Regulatory Body for Rail Transport

Market monitoring Belgian Railways 2018

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Introduction

With the opening up of the national market for passenger travel on 1 January 2019, the rail market in Belgium has been fully liberalised, albeit with a few restrictions¹. Nevertheless, it is apparent that there has been little in the way of dynamism in recent years, and the incumbent operators in Belgium remain dominant.

The Regulatory Body intends to monitor and further study these and other developments in the market. In this way, bottlenecks, threats and/or opportunities can be identified and the evolution of competition in the market can continue to be monitored.

The first part of this market monitoring report outlines the context of the rail market in Belgium, with the respective shares for freight and passenger transport.

The second part of the report will examine the rail freight market. As such, this report will examine firstly the freight market and its evolution (see macro-economic analysis). Attention will then be turned to developments within the rail market itself. Traffic and related evolutions on the one hand, and the changing trends on the other, including competition and market share, between the railway undertakings (see micro-economic analysis) will be examined. Finally, how the infrastructure has been adapted to these developments and how the infrastructure manager is responding to given evolutions will be focused on.

In the final part of the monitoring report, passenger transport by rail will also be discussed. Following a macro-economic analysis of the sector, traffic, trends and evolutions of passenger transport by rail will be analysed. Developments in the area of infrastructure and the actions of the infrastructure manager will also be examined.

¹ Rail freight transport has been fully liberalised in Belgium since 1 January 2007. International passenger transport followed in 2010.

PART I: CONTEXT - PASSENGERS AND FREIGHT BY RAIL

The Belgian railway network is made up of 3,607 kilometres of railway lines. On a national level, Belgium has one of the densest rail networks in the world. The network is primarily used for passenger transport. In 2018, passenger trains accounted for 86.9% of train kilometres. The share of passenger train kilometres has remained stable for years. An overview of the different railway lines is shown in the figure below.

Figure 1: Overview of the Belgian railway network



Due to high capacity utilisation, effective interaction between the two segments is crucial. In order to avoid crossings between passenger and freight trains as much as possible, the timetabling therefore also ensures that inconvenience is limited as much as possible (freight trains outside peak hours, etc.). There are also certain lines that are used only by passenger trains or only by freight trains. Freight trains generally run on a few major routes, the most important being the Antwerp - Montzen (Germany) line. The figure below gives an overview of the average density of freight transport per day.

Figure 2: Average density of freight transport



In this context, it is of course essential for Infrabel to continue investing in the railways, both for passenger transport and freight transport.

The figure below gives an overview of the investments in each category made since 2012, with the majority being financed by state grants.



Figure 3: Investments (in millions of euros) made since 2012

The figure above shows that investment has been steadily decreasing in recent years, with a small uptick in 2018. Most of the investments are made in capacity, with retention taking precedence over expansion. Investments in capacity expansion have declined slightly over the past few years.

It should of course be borne in mind that definitive conclusions can only be drawn as regards the information in this figure if there is also a complete picture of the investment needs.

PART II: FREIGHT TRANSPORT BY RAIL

1. Macro-economic analysis of the transport sector

1.1 Economic growth of the goods sector

Developments in transport are primarily determined by economic growth and trade flows. There is therefore a clear link between gross domestic product (GDP) and freight transport, with traffic increasing proportionally with economic growth and decreasing (exponentially) during recessions (see **Figure 4**).



Figure 4: Link between GDP and freight transport in Europe

Source: European Commission (2018), EU transport in figures.

A similar trend can be observed in Belgium. Here too, there is a correlation between the evolution of freight transport and GDP growth. As Belgium is a transit country with a lot of import and export activity, this relationship is less proportional. Freight transport is also strongly influenced by various international economies. This is shown in **Figure 5**. The figure also shows the evolution of rail freight transport. Here larger fluctuations in relation to GDP are often seen.

Freight transport



Figure 5: Link between GDP and freight transport in tonnes-kilometres by land and rail in Belgium

Source: Eurostat, Infrabel (2018).

1.2 Modal split

Rail transport faces strong competition from other modes of transport. For example, in recent years freight transport by road has been by far the largest mode of transport - despite the well-developed infrastructure of railways and waterways, among others. After a sharp increase in 2017 in freight transport by rail (approx. 5.5%) and by inland waterways (approx. 7.4%), there was a temporary slight modal shift in freight transport in Belgium. However, as shown in **Figure 6**, this share is very limited in absolute terms.



