

TRANSPORT SITUATION IN HUNGARY IN 2007

1. Traffic trends

Among its other transport policy objectives the Hungarian Government pays a special attention to maintain and/or establish competitive public passenger transport system. Passenger transport by rail is of outstanding importance in the case of suburban rail services ensuring the connection between cities and their agglomeration, as well as in the case of long distance rail transport.

Therefore particular interest is given to the development of railway corridors ensuring regional accessibility, as well as to the development of suburban railway lines. A significant amount of background work has been done in order to ensure that the funds of nearly HUF 550 billion (200 M €) originating from the European Union and Hungary's own resources, being available between 2007 and 2013 for the modernisation of the Hungarian railway infrastructure within the frames of the Transport Operational Programme be utilised efficiently, thus helping to improve the functionality of the existing infrastructure to the European level, this way also ensuring the interoperability of European railway networks.

As regards the development of suburban railway lines it is of special importance to improve intermodal transfer relations, and to elaborate a network-level concept for the railway access to Budapest and for harmonising urban and suburban railway transport. In coordination of the Ministry of Transport and the Transport Association of Budapest the S-Bahn project was launched in March 2006 with the aim of

- reducing congestion, strengthening environmental and transport safety aspects and measures, based on the railway and other track mode transports (subway, trams suburban rails etc.)
- creating compliance with city developing aspects and aims for the maintenance of the mobility of the cities
- connecting urban and suburban railway systems, providing interoperability and integrating services, establishing a network conception

Apart from the modernisation of railway corridors and suburban railway lines it is indispensable to rationalise the operation of the network elements ensuring regional accessibility. Within the frames of this procedure during 2006 Hungary started to rationalise its railway network of over 7,800 km, as well as to harmonise railway and road passenger transport public services. To this end – to ensure more efficient implementation of the principle of subsidiarity – the network of regional transport organisational offices was established, participating in the formation of a railway network and a community transportation system that are in line with regional needs and take account of the financial resources available in the state budget.

Naturally, this means that in certain cases maintaining the rail transport system is not considered as justified. We have revised 64 low traffic railway lines, representing one third (2600 km) of the whole network, with low rate of passengers, bad technical conditions and low standard of service. The focus was given on the probability of suburban function, substitution, strategic and network position. Since March 2007 on 14 lines temporarily buses replace trains. According to the current audit in case of 38

additional lines the operation is to be reconsidered and it is not necessary to support those areas by rail transport. In such cases we are striving at finding other uses for the lines being out of service (lending for regional use, tourist services, cycle tracks, etc.). The gradual change is a priority field and raising standards of the public services is also important

The implementation of a pulse-scheduled and integrated timetable (ITF) as a harmonised structure of road and rail transport is in progress, the possibility of creating demand responsible transport (DRT) systems for less dense populated rural areas generating low traffic on public transport is under consideration.

Measures in progress in the field of rolling stock-development:

- instead of the currently used old and amortized rolling stock more flexible, user-friendly fleet has to be established, which can be conform to the demands of the timetable structure
- covering the country step by step by accessible transport for disabled people which is also useful for baby buggies and bicycles
- setting up an environmental-friendly public transport by low-emission and energy-efficient vehicles

The Hungarian Government passed a resolution on the restructuring of the state-owned railway company in September 2005. Pursuant to the resolution business units performing various railway-operation activities are being outsourced from MÁV Co. Ltd. The activities related to passenger transport by rail were transferred to a separate company (MÁV-Start Co.Ltd.) as of 1 July 2007, which will improve operational efficiency, and competitiveness.

In the framework of the comprehensive revision of the system of maximum tariffs and public transport preferences - following public consultations with citizens, civil associations, and stakeholders of the sector - significant changes entered into force. As from 1 May, 2007

- a new system of single tariff for public road and rail transport supporting the cooperation of the different public transport modes, as well as
- new, public transport preferences in compliance with the current social demands and situation, and with the condition of financial sustainability of the public transport sector

were introduced.

