

The CNMC recommends liberalising bus passenger transport services for distances over 100 km

- In Spain, routes are operated under a monopoly, unlike in Germany, Italy, France or Portugal where there is competition for medium- and long-distance journeys.
- Liberalisation in these countries has led to lower prices, increased connectivity and frequencies, and a higher quality.
- For non-liberalised routes, it is recommended that the design of tenders and the management of concessions be improved, and restrictions removed from other transport services, such as occasional, tourist or special-use services.

Madrid, 20 July 2022 – In its "[Study on intercity passenger transport services by bus](#)" ([E/CNMC/006/19](#)), the CNMC proposes liberalising medium- and long-distance routes, just as in Italy, France, Germany and Portugal.

Spain is currently the largest European market that still has a **concessionary system** for medium- and long-distance bus transport services. This means that private companies provide the **service on a monopoly basis** through an administrative concession that grants them the **exclusive right to operate** certain routes.

The CNMC considers that the current context is ideal for **considering market liberalisation**, in line with the European trend. The European Commission has approved a [proposal](#) to deregulate national routes of over 100 kilometres. This proposal has been approved by the European Parliament and is pending approval by the EU Council.

Furthermore, the situation of Spanish concessions in terms of expiration and obsolescence, and the ongoing liberalisation of the railway sector provide, in the CNMC's view, a window of opportunity for **re-evaluating the concession system** and **considering the liberalisation of the market**.

Liberalisation in Europe

In recent years, countries including **Germany, Italy, France and Portugal** have liberalised their medium- and long-distance intercity bus services. The results have been positive for passengers: lower prices, increased connectivity and frequencies, and higher quality.

Additionally, in contrast to the rigidity of the concession system, in a liberalised system companies can adapt their services to demand more quickly, create new routes and adjust existing ones.

The concession system in Spain

An essential aspect of the concession system is the possibility of **market competition** through the tendering of concessions. Competition between bidders allows concessions to be awarded to the companies that offer the best quality and price terms for users at the lowest cost for public authorities.

However, the analysis carried out by the CNMC suggests that **the current Spanish concession system has room for improvement** from the point of view of competition and efficient regulation:

- **Expired concessions:** at the end of 2019, 52% of Spanish concessions analysed (State and Autonomous Community) had expired.¹
- **Frequent use of concession extensions:** in the case of State concessions, and in the majority of Autonomous Communities, the average duration of operating concessions in 2019 exceeded the maximum legal duration of ten years, and in some Autonomous Communities, even averaged 30 years.
- **Lack of competition:** there are advantages for the initial concession holders over other bidders (for example, they have better information on the profitability of the routes), there is a high level of judicial dispute, and tender requirements limit competition.

CNMC recommendations

The CNMC proposes a set of **recommendations** to improve the services in this sector in terms of competition, efficiency, quality and price.

Regarding liberalisation:

¹Based on information gathered by the CNMC in response to requests for information from the Ministry of Transport, Mobility and the Urban Agenda and the Autonomous Communities. Andalusia and Aragon have not responded to the CNMC's requests for information, while Castilla-La Mancha only provided information for the last quarter of 2019, which has limited the possibilities of making comparisons between regions.

1. **to liberalise bus passenger transport services for distances of over 100 kilometres.**
2. to establish an **independent regulatory body**, to oversee the liberalisation process and solve possible conflicts.

Regarding routes that are not liberalised:

3. **improve the design of tender requirements**, to remove barriers to competition and ensure the efficient management of the remaining concessions.
4. **ensure concessions are managed adequately**: put expired concessions out to tender, liberalise expired concessions two years after their expiry if a new tender has not been issued, and only resort to extensions in exceptional situations.
5. **mitigate inefficiencies associated with the concession system**: strengthen the transparency obligations of concession holders; promote a reform of the institutional framework to ensure a balanced representation of all stakeholders (including user associations and associations of smaller operators); strengthen inter-territorial cooperation between public authorities; and reduce restrictions on the operation of related services, such as tourism or special services.

This study fulfils the commitment set out in the [CNMC's Action Plan for 2021-2022](#) to carry out studies in sectors that directly contribute to the welfare of citizens and to improve competition conditions in the sector.

The CNMC is an independent market regulator that guarantees and promotes the existence of effective competition that benefits consumers and users. This study has been carried out within the framework of the CNMC's competition advocacy functions.

[\(E/CNMC/006/19\)](#)