Figure 6: Modal Split in Belgium (in million tonne-kilometres)

This upward trend levelled off in 2018, particularly for rail transport. The kilometre tax did not prompt a shift of freight transport from road to rail or inland waterways. The financial incentive appears to be insufficient in this regard, even to compensate for the lack of (complete) flexibility of rail and inland waterways². The kilometre tax has, however, led to a greening of freight transport on Belgian roads (approximately 65% of trucks now have an engine with the most environmentally friendly emission standards, compared to 29% three years ago). In addition, there has also been a shift from heavy goods vehicles to light delivery vans (exempt from the tax). However, because of how the parameters for monitoring road transport are defined, these vans have not been included in the road transport figures.

Although there was no shift in freight transport by road, in 2018 transport by inland waterways experienced modest growth again (approx. 2%). Their share in the modal split is approximately 15%. As a result of the decline in rail freight transport in Belgium in 2018, it has not experienced a positive evolution in its share of freight transport, and remains stuck at a modal split of about 10%. Section 2.1 Evolution of freight transport discusses the reasons for the decline of rail transport in more detail.

1.3 Stimulus of the rail sector

Freight corridors

In view of the potential of the sector, it is useful to assess the progress made by freight transport in recent years, in particular with regard to international traffic. As such, since 2015, corridors have been operational, with a view to making it easier to organise this type of transport. The corridors should improve connectivity between major European logistics centres and industrial hubs. A one-stop-shop has helped simplify the organisation and allocation of these train paths to a large extent. In addition, on these corridors, various train paths are reserved at different times for freight transport. Belgium is part of the following three corridors:

- Corridor 1: Zeebrugge Antwerp/Rotterdam Duisburg Basel Milan Genoa;
- Corridor 2: Rotterdam Antwerp Luxembourg Metz Dijon Lyon/Basel;
- Corridor 8: Bremerhaven/Rotterdam/Antwerp Aachen/Berlin Warsaw Terespol (Poland-Belarus border)/Kaunas.

Figure 7 and **Figure 8** below give an overview of the evolution of the above-mentioned corridors, both in terms of the freight trains actually operated and in terms of requested capacity (of the available train paths) for future timetabling (figures RNE, 2019).

² See qualitative market monitoring Regulatory Service



Figure 7: Evolution of transported volumes (in number of freight trains)

* Corridor 8 was only operational from 2016.



Figure 8: Requested capacity of PAPs (in million train kilometres)** (timetabling year N+1)

* Corridor 8 was only operational from 2016.

** Pre-arranged paths

These figures show that in 2018 - as in 2017 - there were generally fewer trains on the freight corridors of which Belgium is a member. On the other hand, there was a strong increase in the requested PAPs in 2018, which relate to the 2019 timetabling, meaning that an increase could be envisaged. However, stagnation is currently expected in 2020.

It can therefore generally be concluded that there is no major impact on the increase in freight traffic as a result of these so-called "Rail Freight Corridors" becoming operational. Of course, the corridors and the operation of the one-stop-shop have brought about a degree of harmonisation, making it easier to reserve train paths. However, due to the fact that the starting point and the end point of freight trains are (often) not on one of the corridors, and that there are also train paths along several corridors, the railway undertakings often still have complicated calculations to make (with different infrastructure managers) in order to secure an international train path. This is also confirmed by several (Belgian) railway undertakings, which often do not even use the corridors for this reason.

In addition, there are still no clear figures available on the growth created by the corridors themselves.

2. Market developments - rail transport

This chapter examines the reasons for the slight decline in freight transport in 2018, the breakdown of freight transport between the various railway undertakings and the impact of competition between them.

12 railway undertakings were active in 2018 (Lineas, Captrain, CFL Cargo, Crossrail Benelux, DB Schenker, EuroCargo Rail, Europorte, Railtraxx, Rotterdam Rail Feeding, SNCF Fret, RTB Cargo and HSL Polska). This is a decrease compared to 2013, when 15 companies were active. Internal reorganisations and the operational and strategic choices of multinational groups partly explain the decrease in the number of active operators in Belgium.

2.1 Evolution of freight transport

The figure below gives an overview of freight transport in Belgium since 2008.



Figure 9: Evolution of rail freight transport in Belgium in tonne-kilometre (x 1,000)

In addition, freight transport decreased by 2.3% compared to 2017. In order to identify the causes of this decrease, the above-mentioned evolution has been further broken down by month (Figure 10).



