

# Passenger travel across national borders: How to get on board?

**Adj. Prof. Dr. Andrea Giuricin**

Transportation Economist at University Milan Bicocca

CEO - TRA Consulting

Special Consultant for ITALO-NTV

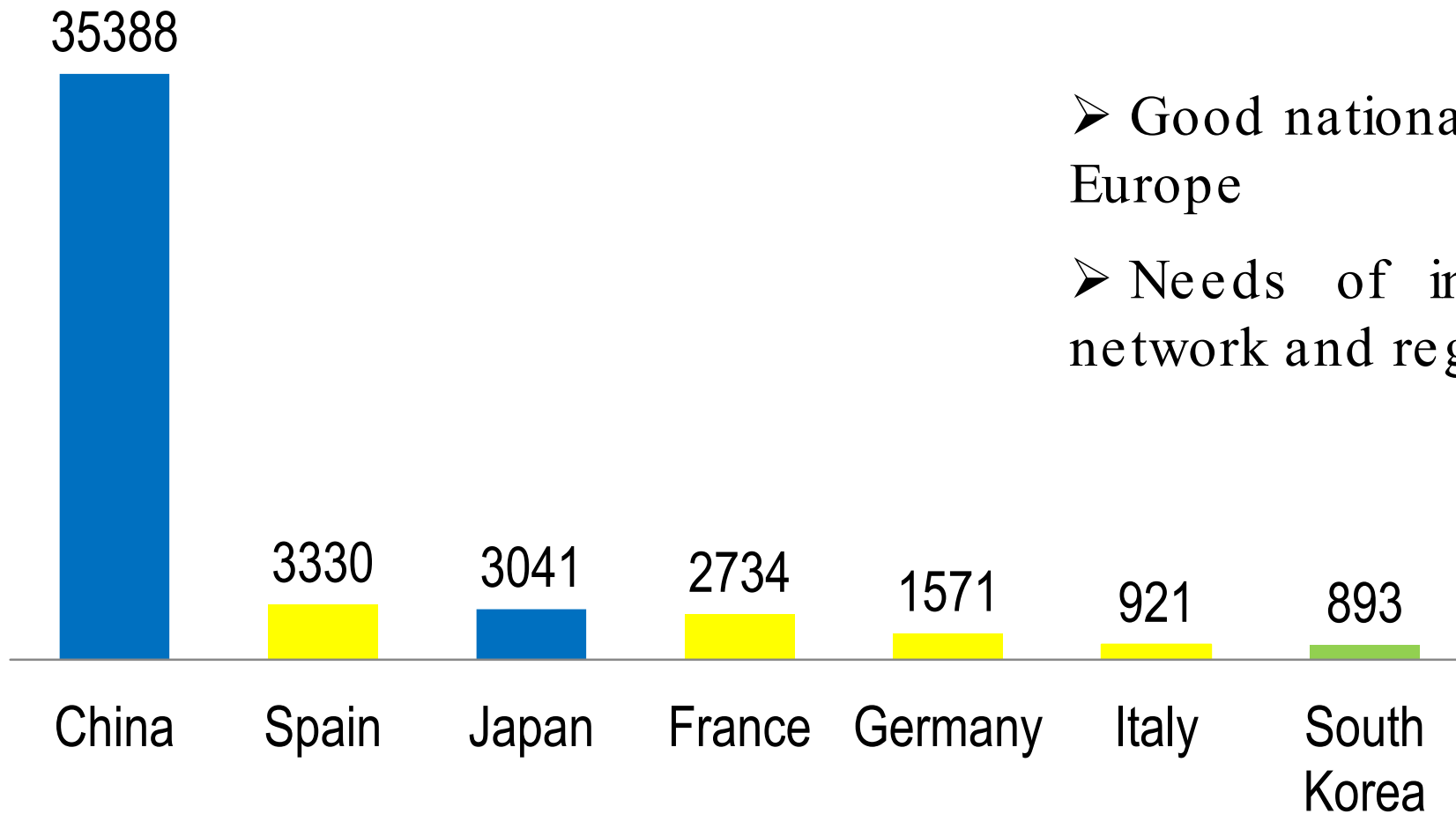
Senior Rail consultant at WORLD BANK

Former Visiting Professor at China Academy Railway Sciences, Beijing, China

18<sup>th</sup> of November 2020

# HSR lines

## HSR lines in KM (Feb 2020)



- Good national networks in Europe
- Needs of integration of network and regulation

