



Impact of on-track competition on public finances – the case of the Czech Republic

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Aim of the paper



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Aim of the paper

- To assess the budgetary impacts of public spending efficiency in the context of on-track competition in the Czech Republic.
 - Public spending efficiency was measured by ratios of public expenditures on rail transport performance.

Methodology



DATA

Timetables,
annual reports,
PSO contracts



INDICATORS

Efficiency of public funds:

- PSO performance
- on-track competition
- overall efficiency



PERIOD

Since 2011 until 2017
New PSO contract
New market entrants



CALCULATIONS

Public expenditures
in real terms
Performance in train
km

Key findings

Did the on-track competition increase or decrease the public spending?

What happened to public funds efficiency?

PUBLIC SPENDING EXPENDITURES

- Slight decline and after 2013 sharp increase

STATE IMPOSED DISCOUNTS

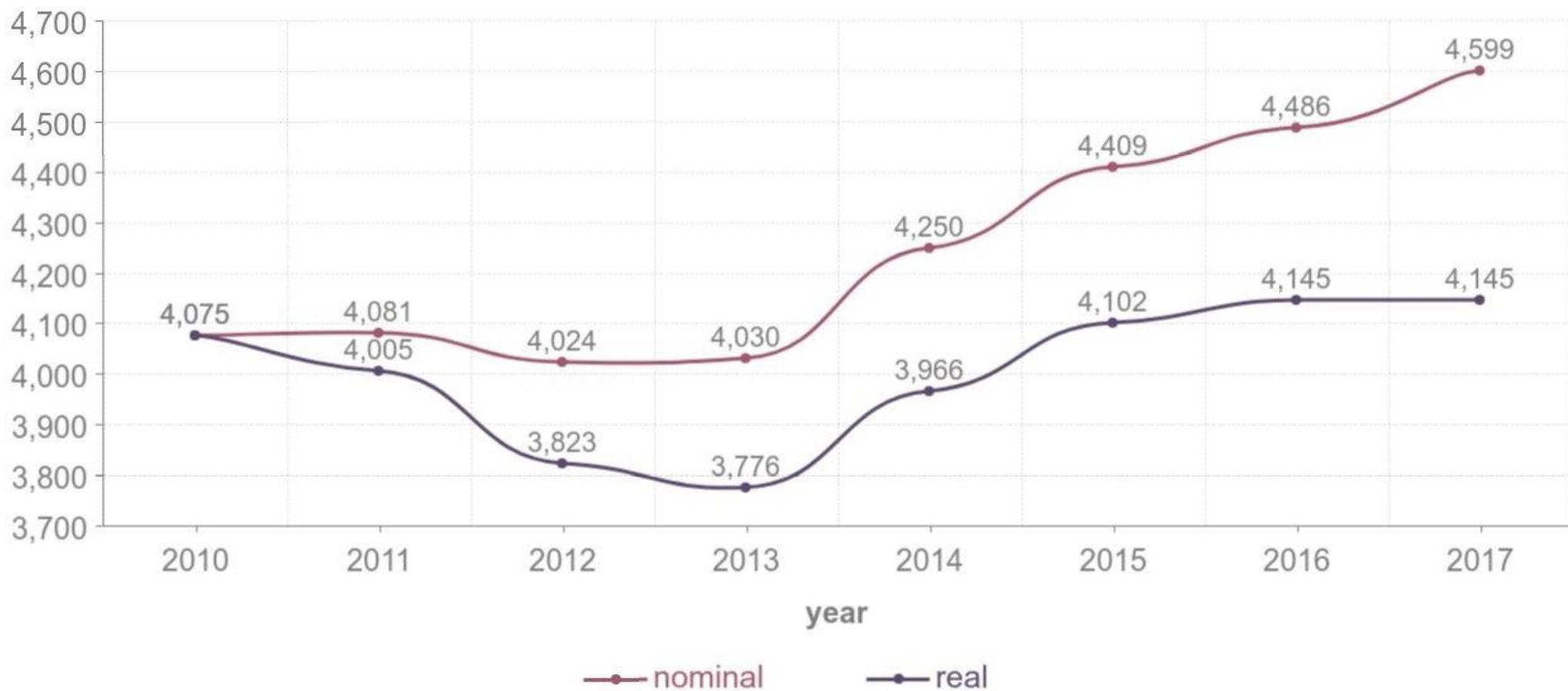
- Sharp increase, then stabilisation
- Change in the market structure