Figure 10: Evolution of freight transport – breakdown by month (tonnes-kilometre x 1,000)

The figure above shows that, especially in the months of February to May 2017, there was much more freight transport compared to other years. External problems, such as the issue with the S460 procedure³ raised by the railway undertakings, are therefore clearly not the only cause of the decline in 2018. Moreover, in 2018 there was also 3% more freight transport than in 2016.

The rail market segments have remained unchanged. Railways are particularly competitive over long distances and in particular for intermodal transport (containers). In addition, railways are also competitive and a growth market for conventional block trains in which significant volumes are regularly transported between two rail connections (the most important being steel and chemical products). This was also reflected in the figures for 2018. (Figure 11)

³ Following a decision by the Rail Safety and Interoperability Agency (DVIS) in mid-2018, the use of the S460 was only allowed under strict conditions. Of course, this has had an impact on customers, given that lines were completely out of service in certain places during the works, and various (freight) trains had to be cancelled as a result.

Figure 11: Freight market segments



2.2 Competition between railway undertakings

The fall in the total number of tonne-kilometres to below the 2017 level is primarily due to the 'decline' of the incumbent operator Lineas, which dropped to the 2016 level following growth of 3.7% in 2017. After also having had a strong year in 2017 with an increase of 10%, the 'new entrants' experienced modest growth of approximately 2% in 2018. This led to a further increase in the market share of 'new entrants' in 2018. Nevertheless, their market share is still lower than 30% (Figure 12).



Figure 12: Market share of 'new entrants' in tonnes-kilometres

Liberalisation has not (yet) led to major market changes in Belgium. Moreover, it can be argued that not all of the 'new entrants' are independent organisations. They have various links to incumbent international operators.

Lineas itself is still 31.12% owned by SNCB (which is 100% owned by the Belgian State) and (currently) 68.88% owned by a private company (Argo Soditic).

Both SNCF Fret and Captrain are 100% owned by the French incumbent operator SNCF (French state). DB Schenker Nederland and EuroCargo Rail (ECR) are 100% owned by DB Schenker, which is 100% owned by the German incumbent operator (100% German state) Deutsche Bahn (DB).

CFL Cargo is 33% owned by the Luxembourg incumbent operator CFL and 67% by the private company Arcelor Mittal. Crossrail is owned by BLS Cargo, which is 55% controlled by the Swiss operator BLS.

Finally, in 2018 there were still 5 fully "independent" railway undertakings⁴: Europorte, Railtraxx, Rurthalbahn (RTB) Cargo, Rotterdam Rail Feeding and HSL Polska. It should be noted that Railtraxx merged with Captrain in April 2019.

The figure below gives an overview of (the evolution of) the market share of the incumbent operator and the foreign incumbent operator in comparison with the private companies. This shows that the market share of private companies⁵ in 2018 was 'only' 11.7%, whereas foreign incumbents had a share of 16.7%. This shows that it remains difficult in Belgium to compete with the incumbent operators. They continue to have a market share of more than 88% (compared to 94.5% in 2012).



Figure 13: Evolution of market share of incumbent vs. private freight operators (in tonne-kilometres)

2.3 Trends in rail transport

2.3.1 Rail load factor

In 2017, the load factor (in tonnes per train kilometre) was higher than the 2012 level for the first time. This could suggest better management, as a higher load factor should result in lower costs (cfr. better

⁴ Owned by private companies and/or investment companies.

⁵ Cfr. 100% shares or pro rata the shares.

distribution of costs per unit transported). This trend continued in 2018. Figure 14 shows an indication⁶ of the evolution of the load factor compared to the 2012 level.



Figure 14: Evolution of load factor (estimate as tonnage per train kilometre) – compared to 2012 level

However, this trend cannot be observed in all railway undertakings. The incumbent operator has had a higher load factor in the last three years. Other railway undertakings, on the other hand, have rather variable load factors.

The fact that there is still a lot of room for improvement - for all railway undertakings - is also demonstrated by the large number of trains that often run completely empty. In 2018 there were 117,265 laden trains (effective train paths), while 45,551 empty trains made journeys. This means that almost 30% of the trains were empty, a slightly positive evolution compared to 2017. Of course, in the latter case it is not always about long(er) train paths. Nevertheless, this share is very high. In addition, it should be noted that many of the laden trains are not optimally loaded and that empty containers, for example, are also included here.