# Experience of competition

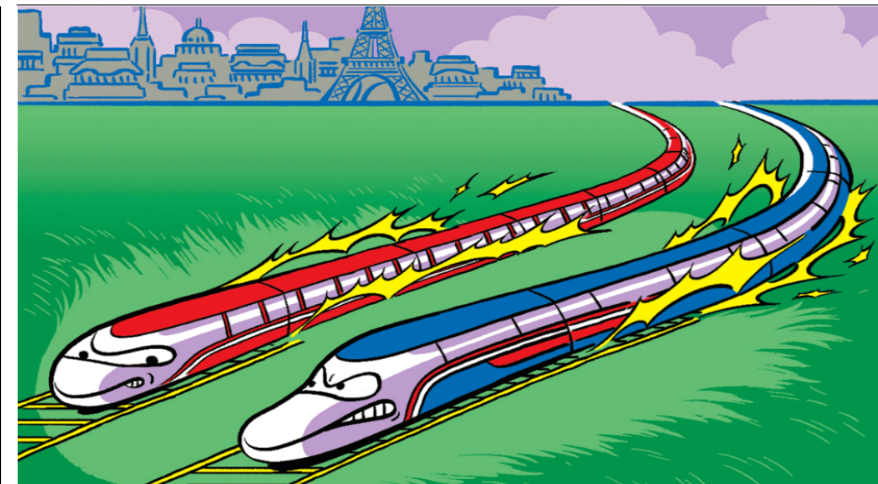
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**Bloomberg Businessweek**

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## Destination Europe for Italian high-speed rail upstart

“In the next few years trains will be extremely important in Europe and our business model can be exported very easily elsewhere,” Luca Cordero di Montezemolo, Italo’s co-founder and chairman, told Reuters in an interview at the company’s headquarters in Rome.

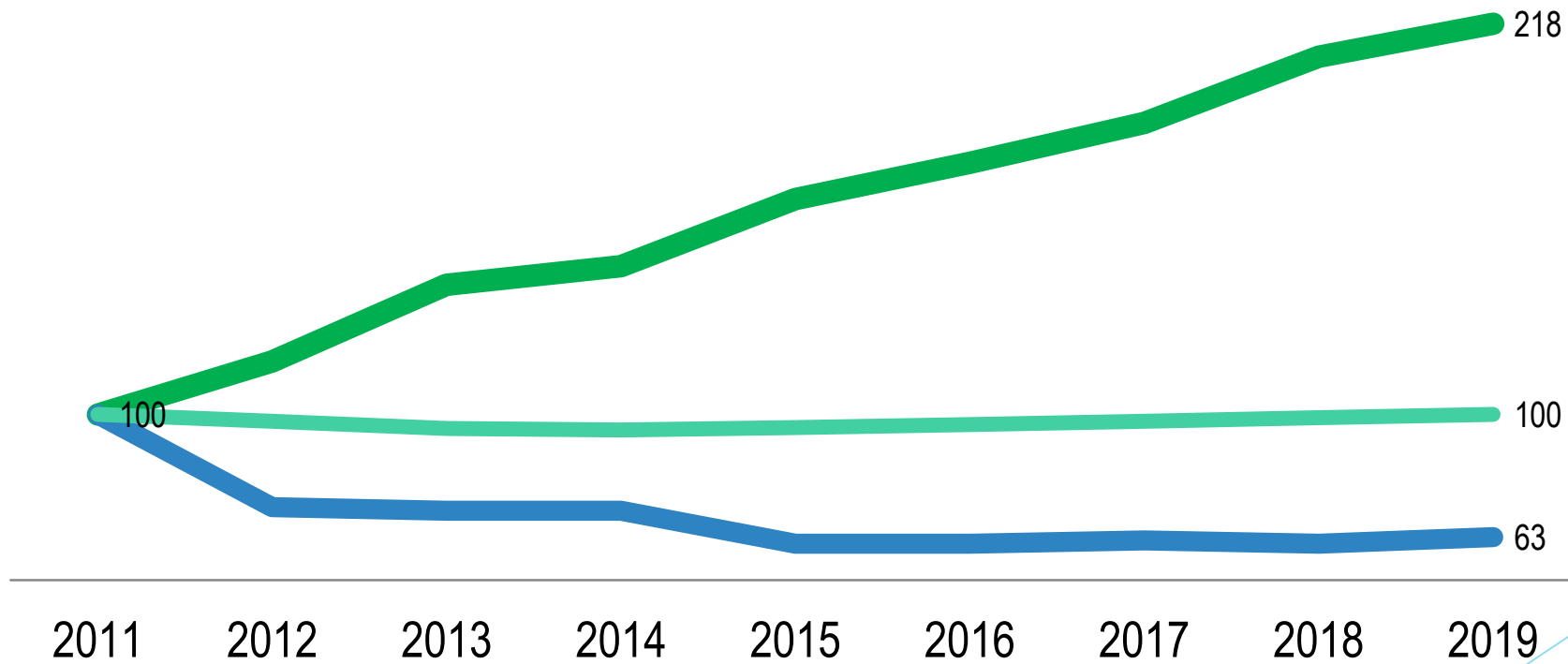
The rewards could be large in a European high-speed rail market that is estimated to grow by 70 percent to over 27 billion euros (\$33 billion) in annual revenue by 2025, according to data from TRA Consulting.

