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All aboard as National Express prepares for a return to the railways – in Germany

Deutsche Bahn took over the East and West state-controlled railways in 1994 and has a virtual monopoly on long routes
Sean Gallup/Getty Images

Robert Lea Industrial Editor
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Nationaler Schnellzug could be the name on the lips of thousands of Germans stranded on icy platforms if one of Britain's biggest transport companies has its way.

National Express has revealed that it is on the shortlist to operate a regional train business in Germany.

The company is also understood to be bidding for other train operating businesses in the country as Germany goes through a partial privatisation programme designed to unlock the grip that the state-owned company, Deutsche Bahn, has on the nation's railways.

It is National Express's first incursion into the German rail market. Best known for the coach company it runs in the UK, it was once Britain's biggest train operating company.

However, a stream of franchise losses and major reverses culminating in it being sacked from the intercity services between London King's Cross to the North East and Scotland, has seen National Express's UK train operations dwindle to just one: the commuter rail service between London Fenchurch Street and south Essex.

In a trading statement, National Express said: "The group has pre-qualified for its first, smaller-scale German rail franchise bids."

It indicates that National Express has put in several bids for the regional services that have come up for offer. It declined to comment on where it has been shortlisted though speculation has it that it is likely to be close to making more than one German shortlist.

While initially small-scale, it could be hugely strategic for National Express. Industry experts indicated that it is a first bold, outward-looking move from the chief executive, Dean Finch, the former FirstGroup executive, who has helped to pick National Express up off its knees in the last two years.

"It shows that National Express is no longer having to look in on itself and is looking at multiple sources of growth elsewhere," a senior source said. Mr Finch has already indicated that he is keen on the German coach market and wants to expand National Express's interest in Eurolines, the European coach operator which it part owns.

National Express said that UK coach revenues are down 2 per cent after the loss of the senior citizen concession scheme and older people deciding that if the fare isn't right they will not travel. Income from such concessions on coaches is off 40 per cent year on year.

On the buses in its West Midlands operations, revenues are 2 per cent better, though that is worse than they could have been as a result of the loss of concessionary fares as well as the reduction of fuel duty relief. At its rail business, c2c, revenues were 7 per cent higher, roughly in-line with the inflation-plus fare rises the railway companies are being allowed to put through.

In Spain, the company appeared to shrug off the worst of the country's economic crisis, posting a 2 per cent year-on-year gain. Strong urban bus revenues and galloping growth in its Moroccan sub-division were offset by poor activity in its roadside petrol stations. Total revenues from its North American yellow-bus school operations were 10 per cent higher. A recent rally in National Express shares had reversed a stumble in the stock price which has been trading down by nearly 25 per cent over the last 12 months. Last night, it was marginally down at 204¹/₄p.



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