2.3.2 Share of non-effective train kilometres

The share of "non-effective" train kilometres (last-minute cancellation of trains) for freight transport had dropped to 25% in 2017 compared to approximately 30% in previous years. In 2018, however, this share rose to 30%. This costs the sector a lot of money every year.

Figure 15 shows how much freight operators have to pay annually for non-effective train kilometres. In 2018, this share of the total charge (YOURMOVES) accounted for 11%.

⁶ Although the market segments have remained similar, it is also possible that tonnages have increased.



Figure 15: Invoicing of non-effective train kilometres of freight transport (YOURMOVES charge)

3. Market developments - freight transport infrastructure

Chapter 2 looked at and analysed the developments in rail freight transport itself. In this chapter, how the infrastructure has been adapted in this regard, and how the infrastructure manager is responding to given evolutions will be examined.

3.1 Use of the network

Figure 2 already showed the average daily density of freight transport. This showed that the most tonnages were transported on the Antwerp - Montzen route.



Figure 2: Average density of freight transport

Although the volumes are solid, especially for this route, as already stated in **section 1.3**, the volumes from before the financial crisis have not been achieved since.

However, it should be noted that the capacity utilisation rate of the network varies greatly depending on the time of day - although to a lesser extent in the case of freight transport.

In addition, approximately 87% of the train kilometres are travelled by passenger trains. As a result, the capacity of the freight network is often also linked to passenger transport (and its growth). This means that, now or in the future, adjustments may also need to be made to freight corridors that cross with various passenger lines, such as in Ghent or Hasselt, for example.

Of course, it is a difficult balancing act between retaining/extending capacity, the current and expected train volumes and the proposed budget.

3.2 Charges

3.2.1 Evolution of charges

The figure below gives an overview of the evolution of train path costs for rail freight transport.



Figure 16: Evolution of average YOURMOVES charge for freight transport in euros (effective)

It can be deduced from this that the evolution of the charge for rail freight operators is rather limited and that on average €2.37 per train kilometre is charged. In addition, this charge also covered the costs of using the marshalling yards. However, from 2021, a new calculation formula will be applied for the infrastructure charge, which will normally be cheaper for freight transport. Indeed, the European Commission has laid down measures on the modalities for the calculation of the cost that is directly incurred as a result of operating the train service, through Implementing Regulation EU 2015/909. The Regulatory Body has approved Infrabel's new method of charging in order to comply with this regulation. A separate fee for the use of the marshalling yards - which have to be charged anyway - is currently still under discussion.

In addition to these costs for the train path, the costs of (traction) energy for freight transport also account for a more or less equivalent amount.

3.3 Quality

One of the most important aspects in choosing a given mode of transport is - in addition to pricing - the quality of the service. This relates to, of course, the flexibility of the service, but also specifically punctuality and the relevant (commercial) speed of the freight transport.

The average punctuality figures for freight transport are very low. In 2018, only 55,243 trains arrived with a delay of less than 30 minutes, representing a punctuality rate of approximately 66%. In 2017 this was 68.35%. If punctuality is measured at 60 minutes, it was just under 77% in 2018, compared to 78.33% in 2017.

Punctuality is shown in the table below for transport on the corridors (through Belgium), where there is a delay of more than 30 minutes.

Corridor	Punctuality at departure		Punctuality at destination		
	2017	2018	2017	2018	
Corridor 1	68%	65%	56%	55%	
Corridor 2	80%	78%	73%	70%	
Corridor 8	60%	55%	50.5%	47.5%	

Table 1: Punctuality figures Corridors through Belgium

The corresponding commercial speeds vary considerably from Corridor to Corridor, but also from line to line within the Corridor (40.7 to 75.1 km per hour). On Belgian lines, the average speed is between 50 km/h and 55 km/h.

4. Conclusions for rail freight transport

The transport sector generally follows growth in GDP. However, rail freight transport has more variation compared to other modes of transport, such as road transport. The strong competition for a limited share of the market (approx. 18% modal split in Europe) plays an important role in this regard.

This can also be seen in the figures in Belgium. After a relatively large increase in 2017, rail freight transport fell slightly by 2.3% in tonne-kilometres in 2018. To a very limited extent, the ban on the S460 procedure contributed to this, since Infrabel was obliged to only work with complete interruptions, as a result of which various freight trains had to be cancelled. This decline in rail transport has also meant that the modal split (about 10%) has not evolved in its favour, despite, for example, the kilometre tax for road transport.

