

COMPETITION AND INNOVATION: THE WAY FOR AN EFFICIENT RAILWAY

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COMPETITION TO THE RAILWAY SECTOR

COMPETITION
SHORT DISTANCE

COMPETITION
LONG DISTANCE

RAIL:
LACK OF
PUBLIC
MONEY



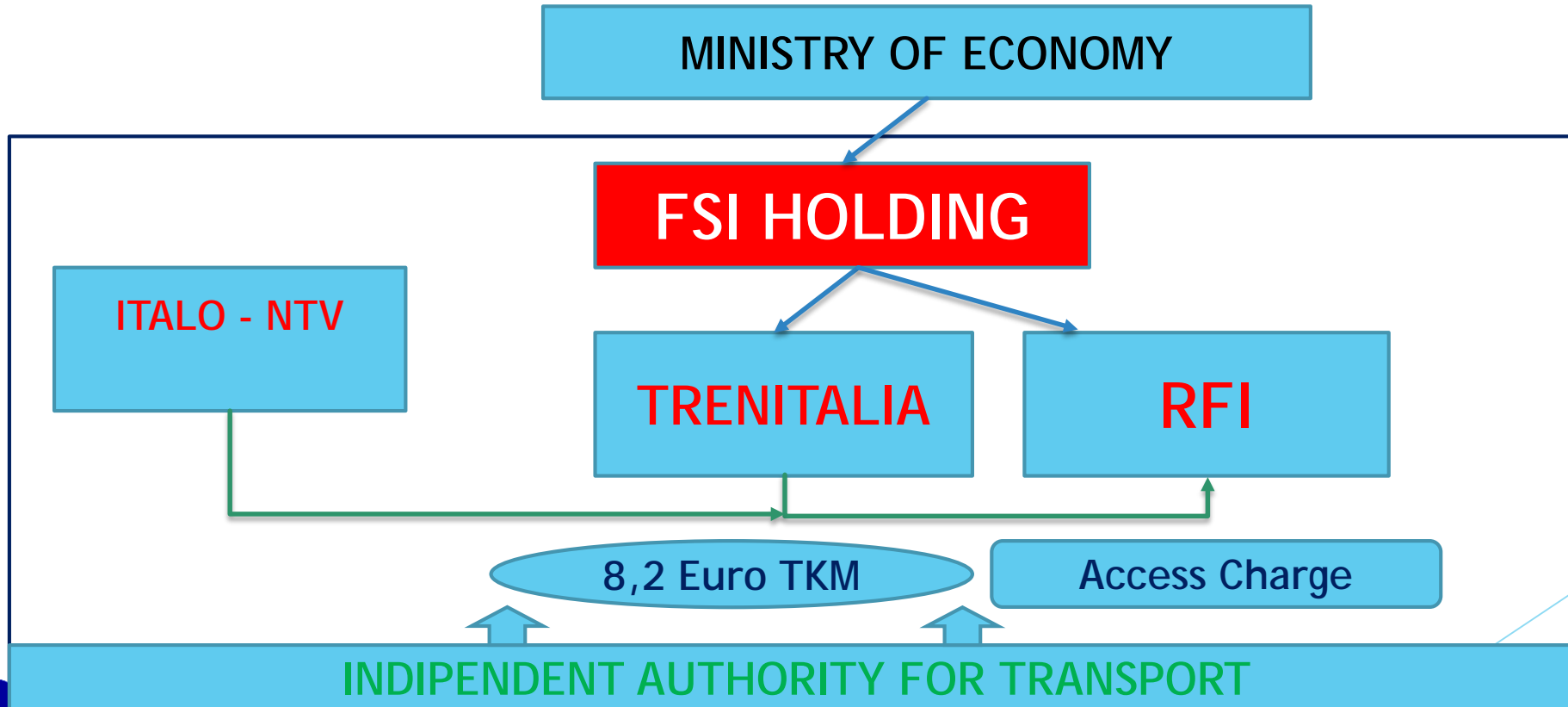
**COMPETITION IS THE KEY
DRIVER FOR THE
DEVELOPMENT OF RAIL**

A Rough and Long journey

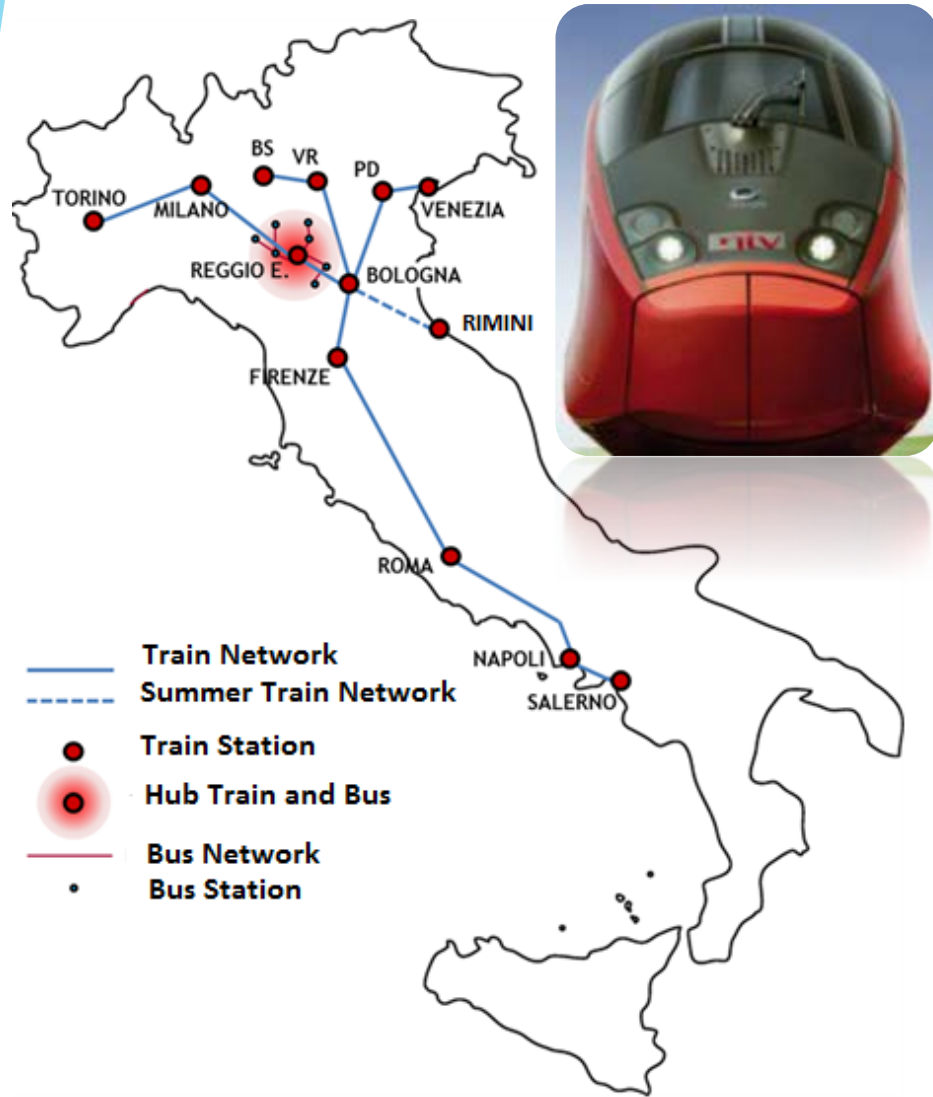
- 2001: Directives of liberalization of the European Parliament and of the Council;
- 2003: Legislative Decree 188/2003 to implement European liberalization in Italy;
- 2006, December: NTV was incorporated;
- 2007, Transport Ministry's decision to grant NTV a Railway Company license and authorization;
- 2008, February, NTV ordered from Alstom 25 ultra high speed AGV trains;
- 2010-2011 test phase with Pegase and first AGV train to obtain the homologation on the Italian network;
- 2012, March, Italian National Safety Authority issued NTV the last authorization;
- 2012, 28th of April, Italo started operation. The first private operator in the European High Speed market.

