



SBB CFF FFS

Rail is the future.

A status review by
Monika Ribar, Chair of the Board of Directors
Vincent Ducrot, CEO SBB

March 2024



“Safe, clean and punctual” – and in future “more flexible, more frequent and faster”.

What has SBB achieved since 2020? How will we overcome the challenges leading up to the next major expansion step 2035? And what role will rail play from the middle of the century? Monika Ribar, Chair of the Board of Directors, and CEO Vincent Ducrot answer these questions in this status review. They also outline a long-term vision for rail transport.

Contents.

Introduction: managing the here and now, while thinking about tomorrow and beyond.	p. 2
Today: “safe, clean and punctual” – robust performance in the core business of rail services.	p. 3
2035: achieving smart growth in the core business by the next major expansion step.	p. 6
Rail from the middle of the century: transition to “more flexible, more frequent and faster”.	p.12
Conclusion: rail has a bright future – rail is a labour of love.	p.15

Introduction: managing the here and now, while thinking about tomorrow and beyond.

Since 2020, when Vincent Ducrot took over as CEO of SBB, we've been focusing on our core business, have made significant progress in terms of punctuality, quality and robustness and are in the process of implementing the [SBB 2030 Strategy](#), e.g. with more flexible services at weekends or during winter. We've also overcome many crisis situations – the Covid-19 pandemic, energy shortages, the accident in the Gotthard Base Tunnel etc. We're setting the future course for mobility in Switzerland and the railway today. Key elements include the 2025 timetable for French-speaking Switzerland, the development of freight services, the 2035 Service Concept, Switzerland's negotiations with the EU and the Confederation's Perspective RAIL 2050.

This status review seeks to extend the horizon beyond day-to-day business. It is our duty to **manage the company in the here and now, while also thinking about tomorrow and beyond.**

Customers and politicians demand much of us and have very high expectations. That is an honour, but a challenge too.

As a **symbol**, SBB's CEO chose **skimming stones** because it's something he has often done with his children. It symbolises the fact that we live in the present but must also reflect on the future.

Our **status review** covers three time periods:

1. Today: what has SBB achieved over the past four years?
2. 2035: what challenges does the next major expansion step 2035 present and how will SBB overcome them?
3. 2050: what is our vision from the midpoint of the century as a major player in public transport and rail services?

We highlight key points for each period to provide examples.

Today: “safe, clean and punctual” – robust performance in the core business of rail services.

SBB’s CEO took up his position four years ago tasked with focusing on the core business of rail services – “safe, clean and punctual”. That’s why the SBB 2030 Strategy focuses on rail services.

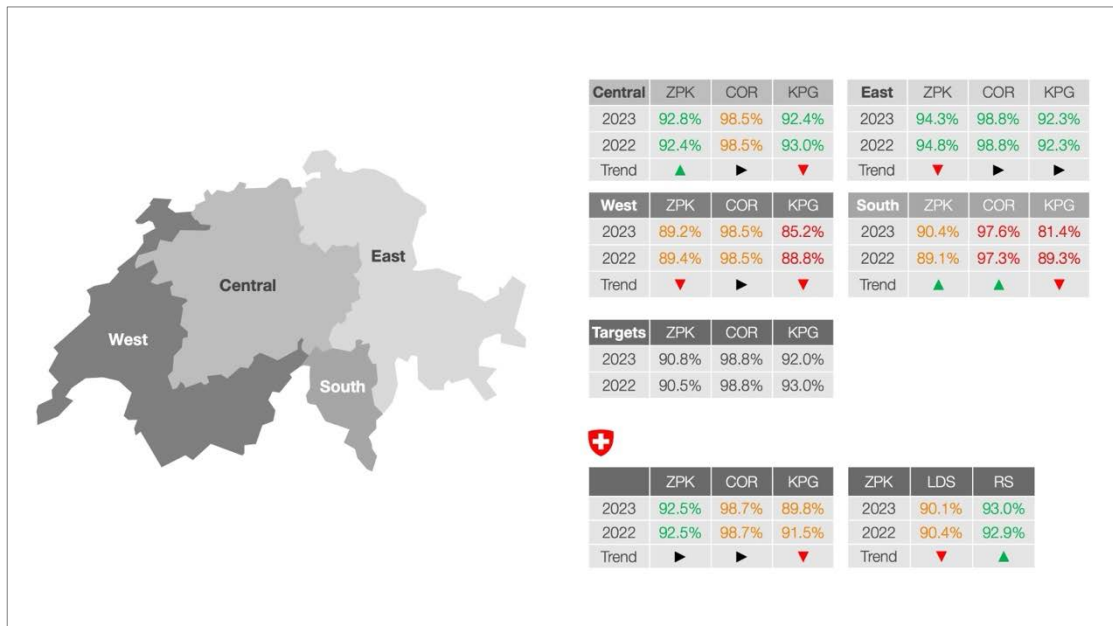


Fig. 1: Punctuality has improved, the regional differences are big.

