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10 points to finally deliver modal shift

2026 is here, and as is now tradition, IRJ's January issue takes stock and looks ahead to the next 12 months in the global railway industry. As we enter the second half of the 2020s, deadlines for delivering lofty targets for shifting passenger and freight traffic to rail set at the start of the decade are rapidly coming into view. Unfortunately, progress with many of the initiatives intended to deliver this modal shift has been slow or non-existent. Some planned megaprojects that could generate the required level of change also look unlikely to meet their ambitious timescales for completion by 2030 as originally intended.

This is a worrying situation. Generally, rail's reputation is in rude health around the world. The railway renaissance endures as more and more governments appreciate the value of investing in the most economic and sustainable means of moving people and goods over long distances and in urban areas. Unprecedented political support for rail projects in Saudi Arabia (p28), Mexico (p16) and Colombia (p33), countries with only a limited track record for rail development in recent years, emphasises this trend. Yet rail can and should do so much more. Continuing failure to deliver projects on time and to budget could erode support for further investment in the 2030s and beyond, particularly as advances in technology improve the efficiency and sustainability of other modes.

IRJ's editorial team felt it was time to focus minds. We put our heads together and came up with a list of 10 points we feel the industry needs to tackle to finally confront the modal shift conundrum so that rail can deliver on its potential over the next five years (p6).

Our list is inspired by an article from our January 2020 edition where we presented our 12-point plan for a zero-carbon railway. With climate change rising to the top of the political agenda, the idea was to offer a checklist of issues that rail must tackle to become both carbon-neutral and to take on more of the transport burden.

Little could we have known that just a few months later the world would enter lockdown as the Covid-19 pandemic took hold. Rail traffic was decimated overnight, and around three-and-a-half years since the final restrictions were lifted in most countries, only now is passenger traffic making a full recovery.

The pandemic prompted long-term changes to travel patterns as home and remote working became the norm. These have so far endured. And with commuters using the railway on just two or three days a week, revenues have fallen. A recent Arthur D Little study reflects on the impact in Britain, which it says mirrors other countries around the world. Drawing on data from the regulator, the Office of Rail and Road, the study found a £5bn increase to the subsidy provided by government to cover the railway's operating costs in 2023-24 compared with 2018-19. This funding, in turn, was removed from the latest five-year budget for infrastructure maintenance and renewals, a worrying trend for an ageing railway network (p38).

> "Continuing failure to deliver projects on time and to budget could erode support for further investment in the 2030s and beyond.

The testing financial situation of the pandemic years was heightened by high levels of inflation as the cost of raw materials soared. Russia's invasion of Ukraine deepened the crisis. In 2025, Donald Trump's return to the White House, and his administration's desire to alter the post-1945 global economic order, could now further amplify these financial challenges.

The world's railways are thus entering a new paradigm. In Europe, rather than climate change and the European Union's (EU) Green Deal serving as a driver of rail investment, military mobility is the dominant topic of discussion (p35). Elsewhere, China is stepping up efforts to spread railway diplomacy through its Belt and Road Initiative (p20), as both a means of building political influence, particularly as the US steps away from the global stage, and to provide export markets for domestic industry as demand at home slows. There is also a geopolitical tussle playing out in Africa for access to key raw materials.

While reducing the impact of climate change is still highly important, as emphasised in our call to extend electrification, our 10 points reflect the challenges these macroeconomic changes pose to delivery of modal shift. Overall, we have attempted to present the key ideas that railways and policymakers should focus on to deliver meaningful change.

For example, new digital and intelligent technologies promise to unlock greater efficiency and reduce costs significantly. Some railways are grasping the nettle here, with the recent Rail Research Week in Colorado providing many examples of best practice (p8). However, not enough are making sufficient progress and the conference heard of the obstacles that prevent more new tech from entering the sector. The world also needs more high-speed and urban rail infrastructure. China has led the way and is continuing to expand its 50,000km high-speed network (p18), which is inspiring others. This includes Europe where the European Commission's (EC) latest High-Speed Masterplan promises much but faces a steep challenge to gain the political and financial support needed for delivery (IRJ December 2025, p30). European rail freight also desperately needs the rail lobby to convince politicians to follow through with promised policy changes if it is to have any chance of achieving its growth targets (p12).

None of these ideas are especially new or should come as a surprise. In many areas work is underway to introduce a great number of them, or to address the challenges we highlight. Yet change on the scale required will only happen if we, individually, in our own workplaces, take on more responsibility for driving transformation of the rail sector. Collectively, we have the power to deliver what has been talked about for so long. The time for action is now. Welcome to The Railway in 2026.

Kevin Smith

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IRJ's 10-point plan for global rail growth

As we enter the second half of the 2020s, ambitious targets for passenger and freight volume growth to deliver modal shift at the expense of other modes appear as elusive as ever. Passenger numbers continue to fluctuate and rail freight is still struggling to increase its market share in many parts of the world. **IRJ's editorial team** has considered what we believe are the key factors in delivering sustained and balanced growth for rail networks across the globe. These are summarised in the following 10 points.