REGULATION IS A KEY DRIVER

There is the incumbent, a State Owned Enterprise, Ferrovie dello Stato (FSI) that controls the Infrastructure Manager (RFI) and the Railway Undertaking (Trenitalia).



NTV: A NEW PLAYER



NTV has 56 train services per day

- 25 train per day between Salerno and Turin (stop in Milan and Rome),
- 8 train per day Venice,
- 8 train per day Verona
- 15 train per day *No Stop* between Milan and Rome.

Summer service to Rimini.

Italo Bus in Reggio Emilia and now in more cities to develop the intermodality (Matera, Bergamo, etc)

PRIVATE INVESTMENT

Years 2008 – 2012	(million of €)
Trains Investments	625
Maintenance Facilities	90
IT Investments	11
Station Logistics	25
Training	26
Start-up	62
Indirect Investment	128
Total	967

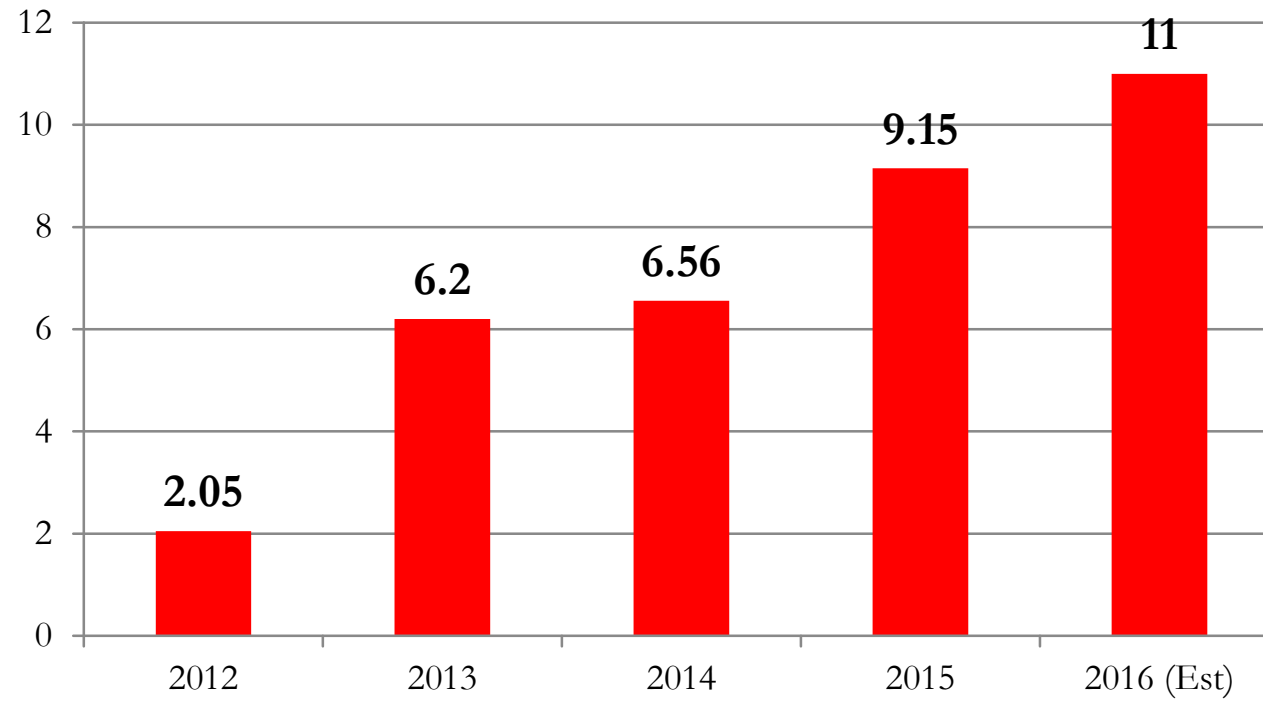
Break Even Point in 2015

New Investment in 2015/2016 → 12 HS Train



TRA
Consulting

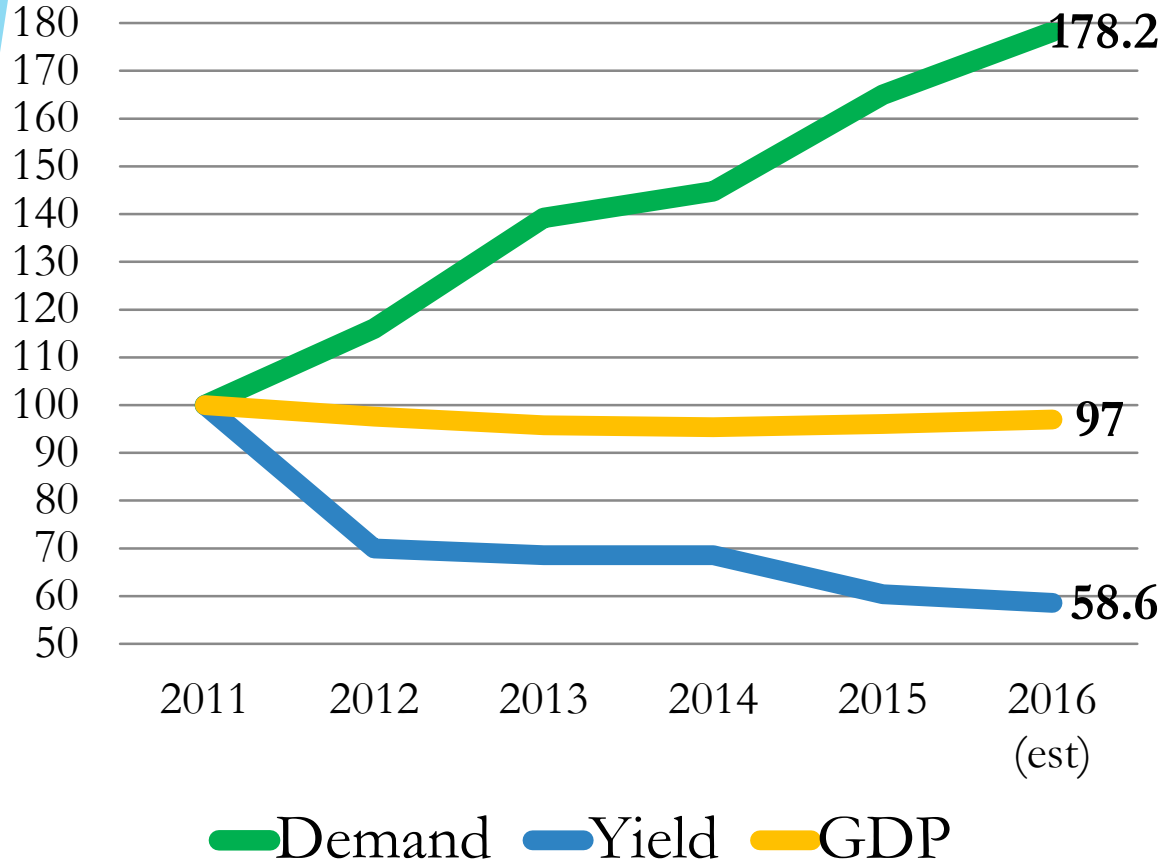
Italo Passengers



BENEFITS OF THE COMPETITION

LIBERALIZATION OF HSR IN ITALY

Competition in HSR in Italy 2011 - 2016



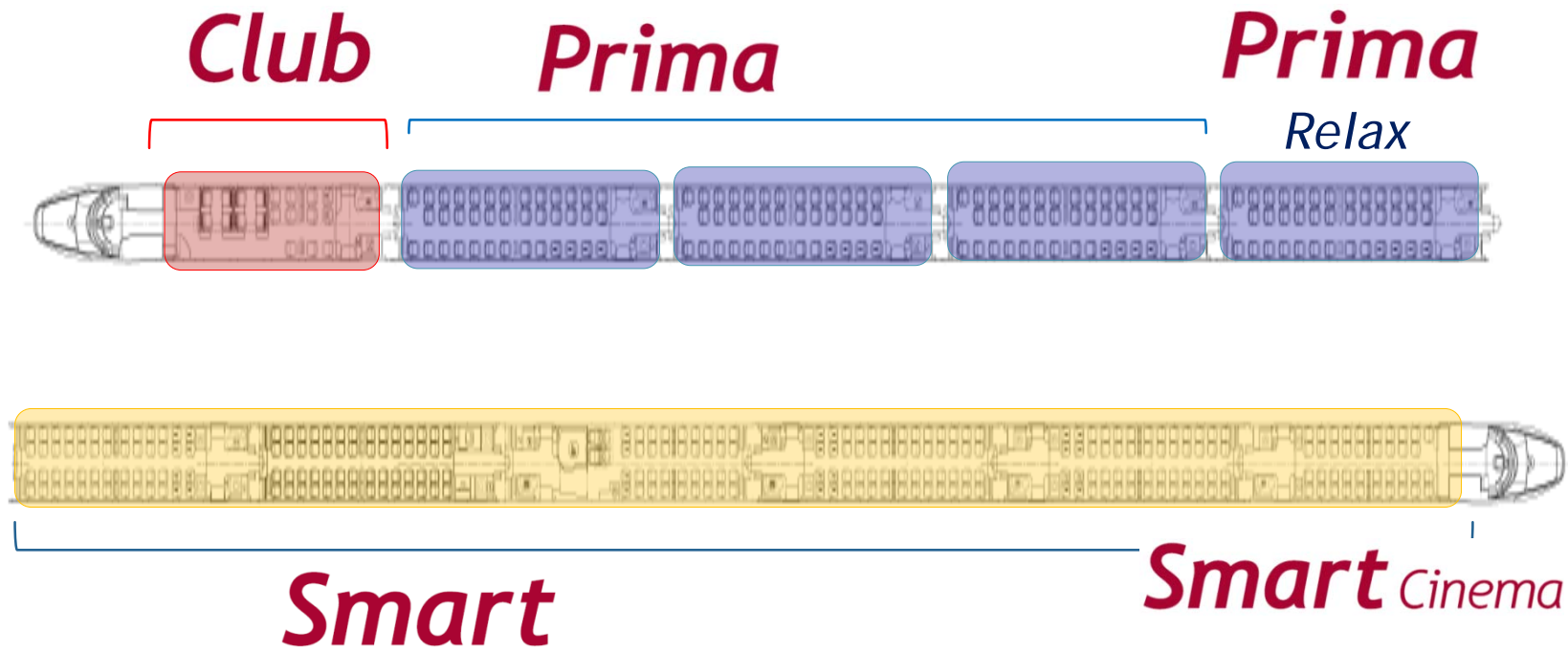
Competition has a double positive effects:

- Increase of the Demand (+78% in PKM)
- Reduction of the ticket price → Yield (40%)

