

World Conference on Transport Research - WCTR 2016 Shanghai. 10-15 July 2016

Intercity coach liberalisation. The cases of Germany and Italy.

Grimaldi Raffaele^a, Augustin Katrin^b, Beria Paolo^{a*}

^a *DAStU – Politecnico di Milano, via Bonardi 3, 20133 Milano, Italy*

^b *KCW GmbH, Berlin, Germany*

Abstract

Intercity (or long-distance) coach transport has long remained a marginal mode in Western and Southern Europe. It connected mainly residual origin-destination relationships, to marginal areas without rail transport or, at best, as an ancillary mode to extend the range of rail accessibility.

However, the recent experiences of German and Italian liberalisations can represent a turning point in the redefinition of the role of this industry. In particular, Germany showed that a competitive environment could foster the sector and make it a true alternative for car and rail, especially in the low cost demand segment. In Italy, instead, the liberalisation effects are appearing more slowly, also due to the fragmentation of the sector and to the relative maturity of the historical market, but more and more pervasively.

While it is clear that a favourable legislative context and the limitedness level of entry barriers are necessary conditions for liberalisation, other elements appear to have a profound influence to explain the important differences between the two cases of Italy and Germany. The paper aims at discussing the role of two further aspects: i) the characteristics, and in particular the dimension and concentration, of the before-liberalisation market, and ii) the geography of the countries. When considering these elements, it becomes clearer why the processes ran at very different speeds north and south of the Alps and why the two markets still appear different.

© 2017 The Authors. Published by Elsevier B.V.

Peer-review under responsibility of WORLD CONFERENCE ON TRANSPORT RESEARCH SOCIETY.

Keywords: coach transport; Germany; Italy; market structure; liberalisation

1. Introduction

Intercity (or long-distance) coach transport has long remained a marginal mode in Western and Southern Europe, limited to residual origin-destination relationships, marginal areas without rail transport or, at best, as an ancillary mode to extend the range of rail accessibility. Moreover, the industry has long been strictly regulated (van de Velde, 2009) and, actually, constrained in its full development.

* Corresponding author. Tel.: +39-02-2399-5424; fax: +39-02-2399-5435.

E-mail address: paolo.beria@polimi.it

In the last years, after the pioneering experiences of the UK in 1980 and of Sweden and Norway in the late 1990s, other European countries started liberalising their coach market. In particular, three important countries have recently opened up their formerly regulated coach markets: Germany in 2013, Italy in 2014 (gradually from 2007) and France in 2015.

Since the start of the liberalisation in Europe, very few comprehensive studies about the development of the industry have been carried out. Van de Velde (2009) provides a general overview about what is considered as “long distance coach” in European countries. The same author later overviewed the developments of the industry in the continent (Van de Velde, 2013). A continental level analysis of the state of the art and perspectives of the industry was carried out by SDG (2009), with particular foci on safety issues, terminals, driving regulations and cabotage.

More is available at the country scale. A detailed ex-post analysis of a mature deregulated market, the UK, shows clearly (White & Robbins, 2013) what are the long term changes brought by competition. Another mature market is Norway, where Aarhaug and Fearnley (2016) observed the end of the expansion of routes and of consolidation of companies, together with a small contraction in overall supply. The Norwegian case is also compared with the Swedish one in Alexanderson *et al.* (2010). Among the “recent” liberalisers, KCW (2014) provides a more detailed insight about the regulatory framework in Germany. A focus on the specific issue of dynamics and pricing is found in Strößenreuther *et al.* (2013), due to its importance in making the mode attractive. German opening is compared with the mature US market in Augustin *et al.* (2014). Finally, some preliminary analyses of the Italian coach market and of its potentialities can be found in Beria *et al.* (2013 and 2014), aimed at describing the pre-liberalisation characteristics of the supply.

In this paper, we are interested to discuss how liberalisation and market formation paths may differ across countries, due to their different conditions. In particular, we will show that a favourable legislative context is just a necessary condition for liberalisation to fully deploy its effects. To support this claim, we refer to the important and recent experiences of Germany and Italy, which fully liberalised their intercity coach markets and created an apparently similar context, where the normative framework has removed the main entry barriers. However, the two countries still show important differences in terms of market structure, network supplied and dynamics of market expansion. In addition to the normative framework, we thus stress that two further elements must be considered:

- i) the characteristics, and in particular the dimension and concentration, of the “before-liberalisation” market,
- ii) the geography of the countries.

The following of the paper is structured as follows. Firstly, the regulatory frameworks are presented, comparing the entry requirements and the other regulations still present. In particular, we will discuss the relationship of coach system with other PSOs and the possible problems arising from that. Section 3 deals with the market structure and the process of concentration. It will also describe the pricing strategies used and give some figures about the demand in terms of passengers and load factors. Finally, section 4 discusses the role of geography in explaining how the two liberalisation processes developed. Section 5 concludes.

2. Regulatory framework in Germany and Italy

2.1. The liberalisation in Germany

The debate to open the German intercity coach market has been started shortly after the millennium, but it took until 2009, when the government decided to include it in the coalition contract. Finally, the new public transport law has been enacted in January 2013 and for the first time, the new legal framework allowed intercity coach services again since the ban from 1934. Before 2012, in fact, there have been some intercity services due to the division of Germany and due to grandfather rights, which resulted basically in routes from and to Berlin, operated by *BerlinLinienBus*, which was partially owned by Deutsche Bahn with 65% (100%, since 2015). But nearly any new services competing with existing public transport services (either train or coach) have been prohibited until the end of 2012.

The new legal framework allows now any intercity route, even though they compete with existing train or coach services. Coach companies are allowed to set up new bus stops wherever they like, as long as their services do not disturb local public transport and as long as they keep public transport safety. Local public transport should be secured by the requirements not to sell tickets between stops within 50 km distance or between stops with parallel train services

Download English Version:

<https://daneshyari.com/en/article/5125181>

Download Persian Version:

<https://daneshyari.com/article/5125181>

[Daneshyari.com](https://daneshyari.com)