A network diagram consisting of numerous nodes (dots) of varying sizes and colors (dark blue, light blue, grey) connected by thin lines, forming a complex web. The nodes are distributed across the page, with a higher density on the left side.

**IRG-rail**

Independent  
Regulators' Group - Rail

# Impact of the Pandemic on Rail

## 10th Market Monitoring Report

TAC Summit Rotterdam, 20 April 2022

Rober Schienen | Control

## IRG-Rail

- Network of rail market regulatory bodies established in 2011
- 31 members
- Platform for
  - cooperation, information exchange, sharing best practice

and for promoting:

- effective and efficient regulation applied consistently across Europe
  - a resilient, open and sustainable European railway sector
  - best regulatory practice for the benefit of passengers and rail freight users
-

## IRG-Rail: Market Monitoring

- Directive 2012/34/EU (Art 56 para 2) obliges regulators to monitor the railway market
  - Annual market monitoring reports with changing focus on current topics
  - Publications monitoring the impacts of COVID-19
    - April 2021: 9th Market Monitoring Report
      - Focus on COVID-19's impact in first half of 2020
    - July 2021: Impacts of the COVID-19 crisis and national responses on European railway markets in 2020 (full year 2020)
    - April 2022: 10th Market Monitoring Report
      - Five years of data 2016-2020

Tenth Annual  
Market Monitoring Report  
April 2022



## Impacts of COVID-19: Overview

- Significant impact of COVID-19 on transport system in 2020

- Decrease in demand
  - -49% in passenger-km
  - -6% in freight tonne-km

- Decrease in supply
  - -10% in passenger-km
  - -7% for freight train-km



Note: All comparisons are for 2020 compared with 2019. The number of countries included is provided under each metric.  
\* Track Access Charges

## Response Measures

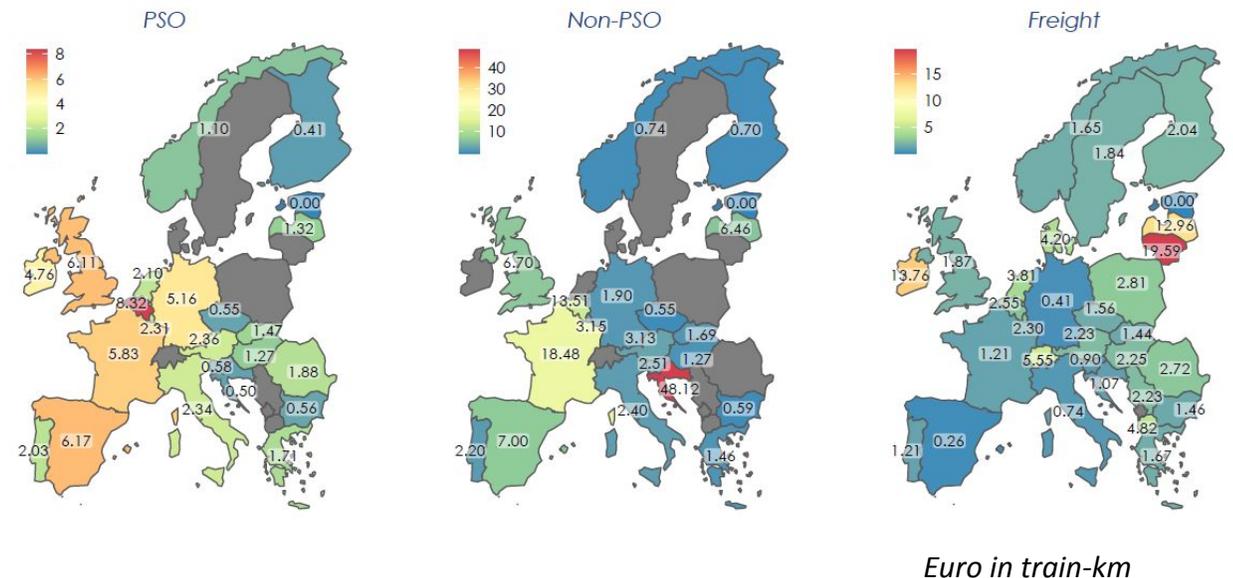
- Regulation (EU) 2020/1429 applied by five countries (AT, DE, DK, IT, PT)
- Adjustment of TACs
  - Raw discounts
  - Postponing of invoicing
  - Changes of references
  - Relaxation of cancellation charges/ reservation penalties
- State aid to RUs
  - Funding of TACs
  - Compensation of loss of revenue
  - Public subsidies
  - Temporary unemployment aid
  - Subsidised loans
  - Postponement of public charges/debts
  - Temporary PSO contracts
- State aid to IMs

