

Press release

Monopolies Commission presents 8th Sector Report on German railway markets “Competition on the rail!”

- The planned equity increase by the Federal Government in favour of the Deutsche Bahn Group may distort competition in the railway sector. It would be better to support rail infrastructure through investment grants or infrastructure cost subsidies.
- A competitive tender or concession model promotes competition in the "Deutschlandtakt" and can contribute to an increase in railway traffic.
- Digitalisation offers opportunities for the railway sector. Access to real-time mobility data will make competitive sales offers more attractive and would increase their use.

In its 8th Sector Report on the railway sector, “Competition on the rail!”, the Monopolies Commission makes recommendations to strengthen competition in the railway market. It also evaluates the Act on the Further Development of Railway Regulation, which came into force in June 2021 and which, among other things, creates the first legal basis for the introduction of the synchronised timetable “Deutschlandtakt” (“Germany Tact”). *“The Deutschlandtakt is a great chance for the German railway sector, but only with strong competition – leading to more quality and attractiveness,”* said the Chairman of the Monopolies Commission, Professor Jürgen Kühling. In particular, the Monopolies Commission recommends:

Avoid potential distortions of competition due to equity increases. The Federal Government announced in 2019 and 2020 an equity increase of around 7,5 billion euros in favour of DB Group. The planned measures are understandable from the point of view of the Federal Government as a shareholder. However, they carry the risk of competitive distortions. It cannot be guaranteed that the financial measures will only benefit the infrastructure and not the operations of DB Group. A vertical separation of the infrastructure from the operations within the DB group would prevent this kind of distortions. In the current group structure, *i.e.* without vertical separation, the infrastructure should be supported through direct grants for new constructions, expansion, and replacement measures. Beyond that, the economic effects of the Covid-19 pandemic should be mitigated in a competition-neutral manner. In addition to infrastructure cost subsidies, a temporary revenue refund for all railway operators would be an appropriate solution.

Shaping a competitive railway market for the future. The introduction of the “Deutschlandtakt” is intended to steer more traffic into the railway system. To this end, train connections are to be coordinated nationwide at half-hourly or hourly intervals, and journey times are to be reduced. The most recent amendments to the Railway Regulatory Law enable first trials of the “Deutschlandtakt”. However, to implement the “Deutschlandtakt” in the long term, further legal adjustments will be necessary in the upcoming years. For example, it will be necessary to adjust the allocation procedure for railway lines. In this regard, it is imperative to ensure a competition-neutral regulatory framework. Therefore, the Monopolies Commission recommends the introduction either of competitive tendering or a concession model in the long-distance railway transport market. This measure would offer all railway operators the opportunity to participate in the “Deutschlandtakt”.

Monopolies Commission

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Making use of the digitalisation opportunities in the railway sector. Digitalisation will increase the capacity and attractiveness of the railway system. For example, real-time data will allow to inform travellers promptly about delays, disruptions, and train cancellations. Not all sales platforms are able to display real-time information as of now. The Federal Ministry of Transport and Digital Infrastructure supports a better integration of real-time data. The first projects are already emerging to make sector-specific online sales systems more attractive for travellers. The Monopolies Commission additionally recommends that all sales platforms be given non-discriminatory access to real-time data, thus strengthening the diversity in online sales.

The complete Sector Report is accessible at the Monopolies Commission's [home page](#) as of now.

The Monopolies Commission is a permanent, independent expert committee which advises the German government and legislature in the areas of competition policy-making, competition law and regulation. One of its statutory mandates is the drafting of a Special Report on the development of competition on the German railway markets. The Monopolies Commission has five Members appointed by the Federal President based on a proposal of the German government. Prof. Dr. Jürgen Kühling, LL.M., is the chairman of the Monopolies Commission.