

## Czech Republic: EIB signs a CZK 3.43 billion loan with CD Cargo to modernise and expand its freight services



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- **Financing for 50 new electric locomotives and 140 freight intermodal wagons**
- **Retrofit of 310 locomotives with European Railway Traffic Management System**
- **Supporting sustainable transport and cohesion in the Czech Republic**

The European Investment Bank signed a CZK 3.43 billion loan (equivalent to €130 million) with CD Cargo, the largest Czech railway transport provider, to support the acquisition of new electric locomotive and replacement of obsolete rolling stock. CD Cargo is the subsidiary company of České dráhy, the national passenger rail carrier fully owned by the Czech Republic.

The new EIB loan will support CD Cargo in its ambitious intermodal transport development plan, which aims at responding to the growing market and bringing its fleet in compliance with European interoperability requirements. The project consists of the acquisition of 50 electric locomotives and 140 freight intermodal wagons as well as retrofit of around 310 older locomotives with European Railway Traffic Management System (ERTMS).

[EIB Vice-President Lilyana Pavlova](#) said: *“Our partnership with CD Cargo will improve the capacity, safety and quality of freight services in the Czech Republic, notably through the use of modern control and signalling system. By promoting a shift from road to rail transport, this project will have a positive impact on the environment and will thus contribute to supporting the transition of the Czech Republic to a low-carbon economy, in line with the objectives of our recently approved [EIB Climate Bank Roadmap](#) and of the Transport Policy of the Czech Republic.”*

*We are delighted to sign our first ever agreement with the EIB. It comes after an extensive process that allowed the EU bank to better know our company and positively assess its potential for growth. The long-term lending approach and the distinctive, favourable terms of the EIB loan will allow ČD Cargo to invest in its future with a sustainable growth perspective,”* said **Tomáš Tóth, Chairman of the Board of Directors of [ČD Cargo, a.s.](#)**

Investment related to the European Railway Traffic Management System (ERTMS) could be complemented by a grant component from the [CEF Transport Blending Facility](#), designed to promote projects contributing to the environmental sustainability and efficiency of the transport sector in Europe. The CEF Transport Blending Facility is implemented via a cooperation framework between the European Commission and implementing partners such as the EIB. The assets purchased within this project will be partly used in Convergence Regions in the Czech Republic and largely on the Trans-European Transport Network (TEN-T).

## **About CD CARGO**

The company [ČD Cargo, a.s.](#) was established as a subsidiary of [České dráhy, a.s.](#) on the 1<sup>st</sup> of December 2007. It offers the transportation of a wide range of goods from raw materials to high value-added products, transportation of containers and exceptional consignments, rental of railway wagons, siding services and other transport services. With an annual volume of goods transportation of approximately 65 million tons, it is one of the largest railway carriers within the EU member states. It provides services to customers in approximately one thousand places in the Czech Republic and through branches and subsidiaries also throughout Europe. To ensure the operation of freight trains, ČD Cargo, a. s. has approximately 900 locomotives at its disposal – electric and diesel ones.