

Breda–Utrecht: a market initiative

BAM Infra and Goudappel Coffeng have investigated the social costs and benefits of a new direct rail link between Breda and Utrecht. This builds on an earlier vision document in which they concluded that this line will be one of the busiest in the Netherlands and as such will contribute to the economic position of the Netherlands, the Randstad conurbation and the province of Noord-Brabant. They believe that construction costs can be saved if the rail link is built simultaneously with reconstruction works on the parallel A27 motorway.

New rail link profitable?

In the calculations produced by BAM Infra and Goudappel Coffeng the project scores a benefit/cost ratio – depending on how the construction work is phased – of between 0.82 and 1.03. The Ministry of Transport, Public Works and Water Management (VenW) asked the Netherlands Institute for Transport Policy Analysis (KiM) to investigate the extent to which the conclusions drawn by BAM and Goudappel Coffeng are plausible.

Social benefit overestimated

According to KiM's assessment, the social benefit of the new rail link works out considerably lower than calculated by BAM and Goudappel Coffeng. Our calculations show a benefit/cost ratio for the project of between 0.2 and 0.4. This ratio differs depending on the phasing of the construction work and the range used by KiM for the expected numbers of passengers and other indicators.

Main explanatory factor: journey time benefits

Overestimation of benefits for passengers in terms of reduced journey times is the main explanation for our conclusion. This applies not only to future users of the new rail link, but also to car drivers. We do not consider it to be a plausible statement that journey time benefits for car drivers are considerably greater than the benefits for train passengers. This overestimation is caused by an incorrect calculation method for the time benefits and by an overestimation of the number of people who will relocate their social or economic activities to destinations within reach of the new rail link.

Cost/benefit analysis no substitute for decision-making process

Knowledge about the costs and benefits of a new rail link between Breda and Utrecht is one of the building blocks in the decision-making process. The final assessment will be made as part of a political process which will, of course, also take other arguments into consideration.