INNOVATION

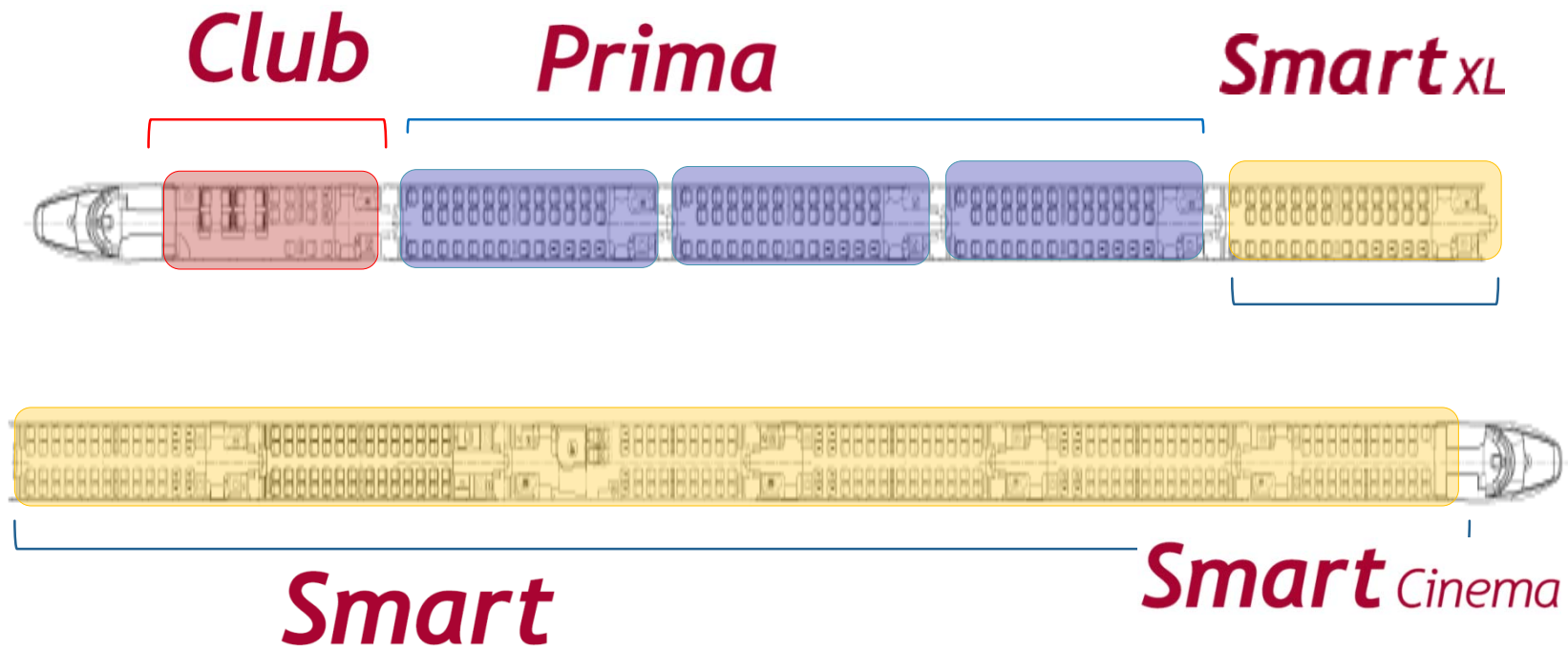
FLEXIBILITY

11 coaches, total 450 seats.



FLEXIBILITY

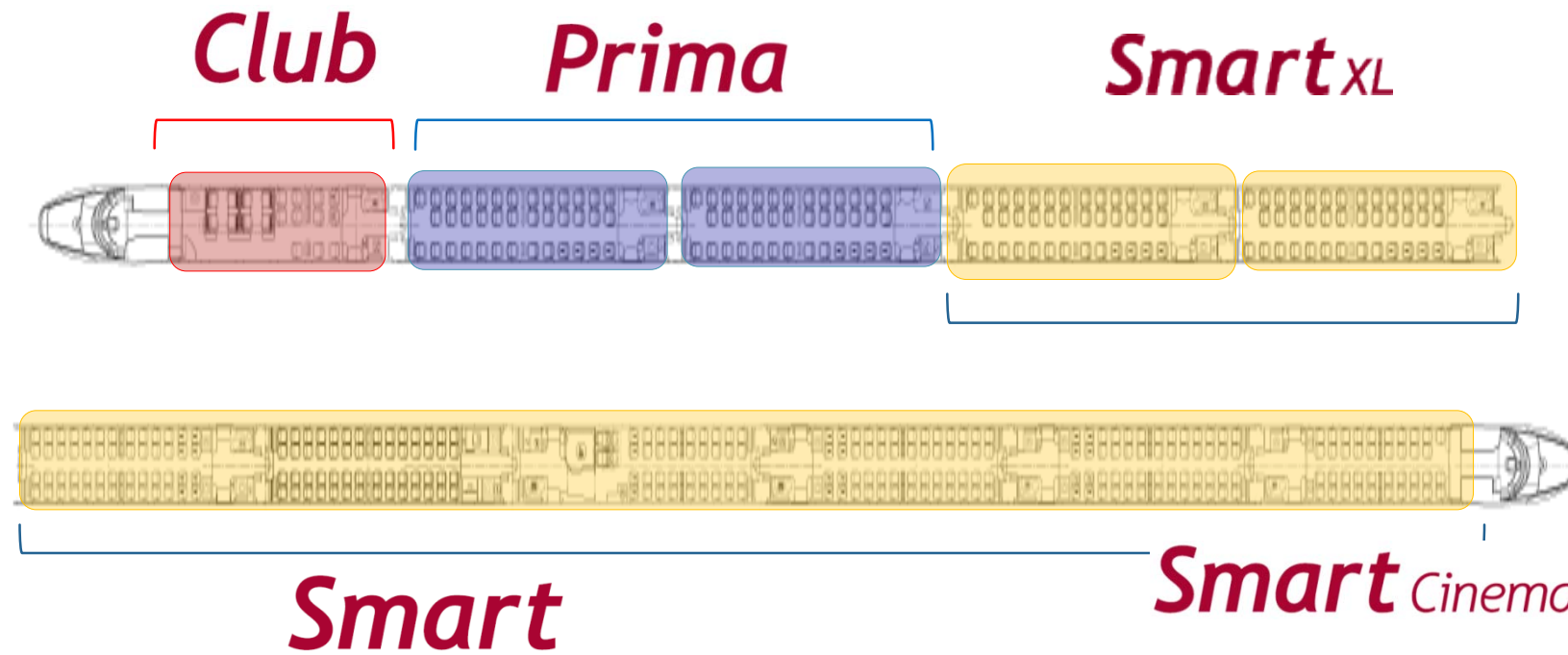
11 coaches, total 450 seats.



FLEXIBILITY

11 coaches, total 450 seats.