Today, SBB’s management team and 35,000 employees are proud to say that **great progress has been made in terms of punctuality, quality and robustness**. This is thanks to meticulous planning, a stable workforce (locomotive and train crews etc.), increased maintenance of vehicles and infrastructure, a focus on safe construction during ongoing operations and greater timetable reserves.

Our conclusion: SBB has stabilised the rail system – despite record numbers of passengers and construction sites. Every rail company in Europe dreams of 92.5% punctuality.

Clearly, figures are one thing, **individual customer experiences** another. If a customer has to get to an important meeting and the train is at a standstill, overall strong performance in terms of punctuality is not much use to them. We wish to thank our customers for the composure they often show in such situations. It’s vital that we continue meeting high punctuality expectations. That’s what our customers expect of us on a daily basis. This requires meticulous planning of construction work, rolling stock and resources etc.

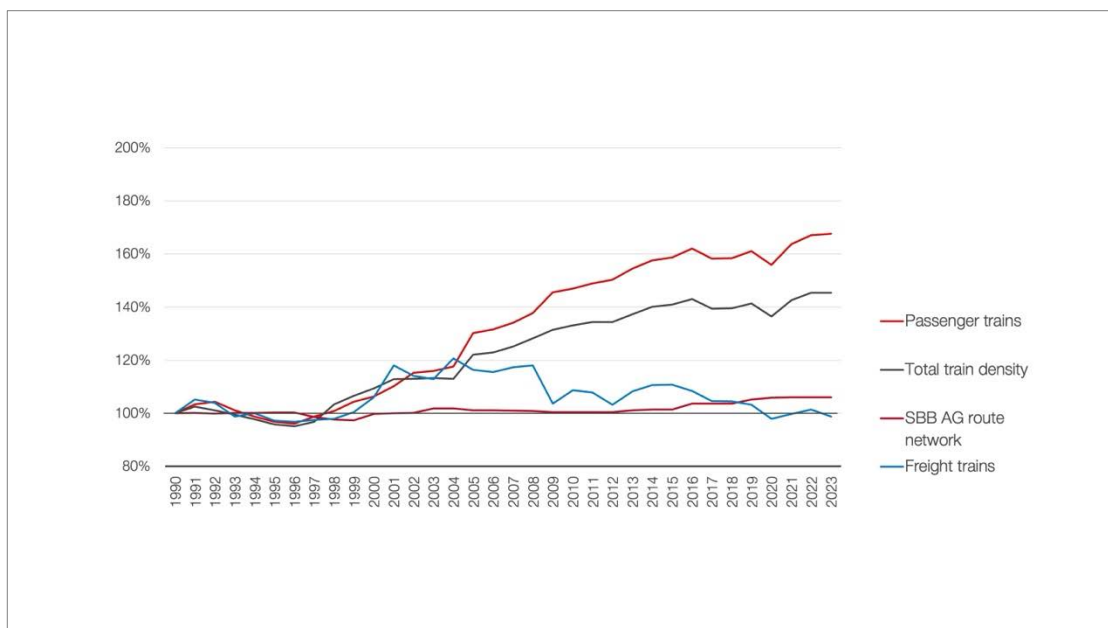


Fig. 2: Train density since the 1990s: 45% more trains are running today on a network that has only undergone slight expansion.

A reliable timetable is the cornerstone of the railway. Providing passengers with **realistic and convenient timetables** is essential. In view of growing passenger numbers, a constant increase in trains on a dense network and a rising number of construction projects, keeping the timetable stable requires greater leeway, i.e. slightly longer journey times. We have around 25% more trains in the system today than at the start of Rail 2000 and there has been a 45% increase since the 1990s. More traffic means slower trains. The phenomenon of congestion is well established scientifically: if more and more traffic is added, speed must be reduced to ensure the overall system continues to function. The same phenomenon applies to the railway as well as to waterways or on the road.

In German-speaking Switzerland and Ticino, journey times were made slightly longer several years ago due to expansion projects, such as the cross-city link in Zurich or the Gotthard Base Tunnel. Resources in French-speaking Switzerland have been stretched for far too long. A major timetable change is now needed from 2025.

SBB has been working on the **2025 timetable for French-speaking Switzerland** in close collaboration with the Cantons in French-speaking Switzerland for a year and presented it in May 2023. In some quarters, there was a lack of understanding, and even anger. Cities, politicians and customers have raised questions and voiced criticism, which, of course, we can well understand. We have made every effort to answer them and will continue doing so.

There are always pros and cons in terms of service provision when timetables are adjusted. We have found good solutions for most travellers. However, we have to reduce train speed slightly to complete the various construction projects planned in French-speaking Switzerland. We are still working on key points for customers, Cantons and cities: changes on the same platform in Renens or the number of direct connections between the south foot of the Jura and Geneva. Services will be improved for our customers in stages.