# Experience of competition in HSR

## HSR in Italy

(2011 base year = 100)

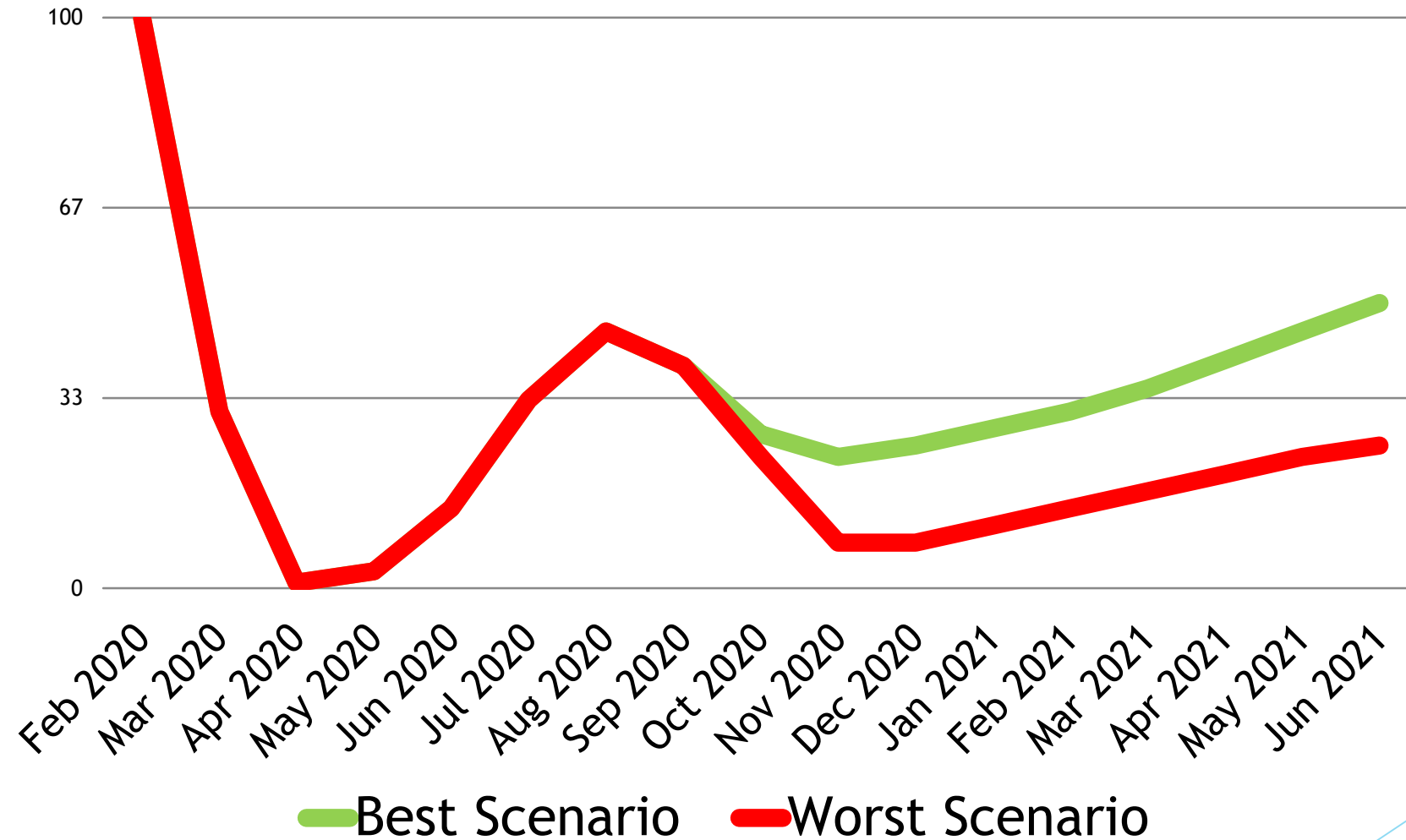
Demand Yield GDP Italy