In 2016, 12 seats more were added



QUALITY



■ Club

- Highest comfort and privacy
- Customized service
- At seat TV screens
- Lounge option

■ Prima

- High quality and comfort
- At seat service

■ Comfort

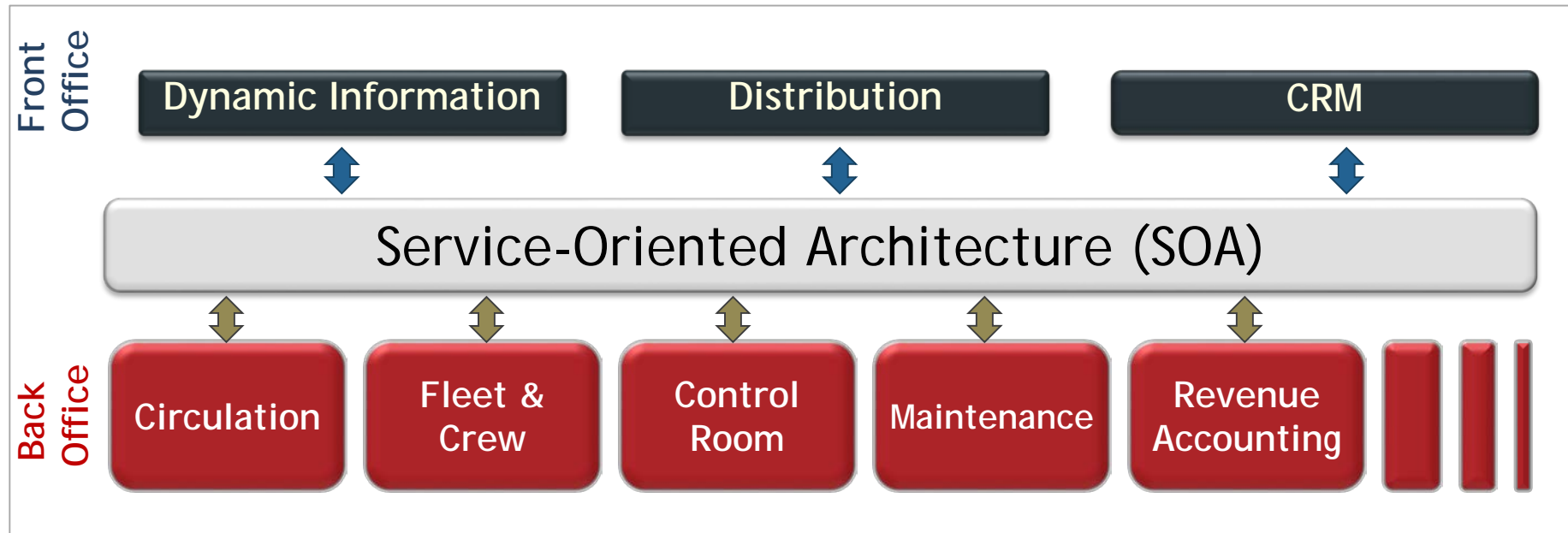
- High quality and comfort

■ Smart

- Quality + entry price
- Special coach options: Cinema

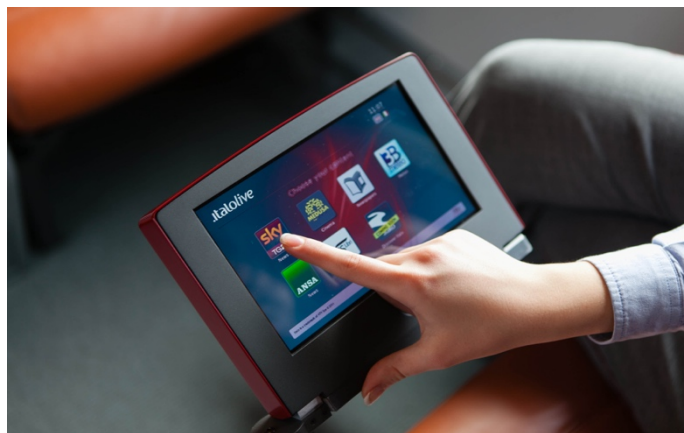
TECHNOLOGY

Specialist subsystems ...



.. totally integrated with SOA Architecture.

ON BOARD PORTAL AND FREE WIFI



ON BOARD PORTAL AND FREE WIFI

The screenshot displays the Italo on-board portal website. At the top, a red banner features the text "ITALOBUS. UN UNICO BIGLIETTO PER TANTE NUOVE DESTINAZIONI." and a "PROVALO SUBITO" button. The Italo logo and "VAI SU ITALOTRENO.IT" are also present. Below this, the "Italolive" logo is on the left, and a navigation bar includes "Home", "Accedi per navigare su Internet gratuitamente", and "Accedi". A central banner advertises "CARNAGE" and "BORDERTOWN" with showtimes and a "guarda" button. A social media section follows with "Seguici su:" and icons for Facebook, Twitter, Instagram, Google+, YouTube, and LinkedIn, along with language options "ita" and "eng".

The main content area is titled "in Evidenza" and features a grid of tiles:

- Cinema:** "LA GRANDE BELLEZZA" (UN FILM DI PAOLO SORRENTINO) with a "Guarda >" button.
- Cinema:** A tile showing a couple watching a movie with a "Guarda >" button.
- Edicola:** A tile with a "Leggi >" button.
- Notizie:** A tile with a "Guarda >" button.
- Musica:** A tile with "Musica" text, social media icons, and an "Ascolta >" button.
- Libreria:** A tile with "Libreria" text and a "Leggi >" button.
- Verona:** A weather tile for Verona showing a cloud and rain icon and "10 °C".
- L'inglese divertendoti:** A tile for "John Peter Sloan" with "L'inglese divertendoti" text and an "Ascolta >" button.
- Web series:** A tile with "Web series" text and a "Guarda >" button.
- Cartoni animati:** A tile with "Cartoni animati" text and a "Guarda >" button.
- Italo+PIÙ:** A tile with "Iscriviti a: Italo+PIÙ" and "il tuo programma fedeltà" text.
- Acquista un biglietto:** A tile with "Acquista un biglietto" text.

At the bottom, a news ticker from ANSA reads: "matrice, 'su arte troppa lentezza' - Superstiti scrivono a Franceschini, ignorate competenze locali 11:56 - Stato-mafia: Mancino si difende in al". Below the news is a social media navigation bar with icons for Facebook, Twitter, Instagram, Google+, YouTube, and LinkedIn.