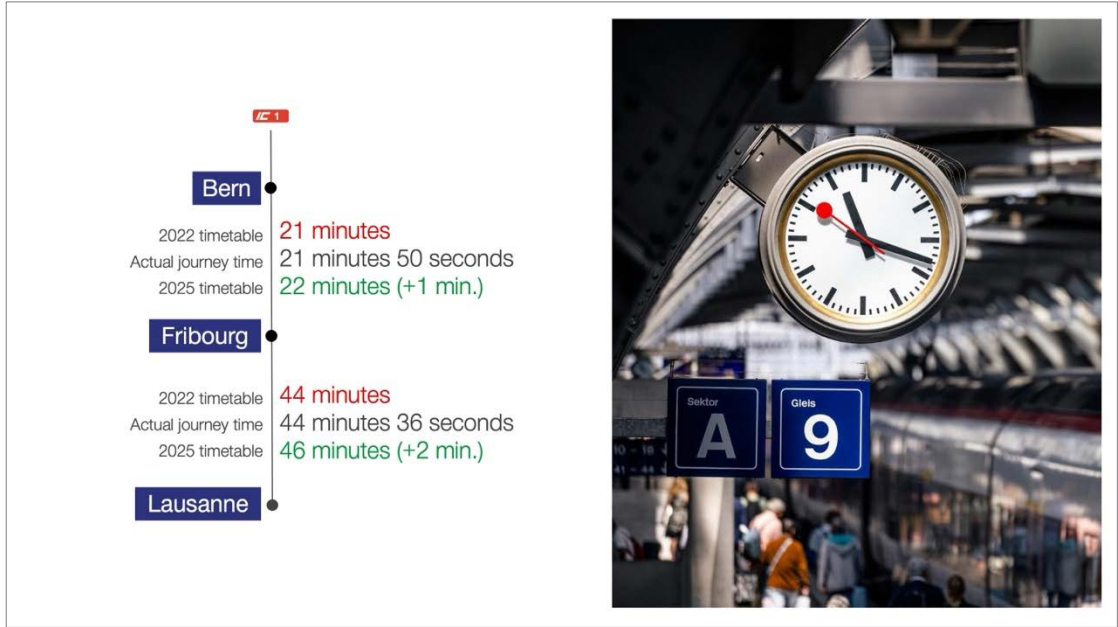


Fig. 3: The basis of the timetable for French-speaking Switzerland will be aligned with the actual situation by 2025.

2035: achieving smart growth in the core business by the next major expansion step.

Over the medium term, i.e. in the period up to the next major expansion step in 2035, we face **three challenges**:

1. Firstly, **mobility and the railway will continue to see strong growth**. On one hand, we aim to manage this growth forecast by the Federal Office for Spatial Development (ARE) and, on the other, we wish to achieve smart growth in our core business with services providing the greatest possible benefits for our customers in passenger and freight services.
2. Secondly, **the amount of construction work will rise sharply**, i.e. we will have a growing number of construction sites. More traffic means a higher level of maintenance and system renewal. We already have over 20,000 construction sites every year. Maintaining our infrastructure is vitally important as we don't want to risk conditions like those in other countries. Then there is the ZEB "Future development of rail infrastructure" programme approved by government with its expansion steps 2025 and 2035.
3. Thirdly, we face an **acute shortage of skilled professionals** as well as many forthcoming retirements. In 2023, we received over 104,000 applications for 4,200 vacancies. That's a huge figure. It is becoming increasingly difficult to recruit specialists in certain occupations. That's the big challenge: finding the right professionals for our future.

So what's our approach? In line with the [SBB 2030 Strategy](#), we're implementing many different projects with highly skilled and motivated employees. We can do this independently to some extent but are reliant on the public transport sector and government in some areas too.



	
<p>What we can do by ourselves.</p> <ul style="list-style-type: none">- Manage construction work- Provide construction work timetables and rail replacement services- Improve occupational health and safety- Improve customer information- Modernise small and medium-sized stations- Run freight services on a sustainable basis- Consistently implement digitalisation- Implement the energy strategy- Put the right employees in the right place	<p>Where we are dependent on others.</p> <ul style="list-style-type: none">- Healthy finances- Growth in international passenger services- Improve the fare system- 2035 Service Concept

Fig. 4: We need to do this to overcome the challenges before the next major expansion step in 2035.

What we can do by ourselves.

A **robust timetable** will be vital over the coming years. The 2025 timetable for French-speaking Switzerland has laid the foundations Switzerland-wide. We are doing all we can to keep the planned services running to schedule. However, we wish to make it perfectly clear that there will be **more construction work timetables lasting several weeks or months.**

Our approach of undertaking construction projects with only minimal service reductions is being pushed to the limit. The consequences would be to accept more temporary service restrictions in future, e.g. route closures with rail replacement services or reduced services at evenings and weekends. In addition, new expansion projects on the main lines with an impact on rail operations cannot be undertaken until the second half of the 2030s at the earliest, or even later. Until then, the upgrades required must be carried out and the current expansion steps implemented.