Source: Elaboration from datas of the companies

# HSR in Italy

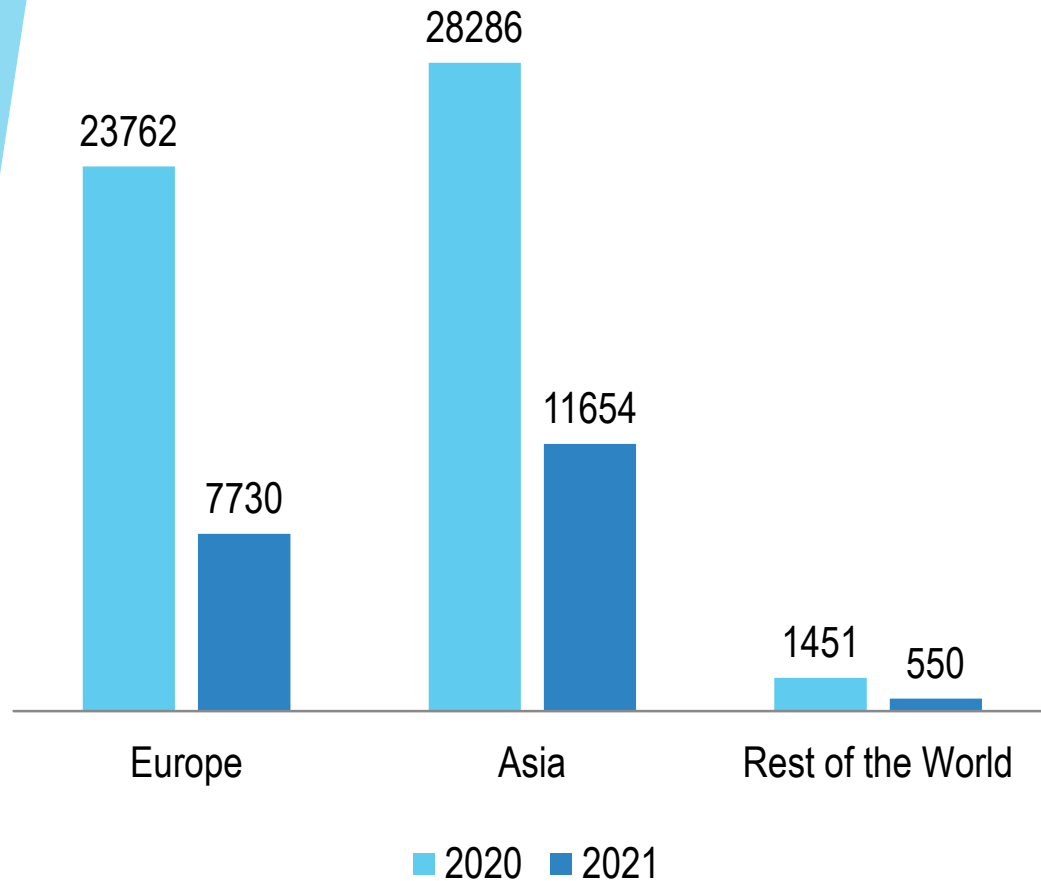
## Traffic estimation in Italy: Covid 19 Impact