This decrease can primarily be seen in the figures of the incumbent operator, which saw a decrease of 3.7%. Despite the limited increase of the other railway undertakings (approximately 2% on average), the Belgian market remains dominated by the incumbent operator, which has a market share of 71.6%. In addition, 16.7% of the market is controlled by foreign incumbent operators.

Rail freight transport remains particularly competitive over long distances and in particular for intermodal transport (containers). Partly because of these long distances, it can also be seen that rail transport is mainly internationally oriented. The Rail Freight Corridors were set up with this in mind. Of course, these corridors and the operation of the one-stop-shop have brought about a degree of harmonisation (it is easier to reserve train paths). However, no major impact can be seen in terms of an increase in the volume of freight traffic.

These trends are a further indication of the fierce competition from road transport and the underlying 'problems' within the rail sector itself. Total cost is, of course, one of the most important reasons. In addition, the charges have risen very slightly in recent years. Flexibility is also an important aspect. Of course, railways will (almost) always be just one of the modes in the route. However, investments also need to be made in certain areas, such as the infrastructure cited by the railway undertakings, which can handle 740-metre trains (European standard). Finally, quality also remains an important issue, for example through better punctuality figures. These figures also declined even further in 2018, to around 66%.

To remain competitive with other modes of transport, in a context of congestion and environmental problems within the sector, further work is needed on these aspects. The sector itself also needs to make sustained efforts, for example to further improve the already rising load factors. Contributions to improved reliability, performance and ease of use, for example through (a growing number of) partnerships, are also becoming increasingly important.

PART III: RAIL PASSENGER TRANSPORT

1. Macroeconomic analysis of passenger transport

1.1 Economic growth of the rail sector

The analysis of freight transport has already shown that economic growth (GDP) also determines developments in transport. This is also the case for passenger transport. However, since other factors, such as population growth, also play a role in this regard, the response will not be as rapid or significant as in the case of freight transport (Figure 17).



Figure 17: Link between GDP and passenger transport in Europe

Source: European Commission (2018), EU transport in figures.

A similar trend can also be observed in Belgium, where passenger transport mirrors GDP, but again with more limited growth figures. This is true for both road and rail passenger transport. Over the past two years, however, rail transport has seen a greater increase than the total volume of passenger transport by land.



Figure 18: Link between GDP and passenger transport by land and rail in Belgium

Source: Eurostat, Infrabel.

1.2 Modal split

For many years now, the vast majority of passengers have opted for transport by car. This is the case in Belgium, but also in the rest of Europe. The share of passengers transported by rail is currently around 8% in Belgium and Europe. (Table 2)

Table 2: Modal split	of passengers	transported by	land (passenger	kilometres in %)
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	Car	Bus/tram/metro	Train
Belgium	81.8%	10.2%	8.0%
EU-28	82.9%	9.4%	7.7%

Source: Eurostat (EU-28), 2016 figures and Infrabel.

The share of the various modes of transport has remained more or less the same in recent decades. The proportion of rail passengers has increased slightly over the past two years, in the first instance primarily at the expense of buses and trams.

However, it is high time for another modal shift - due to environmental concerns and increasing congestion problems - and the government is continuing to work on this. For example, in some cities, efforts are made to reduce accessibility by car, and low emission zones are already in place in some cities, whereby not all cars can enter the city.

However, as can be seen above, the effects of this are not yet fully visible. The only alternative that is growing is bicycles. For example, bicycles have seen their share of commuting in Belgium increase from 12% to 17%.

1.3 Potential of the rail sector

1.3.1 National passenger transport

According to the Federal Planning Bureau (2015), demand for passenger transport will increase by 11% by 2030, which is more or less correlated to the increase in the population and the increase in prosperity (expected GDP growth in Belgium).

As stated above, the modal split has remained fairly stable in recent years.

As regards national passenger transport, there were around 10.5 billion passenger-kilometres in 2018, a figure which has been increasing by around 3.5% for several years, equivalent to the increase in the number of passenger-kilometres across all modes of transport.

It can therefore be expected that the number of passenger-kilometres will continue to grow more or less in line with general growth in passengers. Time will tell whether any future policy plans can still make a positive difference.

