The Global Voice of Infrastructure Investors

GIIA Policy Paper

Rolling Stock: A Key Lever to Unlocking the Upcoming EU High Speed Rail Financing Strategy

GIIA The Global Voice of Infrastructure Investors

Preface

This policy paper draws on a series of GIIA member engagements conducted in Q1 2026 across European high-speed rail markets. It is intended as a contribution to the European Commission's ongoing HSR Financing Strategy development process.

Overview

The European Union's forthcoming High-Speed Rail Financing Strategy represents a serious and welcome commitment to closing the infrastructure funding gap in high-speed rail. The Trans-European Network for Transport (TEN-T) alone requires an estimated €345 billion by 2040 to complete, and while public funding instruments such as the Connecting Europe Facility, InvestEU, and European Investment Bank (EIB) lending, account for roughly €140 billion of committed support, the structural financing gap remains significant.[1] The Commission's intent to leverage private capital to bridge the gap is strongly welcomed by institutional investors within GIIA's membership.

Institutional investor appetite for European high-speed rail is real, but highly specific in where it is best positioned to deploy capital.

Experience across multiple European rail markets consistently points to rolling stock as the *primary* entry point for private infrastructure capital — not track infrastructure. The more precise policy question, therefore, is which levers can best unlock that capital at the points in the rail system where investor appetite already exists. A Financing Strategy designed to address rolling stock explicitly, alongside its infrastructure focus, would send a clear signal to markets that the Commission is serious about crowding in private capital at scale.

1. Two assets, two financing worlds

High-speed rail track infrastructure and rolling stock occupy fundamentally different financing environments, and the Financing Strategy should treat them accordingly.

Track infrastructure is capital-intensive, long-duration, and largely fixed to its location. Track infrastructure cashflows are stable, regulatory oversight is extensive, and the balance sheet profile is suited to investment-grade debt from insurers and pension fixed-income allocations. Tenors of 30 years are common. EIB loans, CEF grants, and sovereign co-financing dominate. The network managers such as

[1] European Commission, "Trans-European Transport Network (TEN-T) – Mobility and Transport," European Commission, accessed April 22, 2026, https://transport.ec.europa.eu/transport-themes/infrastructure-and-investment/trans-european-transport-network-ten-t_en.

Société Nationale des Chemins de Fer (SNCF) Réseau, Administrador de Infraestructuras Ferroviarias (ADIF), Rete Ferroviaria Italiana (RFI), and Deutsche Bahn (DB) remain state-owned, as does equity in cross-border rail infrastructure across the EU.[2]

Rolling stock is different in almost every dimension. The asset can be redeployed across transport corridors, leased to multiple operators over their lifecycle, and financed on an asset-backed basis independent of any single project's revenue performance. Fleet commitments for a new High Speed Rail (HSR) operator commonly exceed €500 million, but the underlying assets retain transferable value, something track infrastructure rarely offers to private capital.[3]

M&A activity in European high-speed rail over the past decade confirms this pattern. Private equity and infrastructure fund participation has concentrated in open-access operators and rolling stock platforms. Most transactions recorded across the EU-27 and the UK since 2017, (US$3.15bn), have occurred at the operator and rolling stock layers, not at the level of track infrastructure concessions[4]. The financing architecture of the upcoming EU's Financing Strategy should reflect this reality.

Interest from investors is present due to high demand. The European Parliament's 2023 study on EU rolling stock supply confirms the scale of anticipated investment in this segment, with high-speed rail as a key demand driver.[5] Union des Industries Ferroviaires Européens (UNIFE) analysis underlines the need for substantial rolling stock replacement and expansion to deliver the tripling of HSR traffic targeted by the Community of European Railway and Infrastructure Companies (CER) and the EU's modal shift objectives.[6]

---

[2] European Commission, *Connecting Europe Facility — Transport*, programme documentation, available via CINEA: https://cinea.ec.europa.eu/programmes/connecting-europe-facility/transport_en. EIB, *Green Rail Investment Platform*, op. cit. (fn. 2).

[3] GIIA member engagement and transaction experience, February 2026
[4] Infralogic, March 2026.
[5] European Parliament, *Perspectives for the Rolling Stock Supply in the EU*, Study, IPOL, 2023, available at: https://www.europarl.europa.eu/RegData/etudes/STUD/2023/747263/IPOL_STU(2023)747263_EN.pdf.
[6] UNIFE, *Priorities 2024–2029*, available at: https://www.unife.org/wp-content/uploads/2024/03/UNIFE_Priorities_2024-2029.pdf; UNIFE, *Vision Paper — The European Rail Supply Industry: Leading the Shift to More Sustainable Transport*, 2025, available at: https://horizoneuropencpportal.eu/sites/default/files/2025-07/unife-vision-paper-the-european-rail-supply-industry-leading-the-shift-to-more-sustainable-transport-2025.pdf; CER, *Position Paper — HSR Master Plan*, 2025, available at: https://www.cer.be/images/publications/positions/250505_CER_Position_Paper_HSR_Master_Plan.pdf.

2. Barriers to deployment of capital

Understanding where institutional investors focus is only half the picture. Equally important is understanding what prevents capital from deploying at scale, and the barriers GIIA members consistently identify are significantly important in determining whether institutional capital allocates to a given HSR market opportunity.