REVENUE MANAGEMENT

mer 06 lug 2016

07:05 > 10:05

Milano Centrale
Roma Termini

i No stop
3:00

Chiudi
^

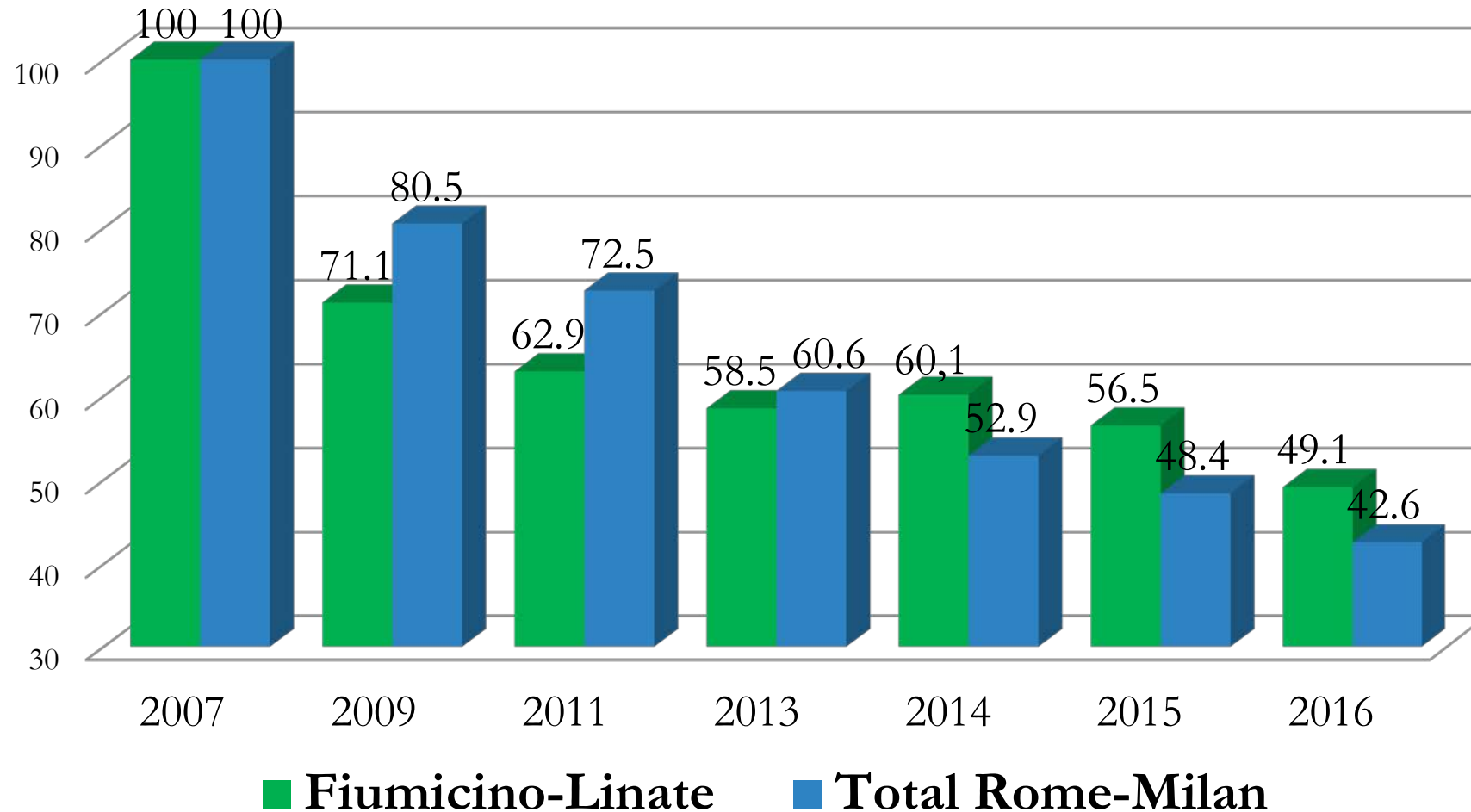
Prezzi per adulto
per tratta

	Smart	eXtra Large	Prima	Club Executive
<i>i</i> Flex	79 €	Esaurito	115 €	149 € 300 € <i>i</i> Salotto per 4 persone
<i>i</i> Economy	57,90 €	Esaurito	68,90 €	59 €
<i>i</i> Low Cost	9,90 €	Esaurito	39,90 €	

