OPEN ACCESS PASSENGER RAIL COMPETITION IN THE CZECH REPUBLIC

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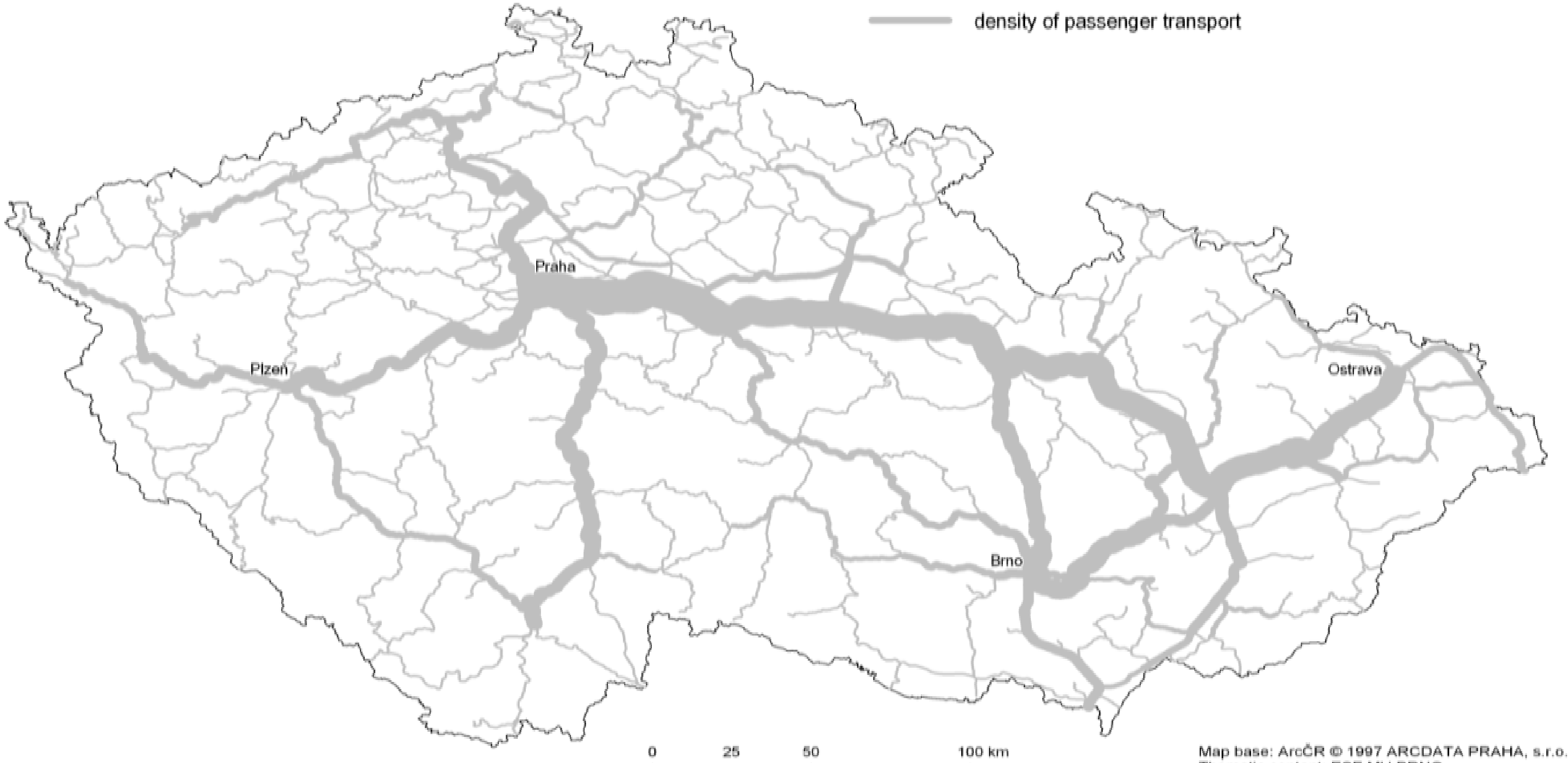
Aim

The paper analyses development of open access competition in the Czech Republic.

