

EUROSTAR: LONDON TO MARSEILLE ROUTE IS GROWING IN POPULARITY



Eurostar International Ltd. reported strong demand for a new train service from London directly to the Mediterranean.

Train ticket sales on the 1,235 kilometers rail network connecting London, Avignon and Lyon in France are, for instance, selling beyond expectations, says the company's Chief Executive Officer, Nicholas Petrovic.

This year's 1st of May will mark the beginning of Eurostar's all year-round services to the French Riviera. Rotterdam to Amsterdam operations are expected to commence in 2016, following the expected delivery of 17 AG e320 Siemens trains which were ordered a number of years ago.

Though the Mediterranean route is attracting sufficient passengers, the company intends to give it a boost by rolling out an advertising campaign. The promotional stint aims at encouraging travelers to get further into the heart of Europe. A couple of millions of Euros have been as well set aside by the company to bolster the plan by upgrading northern France's Lille station.

Petrovic notes that the improvements are expected to reduce train waiting time to an hour. The time adjustments will also enable more people to commute via trains as Marseilles and other pick up points have time schedules for people who may arrive late at the stations. Germany, Geneva and Brussels connections are also likely to give the plan a shot in the arm by stepping up the number of people who choose high-speed trains for their traveling needs.

Eurostar's acquisition of 10 e320 trains demonstrates the company's confidence in the European electric-train travel market. Some of the winners in the industry include Siemens - a German machinery manufacturing firm based in Krefeld. The firm is expected to make and deliver seven 900-seat trains which can attain speeds of 200 kilometers per hour to Eurostar in the next two years.

Eurostar's annual number of passengers rose by 3 percent to 10.4 million in 2014. This pushed its revenue up by 1 percent in the same period, settling its earnings at USD 1.3 billion. Its operating profit also went up to settle at USD 88.69; this being exclusive of non-cash charges incurred in the process of procuring the 10 e320s.

The rail travel firm's strong performance is in part attributed to the UK's economic recovery. Travelers from and to the UK, for instance, contributed to the increase of the number of train business travelers by 4 percent. The French market is however showing signs of slow growth and it's not expected to add much to Eurostar's profit growth prospects in 2015, notes Petrovic.

Other challenges may spring up as a result of travel safety concerns following the recent fire incident in the Channel Tunnel. The CEO, notes that he has personally expressed his concerns over the incident which occurred in the 30-mile long train sub-sea route and he is confident that the matter will be resolved.

Similar incidents include Eurotunnel fire which was sparked by human driving error involving a truck. Eurostar is ready to compensate claims which may result from these incidents to maintain the company's surprise hit in the transport sector.

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