Financial measures adopted by states or infrastructure managers by category

	Adjustment of Track Access Charges (TAC) and cancellation/reservation charges				State aids to the railway undertakings or infrastructure managers					
	Changes of the level of TAC	Postponing of the invoicing	Changes of the reference for TAC	Relaxation of cancellation charges / reservation penalties	Fundings of TAC	Compensation for the loss of revenue for the infrastructure manager	Compensations for the loss of revenue for the railway undertakings	Temporary PSO contract	Loan facilities, credit guarantees, or postponing of public charges or debts (or "tax vacation")	Temporary unemployment aid and short-term work
Austria				x	x	x		x		x
Belgium				x					x	x
Bulgaria										
Croatia				x			x		x	
Czech Republic										
Estonia			x				x			
Finland							x		x	
France					x		x			x
Germany				x	x	x	x		x	x
Greece							x			
Hungary						x	x			
Ireland										
Italy	x	x		x		x	x		x	x
Latvia									x	
Lithuania									x	
Netherlands							x			
Norway		x		x				x	x	x
Poland				x			x		x	
Portugal				x						
Romania						x	x		x	x
Serbia										
Slovakia	x									
Slovenia				x						x
Spain			x	x					x	
Sweden		x					x		x	x
UK							x			x

## Track Access Charges

- 2020: lowest total amount in TAC paid in five years
- TAC paid by RU: -18%
- TAC incl. public funding: -10%
- TAC paid by public subsidies €3.6 billion (2019: €2.5 billion)
- Unchanged: around 90% of TAC paid by passenger services
  - TAC per train-km €1<€12
  - TAC for freight -23%
  - TAC for passenger services -7%



# Track Access Charges II

## Passenger traffic

- TAC paid by RU -17% (-€2.8 billion)
- Correlation with decline in train-km
- Compensated at least partially by increase in public subsidies

## Freight traffic

- TAC paid by RU -27% (-€0.5 billion)
- Decrease in TAC part of long-term trend
- Pandemic as aggravating factor

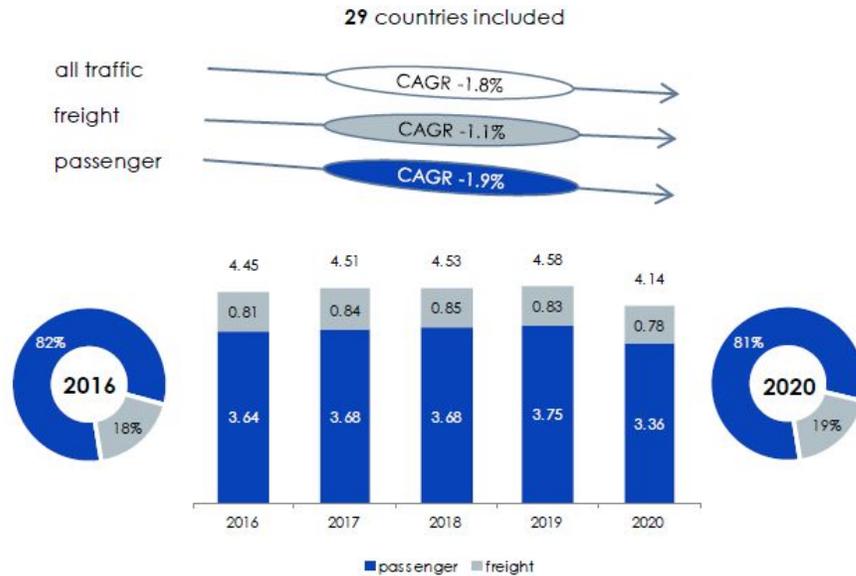
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## RU and European Rail Traffic

