

Contact

Jennifer Grinold
Navis, LLC
T+1 510 267 5002
jennifer.grinold@navis.com

Geena Pickering
Affect
T+1 212 398 9680
gpickering@affect.com

Navis Rail Identifies Trends to Watch for the Rail Industry in 2021: Automated Operations, Rise of AI and Big Data, Uptick in Modal Competition, Increased Rail Data Integration, Optimized Crews

Oakland, CA — November 19, 2020 — This year was transformative for the logistics industry and rail operations played a crucial role in overcoming the shipping challenges brought forth by the Covid-19 pandemic. With an innovative future in sight, 2021 and beyond could be pivotal for the rail industry. [Navis](#), a part of [Cargotec Corporation](#), and the provider of operational technologies and services that unlock greater performance and efficiency for the world's leading organizations across the shipping supply chain, has identified the biggest trends driving the industry over the next year including AI and Big Data, railroads and yards adopting automation, asset analysis and acquisition, integrated algorithms, increased visibility and more efficient crews.

Navis' 2021 predictions for the rail industry:

- 1. Artificial Intelligence (AI) and Big Data in Rail Planning:** Large-scale data collection and analysis, combined with AI-based tools and machine learning, are being used to uncover new insights, which lead to better decisions and strategic business outcomes. Navis Rail has the experience, tools and insight to leverage the results of the confluence of big data and the explosion of decision support tools to interpret the data, and the algorithms to improve asset utilization.
- 2. Automated Trains and Yard Operations:** Automated trucking is coming and railroads will be forced to go the same route. Not only driven by the cost reductions in crews, automated railways should reduce fuel use and increase velocity on their networks, due to the "smart" control of rolling stock in their networks. In the near future, Navis will also be able to apply its N4 technology for automating marine terminals to rail intermodal yards, improving efficiency and safety.
- 3. Asset and Crew Planning and Optimization:** Using optimization tools for asset analysis and acquisition allow railroads to right-size their acquisitions to fit current and future capital planning. This allows rail management to make informed decisions on the amount, type and timing for purchases. In addition to savings in capital costs, optimized locomotive and wagon acquisition can reduce the ongoing cost of maintaining, storing and moving unneeded rolling stock. With train automation, potential one-man crews and the related safety concerns, crew optimization will also become more crucial. Optimized crew plans reduce costs, increase network fluidity and improve safety.

4. **Traffic Volatility and Modal Competition:** Most global rail markets have seen huge volatility in freight rail traffic (Covid and non-Covid related) and need to better plan their operations to deal with rapid demand changes, both upward and downward. Trucking operations have been shown to adapt more quickly to changing demand and this may lead to a permanent shift in railway's market share for intermodal and general freight. Railways need to implement smarter tools, including algorithmic analysis and planning, to provide the agility needed to meet this challenge.

5. **Rail Planning Integration and Exchange of Planning Data with Other Systems:** As freight transportation providers build up traffic volumes from pandemic-related lows, there remains a strong focus on supply chain visibility among ship operators, railroads and truckers. Additionally, shippers want better tools to see and track shipments from release to delivery, in the same way consumers track Amazon or UPS shipments. The next step in advanced supply chain visibility takes us beyond the tracking of shipments, to the full integration of planning systems and data across multiple transport modes - from the ship, to the container terminal, to the on-dock rail, to the rail intermodal yard, the carriers will have more opportunities to optimize and track this extended process.

“2020 was a landmark year, not just for Navis, but the freight rail industry as a whole,” said Tom Forbes, VP of Navis Rail. “As we look to 2021, we’ll be continuing our efforts to streamline rail operations and continue to provide our customers with next-level service. We’re looking forward to the innovative advancements railroads will provide to the transport market.”

For additional information on Navis Rail, visit <https://www.navis.com/en/products/rail-solutions/>.

About Navis, LLC

Navis, a part of Cargotec Corporation, is a provider of operational technologies and services that unlock greater performance and efficiency for the world's leading organizations across the cargo supply chain. Navis combines industry best practices with innovative technology and world-class services, to enable our customers, regardless of cargo type, to maximize performance and reduce risk. Through its holistic approach to operational optimization, Navis customers benefit from improved visibility, velocity and measurable business results. Whether tracking cargo through a terminal, improving vessel safety and cargo capacity, optimizing rail network planning and asset utilization, automating equipment operations, or managing multiple terminals through an integrated, centralized solution, Navis helps all customers streamline operations. www.navis.com

About Cargotec Corporation

Cargotec (Nasdaq Helsinki: CGCBV) enables smarter cargo flow for a better everyday with its leading cargo handling solutions and services. Cargotec's business areas Kalmar, Hiab and MacGregor are pioneers in their fields. Through their unique position in ports, at sea and on roads, they optimize global cargo flows and create sustainable customer value. Cargotec's sales



in 2019 totaled approximately EUR 3.7 billion and it employs around 12,000 people.
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