Economic balance

In this context, the fact that the Law of 11 January 2019 transposed the fourth railway package into Belgian law can be highlighted. Under this law, the national market for passenger transport has been opened to competition since 1 January 2019. It remains to be seen whether this opening up of the market can actually cause a change in passenger numbers and possibly the modal split.

1.3.2 International passenger transport

In recent years, international passenger transport has accounted for around 7% of total passenger transport. The evolution of international passenger transport is difficult to examine, as growth in traffic is strongly influenced by the opening of new services. Nevertheless, it can be stated that growth more or less follows the same trend as for total passenger transport. Over the last 5 years, international passenger transport has increased by an average of 3.5%. Rail transport is attempting to compete with air transport in particular.

2. Market developments - rail transport

As already mentioned, passenger transport by rail again saw slight growth in 2018, especially in terms of the number of national passengers.

As in previous years, there are three rail companies active in passenger transport (SNCB, Eurostar and THI Factory). It should be noted that there are various services. For example, ICE International⁷ trains also run between Belgium and Germany. However, this is in cooperation with SNCB, which is responsible for the administrative handling of the Belgian part, as a result of which it was not counted as an active railway company in Belgium.

2.1 Passenger transport volumes

In 2018, SNCB carried approximately 243.9 million passengers, an increase of 3.7% compared to 2017. This increase can also be seen in the number of train kilometres actually travelled, which increased by 2.7%. In order to further guarantee this structural passenger growth (which is accompanied by a very small modal shift), the new transport plan already expanded the supply of trains by approximately 5% in December 2017.

This increase can be seen not only in commuter travel subscriptions, but also, for example, in leisure travel. This is the result of a commercial strategy aimed at also attracting more passengers during off-peak hours, for example via low-cost tickets.

There was also an - albeit limited - increase in the number of passengers in international passenger transport, which also translated into a very limited increase in the number of effective train kilometres. After an excellent 2017 - which saw an increase of around 8% - international passenger transport in 2018 increased by about 0.5%.

2.2 Competition between (international) railway undertakings

Given that the national passenger market had not yet been liberalised in 2018, the following sections only cover the competitive situation for international passenger transport.

In addition to the incumbent operator SNCB, THI Factory and Eurostar, which have been split from SNCB, are active in this market.

In addition, SNCB experienced a slight growth in its international segment (+1.3%). THI factory, 40% owned by SNCB and 60% by SNCF, saw a decline of 4.5% (in train kilometres), for the second consecutive year.

Conversely, Eurostar saw very strong growth in 2018. Their train kilometres increased by 23.8%. Their market share therefore expanded from 8.7% to 10.8%.

As stated above, these changes are not necessarily directly related to the opening of the market and increased competition. For example, the increase in Eurostar is largely due to their new service (London - Amsterdam, which also led to an increase in the number of passengers using the Eurostar

⁷ A consortium of the German Railways (DB Fernverkehr) and the Dutch Railways (NS International).

Brussels - London route⁸), which they intend to compete primarily with other modes of transport. Moreover, it can also be argued that privatisation has not resulted in completely new private companies operating in Belgium. For example, Eurostar is 5% owned by SNCB, 55% by SNCF and 'only' 40% by CDBQ and Hermes Infrastructure (private).

Apart from Eurostar's competition - which is trying to expand their offering - there is currently little dynamism in international passenger transport. The high investment costs and administrative burdens also complicate matters. It remains to be seen, therefore, whether there will be significant changes on the market, as a result of, for example, the opening of the national passenger market in 2019 and the scrapping of the strict legal requirements relating to cabotage. With the possible introduction of Flixtrain in 2021, further steps may be taken.

 $^{^{8}}$ There will likely be a direct train service from Amsterdam to London from 2020.

3. Market developments - infrastructure

Passenger transport accounts for almost 87% of train kilometres. It is therefore extremely important for passengers that the infrastructure and rolling stock are in good condition.

3.1 Use of the network

In the past, no train paths were refused due to low capacity. Nevertheless, there are several installations or line segments that have a capacity utilisation rate of more than 80% during the morning peak (7.00am to 9.00am) and the evening peak (4.00pm to 6.00pm). This concerns, of course, the North-South route in Brussels, but also line 25 from Kontich to Antwerp-Central, for example.

