Economic Lessons from the Liberalization of the German Bus Market

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IRU Forum “Buses & Coaches at a Crossroads: Long-Distance and Innovation”
1. IGES at a glance
2. Boosting Long Distance Bus Market
3. Main Challenges for Long Distance Bus
## Consulting Services for the Long Distance Bus Sector

| **Market Analysis** | Schedules, Prices, Terminals and Stops  
|                     | Service Level  
|                     | Development of Performance Indicators |
| **Customers and Operators** | Customer needs and expectations  
|                             | Operators requirements |
| **Long Distance Bus Planning** | Route and network planning  
| **From Idea to Commissioned Service.** | Business Cases  
|                             | Licensing process support |
| **Bus Terminals and Stops** | Search for Locations, Potentials  
|                             | Functional and Service Concepts  
|                             | Operational and Financing Models |
Selected Clients (Consulting Long Distance Bus)

Operators and Operators Associations

- Aachener Straßenbahn und Energieversorgungs-AG
- Bundesverband Deutscher Omnibusunternehmen
- Bayern Express & P. Kühn Berlin GmbH
- Deutsche Bahn AG
- Österreichische Bundesbahnen
- Verband Baden-Württembergischer Omnibusunternehmer

Public / Administrative Bodies

- Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR)
- Federal Transport Ministry (BMVI)
2. Boosting Long Distance Bus Market
Long Distance Transport in Germany. Private Car is most relevant transport mode.

Forecast: Growing Transport Volumes and Performances.
### Step Stones of German Long Distance Bus

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td><strong>DeinBus.de</strong> starts first line before the liberalization after legal dispute with DB German Railways.</td>
</tr>
<tr>
<td>2012</td>
<td><strong>MeinFernbus</strong> launch of first line Freiburg i. Breisgau – München (April 2012).</td>
</tr>
</tbody>
</table>
| 2013 | **FlixBus** market entry.  
• National Express Germany GmbH follows with german brand **city2city**.  
• **ADAC-Postbus** starts as joint venture with Deutsche Post Mobility GmbH. |
| 2014 | **Market Exit**: October 2014 **city2city** quits services.  
**Deinbus.de** last minute prevention of bankruptcy by strategic investor.  
**ADAC e.V.** stops joint venture, Deutsche Post continues growth of **Postbus**. |
| 2015 | **Merger of MeinFernbus Flixbus**.  
**DB AG** launches LD Bus and LD Rail strategy change.  
**Megabus** enters German LD Bus Market. |
Number of Round Trips per Week Sextupled!
Approx. 320 LD Bus Lines.

Domestic Services without Airport Shuttles.

Source: IGES, January 2016.
High Density of LD Bus Network to Connect Regions. Competition Bus vers. Rail instead of creating benefits!

**LD Bus = 20 Million Pax p.a.**

**LD Rail = 130 Mio Pax p.a.**

Source: ETC 2015.
Stabilized Market Shares LD Bus

- MeinFernbus Flixbus GmbH: 71%
- Berlin Linien Bus GmbH: 2%
- IC Bus (DB Fernverkehr AG): 3%
- Deutsche Post Mobility GmbH: 8%
- DeinBus.de GmbH: 10%
- Megabus GmbH: 1%
- Deutsche Touring GmbH: 2%
- Sonstige: 2%

Source: IGES, January 2016.
LD Bus **Ticket Prices** at critical level (Revenue per Pax & km). Reaction of LD Rail: Growing number of discount tickets.

<table>
<thead>
<tr>
<th>Month</th>
<th>Standard Tarif</th>
<th>Angebotspreis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Okt 12</td>
<td>0.056€</td>
<td>0.110€</td>
</tr>
<tr>
<td>Apr 13</td>
<td>0.040€</td>
<td>0.100€</td>
</tr>
<tr>
<td>Jun 13</td>
<td>0.040€</td>
<td>0.100€</td>
</tr>
<tr>
<td>Aug 13</td>
<td>0.043€</td>
<td>0.100€</td>
</tr>
<tr>
<td>Okt 13</td>
<td>0.039€</td>
<td>0.100€</td>
</tr>
<tr>
<td>Nov 13</td>
<td>0.045€</td>
<td>0.100€</td>
</tr>
<tr>
<td>Dez 13</td>
<td>0.042€</td>
<td>0.100€</td>
</tr>
<tr>
<td>Jan 14</td>
<td>0.040€</td>
<td>0.100€</td>
</tr>
<tr>
<td>Feb 14</td>
<td>0.046€</td>
<td>0.100€</td>
</tr>
<tr>
<td>Mrz 14</td>
<td>0.036€</td>
<td>0.100€</td>
</tr>
<tr>
<td>Apr 14</td>
<td>0.040€</td>
<td>0.100€</td>
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<tr>
<td>Okt 14</td>
<td>0.038€</td>
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<td>Jan 15</td>
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</tr>
<tr>
<td>Apr 15</td>
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<tr>
<td>Jul 15</td>
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<tr>
<td>Okt 15</td>
<td>0.040€</td>
<td>0.100€</td>
</tr>
<tr>
<td>Jan 16</td>
<td>0.036€</td>
<td>0.100€</td>
</tr>
</tbody>
</table>

Source: IGES, January 2016.
German LD Bus completely relaunches travelling by bus. Innovation trends and product development.

**Today**

**1. Internationalization**
Network Development to EU neighbors
Export of German LD Bus Brands - (Italy, BeNeLux, France, ...)

**2. Night Bus Networks**

**3. Touristic LD Bus Lines**
Ski Fun / North Sea & Baltic Sea Coast

January 2013
Liberalization

**Innovations**
Easy Bike Carriage
Webbased Electronic Ticketing and Sales System
Setting Standards in WIFI in German Public Transport ...
3. Main Challenges for Long Distance Bus
Keep working on LD Bus Transport in Germany...

- **Framework Condition** - Introduction of Road charge for Busses?
- **Creating appropriate Bus Terminal Infrastructure**
- **Bus Drivers as a limited ressource**
- **Intermodal and intramodal connection of the LD Bus**
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