PUBLIC SPENDING EFFICIENCY

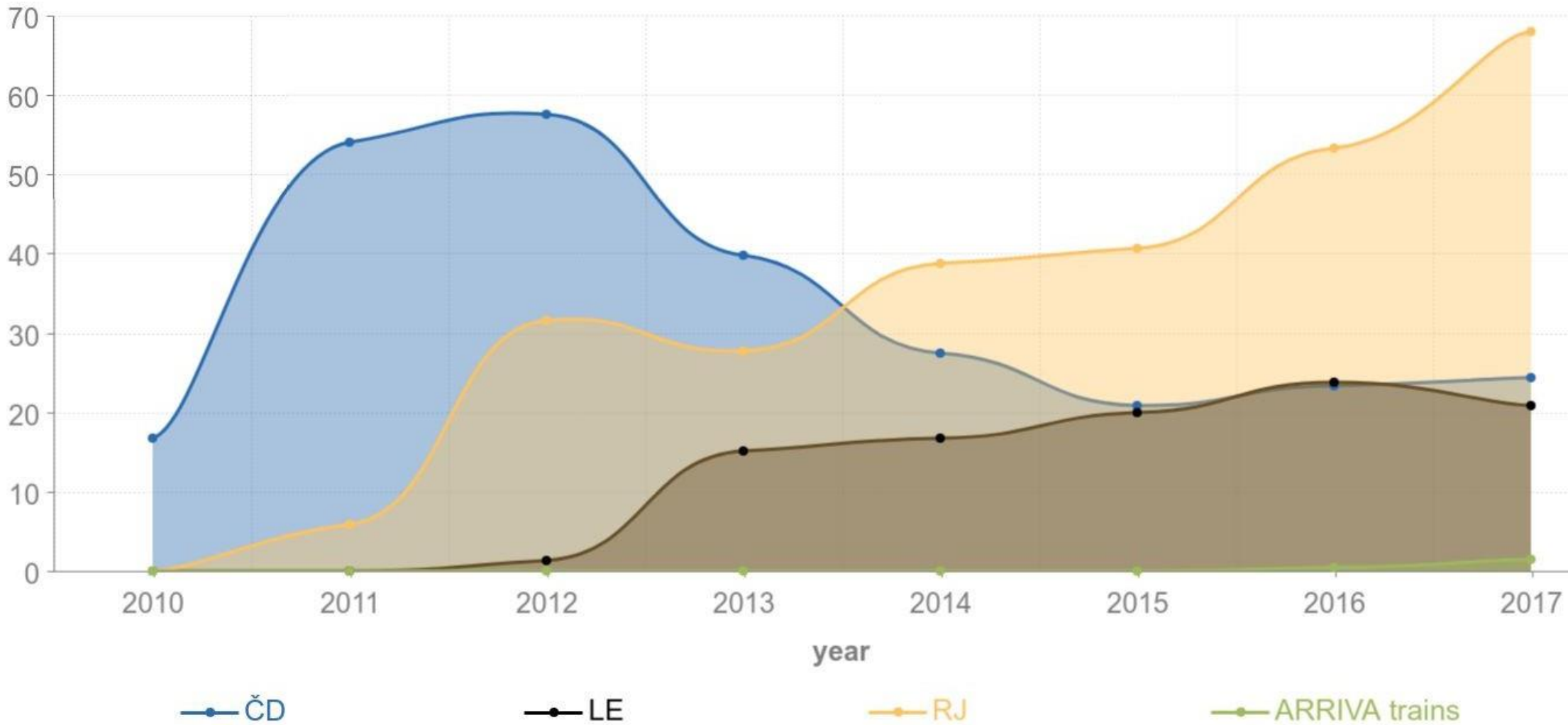
- Decrease in efficiency in PSO
- Total efficiency unchanged

State compensations for provable losses for long-distance services under PSO for ČD

mio CZK



Compensation for state-imposed discounts mio CZK



Public spending efficiency on particular regimes

(measured in real prices)

	2011	2012	2013	2014	2014	2016	2017
Efficiency PSO	114	117	117	123	127	131	128
Efficiency OA	1.17	2.76	2.55	2.57	2.51	3.18	3.54
Efficiency TOT	100	96	91	97	97	99	98



Conclusions



PSO Increase in public spending for long-distance trains that remained under PSOs and the deepening loss per kilometre after 2013



Public spending efficiency

Offset of PSO and OA
public spending efficiency



Remaining question

Efficiency per passenger



Thank you for your attention!