Literature:

- Experiences of other countries: UK – Griffiths 2009; Germany – Séguret 2009; Italy – Cascetta 2014
- Theoretical and simulation studies: Preston et al 1999; Seabright et al 2003; Johnson-Nash 2012

Density of passenger rail transport



Open access: Prague - Ostrava

- Before 09/2011 → high density of traffic, low intermodal competition, high fares, low quality of České dráhy's (incumbent) coaches, subsidies
- 09/2011 → the open access entrance of the first private operator RegioJet; withdrawal of public subsidies
- 01/2013 → the entrance of the second private operator LeoExpress

Rolling stock

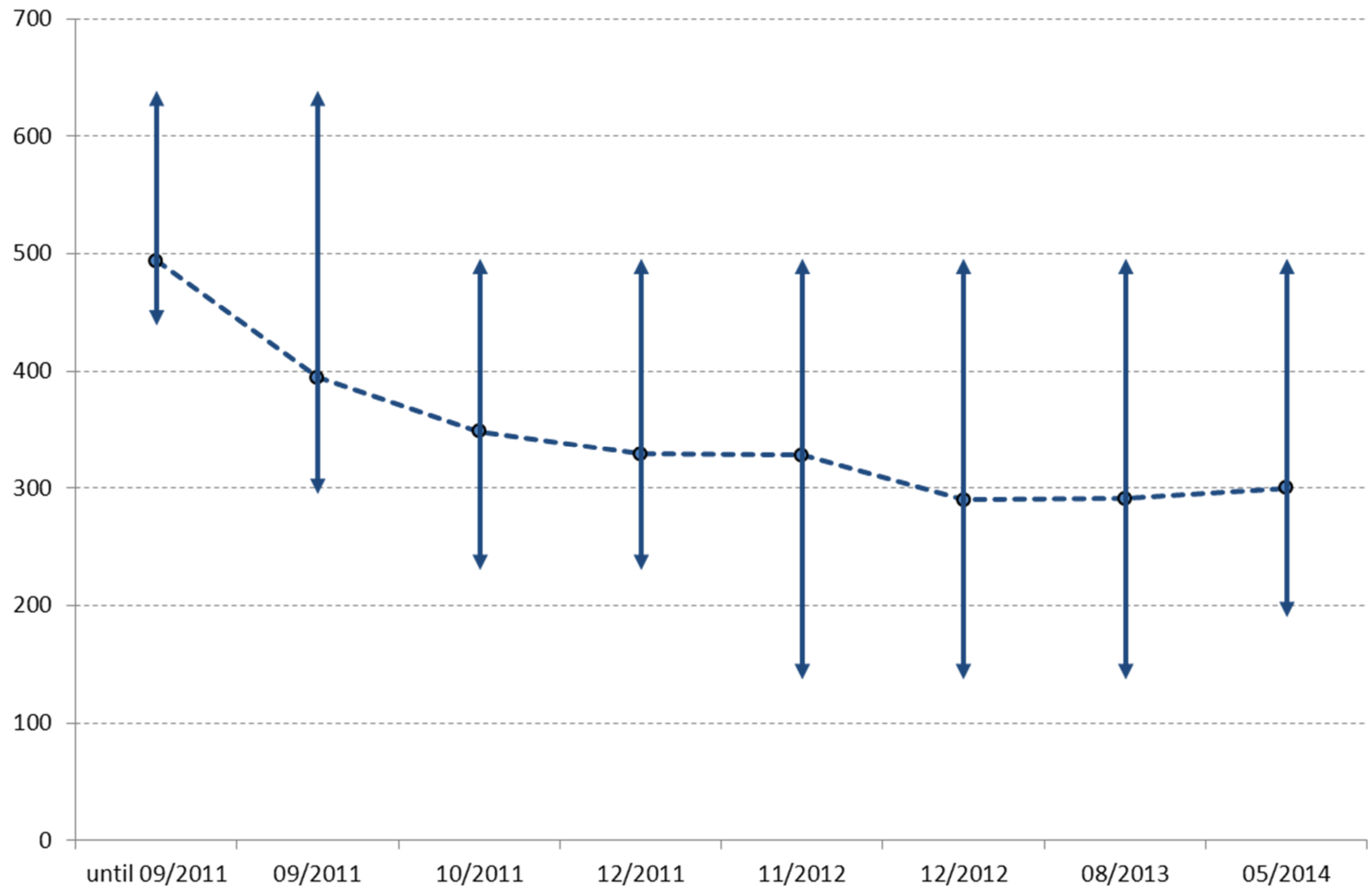
Capacity

	2010	2012	2013
Services per hour	0,92	1,29	1,63
Average seat capacity per train	465	353	336
Available seats per day	10.687	12.649	13.437

