

TRAVEL & LEISURE

Rail chief upbeat

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Train operator aims to set pace in Italy

Interview

Giuseppe Sciarrone
Chief executive, NTV

The privately run group is looking to win over air travellers with better service, says Robert Wright

The launch in Italy of Europe's first privately controlled high-speed rail operation will expand the market and improve the state-run service, the chief executive of the new operation predicts.

Giuseppe Sciarrone of Nuovo Trasporto Viaggiatori bases his prognosis on his experience as founder of Rail Traction Company, a private railfreight operator. RTC has increased freight traffic over the Brenner pass between Italy and Austria and improved standards.

NTV, which has financial backing from several top Italian industrialists and is chaired by Luca di Montezemelo, chairman of Ferrari and Fiat, is due to start services in summer 2011.

Its main service will link Naples and Salerno with Milan and Turin via Rome. It will also run from Rome

to Venice and Bari. The routes will be the first on Europe's dedicated 300kph lines to offer passengers an alternative to the dominant state-owned operators.

The only other operator with any private sector involvement, the Franco-British-Belgian Eurostar service, is still controlled by France's state-owned SNCF, which bought a 20 per cent stake in NTV last October.

"The success of RTC proved that liberalisation in railway transport can work," Mr Sciarrone says. "This is one of the main reasons why our investors decided to invest in high speed."

RTC's competition over the past 10 years on the Brenner route with Trenitalia, the state-owned operator, had boosted traffic growth to about 10 per cent annually from 2 per cent when Trenitalia had a monopoly, Mr Sciarrone says. Some of RTC's traffic transferred from trucks.

He expects a similar effect from NTV's competition with Trenitalia's high-speed services, known as Eurostar Italia. More passengers make the Rome-Milan journey by air than by rail, leaving significant room for air passengers to be won over.

"The starting point is different because the level of service in freight traffic on the Brenner before liberalisation was very, very low," says Mr Sciarrone, a former director of Trenitalia's passenger services. "The level of service of Eurostar is not low but it can be improved."

NTV will be the launch customer for the AGV, the successor to some versions of the TGV technology of France's Alstom. The train is capable of 360kph while Trenitalia's ETR500 can manage 300kph. The AGV should be cheaper to maintain and operate than the ETR500 but track speed limits mean that the competitors' journey times



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will be similar. Trenitalia's fares have increased on long-distance services in recent years but remain among western Europe's lowest. That will make it unattractive for NTV to compete on price.

"We compete mainly on the quality of the service and the quality of the assistance offered to passengers," Mr Sciarrone says. "Our service will be a high-quality service for all the segments of the market - rich people, business, tourists, students, families."

However, the economic environment would make circumstances more difficult than originally envisaged. "The curve of growth will be different from the curve we estimated at the beginning of our project," he says. "We are monitoring in detail this problem."

Mr Sciarrone nevertheless expects other private operators to follow NTV by offering high-speed services elsewhere in Europe. Once the difficult Italian launch is completed, NTV might also contemplate cross-border services, he says.

"Our organisation is fully concentrated on this first step," he adds. "In the future, it may be that we will operate also in international services."