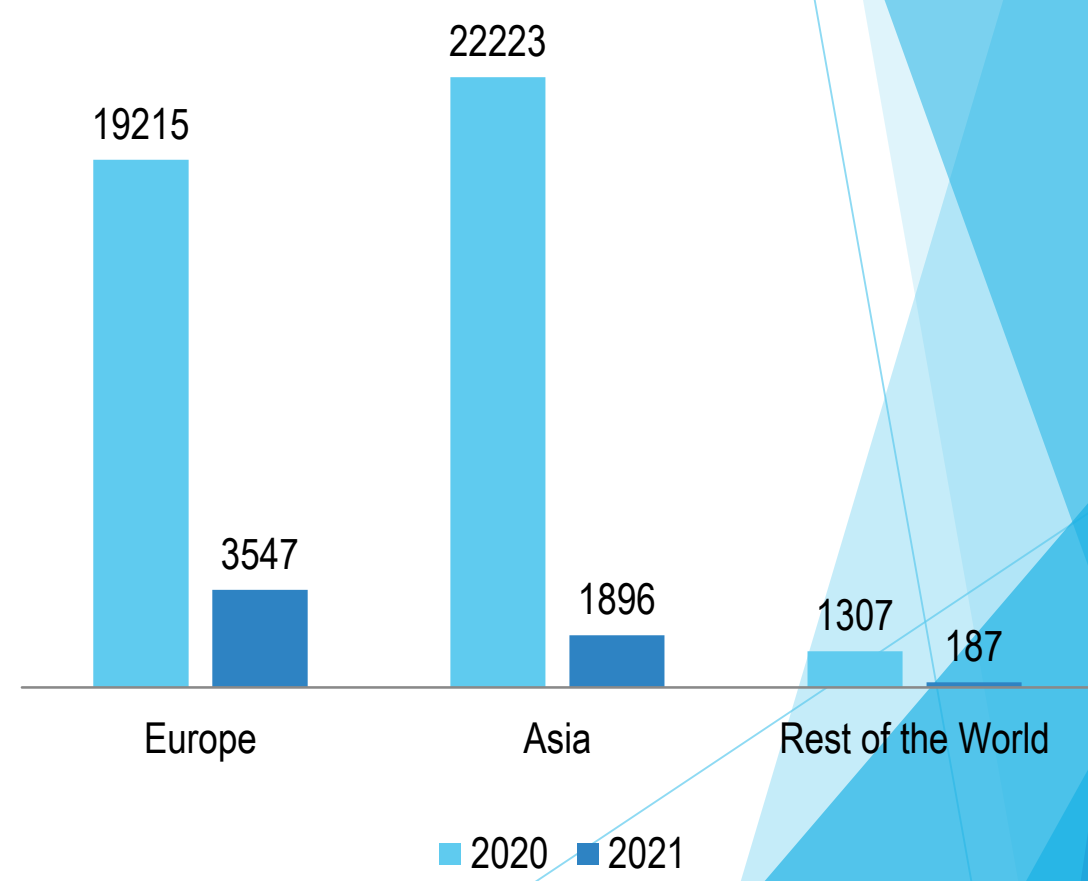
Source: Rail Companies Data estimation

# HSR vs AIR

Passenger missed revenues 2020 and 2021 – **slow recovery**



Passenger missed revenues 2020 and 2021 – **quick recovery**



# COVID 19 –Economic Measures

Economic Measures	Rail	Aviation
Direct Financial Contribution	Limited	YES
Decrease Access Charge/air traffic Fees	YES	YES
Decrease/Elimination VAT & Other Taxes	NOT YET	Limited
Guarantee Loans	Limited	YES
Fair level playing field between all transports mode	???	