Goods transport measured in freight ton-kilometres continued its dynamic growth in the first three quarters of 2007. In interurban passenger transport the number of passengers carried declined, while their passenger-kilometre increased somewhat. The rise in the number of passenger cars continued in the first three quarters of 2007, but the number of new car registration continued to fall. In the forthcoming years the trends described above are expected to continue.

Roads to be finished

date	E	road nr. in Hungary	section	length
end of 2006				
17 Nov	E62	main road no. 8	Csór bypass (2+2 lanes) + 1 km fourlaned section	4,9+1
5 Dec	E60	main road no. 4	Cegléd (300) – Abony fourlaned section	7
11 Dec	E71 E65	M7 motorway	Sormás - Becsehely	6
15 Dec	E79	M35 motorway	Görbeháza (3) - Debrecen	35,3
2007				
5 Jul	E60	main road no. 4	Törökszentmiklós – Szapárfalu (fourlaned)	5,7
23 Jul	none	M8 motorway	Dunaújváros - Dunavecse with Danube bridge (length 1680 m) near Dunaújváros <i>could be part of E66 later</i>	5,2
8 Aug	E71	M7 motorway	Zamárdi – Balatonszárszó with a viaduct (length: 1872 m)	14
24 Aug	E71 E65	M7 motorway	Nagykanizsa bypass	12
31 Aug	none	M3 motorway	Görbeháza – Nyíregyháza (link between E71 and E60)	39

Sections under construction

<i>E-road</i>	<i>road nr. in Hungary</i>	<i>section</i>	<i>length</i>	<i>expected finis</i>
E71	M7 motorway	Balatonkeresztúr – Sávoly	12,5	31 May 2008
E65	main road no. 86.	Vát bypass (NE from Szombathely)	4,5	31 July 2008
E71	M7 motorway	Sávoly – Nagykanizsa	23	31 Aug 2008
E73	M6 motorwy	Budapest – Érd	8	31 Aug 2008
E60 E75 (E71)	M0 motorwy	apgrade (from 2x2 lanes expressway to 2x3 lanes motorway) around M6 interchange (Budapest)	3,1	31 Aug 2008
E66	main road no.8.	Márkó bypass (W from Veszprém) (2+2 lanes)	3,8	31 Dec 2008
E71 E65	M7 motorway	border crossing section together with Croatia with Mura bridge	1	31 Dec 2008
E71	M0 motorway	eastern sectors between road no. 4 and M3 motorway (Budapest)	1,1	31 Dec 2008
E73	M6 motorway	Szekszárd (M9) – Bóly / Mohács (M60)	23,4	31 Mar 2008

Important measurements on regulation and financing infrastructure developments

<i>date</i>	<i>measurements</i>
20 Dec 2006	Transport Operation Program (OP) officially handed to Commission
1 Apr 2007	Some important main road sections became toll roads for vehicle over 12 tons (category D4), same vignette should be used as for the toll expressway network; from 1 Jan 2008 this should be purchased by vehicles over 3,5 tons too. More information: http://web.kozut.hu/index.php?id=8272
7 Sep 2007	After Government accepted Transport OP and its action plans. EU accepted Transport OP, which allow Hungary to receive a maximum of 85 percent EU-support of the total budget for transport infrastructure (OP level) investments until 2013. Additional financial resources are available in Regional Ops for local infrastructure investments with same condition. All these future investments are financed by the EU's Cohesion Fund (CF) and the European Regional Development Fund (ERDF).
21 Nov 2007	After the result of the tender PPP contract was signed with the consortia lead by Strabag to build motorway sections from M6 Szekszárd – Bóly, M60 Bóly – Pécs, with 28 years of maintenance and operation Total costs: 266 billion HUF for building Deadline: 31 Mar 2010
Dec 2007	New PPP tender for M6 Dunaújváros – Szekszárd section (same conditions) Estimated costs: 200 billion HUF (150 billion HUF for building) Deadline: 31 Mar 2010

