

# Spain's high-speed rail competition heats up with new entrant

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Iryo is offering tickets between Madrid and Barcelona for as little as seven euros.

Spain's high-speed rail market is heating up with a new operator starting passenger services on Friday, making the country the first in Europe with three players in the sector.

The newcomers have pushed down prices and increased traffic on the high-speed network, which at around 4,000 kilometres (2,500 miles) is the world's second longest after China's.

Spain, a nation of around 47 million people, is the world's second most popular tourist destination after France.

Private operator Iryo, which is 45 percent owned by Italy's Trenitalia, made an inaugural trip on Monday from Madrid to Valencia on Spain's Mediterranean coast.

It will begin passenger services on Friday with 16 daily return trips between Madrid and Barcelona, Spain's two largest cities, 500 kilometres (300 miles) apart.

Iryo will compete with French railway company SNCF's firm in the country, Ouigo, which has been operating since May 2021 and Spanish state-owned rail operator Renfe, which opened its first high-speed service in 1992.

The arrival of a third operator is a "historical step" and "novel" in Europe, said Carlos Lerida, a rail transport expert at the Autonomous University of Madrid.

"Until now no high-speed rail network has operated with three competitors. Spain could serve as a model," he told AFP.

Iryo, which is kicking off its operations in Spain with 20 trains, will in mid-December expand its services to include a Madrid-Valencia route.

## **'Democratise high-speed'**

In March 2023 it will start running trains from Madrid to Seville and

Malaga in the southwestern region of Andalusia.

Ouigo already operates trains along the Madrid-Barcelona and Madrid-Valencia routes and plans to start services to the Mediterranean port of Alicante as well as Andalusia next year.

Spain's state rail infrastructure operator Adif in 2019 granted contracts allowing the firms to operate on these routes for 10 years.

Socialist Prime Minister Pedro Sanchez's government is keen to lower ticket prices for bullet trains to make greater use of the high-speed rail network.

Transport Minister Raquel Sanchez said Monday that she wants to extend competition to other high-speed routes such as from Madrid to the northwestern region of Galicia as well as to the northern region of Asturias.

Last month she said greater competition will "democratise high-speed" rail travel and called Spain's model for the sector "revolutionary".

Renfe responded to the arrival of Ouigo in May 2021 with the launch of a low-cost bullet train service called Avlo.

The company has also renewed its fleet of trains and improved the service it offers passengers on their journeys.

Renfe has a seat sale offering the trip between Madrid and Barcelona for as little as seven euros.

## **'Underused' network**

"We see the arrival of competition as an opportunity not as a problem," a

Renfe spokesman said.

Average prices for tickets on high-speed trains between Madrid and Barcelona have dropped by 25 percent since Ouigo started operating last year, according to Spain's competition watchdog CNMC.

Passenger traffic on the route has jumped by 47 percent and is up by 14 percent along Spain's entire rail network since May 2021, according to Adif.

"The network was underused," the director general of Ouigo's Spanish branch, Helene Valenzuela, told AFP, adding this meant there was a "limited risk" in entering the market.

The company spent 630 million euros (\$644 million) to launch its operations in Spain.

"Our main rivals are planes and cars, not other trains," said Valenzuela.

"On a technical level, it is a challenge, because we have to organise the flow (of trains) in the stations. But on an economic level, it is an opportunity," she added.

Competition in the high-speed rail sector has its limits.

It works on "very busy lines" but is "much more complicated" on other routes where it is harder for companies to cover their costs and make a profit," said [rail](#) transport expert Lerida.

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