Photo: DB AG/ Max Lautenschläger

1. Extend electrification

Electrified railways are the most efficient, economic and greenest form of moving large numbers of people and freight. Yet even in areas where electrification is flourishing there are still gaps. Tackling them should be a priority, closely followed by concerted efforts to deliver more cost-effective electrification programmes to cover longer sections of the network. Where electrification is not viable, alternative traction based on batteries or hydrogen should be considered in order for rail to achieve decarbonisation targets and to replace aging diesel rolling stock.

2. A strong and visible rail lobby

Creating a level playing field for rail in both the passenger and freight markets is an ongoing challenge as politicians remain more attentive to the road and aviation lobbies. The rail sector needs to make a stronger case and, where necessary, point out where politicians are failing. Rail industry groups must make the case for constructive alternatives that benefit rail and wider society, such as taxing aviation fuel or making heavy lorries pay more of their external costs.

Making the case for rail freight is particularly urgent. Rail is the most effective way of carrying large quantities of freight quickly and economically over long distances. Yet the sector's ability to compete with road is often hampered by perceived unreliability, slow transit times and a vociferous, well-funded road lobby. As well as adequate and affordable access to rail infrastructure that will enable operators to offer more predictable and competitively priced services, to realise its potential and promote modal shift, rail freight requires champions who will tenaciously support and promote increased investment in terminals, improved connections to industrial facilities, and enhanced last-mile connections.

3. Urban rail

Light rail, metros, and commuter lines are the only real solution for mass transit in major cities. Yet less effective alternatives such as bus rapid transit (BRT) are still too frequently being touted as alternatives to rail. Again, politicians need to bite the bullet on initial capital costs to deliver rail projects that will deliver long-lasting benefits.

4. High-speed

China has picked up the baton first carried by Japan to develop a true high-speed network that frees up capacity for freight and other services on conventional lines. Development has been uneven in Europe, with many gaps remaining to be filled to create a true continental network. Countries only now adopting the concept, such as Australia and the United States, need to find ways of developing new lines more quickly in an economically viable way. This could include relaxing strict planning and environmental regulations, which are holding up or causing the costs of some key rail projects to spiral. Alternative financing methods should also be explored.

5. Make the best of what we have

Building new lines requires years of planning and heavy investment, and is very time-consuming. A quicker and cheaper alternative to connect more towns to the rail network is to open new stations on existing lines, introduce passenger services on freight-only lines and reopen closed lines. Adequate service frequencies should be introduced on both legacy and new infrastructure. Running one or two trains a day is not sufficient to promote significant modal shift. Investment in signalling systems that unlock additional mainline capacity by introducing moving block and eventually automatic train operation (ATO) should also be prioritised.

6. AI and digitalisation

While many railways are enthusiastically exploring the possibilities offered by AI and other forms of digital technology, others are holding back, deterred by safety concerns and unfamiliarity with new systems and concepts. Railways who are ahead of the curve should find ways to share and disseminate key learnings to those who are at a much earlier stage. This extends to cybersecurity, which must be prioritised. Suitable levels of funding should be provided for research and development of the technologies that will benefit the railways of tomorrow.

7. Maintenance and renewals

Ring-fencing funding for maintenance and renewal is essential for railways to continue to provide high levels of service reliability (p38). Legacy infrastructure will continue to carry the majority of rail traffic and funding should reflect this. This becomes especially important as the resilience of aging infrastructure is tested by more frequent and increasingly extreme weather events caused by climate change. The long-term costs of not adequately maintaining infrastructure are potentially catastrophic and could result in years of disruption, forcing passengers and shippers to abandon rail in favour of other modes.

Photo: DB AG/ Michael Neuhaus

Photo: DB AG/ Volker Emersleben

8. Staff retention

While the rise of machine learning has the potential to replace many menial tasks, declining birth rates across the world suggest that railways will increasingly compete with other industries to recruit and retain the brightest employees. This is already being acknowledged by many employers in the rail sector, but they will have to think fast to find ways of attracting and retaining a diverse workforce.

9. Standardisation to reduce costs

In an era of cross-border travel, the continuing dominance of national rules and standards is hindering the competitiveness of passenger and freight services. Aligning operating standards and key operating systems in more regions will enable more passenger trains to serve more locations. Relaxing customs checks will also allow more freight to seamlessly cross borders by rail, speeding up transit times and increasing competitiveness. In addition, manufacturers should be encouraged to produce more off-the-shelf products, which will enable investment in standardised and potentially robotised manufacturing, speeding up production and potentially reducing purchasing costs.

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10. Customer experience

Operators must do more to increase the attractiveness of their services to a broader group of people. Commuters are important, but not as essential as they once were to revenue as a result of changing work patterns following the Covid-19 pandemic. Onboard services should reflect this through the provision of adequate catering on long-distance trains and reliable Wi-Fi that can transform the train into a mobile office. Train interiors should also provide an accessible, welcoming and comfortable environment. Tickets should be straightforward to purchase for any journey and passengers must be reassured that they are getting the best value fare at a price comparable with other modes. For freight, operators should endeavour to provide accurate and up-to-date consignment status information to provide reassurance and ensure customer loyalty.

Have we missed anything? Let us know your thoughts on our 10-point plan and feel free to send us your alternatives. Email us or message us on social media. **IRJ**