- 2016-2020: -1.8% total train-km (compound annual growth rate)



- 81% of total train-km = passenger services
- Total 4.14 billion train-km in 2020 (29 countries) = -10% on 2019

## Rail Freight Market

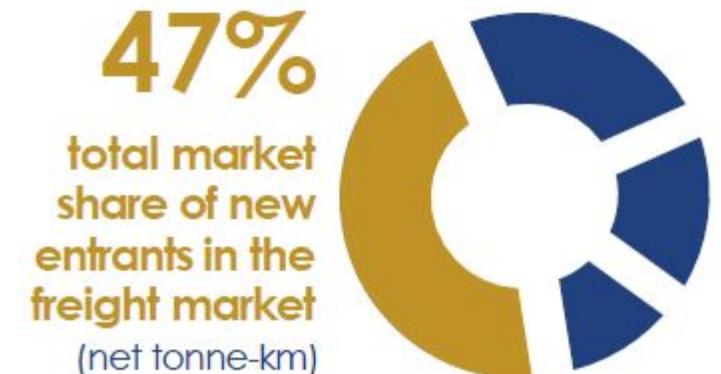
- Supply side: 0.78 billion freight train-km; lowest value in five years
- Demand side: 433 billion net tonne-km transported
- Second year of decline → Pandemic not only impacting factor

### Market shares

- Domestic incumbents 50% (-7 percentage points on 2016)
- Non-incumbents 36% (+5 percentage points on 2016)
- Foreign incumbents stable at ~13%

### Revenues

- Stable over five year (increase in 2019 offset by reduction in 2020)



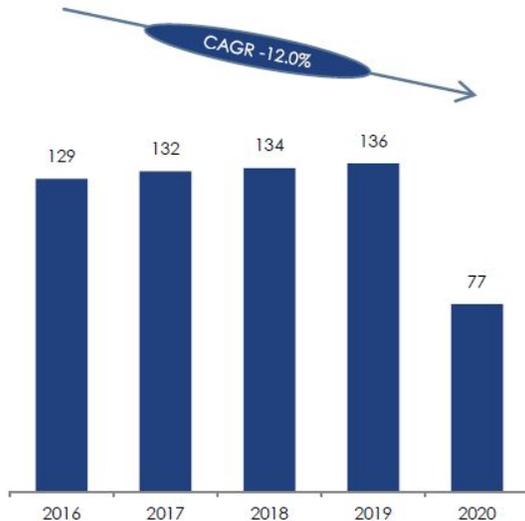
## Rail Passenger Market

- New entrants: 21% of total market share (in passenger-km)
- Supply side (train-km): Increase 2016-19, 10% drop in 2020
- Demand side (passenger-km): Increase until 2020, -49% in 2020



# Rail Passenger Market II

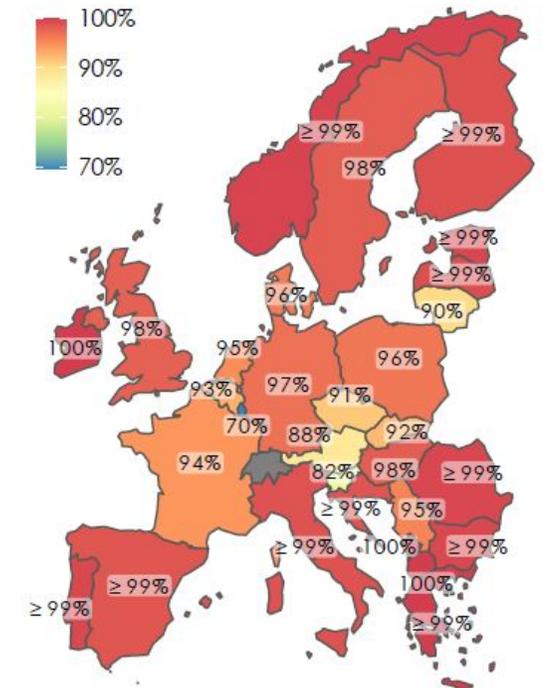
- Average 77 passengers per train (-43% on 2019)



