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autorité de régulation des activités ferroviaires et routières

Press RELEASE

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12 Dec 2016 – Liberalised long distance bus services: indicators still on the rise

The use of liberalized bus services (called "Macron buses" in France since the "Macron" act of august 2015) increased significantly in the summer of 2016, carriers' services have increased, vehicle filling levels continues to improve, turnover is increasing, employment is changing more modestly.

On the basis of the comprehensive data collected from operators in the liberalised market for bus transport services, Arafer's transport observatory today publishes a summary of the activity carried out between 1 July and 30 September 2016.

This quarterly report gives a precise indication of the functioning and development of this new transport market.

BUS TRANSPORT SERVICES (3RD QUARTER 2016)

With close to 2 million passengers in the third quarter of 2016 (5.35 million since the opening of the market in August 2015), "Macron bus" services recorded another significant increase in use: +33% compared to the previous quarter.

Between July and the end of September 2016, there were two merger operations. On 1 July, Megabus' commercial activities in continental Europe were bought back by FlixBus (Megabus continues to operate its lines under a partnership, although the British operator has since announced the ceasing of these activities in France). On 24 July, Starshipper became part of the Ouibus franchise, bringing to the SNCF Mobilités bus subsidiary a complementary service in terms of connections. These mergers show the first signs of optimisation of the commercial strategies launched in the second quarter of 2016.

During the summer season, which is conducive to long distance travel, bus companies continued to open new destinations in the country: 205 new routes (+28%) were created bringing the total number of commercial routes to 1,310 connecting almost 210 cities.

The provision of links of less than 100 kilometres materialised in the 3rd quarter, with 42 routes commercialised at the end of September (excluding Migratour, which sells dozens as part of its seasonal route on the way to Santiago de Compostela). Approximately 7,000 passengers used these routes of less than 100 kilometres, or 2% of the long distancel routes on which these routes are offered. This represents less than 1 passenger per bus on average. The risk of competition with rail public transport services (especially regional) on these same routes is limited.

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The seat-kilometres provided by the three main players in the market (FlixBus 49% of supply, Ouibus 32%, Eurolines-Isilines 19%) grew at a slower pace than usage, improving the fill rate of their bus services again: from 30% at the beginning of the year to nearly 47% in the third quarter of 2016.

Competition between operators remains despite sector density: there are now 300 routes on which at least two buses compete, which represents a quarter of the network, as in previous quarters. Approximately 86% of passengers travelled on these competing routes, a level that is comparable to previous quarters.

NEW PRICE INCREASES, +46% TURNOVER

Operators continued to adjust their rates, with the average revenue per passenger increasing by almost 10% to around 14 euros excluding tax for an average journey of 342 km. The average revenue per passenger per 100 km continues to rise: 4 euros excluding tax, that is, 30 euro cents per 100 km compared to the previous quarter (it had increased in the same proportions between the 1st and the 3rd quarter).

This rise in prices coupled with the increase in use explains the new surge in turnover of 27.7 million euros: +46% compared to the second quarter. Since the opening of the market on 8 August 2015, operators' turnover has amounted to 68 million euros.

Job creation is continuing but at a slower pace than in previous quarters: as at 30 September 2016, the sector had 2,050 full-time positions (an increase of approximately 50 over the quarter).

ROUTES OF LESS THAN 100 KM

Since 15 October 2015, bus connections of less than 100 km have been regulated by Arafer.
On 12 December 2016, 14 carriers declared nearly 230 routes and 90 of them were the subject to prohibition or limitation requests by transport authorities, mainly regions.

Arafer issued 17 opinions in favour of requests for prohibition and/or limitation of services, 5 opinions in favour with reservation and 66 opinions not in favour. They are available on Arafer's website.

- Read the summary and the detailed review for the third quarter of 2016 here (in French).

About Arafer

Since 2010, the French railway sector has had an independent regulatory body which accompanies its gradual opening to competition. The "Macron" Act of 6 August 2015 extends the powers of the regulator to road activities: long distance bus transport and motorways.

On 15 October 2015, the rail regulatory body became the rail and road regulatory body (Arafer). Its mission is to contribute to the efficient operation of the public service and competitive activities for the benefit of rail and road transport customers. Its public opinions and decisions are adopted by a group composed of seven independent members chosen due to their expertise in railway, road, legal or economic matters or because of their expertise in competition matters and has been chaired since August 2016 by Bernard Roman.