What does this mean for our customers? They will be impacted by the sharp rise in construction projects. And as a rail company, we are under huge pressure in terms of building, planning and operations. Just like on the road, that means slower traffic. For our customers, other transport companies and the parties ordering our services, we need to improve our reliability in terms of planning changes and adopt a more proactive approach to communication. Effective rail replacement services are also crucial – there's much room for improvement here. We also aim to complete construction projects efficiently, in a well-coordinated way and within tight timeframes. Otherwise the infrastructure will be neglected or fewer trains will be able to run. Based on a robust timetable, we also aim to gradually improve the flexibility of our services.

Employee and customer safety always takes top priority at SBB. Occupational health and safety is a key challenge where we want to improve. **Customer information**, especially in the event of disruptions, must be much better and simpler. When delays and train cancellations occur, all passengers should receive individual, consistently correct information regarding their onward journey as quickly as possible and available at a glance. To provide customer information from a single source, we will create a new Centre of Excellence for customer information in 2024 to ensure an integrated approach. We've already implemented the first measures: The changes to SBB Mobile and the new access and platform display boards make it easier for passengers to find their way around the station and to obtain more detailed information in the event of disruptions. The new rail traffic control centre for Switzerland has enabled travellers to obtain information more quickly since September 2023.

Railway stations are SBB's calling cards. After work on the major stations, efforts will focus on **small and medium-sized stations** over the coming years. They will also be transformed into modern transport hubs, provide space for local and regional services and be used as meeting spaces – like a village square. Seating and green spaces improve the quality of stay as well as the recognition of the SBB brand.

Rail freight services are to be developed on an economically sustainable basis.

Last year, we brought freight services closer to the company again – a new spirit is clearly evident. A transition – both financially and in terms of technology – is needed in domestic freight services. Financially, this means that we must eliminate the structural deficit and generate profit in order to reinvest. Unprofitable wagonload transport must be financially supported for a



transitional period. The Swiss Federal Parliament must decide whether and in what form that takes place. It's important to understand that more money doesn't necessarily mean more freight on the railway. Even with financial support, a realignment of the service offer based on customer needs will be required as well as, above all, automation of operations to enable rail to continue making the most of its strengths for longer distances and heavier goods as well as night-time logistics for the benefit of all parts of the country in future: for customers and shippers, national supply, the redundancy of transport modes and safety.

Systematic digitalisation in all areas is needed. Digitalisation will play a major role over the coming decade: it will enable us to get much more out of the rail network and seize growth opportunities. It will provide more capacity and greater benefits for travellers and freight transport customers. Our flagship IT projects are Integrated Production Planning in passenger services (IPP), end-to-end infrastructure planning (TMS) and the introduction of the new SAP generation. The development of the European Train Control System (ETCS) will enable SBB to create more capacity on the network. In freight transport, the key is called “digital automatic coupling”, which we will gradually roll out in Switzerland once the European standard has been established, and “automatic brake testing” for which we have received approval from the Federal Office of Transport (FOT). There will be many more innovations, such as multimodal solutions and door-to-door mobility. We're digitising the core of our company. This is an investment in our future and will also help us to overcome the shortage of skilled specialists.

By pursuing a **new energy strategy**, we aim to become more financially **independent of the electricity market** and to meet 95% of our rail power requirements by 2030, even during winter. We aim to step up our energy efficiency measures, expand our hydropower plants and increase our photovoltaic output. This will make rail transport even more sustainable. A higher rail power price will allow us to invest much more than today. In this respect, the ball is in the FOT's court.

A company is only as good as its workforce. By 2030, around a fifth of the workforce will have retired and around 6,000 employees will need to be replaced in a labour market where employees have the upper hand. SBB is a strong brand and an attractive employer. We use a wide range of measures to attract employees: for example, we adopt a proactive approach towards candidates, advertise positions with a level of employment from 60% where possible, enable part-time secondary training and are pursuing a pioneering approach with “speed recruiting” for trade professions. The jobs of all employees are important to us. Our central office locations are of a good standard, but we clearly have some room for improvement out in the field – here we aim to significantly improve the working environment for our staff, who work in tough conditions, over the next few years.

Where we are dependent on others.

Healthy finances are vital for SBB's future. **We have major concerns in this respect.** We don't want to leave behind an SBB that has to be completely restructured. Our debts rose to over CHF 11 billion during the pandemic. We are only financially sustainable if we generate a profit of around CHF 500 million a year. That sounds like a lot but CHF 250 million goes towards the pension fund and infrastructure. This is the only way we can make the investment needed in new rolling stock, for example. We must strike the right balance between debt, investment, income and what customers are prepared to pay. We make a major contribution ourselves: by 2030, we will spend CHF 6 billion less than planned. Income from Real Estate covers the transfer payments to Infrastructure, the amortisation of pension fund payments and helps to reduce our debt burden. The owner also wishes to make a major contribution. In a proposal submitted to Parliament, it outlined plans to offset the losses incurred during the pandemic in long-distance services. This step is necessary to allow us to make the investment required without incurring additional debt. We are hoping for a positive outcome to the political consultations.