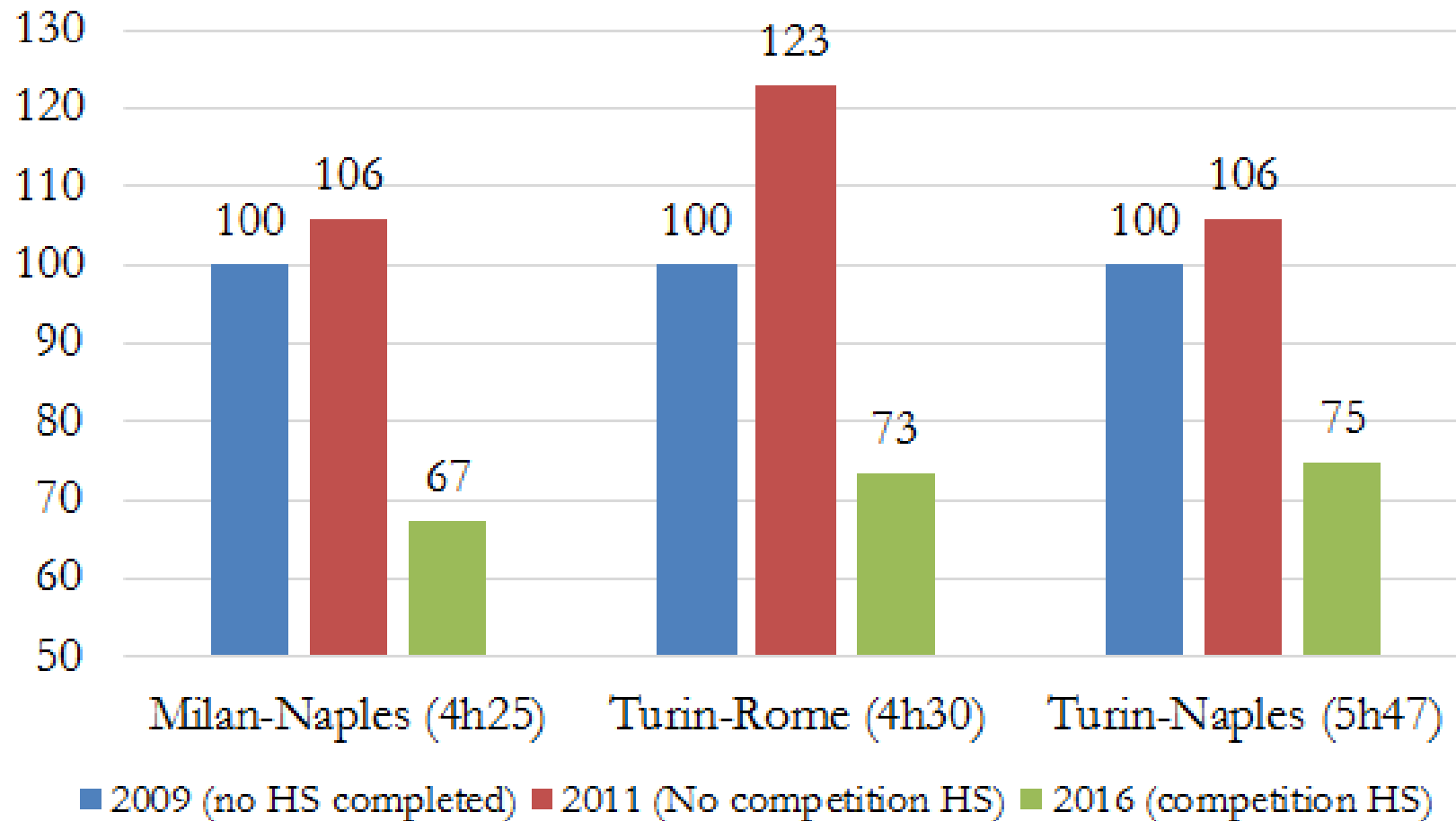
COMPETITIVENESS OF THE RAILWAY SECTOR

Air Transport passengers Milan - Rome route

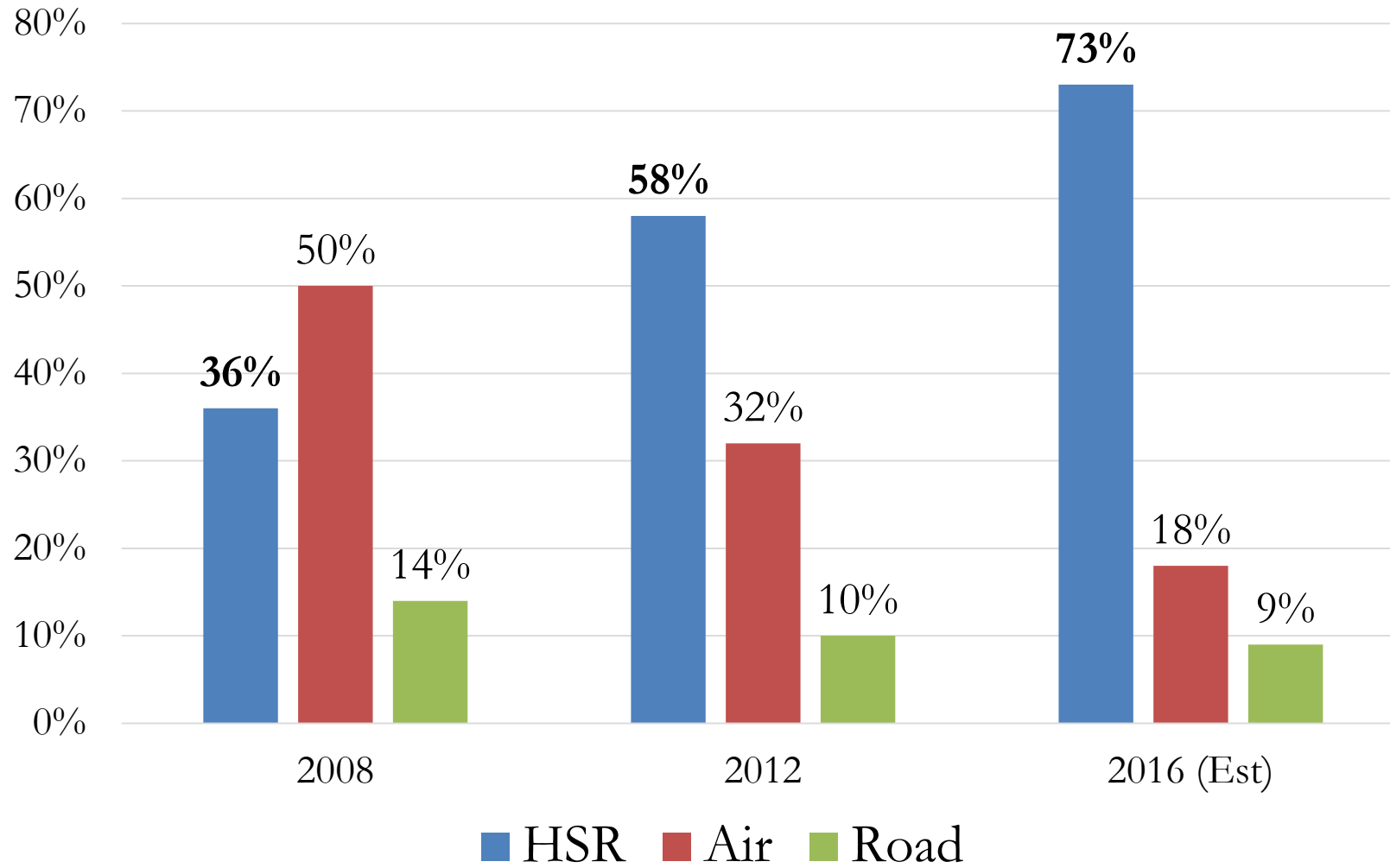
(Year 2007 = 100)



