Autorité de Régulation des Transports

PRESS RELEASE

Paris, 28 June 2026

Rail market liberalisation: initial tangible benefits, three challenges to ensure their long-term sustainability

The French Transport Regulatory Authority (ART) has published the 2026 edition of its study on the opening up of passenger and freight rail transport services to competition. The results already observed show that market liberalisation is a powerful driver for the development of rail services, at a time when demand is now growing faster than available capacity. However, to transform these initial benefits for passengers, local areas and the network into lasting gains, France must successfully adapt its rail system to this new competitive landscape. Three challenges must now be addressed. They call for renewed public leadership centred on the State, transport organising authorities and the managers of essential infrastructure.

"Market liberalisation is not the cause of the imbalances in the French rail system: it is merely a symptom of them. Our role is to inform the decisions that will enable us to turn this into a lever for the sustainable improvement of the system, for the benefit of passengers and territories", emphasises Thierry Guimbaud, President of ART.

MARKET LIBERALISATION IS NOW A REALITY, WITH ITS INITIAL EFFECTS BENEFITING THE RAIL SYSTEM

Market liberalisation is helping to expand services to meet a particularly dynamic demand for rail transport, marked by a 14% rise in passenger numbers since 2019.

In public service obligations (PSO) segment, transport organising authorities are announcing increases in the offer of between 30% and 100% at the same or even lower costs, accompanied by stricter quality requirements, for contracts awarded following a tender process. These contracts account for nearly 20% of the national service provision.

In the open access segment, passengers are benefiting from an expanded service offering, improved service quality and controlled prices on the Paris–Lyon–Marseille, Paris–Milan and Lyon–Madrid routes, where several rail operators are active. On the Paris–Lyon route, passenger numbers have risen by 20 % between 2019 and 2024, double the increase observed at national level; average fares have fallen by more than 10% over the same period, whilst they rose by nearly 10% nationally.

Market liberalisation also supports the financing of the rail system, which is the cornerstone of mobility development: it is expected to generate an additional €200–300 million in track access charges for SNCF Réseau by 2029.

THREE CHALLENGES MUST NOW BE ADDRESSED TO ENSURE THE SYSTEM FUNCTIONS SMOOTHLY

Market liberalisation is radically transforming the organisation of the rail system: the integrated model is over, but the new architecture has not yet stabilised. It is in this transitional phase that systemic risks are at their highest.

Three challenges, requiring a collective response, arise from this:

– **First challenge: Maintaining the coherence of a system that has become multi-stakeholder and the consistency of the passenger experience.** The natural fragmentation of the service offering must be offset by visibility on the main hubs, the continuity of a multi-operator passenger journey, and better coordination of rolling stock procurement.

– **Second challenge: Meeting growing demand for rail travel whilst preserving the conditions for sustainable competition across the whole country.** The obstacles to opening up the market for open access and PSO services are of different kinds, but have the same consequence: they limit the sector's ability to attract and retain alternative operators and to foster effective competition.

– **Third challenge: Completing the adaptation of the system to a now open environment.** Transport organising authorities, new entrants and public authorities remain dependent on certain functions inherited from the historic monopoly. The challenge now is to build the collective capacities required for an open system, in which the incumbent operator becomes one operator amongst many, even if it is set to retain a dominant position within it in the long term.

THE LONG-TERM SUCCESS OF MARKET LIBERALISATION REQUIRES A NUMBER OF FUNDAMENTAL CHANGES

ART's recommendations are based on a simple observation: the debate is no longer about whether market liberalisation can work; it is now about creating the conditions for its full success. However, competition has revealed pre-existing weaknesses in the French rail system, which must now be addressed.

This analysis is particularly evident in the case of reconciling market liberalisation with land use planning. ART's analyses show that the decline in services to medium-sized towns predates market opening and is primarily due to the level of rail tolls. On the busiest routes, tolls cover more than double the full cost of the infrastructure, creating a cross-subsidisation scheme to which new entrants effectively contribute. By making services outside major cities sustainably attractive, a targeted reduction in tolls sets in motion a virtuous circle: the viability of routes, the expansion of services by all operators, and additional revenue for the network.

A renewed public governance framework centred on the State, the transport organising authorities and the managers of essential infrastructure is now necessary to complete the adaptation of the system to the new competitive landscape. With this in mind, ART is issuing recommendations to all stakeholders in the sector, addressing the three identified challenges directly.

As an independent regulator, ART will continue to assess the full impact of these developments, including the associated costs, to highlight the risks it identifies and to ensure transparent, fair, non-discriminatory and efficient access to the rail system's essential infrastructure.

Consult (in French):

- The French railway transport market in 2024 – Comprehensive report
- **The 2026 edition of the study on the opening up of passenger rail transport services to competition**
- The four thematic reports, which provide a more in-depth analysis, covering:
  - **Land use planning;**
  - **Barriers to access to rolling stock;**
  - **Issues relating to distribution, information and passenger journeys;**
  - **Rail freight.**
- **The appendices**
- **The press pack**

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About the French Transport Regulatory Authority (ART)