Major ongoing infrastructure development projects:

- KÖZOP Projects of 2007: Total value of financial assistance: 7 321 681 353 EUR
- Road infrastructure development projects:
 - 2000/HU/16/C/PT/002 (corridor IV): M0 ring – eastern sector (Cohesion Fund)
 - 2000/HU/16/P/PT/008 Road rehabilitation programs on the roads 2, 6, 42, 47 and 56 (TINA corridors)
 - 2001/HU/16/P/PT/006 Road rehabilitation programs on the roads 3 and 35 (ISPA and Cohesion Fund)
- Railway infrastructure development projects co-financed by ISPA and Cohesion Fund:
 - 200/HU/16/P/PT001 (corridor IV)
 - 200/HU/16/P/PT002 (corridor IV)
 - 200/HU/16/P/PT003 (corridor V)
 - 200/HU/16/P/PT007 (corridor IV)

Railway infrastructure development project co-financed by the Cohesion Fund:
2004/HU/16/C/PT/001 Cohesion Fund Project

Measures taken aimed at promoting infrastructure investments:

- Changes in the Hungarian road toll network (effective from 01/04/2007). It introduces road toll for trucks on certain expressways which had been toll-free before.

2. Obstacle to the development on transport

Year 2007 is characterized by two important detrimental events.

One of them is the invariably unfavourable number of road accidents (since year 2000), the number of fatal accidents shows a slow increase, while the number of heavy and slightly injured road accidents is increasing significantly. Elaboration of the arrangements serving the decrease began this year, for example the implementation of the "objective responsibility principle", the restriction of the "point-system", and the increase of the number of controls. However, these arrangements enter into force only in 2008.

Other unfavourable trend is the temporary abandon of traffic on the railway side-lines and the closure of lines. These are national economy reasons for that, but the social acceptance is missing. A breakout could be the establishment of railway companies operated and financed on regional level.

3. Best practices in transport and infrastructure regulation

In transport regulation in 2007 two important events can be mentioned, as well.

One of them is the elaboration of the Uniform Transport Development Strategy (UTDS) which - starting from the analysis of the situation - earmarks such key fields, where the intervention is mainly needed, and characterising the reasons of the phenomena, defines broad aims. The compilation of UTDS has required an integrated approach, this ensures that the sector policies, determined in the MoET strategy, other sectors' policies, the road, rail, air, and water transport sub-sector policies, and passenger transport, transit and transport infrastructure's part-policies should be harmonized. Separate units of UTDS deal with the questions of passenger transport, transit and infrastructure, and the horizontal factors of each field: the improvement of traffic safety, the mitigation of environmental strain, the energy efficiency, and the introduction of intelligent transport systems.

The other important event is the reform of public transport. Counting of passengers has been done at country level in order to create timetables meeting better the requirements, and to eliminate parallel activities. In addition, a unified tariff system has been created for the railway and bus traffic, and the system of transport allowances - containing lots of exemptions - has also been simplified.

In Hungary the electronic network of infrastructure-investments is still not worked out, so the calculations and data-recordings in connection with the different investments are registered separately at the organization financing the investment. According to this the proportion of this activity cannot be expressed in percentage of GDP.

The transport infrastructure investments in Hungary have exceeded 1 % of GDP only in the recent years, which is low at European level. In the past years significant increase has occurred as a result of the intensive increase of motorway-investments. Additional increase of proportion is expected by using the European Union funds.

The development of railway infrastructure is realised almost solely from central and state budget or Union funds related to this. In the case of moving infrastructure in goods transport the capital resources and bank loans are prevailing. In the field of passenger transport the situation is the same, where because of the participation of the state there is bank guarantee as well. Motorway constructions are carried out from state funds or with such concessions, where due to the maintenance of roads by the state, the capital and interest redemption can be well calculated.