Prices (1) – lowest price

Before the entrance of new operators :	620/420 CZK
After the entrance of RegioJet:	210 CZK
After the entrance of LeoExpress:	137 CZK

Prices (2) – mean and spread

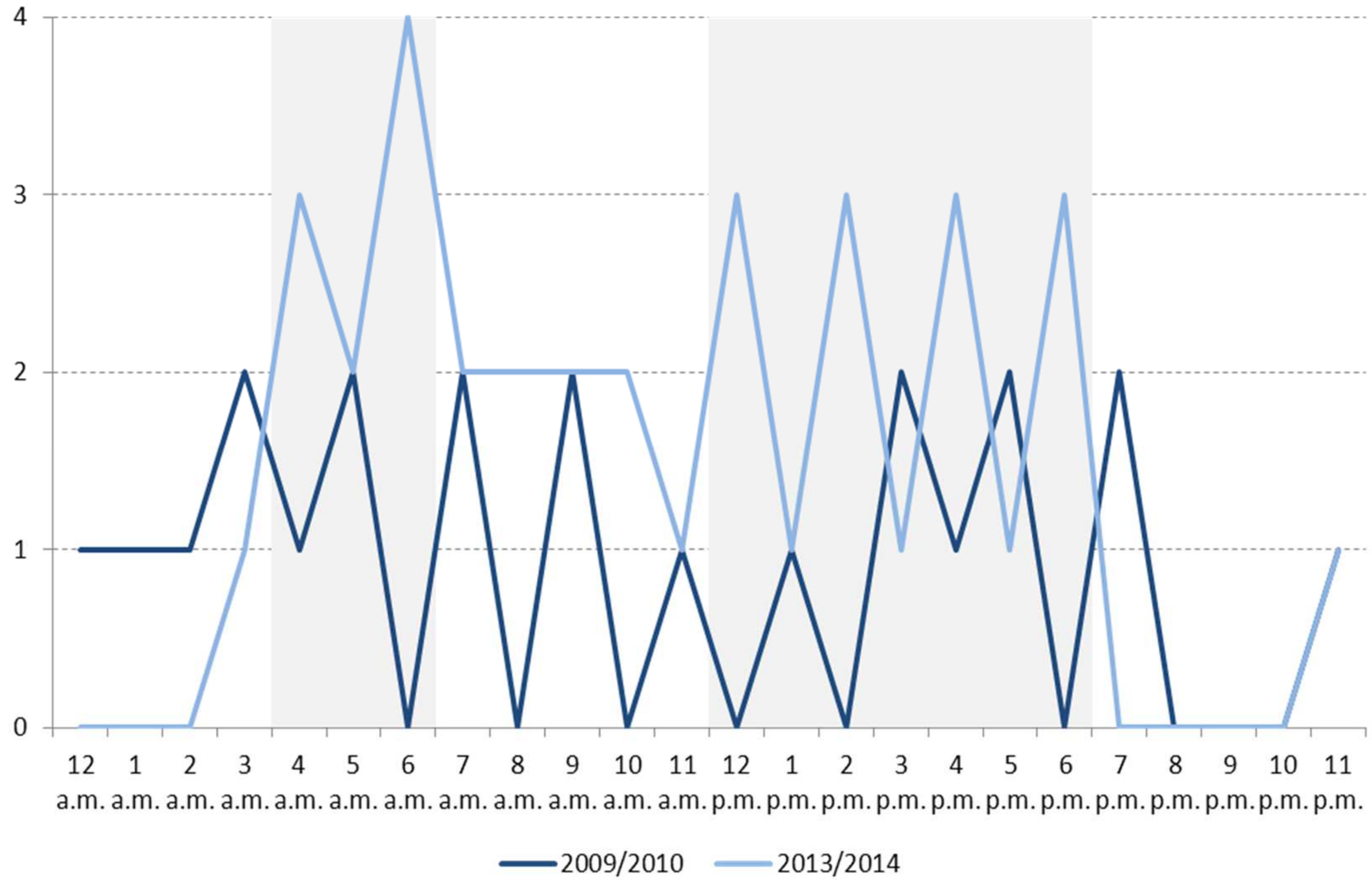


2nd class

Profits

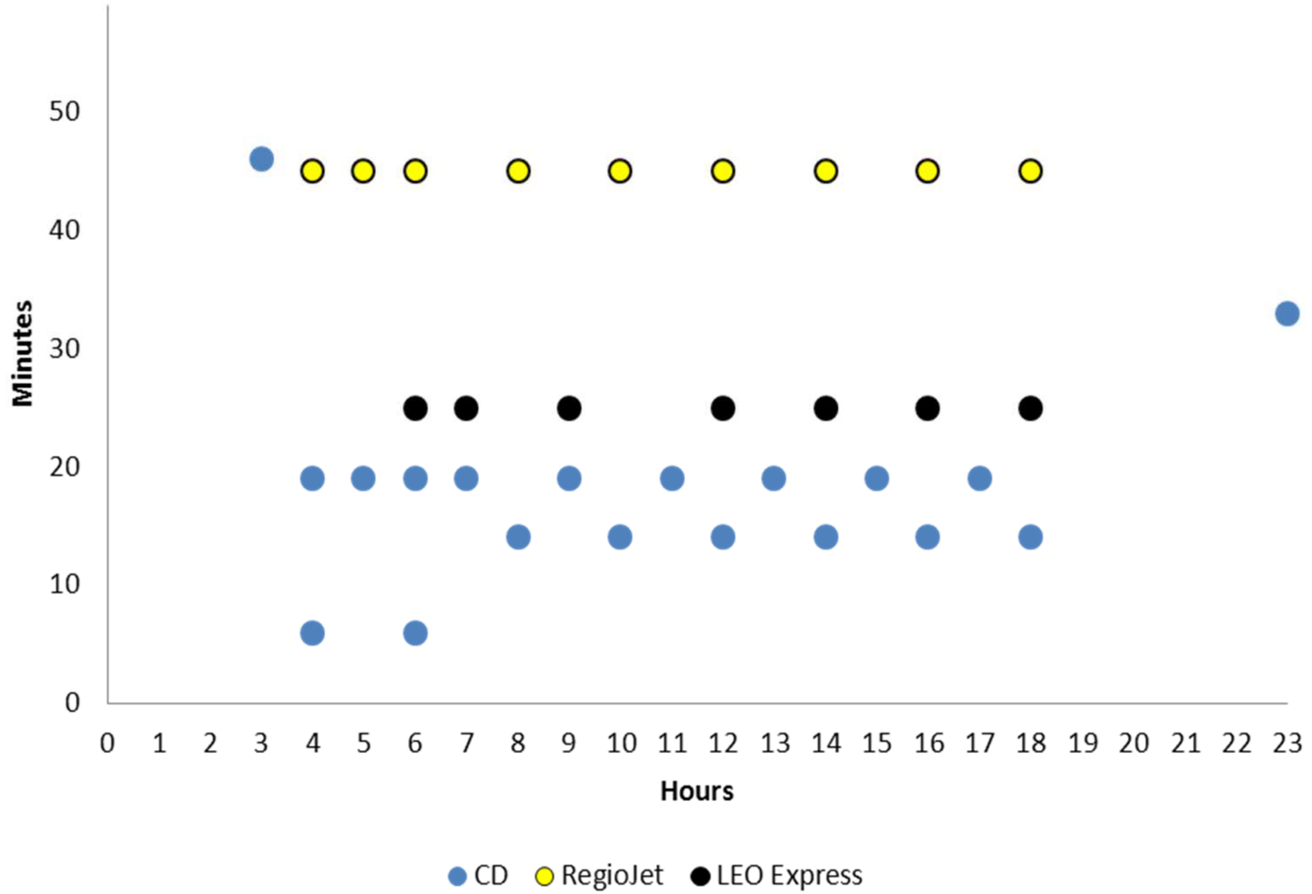
LeoExpress (2013)	Revenues: 193 mil. CZK
	Profit: -159 mil. CZK
RegioJet (2012)	Revenues: 246 mil. CZK
	Profit: -74 mil. CZK
České dráhy	Declined to specify, but estimated to be in a heavy loss

Timetable (1) - Number of departures



Source: own based on timetables

Timetable (2) - Departure clustering (2013)

