наибольшими потерями, номинализируя перевозки товаров первыми в списке должников. ■

