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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: AOB for the meeting of the Transport, Telecommunications and Energy
Council on 8 June 2026
A strategic approach for the European railway industry
- Information from Austria, Croatia, France, Germany, Italy, Luxembourg,
Poland, Portugal and Romania

The European railway industry remains a strategic asset for the Union and a key pillar of the European economy, with revenues exceeding €45 billion and more than 650,000 jobs depending on it across Europe. It underpins sustainable mobility, industrial employment, technological innovation and the resilience of Europe's transport system. Current conflicts further underline the importance of resilient railway infrastructure. At the same time, intensifying global competition, non-reciprocal market access, third-country subsidies and growing dependencies are placing increasing pressure on European manufacturers and suppliers. As railway systems become more digital, connected and security-sensitive, ensuring a fair and resilient framework for the European railway industry is also a matter of transport sovereignty, critical infrastructure resilience and strategic autonomy.

For these reasons, the focus should be placed on developing a strategic approach for the European railway industry. While the Commission has already put forward an Industrial Action Plan for the European automotive sector and an Industrial Maritime Strategy, there is currently no comparable dedicated strategy for the European railway industry. Given the strategic importance of rail, this gap should be addressed with a comprehensive strategy based on a thorough risk analysis as well as an evaluation of existing instruments across relevant policy areas.

Trade-related measures should ensure reciprocity and a genuine level playing field with third countries. European companies often face restricted market access abroad, while the European market remains comparatively open. The Commission should therefore assess whether existing trade and market access instruments are sufficient for the rail supply sector and ensure their coherent use where distortive practices, unequal access or non-reciprocal conditions undermine fair competition.

Public procurement measures must become a stronger lever for safeguarding fair competition. The existing public procurement framework should be evaluated to assess whether it sufficiently reflects the specific challenges of strategic rail investments, including long lifecycles, security of supply and industrial resilience. In this context, both the Industrial Accelerator Act, which is currently under negotiation and the upcoming Public Procurement Directive provide a timely opportunity to take these aspects into consideration. Furthermore, the Foreign Subsidies Regulation must be evaluated and further strengthened to prevent unfairly subsidized bids from undermining Europe's industrial base.

Digital sovereignty must be recognized as a pivotal element of European rail policy. Hence, measures to strengthen education, skills and vocational training as well as to enhance Europe's innovation capabilities should be promoted. Modern railway systems increasingly depend on software, signaling, data flows, automated operations and connected components. This creates new dependencies and security risks. Whoever controls critical software and digital interfaces can influence the operation and resilience of key transport corridors. This is particularly relevant in the context of military mobility, as railway systems are indispensable for the rapid and resilient movement of personnel, equipment and goods across Europe. In this respect, a sector-specific assessment in the rail sector to identify high-risk suppliers, especially for signaling and system integration, should be carried out by the Commission (JRC) in view of the upcoming revision of the Cybersecurity Act.

During the upcoming revision of the Regulation on the European Union Agency for Railways, consideration must be given to how security-relevant aspects can be better integrated into the approval procedures within the framework of the existing mandate and without undermining harmonization, legal certainty or the efficiency of authorization procedures. Furthermore, the ongoing revision of the Technical Specifications of Interoperability (TSI), should also take these aspects into account.

The Commission is therefore invited to renew and operationalize its attention to this matter and to present a comprehensive European Railway Industry Strategy. In summary, the strategy should

1. be based on a thorough risk analysis and critical dependencies,
2. evaluate existing instruments across relevant policy areas and assess their practical applicability to the railway sector,
3. ensure reciprocity and a genuine level playing field with third countries through the coherent use of trade and market access instruments,
4. strengthen public procurement as a lever for fair competition and for supporting the European industrial base, and
5. promote digital sovereignty and security-relevant considerations in railway systems and approval procedures.