In November 2018, two renovated middle tracks between Anderlecht and Sint-Katherina-Lombeek were put into service, thereby completing the REN in Flanders. After lines 96N (Brussels-Halle) and 36N (Brussels-Leuven), line 50A/C now also has four tracks for the Brussels - Denderleeuw connection.

To handle the increasing train traffic to and from the coast, work has also been carried out in Bruges, as part of the construction of a third track between Bruges and Dudzele.

3.2 Charges

3.2.1 Evolution of charges

The figure below gives an overview of the evolution of train path costs for national and international passenger transport. In 2018, SNCB paid an average of more than €8 per train kilometre for its national passenger transport. For international passenger transport, this was actually more than €10 per train kilometre. Together with France, Belgium is one of the most expensive countries in Europe.



Figure 19: Evolution of average YOURMOVES charge for passenger transport (effective)

As previously stated in section 3.2 of part II on freight transport, a new formula for calculating the infrastructure charge will be used from 2021 onwards.

3.3 Quality

The quality of the service extension is one of the most important aspects for passengers and their decision to take the train. This relates to the comfort of travelling, but mainly getting from point A to point B within a given time. According to a study by the FPS Mobility and Transport, passengers are only willing to take the train if it does not exceed one and a half times the travelling time by car. As a result, the punctuality figures (and to a lesser extent the commercial speeds) can also make a difference in this respect.

In 2018, commercial speeds rose slightly for domestic travellers. These trains had an average speed of 66.72 kilometres per hour, equating to 56.6 kilometres per hour including standstills. The latter represents an increase of 1% compared to 2017, with the L, P, IC and S trains travelling faster on average. However, international trains were just over 1% slower on average, with speeds of 145.7 kilometres per hour including standstills and 158.1 kilometres per hour excluding standstills.

In terms of punctuality figures, there is still much room for improvement. In 2018, 87.3% of trains were 'on time'⁹. If external factors and investment works are neutralised, 91.7% of the trains were on time. In 2017, this was still 88.3% and 92.4% respectively. The table below shows the evolution of punctuality (without neutralisation) from 2012 onwards.

Table 3: Evolution of punctuality figures for Belgian passenger transport

	2012	2013	2014	2015	2016	2017	2018
Punctuality	87.2%	85.6%	88.2%	90.9%	89.2%	88.3%	87.3%

The reasons for these delays can be attributed to SNCB itself (in 30.7% of the cases), Infrabel (23.6%), other parties (4.2%) and third parties (41.5%). The latter category includes delays from foreign networks (where international trains in principle have priority and - last year especially German trains - are late more often), but also trespassing, collisions with people, accidents at level crossings or cable theft.

⁹ Trains with a delay of less than 5 minutes and 59 seconds are regarded as being on time.

4. Conclusions on rail passenger transport

Rail passenger transport accounts for approximately 8% of the modal split. Despite the - still - very limited share, a positive evolution can be seen. For example, in recent years, SNCB has seen passenger numbers rise to around 243.9 million, an increase of 3.6% in 2017 and 3.7% in 2018. This growth slightly exceeds standard passenger transport by land.

National passenger transport, which accounts for approximately 81% of the total number of train kilometres and 93% of passenger transport, also saw a similar increase in the number of train kilometres, 2.7%, compared to 2017.

International passenger transport, on the other hand, remained more or less stable in terms of train kilometres in 2018 - following the sharp increase in 2017. SNCB experienced a slight growth in its international segment (+1.3% passengers). THI Factory, on the other hand, fell by 4.5%. Only Eurostar saw very strong growth in 2018. Their train kilometres increased by 23.8%. Their market share therefore expanded from 8.7% to 10.8%.

Yet the effects of liberalisation are very limited. On average, there was only an increase of around 3% (in line with normal passenger growth). Moreover, in addition to SNCB and THI Factory, the latter owned by SNCB and SNCF, Eurostar is also partly owned by incumbent operators (60%).

As such, it is no simple task to enter this market. This is due to high investment costs, technological barriers, strict interoperability requirements and legal provisions.

Since 2019, national passenger transport has also been opened up and it remains to be seen whether with the announcement of Flixtrain (for service in 2021), there will be any major changes in this segment.

In order for both national and international passenger transport to continue growing in the future, and be able to compete with road transport, among others, it is essential to continue improving the quality of service. Punctuality, for example, dropped back to 88.3% last year.

Of course, Infrabel's investment in infrastructure (including capacity) is also essential, as is its investment in decent rolling stock.