

# Information Sharing in the Swedish Rail Freight Industry

## *Barriers and Mitigation Strategies*

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*How can the transport sector limit its emission while increasing its volumes? How can rail freight compete with road transport? This study investigates information sharing, and barriers to it, for improved transport efficiency in the rail freight industry,*

The demand for goods transport is increasing, causing more traffic and CO<sub>2</sub>-emissions. Meanwhile, low utilization of transport resources is contributing to unnecessary emissions. If more goods could be transported by rail, it would cause less emissions than corresponding road transport.

Achieving higher fill rates in rail freight and balancing flows, thus maximizing the potential of the railway system, is an approach for the industry to become more competitive. Effective brokering of rail freight services could make use of spare capacity and consolidate goods flows. However, such a concept would have to be supported by effective flows of information regarding the freight trains, goods flows, prices and supporting activities.

The level of information sharing in the rail freight industry is currently low, both between partnering organizations and with other stakeholders. Consequences from this are:

- difficulties in planning operations;
- poor control of goods and physical assets;
- difficulties coordinating flows to obtain synergies;
- lack of transparency and;
- barriers hindering customers to buy rail freight transport.

The study explores the existing barriers, and the underlying mechanisms, to get better information sharing in the industry. Access to information is a key component for development. Digitalization is considered an enabler of a development towards more inter-organizational communication.

Through a literature review and in-depth interviews with various actors in the industry, barriers are identified and explained. Five categories of barriers are

proposed; *Organizational, Market Structure, Incentives, Technological and Data Quality*.

It is found that the barriers; *lack of capabilities; fragmented information; fear of losing business; antitrust regulations; intangible returns; misaligned incentives; and lack of customer pressure* are the most important ones. Efforts to increase information sharing in the rail freight industry should first-hand consider these seven barriers to achieve significant results.

With these barriers in mind, strategies for facilitating increased information sharing in the rail freight industry are developed:

- Clarify what information that is confidential and how antitrust regulations apply to the rail freight industry.
- Prove potential in information sharing.
- Create burning platform for change.
- Create favorable conditions, both internally and externally.
- Turn around fear of losing business.

The results from this study support future research and projects aiming for developing information sharing in the rail freight industry.