

# Wabtec looks to tap into tech for Indian Railways

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In February, US-based railway firm Wabtec Corporation completed half of its 10-year journey to supply 1,000 diesel locomotives to the Indian Railways, as part of one of the biggest foreign direct investments in the country's railway sector.

With diesel being seen as a relic of the past, Wabtec is now looking at tapping into the government's aggressive push to introduce modern, fast urban rail transportation across the country through its equipment and technology vertical, Wabtec Transit.

In an interview with *Business Standard*, Pascal Schweitzer, newly appointed President of Wabtec Transit, said the component-maker and technology solutions firm sees India as one of its top markets, especially after the past year witnessed unprecedented acceleration and an "inflection point" in railway infrastructure.

"Railways are a great solution for the future of cities and countries. You see a lot of growth in rail in Western Europe and you see huge growth in India. You also see growth in North

America. So, we have a big ambition to be a leading provider of technology solutions," Schweitzer said, elaborating on the markets the company looks to capture at a large scale.

In 2022, Wabtec Transit India reported a revenue of ₹1,900 crore and now it plans to scale the figure up to ₹2,500-2,600 in the next three years. According to managing director Ajay Mani, the current mix of orders consist of 90 per cent of works related to the Indian Railways; the rest is for other urban rail projects. The company is in the business of brake systems, couplers, high-reach pantographs, passenger information systems, and event loggers, among other components.

It now looks to rejig this order mix by expanding its presence in every possible metro and urban rapid rail project. "I believe Wabtec Transit will remain the main driver of our tech business in India. But again, we have this very broad portfolio. We are growing across every segment in terms of digital solutions," Schweitzer said.

Wabtec's core focus will remain component manufacturing, through its facilities in Hosur, Baddi, Bahadurgarh, and an upcoming unit



in Rohtak. It is also open to partnerships for mega contracts and possibilities of acquiring businesses to consolidate its position.

Schweitzer, formerly group president of Wabtec's global freight services, also believes that it's too soon to think that it's curtains drawn for the company's freight business in India, after it finishes the delivery of 1,000 locomotives from its Marhowrah facility.

"We have developments around

biofuels, alternative diesel, blending hydrogen into a combustion engine, and introducing hybrid battery locomotives. Yes, maybe it's unlikely to sell a traditional diesel locomotive, but, in a decade from now, where will technology be and what applications are there, the future will tell. But I'm quite optimistic about the future of our freight business because we are developing extremely relevant technologies."

However, the economic and geo-

political climate of today means that there is no smooth sailing for the equipment maker. Recently, the Ministry of Railways tightened local manufacturing regulations for certain components of the Vande Bharat trains, as part of the Centre's push for the Make in India programme. Schweitzer believes that the firm is prepared for all regulatory changes. "We are very well advanced in terms of localisation capabilities. And I'm very confident in our positioning with our robust transfer of technology process."

Wabtec has typically not been a start-to-finish supplier of finished goods, as it operates through a global channel of vendors. With global supply chains disturbed first through Covid-19 and then by the Russia-Ukraine conflict, it finds itself in a tricky situation.

"Inflation has really been impacting us a lot today. The global supply chain is not yet stable, and I believe that we don't have the kind of visibility that we had before Covid when the global supply chain was a well-oiled machine and you could have relied on the performance of external vendors."