



Press release

Support for single wagon transport enhances the chances of marketing Hungarian timber – in an eco-friendly way

<u>4 August 2020</u> – Due to the latest government decision regarding the support of single wagon transport, forestry companies see the possibility of significantly increasing the amount of Hungarian timber transported on rail – among others this was noted by the top managers of the major forestry joint stock companies and the market-leading rail freight company at their traditional meeting held in the name of environmental protection.

Rail Cargo Hungaria (RCH) and VERGA Zrt. organise this waste collection initiative for the sixth time in order to protect the Hungarian woodlands. In addition to the managers of Kaszó Zrt., Budapesti Erdőgazdaság Zrt., Vérteserdő Zrt., Bakonyerdő Zrt., Ipolyerdő Zrt., Mecsekerdő Zrt., Zalaerdő Zrt., SEFAG Zrt., Rail Cargo Hungaria and Rail Cargo Logistics - Hungaria also Vince Gábor Dalvári, Head of Division of the Ministry of Agriculture participated in the initiative.

Forestry companies currently transport 450 thousand tonnes of timber annually on rail, which is the more environmentally friendly transport solution compared to road transport. The amount of felled wood per region fills several wagons every week. This volume can only be transported by the means of the expensive rail technology of single wagon transport from the connecting railways and loading stations to the shunting station, where then block trains are formed. This service of RCH enables that the goods of the forestry companies reach their destinations on rail. The railway company provided this activity nationwide as a public service, which was loss-making so far due to the high cost ratio. According to the new government decision, single wagon traffic is expected to be supported by the state from the second half of 2021.

The participating managers of the forestry companies hope from the governmental support that the currently transported amounts can even be doubled and that new loads will be shifted from the road to the environmentally friendly rail.

To further increase the competitive advantages, Rail Cargo Logistics - Hungaria, as a freight forwarder, developed a complex logistical solution for timber transports in order to optimise the rail operating costs and the technological conditions at the borders. This opened the way for transporting 100,000 tonnes of Hungarian timber annually on rail, which forestry companies in the Southern region of Hungary could not have managed without state support.





"The government decision on supporting single wagon transport contributes to maintaining and increasing the competitiveness of the Hungarian timber sales, promotes the connection of the forestry companies to the international trade and protects thousands of jobs in the railway industry", emphasized the top managers of the major Hungarian forestry companies and the market-leading rail freight company.



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