- PSO -48%, non-PSO -52%
- Domestic services -48% (passenger-km), -9% (train-km)
- International services -68% (passenger-km), -43% (train-km)

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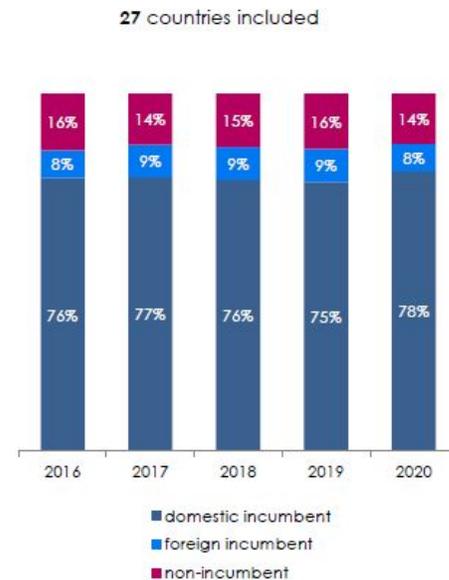
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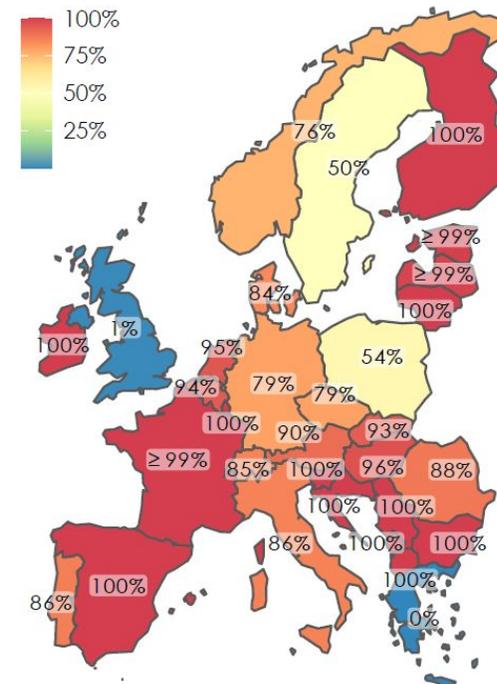
share of domestic traffic

## Rail Passenger Market III

- Domestic incumbents increased share of passenger market: 78% (75% in 2019) in passenger-km



Market shares passenger RU (based on passenger-km)



... and of domestic incumbent per country 2020

## Rail Passenger Market IV

- Average revenue €17.33 per train-km, €20.20 cent per passenger-km



- Decrease in passenger-km > decrease total revenue  
→ increase in revenue per passenger-km

## Conclusion

- The pandemic had a significant impact on the railway sector
  - Response measures had a tangible effect in alleviating some of the detrimental repercussions of the pandemic
  - European railways face a host of challenges. COVID-19 was/is but one of them.
    - Missing standardisation/interoperability
    - Neglected investment in new infrastructure (highways instead of railways)
    - Passenger traffic: Competition with heavily subsidised motorised individual traffic (illusion of unlimited freedom) and short haul flights at dumping prices (easy to book, cheap)
    - Freight: Lack of attractive paths (in urban areas/hubs), competition with passenger traffic & road transport
-

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## Thank you for your attention

Robert Kogler

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