## COVID19 Italian measures:

- Reduction/elimination of the component b of the access charge for all the RU in the commercial market
- PSO increase of funds for special situation
- Covid19 fund for rail sector (commercial market)

Amtrak to receive COVID-19 financial support from USDOT through FRA

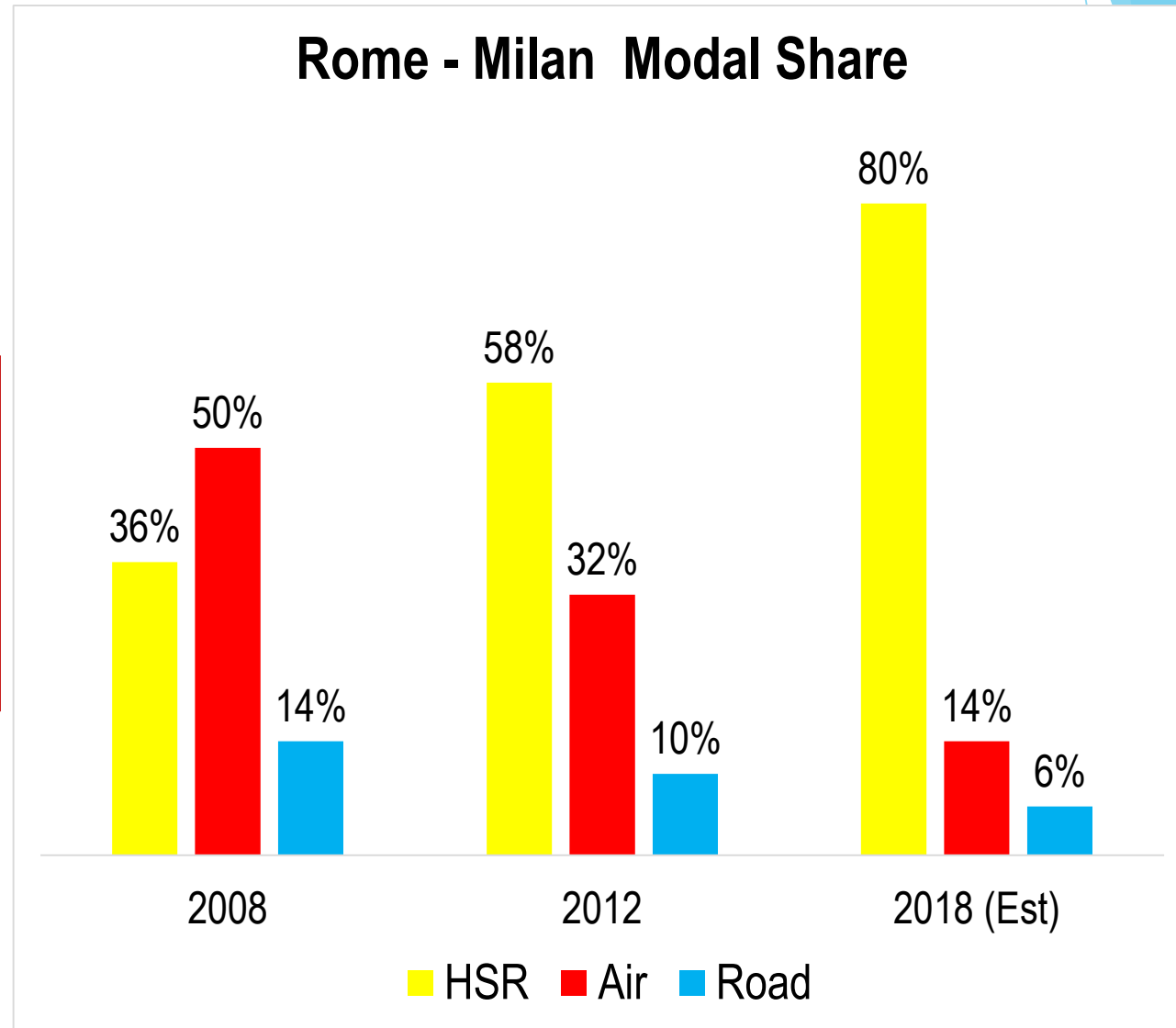
Over \$1 billion in funding from the U.S. CARES Act will be made available to Amtrak to limit the impact of COVID-19 on the railroad.

Brussels, 20th April 2020

COVID-19 in AUSTRIA: Temporary Public Service Obligation (PSO) contract for open access operators.

# Train could be competitive with other transport mode

Which kind of regulation?