Air Transport in Italy in HSR routes

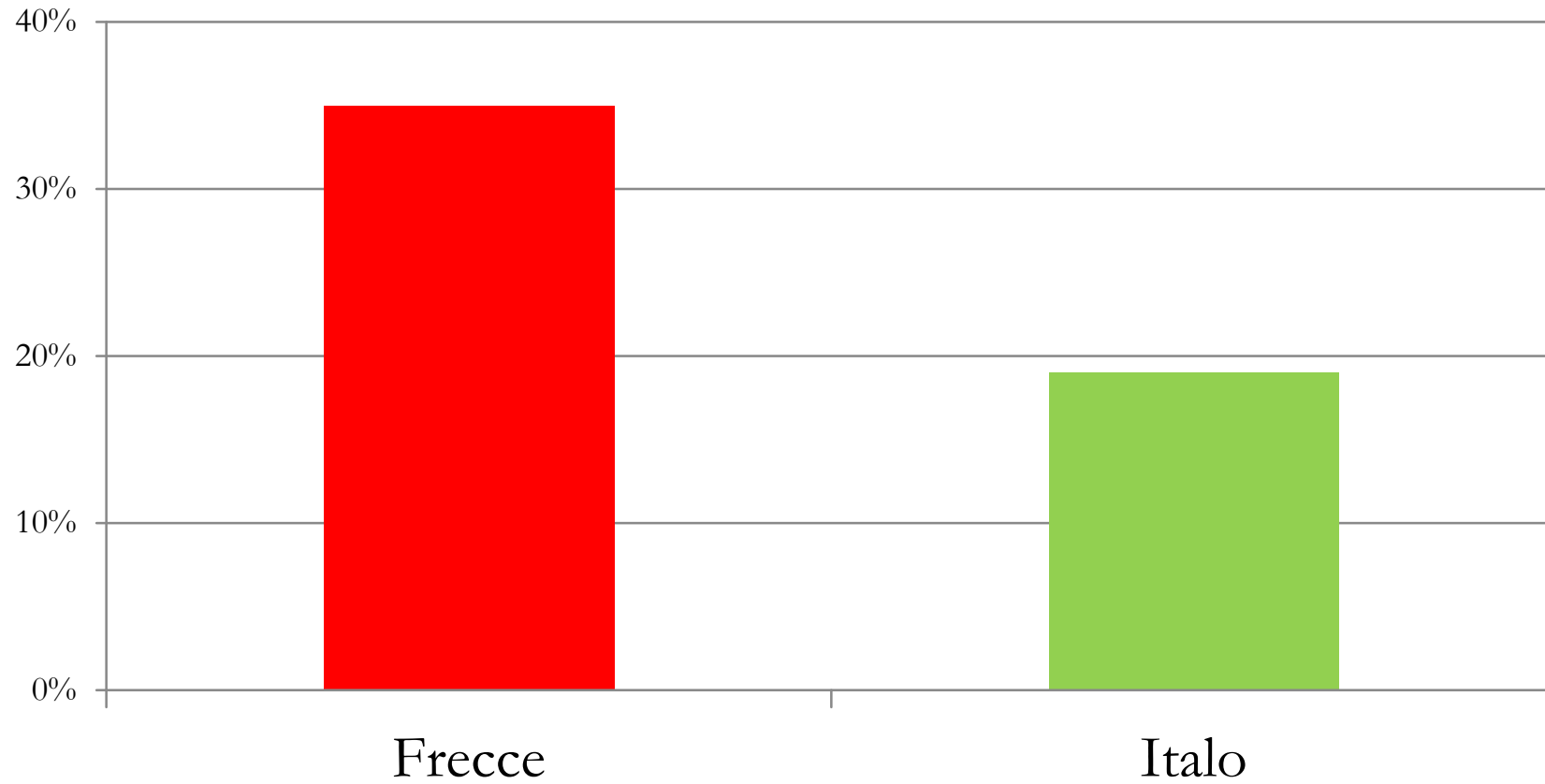


Rome - Milan Modal Share



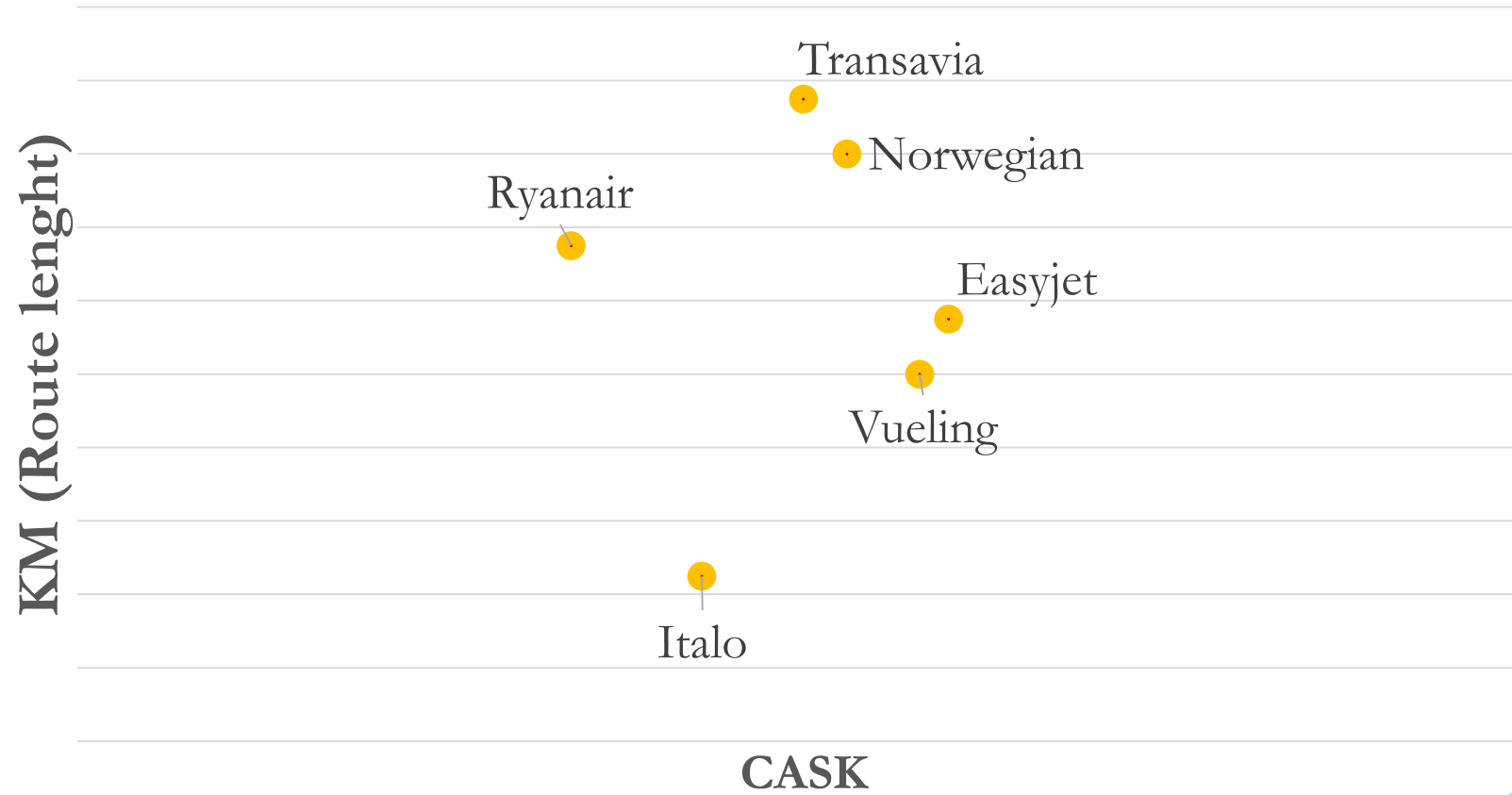
PROFITS

EBITDA Margin 2015



COST CONTROL

Rail is more efficient than Aviation



THANK YOU FOR YOUR ATTENTION

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