

PRESS RELEASE

SWEDEN / DENMARK: direct awards for night trains are just a painkiller, not the remedy

COPENHAGEN, 10th September 2020:

Today the Nordic Dialogue conference took place in Copenhagen, about the future of night trains between Scandinavia and the EU Continent.

Fact: the only night train operator between Sweden and Germany over the past eight years has been Snälltåget, a privately owned venture, doing it on a commercial basis without subsidy. Next year it will serve Denmark as well.

Now, state rail incumbents are lobbying for directly awarded taxpayer subsidy for night trains between the same countries - only for themselves.

Such direct awards would be a counterproductive, short-term solution where public money kills off private investment and innovation.

Recently, the Swedish government gave its national transport administration Trafikverket the right to directly procure night trains between Scandinavia and Germany. Trafikverket's Final Report of May 2020 suggested a route that suspiciously fitted into the operational network of ÖBB Nightjet, Europe's market dominant night train operator. ÖBB has built up its current position due to very high amounts of directly awarded subsidy from Austrian taxpayers.

It must be stressed: ALLRAIL supports the growth of cross-border night trains. After all, it has been privately-owned operators (e.g. RegioJet & Alpine-Sylt Express) that have announced new non-subsidised services in recent months.

However: direct awards are nothing more than a short-term painkiller. The Swedish government seems willing to overpay the dominant operator to start night trains before the next election and then present this as a success to voters.

If an operator is being overpaid by the taxpayer and lacks the need to compete, it will become sedate and complacent. Airline passengers & car drivers will not be won over, disappointed by the lack of attractiveness.

ALLRAIL's Secretary General Nick Brooks states: "**Europe needs a remedy for night trains, not a painkiller.** Fair conditions must be created for private night train operators to enter the market. With the efficiency and innovation that competition induces, there will be modal shift to rail at night time. Not only will this benefit the EU Green Deal, but it will mean less reliance on taxpayer subsidy."