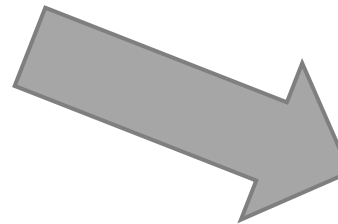
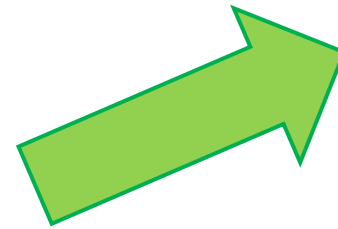
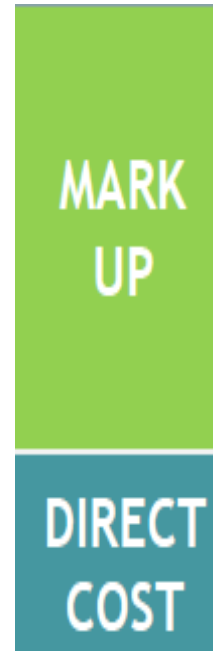
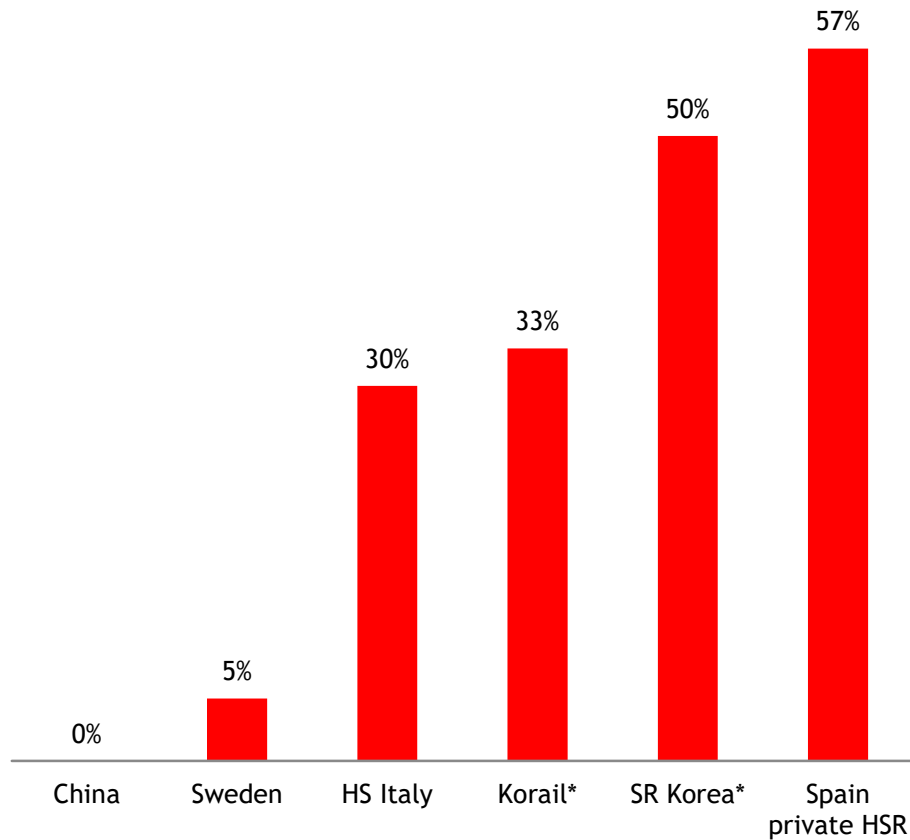