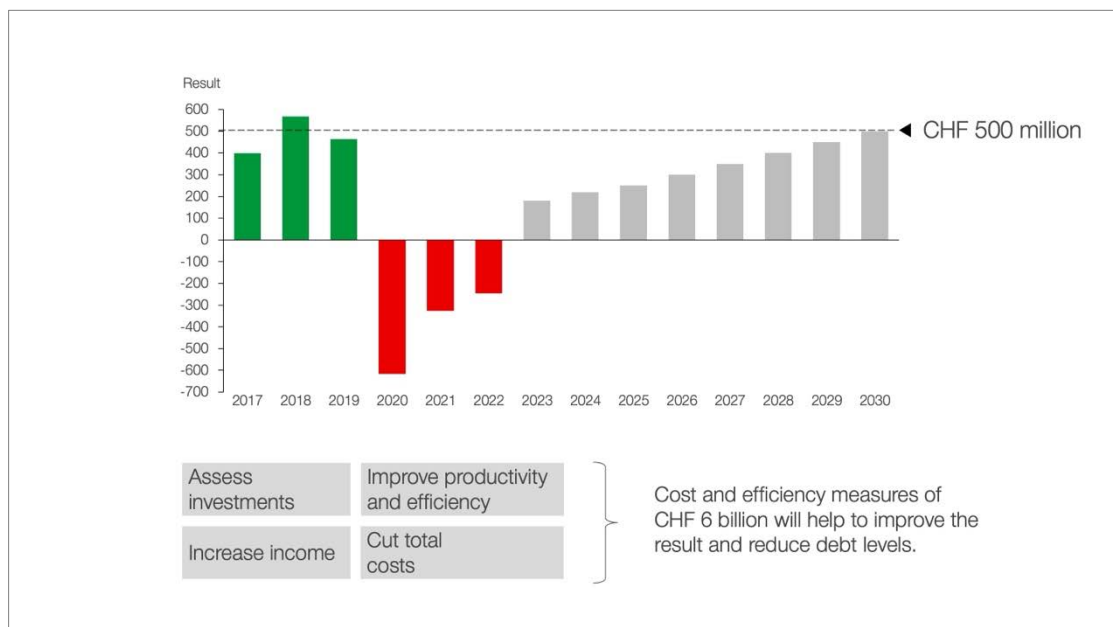


Fig. 5: Annual profit of CHF 500 million must be generated to avoid further increasing debt levels.

Another point regarding finances. We are heavily dependent on public funding. In discussions of this topic, there is often a gap between the expectations of politicians and stakeholders, what is financially viable, the operational and business reality of railway production and the framework conditions governing rail funding. The funding from the service level agreement with the Confederation only just allows us to maintain our infrastructure, while there is a growing backlog of maintenance work which is a big concern for the future. The rail power price is set so that SBB would have to borrow to implement the energy transition. In domestic freight services, we are finally hoping for some clear direction and a funding decision on wagonload transport and the transition towards automation and digitalisation. Unfortunately, our room for manoeuvre is limited from a business perspective.

There is significant opportunity in International Passenger Services for us as a railway company. International Passenger Services is enjoying strong growth and there is great potential to achieve more. We aim to achieve further progress here in terms of the service offer, frequency, destinations and ticketing. Our services must be outstanding so that customers want to travel with us. SBB is working with partners to improve connections to the major hubs in neighbouring countries, for example, to Lyon, Munich and Milan or, in future, to London, as well as to Rome and Barcelona on night services, provided that politicians continue to support us and funding remains part of the CO₂ Act.



Fig. 6: There is great potential for future growth in International Passenger Services (IPV).

Buying tickets for international passenger services must be made much simpler. We have already taken a major step in this direction. All tickets for our neighbouring countries and our direct connections can now be purchased on sbb.ch and at the Travel Centre, including supersaver tickets. A simple price comparison option has now also been introduced. Over the course of this year, customers will also have the option of buying tickets for international passenger services via SBB Mobile. In collaboration with our European partners, we have set out a roadmap to make international ticketing even easier. Customer information on international services must also be improved.

Our cooperation with rail operators abroad is proven.

We are also dependent on politicians – at both national and international level – when it comes to International Passenger Services. Our collaboration with partner railways is very successful. Cooperation with rail operators abroad is tried and tested. The opening-up of international passenger services would represent a departure from the current model and would have far-reaching consequences for Switzerland's successful model of public transport. We will also make these points during the discussions relating to the Swiss–EU negotiations. Swiss public transport is the most reliable and punctual in Europe. Our route network has been the busiest for years, including mixed traffic. The clock-face schedule and National Direct Service (one journey, one ticket; GA Travelcard; Half Fare Travelcard) are firmly established. These achievements must be maintained.

A key element is the **public transport fare system**. This has grown and has become confusing – buying tickets can be complicated. In this respect, we are dependent on the public transport sector and work closely together. New approaches are needed – with new pricing and travelcards in the short term and with a system change towards e-fares in the medium term, which is being tested as part of the myRIDE project by Alliance SwissPass. In future, travellers should no longer have to worry about whether they need a travelcard or which ticket they want to buy. The best price is guaranteed.

