COMISIÓN NACIONAL DE LOS MERCADOS Y LA COMPETENCIA

PRESS RELEASE

## The liberalisation of rail passenger transport resulted in a positive impact of 578 million in 2023

- Consumers benefited from a surplus of 343 million thanks to competition between railway companies.
- Adif Alta Velocidad increased its revenue from railway charges on liberalised corridors by 148 million (+52%) compared to 2019.
- The number of passengers using high-speed services exceeded 31 million, an increase of 10 million compared to 2019.
- The share of rail travel compared to air travel was 85% on routes with competition.

**Madrid, 14 May 2024**. – The entry of new companies in the Spanish railway sector in 2019, where three companies currently operate under four commercial brands—Ave and Avlo (Renfe), Ouigo and Iryo—, led to a positive impact of 578 million in 2023, according to the Report on the Liberalisation of Passenger Rail Transport (INF/DTSP/031/2024).

Consumers were the main beneficiaries of liberalisation: 343 million euros correspond to the benefit they enjoyed from being able to travel more and cheaper thanks to competition between companies.

Adif Alta Velocidad's revenue from railway charges on liberalised corridors increased by 148 million in 2023 (+52%) compared to 2019. The remainder (87 million) corresponds to the increased revenues of railway companies compared to Renfe's revenues when it operated under a monopoly regime. Overall, the combined revenues of the three operators were not even 10% higher than Renfe's revenues in 2019, despite services increasing by 60%.

### Consumer benefits

In 2023, 42% of users of commercial services could choose between three operators for their trips, and 19% between two operators. For the remaining 33%, Renfe continued to be the only option—10% for high-speed trains and 23% for conventional long-distance trains.

The number of available seats increased by 60% and daily frequencies rose from 76 per direction in 2019 to 118 in December 2023 on the three liberalised corridors.

Companies adjusted their fares and offered affordable basic services and special fares for children. Average prices decreased by around 40 % on routes where competition among the three operators began in 2022.

In the Southern corridor, where the entry of competition was more recent, with two companies competing—Renfe and Iryo—, average prices decreased by 10% to 24% depending on the routes. The results were in line with those of other European countries.

**Increased demand**

Out of 41 million commercial passengers, 31 million used high-speed trains in 2023—-10 million more than in 2019. Renfe's competitors attracted a total of 10.6 million passengers (26%): 14.8% for Iryo and 11.2% for Ouigo.

The modal share of rail travel versus air travel on the corridors with competition increased to 85%. Of particular note is the Madrid-Barcelona route, where rail travel gained 20 percentage points to reach 82%.

On routes with three competing companies—Madrid-Barcelona and Madrid-Valencia— the number of passengers nearly doubled from 11.1 million to 19.6 million. Madrid-Valencia passengers already outnumber those of Madrid-Seville, historically Spain's second busiest route in terms of passengers.

Conversely, conventional long-distance services lost more than 2 million passengers between 2019 and 2023, despite infrastructure improvements.

**Operator revenues**

The revenues of the three operators were close to those obtained by Renfe in 2019, with almost all of them showing negative results. Entry into the railway market is costly and profits cannot be expected in the first few years, even less so in the adverse circumstances of mobility restrictions (COVID-19 pandemic) and high energy costs.

The CNMC set out measures in the Agreement of 18 January 2024 to consolidate and extend liberalisation, which will be further supported by the implementation of the CNMC Communication on the monitoring of railway charges, which requires the alignment of charges to direct costs and the distinction between market segments according to their ability to pay when setting surcharges.

**Related content:**

- Report on the Liberalisation of Rail Passenger Transport (INF/DTSP/031/2024)