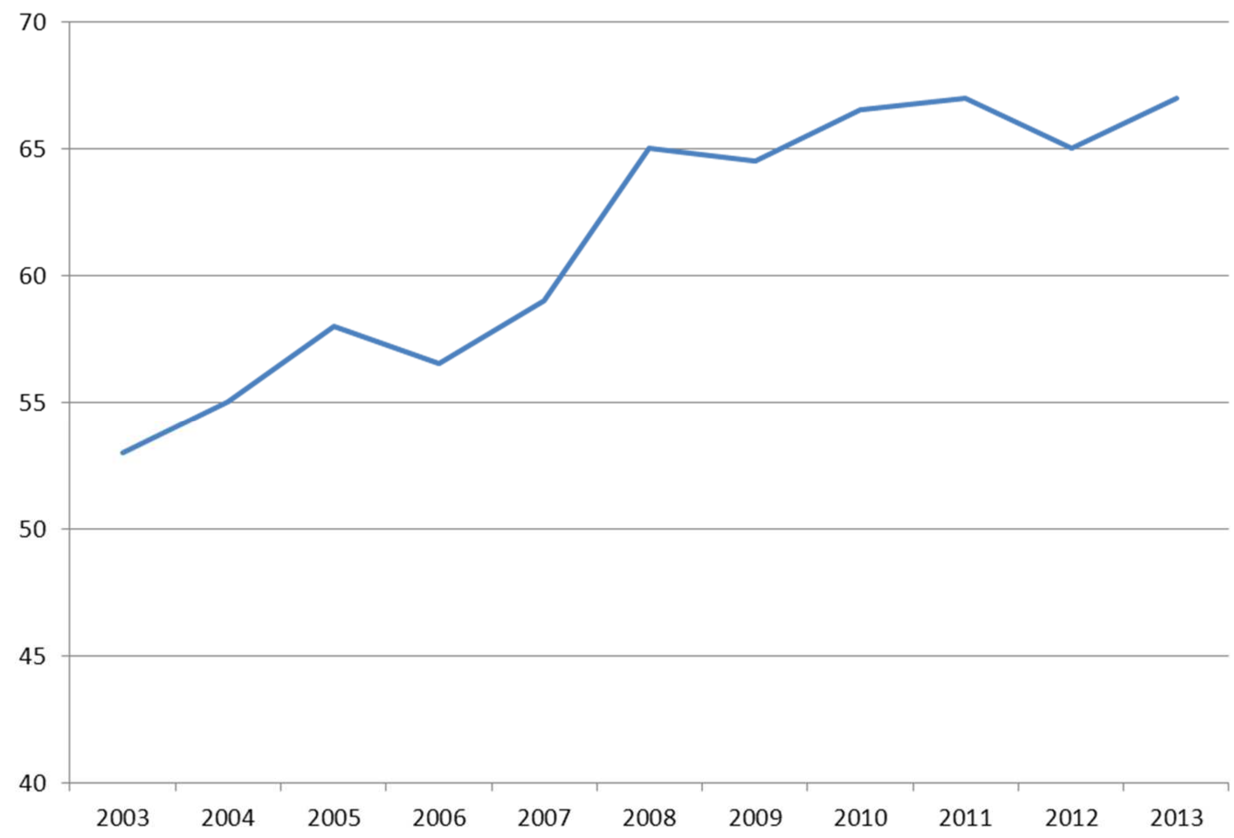


Source: own based on timetables

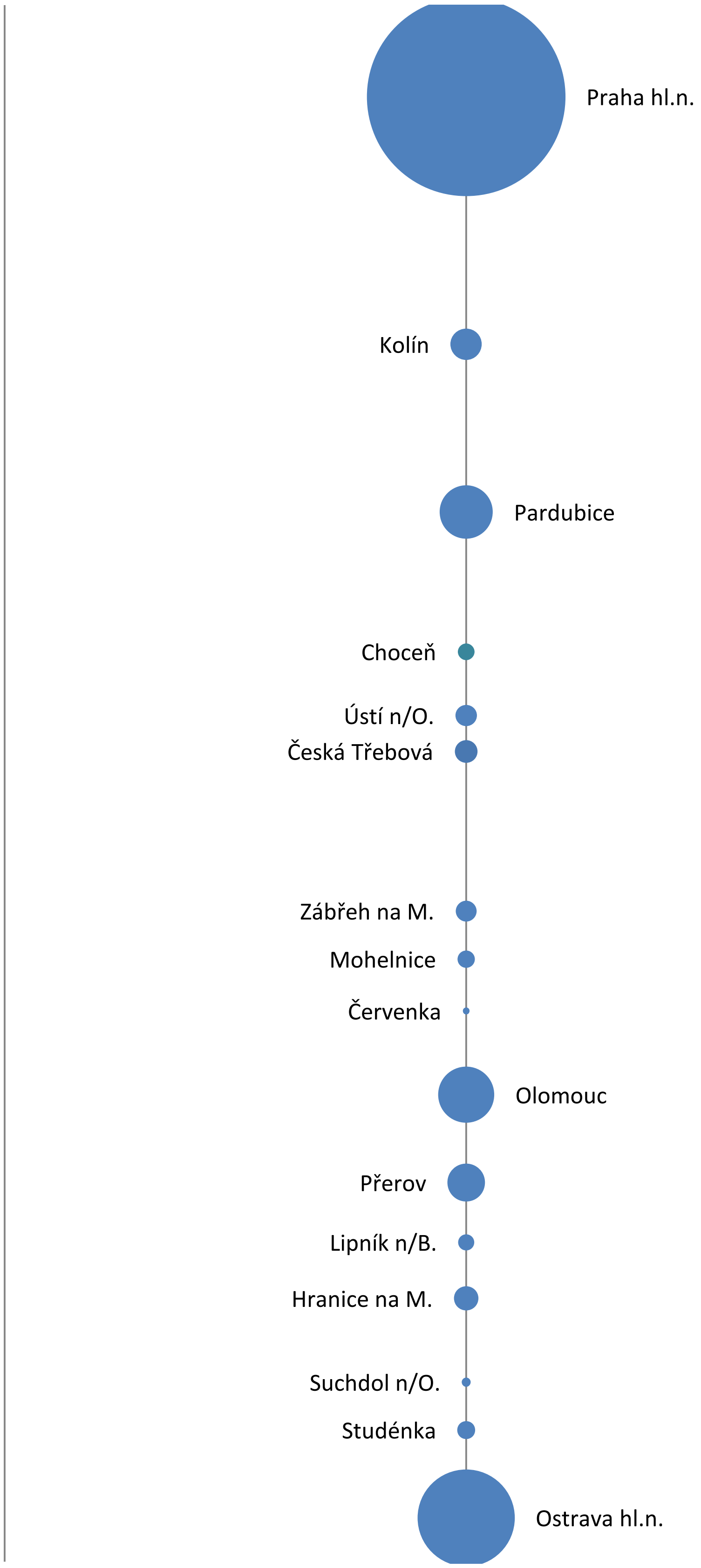
Infrastructure capacity

Number of passenger trains in weekdays (one way only)		2003				2011				2013			
		ČD	RJ	Leo	∑	ČD	RJ	Leo	∑	ČD	RJ	Leo	∑
Prague	Long-distance	39	0	0	**39**	75	9	0	**84**	76	9	8	**93**
	Regional	31	0	0	**31**	59	0	0	**59**	60	0	0	**60**
	Total	**70**	**0**	**0**	**70**	**134**	**9**	**0**	**143**	**136**	**9**	**8**	**153**
Ostrava	Regional	11	0	0	**11**	18	0	0	**18**	19	0	0	**19**
	Long distance	29	0	0	**29**	42	9	0	**51**	40	9	8	**57**
	Total	**40**	**0**	**0**	**40**	**60**	**9**	**0**	**69**	**59**	**9**	**8**	**76**

Average travel time of regional trains between Prague and Kolín (min.)



Speed x more stops



Estimated seat occupancy

Operator	**České dráhy**		**Regiojet**	**LEO Express**
Period	IC	SC	IC	IC
2010	40 %	60 %	-	-
2012	40 %	40 %	80 %	15 %
2013	*Not available*	*Not available*	80 %	40 %

Source: Annual reports, newspapers statements

Estimated market shares in 2013

	Source			
Operator:	**LEO Express[1]**	**Ministry of transport[2]**	**Own[3]**	**Average**
České dráhy	25 %	50 %	45 %	**40 %**
Regiojet	45 %	35 %	40 %	**40 %**
LEO Express	30 %	15 %	15 %	**20 %**

Source: Annual report[1], Shares of students and pensioners compensations[2], Calculations from estimations of occupancy[3]

Assessment

+ better quality of services
+ higher frequency of services
+ lower prices for customers

- all competititors operating at a loss
- strains on infrastructure capacity
- no tariff integration

Thank you for your attention!