The **2035 Service Concept** primarily aims to create more capacity and provide more connections – FOT is taking the lead. Like many others, we are still not satisfied with the current situation. We must minimise current weaknesses and get more out of what's available for passenger and freight service customers – e.g. with smart project adjustments to improve journey times. It's clear that we must adopt a top-down approach to planning the structure of the network and timetable – firstly at national level and then using a differentiated strategy for regional and local services. This is the only way to get the best service out of the existing infrastructure – as well as that which will have been built by then – for customers and Switzerland.

The **projects ordered by politicians form the basis of the 2035 Service Concept**. The Confederation has indicated that implementation will be delayed by up to five years, which seems realistic in our view. On one hand, the planning permission procedures are taking longer and becoming more complex. On the other, we must continue to operate and maintain our infrastructure. Demand in this area is increasing and must be prioritised.

The politicians will ultimately decide which new projects are implemented. These decisions, particularly for major projects on which studies are being carried out, must be made with sound judgement: Lucerne and Basel nodal points, direct connection between Aarau–Zurich and greater speed between Bern–Lausanne and Winterthur–St. Gallen. We are calling for **customer benefits to be prioritised – where is the money invested most useful?**

Rail from the middle of the century: transition to “more flexible, more frequent and faster”.

What role will rail and public transport play from the middle of the century? The Swiss railway system is one of the best in the world. **The railway is a success story** – just think about Rail 2000 and the New Rail Link through the Alps (NRLA). However, we know that if we want this success story to continue, we cannot simply carry on as before. Public transport’s share of total transport has not grown significantly for years, while the marginal benefit of the billions of francs invested in infrastructure is constantly decreasing.

We must **demonstrate the courage to consistently rethink** and reorganise **Switzerland’s rail system** on the basis of the existing and agreed infrastructure. We need a new **long-term vision for the railway** from the middle of the century. Here, we are building on the Confederation’s reflections on the Perspective RAIL 2050 and taking account of other considerations on the future of rail too. This is where we can make our contribution. SBB has a clear position. While politicians act in the interests of their region, we consider the overall system and are endeavouring to improve our rail system.

The situation is clear. **The world is changing rapidly** and so too are mobility needs. The climate crisis, increasing land and energy use, new technologies and population growth in Switzerland that will reach 10.4 million by 2050 with more travellers and more trains – all of this presents both opportunities and challenges. That’s why we’re reflecting on how rail can contribute to overall mobility in Switzerland and in Europe in future.

Our **long-term vision is consistently aligned with the success factors of the railway**, as set out in the SBB 2030 Strategy. When defining our vision, our starting point is our customers’ needs – passenger and freight transport customers: they want and need attractive services at reasonable prices. We are focusing on making better use of existing and planned infrastructure and on cost-effectiveness. We see rail as a key, but one of many modes of transport in terms of comprehensive mobility. Our focus is Switzerland – providing access to all regions and links with Europe.

Our **approach: network-wide integrated planning across four service levels**. International connections provide rapid, direct access to EU cities and also run between Switzerland’s major cities.

Connections within Switzerland have a quarter-hourly cadence where that’s feasible: nationally between the main centres, but also regionally between the main centres and urban conurbations. Urban conurbations will shape the vision of Switzerland in 2050 to an even greater extent than today.

Locally, almost everyone should be able to reach a railway station at least every 15 minutes and within a maximum of 15 minutes. Our travellers are always on the move from door to door.

In conclusion, the railway is focusing on long and medium distances for passengers and freight and on urban conurbations where rail services reliably transport many people from place to place. As transport hubs, railway stations will become **attractive, multimodal meeting places**.