- Network Access in Practice
  Legal market opening is a necessary foundation, but it does not by itself guarantee investability. Access 'in principle' must translate into access under commercially viable conditions: stable access rights, transparent charging, and depot availability that actually permits viable operation. Where these conditions are uncertain or subject to revision, long-term capital becomes cautious: risk pricing rises and returns compress below the threshold institutional mandates require. Access that exists in regulation but cannot be underwritten in a financial model is not bankable access.

- Rolling Stock Availability
  High-speed train manufacturing lead times are long, OEM order books are heavily committed, and established operators typically secure priority production slots under normal market conditions from around 20 companies that make up 80% of yearly sales in global rolling stock supply.[7] For a new market entrant, this can mean waiting several years for fleet delivery. This is a delay that extends an already elongated gap between capital commitment and revenue generation that commonly runs to five to eight years from final investment decision to the start of operations.[8]

- Sequencing window
  High-speed rail rolling stock investments require time between final investment decision and start of operations. For example, viable operations require minimum fleet scale meaning that substantial procurement decisions must be made, and largely fixed, well before a single service runs.

  During this period competitive dynamics may evolve, additional operators may enter key corridors, regulatory or access frameworks may be refined, and demand conditions may shift.

[7] European Parliament, *Perspectives for the Rolling Stock Supply in the EU*, op. cit. (fn. 7). available at :https://www.europarl.europa.eu/RegData/etudes/STUD/2023/747263/IPOL_STU(2023)747263(SUM01)_EN.pdf
[8] GIIA member engagement and transaction experience, February 2026.

This long sequencing window introduces a form of competitive uncertainty that differs from other transport subsectors. By contrast, in greenfield motorway concessions, direct competing infrastructure rarely emerges during construction. In high-speed rail, market entry by other operators during the development period is possible and must be factored into investment committee decisions.

- Jurisdictional and Mandate Constraints

  Capital deployment is also influenced by institutional mandate considerations. Pension funds and insurers often apply jurisdictional risk frameworks, including rule-of-law assessments and OECD-based benchmarking, when allocating capital. Even within the EU, differences in legal framework perceptions, investor protections, and concentration limits can shape deployment decisions.

  Improving project bankability is therefore necessary but not always sufficient; jurisdictional clarity and legal consistency remain important determinants of capital mobilisation.

3. Capturing the Opportunity

The Financing Strategy has an opportunity to define a coherent financing architecture that treats rolling stock as a key lever for mobilising private capital. That requires three things the current policy debate has not yet addressed:

1) Rolling stock must be treated as a distinct asset class within the Financing Strategy's framework. This means differentiated treatment for fleet financing mechanisms, explicit support for secondary market development, and recognition that EU-backed guarantee mechanisms applied to rolling stock's residual value risk can unlock material amounts of institutional capital that track-focused instruments cannot reach.

2) The Luxembourg Rail Protocol should be elevated to a central element of the Financing Strategy's market development agenda. By strengthening creditor protections and supporting asset-based lending across jurisdictions, widespread ratification and consistent implementation would directly improve the financing conditions for rolling stock platforms operating across Member State boundaries. The Commission should make this a named commitment.

3) Corridor-level sequencing frameworks with published timelines, milestone transparency, and visible procurement pipelines must extend to rolling stock as well as track infrastructure. Where substantial fleet capital must be committed years before operations begin, credible sequencing is a prerequisite for investment committee approval. The aformentioned development timeline for new HSR services, means that investors are being asked to make decisions today under conditions of considerable forward uncertainty. Reducing that uncertainty through institutional commitment to milestones is among the highest-value actions the Commission can take.[9]

4. GIIA recommendations for the EU HSR Financing Strategy

1) Recognise rolling stock as a distinct financing category

Dedicate explicit architecture within the Financing Strategy to fleet financing mechanisms, separate from track infrastructure instruments. EU-backed residual value guarantees or clearing mechanisms for rolling stock assets would directly unlock institutional capital that infrastructure-focused instruments cannot reach.

2) Prioritise secondary market development

The underdeveloped secondary market for HSR rolling stock constrains residual value certainty and limits portfolio-level asset-based financing. Measures to improve fleet standardisation, cross-border operability, and secondary market liquidity should be translated into policy commitments.

3) Elevate the Luxembourg Rail Protocol

Widespread ratification and consistent implementation across Member States would strengthen creditor protections and deepen institutional participation in rail finance. The Commission should make this a named and tracked commitment within the Financing Strategy.

4) Publish corridor-level sequencing frameworks with milestone transparency

Institutional investors allocate capital years in advance. A transparent, corridor-based sequencing framework covering procurement timelines, regulatory milestones, and expected operational dates for rolling stock as well as

[9] GIIA member engagement and transaction experience, February 2026.

infrastructure, would materially reduce perceived execution risk and improve capital allocation decisions.

5) Treat operational access credibility as a financing condition

Framework conditions for access must translate into access under commercially viable conditions in practice. Depot capacity, access duration, charging stability, and interface conditions are bankability criteria. Where these are uncertain, no amount of public guarantee will substitute for the missing revenue credibility.

6. Concluding remarks

Europe's High-Speed Rail Action Plan represents a welcome strategic commitment. The Financing Strategy that follows it will determine whether that commitment translates into capital mobilisation at the required scale, or remains a target that public funding alone cannot reach.

Investor appetite for European high-speed rail is present. The message for the European Commission is not that private capital is hesitant. It is that private capital is currently positioned at a specific point in the high-speed rail system and the Financing Strategy needs to be designed to meet it there.

The Global Infrastructure Investor Association welcomes continued engagement with the European Commission, DG MOVE, and Member States as the Financing Strategy is developed.