Source: TRA consulting



# ACCESS CHARGE COST

Access Charge cost on total cost



- Mark up linked to the ABILITY TO PAY

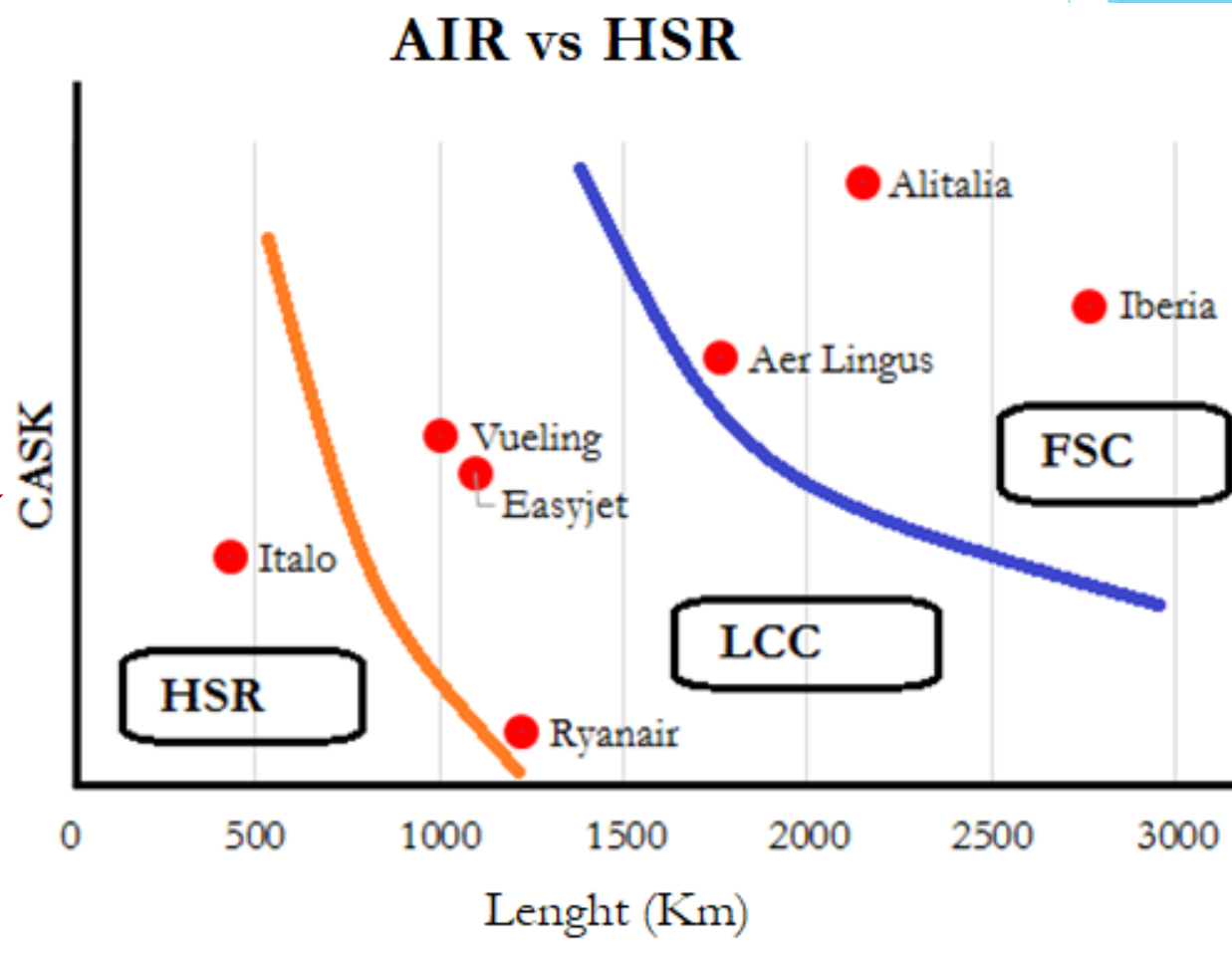
- Direct cost linked to the WEAR AND TEAR

# Reduction of cost

➤ Access charge (from 0% to 60%)

➤ OpEx

- Maintenance contract,
- Optimization of the space on board,
- Running cost,
- IT cost



# Increase of revenues

<b>ItaloBus</b>			
Data: in thousands except "cities"			
	<i>Year</i>		
	2016	2017	2019
<b>Cities</b>	13	22	26
<b>Passengers</b>	40	60	100
<b>Bus/KM</b>	950	1300	1800

- Integration of services (intermodality)
- Revenue management (increase of yield and load factor)
- Productivity of the rolling stock (depending of the network, regulation and contract of maintenance)
- Ancillary revenues
- Increase of the quality

# THANK YOU FOR YOUR ATTENTION

Contact details:

Prof. Dr. Andrea Giuricin

Mob: +393386938369

Email: [andrea.giuricin@unimib.it](mailto:andrea.giuricin@unimib.it)