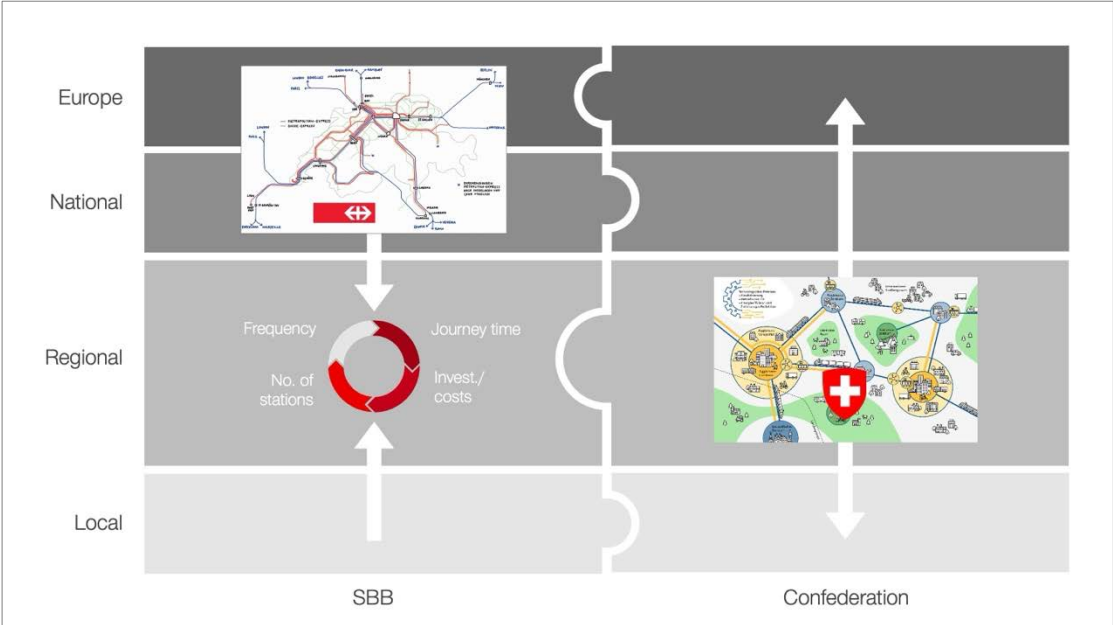


Fig. 7: SBB proposes an integrated approach across four service levels, complementing the Confederation's approach.

In future, the services we provide for our customers must not only be “safe, clean and punctual” but also **“more flexible, more frequent and faster”**. Passenger services will meet travellers’ needs more flexibly in the second half of the century: the timetable and rolling stock will meet demand more flexibly than today, e.g. based on the time of year, time of day or weather conditions. The systematisation of services, harmonisation of speeds and greater integration of mobility will enable services to run more frequently on the existing or planned infrastructure – every 15 minutes, where appropriate – and passengers to reach their destinations faster – not faster because of higher speed, but faster from door to door. Just like a chairlift, there will always be a train with seamless connections to the right mode of transport.

To become “more flexible, more frequent and faster”, we must demonstrate **the courage to reflect on certain taboos. This includes the nodal point principle, i.e., the concentration of connections on the hour and half hour at key stations, as well as the stopping policy.**

Running services every 15 minutes will allow a shift away from the strict 0/15/30/45 nodal point structure and enable a more flexible approach to the nodal points to be adopted. They will become less important, and we can avoid having to install expensive infrastructure that only reduces journey times by a few seconds.

In future, rail services will stop less frequently, making them faster even without high speed – this is a good solution for a small country like Switzerland and given the role played by rail transport in the urban conurbations. The stopping policy will be aligned with urban development and the strengths of local public transport. This can provide much better access to areas, e.g. with trams, on-demand

buses or light rail. Complementary public transport systems will make the flow of travel continuous from door to door and faster too.

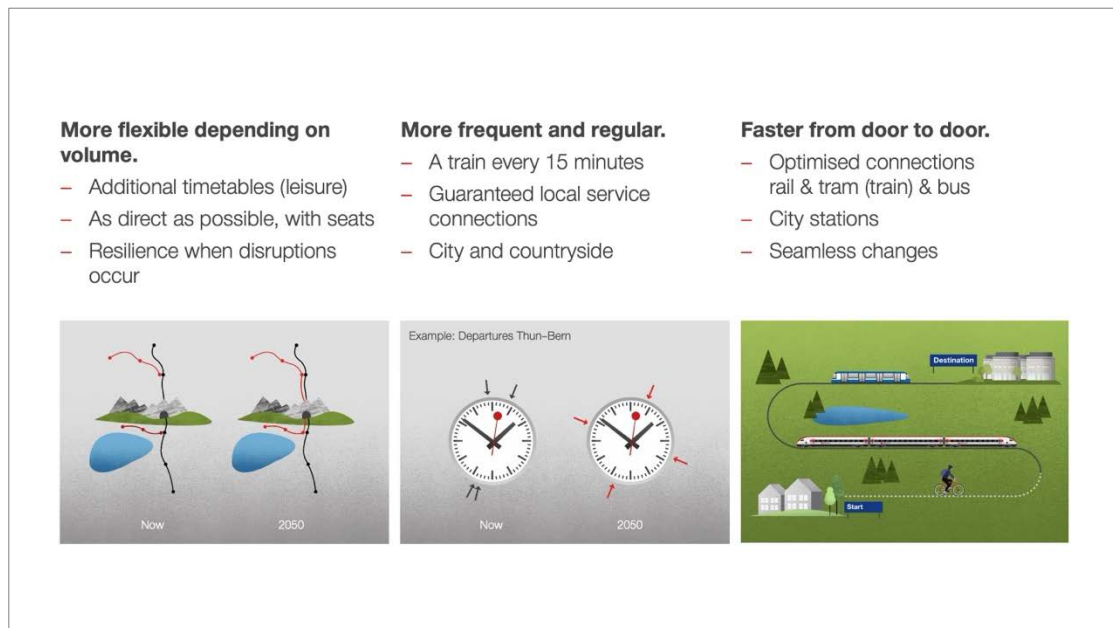


Fig. 8: “More flexible, more frequent and faster” services will attract more customers to the railway and public transport.

Careful planning must show the ideal mix for each region. This will be defined jointly with politicians, partners and the public. Costs, travel time, the stopping policy and changes have to be weighed up. We will set out initial proposals on these points and then discuss them with the Confederation and Cantons. The aim is to increase the modal split in public transport with viable infrastructure and operational costs.

The long-term strategy for freight services is called **“Suisse Cargo Logistics”**, which is part of our vision for the railway. We presented Suisse Cargo Logistics in September 2022. The aim is provide efficient, automated and sustainable logistics in Switzerland. Implementation is already under way. Since June 2023, SBB Cargo has been a wholly owned subsidiary, which once again represents freight transport on the Management Board. We are currently drawing up a transformation plan.

Based on our reflections, we will outline a vision for rail as part of integrated overall mobility and logistics. Holding a **broad, public discussion** is extremely important to us. We are inviting our stakeholders to collaborate with us on developing the Swiss public transport system of the future. We envisage a railway that makes an optimal contribution to transporting people and goods from door to door more flexibly, more frequently and faster.

Conclusion: rail has a bright future – rail is a labour of love.

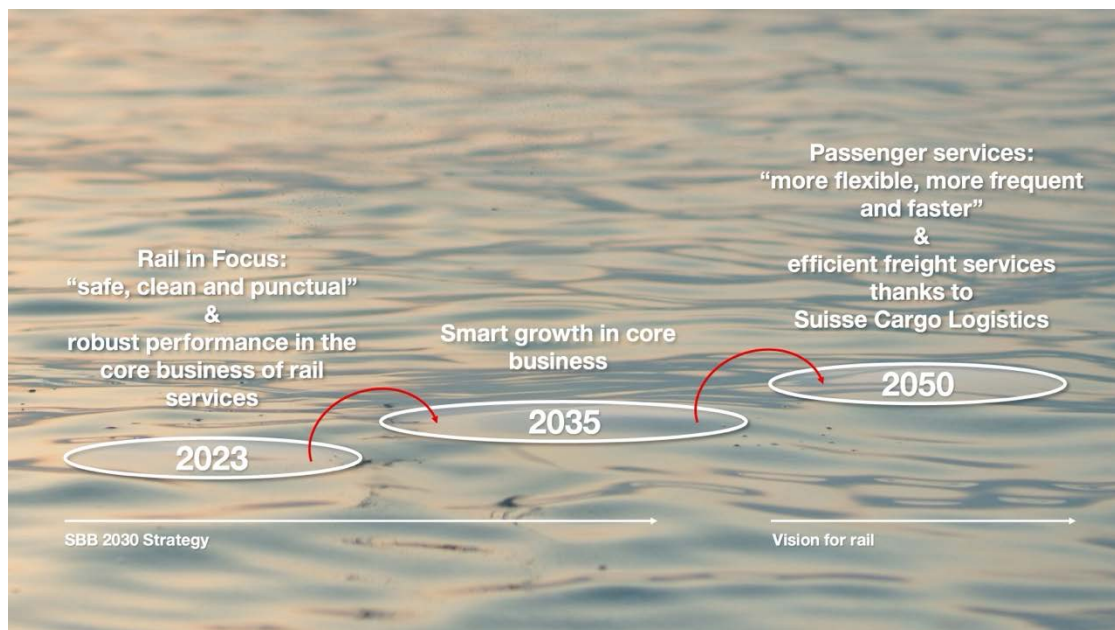


Fig. 9: Status review on the three time periods at a glance.

We are proud of SBB and our employees. We have achieved a great deal over the past four years. We have stabilised and improved our core railway business. We are a robust rail company and are doing everything we can to keep it that way – safe, clean and punctual. We are one of Switzerland’s strong brands. We have overcome the challenges of the Covid-19 pandemic and the threat of an energy shortage. Our SBB 2030 Strategy sets the course for the future.

But we must not rest on our laurels. We are facing major challenges before the next major expansion step in 2035. **We must manage growth and achieve smart growth in our core business, maintain, modernise and expand our infrastructure, and get the most out of it for our customers.** We must drive digitalisation forward, secure our energy supply, attract and retain the best employees and above all ensure our finances remain in a healthy position. Together with the public transport industry and politicians, our goal is to find the best solutions for our customers.

We must be courageous – we need to rethink and reorganise the railway to take account of mobility needs from the middle of the century. We need to focus on customers rather than infrastructure. By incorporating other modes of mobility, we aim to provide outstanding services that are more flexible, more frequent and faster.

We firmly believe that **today, and even more so in future, we make a vital contribution to the major issues of our time and Switzerland’s goals** – climate and CO₂, cohesion between the various regions and parts of Switzerland as well as the economy and tourism via links to Europe. The railway is a success story. The railway has a bright future. The railway is a matter close to the heart.

SBB AG
Communications
Hilfikerstrasse 1
3000 Bern 65, Switzerland
+41 51 220 41 11
press@sbb.ch

sbb.ch

The document is
available here

